Creative Global Investments

Weekly investment strategy & charts

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Objectivity

Integrity

Creativity

Macro Commentary

G-20 countries pledged "working to strengthen the contribution of trade to our economies." This is seen as a response to the protectionist approach of US president Donald Trump's administration. Yet, Trump didn't get the pledge to ensure "fair" trade neither. Meanwhile G-20 also dropped the pledge on climate change. Regarding global recovery, G-20 noted that "the pace of growth is still weaker than desirable and downside risks for the global economy remain. We reaffirm our commitment to international economic and financial cooperation." The financial markets have mixed, or probably just little reaction, to the outcome of the G-20 meeting in Germany over the weekend. Markets in Australia, South Korea traded mildly lower. Meanwhile, stocks in Hong Kong jumped. Japan is on holiday today. In the currency markets, Sterling is paring back some of last week's gain while Dollar stays generally weak. On the other hand, commodity currencies are trading broadly higher as led by Kiwi and Aussie. In other markets, Gold breaches last week's high and is extending rebound to as high as 1235 so far. WTI dips back to 48.3 as last week's recovery failed below 50. While RBNZ will meet this week, the main focus will turn back to economic data in most countries.

In Europe, Germany's statistics office, Destatis, reported today that producer prices rose 0.2% from January and increased 3.1%. As in previous months, energy price developments had the biggest effect on the overall index, Destatis said, although prices in the category developed unevenly.

Prices for light heating oil jumped 52.5% from February 2016, while prices for diesel fuel and electricity were up 21.2% and 9.6%, respectively. Natural gas prices, however, dropped -7.5% from February 2016. Excluding energy prices, which can be volatile, producer prices rose 0.3% on the month and increased 2.2% on the year.

German Chancellor Angela Merkel and Japan's Prime Minister Shinzo Abe spoke up for free trade at a major technology fair on Sunday with jabs clearly pointed at an increasingly protectionist US and called for a free trade deal to be reached quickly between Japan and the European Union, in comments made after G20 finance ministers and central bankers dropped a long-standing mention of open trade in their final communiqué after a two-day meeting in Germany.

Neither leader named the US government as they opened the CeBIT technology fair in Hanover, but both used the opportunity to distance themselves from protectionist tendencies coming from the Trump administration.

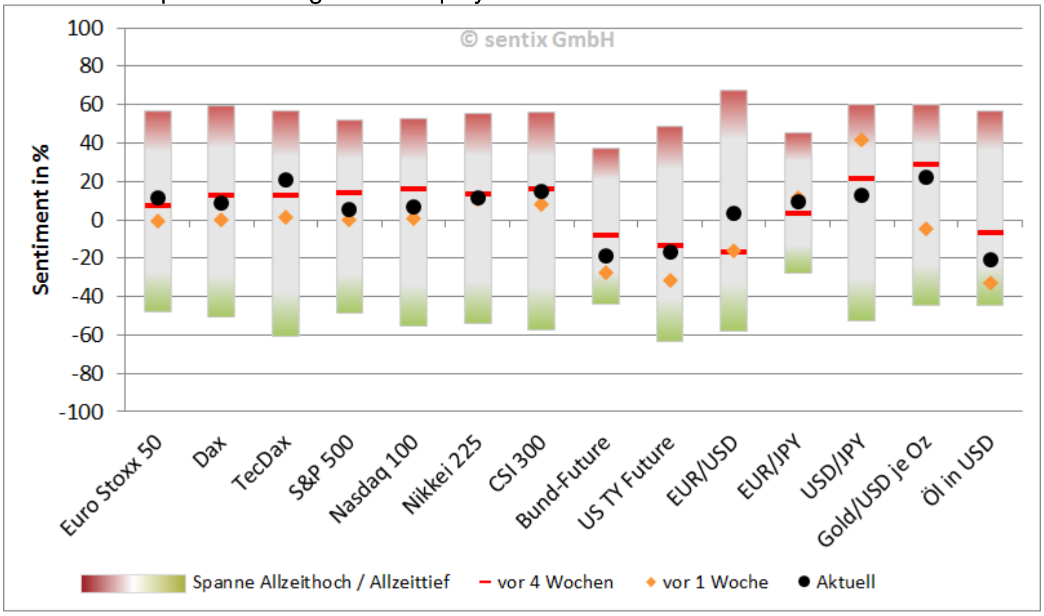
In the UK, Prime Minister Theresa May will write to the European Union on March 29 formally announcing Britain's withdrawal from the bloc, EU sources told Reuters on Monday, saying Brussels had been told of the plan by British officials.

European Council President Donald Tusk should have distributed draft guidelines for the negotiations to the 27 other national governments. Tusk will also summon those 27 leaders for a summit to endorse the final guidelines, probably in early May.

Investor sentiment towards emerging market (EM) equities remains closely linked with views on commodities. It is notable then that optimism on commodities as a grouping has been tempered in the past month, even as EM sentiment has headed higher.

The latest ***sentix survey*** highlights a large and growing divergence of opinions on two key commodity markets, with investors' medium-term strategic bias on Crude Oil becoming ever-more negative, while Gold readings have resumed their upward path.

This caution on crude appears to be dampening sentiment towards commodities as an asset class. Based on past experience, the risk is that continued caution on commodities proves a drag on EM equity sentiment



Currencies Commentary

Last week saw the Euro experience a fair amount of volatility with the US interest rate decision and the Dutch election causing market movement. The election in the Netherlands posed a significant risk to the political landscape of the Eurozone. The EU has survived this first political test with the right-wing populist, Wilders dramatically under-performing. The focus will now shift to the French election, which is now posing less of a threat to the Euro.

This week brings another missed deadline for unlocking bailout funds from Greece. This will likely cause some volatility in the Euro but will unlikely be headline news. GBP/EUR is currently sitting at 1.1526.

The USD experienced its greatest retreat in nearly 6 months last week following policy announcements from the Fed. Investors were left puzzled following a fairly dovish rate hike from the US. Markets had expected announcements to outline a steep increase in the expectations of further hikes for 2017 but were left disappointed, causing the USD to slide.

This week has little on the cards in terms of solid data and focus is likely to remain on the Fed with a plethora of speakers this week. The headline speaker will be Fed Chair Yellen on Thursday but markets will be interested to hear the views of other Fed members who were notably dovish last week. As markets react to these speeches we may see the US$ recover some of its losses from last week. Although comments were less hawkish than markets anticipated we couldn't forget that the Fed did raise interest rates and they are on schedule to do so again by the end of the year. Other events of note this week include an appearance from Donald Trump tonight, which may interest investors.

Current embedded strength in the US$ through Q4 of 2016 and Q1 of 2017 is likely to have a continued and increasingly negative influence on US exports. As it appears, a number of categories so far have been resilient in the midst of the breakout gains on the US$ index in recent 6 months. However, the US's global competitiveness is suffering increasingly with the US$ at levels of around USD 100.

The scale of the US$'s rise is frequently overlooked in public debate. That's because the discussion usually focuses instead on the value of the US$ against the few other major, developed market currencies like the yen and the Euro. Against them its rise has been more modest. But they're not the main issue.

Since the early 1990s, the Mexican peso has collapsed from 32 US cents to only 5 cents. That's a huge windfall to Mexican manufacturers, far greater, one suspects, than NAFTA's reduction in tariffs. During that time, the price in US$ of the Vietnamese currency, the dong, has nearly halved. The Indian rupee has more than halved. And the same for the Brazilian Real.

Consequently, we see EM currencies currently among the most attractive asset classes available to investors. We are expecting those currencies to produce returns in excess of inflation plus about 3.5% a year over the next 8 – 10 years, with far less volatility than stocks.

Trump has identified, both on the campaign trail and since, the US's big problem which we have been writing about since 2014, namely that the strong US$ is making the US uncompetitive. What else will Trump do in order to drive the US$ down?

He can create more political and economic volatility. He can go into a government shutdown over the debt ceiling.

He can also increase the rhetoric about geo-political dangers from Korea, and from the Middle East.

The US$ warrants careful attention in the weeks ahead as we transition out of a period of seasonal strength and into a period of weakness.

US$ Index formed a head & shoulders top, with the left shoulder and head put in, and a possible right shoulder is in progress; the neckline has support around 98. If it follows through and breaks the neckline it could open up about a 4 point move based on the head vs. neckline measure rule; that would put the price target around 95 - 92 and right back in the old range. The latest rally failed to break upper resistance, and is struggling with the 101 level, so either way there should be doubts on its strength.

Our overall technical view for the US$ is Bearish, particularly due to a head & shoulder top.

Commodities Commentary

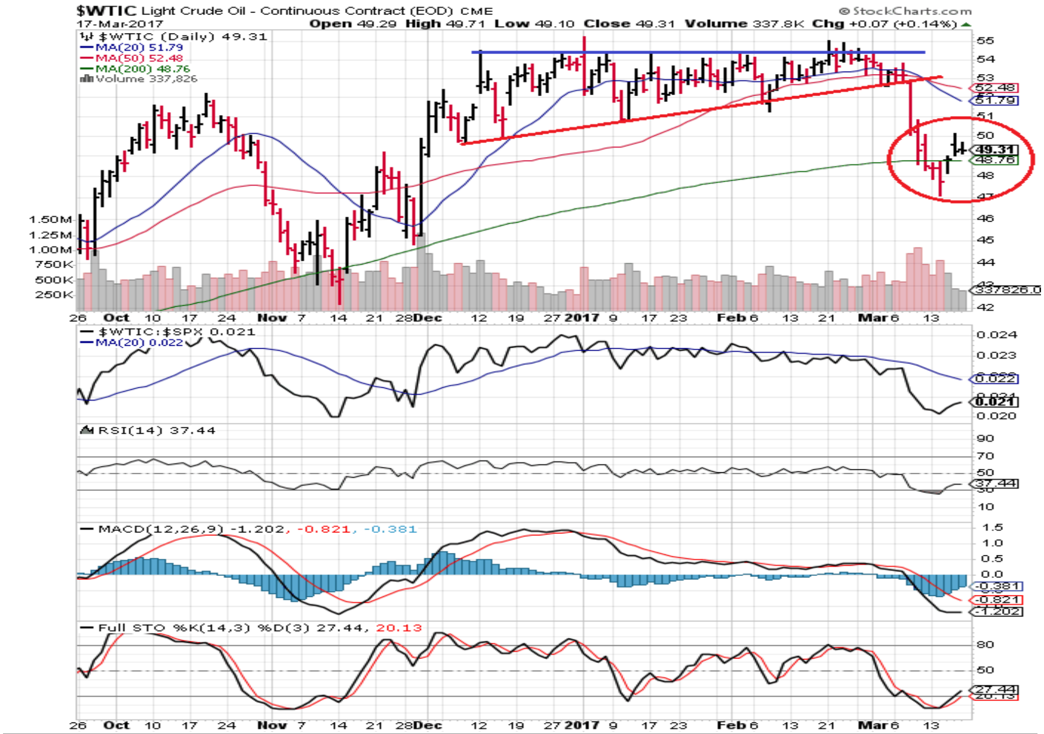
West Texas Intermediate futures traded one cent lower to finish at $48.72 per barrel on NYMEX even after Saudi Energy Minister Khalid al-Falih hinted earlier in the day that the OPEC could extend its agreement to reduce output, if stockpiles remain above the five-year average, ahead of the cartel's next meeting on 25 May.

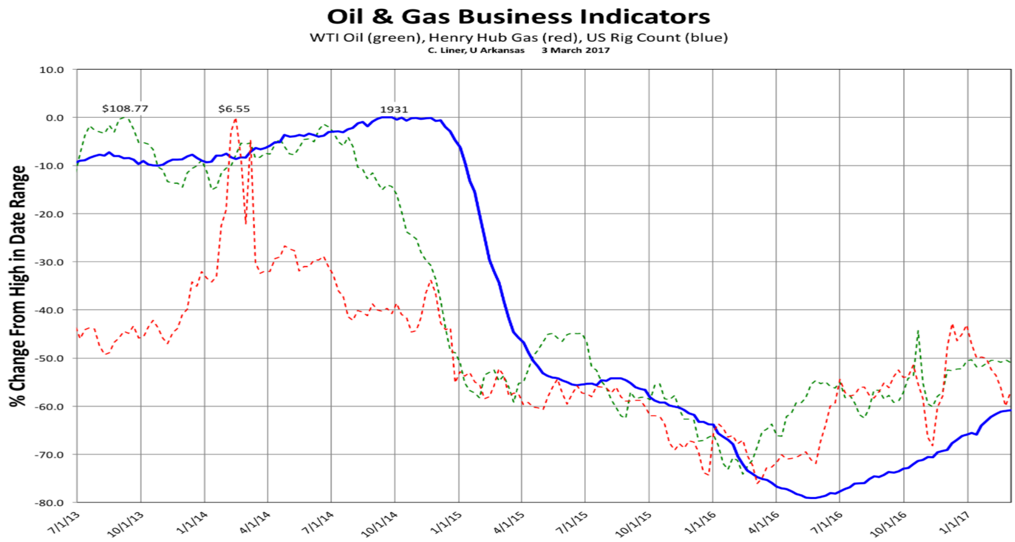
Oil in the US (WTI) tends to play a dominant role in the month ahead as refiners transition from production of winter to summer blend gasoline, drawing down the inventories of the refined product and leading to a peak in the days of supply of the raw input. Over the past 30 years, the price of WTI Crude has averaged a gain of +4.4% in the month of March, the best monthly return of the year.

Monthly Averages over past 30 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	-0.2%	1.0%	4.4%	3.4%	0.8%	0.9%	0.9%	1.7%	1.9%	-2.7%	-3.0%	-0.2%
Gain Frequency	47%	57%	67%	63%	47%	53%	63%	53%	50%	40%	40%	53%
Max Return	11.3%	11.0%	35.3%	24.9%	31.7%	14.7%	20.6%	33.4%	44.0%	18.1%	14.1%	16.2%
	2005	2008	1999	2015	2009	1999	1990	1990	1990	2011	1999	2002
Min Return	-23.1%	-15.9%	-15.3%	-16.2%	-17.5%	-13.3%	-20.8%	-13.3%	-12.9%	-32.4%	-21.5%	-20.5%
	1991	1997	2003	2003	2012	1988	2015	1994	2008	2008	1998	2000

Crude Oil has been forming an ascending triangle, and our initial 3 months price target would be around $59 - $60 a barrel. We previously talked about the crunch in volatility for Crude Oil in the commodities and the fact that the implied volatility index for oil has also fallen considerably, and that this could be a harbinger of a potential surge in volatility to follow shortly. Well, this is now confirmed by last weeks' price action and our overall technical view being confirmed, we are expecting an explosive move higher.



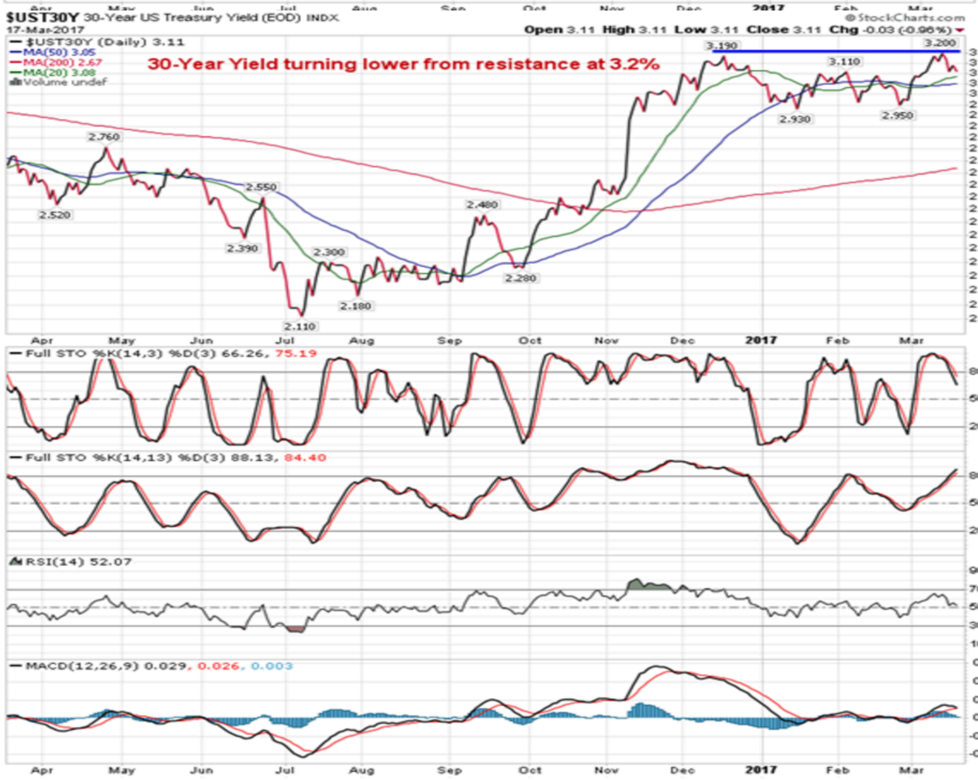


Fixed Income Commentary

The "short bond trade" has become crowded with market participants attempting to take advantage of the rising rate cycle that we are presently in; a mean reversion trade may be due, alleviating the one-sided positioning and reinvigorating the longer-term prospects of the trade.

Seasonally, yields typically rise between now and the end of April.In the US, bond yields rejected resistance charted at the end of 2016, as the yield on the 10-year treasury bond is turning lower from 2.6% and the 30-year treasury bond is falling from a recent high of 3.2%.

A double top in each would be confirmed by a move below the Q1 lows at 2.3% and 2.9%, respectively.



Equities Commentary

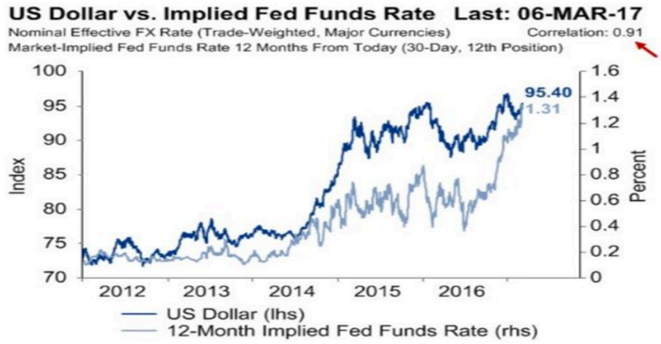
International equity markets (particularly emerging markets) continue to outperform the US, and we see EM equities continuing to offer significantly better opportunities for investors during their current period of seasonal strength lasting into at least early May. We continue to have strong doubts that the rosy view investors are taking on the economy can hold water in the near-term. We believe that Wall Street is totally misreading Washington, and stock market pricing in a fantasy about a Trump stimulus that simply isn't going to happen. We do not see a possibility for a corporate tax cut, but only the usual republican enforced tax breaks to the rich.

Best performing equity markets				Worst performing equity markets			
1 week		YTD		1 week		YTD	
Index	Change	Index	Change	Index	Change	Index	Change
Russia	4.66%	Poland	16.78%	Israel	-0.86%	Nigeria	-4.55%
Poland	3.64%	Turkey	15.81%	Abu Dhabi	-0.73%	Russia	-3.76%
Korea	3.21%	Argentina	14.87%	Brazil	-0.72%	Israel	-2.39%
Mexico	3.17%	India	11.40%	Greece	-0.59%	Abu Dhabi	-0.69%
Hong Kong	3.15%	Hong Kong	10.52%	Nikkei 225	-0.42%	Chinext	-0.63%
Taiwan	2.92%	NASDAQ	9.62%	Mongolia	-0.42%	UAE Dubai	-0.27%
Argentina	2.85%	Spain	9.58%	New Zealand	-0.27%	Egypt	0.00%
Indonesia	2.78%	Singapore	9.35%	Vietnam	-0.23%	Greece	0.18%
Philippines	2.78%	Rus 3000 growth	8.45%	Sweden	-0.19%	Portugal	0.44%
India	2.43%	Austria	8.21%	Portugal	-0.15%	Thailand	1.17%

We think that over the next 5 weeks, investors will be forced to shift in thinking and focus on reality instead, and the "debt ceiling trap", which will prevent tax reform, infrastructure and defense spending that, have excited so many investors. Given the "factions" among the Republican Party today, the former Reagan aide also believed that the political turmoil could result in a gridlock the markets don't see coming. We see the risks of a government shutdown more likely to happened under the Trump administration, than by any other administration before, and this is not at all priced in by financial market valuations.

At least for now, the FED believes current economic conditions, bolstered in part by Trump's policy agenda, justify tighter monetary policy as a preemptive strike on price pressures. However, we fail to see anything new by the Trump administration so far to re-accelerate the economy or profits, which puts stock market risk as very high.

As the second longest bull-run in S&P 500 history trundles onward, some indicators suggest froth. But given the regime change occurring in Washington, it's difficult to say with conviction whether investors have become complacent, or whether we are simply mid-stroke in a structural upshift in economic conditions that will later justify today's high hopes.



Highs set by US equity markets on March 1st (2,400.98 for the S&P 500 Index and 21,169.11 for the Dow Jones Industrial Average) likely will prove to be intermediate highs lasting well into April and possibly longer. US equity markets rallied briefly last week following release of the FOMC announcement but failed to move to new highs. Traders continue to look for excuses triggered by short-term technical indicators to take profits in North American equities.

Investors' confidence in the US equity market has started to decline. The respective sentix indicator the US market continues its decline. Crash risks are lurking due to this discrepancy. Technical evidence of an end to the "Trump Bump" and likely the beginning of the "Trump Dump" appeared last week.

Short and intermediate technical indicators for most equity indices (except Europe and Japan), commodities and sectors have rolled over and are trending down. A shallow intermediate correction lasting well into April now is likely.

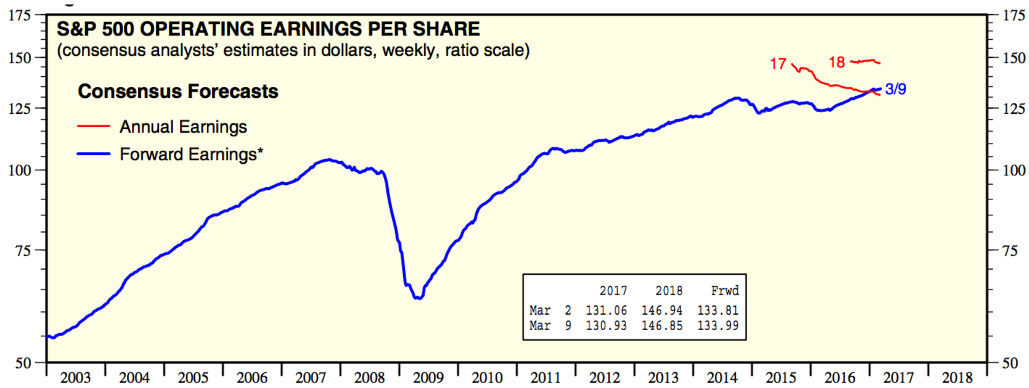
This weeks' focus is on the G20 Finance Ministers meeting that occurred over the weekend.

Economic focus this week in the US is on New Home Sales on Thursday. A small increase is anticipated. Economic focuses in Canada this week are on the Budget on Wednesday evening, January Retail Sales on Tuesday and February Consumer Prices on Thursday.

Technical action by S&P 500 stocks was mildly bullish last week: 47 stocks broke intermediate resistance levels and 11 stocks broke intermediate support levels. However, most of the stocks breaking resistance already were in uptrends. Number of stocks in an uptrend increased to 337 from 335, number of stocks in a neutral trend remained at 51 and number of stocks in a downtrend slipped to 112 from 114. The Up/Down ratio increased last week to (337/112=) 3.01 from 2.94.

Short-term technical indicators (e.g. 20-day moving averages, short-term momentum indicators) for a wide variety of equity indices, sectors and commodities) recovered slightly, but in many cases have returned to overbought levels. Intermediate technical indicators (e.g. Percent of stocks trading above their 50 day moving average, Bullish Percent Index) remain intermediate overbought and are trending down.
Earnings news is quiet this week. US focuses are on Nike on Tuesday and KB Homes on Thursday. Canadian focuses are on Lennar on Tuesday and Power Corp on Friday.

Prospects for S&P 500 companies for Q1 and 2017 remain promising. Q1 EPS are expected to increase on a y-o-y basis by 9.0% and revenues are expected to increase 7.2% (unchanged from the previous week). 78 companies have issued negative Q1 guidance while 32 companies have issued positive guidance. Consensus for 2017 calls for a 9.8% in EPS and a 5.3% increase in revenues. Consensus for 2018 calls for a 12.0% increase in EPS and a 4.8% increase in revenues.



History shows US equity markets struggle in March and April after a first term President is elected. Election promises prove to take longer than expected to implement due to time needed to install a new cabinet and working through the Congressional process with new political friends and foes. Trump's tenure to date as President has been controversial at best and uncoordinated at worst.

Precious metals and precious metal equities' periods of seasonal strength range from mid-December to late February, expired on scheduled this year. After losing approximately half of their gains since the third week in February, they reached short-term bottoms 10 days ago and recovered nicely last week. Short-term technical indicators (momentum, 20-day moving averages) turned positive last week. We are recommending for investors to take profits temporarily.

The US and Canadian Energy sectors are in the early stages of forming a potential double bottom pattern. Relative strength improved to neutral and short-term momentum indicators turned higher last week. The S&P Energy Index also showed improved short-term momentum indicators. These are encouraging technical signs during a period when their seasonal trends are positive until mid-May. However, improving technical signs to date are not yet sufficient to introduce/add to positions for a seasonal trade.

The month of March has historically been one of the better months of the year for US stocks. The S&P 500 Index has averaged a gain of +1.3% in March, advancing in 68% of periods in the past 50 years. The month tends to have a cyclical bias, buoyed by strength in retail sales and industrial production as the economy emerges from the slower winter period. Returns have ranged from a loss of 10.2% recorded in 1980 to a gain of 9.7% realized in 2000.

Monthly Averages over past 50 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	0.9%	0.1%	1.3%	1.5%	0.3%	0.1%	0.5%	0.1%	-0.6%	0.9%	1.3%	1.5%
Gain Frequency	56%	56%	68%	70%	58%	54%	46%	56%	44%	58%	68%	72%
Max Return	13.2%	7.1%	9.7%	9.4%	9.2%	5.4%	8.8%	11.6%	8.8%	16.3%	10.2%	11.2%
	1987	1986	2000	2009	1990	1999	1989	1982	2010	1974	1980	1991
Min Return	-8.6%	-11.0%	-10.2%	-9.0%	-8.2%	-8.6%	-7.9%	-14.6%	-11.9%	-21.8%	-11.4%	-6.0%
	2009	2009	1980	1970	2010	2008	2002	1998	1974	1987	1973	2002

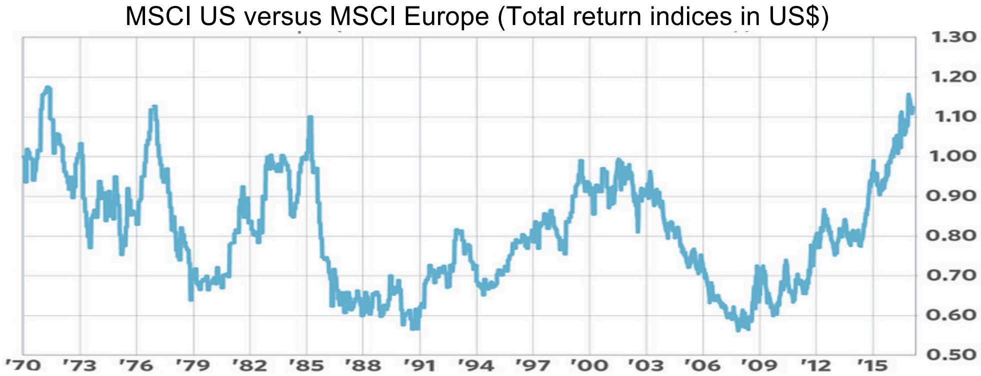
Looking through the past 20 years of data, the best performing sectors in this last month of Q1 are Energy and Financials, averaging a gain of around +3%.

Materials, Industrials, Consumer Discretionary, and Utilities have each averaged a return of around +2%.

Health Care and Consumer Staples have historically been the laggards, gaining less than 1% over this 31-day period.

As we have written in the past 3 months, we see a stronger case in favor of higher European allocations until mid May. We believe that the political and sovereign tail risks for Europe, particularly with respect to potential Eurozone disintegration, are fully priced in the weak Euro and European equities. Earnings are now rising relative to the US and we expect double-digit EPS growth in 2017. European companies are currently trading around a forward P/E ratio of 14.7, compared with a P/E of 17.8 in the US. **But as we pointed out in the past, the tides have turned with a weaker Euro and its tailwind benefits and that US corporations will be hard pressed to squeeze their margins further, after going through significant cost-cutting measures in the aftermath of the financial crisis.**

US stocks at 40 Year high versus European stocks
MSCI US versus MSCI Europe (Total return indices in US$)



US equity markets weekly charts

The VIX Index lost 0.38 points (3.26%) last week.

Intermediate trend remains Negative. The Index closed below its 20-day moving average. Price has formed a descending triangle.

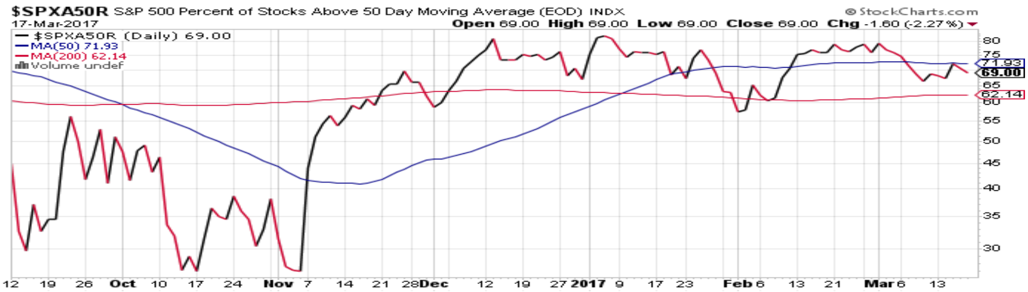
The S&P 500 Index added 5.65 points (0.24%) last week.

Intermediate trend remains Positive. The Index closed above its 20-day moving average. $SPX failed to break the 20-day MVA once again.

Short-term momentum indicators are Negative.

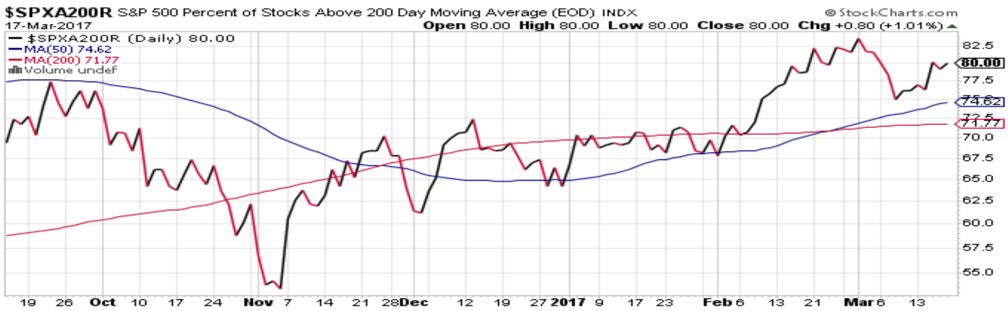
Percent of S&P 500 stocks trading above their 50-day moving average rose last week to 69.00 from 68.14.

The Index was rejected by the 20-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average rose last week to 80.00 from 76.95

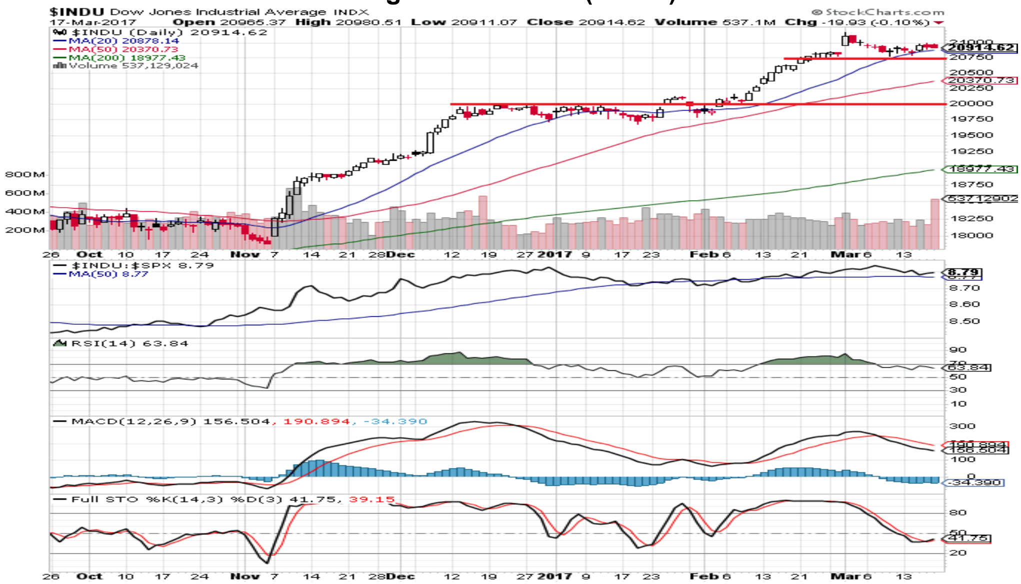
The Index remained above the 20-day moving average.



Bullish Percent Index for S&P 500 stocks dropped last week to 76.60 from 76.80 and remained above its 50-day moving average.

The Index is ranging above the 50-day moving average.

The Dow Jones Industrial Average added 11.64 (0.06%) last week.



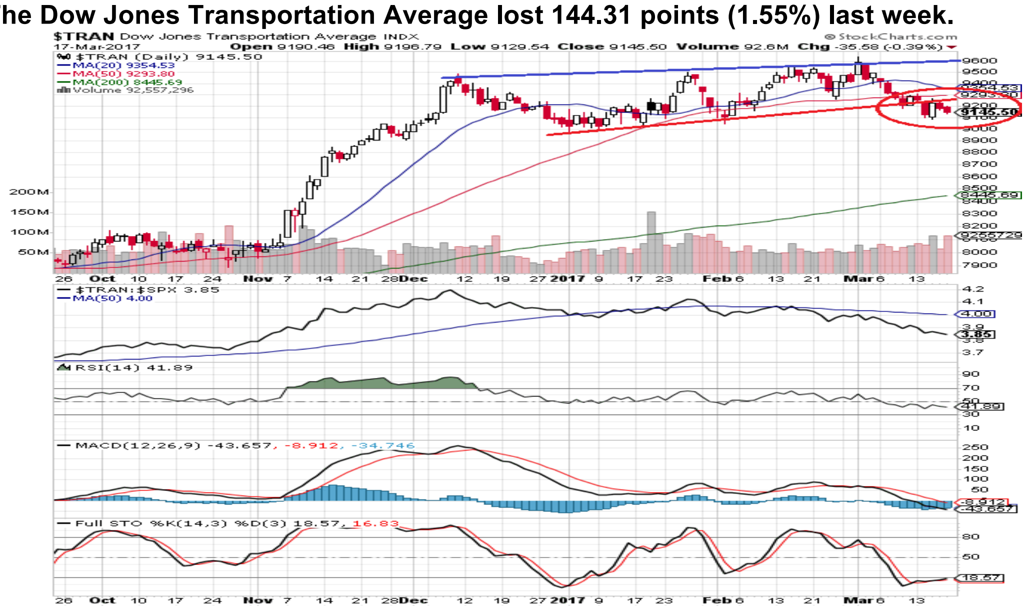
$INDU failed to break the trailing support of 20 MVA. Strength related to the S&P 500 remains Positive.

The Average remains above its 20-day moving average. Short-term momentum indicators are Mixed.

Bullish Percent Index for Dow Jones Industrial Average stocks stood put last week at 86.67 and remained above its 20-day moving average.

The Index created a new yearly high.

The Dow Jones Transportation Average lost 144.31 points (1.55%) last week.



Dow Jones Transportation Index broke the lower trendline.
Strength relative to the S&P 500 remained Negative. The $TRAN closed below its 20- day moving average.

Short-term momentum indicators are Mixed.

The Index remained below the 50-day moving average.

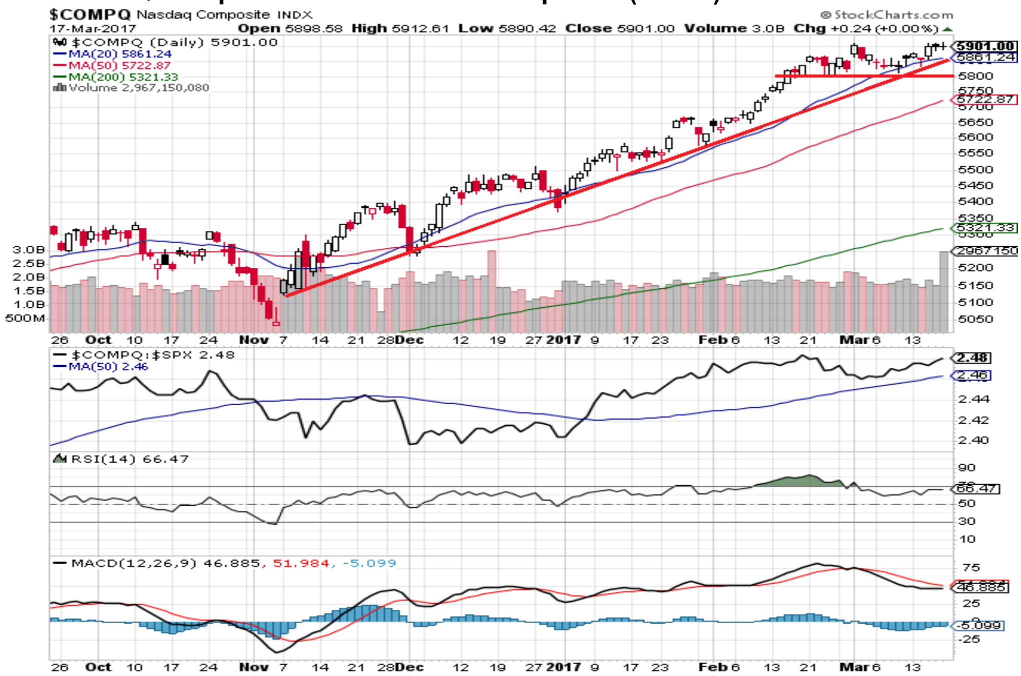
Bullish Percent Index rose last week to 64.36 from 63.92 and moved below its 20-day moving average.

$COMPQ rebounded back to the previous high. Strength relative to the S&P 500 Index remains Positive.

The Index remained above its 20-day moving average.

Short-term momentum indicators remain Mixed.

The NASDAQ Composite Index added 39.27 points (0.67%) last week.



$RUT rebounded back towards the moving averages. Strength relative to the S&P 500 Index remains Negative.

The Index moved above the 20-day moving average. Short-term momentum indicators are rolling over.

The Russell 2000 Index gained 26.26 points (1.92%) last week.

The S&P Energy Index added 1.67 points (0.33%) last week.

Intermediate trend remains Negative. $SPEN bounced from the 500 support. Strength relative to the S&P 500 Index remains Negative.

The Index remains below the 20-day moving average. Short-term momentum indicators are rolling over.

The Philadelphia Oil Services Index gained 1.24 points (0.74%) last week.

$OSX retraced back but was stopped by the 200-day MVA. Strength relative to the S&P 500 remains Negative.

The Index closed below its 20-day moving average. Short-term momentum indicators are Negative.

The AMEX Gold Bug Index added 8.81 points (4.72%) last week.

$HUI sharply corrected towards the 50-day MVA. Strength relative to the S&P 500 Index remained Negative.

The Index moved above its 20-day moving average. Short-term momentum indicators are Positive.

Latam equity markets weekly charts

The BOVESPA dropped 465 points last week.

$BVSP is threatening to break the 64000 support. BVSP has formed the right shoulder of the H&S pattern. 64 000 is the neckline.

Short-term momentum indicators remain Negative.

The Mexican Bolsa added 1491 points last week.

Intermediate trend remains Positive. $MXX violently broke out of the coil upwards.

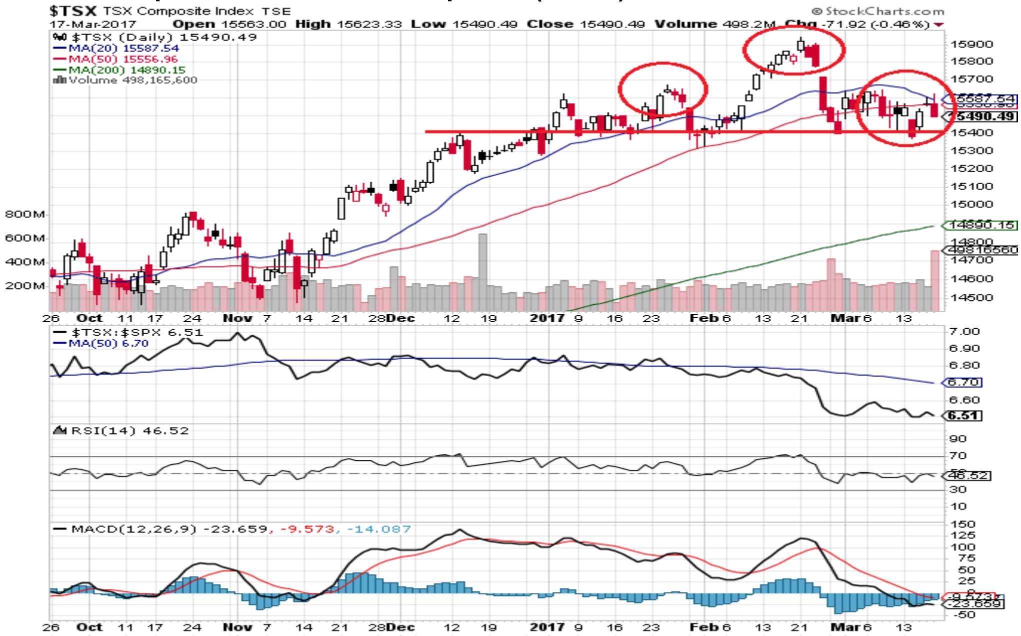
Short-term momentum indicators are Positive.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite dropped to 72.29 from 73.09 and remained below its 20-day moving average.

The Index remains below the 200-day moving average.

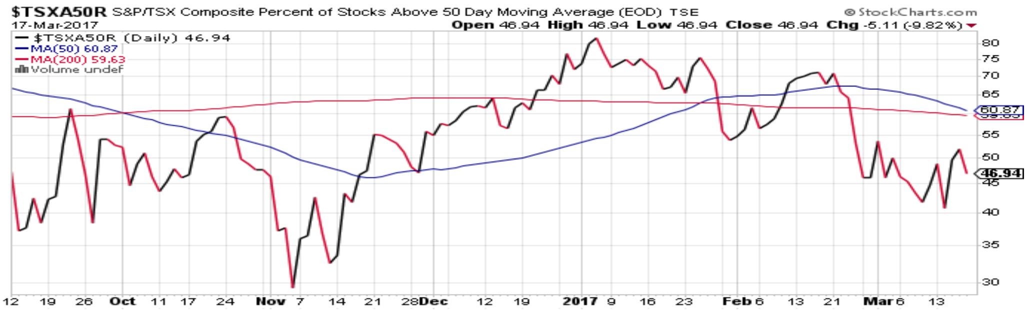
The TSX Composite Index lost 16.19 points (0.10%) last week.



Intermediate trend changed from Neutral to Negative. The Index failed to break the 15400 neckline on the first attempt.

The Index remains below the 20-day moving average. Short-term momentum indicators are Neutral.

Percent of TSX stocks trading above their 50-day moving average dropped last week to 46.94% from 48.98%.



The index remains below the 50-day moving average.

Percent of TSX stocks trading above their 200 day rose last week to 64.08% from 63.27%.

The index remains below the 50-day moving average.

Asian equity markets weekly charts

The SENSEX added 702.76 points (2.43%) last week.

$BSE broke out upwards with a runaway gap.

Short-term momentum indicators are Positive and Overbought.

The Nikkei Average dropped 83.02 points (0.42%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Neutral.
$NIKK is ranging above the previous resistance.

The $NIKK remains above its 20-day moving average. Short-term momentum is Neutral.

The Shanghai Composite Index added 24.69 points (0.77%) last week.

Intermediate trend changed from Neutral to Positive. $SSEC rebounded from the support.

The $SSEC closed above the 20-day moving average. Short-term momentum indicators are Neutral.

Intermediate trend changed from Neutral to Positive. Strength relative to the S&P 500 Index changed from Neutral to Positive.

Units closed below the 20-day moving average. Short-term momentum indicators are Mixed.

Emerging Markets iShares gained $1.48 (3.89%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Negative. $AORD is in a crude ascending triangle.

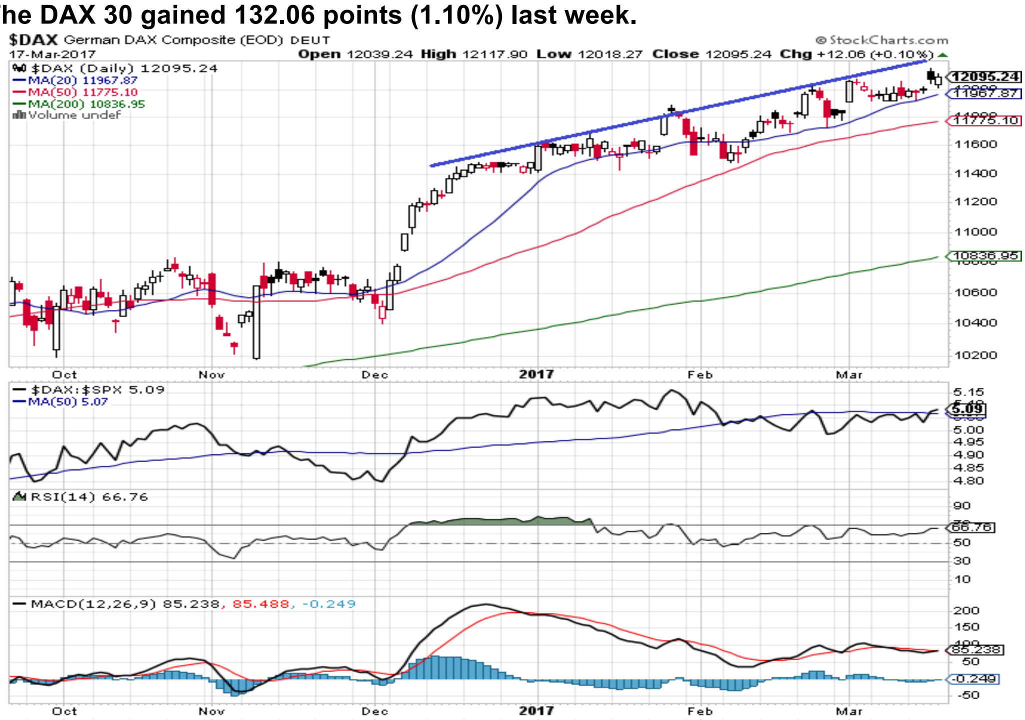
The $AORD moved above the 20-day moving average. Short-term momentum indicators are Mixed.

The Australia All Ordinaries Index added 29.60 points (0.51%) last week.

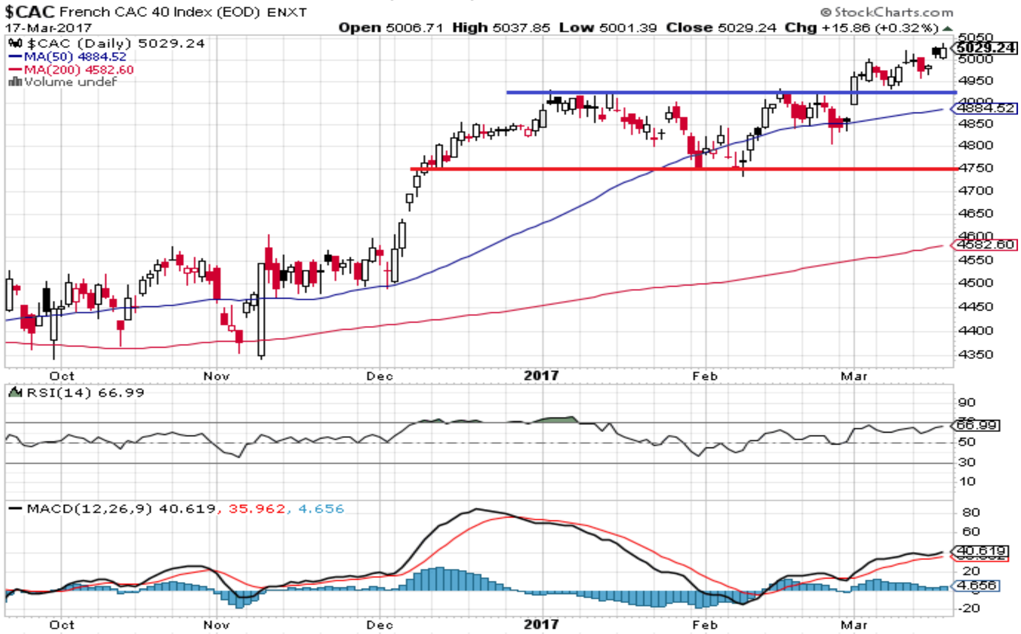
European equity markets weekly charts

Intermediate trend remains Positive. $DAX created yet another high.
Strength relative to the S&P 500 Index changed from Negative to Neutral.
Short-term momentum indicators remain Neutral.

The DAX 30 gained 132.06 points (1.10%) last week.



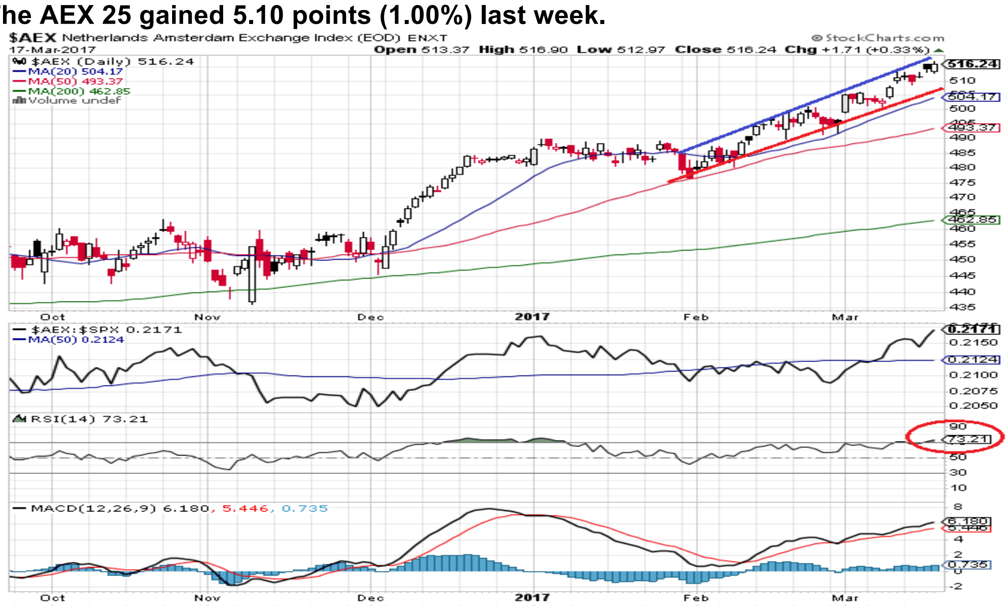
The CAC 40 added 35.92 points (0.72%) last week.



Intermediate trend remains Positive. $CAC continued the bullish momentum and broke 5000.

Short-term momentum indicators are Positive.

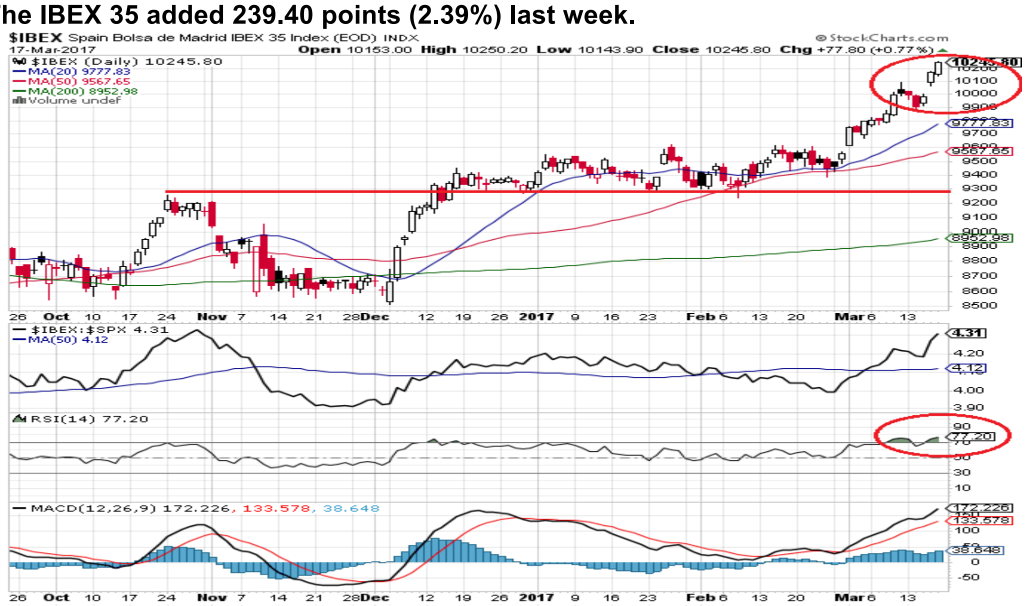
The AEX 25 gained 5.10 points (1.00%) last week.



Intermediate trend remains Positive. Index remains creating new highs.

Short-term momentum indicators are Positive and slightly Overbought.

The IBEX 35 added 239.40 points (2.39%) last week.



$IBEX broke up higher with a runaway gap. Strength relative to the S&P 500 remains Positive.

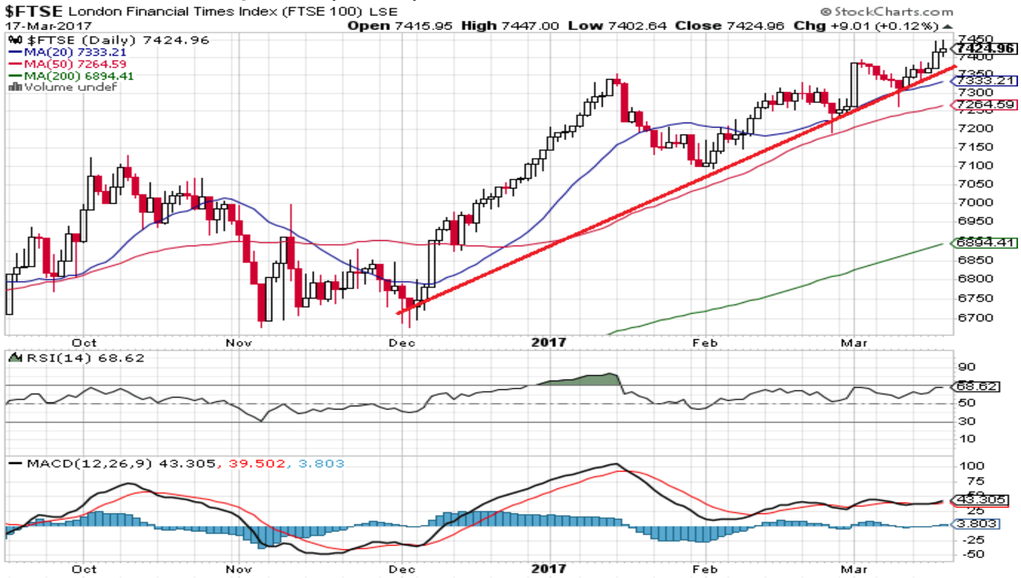
The Index remains above the 20-day moving average.

Short-term momentum indicators remain Positive and Overbought.

Intermediate trend remains Positive but starts showing some exhaustion.
Price remains above the 20-days moving average.

Short-term momentum indicators are Positive.

The FTSE lost 81.88 points (1.12%) last week.



Intermediate trend remains Positive.
Strength relative to the S&P 500 flipped to Positive.
$IEV broke through the upper trendline.
Units closed above the 20-day moving average.
Short-term momentum indicators are Positive.

Europe iShares added $0.80 (1.62%) last week.

Fixed income markets weekly charts

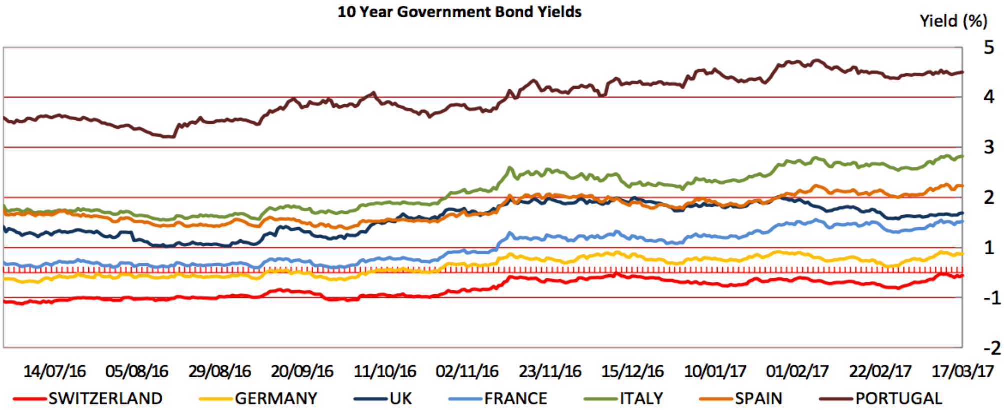
International Bonds

As per our 2017 Q1 Global Investment Strategy Outlook for 10-Y government bonds, US 10-Year government bonds have not fully reached our 2017 price targets yet, and we see yields to continue to move lower towards 2.10%

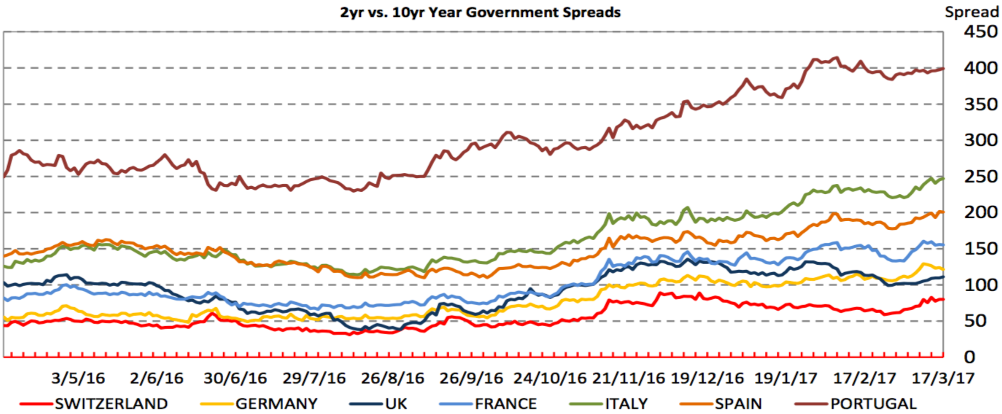
Ten year government bond spreads

Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.83%	+2.40	+0.32
Austria	0.64%	+0.21	-1.87
Belgium	0.93%	+0.50	-1.58
Canada	--	--	--
Denmark	0.72%	+0.29	-1.79
Finland	0.55%	+0.12	-1.96
France	1.12%	+0.68	-1.40
Germany	0.44%	--	-2.08
Greece	7.43%	+6.99	+4.92
Ireland	1.14%	+0.71	-1.37
Italy	2.53%	+2.09	+0.02
Japan	0.07%	-0.36	-2.44
Netherlands	0.53%	+0.09	-1.99
New Zealand	3.26%	+2.82	+0.74
Portugal	4.00%	+3.57	+1.49
Spain	1.88%	+1.44	-0.63
Sweden	0.76%	+0.33	-1.75
Switzerland	-0.02%	-0.45	-2.53
UK	1.25%	+0.81	-1.27
US	2.50%	+2.06	--

We continue recommending taking profits in German 10-Y Bunds.



We can see yields in France and the Benelux move down by another -20bps to -40 bps over the next 3 months, and similarly to decline by -30bps to -50bps in Spain, Italy, Portugal and Greece.



US Bonds

Yield on 10 year Treasuries dropped 0.81 basis points (3.14%) last week.

Intermediate trend remains Positive. $TNX corrected back towards the moving averages. $TNX remained above its 20-day moving average.

Short-term momentum indicators are Negative.

The long term Treasury ETF gained 1.39 points (1.19%) last week.

Intermediate trend remains Negative.
TLT retraced back towards the previous support. TLT remained below the 20-day moving average.

Short-term momentum indicators are Neutral.

Currency markets weekly charts

The Euro added 0.54 points (0.50%) last week.

Intermediate trend changed from Neutral to Positive. $XEU broke out through the upper trendline.

The $XEU moved above the 20-day moving average.

Short-term momentum indicators are Positive.

The US$ dropped 0.99 points (0.98%) last week.

Intermediate trend changed from Neutral to Negative.
$USD formed the right shoulder and now sits on the neckline.
The US$ remains below its 20- day moving average.

Short-term momentum indicators have rolled over to Negative.

The Japanese Yen added 1.64 points (1.88%) last week.

Intermediate trend remains Neutral. XJY rebounded to the rectangle resistance.
$XJY moved above the 20-day moving average.

Short-term momentum indicators are Positive.

The Canadian Dollar gained 0.58 points (0.78%) last week.

Intermediate trend remains Negative. $CDW pulled back to previous Support but was rejected.

Short-term momentum indicators are Mixed.

Commodity markets weekly charts

The CRB Index added 1.83 points (1.00%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained Negative. $CRB dead-cat bounced.

The $CRB remained below its 20-day moving average.

Short-term momentum indicators are rolling over.

Copper gained $0.10 per lb. (3.72%) last week.

Intermediate trend changed from Negative to Neutral. Strength relative to the S&P 500 Index changed back to Neutral. Copper rebounded from the lower channel trendline.

Copper closed above the 20-day moving average.

Short-term momentum indicators are Positive.

Lumber lost $0.70 (0.19%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index cremains Negative. Lumber is still threatening to break the double top base.

Lumber remains below the 20-day MA. Short-term momentum indicators remain Negative.

The Grain ETN dropped $0.02 (0.08%) last week.

Intermediate trend remains Negative. Units dead-cat-bounced after the big breakout.

Price remained below the 20-day MA. Short-term momentum indicators are Mixed.

The Agriculture ETF added $0.22 (0.41%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Negative.

Units closed above the 20-day moving average.

Short-term momentum indicators are Mixed.

Gold & precious metals markets weekly charts

Gold gained $28.80 (2.40%) last week.

Gold rallied back towards the Resistance.

Gold moved above its 20-day moving average.

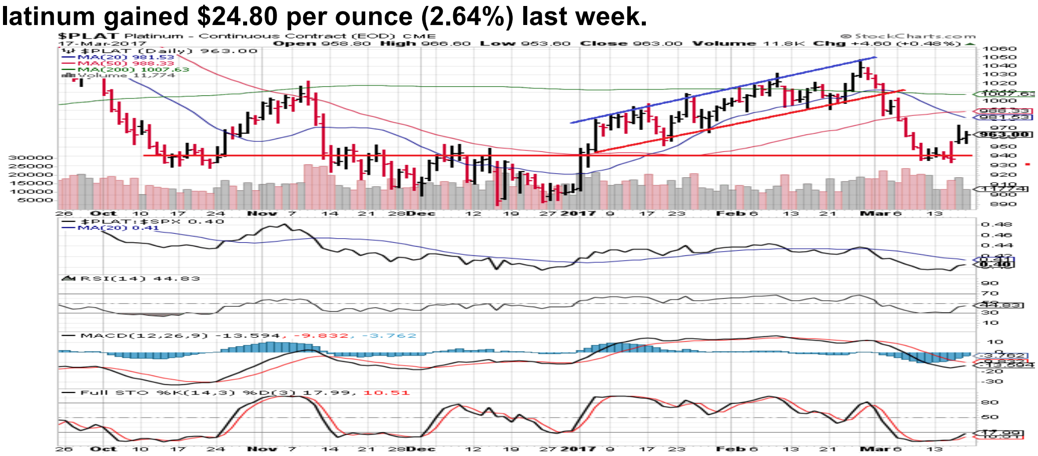
Short-term momentum indicators are rolling over.

Silver added $0.49 per ounce (2.90%) last week.

Silver retraced back towards the 50-day moving average.

Silver remained below its 20-day moving average.
Short-term momentum indicators are rolling over.

Platinum gained $24.80 per ounce (2.64%) last week.



Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained Negative. $PLAT bounced from the 94 support.

$PLAT trades below its 20-day Moving Average. Momentum indicators are rolling over.

Palladium added $30.65 per ounce (4.11%) last week.

Intermediate trend changed back to Neutral. Strength relative to the S&P 500 Index changed from Negative to Neutral.

$PALL moved above its 20-day moving average.

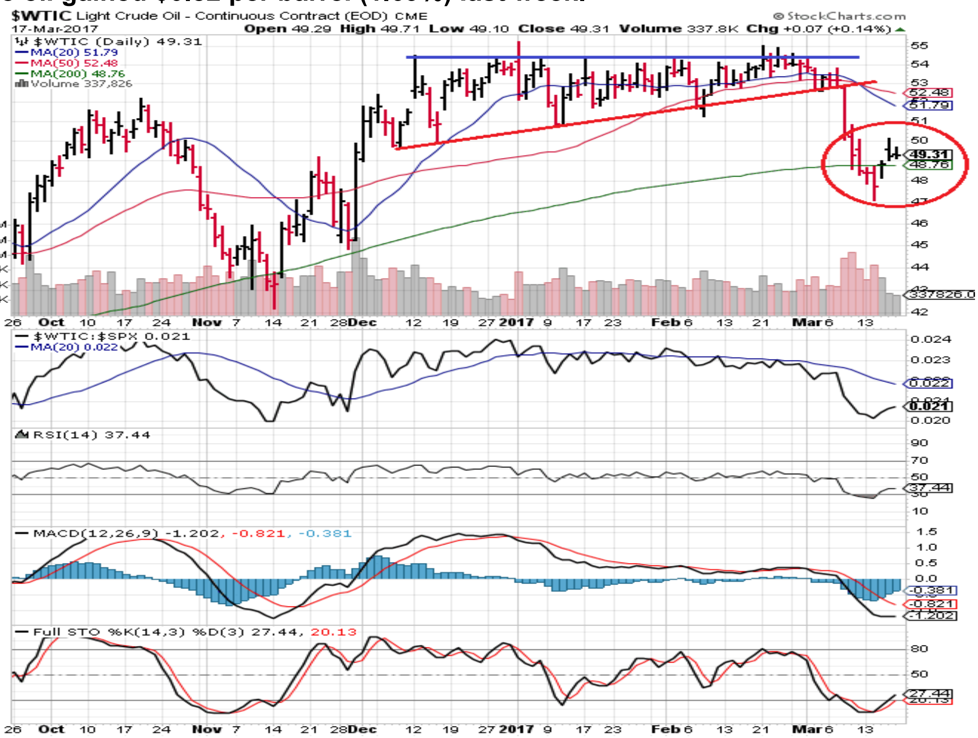
Short-term momentum indicators are rolling over.

Oil, gas & energy markets weekly charts

Crude oil gained $0.82 per barrel (1.69%) last week.

Intermediate trend remains Negative Strength relative to the S&P 500 Index is Negative. $WTIC closed above the 200-day moving average.

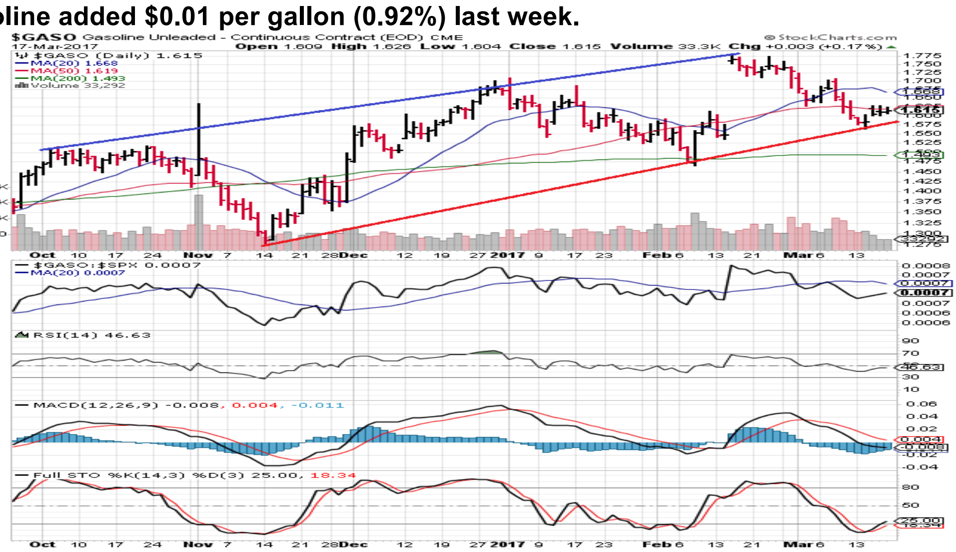
Short-term momentum indicators are Mixed.



Gasoline added $0.01 per gallon (0.92%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remains Negative. $GASO has rebounded from the lower trendline.

$GASO closed below the 20-day moving average. Short-term momentum indicators are rolling over.



Natural Gas lost $0.06 (1.99%) per MBtu last week.

Intermediate trend changed back to Neutral. Strength relative to the S&P 500 Index is Positive. $NATGAS remains ranging between the moving averages.

$NATGAS moved above the 20-day moving average. Short-term momentum indicators are Mixed.

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