



Creative Global Investments

Morning market commentary & weekly charts

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Objectivity

Integrity

Creativity

The MSCI All-Country World Index posted a +5.40% gain. The S&P jumped +5.10% on the month. Several indices such as Germany, India, the UK, and the US were pushed into record territories, and with every move higher the fear of a 'market top' grows. The US\$ touched a new multi-year high as investors lean towards a more hawkish tone from the Fed. With the markets giving back some of those gains to start March, some of our investors are asking: Is this a sign that the market is at (or near) a peak?

Those are all fair questions, and it's normal investor behavior to fear an 'all-time high' more than to celebrate it. What's more, March 9th marked the six-year anniversary of this bull market, making it the 5th biggest and 4th longest bull market in history. In just a few months, it will pass the 1974 – 1980 bull market to become the 3rd longest. How much fight can this bull really have left?

What Happens in the Market One Year Does Not Influence the Next Year

If there's one thing we want you to remember from this post, it is this: individual stocks and the market indices are not serially correlated, which means what happens one day to a stock price or an index level does not have any bearing on what happens the next day. If a stock goes up one day, it statistically has a 50% chance of going up or down the next. If there were always certainty about future direction, investors would never lose money. And we know that's not true.

The reality is, for all the 'new record highs' talk you'll hear these days from commentators, it's been about two years since the market eclipsed the 2007 peak level reached in October of that year. For two years, the market has been puncturing resistance and finding new all-time highs, over and over again. And we don't see any reason why that can't keep happening for the balance of the year.

Globally, fundamentals for equities still point to much more upside

- **Economics** – Our estimates have global GDP growth coming in at 2.9% for 2015, which is better than the estimated 2.5% in 2014. We estimate the US will sustain a run of moderately 2.2% for 2015. The global economy is strengthening, not weakening.
- **Interest Rates** – Overnight rates in most developed countries are near historic lows, meaning that borrowing costs and financing costs are highly attractive for businesses that can obtain loans. We see Central banks (including the FED) keeping rates low for the balance of the year. The issue, that still needs working on, is getting banks comfortable enough to up the ante on loan issuance.
- **Inflation** – we are forecasting US core and headline inflation of 1.1% and 0.9%, respectively, for 2015. Europe, and China, are also expecting inflation in the 0.8% - 1.6% range. When coupled with improving GDP growth particularly for 2H 2015, the global economy remains in a "Goldilocks scenario"
- **Sentiment** – We think sentiment will continue to improve as the US consumer benefits from lower energy prices and improving employment, which could support higher spending and lower risk aversion. The same should apply even more for to Europe as the economic picture gradually improves.

US equities reaching new highs does create a need for caution, and as valuations rise to "above average" levels it does make sense to constantly reconsider how much more

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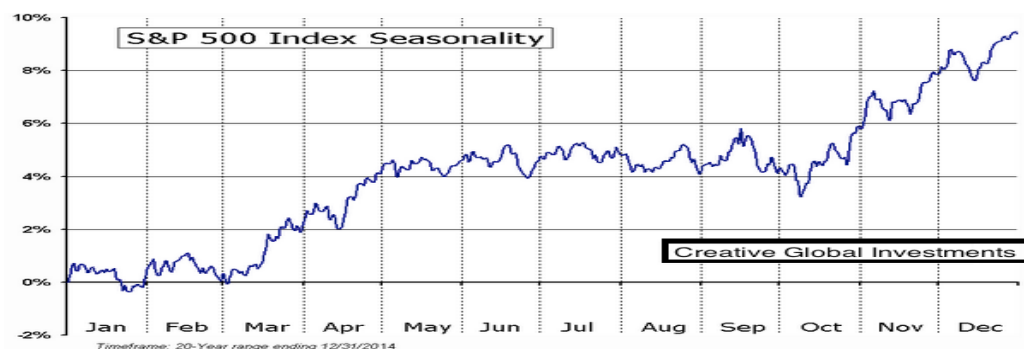
upside equities could really have. But neither of those two things alone – record highs or high valuations – should inspire investors to go defensive or keep cash out of the markets. The nature of bull markets is to reach new highs and then create new ones after that. That's what happened in every other bull market to date, and that's where we think we are now. So don't be afraid of heights just yet. Still, the bear is getting old and if you'd like guidance on how to prepare.

For European equities, the dragged-out fears of a "Grexit" from the Euro were dropped from media narratives (as we predicted), oil prices bounced off lows. Central banks stepped in to give investors even more reason to line up for equities. In the past month, over 20 central banks have cut interest rates or eased monetary policy, with the most notable change coming from Europe's implementation of QE programs. Consequently, over US\$ 36BN of inflows, mostly out of the US have impacted European equities performance over the past 8 weeks.

In the US, stocks however drifted lower on Friday as investors jockey for position ahead of this week's FOMC meeting. FOMC meetings where a quarterly press conference has followed are thought to be the most probable time for the Fed to announce its first rate increase; the next opportunity won't be until June 17, therefore it is no wonder that investors have been reacting in the equity, currency, and treasury markets much more significantly than past meetings.

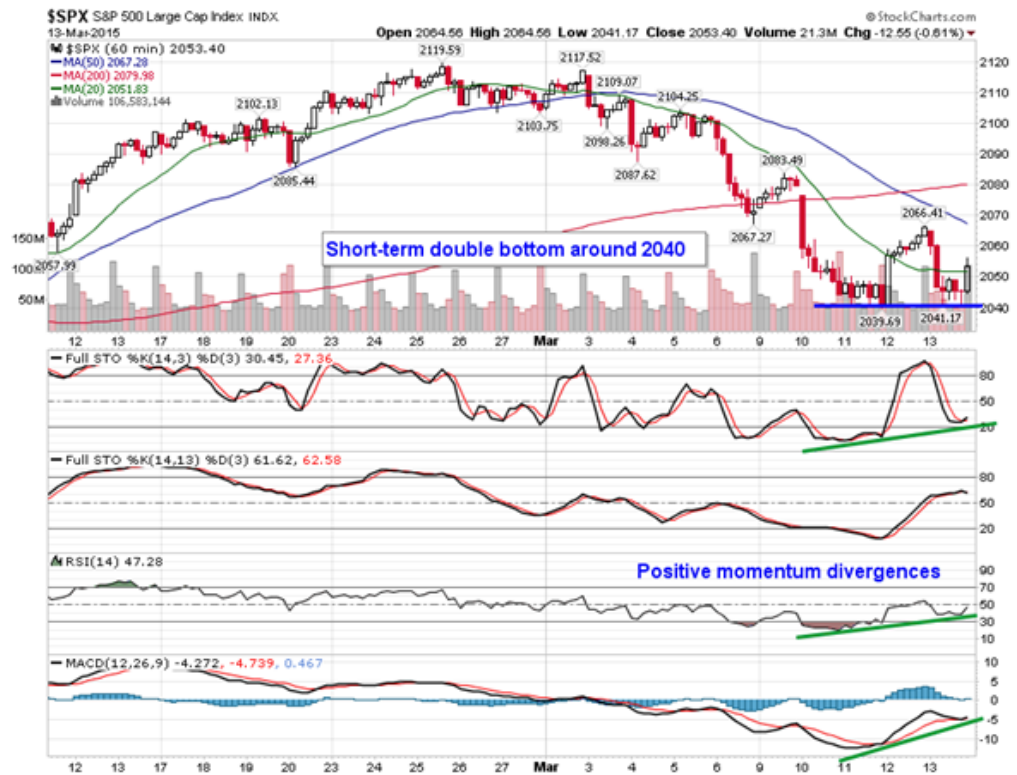
In addition to the important FOMC meeting, which has a high likelihood of being a market mover, the week ahead is also quadruple witching, which sees the expiration of option and futures contracts for stocks and indices. The event tends to act as a turning point for the market direction as old positions are closed out and new positions initiated.

For the March expiration, the tendency is typically positive, leading to gains through the month of April. With two significant events ahead of us, this week is bound to be an important one in determining the market direction over the intermediate-term.



The S&P 500 Index bounced from the lows of the week around 2040, indicating a short-term double bottom. Positive momentum divergences on the hourly chart suggest waning selling pressures following the week of losses for equity indices.

A break above 2066.41 would suggest a new short-term positive trend, potentially bringing an end to the weakness that has plagued the month of March.



Aside from some of the lackluster economic data as of recent, arguably as a result of the colder and snowier than average winter weather in the US north-east over the past couple of months, the reason the Fed might abstain from any rate increase is the stubbornly low rate of inflation, an aspect of the economy that has become even worse with plunging commodity prices over the past many months.

On Friday, a report on Producer Prices for the month of February significantly missed expectations. The headline print showed the index declined by 0.5% on the month, missing forecasts calling for an increase of 0.3%. Stripping out the more volatile components of food and energy, the index still recorded the same 0.5% decline, pushing the year-over-year increase down to 1.0%, from 1.5% previous.

Declining inflation provides little incentive for the Fed to potentially temper the rise in prices even further through an increase in rates. Looking at the 5-Year Breakeven Inflation, a statistic that Fed officials often cite as a gauge of inflation expectations, the rate presently sits at 1.41%, well below the Fed's target inflation rate of 2%. The rate has fallen significantly since last summer, declining from around 2% to a low of around 1% by the middle of January. At present, the positive trend stemming from the mid-January low is showing signs of turning lower once again; the longer-term trend is implied to be negative given the consecutive significant lower-highs and lower-lows on a yearly basis.



Seasonally, inflation, (according to 5-year breakeven inflation rate), tends to rise through the first couple of months of the year before peaking in the month of March.



One key subject to us over the past several months, which we believe the FED has to increasingly take into account for monetary policy direction, is how world energy producers have been reacting to the parabolic rise of the US\$ and implicit decline of Oil prices.

We just want to point out that the closures of Oilrigs have been monumental since fall of 2014. Baker Hughes on Friday reported that the number of active rigs in the US drilling for oil and natural gas as of March 13 fell 67 rigs to 1,125. The rig count is down 684 from the same time in 2014. The number of oilrigs fell 56 to 866. **As per prior writings, it is unclear at this point if the price of Oil, and particularly for WTI had indeed formed a bottom, when it hit US\$ 44 a few months back, however, the production tactics that the SAUDI's have initiated within OPEC, seemingly are having a substantial impact on the US and North American "Energy revolution" and particularly the "shale gas" and "fracking" production outlook.**

Rig Count Overview & Summary Count

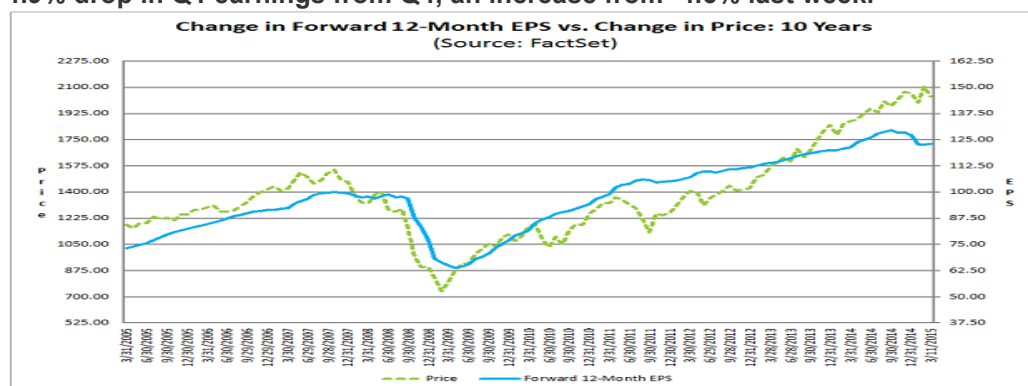
Area	Last Count	Count	Change from Prior Count	Date of Prior Count	Change from Last Year	Date of Last Year's Count
U.S.	13 March 2015	1125	-67	6 March 2015	-684	13 March 2014
Canada	13 March 2015	220	-80	6 March 2015	-302	13 March 2014
International	February 2015	1275	+17	January 2015	-66	February 2014



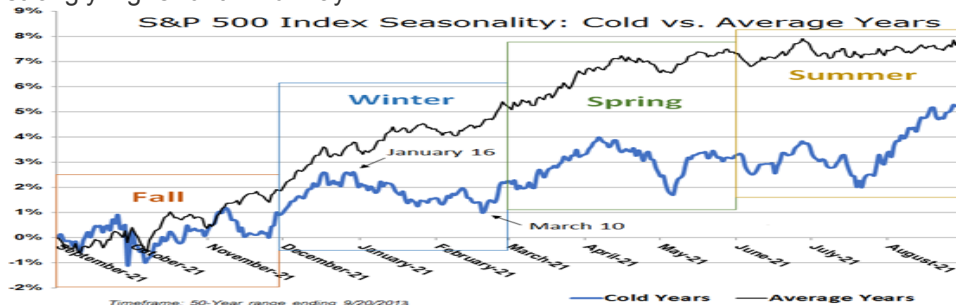
Weekly Investment Conclusion

International events will influence financial markets including the election in Israel and evolution of events in Greece. Economic news globally this week is expected to show a mild improvement relative to comparable reports released at the same time in February. US economic focus this week is on the FOMC meeting and news conference on Wednesday. US equity markets during the past two years have entered into a period of greater volatility and short term weakness in the two week period prior to each FOMC meeting that is followed by a news conference. We believe the Fed has to take a cautious stance toward raising the Fed Fund rate because weather conditions have slowed the economy at a time when strength in the US\$ Index and declining PPI and CPI are dampening consumer sentiment. US equity markets are anticipating bad news from the report (i.e. anticipation of increase in the Fed Fund rate in June or September). A lack of bad news could trigger a swift recovery. **Earnings reports this week are infrequent.** Focus is on Oracle, General Mills and Nike.

Q1 this year is different. Historically, equity markets have moved higher prior to release of Q1 reports that frequently are released at annual meetings. CEOs love to give good news to shareholders at annual meetings. **Not surprising to us, warnings about Q1 and Q2 results are on the rise, particularly from companies with revenues and earnings that are highly sensitive to the US\$.** When Q4 reports were released, 98 companies released Q1 guidance. 16 companies announced positive guidance and 82 companies announced negative guidance (mainly related to strength in the US\$). **According to FactSet's latest report, consensus estimates call for a -4.9% drop in Q1 earnings from Q4, an increase from -4.6% last week.**



Short-term technical indicators for most equity markets and sectors are trending down, but are oversold. Many are showing early signs of bottoming. Medium term technical indicators have changed from overbought to neutral. Seasonal influences historically have been positive for economic sensitive sectors from early March to at least mid-April and possibly to mid-July (typical of US President pre-election years). **Weather has an influence.** During colder than average years (as experienced in the first quarter this year), US equity market have a history of a brief correction in February due to slower than average economic activity followed by a strong rebound as soon as weather conditions in March turns more favorable. On average, the S&P 500 Index has bottomed on March 10th during colder than average years. Interesting coincidence this year? After March 10th, equity markets have moved strongly higher until mid-May.



US equity markets commentary & weekly charts

The VIX Index gained 0.80 (5.26%) last week.

Intermediate trend remains down. The Index remains above its 20-day moving average.

Short-term momentum indicators are trending up.



The S&P 500 Index lost 17.86 points (0.86%) last week.

Intermediate trend remains up. The Index remains below its 20-day moving average.

Short-term momentum indicators are trending down, but showing early signs of bottoming.



Percent of S&P 500 stocks trading above their 50 day moving average dropped last week to 51.20% from 57.80%.

The index is intermediate overbought and trending down.



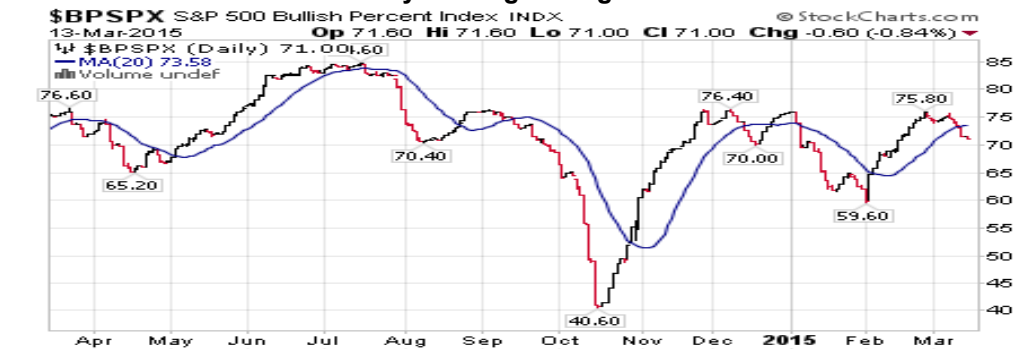
Percent of S&P 500 stocks trading above their 200-day moving average slipped last week to 66.00% from 69.00%.

The index remains intermediate overbought and trending down.



Bullish Percent Index for S&P 500 stocks slipped last week to 71.00% from 74.80% and fell below its 20-day moving average.

The Index remains intermediate overbought and trending down.

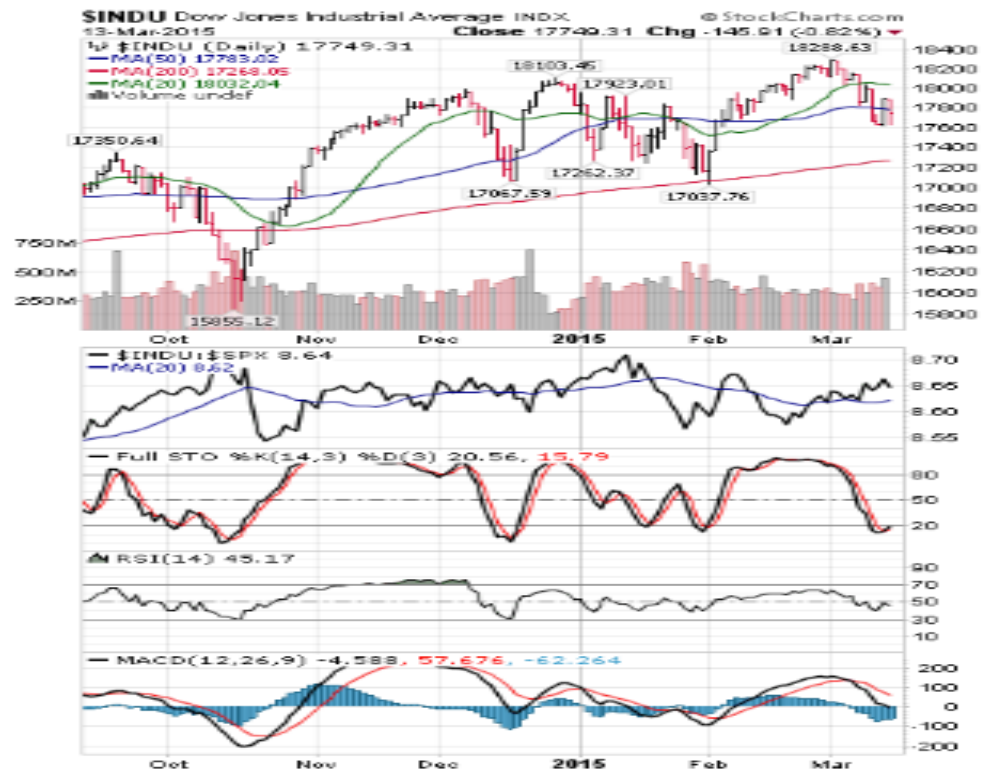


The Dow Jones Industrial Average fell 107.47 points (0.60%) last week.

Intermediate trend remains up. The Average remains below its 20-day moving average.

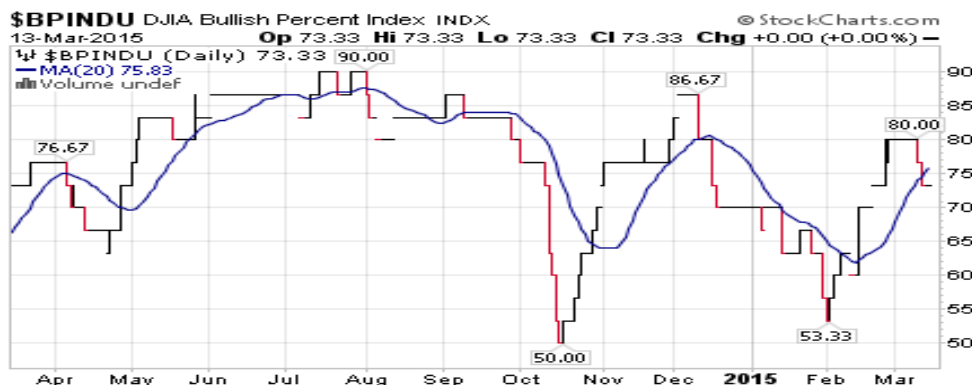
Strength relative to the S&P 500 Index changed to positive from neutral.

Short-term momentum indicators are trending down, but are showing early signs of bottoming.



Bullish Percent Index for Dow Jones Industrial Average stocks dropped to 73.33% from 80.00% and dropped below its 20-day moving average.

The Index has rolled over from an intermediate overbought level.

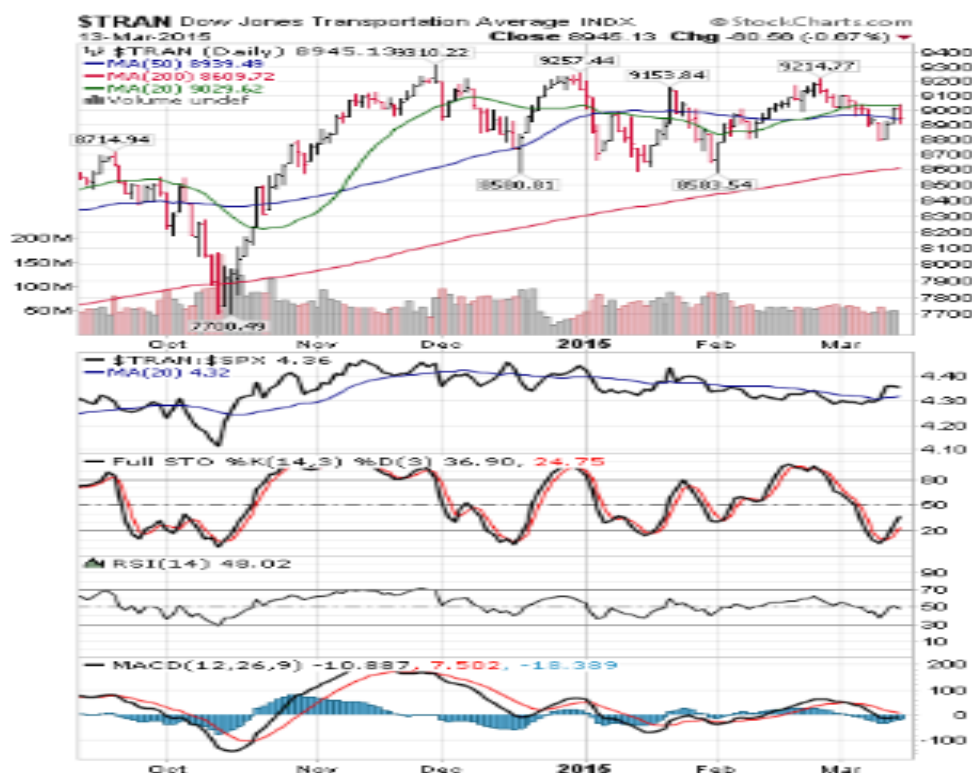


The Dow Jones Transportation Average added 37.72 points (0.42%) last week.

Intermediate trend remains neutral. The Average remains below its 20-day moving average.

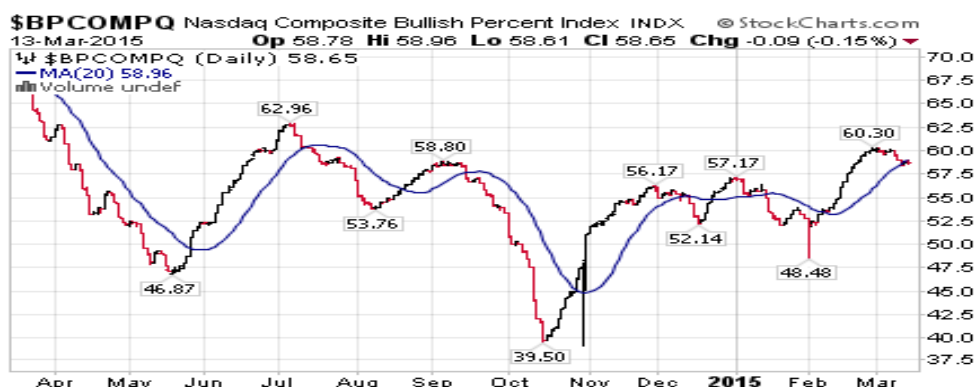
Strength relative to the S&P 500 Index changed to positive from negative.

Short-term momentum indicators have turned up.



Bullish Percent Index for NASDAQ Composite stocks eased last week to 58.65% from 59.96% and dropped below its 20-day moving average.

The Index has rolled over from an intermediate overbought level.



The NASDAQ Composite Index dropped 55.61 points (1.13%) last week.

Intermediate trend remains up. The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending down.

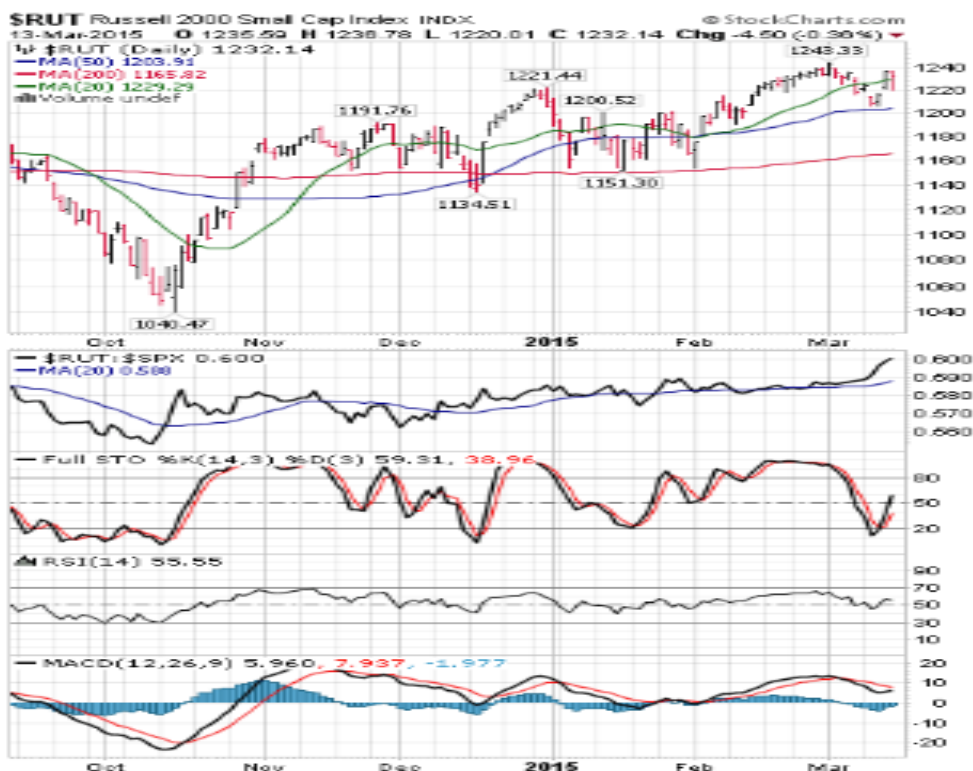


The Russell 2000 Index added 14.62 points (1.20%) last week.

Intermediate trend remains up. The Index moved above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.



The S&P Energy Index fell another 15.79 points (2.82%) last week.

Intermediate trend remains up. The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down and are oversold.



The Philadelphia Oil Services Index lost 13.05 points (6.69%) last week.

Intermediate trend remains down. The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index changed to negative from neutral.

Short-term momentum indicators are trending down and are oversold.



The AMEX Gold Bug Index plunged 5.95 points (3.57%) last week.

Intermediate trend remains down. The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down, but show signs of bottoming.



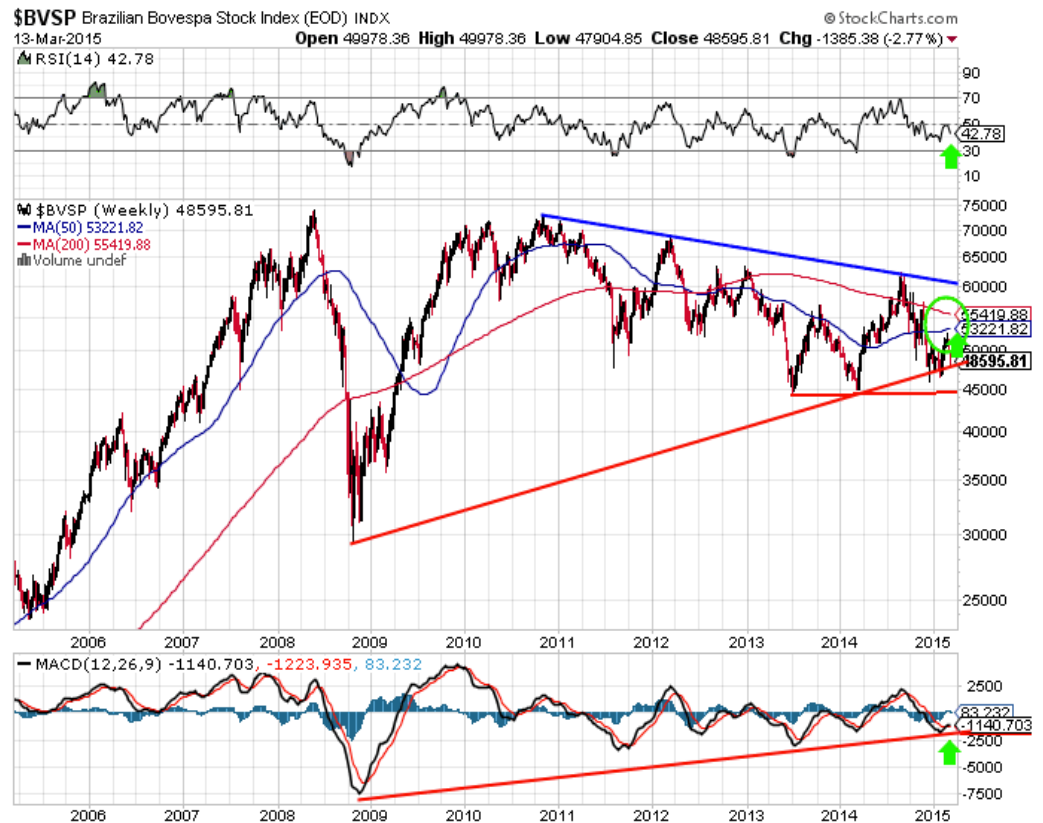
Latam Equity markets commentary & weekly charts

The BOVESPA lost 1,151 points last week.

Intermediate trend remains mixed. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains neutral.

Short-term momentum indicators are mixed

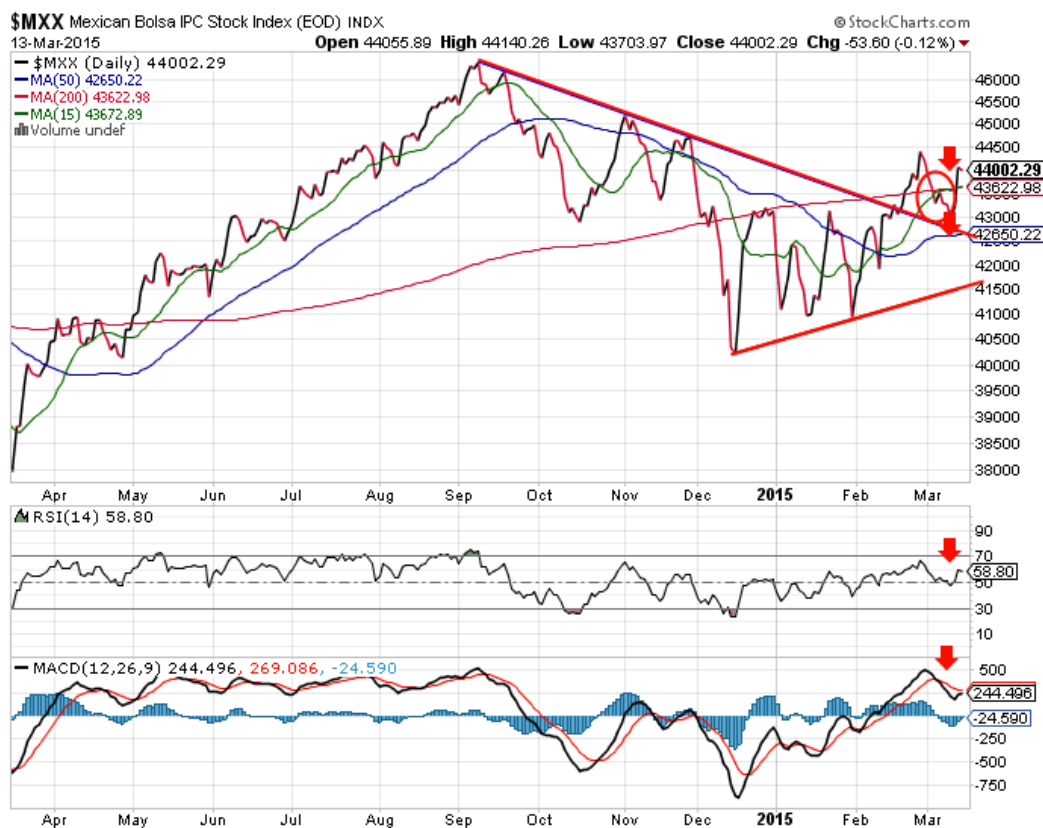


The Mexican Bolsa lost 714 points last week.

Intermediate trend remains down. The Average remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains neutral.

Short-term momentum indicators are trending up.



Canadian equity markets commentary & weekly charts

Bullish Percent Index for TSX Composite stocks dropped last week to 56.57% from 59.76% and dropped below its 20-day moving average.

The Index is intermediate overbought and trending down.



The TSX Composite Index lost 221.00 points (1.48%) last week.

Intermediate trend remains down. The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down, but showing early signs of bottoming.



Percent of TSX Composite stocks trading above their 50-day moving average dropped last week to 33.20% from 45.20%.

The index is trending down and may be showing signs of bottoming.



Percent of TSX Composite stocks trading above their 200 day moving average slipped last week to 40.40% from 43.20%.

The index is trending down, but may be showing signs of bottoming.



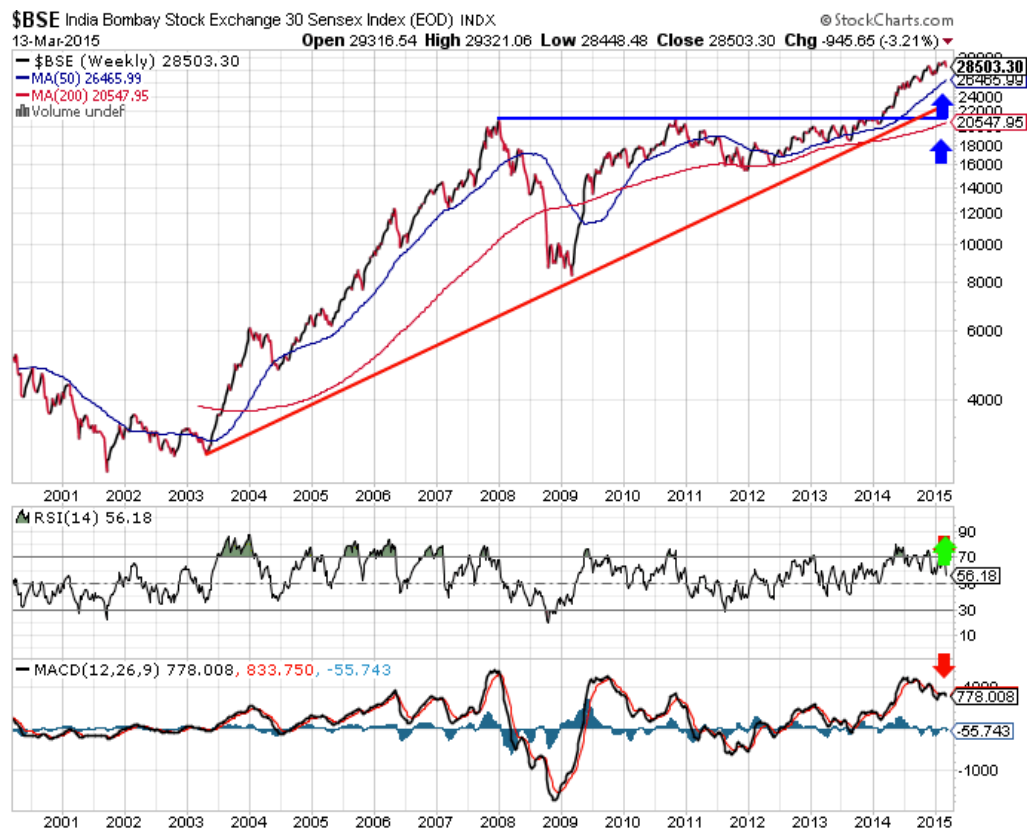
Asian equity markets commentary & weekly charts

The SENSEX added points last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are mixed.



The Nikkei Average gained another 283.25 points (1.49%) last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.



The Shanghai Composite Index gained 131.72 points (4.06%) last week.

Intermediate trend remains down. The Index remains above its 20-day moving average.

Strength relative to the S&P 500 Index improved to positive from neutral.

Short-term momentum indicators are trending up.



iShares Emerging Markets dropped \$0.95 (2.42%) last week.

Intermediate trend changed to down from up on a move below \$39.02. Units remain below their 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down.



The Australia All Ordinaries Composite Index lost 80.40 points (1.37%) last week.

Intermediate trend remains up. The Index fell below its 20-day moving average.

Strength relative to the S&P 500 Index changed to positive from neutral.

Short-term momentum indicators are trending down, but show early signs of bottoming.



European Equity markets commentary & weekly charts

The DAX 30 added 344 points last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.

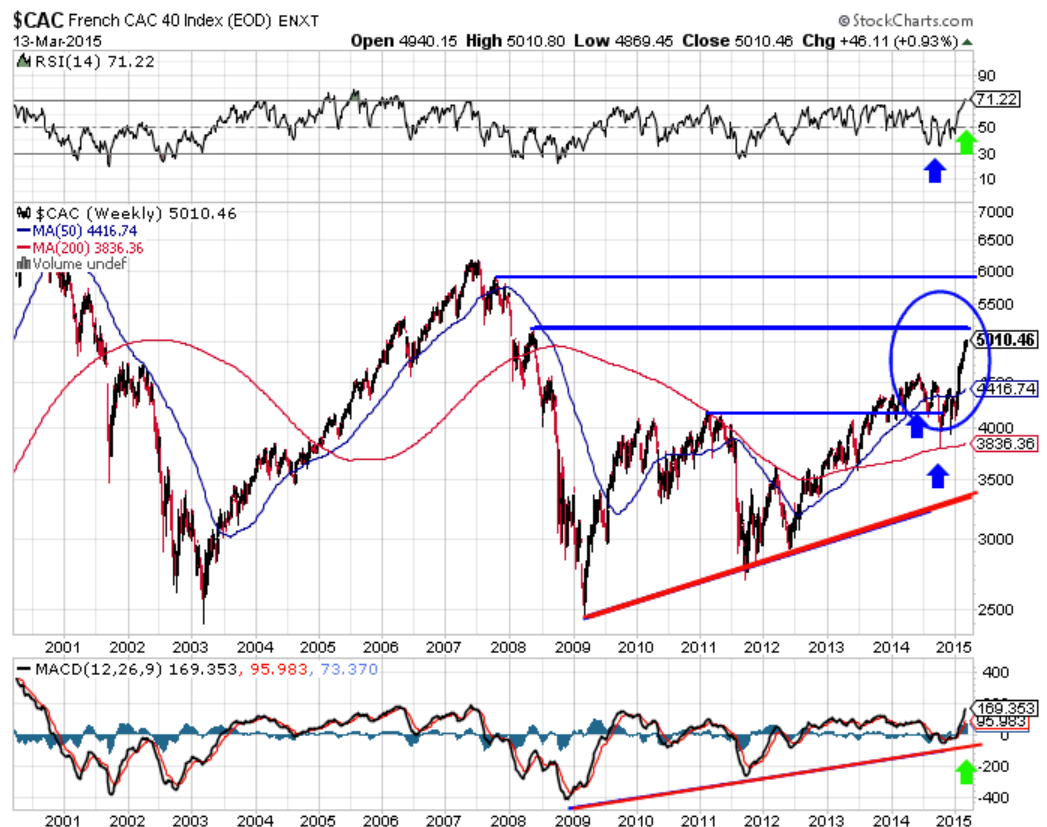


The CAC 40 added 81 points last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.

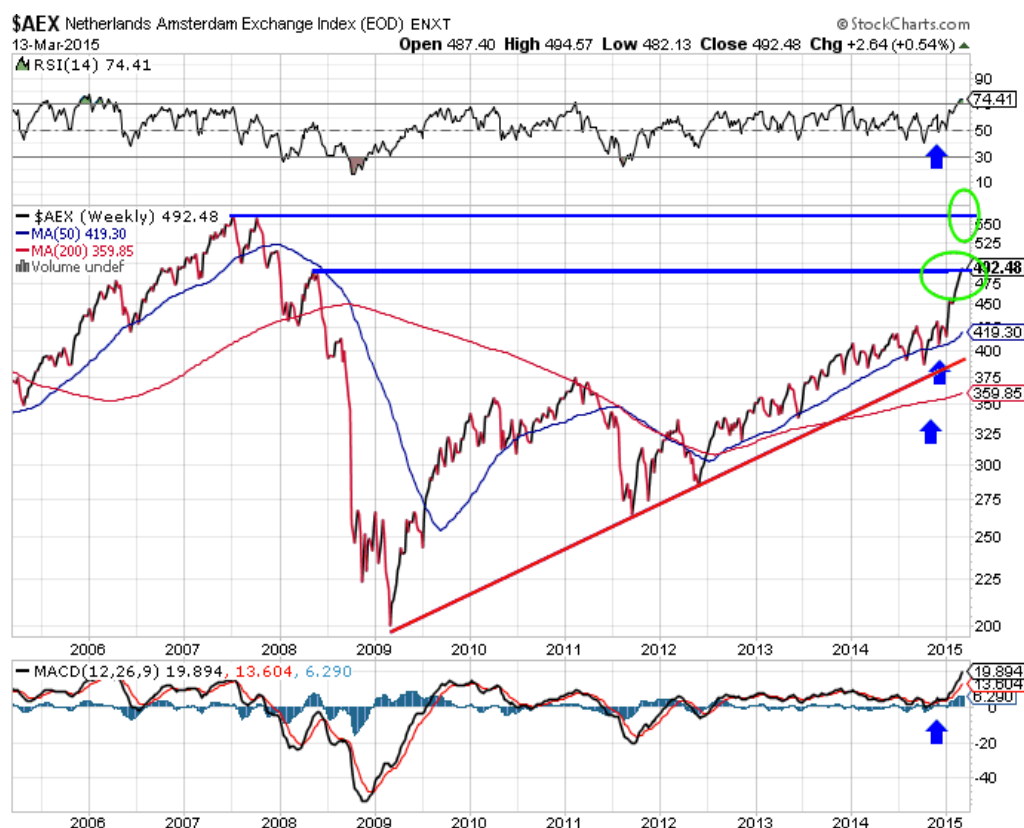


The AEX added 7 points last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.

**The IBEX 35 lost 8 points last week.**

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending up.



The FTSE 100 added 24 points last week.

Intermediate trend remains up. The Average remains above its 20-day moving average.

Strength relative to the S&P 500 Index remains neutral.

Short-term momentum indicators are trending up.



Europe 350 iShares dropped \$0.84 (1.90%) last week.

Intermediate trend change remains up. Units remain below their 20-day moving average.

Strength relative to the S&P 500 Index changed to negative from neutral.

Short-term momentum indicators are trending down.



Fixed Income markets commentary & weekly charts

International Bonds

We continue to see further yield compression and investment opportunities amongst Italian, Spanish, Portuguese, Irish, Austrian and French 10-year government bonds relative to German Bunds.

Country ▲	Latest yield	Spread vs bund	Spread vs T-bonds
Australia	2.51%	+2.23	+0.41
Austria	0.35%	+0.07	-1.75
Belgium	0.49%	+0.21	-1.61
Canada	1.45%	+1.17	-0.64
Denmark	0.36%	+0.08	-1.73
Finland	0.37%	+0.09	-1.72
France	0.46%	+0.18	-1.64
Germany	0.28%	--	-1.82
Greece	10.80%	+10.52	+8.70
Ireland	0.81%	+0.53	-1.29
Italy	1.15%	+0.87	-0.94
Japan	0.42%	+0.14	-1.68
Netherlands	0.32%	+0.04	-1.78
New Zealand	3.38%	+3.10	+1.28
Portugal	1.56%	+1.28	-0.54
Spain	1.16%	+0.88	-0.94
Sweden	0.62%	+0.34	-1.48
Switzerland	-0.02 %	-0.30	-2.12
UK	1.69%	+1.41	-0.40

US Bonds

The yield on 10 year Treasuries fell 12.8 basis points (5.71%) last week.

Intermediate trend remains down. Yield remains above its 20-day moving average.

Short-term momentum indicators are overbought and trending down.



The long term Treasury ETF gained \$3.22 (2.61%) last week.

Intermediate trend remains down. Price remains below its 20-day moving average.



Currencies commentary & weekly charts

The Euro dropped 3.54 (3.27%) last week.

Intermediate trend remains down. The Euro remains below its 20-day moving average.

Short-term momentum indicators are trending down, but are oversold.



The US\$ Index gained 1.74 (1.78%) last week.

Intermediate trend remains up. The Index has "gone parabolic". The Index remains above its 20-day moving average.

Short-term momentum indicators are trending up, but are overbought.



The Japanese Yen fell 0.38 (0.46%) last week.

Intermediate trend remains down. The Yen remains below its 20-day moving average.

Short-term momentum indicators are trending down and are oversold.



The C\$ dropped US 0.96 cents (1.21%) last week.

Intermediate downtrend was confirmed on Friday when the US\$ moved below 78.13.

The C\$ remains below its 20-day moving average.

Short-term momentum indicators are trending down.



Commodities commentary & weekly charts

The CRB Index lost another 9.44 points (4.29%) in response to strength in the US\$ Index Intermediate downtrend was confirmed on Friday when the Index fell below 211.27.

The Index remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down.



Copper gained \$0.05 per lb. (1.92%) last week.

Intermediate trend remains up. Copper moved above its 20-day moving average.

Strength relative to the S&P 500 Index changed to positive from neutral.

Short-term momentum indicators are mixed.



Lumber fell another 7.80 (2.77%) last week.

Trend remains down. Lumber remains below its 20-day Moving Average. Relative strength remains negative.



The Grain ETN slipped \$0.02 (0.06%) last week.

Intermediate trend remains neutral. Units remain below their 20-day moving average.

Strength relative to the S&P 500 Index changed to neutral from negative. Momentum: Up.



The Agriculture ETF dropped \$0.74 (1.37%) last week.

Intermediate trend remains up. Units remain below their 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down, but are oversold.



Gold & precious metals commentary & weekly charts

Gold dropped \$11.90 per ounce (1.02%) last week.

Intermediate trend remains neutral. Gold remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

Short-term momentum indicators are trending down and are oversold.



Silver dropped \$0.32 per ounce (2.02%) last week.

Intermediate trend changed to neutral from up on a move below \$15.51. Silver remains below its 20-day moving average.

Strength relative to the S&P 500 Index remains negative.

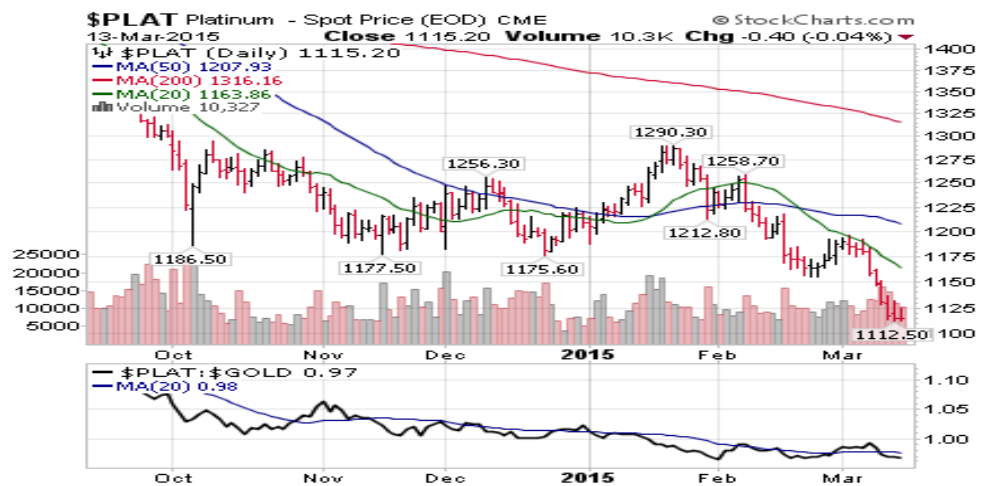
Short-term momentum indicators are trending down, but show early signs of bottoming.

Strength relative to Gold has turned negative.



Platinum fell \$43.60 per ounce (3.76%) last week.

Intermediate trend remains down. PLAT remains below its 20-day MA. Relative strength remains negative.



Palladium fell \$29.45 per ounce (3.60%) last week.

Intermediate trend remains up. PALL moved below its 20-day MA.

Relative strength changed to neutral from positive. Momentum is trending down. Strength relative to Gold: Positive.



Oil, gas & energy commentary & weekly charts

Crude Oil lost \$4.77 per barrel (9.61%) last week.

Intermediate trend remains neutral. Crude remains below its 20-day moving average.

Strength relative to the S&P 500 Index changed to negative from neutral.

Short-term momentum indicators are trending down.



Natural Gas dropped \$0.11 per MBtu (3.87%) last week.

Intermediate trend remains down. \$NATGAS fell below its 20-day moving average.

Strength relative to the S&P 500 Index remains neutral.

Short-term momentum indicators are mixed.



Gasoline fell \$0.12 per gallon (6.38%) last week.

Intermediate trend remains up. Gas remains above its 20 day moving average.

Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending down.



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