



Creative Global Investments

Weekly investment strategy & charts

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Objectivity
Integrity
Creativity

“The Party is over” now comes The “Trump Dump”

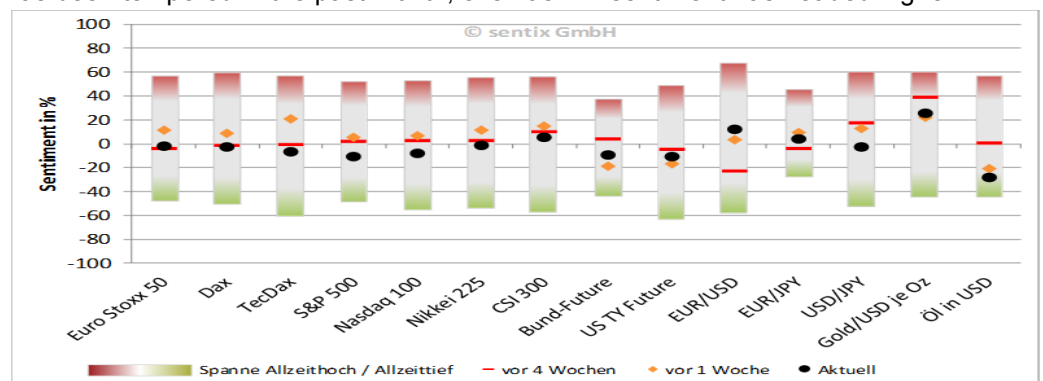
Given the AHCA defeat last Friday, financial markets have to re-assess reality versus wishful thinking. As we had been writing for the past 5 weeks, US assets (US\$ and US equities) had been very overbought, and had failed to move towards new highs, and double tops had been put in place. **We see Friday's equity markets' reversal as a major catalyst for trend change, and the catalyst for investors to focus on major asset re-allocation thinking.**

Given the fact that there are only three more trading/settlement days in the current quarter, we see further reason for short-term money to be reallocated out of US equities into US long bonds, and on a net-net asset allocation basis, for US investors and foreign investors to take further profits in the US\$ and US equities. Besides the need for investors to re-think the differences between “Trumponomics” and reality, as we had been writing for about 5 weeks now, current US\$ and US equity valuations are way too rich for the meager economic backdrop, and hence why we see US long bonds like 10-Year and 30-Year Treasuries as very attractive asset class by comparison to cash and equities.

Several strong themes have emerged from the **sentix survey** in terms of investors' strategic bias. Investors appear to remain unconvinced about the medium-term outlook for global equities, with strategic bias readings declining for indices in Europe, the US and Japan.

In the case of the Eurozone, this has resulted in participants' strategic bias on bunds versus equities becoming much less negative in recent months. At the same time, survey participants have become more positive on the medium-term outlook for the Euro versus the US\$, likely helped by the Fed's recent more 'dovish' rate hike than had been expected. However, expectations of a weaker US\$ have done little to change investors' medium-term bias on Crude Oil, with strategic bias readings now not far from their 2015 lows. Strong strategic bias themes are evident in survey readings on Equities, FX and Oil.

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.



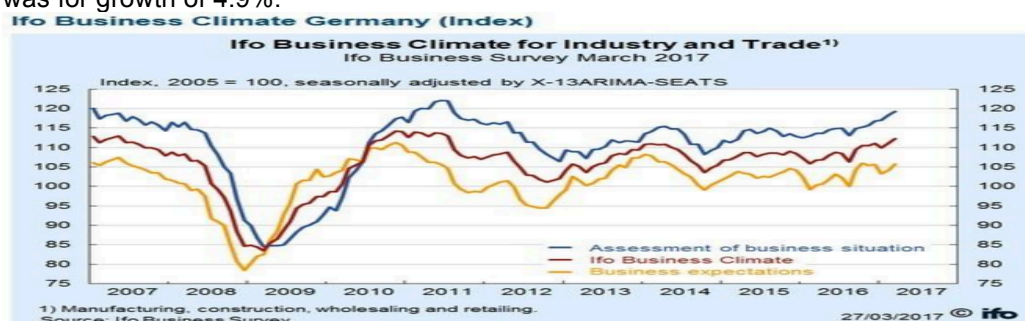
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Macro & political observations

In Asia, the People's Bank of China's governor, **Zhou Xiaochuan**, gave a free economics One-on-One to Mr. Trump, as that "Globalization is a reality for all countries, and is not a matter of choice". We believe that there will be a lot more initiatives from the EU and China to focus on language on free trade and globalization ahead and at the G20 summit in July. This month, G20 finance ministers and central bankers dropped a pledge to keep global trade free and open in their communiqué issued after a gathering in Germany, acquiescing to an increasingly protectionist United States. China will substantially cut the number of sectors closed to foreign investment, its central bank governor said on Sunday. But he also said that as his country opens wider, "we want China to get fair treatment overseas". Among financial sectors targeted for further opening in China were banking, insurance, investment banking, securities firms, and payments. Beijing is in talks with Japan and European and ASEAN countries about bilateral trade and investment agreements, but is "waiting for the US new administration to decide" how to move forward on agreements. The governor also said that he expects to see more countries start to emphasize fiscal policy and structural reform as the period of loose monetary policy ends.

In Europe, in German politics **Merkel's mainstream conservative Christian Democrats won 40.8% of the vote in the western German state of Saarland**. The CDU has ruled the sparsely populated border state, which hugs both France and Luxembourg, for 18 years. The center-left Social Democrats, which had hoped to emerge as the front-runner, won just 29.5% of the vote. They currently rule as a junior partner in a coalition led by popular incumbent State Premier Annegret Kramp-Karrenbauer

On the economic front, **EU lending to households increased by 2.3% on the year in February, following a 2.2% rise in the previous month. Lending to firms grew by 2.0% after expanding 2.3% in January**. The ECB's broad monetary indicator, M3, grew by 4.7% on the year in February, versus 4.8% in January. Economists' consensus was for growth of 4.9%.



EU lenders estimate Greece had a primary surplus between 2% and 3% of its GDP last year, much higher than the target set under its bailout program and more than previously forecast, an EU official told Reuters on Friday. Better-than-

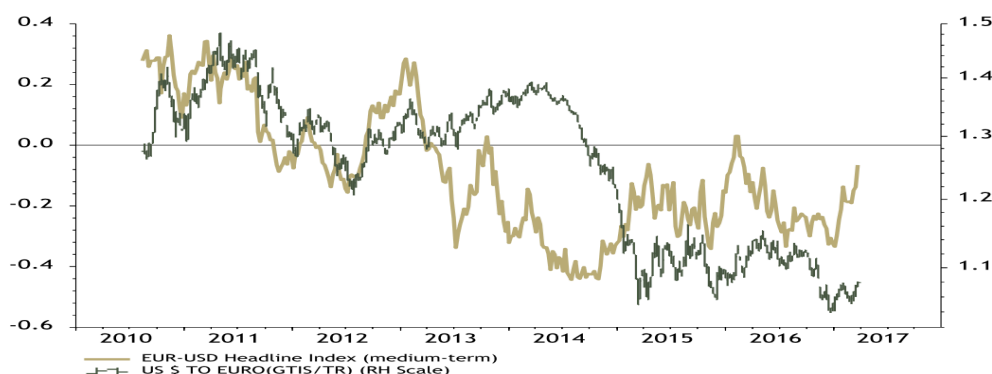
expected figures could smooth bailout talks, which have stalled for months over fiscal targets and the pension and labor market reforms required by creditors in exchange for the disbursement of loans to pay debt due in July. Under Greece's EUR 86 BN bailout program, the third since 2010, Athens was supposed to reach a primary surplus - the budget balance before debt servicing costs, of 0.5% of GDP last year. Proceeds from Greek privatizations, including the port of Thessaloniki and Athens international airport, were expected to reach EUR 2.4 BN this year and EUR 1.9 BN in 2018. The Greek government had expected revenues of EUR 2.7 BN this year. Pension reforms already enacted by the Greek government are also expected to generate savings of 1.5% to 2.5% of GDP by 2018 and 2.5% of GDP by 2025, and Greek banks' plans to reduce their bad loans by EUR 40 BN by the of 2019 are right on schedule, and will bring down the NPL ratio to overall loans to 34% from more than 47% last year.

In the US, Donald Trump has been shown the difference between “talking and walking politics”, as members of his own party did hand him his first major political defeat, ad this in a Congress controlled by his own party when Republican leaders pulled legislation to overhaul the US healthcare system, a major 2016 election campaign promise of the president and his allies. Republican leaders of the House of Representatives pulled the legislation due to a shortage of votes despite desperate lobbying by the White House and its allies in Congress, ensuring that Trump's first major legislative initiative since taking office on Jan. 20 ended in failure. House Republicans had planned a vote on the measure after Trump late on Thursday cut off negotiations with Republicans who had balked at the plan and issued an ultimatum to vote on Friday, win or lose. Republican moderates as well as the most conservative lawmakers had objected to the legislation. The White House and House leaders were unable to come up with a plan that satisfied both moderates and conservatives, despite Trump's vaunted image as a deal maker.

Economic news in the US revealed that **Markit's flash composite output index fell to 53.2 in March from 54.1 the month earlier, hitting a six-month low** of 52.9 from 53.8 the month before, while the manufacturing purchasing managers' index dropped to 53.4 from 54.2, hitting a five-month low. Analysts had been expecting a reading of 54.2 for services and 54.8 for manufacturing.

Currencies Commentary

For the majors, political uncertainty will be in focus this week, in particular with regard to USD and GBP. The former may be hit by concerns about the wider ramifications of the futile attempt to repeal 'Obamacare' for the prospects of tax reform and fiscal policy in the US. As positioning is still close to stretched long levels, it remains vulnerable to a beginning discount of the impact of “Trumpflation”. Overall, we see another 3% – 4% upside for EUR/USD from the current level, as investors are becoming increasingly less pessimistic on the Euro.



Positioning in the GBP is still in stretched short territory, which means that it may less sensitive to the triggering of Article 50 this week. Nevertheless, the publishing of EU guidelines afterwards may attract the market's attention.

The committee tasked with monitoring the OPEC, non-OPEC output cut deal met this weekend and said that overall compliance currently stands at 94%, while further recommending the deal be extended in H2 17. The comments should give some much-needed support to oil prices and oil-sensitive currencies CAD, NOK and RUB.

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.

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.

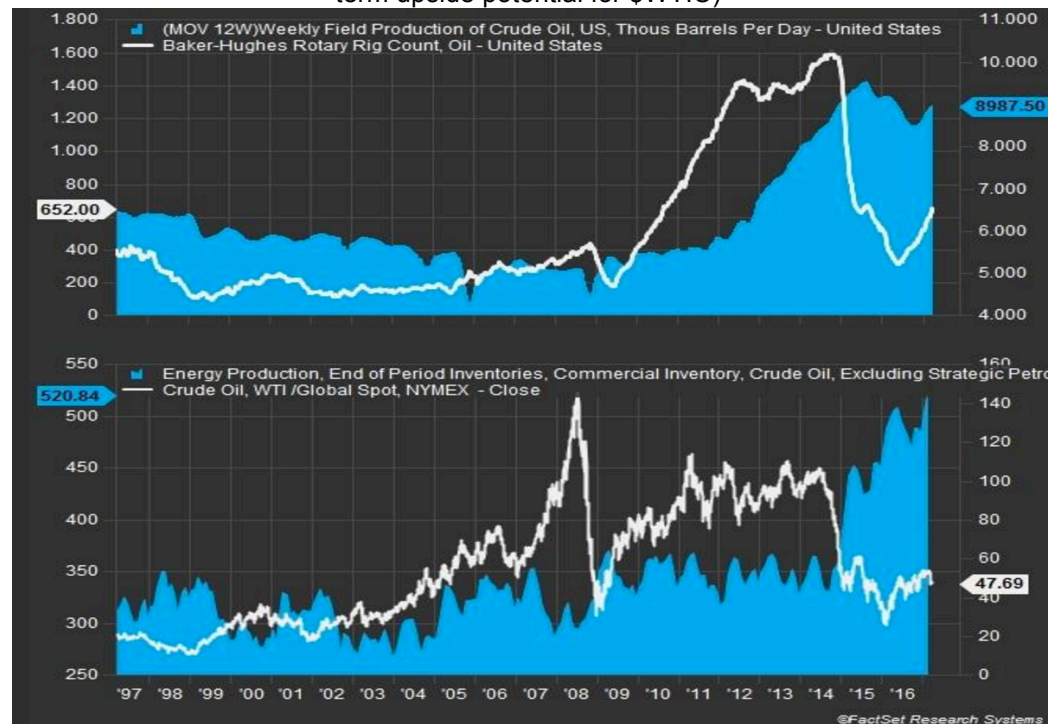


Commodities Commentary

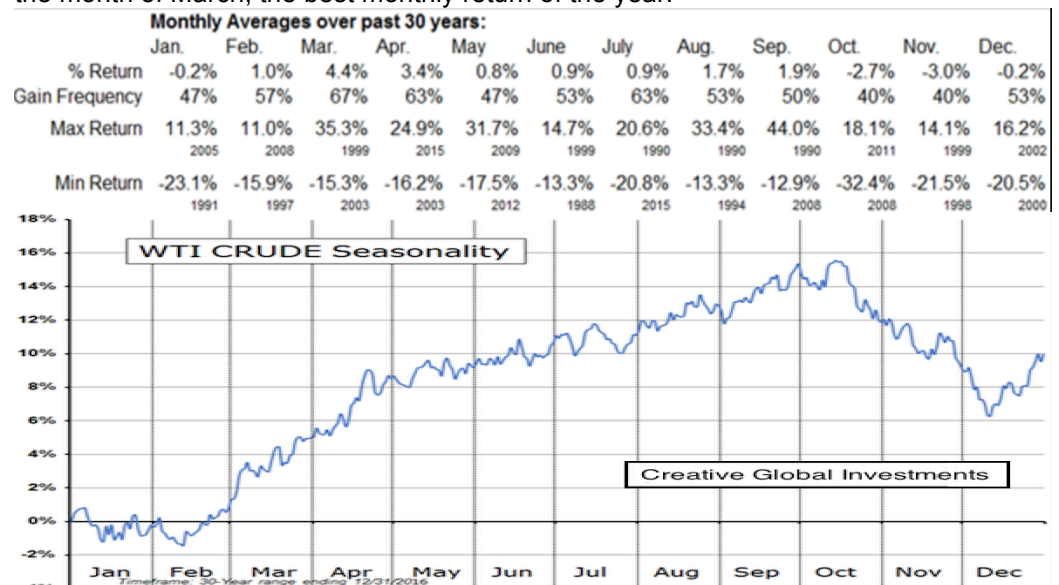
Commodities cannot get a break and the \$CRB is rolling over again.



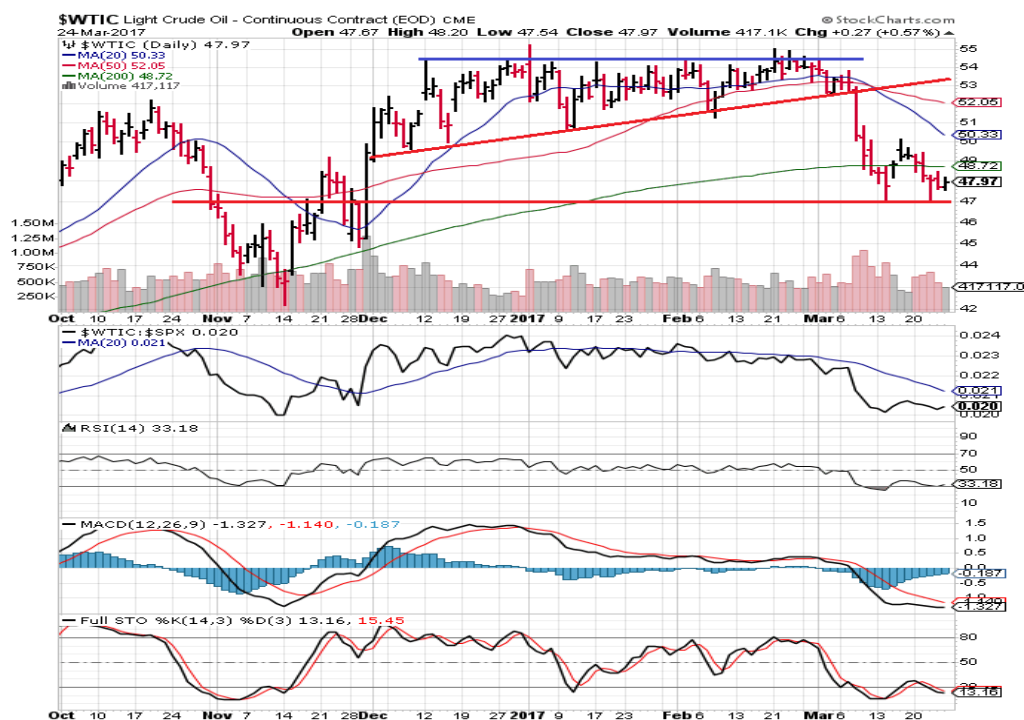
The \$CRB's decline is partly due to US Oil production rising fast again, (limiting short term upside potential for \$WTIC)



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.



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

In Europe, the quarter-end turn will be interesting to follow this week, in particular after the significant squeeze in German repos over year-end. Perhaps due to the scare ignited by the year-end repo squeeze, the market seems to be much better positioned. It looks like the German GC repo will be trading around -3.5% to -2.5% over turn (versus around -7% to -6% over year-end). Another potential driver could be a more active usage of the ECB 'cash for bond' facility.

The main release this week will be EUR HICP (Friday) that is set to have peaked at 2.0% in February. We are forecasting a March reading of 1.6% y/y and that core CPI will decrease to 0.7% y/y from 0.9% y/y in February.

For an overview of this week's supply see Government Bonds Weekly, 24 March 2017, in which we also recommend to buy 5Y SPGB asset swapped. We see room for further periphery performance in this segment of the curve after the relatively high take at the T-LTRO II last week.

In the UK, focus will be on triggering article 50 on Wednesday. The first part of the negotiations will be centered on the 'divorce bill' for the UK. The EU has made it clear that substantial progress on this issue will have been delivered before starting negotiations on a new trade deal.

In the US, We expect continued support to the FI market on opening following Trump's defeat on repealing Obamacare. The vote reveals the divide within the Republican Party and could fuel speculation on whether all the 'Trumponomics' market euphoria has been premature. Next up is the tax reform, which will be even trickier, with part of the financing now missing and also the risk of a government shutdown (late-April deadline to pass a stopgap spending bill to keep the federal government running).

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%. Intermediate trend changed from Positive to Neutral. \$TNX moved back to the old trendline. \$TNX moved below the 20-day moving average. Short-term momentum indicators remain Negative. A double top in each would be confirmed by a move below the Q1 lows at 2.3%.



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

1 week	
Index	Change
Russia	1.73%
Vietnam	1.63%
Abu Dhabi	1.59%
SZ SME	1.50%
Argentina	1.39%
Shenzhen	1.25%
Italy	1.03%
Mexico	1.01%
Shanghai	0.99%
Portugal	0.90%

YTD	
Index	Change
Argentina	16.48%
Turkey	15.67%
Poland	14.14%
Hong Kong	10.74%
India	10.55%
Spain	10.37%
Vietnam	8.73%
Singapore	8.44%
NASDAQ	8.28%
Austria	7.75%

Worst performing equity markets

1 week	
Index	Change
Mongolia	-4.92%
Rus 2000	-2.65%
Poland	-2.27%
Hungary	-2.08%
Rus 3000 value	-2.01%
UAE Dubai	-1.70%
Luxembourg	-1.68%
Norway	-1.66%
Rus 3000	-1.59%
Ireland	-1.53%

YTD	
Index	Change
Nigeria	-5.28%
Israel	-3.13%
Russia	-2.09%
UAE Dubai	-1.97%
Greece	-1.24%
Mongolia	-0.59%
Rus 2000	-0.18%
Egypt	0.00%
Chinext	0.16%
Hungary	0.29%

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 also see the risks of a government shutdown more likely to happen under the Trump administration, than by any other administration before, and this is not at all priced in by financial market valuations.

Economic news this week is quiet. Most US reports are expected to move slightly lower from over-extended levels.

International focus is on Brexit. Official steps toward removal of the UK from the European Union starts this week.

Political confusion in Washington weighed on US equity markets on Friday when the Republicans and Trump withdrew its Health Care bill before a vote by the House of Representatives could be taken.

The VIX Index initially spiked, a cautious warning sign of increasing US equity market volatility. Frequently, new US Presidents (particularly new Republican Presidents) have experienced some difficulties and delays during the first few months of their Presidency. History is repeating this year.

Technical scores for precious metals, precious metal equities, emerging markets and the Chinese market moved higher. Weakness in the US\$ index contributed to their gains.

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.

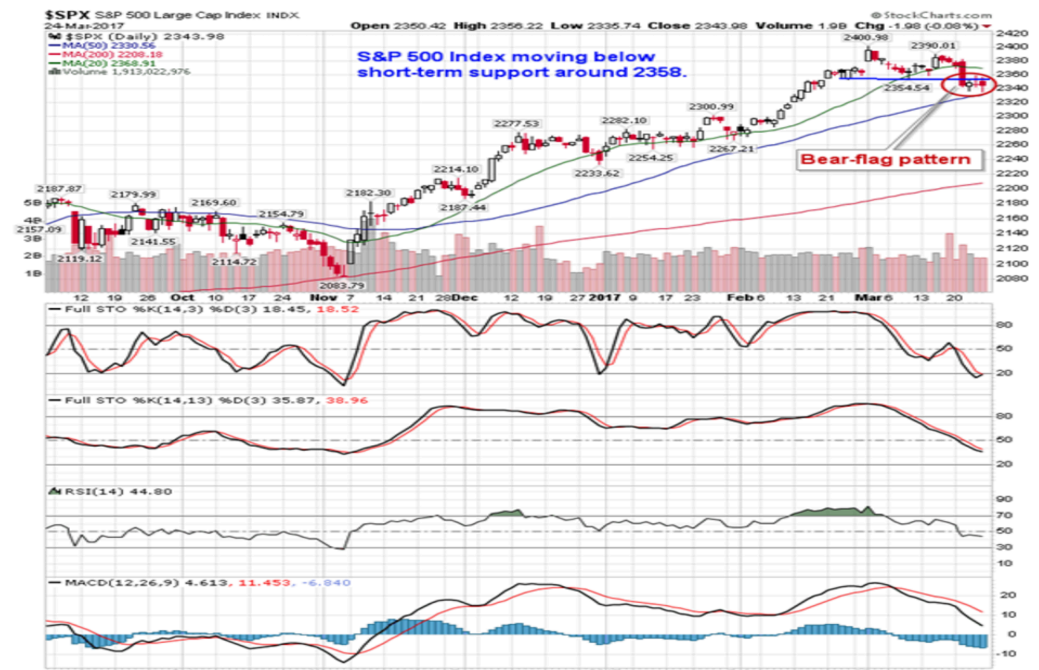
Short and intermediate technical indicators for most equity indices (except Europe and Japan), commodities and sectors have rolled over and are trending down. A shallow intermediate correction lasting well into April now is likely

Technical action by S&P 500 stocks was bearish last week. Technical scores for a wide variety of equity indices and sectors dropped significantly last week. Short term technical indicators (e.g. 20 day moving averages, short term momentum indicators) for a wide variety of North American equities and economic sensitive sectors are trending down and are oversold, but have yet to show signs of bottoming.

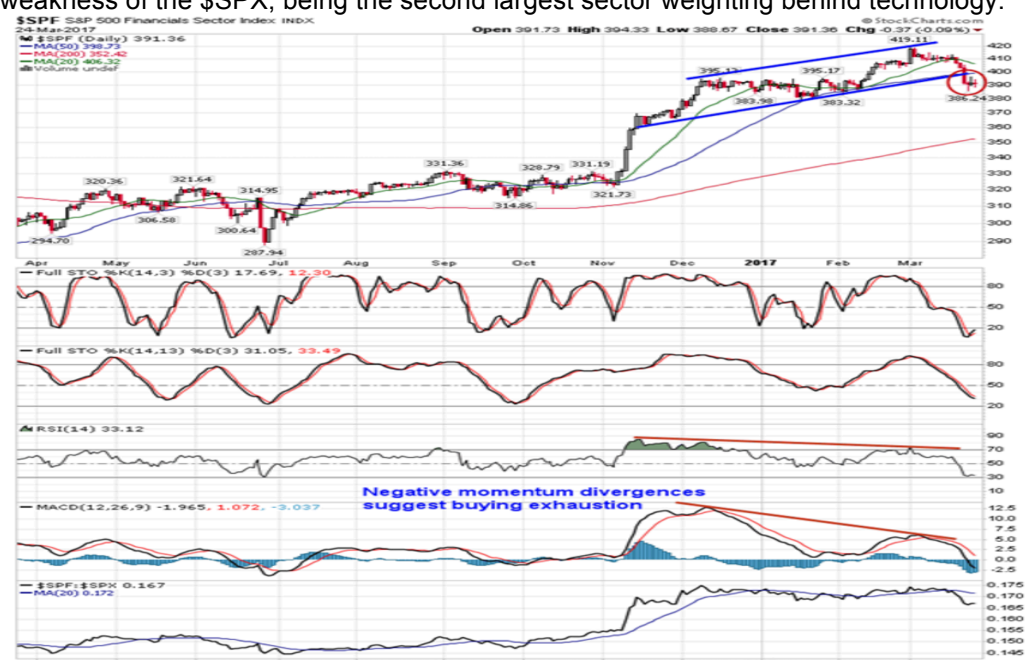
Intermediate technical indicators (e.g. Percent trading above at 50 day moving average, Bullish Percent Index) generally remain overbought and trending down.

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-term support at the 20-day moving average has been breached, leaving the 50-day at 2330 as the key hurdle below. A bear-flag based on last week's trading activity can be picked out on the chart, suggesting further downside pressures over the short-term. Downside target based on calculated potential and previous horizontal resistance is anywhere from 2280 to 2320; short-term resistance is apparent at 2360.



The recent downtick in stocks is being driven by weakness in the financial sector as investors express doubt that the Trump administration will be able to fulfill other components of the president's mandate following the failure to repeal and replace the often criticized Affordable Care Act, otherwise known as Obamacare. The S&P 500 Financial Sector Index dropped 3.81% last week, breaking below an intermediate rising trend channel. We previously highlighted the negative momentum divergences that suggested buying exhaustion, despite the fact that the sector is within a period of seasonal strength that typically peaks in April. Horizontal support on the financial benchmark is apparent between 380 and 385. Until evidence suggests otherwise, the downfall in financial stocks is expected to be rather short-lived. The bond market has found short-term relief from the selling pressures that dominated the last quarter of 2016, allowing yields to retrace the gains from the same period. Once the reversion to the mean has been exhausted, the trend of higher yields is likely to continue, once again providing lift to the financial sector. The timeline for these moves may act contrary to seasonal norms, which suggest higher yields and strength in the financial sector through April, followed by lower yields and weakness in the financial sector through the spring and summer months. The financial sector plays a major role in strength or weakness of the \$SPX, being the second largest sector weighting behind technology.



US equity markets weekly charts

The VIX Index added 1.68 points (14.89%) last week.

Intermediate trend changed from Negative to Neutral. The Index moved above its 20-day moving average. Price broke through the upper trendline.



The S&P 500 Index dropped 34.27 (1.44%) last week.

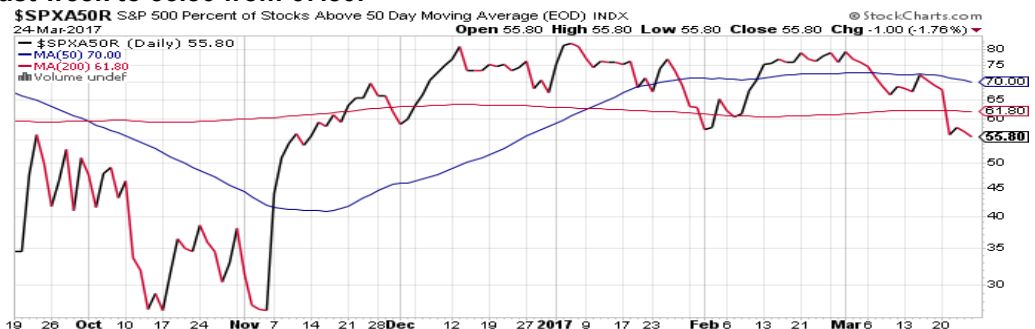
Intermediate trend changed from Positive to Neutral. The Index closed below its 20-day moving average. \$SPX failed to break the 20-day MVA once again.

Short-term momentum indicators are Negative.



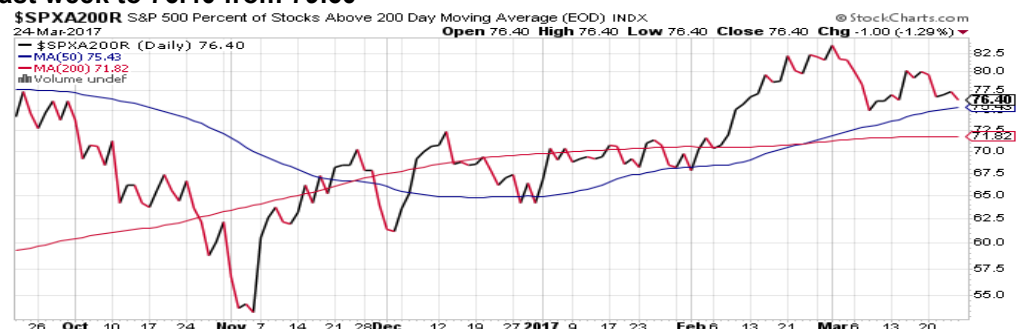
Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 55.80 from 67.80.

The Index moved below the 200-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 76.40 from 79.60

The Index remained above the 20-day moving average.



Bullish Percent Index for S&P 500 stocks dropped last week to 74.00 from 77.00 and remained above its 50-day moving average.

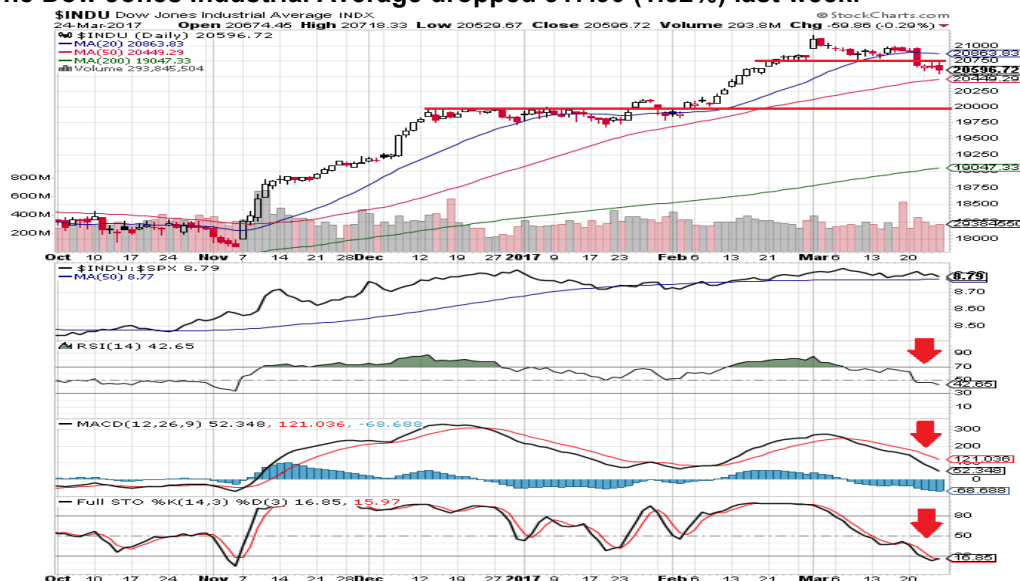
The Index moved below the 50-day moving average.



The Dow Jones Industrial Average dropped 317.90 (1.52%) last week.

\$INDU broke the 20750 support. Strength related to the S&P 500 remains Positive.

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



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 remained at the yearly high.



The Dow Jones Transportation Average lost 216.72 points (2.37%) last week.

Dow Jones Transportation Index found a new support post the breakout. Strength relative to the S&P 500 remained Negative. The \$TRAN closed below its 20-day moving average.

Short-term momentum indicators are Negative.



Bullish Percent Index dropped last week to 60.69 from 64.27 and moved below its 200-day moving average.

The Index remained below the 50-day moving average.

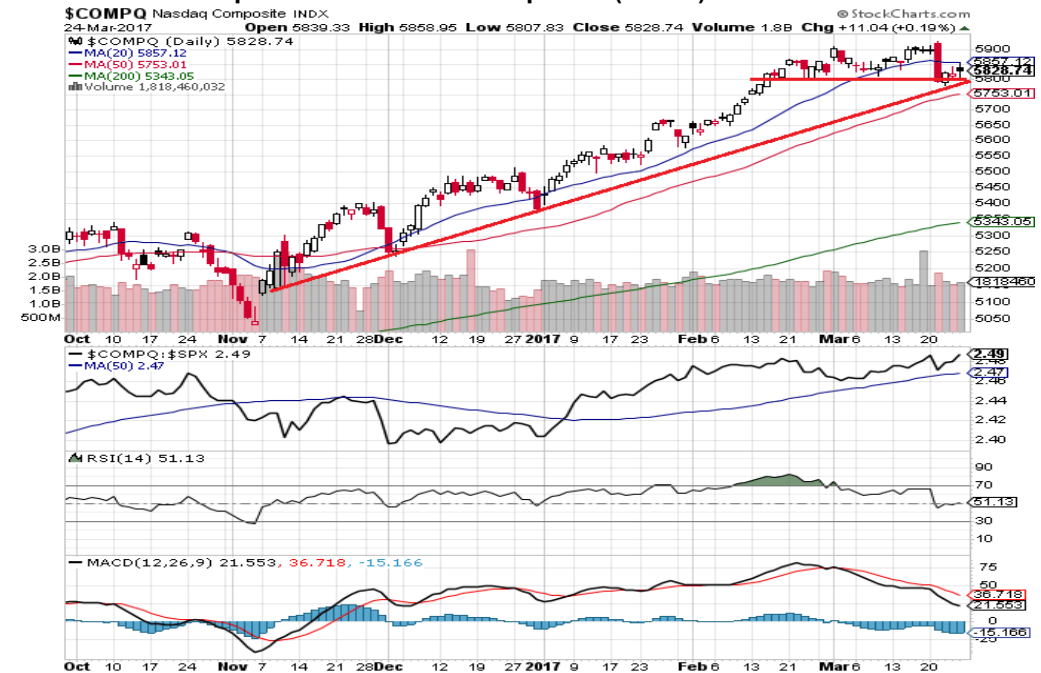


The NASDAQ Composite Index lost 72.26 points (1.22%) last week.

\$COMPQ failed to break the 5800 support. Strength relative to the S&P 500 Index remains Positive.

The Index moved below its 20-day moving average.

Short-term momentum indicators remain Mixed.



The Russell 2000 Index dropped 36.88 points (2.65%) last week.

\$RUT broke through the lower trendline. Strength relative to the S&P 500 Index remains Negative.

The Index moved below the 20-day moving average. Short-term momentum indicators are Mixed.



The S&P Energy Index lost 8.90 points (1.74%) last week.

Intermediate trend remains Negative. \$SPEN is pressuring the 500 Support again. 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 dropped 5.14 points (3.06%) last week.

\$OSX rejected the 200MVA pulback. Strength relative to the S&P 500 remains Negative.

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



The AMEX Gold Bug Index added 3.80 points (1.94%) last week.

\$HUI is stuck between the two moving averages. Strength relative to the S&P 500 Index remained Negative.

The Index remained above its 20-day moving average. Short-term momentum indicators are Neutral.



Latam equity markets weekly charts

The BOVESPA dropped 356 points last week.

\$BVSP temporarily broke the 64000 support. BVSP broke through the H&S neckline but has to confirm the pullback fail.

Short term momentum indicators are Mixed.



The Mexican added 490 points last week.

Intermediate trend remains Positive. \$MXX remains the bullish momentum after the breakout.

Short-term momentum indicators remain Positive.



Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite rose to 73.49 from 72.69 and moved above its 20-day moving average.

The Index moved above the 20-day moving average.



The TSX Composite Index lost 47.82 points (0.31%) last week.

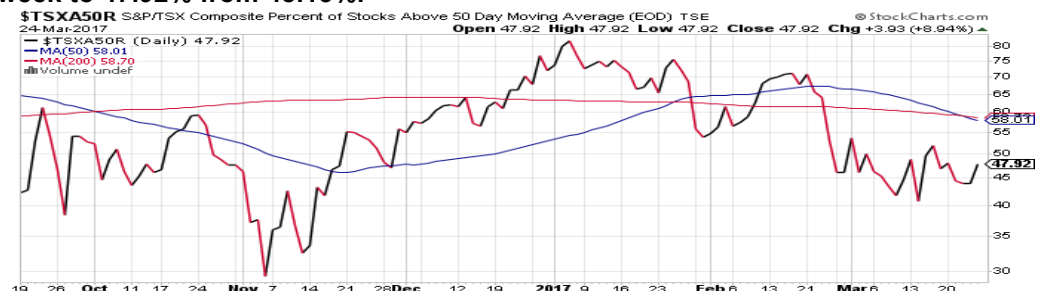
Intermediate trend remains Negative. The Index pulled back above the support.

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



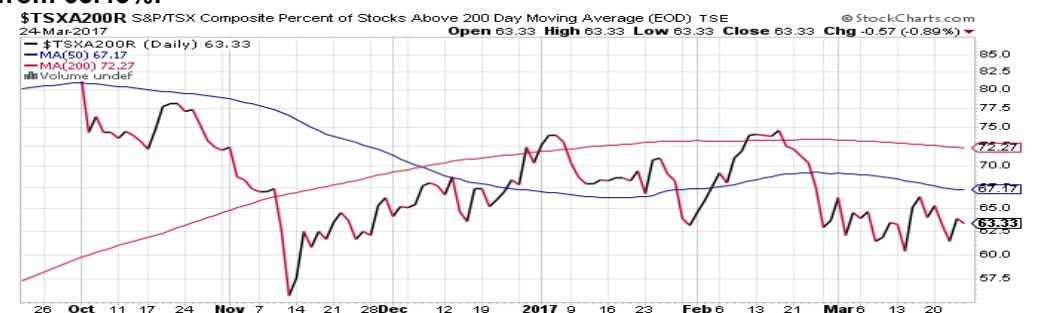
Percent of TSX stocks trading above their 50-day moving average dropped last week to 47.92% from 48.15%.

The index remains below the 50-day moving average.



Percent of TSX stocks trading above their 200 day dropped last week to 63.33% from 65.43%.

The index remains below the 50-day moving average.



Asian equity markets weekly charts

The SENSEX lost 227.59 points (0.77%) last week.

\$BSE retraced and closed the runaway gap.

Short-term momentum indicators are rolling over.



The Nikkei Average dropped 259.06 points (1.33%) last week.

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 Index remains Neutral. \$NIKK rebounded from the 19000 support.

The \$NIKK moved below its 20-day moving average. Short-term momentum are Mixed.



The Shanghai Composite Index added 32.00 points (0.99%) last week.

Intermediate trend remains Positive. \$SSEC rebounded from the support.

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



Emerging Markets iShares gained \$0.32 (0.81%) last week.

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

Units closed above the 20-day moving average. Short-term momentum indicators are Positive.

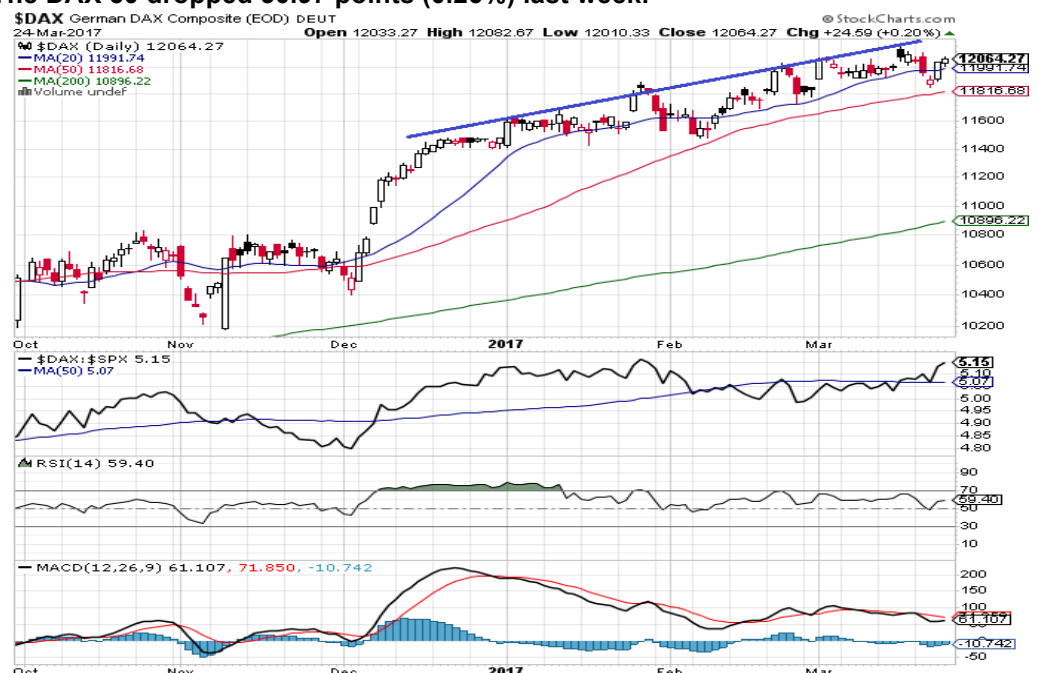
**The Australia All Ordinaries Index lost 44.70 points (0.77%) last week.**

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 Index changed from Negative to Neutral. \$AORD broke out downwards but is yet to reject a pullback.

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

**European equity markets weekly charts****The DAX 30 dropped 30.97 points (0.26%) last week.**

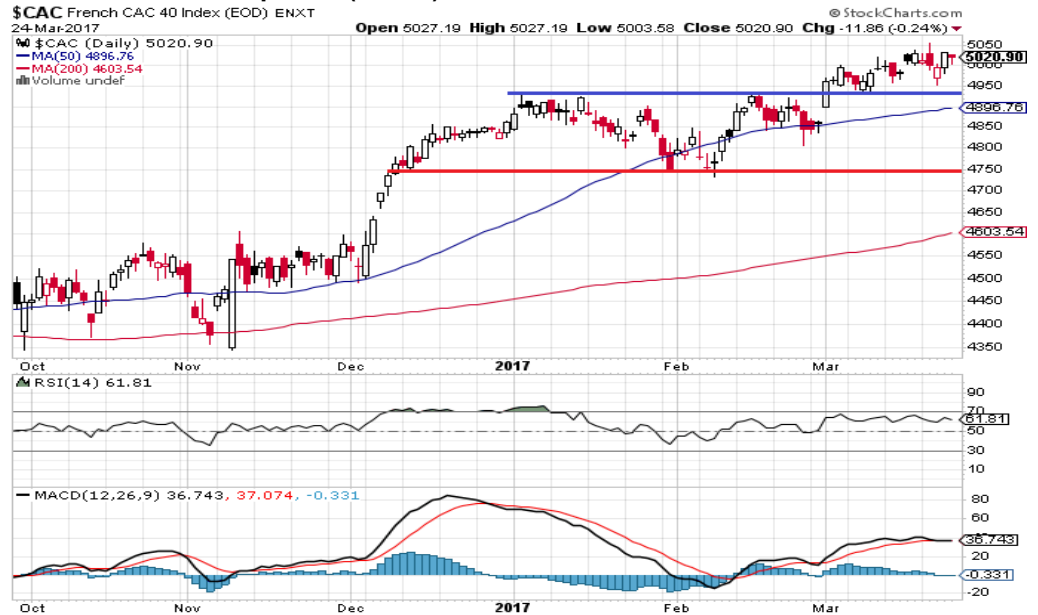
Intermediate trend changed from Positive to Neutral. \$DAX looks to be losing the bullish momentum. Strength relative to the S&P 500 Index changed from Neutral to Positive. Short-term momentum indicators are Mixed.



The CAC 40 lost 8.34 points (0.17%) last week.

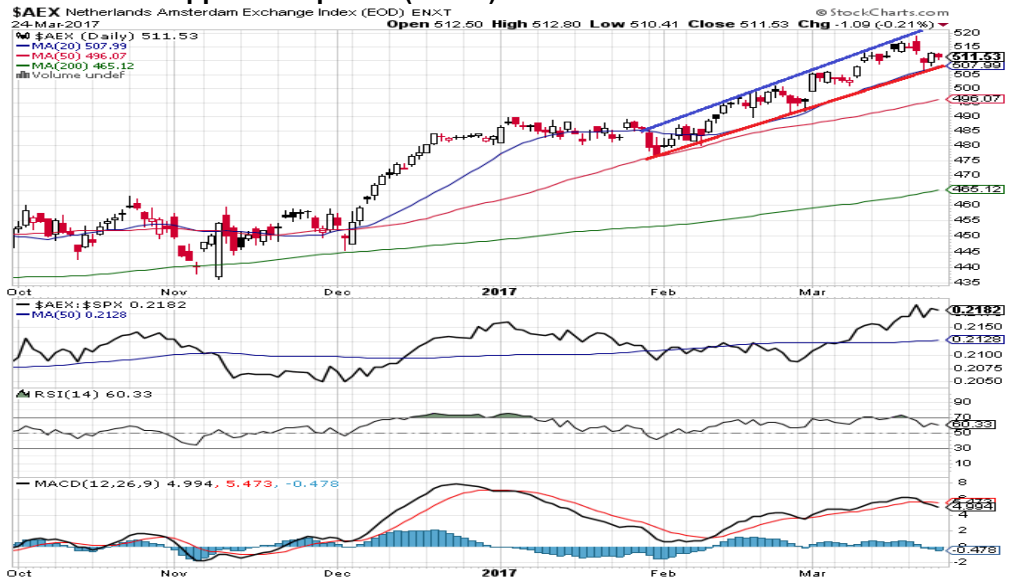
Intermediate trend remains Positive. \$CAC continued the bullish momentum and broke 5000.

Short-term momentum indicators are Positive.

**The AEX 25 dropped 4.71 points (0.91%) last week.**

Intermediate trend remains Positive. Index remains in a tight bullish channel.

Short-term momentum indicators are rolling over.

**The IBEX 35 added 63.60 points (0.62%) last week.**

\$IBEX remains in the strong bullish momentum. Strength relative to the S&P 500 remains Positive.

The Index remains above the 20-day moving average.

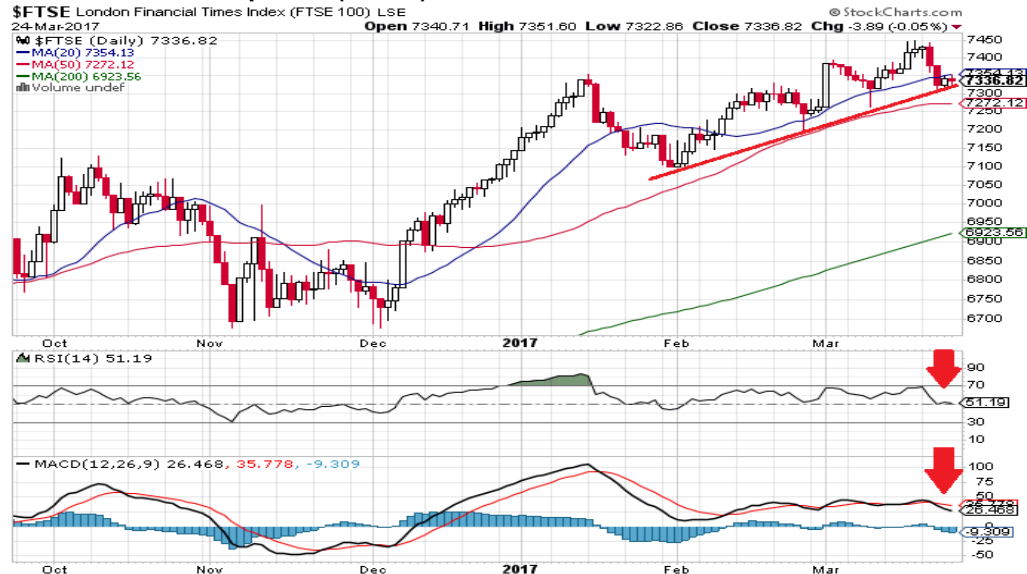
Short-term momentum indicators remain Positive and Overbought.



Intermediate trend changed from Positive to Neutral and is threatening the trendline. Price moved below the 20-days moving average.

Short-term momentum indicators are Negative.

The FTSE lost 81.14 points (1.19%) last week.



Europe iShares dropped \$0.23 (0.45%) last week.



Intermediate trend remains Positive. Strength relative to the S&P 500 remains Positive. \$IEV rejected the throwback. Units closed above the 20-day moving average. Short-term momentum indicators are Mixed.

Fixed income markets weekly charts

International Bonds

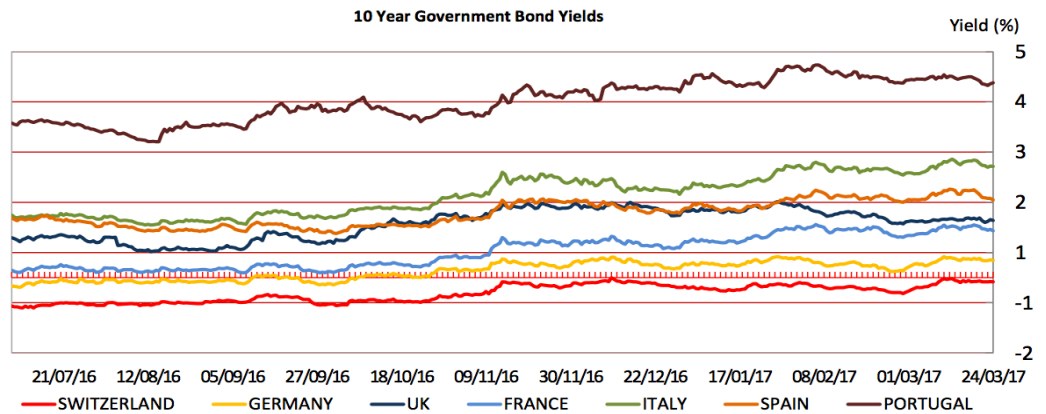
As per our 2017 Q1 Global Investment Strategy Outlook for 10-Y government bonds, US 10-Year government bonds have not fully reached our 2017 price targets yet, and we see yields to continue to move lower towards 2.15%

Ten year government bond spreads

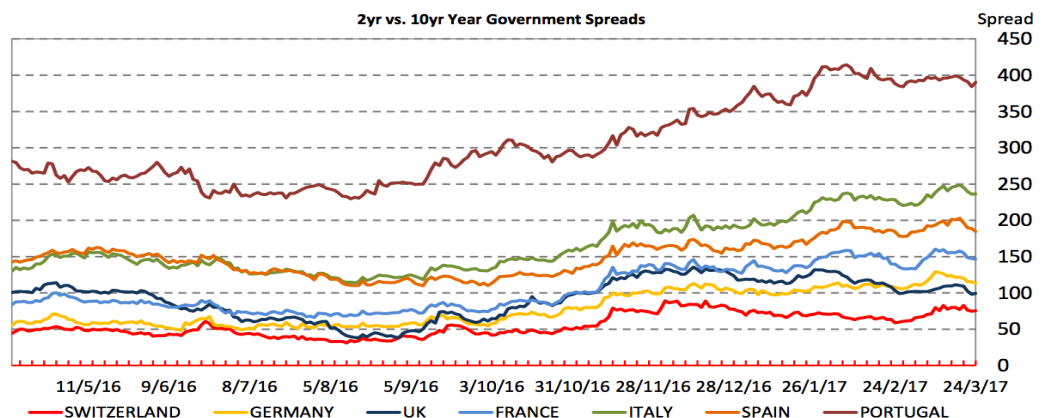
Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.71%	+2.34	+0.34
Austria	0.57%	+0.20	-1.80
Belgium	0.85%	+0.48	-1.52
Canada	--	--	--
Denmark	0.66%	+0.29	-1.71
Finland	0.47%	+0.10	-1.90
France	0.95%	+0.58	-1.42
Germany	0.37%	--	-2.00
Greece	7.40%	+7.03	+5.03
Ireland	1.04%	+0.67	-1.34
Italy	2.38%	+2.00	<0.01
Japan	0.06%	-0.31	-2.31
Netherlands	0.45%	+0.08	-1.92
New Zealand	3.19%	+2.82	+0.82
Portugal	4.10%	+3.73	+1.73
Spain	1.67%	+1.30	-0.70
Sweden	0.62%	+0.25	-1.75
Switzerland	-0.05%	-0.42	-2.42
UK	1.16%	+0.79	-1.21
US	2.36%	+1.99	--

Data delayed at least 15 minutes, as of Mar 27 2017 11:10 BST.

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

Intermediate trend changed from Positive to Neutral. \$TNX moved back to the old trendline. \$TNX moved below the 20-day moving average.

Short-term momentum indicators remain Negative.

Yield on 10 year Treasuries dropped 1.01 basis points (4.04%) last week.



The long term Treasury ETF gained 2.24 points (1.89%) last week.

Intermediate trend changed from Negative to Neutral. TLT moved onto the upper trendline. TLT remained below the 20-day moving average.

Short term momentum indicators are Neutral.



Currency markets weekly charts

The Euro added 0.75 points (0.70%) last week.

Intermediate trend remains Positive. \$XEU is moving towards the 200-day MVA.

The \$XEU remained above the 20-day moving average.

Short-term momentum indicators are Mixed.



The US\$ dropped 0.67 points (0.67%) last week.

Intermediate trend changed from Neutral to Negative. \$USD broke the neckline of the H&S pattern. The US\$ remains below its 20-day moving average.

Short-term momentum indicators remain Negative.



The Japanese Yen added 0.92 points (1.04%) last week.

Intermediate trend changed from Neutral to Positive. XJY broke through the upper rectangle resistance. \$XJY moved above the 20-day moving average.

Short-term momentum indicators are rolling over.



The Canadian Dollar lost 0.03 points (0.05%) last week.

Intermediate trend remains Negative. \$CDW rejected yet another pullback to the old Support, now Resistance.

Short-term momentum indicators are rolling over.



Commodity markets weekly charts

The CRB Index dropped 1.01 points (0.55%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained Negative. \$CRB remains pressuring the Support.

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

Short-term momentum indicators are Negative.



Copper gained \$0.06 per lb. (2.25%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index changed back to Neutral. Copper was stopped in the middle of the channel, another bearish move is possible.

Copper closed above the 20-day moving average.

Short-term momentum indicators are Positive.



Lumber added \$14.80 (4.09%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remains Negative. Lumber recovered to the previous high but is possibly creating a Triple Top.

Lumber remains below the 20-day MA. Short-term momentum indicators are Positive.

**The Grain ETN dropped \$0.98 (3.41%) last week.**

Intermediate trend remains Negative. Units were rejected at the old trendline and crashed to a yearly low

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

**The Agriculture ETF added \$0.44 (0.82%) 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 remain Mixed.



Gold & precious metals markets weekly charts

Gold gained \$18.30 (1.49%) last week.

Gold is looking ready to attack the important 200MVA resistance again.

Gold moved above its 20-day moving average.

Short-term momentum indicators are Positive.



Silver added \$0.34 per ounce (1.92%) last week.

Silver is climbing back towards the 200MVA.

Silver moved above its 20-day moving average. Short-term momentum indicators have rolled over to Positive.



Platinum gained \$4.90 per ounce (0.51%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained Negative. \$PLAT pullback was stopped by the 20-day MVA.

\$PLAT trades below its 20-day Moving Average. Momentum indicators have rolled over.



Palladium added \$37.55 per ounce (4.84%) last week.

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

\$PALL remains above its 20-day moving average.

Short-term momentum indicators are Positive.

**Oil, gas & energy markets weekly charts****Crude oil dropped \$1.34 per barrel (2.72%) last week.**

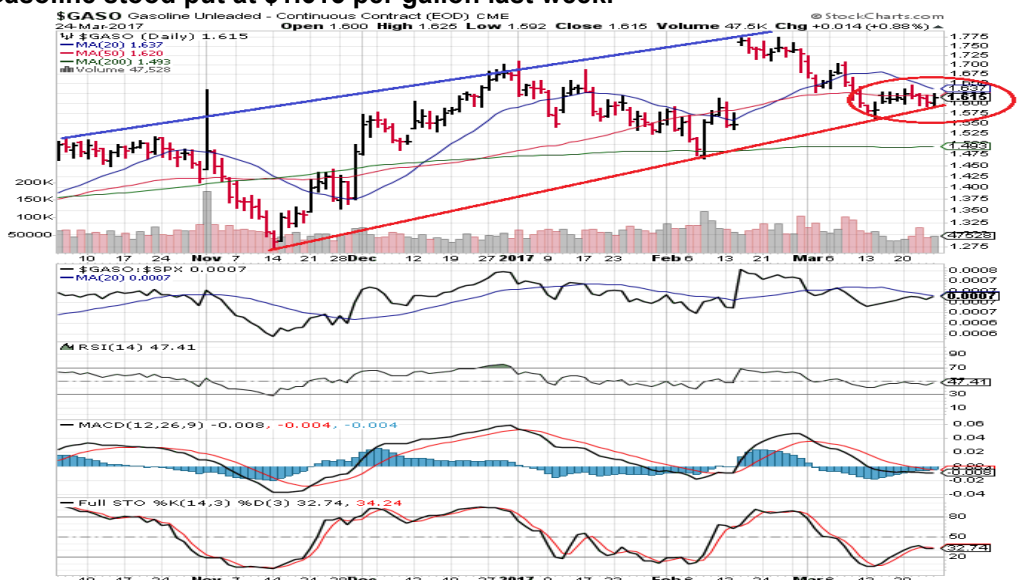
Intermediate trend remains Negative. Strength relative to the S&P 500 Index is Negative. \$WTIC broke the important 200-day moving average.

Short-term momentum indicators are Negative.

**Gasoline stood put at \$1.615 per gallon last week.**

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remains Negative. \$GASO looks compressed between the moving averages and lower trendline.

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



Natural Gas added \$0.20 (6.95%) per MBtu last week.

Intermediate trend changed from Neutral to Positive. Strength relative to the S&P 500 Index remains Positive. \$NATGAS is establishing an uptrend.

\$NATGAS remains above the 20-day moving average. Short-term momentum indicators are Positive.



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