Creative Global Investments

Currencies and Commodities Strategy & weekly charts

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Objectivity

Integrity

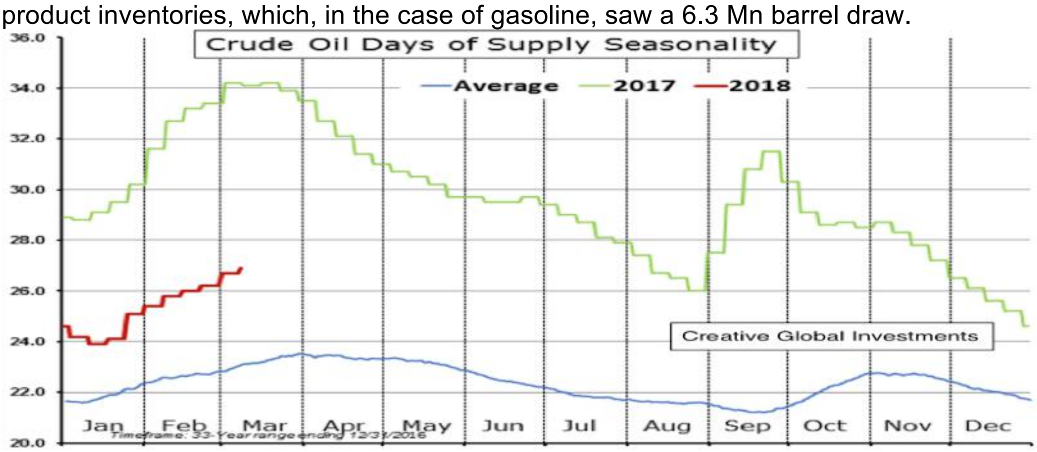
Creativity

Macro & geo-political

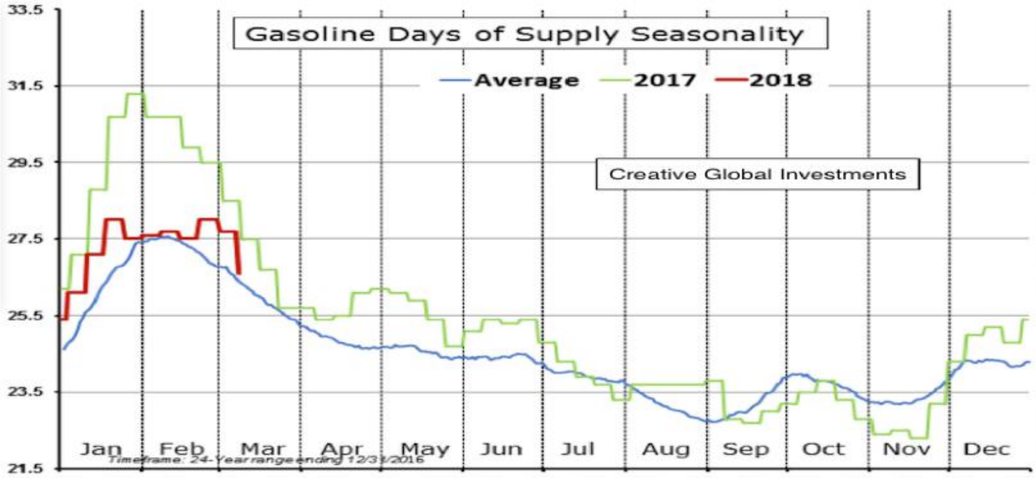
The US political circus show seems to have many rings, with plenty of action to occupy the spectators in each one. **Around lunchtime in New York, it was reported by CNBC that President Donald Trump plans to name Larry Kudlow as his top economic advisor to replace Gary Cohn**, who left the White House earlier this month amid disagreements about tariffs on steel and aluminum imports. Separately, it was reported by the New York Times that that Attorney General Jeff Sessions is reviewing a recommendation to fire the former FBI deputy director, Andrew G. McCabe, just days before he is scheduled to retire on Sunday. Rounding out a busy day, in a statement on the USTR website, Trade Representative Robert Lighthizer announced that the US has requested dispute settlement consultations with the Government of India at the WTO, challenging Indian export subsidy programs.

In economic news, US retail sales fell for a third straight month in February as households cut back on purchases of motor vehicles and other big-ticket items. The Commerce Department said retail sales fell 0.1% last month against consensus expectations of a +0.3% monthly rise. It was the first time since April 2012 that retail sales have declined for three straight months. After the numbers were published, **the Atlanta Fed yet again slashed its Q1 GDP forecast; this time from 2.5% to just 1.9%.** As recently as end-January, the model was signaling a 5.4% pace of growth in Q1. Later today we'll have two surveys of business activity: the Philly Fed and Empire Manufacturing reports as well as the NAHB house builders index

The International Energy Agency today said it increased its global demand growth outlook for 2018 by 100,000 barrels per day (bpd) to 1.5 Mn bpd. The Organization of the Petroleum Exporting Countries and Russia forecast was raised to 32.4 Mn bpd from 32.3 Mn bpd in February. Its forecasts for non-OPEC supply was unchanged at 1.8 Mn bpd. The EIA noted that changes in trade policy could have a negative impact on oil production, with a slowdown most likely hitting maritime and trucking fuels. After the report, **US West Texas Intermediate (WTI) crude futures were trading at $60.95 a barrel compared to $61.08 prior.** Global oil supply in February fell slightly to 97.9 Mn bpd but was higher compared to the year before. An increase in non-OPEC output pushed the oil supply up by 0.7 Mn bpd compared to 2017. Meanwhile OPEC crude oil production decreased to 32.1 Mn bpd in February. This was more than offset by the drawdown in product inventories, which, in the case of gasoline, saw a 6.3 Mn barrel draw.



The result was enough to quickly deflate the days of supply of gasoline by over a full day to 26.6, just slightly above the seasonal norm for this time of year of 26.4. Strong demand, as gauged by the change in the level of product supplied, elevated the level of production, which are both trending well above average for the year. This strong demand continues to be conducive to keeping the stockpiles of oil under control, even as domestic production of the raw input climbs to another record high. Seasonally, oil inventories typically reach a peak for the year in May, but should the strong demand trends for the resulting products continue, an earlier than average peak may be on the horizon, even at the current pace of production.



Currencies Commentary

Pair	Last	Open	High	Low	Chg.	Chg. %	Time
EUR/USD	1.2343	1.2367	1.2384	1.2335	-0.0024	-0.19%	13:16:12
GBP/USD	1.3949	1.3962	1.3996	1.3922	-0.0013	-0.09%	13:16:14
USD/JPY	106.06	106.31	106.36	105.79	-0.25	-0.24%	13:16:10
USD/CHF	0.9470	0.9450	0.9477	0.9434	+0.0020	+0.21%	13:16:12
AUD/USD	0.7844	0.7877	0.7885	0.7837	-0.0033	-0.42%	13:16:14
EUR/GBP	0.8849	0.8858	0.8874	0.8842	-0.0009	-0.10%	13:16:14
USD/CAD	1.2984	1.2956	1.2995	1.2946	+0.0028	+0.22%	13:16:14
NZD/USD	0.7298	0.7331	0.7335	0.7289	-0.0033	-0.45%	13:16:12
EUR/JPY	130.90	131.47	131.55	130.72	-0.57	-0.43%	13:16:12
GBP/JPY	147.94	148.42	148.51	147.45	-0.48	-0.32%	13:16:14

The USD pushed higher against a currency basket today, boosted by data showing that US import prices rose more than forecast in February, fueling expectations for a pickup in inflation this year. The USD was up 0.17% at 89.91 by 09:02 AM ET. Yesterday, the USD ended little changed as a generally weaker EUR offset a stronger CAD on the USD index. Having opened in Asia around 89.25, it fell to a low of 89.05 before rallying up to a high just above 89.40 then closing around the mid-point of its daily trading range. Overnight in Asia the USD has been essentially unchanged with its index against a basket of major currencies stuck at 89.25.

For now, from a top down perspective, we think that the USD is trending lower, as the yield on the 10-year remains the best barometer of true market conditions of the US economy, and while low yields may be a boon to US equities irrespective of profit growth, they are not going to be supportive for the USD, as forex investors had anticipated much stronger US GDP performance than we have seen so far.

USD/JPY remains under pressure and although there is little additional economic data on the calendar this week, the pair could move lower and retest the recent swing lows near 105.00 if US yields continue to slide.

The EUR came remained under steady pressure since yesterday, when it fell to a low in the European afternoon of 1.2350 and taking bottom spot on our one-day currency performance table. It has traded pretty much sideways in a very tight range in Asia overnight, with little enthusiasm from investors to push it one way or another.

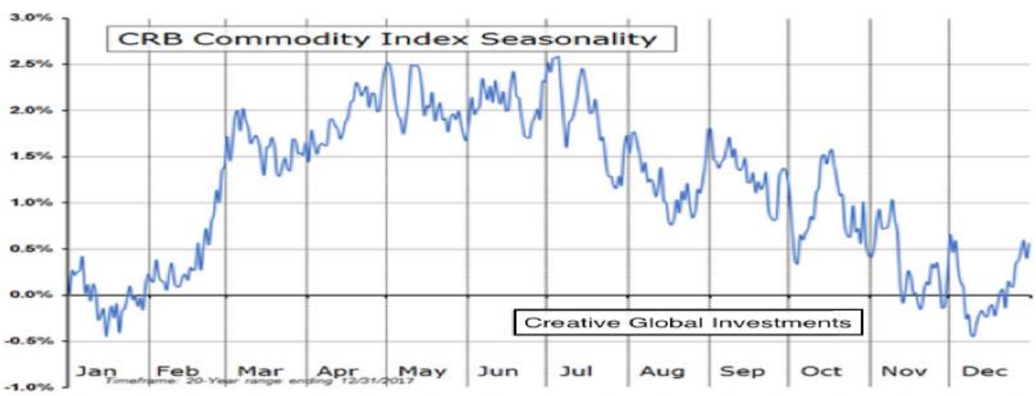
Speaking to the annual "ECB Watchers" conference in Frankfurt, President Mario Draghi said the European Central Bank will avoid surprising investors with sudden changes to its stimulus plans, stressing that inflation is still too low and US trade policies and a stronger euro are concerns. "Adjustments to our policy will remain predictable, and they will proceed at a measured pace… We still need to see further evidence that inflation dynamics are moving in the right direction. So monetary policy will remain patient, persistent and prudent." Speaking about US trade tariffs, he said that while the initial impact is likely to be small, "there are potential second-round effects that could have much more serious consequences. These include the risk of retaliation across other goods and an escalation of trade tensions, and the potential for negative confidence effects which would weigh on business investment in particular."

Commodities Commentary

Commodity	15 Minutes	Hourly	Daily	1 Week	1 Month	YTD	3 Years
Gold	-0.02%	-0.02%	-0.48%	-0.18%	-2.72%	0.76%	14.39%
Silver	0.06%	0.06%	-0.47%	0.15%	-0.84%	-3.52%	5.51%
Copper	0.19%	0.19%	-0.73%	2.19%	-3.64%	-4.73%	16.69%
Platinum	0.12%	0.12%	-0.58%	0.39%	-5.11%	2.43%	-13.61%
Brent Oil	0.06%	0.06%	0.52%	2.55%	0.60%	-2.45%	22.06%
Crude Oil WTI	0.05%	0.05%	0.71%	2.11%	-0.47%	1.61%	39.90%
Natural Gas	-0.29%	-0.29%	-0.26%	-0.87%	6.80%	-7.48%	0.59%
Heating Oil	0.02%	0.02%	0.24%	1.75%	-0.98%	-8.86%	11.36%
US Coffee C	-0.16%	-0.16%	-1.11%	0.66%	1.55%	-5.09%	-11.21%
US Corn	0.00%	0.00%	0.58%	1.30%	6.33%	11.40%	3.10%
US Wheat	0.05%	0.05%	0.05%	-1.90%	6.93%	14.56%	-4.93%
London Sugar	-	-	0.06%	-0.78%	-0.81%	-10.34%	-3.86%
US Cotton #2	-0.08%	-0.12%	-0.65%	-2.53%	9.49%	5.52%	36.88%

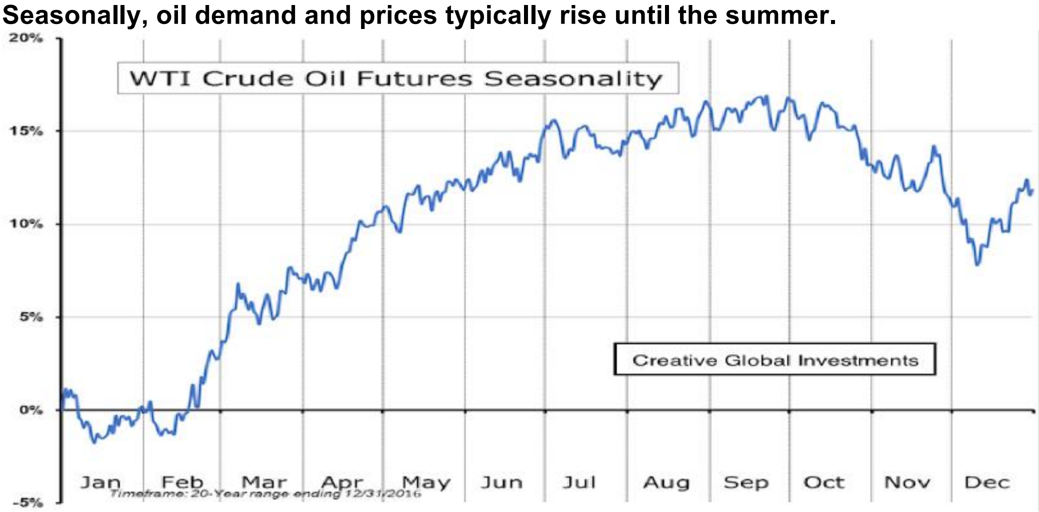
The CRB Index gained 0.05 points (0.02%) last week. Intermediate trend is Neutral. Strength relative to the S&P 500 Index is Positive. $CRB is stuck between the moving averages. The $CRB closed below its 20-day MVA. Short-term momentum indicators are Neutral.

Seasonally, the CRB remains in a period of seasonal strength until June.



As for price of oil, which closed little changed yesterday, we see WTI continuing to battle with a short-term pennant pattern, which is typically a continuation setup.

Seasonally, oil demand and prices typically rise until the summer.



USD weekly charts

Intermediate trend is Neutral. $USD is back on the support.

Short-term momentum indicators are rolling over.

US Dollar Index trades at 89.64

Intermediate trend is Positive. $EURUSD was stopped by the temporary resistance. $EUR USD remains above the 50-day MVA.

Short-term momentum indicators are Neutral.

EUR USD trades at 1.237

USD CHF trades at 0.945

Intermediate trend is Neutral. $USDCHF is forming a rising wedge indicating a potential bearish continuation.

Short-term momentum indicators are Positive.

USD GBP trades at 0.716

Intermediate trend is Negative. $USDGBP has formed an ascending triangle with a bearish bias.

Short-term momentum indicators are Neutral.

USD JPY trades at 106.30

Intermediate trend is Negative. $USDJPY is looking to retest the 105.5 support.
$USD JP remains below the 50-day MVA.

Short-term momentum indicators are Mixed.

AUD USD trades at 0.788

Intermediate trend is Neutral. $AUD USD is below the 50-day MVA.

Short-term momentum indicators are Positive.

Intermediate trend is Positive. $NZD USD is rebounded from the 50-day MVA and looks to retest the resistance. Price remains above the 50-day MVA.

Short-term momentum indicators are Positive.

NZD USD trades at 0.735

Intermediate trend is Positive. $USDCAD closed above the 50-day MVA. $USD CAD is above the important resistance.

Short-term momentum indicators are rolling over.

USD CAD trades at 1.296

USD MXN trades at 18.59

Intermediate trend is Neutral. $USDMXN remains within an established range.

Short-term momentum indicators are rolling over.

EUR weekly charts

EUR GBP trades at 0.885

Intermediate trend is Negative. $EUR GBP is retracing back towards the lower trendline.

Short-term momentum indicators are rolling over.

EUR JPY trades at 131.45

Intermediate trend is Negative. $EUR JPY remains below the 200-day MVA.

Short-term momentum indicators are Positive.

EURCHF trades at 1.168

Intermediate trend is Neutral. $EUR CHF broke above the 50-day MVA and is creating a flag.

Short-term momentum indicators are Mixed.

JPY weekly charts

Intermediate trend is Neutral. $AUD JPY rebounded from the important support and closed above the important trendline.

Short-term momentum indicators are Positive.

AUD JPY trades at 83.76

Intermediate trend is Neutral. $XJV broke the yearly trendline but remains above the 20-day MVA.

Short-term momentum indicators are Negative.

JPY trades at 94.08

EM currencies weekly charts

USD BRL trades at 3.25

Intermediate trend is Neutral. $USDBRL remains in a range just above the 50-day MVA.

Short-term momentum indicators are Neutral.

USD ZAR trades at 11.72

Intermediate trend is Negative. $USDZAR remains steadily trending down.

Short-term momentum indicators are Neutral.

Commodity markets weekly charts

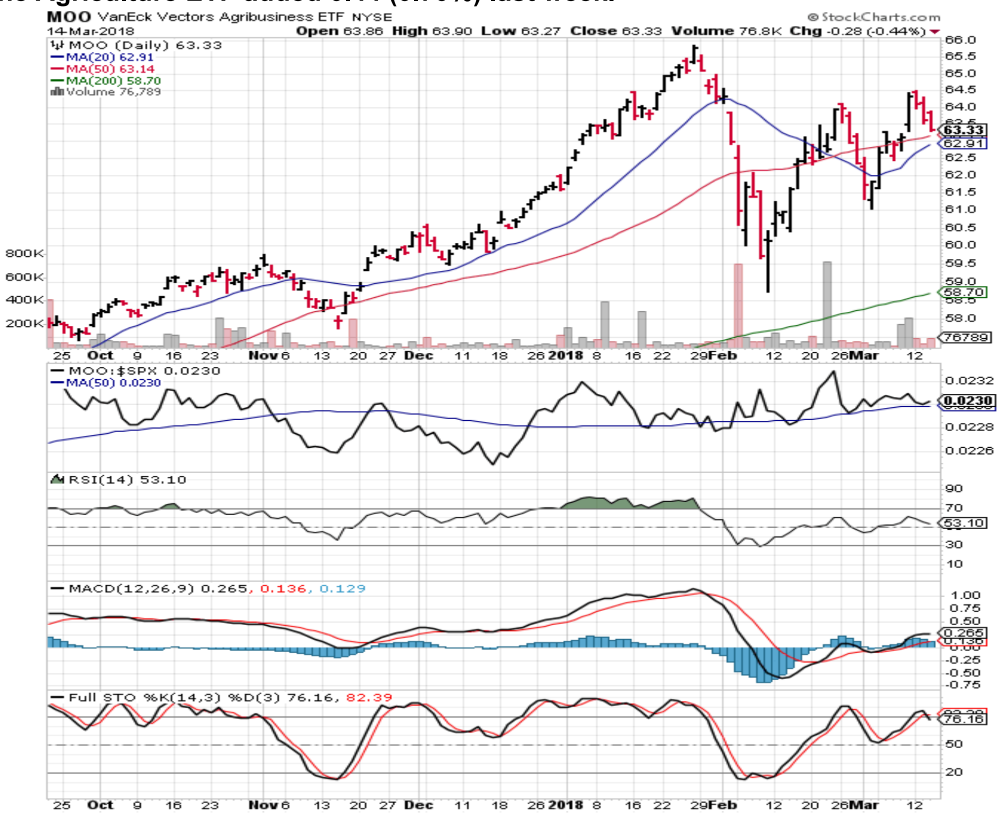
Copper lost $0.02 (0.72%) per lb. last week.

Intermediate trend is Neutral. Strength relative to the S&P 500 Index is Positive. Copper remains inside a Coil but is closing on the apex.

Copper closed below the 20-day MVA.

Short-term momentum indicators are rolling over.

The Agriculture ETF added 0.44 (0.70%) last week.



Intermediate trend remains Positive. Strength relative to the S&P 500 Index is Positive. MOO remains in the uptrend.

Units closed above the 20-day MVA.

Short-term momentum indicators are Positive.

The Grain ETN lost 0.49 (1.79%) last week.

Intermediate trend is Positive
Units remain above the lower trendline /20-day MVA.

Price remained above the 20-day MA. Short-term momentum indicators are rolling over.

Lumber gained $5.80 (1.21%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index is Negative. Lumber rebounded from the lower trendline.

Lumber is below the 20-day MVA. Short-term momentum indicators are Negative.

Gold & precious metals markets weekly charts

Gold lost $2.00 (0.15%) per ounce last week.

Intermediate trend is Neutral. Gold is likely to retest the support at 1310.

Gold remains below the 20-day MVA. Short-term momentum indicators are Neutral.

Silver added $0.04 (0.26%) per ounce last week.

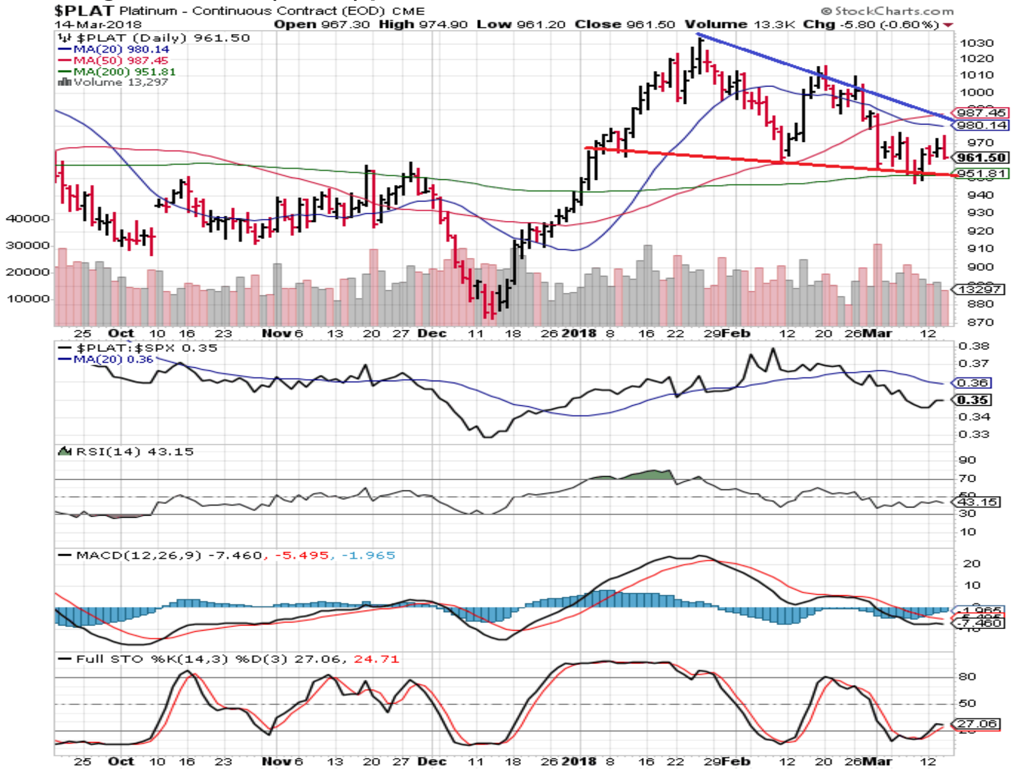
Intermediate trend is Neutral. Silver is pressuring the lower trendline.

Silver remains below its 20-day MVA. Short-term momentum indicators are Neutral.

Platinum gained $8.30 (0.87%) per ounce last week.

Intermediate trend is Negative. Strength relative to the S&P 500 Index is Negative. $PLAT looks to retest the 200-day MVA.

$PLAT trades below its 20-day MVA. Momentum indicators are Mixed.

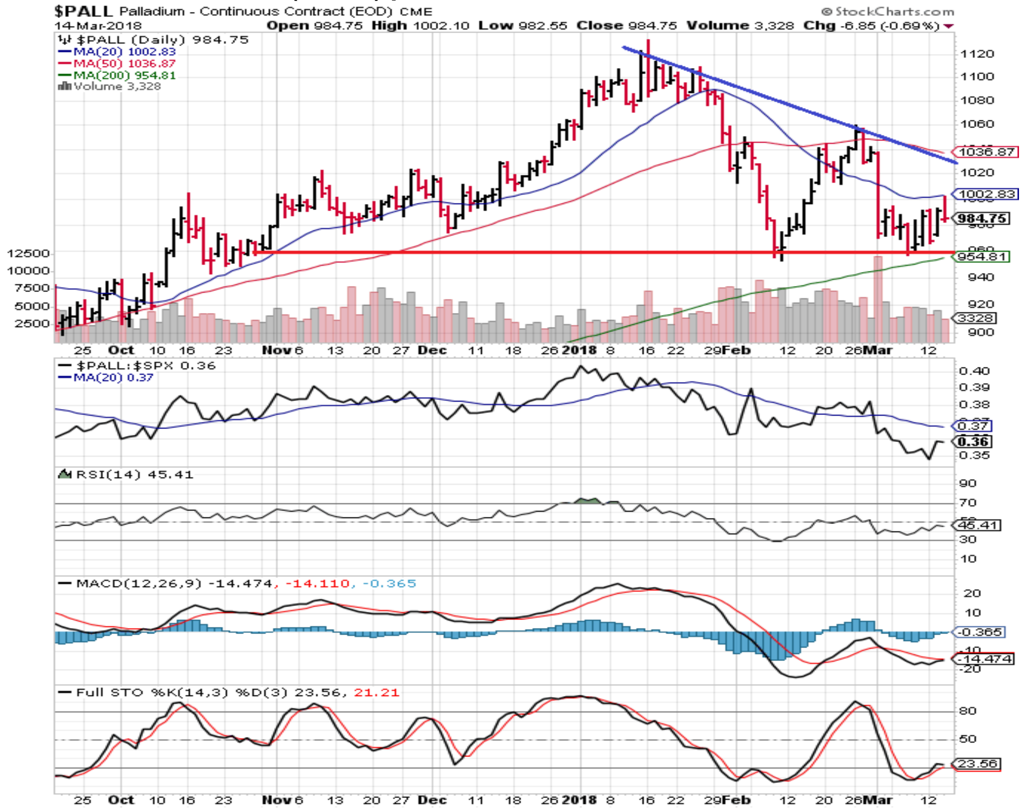


Palladium added $25.70 (2.68%) per ounce last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index is Negative. $PALL is ranging above the support.

$PALL remains below its 20-day MVA.

Short-term momentum indicators are Neutral.

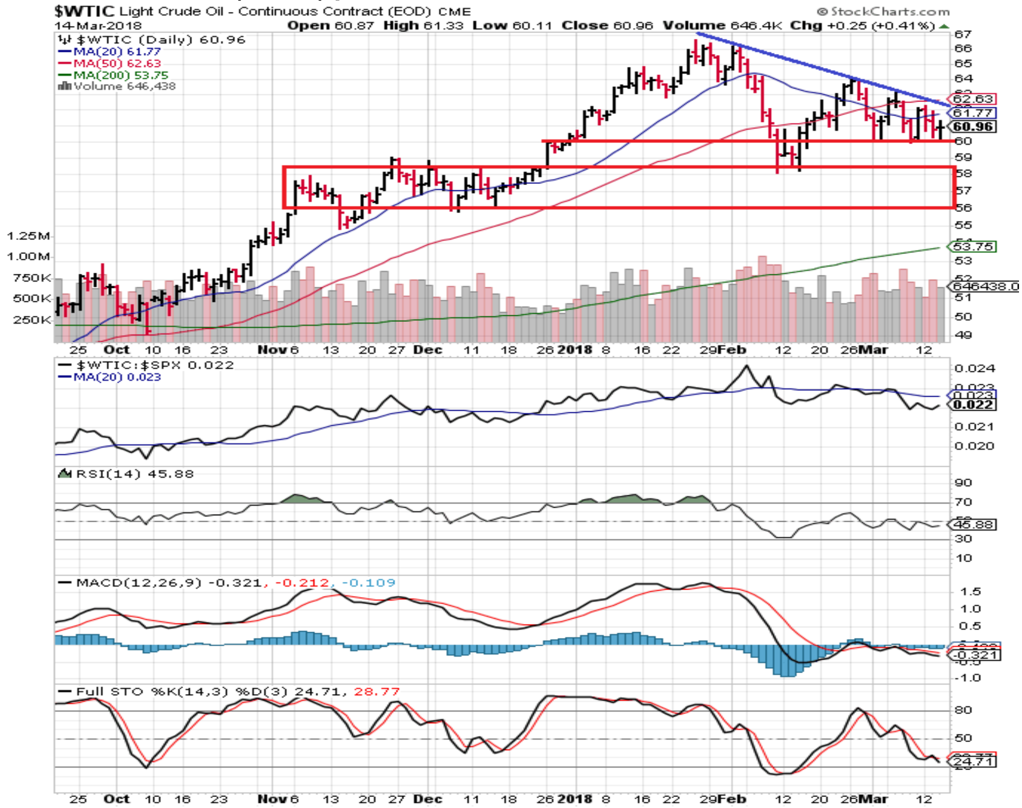


Oil, gas & energy markets weekly charts

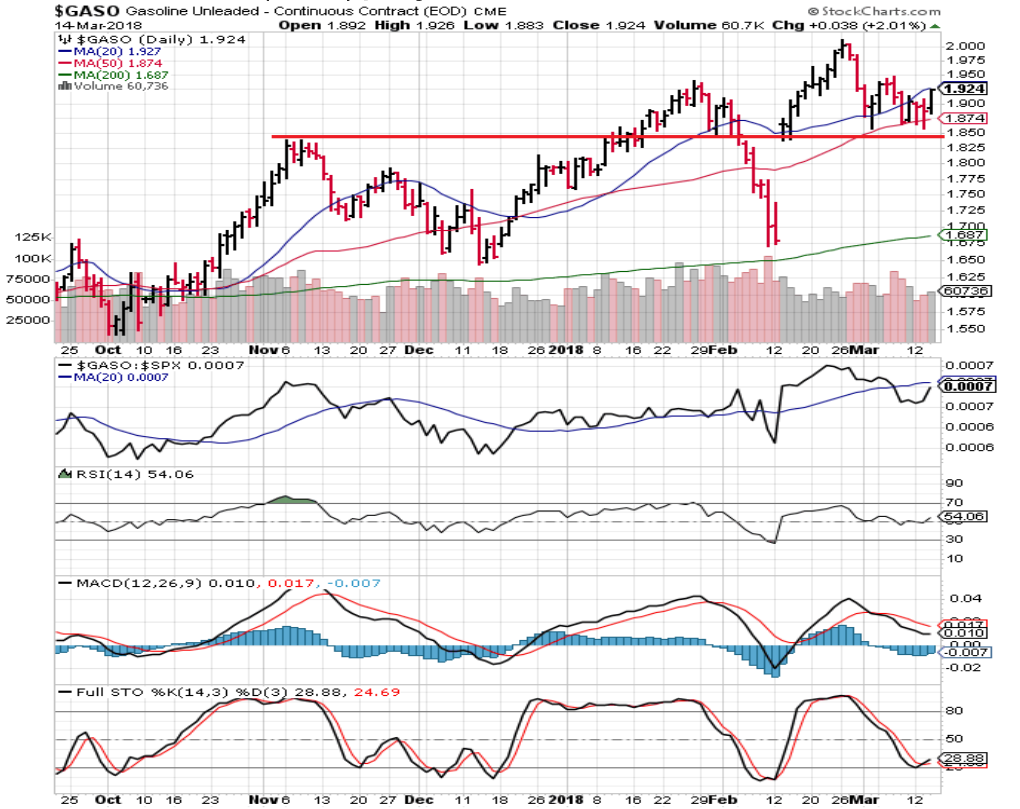
Intermediate trend is Negative. Strength relative to the S&P 500 Index is Negative. $WTIC retraced below the 50-day MVA.

Short-term momentum indicators are Negative.

Crude oil lost $0.19 (0.31%) per barrel last week.



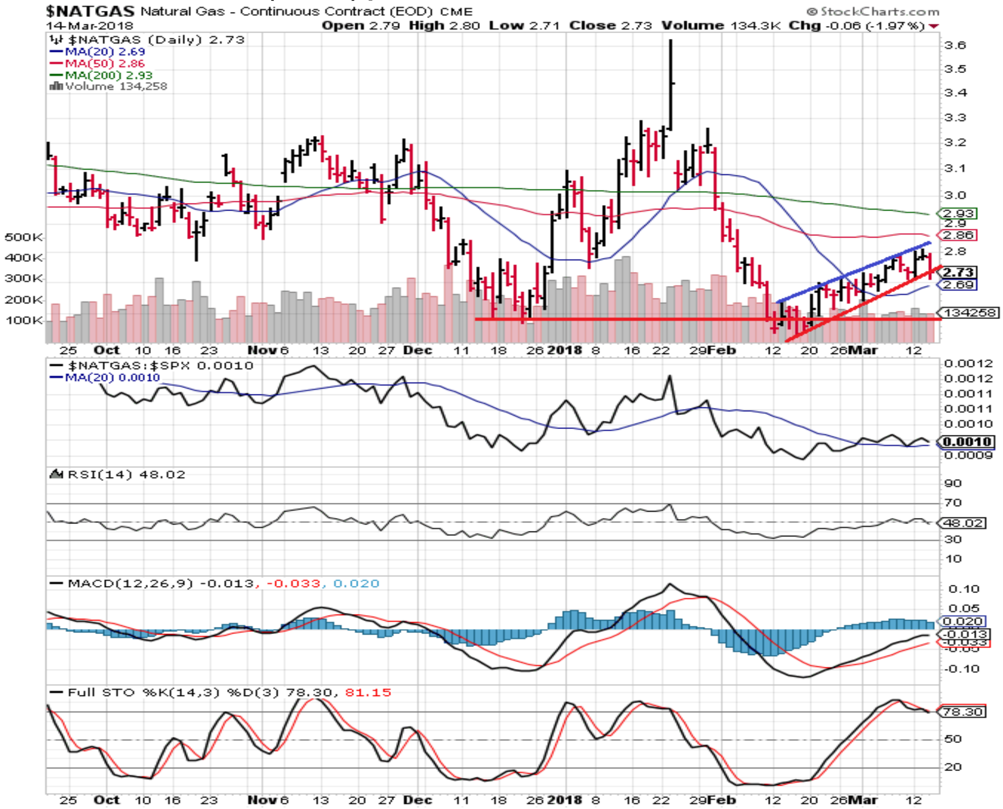
Gasoline added $0.01 (0.73%) per gallon last week.



Natural Gas lost $0.05 (1.66%) per MBtu last week.

Intermediate trend is Negative. Strength relative to the S&P 500 Index is Positive. $NATGAS formed a rising wedge.

Short-term momentum indicators are Mixed.



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