



Creative Global Investments

Morning market commentary & weekly charts

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Carlo R. Besenius
Chief Executive Officer
cbesenius@cg-inv.com
+(352) 2625 8640



Creative Global Investments LLC
115 East 57th Street
11th Floor
New York, NY 10022
Tel: 212 939 7256
Mob: 917 301 3734

Creative Global Investments/Europe
5, op der Heed
L-1709 Senningerberg
Tel: +(352) 2625 8640
Mob: +(352) 691 106 969

Objectivity
Integrity
Creativity

As we anticipated, and have been writing explicitly about in the past 6 months, the last 9 months' US\$ strength appears to be wreaking more havoc on companies' outlooks than the bad weather did last year. So far in Q1 2015 profit warnings from S&P 500 companies are running ahead of the pace of set at the same time in 2014, and well ahead of the five-year average.

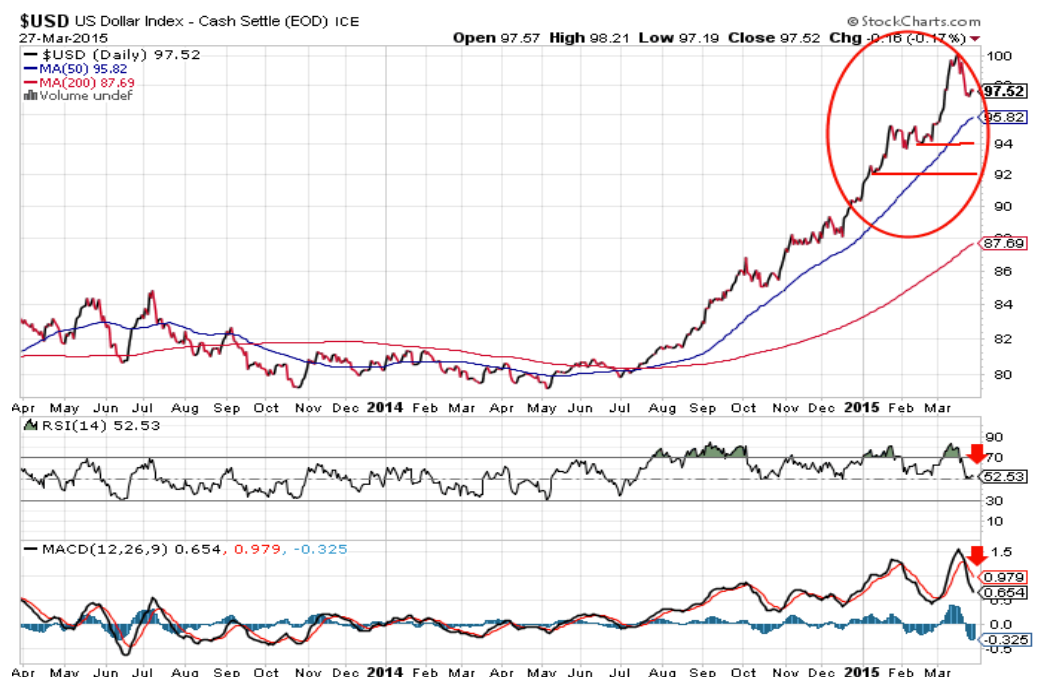
When Alcoa Inc. will lead off the earnings season reporting on April 8, about 84% of the companies that have provided first-quarter outlooks gave a negative outlook. That's above the 81% that warned Q1 2014, and the five-year average of 68%.

Number of pre-announcements among S&P 500 companies

Quarter	Total	Negative* (% of total)	Positive (% of total)
Q1 2015	101	85 (84.2%)	16 (15.8%)
Q4 2014	108	87 (80.6%)	21 (19.4%)
Q4 2014	112	82 (73.2%)	30 (26.8%)
Q2 2014	116	86 (74.1%)	30 (25.9%)
Q1 2014	113	92 (81.4%)	21 (18.6%)

*Five-year average of negative guidance is 68%

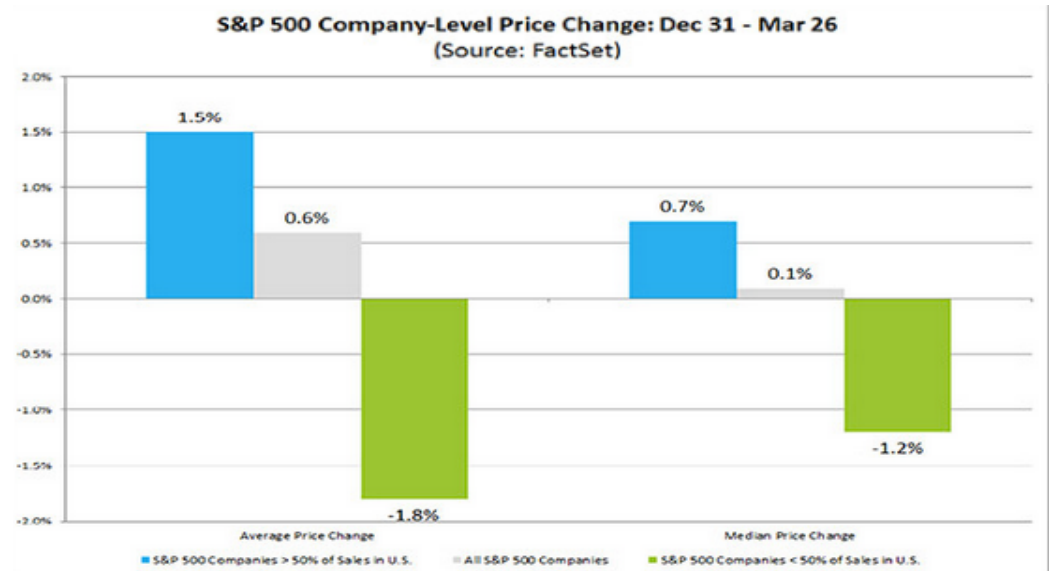
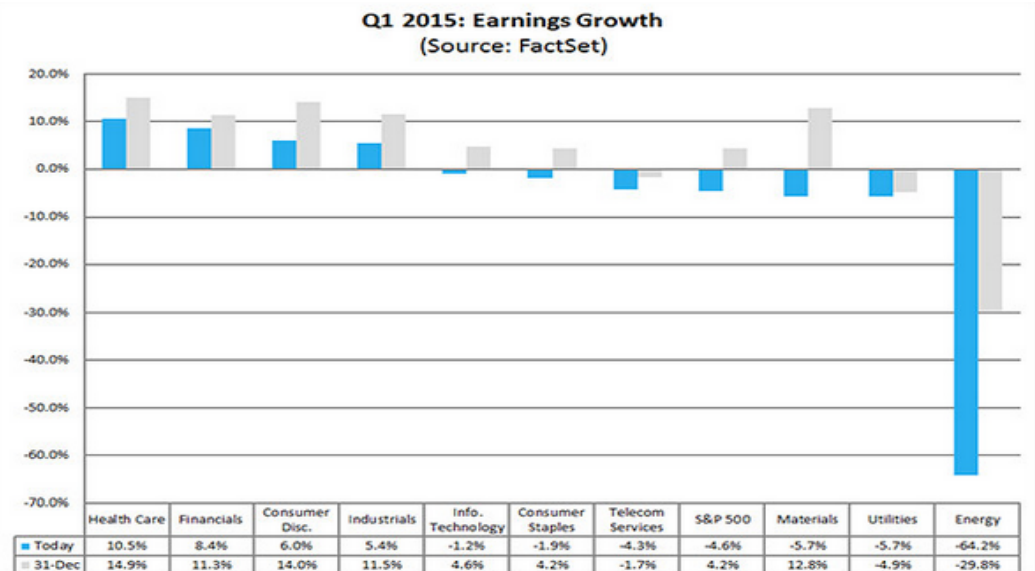
Many of the companies blamed the negative effects of currency movements, lower commodity prices or both, for the negative pre-announcements. The US\$ Index (\$USD) has gained 7.6% year to date, and 21% over the last 12 months. What goes up, must come down!



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Aggregate Q1 earnings for the S&P 500 are currently projected to decline 4.6% from year-ago levels, compared with 2.8% growth in Q1 2014, and 7.8% growth in Q2. If that outlook holds through reporting season, it would mark the first year-over-year earnings decline since the third quarter of 2012.

Since Dec. 31, the estimate for Q1 earnings per share has fallen by 8.2%, the largest decline for estimates since the Q1 of 2009, when the US economy was in recession.



Weekly Investment Conclusion

Most equity markets are closed for Good Friday, but the March employment report is scheduled to be released that day. Futures markets will respond to the employment report before closing at 9:15 AM EDT. In addition most European equity markets are closed on Easter Monday. International geo-political events could have an influence on equity markets. European manufacturing PMI reports are expected to show a modest recovery above the 50 level. China's PMI report is expected to show modest weakness below the 50 level. A go or stay decision by Greece on the Euro could come as early as this week. Political unrest in Nigeria (election), Venezuela and Syria/Iraq continues. Iran's decision on possible nuclear weapon policy is scheduled to come on Tuesday.

US Equity markets and most sectors entered into a brief period of weakness last week. US Economic news (ISM and Employment reports) will drive equity prices this week. Seasonal influences are weak during the last two trading days in March, but turn strongly positive in April. In fact, the two strongest periods for US equity indices during the year are the two-week Christmas rally near the end of the year and the first two weeks in April. Average gain by the Dow Jones Industrial Average during the first two weeks in April since 1955 is 1.22% per period. **Seasonal influences turn strongly positive (possibly due to anticipation of good news released by CEOs at annual meetings when they release "difficult" first quarter results e.g. stock splits, share buy backs, dividend increases).**

We are advising investors to accumulate seasonally attractive economically sensitive North American and international equities, with the exception of Japan (due to March 31st being end of fiscal year, and a consequent -8% – 10% historical sell-off affecting Japanese equities from April – July) on weakness this week for a seasonal trade lasting until at least May.

Short-term technical signals for most equity markets and sectors rolled over last week and are trending down. Many already are approaching short-term oversold levels, but have yet to show signs of bottoming. April is the second strongest month of the year for the S&P 500 Index. From 1950 to 2014, the Index has gained an average of 1.5% and has been positive 68% of the time.

Best performing equity sectors during the past 24 periods were:

- Energy
- Materials
- Industrials
- Semiconductors
- Railroads
- Chemicals

Worst performing sectors were

- Telecom.
- Silver
- Agriculture
- Gold

Best performing commodities were

- Crude oil
- Gasoline
- Natural gas
- Zinc
- Nickel

Global macro commentary & events

European Macro Commentary

European Economies
primed for upside surprise

For Europe in general, it appears that the endless stream of economic forecast downgrades may be complete. As mentioned in prior reports, we see increasing macro data points beginning to move higher. Key leading indicators have been rising, and there are signs that the worst of the credit crunch may be in the past. Our 2015 forecasted GDP growth of 1.6% (vs. 1.3% consensus) could be exceeded, given the tailwinds from less restrictive fiscal policy, easy monetary policy and record low bond yields, as well as the boost from a weak Euro and the collapse in oil prices.

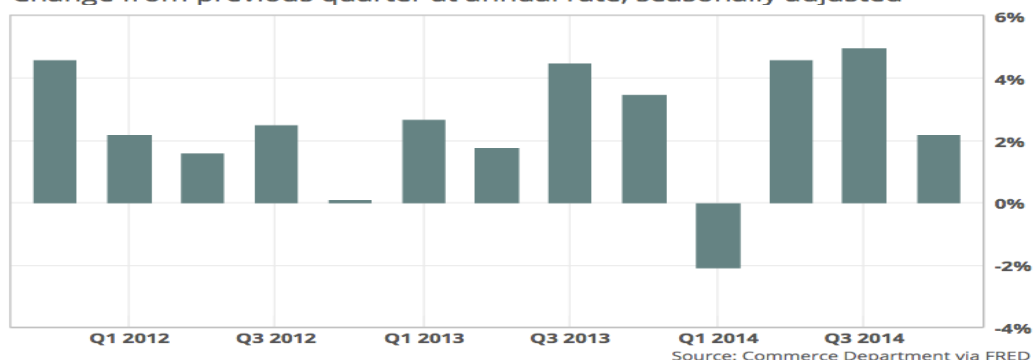
The key for longer-term economic success is structural reforms, which are tough to implement because they hurt growth in the short term and tend to be deflationary for a region already seeing falling prices. Nevertheless, with growth improving and the ECB promising maximum monetary stimulus, we may have such a window now.

US Macro economic commentary

Consumers in the waning months of 2014 spent the most on services including health care in 14 years and exports were also stronger, but companies built inventories at a slower pace than originally reported to keep fourth-quarter US growth at 2.2%.

Despite the biggest jump in consumer spending since 2006, the economy slowed in the final three months of last year from a blistering 5% pace in the third quarter because businesses trimmed investment, government outlays fell and the nation's trade balance deteriorated, revised figures show.

Change from previous quarter at annual rate, seasonally adjusted



US corporate profits fell in the fourth quarter and posted the first annual decline since the middle of the last recession, a potential headwind for the US economy in 2015. Economists are following our original forecasts and are chopping estimates for first-quarter growth to less than 2%. Pretax corporate profits, adjusted for depreciation and the value of inventories, fell at a 1.4% annual rate in the fourth quarter, the Commerce Department said Friday. For the full year, adjusted profits slipped 0.8% to US\$ 2.09 trn.

Banks and other finance companies showed lower earnings, while nonfinancial firms modestly increased profits. Gross domestic product, meanwhile, was left unchanged in the fourth quarter. Consumer spending was raised to 4.4% in the fourth quarter from 4.2%, marking the largest increase since 2006.

Outlays on services jumped 4.3%, the biggest gain since early 2000. A spike in health-care spending, likely related to the law known as Obamacare, accounted for almost one-third of the rise in consumer spending in the fourth quarter.

US equity markets commentary & weekly charts

The VIX Index added 2.05 (15.75%) 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 52.96 points (2.23%) last week.

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

Short-term momentum indicators are trending down.



Percent of S&P 500 stocks trading above their 50 day moving average fell last week to 52.80% from 70.40%.

The index remains intermediate overbought and trending down.



Percent of S&P 500 stocks trading above their 200 day moving average dropped last week to 66.20% from 73.20%.

The index remains intermediate overbought and trending down.



Bullish Percent Index for S&P 500 stocks slipped last week to 70.40% from 71.80% and remained below its 20-day moving average.

The index remains intermediate overbought and trending down.

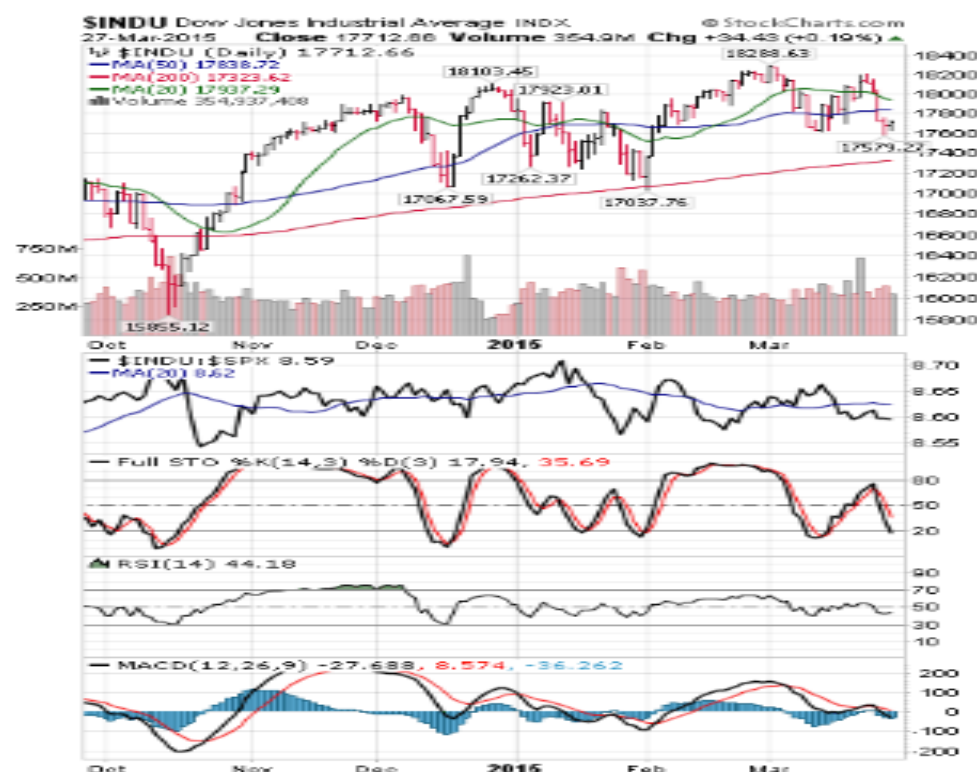


The Dow Jones Industrial Average fell 414.99 points (2.29%) last week.

Trend changed to down from up on a move below 17,620.49 on Thursday. The Average fell below its 20-day moving average.

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

Short-term momentum indicators are trending down.



Bullish Percent Index for Dow Jones Industrial Average stocks was unchanged last week at 73.33% and remained below its 20-day moving average.

The Index has rolled over from an intermediate overbought level.



The Dow Jones Transportation Average plunged 447.79 points (4.89%) last week.

Intermediate trend changed to Down from Neutral on a move below 8,794.19.

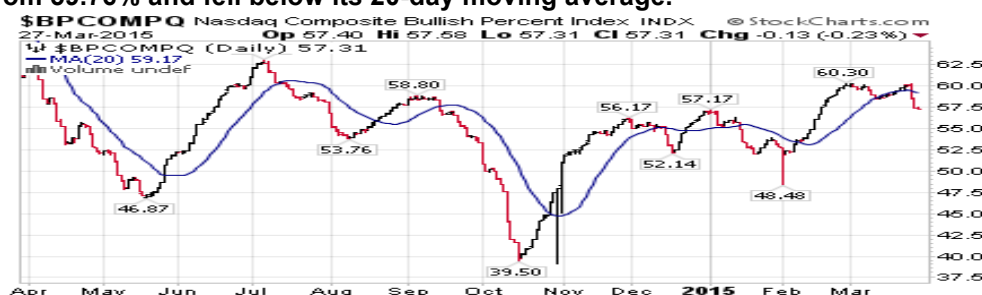
The Average fell below its 20-day moving average. Strength relative to the S&P 500 remains negative.

Short-term momentum indicators are trending down.



Bullish Percent Index for NASDAQ Composite stocks fell last week to 57.31% from 59.76% and fell below its 20-day moving average.

The Index has rolled over from an intermediate overbought level.



The NASDAQ Composite Index fell 135.20 points (2.69%) last week.

Intermediate trend changed to Neutral from Up on a move below 4,842.80. The Index fell below its 20 day moving average.

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

Short-term momentum indicators are trending down.

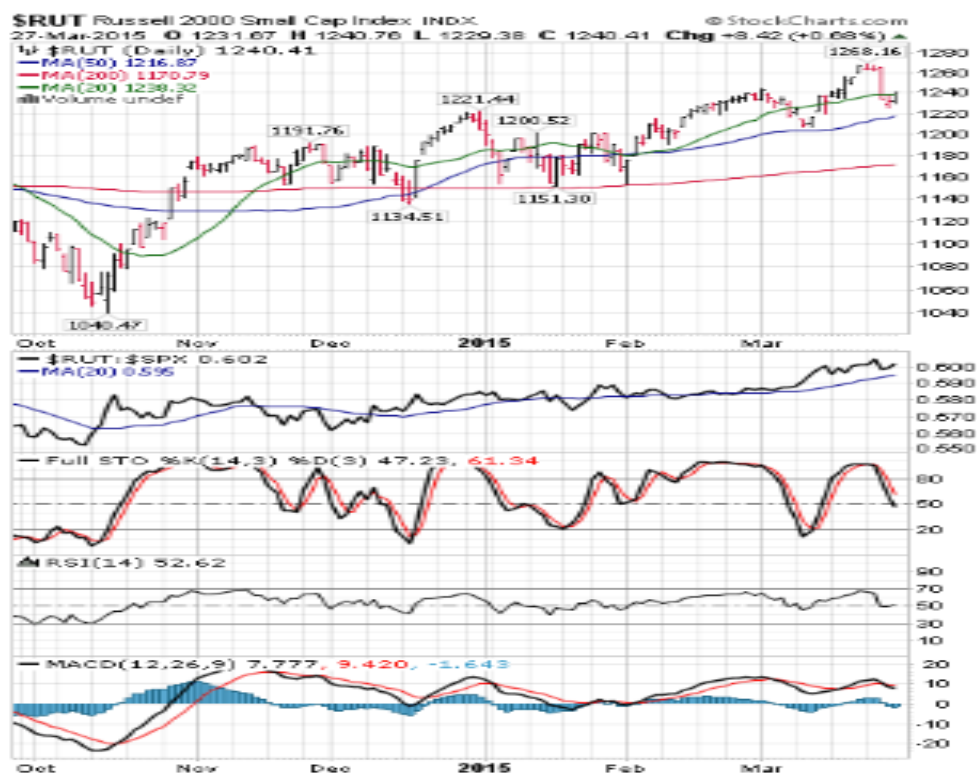


The Russell 2000 Index dropped 25.96 points (2.05%) last week.

Intermediate trend remains up. The Index remained above their 20-day moving average.

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

Short-term momentum indicators are trending down.



The S&P Energy Index fell 4.07 points (0.72%) last week.

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

Strength relative to the S&P 500 Index changed to Positive from Negative. Short-term momentum indicators are trending up.



The Philadelphia Oil Services Index added 1.75 points (0.93%) last week.

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

Strength relative to the S&P 500 Index improved to Neutral from Negative.

Short-term momentum indicators are trending up.



The AMEX Gold Bug Index fell 3.60 points (2.12%) last week.

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

Strength relative to the S&P 500 Index improved to Neutral from Negative.

Short-term momentum indicators are trending up.



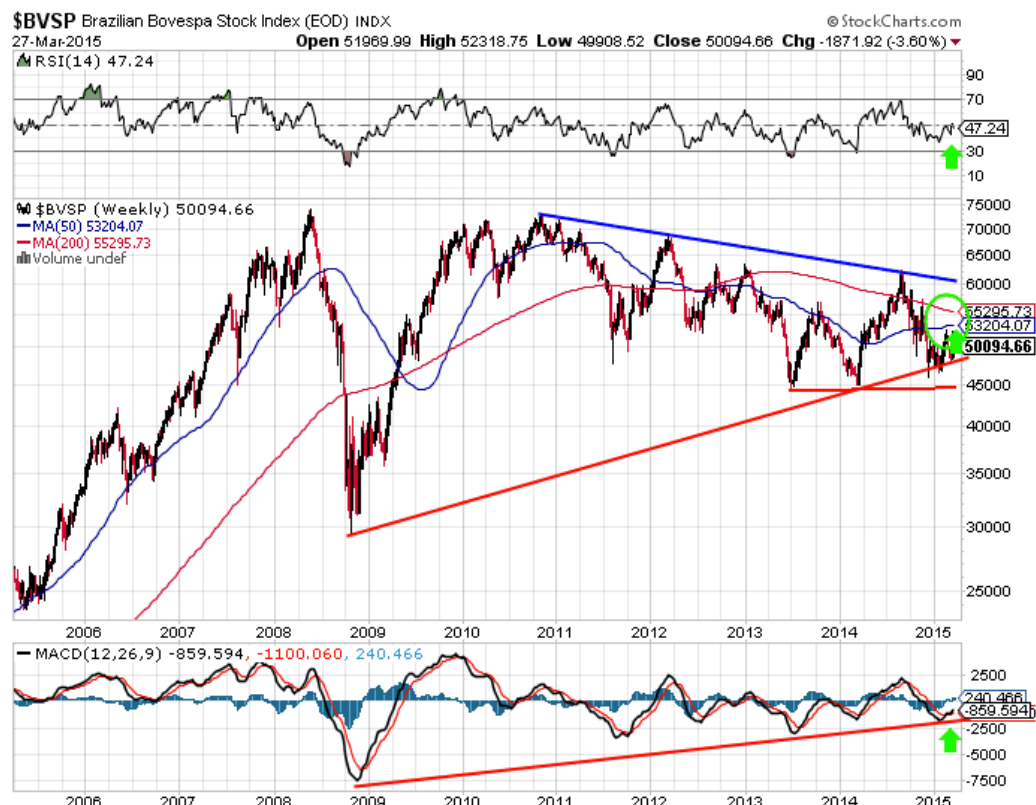
Latam equity markets commentary & weekly charts

The BOVESPA lost 878 points last week.

Intermediate trend remains up. The Average remains below its 20-, 50- and 200-day moving averages.

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

Short-term momentum indicators are trending up.



The Mexican Bolsa lost 421 points last week.

Intermediate trend remains up. The Average remains below its 200-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 was unchanged last week at 54.58% and remained below its 20-day moving average.

The Index remains intermediate overbought and trending down.



The TSX Composite Index lost 129.99 points (0.87%) 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 Neutral from Negative.

Short-term momentum indicators are trending down.



Percent of TSX stocks trading above their 50 day moving average fell last week to 42.20% from 47.60%.

The index has rolled over from an intermediate overbought level.



Percent of TSX stocks trading above their 200-day moving average slipped last week to 42.80% from 45.20%.



Asian equity markets commentary & weekly charts

The SENSEX lost 692 points last week.

Intermediate trend remains up. The Average remains above its 200-day moving average.

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

Short-term momentum indicators are oversold.



The Nikkei Average fell 274.59 points (1.40%) 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 down.



The Shanghai Composite Index added another 73.78 points (2.04%) last week.

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

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

Short term momentum indicators are trending up



iShares Emerging Markets fell \$0.62 (1.55%) last week.

Intermediate trend remains down. Units fell below their 20-day moving average.

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

Short-term momentum indicators are trending down.



The Australia All Ordinaries Composite Index lost 47.40 points (0.80%) last week.

Intermediate trend remains up. The Index remains 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.



European Equity markets commentary & weekly charts

The DAX 30 lost 86 points last week.

Intermediate trend remains up. The \$DAX remains above their 20-, 50-and 200- day moving averages.

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

Short-term momentum indicators are trending down.



The CAC 40 lost 37 points last week.

Intermediate trend remains up. The \$CAC remains above the 20-day moving average.

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

Short-term momentum indicators are trending down.



The AEX lost 13 points last week.

Intermediate trend remains up. The \$AEX remains above the 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 93 points last week.**

Intermediate trend remains up. The \$IBEX remains above their 20-day moving average.

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

Short-term momentum indicators are trending up.



The FTSE 100 lost 136 points last week.

Intermediate trend remains up. The \$FTSE remains above their 50-day moving average.

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

Short-term momentum indicators are trending down.



Europe 350 iShares fell \$0.45 (1.00%) last week.

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

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

Short-term momentum indicators are trending down.



Fixed Income markets commentary & weekly charts

EURO Bonds

	Austria	0.35%	+0.16	-1.62
	Belgium	0.47%	+0.28	-1.51
	Canada	1.38%	+1.20	-0.59
	Denmark	0.31%	+0.12	-1.67
	Finland	0.33%	+0.14	-1.64
	France	0.49%	+0.30	-1.48
	Germany	0.19%	--	-1.78
	Greece	11.07%	+10.88	+9.09
	Ireland	0.78%	+0.60	-1.19
	Italy	1.34%	+1.16	-0.63
	Japan	0.37%	+0.18	-1.60
	Netherlands	0.28%	+0.09	-1.69
	New Zealand	3.26%	+3.07	+1.29
	Portugal	1.81%	+1.62	-0.16
	Spain	1.34%	+1.15	-0.64
	Sweden	0.41%	+0.23	-1.56
	Switzerland	-0.04 %	-0.23	-2.01
	UK	1.56%	+1.37	-0.41
	US	1.97%	+1.78	--

Data delayed at least 15 minutes, as of Mar 30 2015 09:56 BST.

US Bonds

The yield on 10 year Treasuries increased 1.8 basis points (0.93%) last week.

Intermediate trend remains down. Yield remains below its 20-day moving average. Short-term momentum indicators are trending up.



The long term Treasury ETF dropped \$0.45 (0.35%) last week.

Intermediate trend remained Neutral.

Price remained above its 20-day moving average.



Currencies commentary & weekly charts

The Euro added 0.75 (0.69%) last week.

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

Short-term momentum indicators are trending up.



The US\$ Index fell 0.60 (0.61%) last week.

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

Short-term momentum indicators are trending down.



The Japanese Yen added 0.54 (0.65%) last week.

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

Short-term momentum indicators are trending up.



The Canadian Dollar dropped US 0.22 cents (0.28%) last week.

Intermediate trend remains down. The C\$ moved below its 20-day moving average on Friday.

Short-term momentum indicators are trending up.



Commodities commentary & weekly charts

The CRB Index added 1.05 (0.49%) last week.

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

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

Short-term momentum indicators are trending up.



Copper added \$0.01 per lb. (0.36%) last week.

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

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

Short term momentum indicators changed to mixed from an uptrend



Lumber added \$1.80 (0.64%) last week.

Trend remains down. Lumber trades at its 20-day MA.

Strength relative to the S&P 500 Index has turned positive.



The Grain ETN dropped \$0.20 (0.56%) last week.

Trend remains down. Units remain above their 20-day moving average.

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

Short term momentum: trending up.



The Agriculture ETF dropped \$0.55 (1.02%) 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 mixed.



Gold & precious metals commentary & weekly charts

Gold gained \$15.20 per ounce (1.28%) last week.

Intermediate trend remains Neutral. \$Gold remains above its 20-day moving average.

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

Short-term momentum indicators are trending up.



Silver gained \$0.19 per ounce (1.13%) last week.

Intermediate trend remains neutral. \$Silver remains above its 20-day moving average.

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

Short-term momentum indicators are trending up. Strength relative to Gold remains positive.



Platinum added \$2.40 per ounce (0.21%) last week.

Intermediate trend remains down. \$PLAT moved above its 20-day MA.

Relative strength turned positive.



Palladium dropped \$38.10 per ounce (4.89%) last week.

Trend changed to down on Friday. \$PALL remains below its 20-day MA.

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

Momentum indicators are trending down.



Oil, gas & energy commentary & weekly charts

Crude Oil added \$2.30 per barrel (4.94%) last week.

Intermediate trend remains down. Crude moved above its 20 day moving average.

Strength relative to the S&P 500 Index changed to Positive from Negative.

Short-term momentum indicators are trending up.



Natural Gas dropped \$0.15 per MBtu (5.38%) last week.

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

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

Short-term momentum indicators are trending down.



Gasoline added \$0.01 per gallon (0.56%) last week.

Intermediate trend remains up. Gas fell below its 20-day moving average on Friday.

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

Short-term momentum indicators are mixed.



Carlo R Besenius, CEO & Head of Global Strategy

cbesenius@cg-inv.com

office: +(352) 26 25 86 40

mobile: +(352) 691 106 969

Luxembourg/Europe

Sabine CJ Blümel, Head of Global Automotive Research

sblumel@cg-inv.com

office: +44 (7785) 301588

London, UK

Feliks Lukas, Director of Industrial Consulting

flukas@cg-inv.com

office: 212 939 7256

New York City, NY, USA

Gary Schieneman, Managing Director,
Global Accounting and Finance

gschieneman@cg-inv.com

office: 917-868-6842

New York, NY, USA

Steve Gluckstein, Global Strategist

sgluckstein@cg-inv.com

office: 212 939 7256

mobile: 732 768 8843

New York, NY, USA

Marc Peters, Head of Global Industrial Strategy

mpeters@cg-inv.com

office: +(352) 26 25 86 40

mobile: +352 621 36 44 50

Luxembourg/Europe

Allison M Cimon, Director of Sales & Technology

amcimon@cg-inv.com

office: 646 228 4321

Boston, MA, USA

Jennifer Crisman, COO

jcrisman@cg-inv.com

office: +(352) 26 25 86 40

Luxembourg/Europe

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