



Creative Global Investments

Weekly investment strategy & charts

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Macro & geo-political commentary

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Objectivity

Integrity

Creativity

In Asia, Chinese GDP growth of 6.9% was the fastest in six quarters, with forecast-beating March investment, retail sales and exports all suggesting the economy may carry solid momentum into spring. Most analysts continue to doubt the Chinese economic strength, and now pretend as for Q1 may be as good as it gets for China this year, and worry Beijing is still relying too heavily on stimulus and "old economy" growth drivers, primarily the steel industry and a property market that is showing signs of overheating. The Chinese government has a tendency to rely on infrastructure development to sustain growth in the long term. Top officials vowed to crack down on debt risks, China's total social financing, a broad measure of credit and liquidity in the economy, reached a record Yuan 6.93 TRN in Q1. At the same time, spending by the central and local governments rose 21% from a year earlier. That helped goose the pace of growth in Q1 well above the government's 2017 target of around 6.5%, in-line with economists' forecasts of 6.5% y-o-y. Buoyed by a near 12% increase in housing starts, China produced a record amount of steel in March. disposable income growth picked up to 7.0% in Q1, the fastest since the end of 2015. March retail sales rebounded 10.9% y-o-y as consumers shelled out more for home appliances, furniture and decorations for new homes. Auto sales also showed signs of recovering after weakening in the first two months of the year after the government reduced subsidies on small cars. **We remain more optimistic on the macro and corporate outlook for China, and continue advising allocating more assets into Chinese equities, and particularly constituents of the Shanghai Index.**

In Japan, the Organisation for Economic Co-operation and Development recommended the Bank of Japan should maintain quantitative easing until inflation exceeds its price target but it must be alert to the risks posed to asset prices and the financial sector. maintained its forecast growth will slow to 0.8% in 2018, highlighting the difficulty Japan faces achieving sustainable growth. To improve this situation, Japan should raise the minimum wage further and improve productivity at small- and medium-sized enterprises, the OECD said in its latest economic assessment. **We remain more optimistic on the macro and corporate outlook for Japan, and continue advising allocating more assets into Japanese equities, and particularly Japanese export driven companies.**

In Europe, all focus is on the French presidential elections and next week's first round vote. Current polls show the 48-year-old Le Pen, an anti-EU candidate, is expected to reach the second round but ultimately lose to Emmanuel Macron, 39. A Le Pen victory would send shockwaves every bit as seismic as events in the UK and US, likely spelling the end of the European Union in its current form. Her victory would also domestically test the country's already strained relations with its sizeable Muslim community. **Currently, with one more week to go for the first round of the French Presidential elections, we are expecting for volatility in the Euro and for French Stocks to increase, which might prove a good time for longer term focused investors to (re)-enter long positions into any likely downside**

Another main market uncertainty and concern for investors in EU assets has come towards an end yesterday, as yesterday's "Yes" vote in the referendum in Turkey, which grants sweeping new powers to the president of Turkey. President Erdogan's push for an executive presidency succeeded with 51.4% voting for it. New presidential and

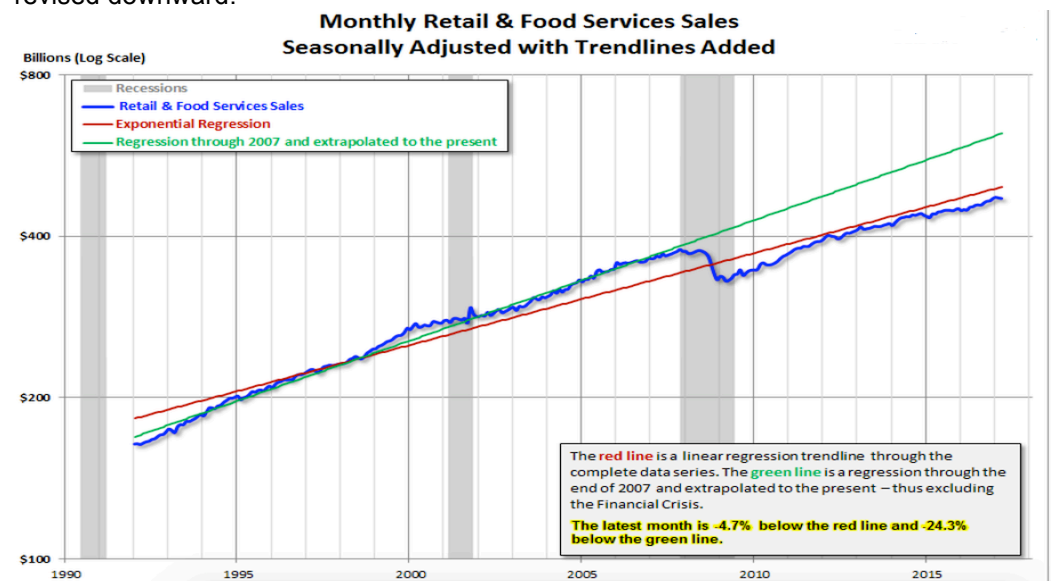
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parliamentary elections are due on 3 November 2019. Turnout was said to be as high as 85%. The outcome of the referendum and the consequent changes in political and economic outlook, and foremost, the fact that this means a foregone exclusion for Turkey to join the EU will have significant implications for investments into Turkey. With clarity now post referendum result, we are expecting for the Turkish government to focus on strengthening domestic fiscal and monetary policies in order to stabilize and grow the economy, and to rely less on trade. **Obviously, the consequences on investments and trade with Europe and EU trading partners will be drastically diminishing, and industrial and financial capital inflows into Turkey are going to significantly decline in the short to medium term.**

Consequent to the referendum outcome, we are expecting for the Turkish Lira to stabilize and to strengthen over the coming 6 months, and for Turkish domestically focused stocks to outperform, whilst we are recommending to reduce exposure to Turkish export sensitive companies, as there will be drastically negative impacts for them, not least from EU retaliatory political changes for agreements and trade agreements and renegotiations.

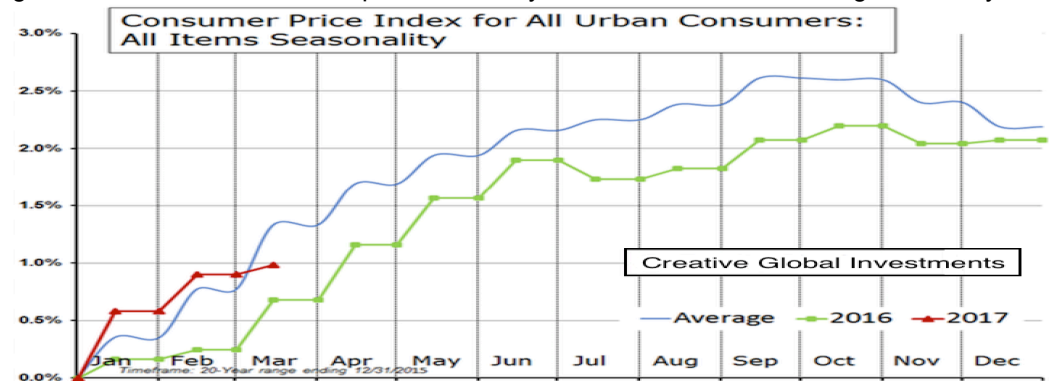
In the US, Business climate surveys are consistent with a strong growth figure in Q1 2017, equal to or even likely higher than the Q4 2016 performance (0.4% q/q). However, monthly activity data available for January and February were poor, which evidently does not augur well for growth. The market risks associated with Q1 2017 consensus growth forecast of 0.4% q/q have now swung to the downside.

The Census Bureau's Advance Retail Sales Report for March released last week showed a decrease over the February figures. Headline sales came in at -0.2% m-o-m and the February number was revised downward from 0.1% to -0.3%. Thursday's headline number was below consensus of -0.1%. Core sales (ex Autos) came in at 0.1% m-o-m, which was below the consensus of 0.3% and the February Core was revised downward.



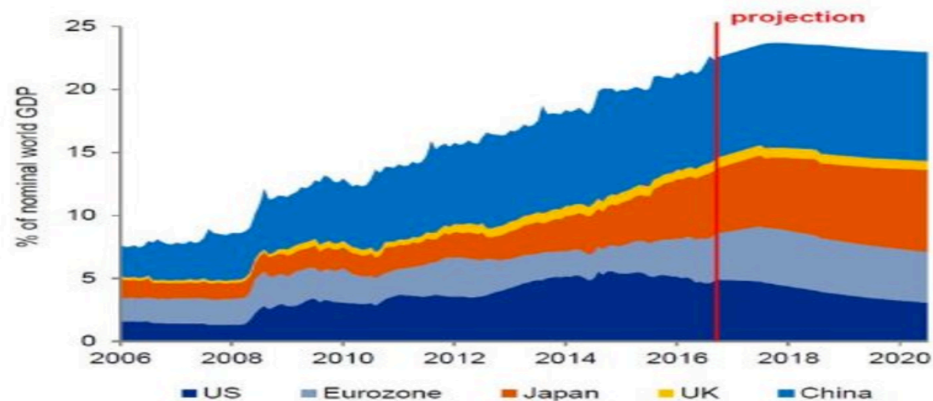
Additionally, the headline print indicated that CPI declined by -0.3% last month, missing estimates for no change (0.0%). Less food and energy, the decline was more muted at 0.1%, but still less than forecasts calling for a 0.2% rise. Stripping out the seasonal adjustments, the All Items Consumer Price Index for All Consumers increased by 0.1%, less than the average increase for March of 0.5%. Excluding the more volatile components of food and energy, the increase was the same as the aggregate result at 0.1%, still firmly below the average increase of 0.4% for the third month of the year. This is the lowest March increase in the 20-year history that was studied. The result has weakened the year-to-date change to below the seasonal average trend, placing at risk the 2% annual threshold that has become average for the calendar year. The average is also inline with the Fed's target inflation rate, a target they've

struggled to sustain throughout the recovery. Inflationary pressures are typically the greatest in 1H, but March's report is certainly not reflective of this average tendency.



Again, the March 24 failure of the Republican initiative to dismantle Obamacare may be an indication of future challenges to buoyant animal spirits. As the Trump administration starts to realize, "Talking is easy, governing is complicated". Gaining consensus around debt-financed initiatives like major tax cuts and \$1 TRN in infrastructure spending might not be a slam dunk. Congress is scheduled to go on a 2-week recess starting April 10. **On April 28, the US government is scheduled to run out of cash. Aside from side-lining the risk of a government shut-down, an agreement to extend financing, at least until the fall when the debt ceiling again becomes an issue, would be an easy way to demonstrate that Trumponomics is alive and kicking.** Against this uncertain geopolitical backdrop, central banks around the world are struggling to balance massive monetary accommodation against a spurt in inflation pressures. Headline prices in the US, UK and Europe are already at or above 2%. At the same time, seven central banks globally are still running negative interest rate policy (NIRP), while aggregate global quantitative easing continues to expand at breakneck speed. Looking ahead, we think central bank liquidity, the major factor that helped support risky assets during the post-crisis era, might peak by early 2018.

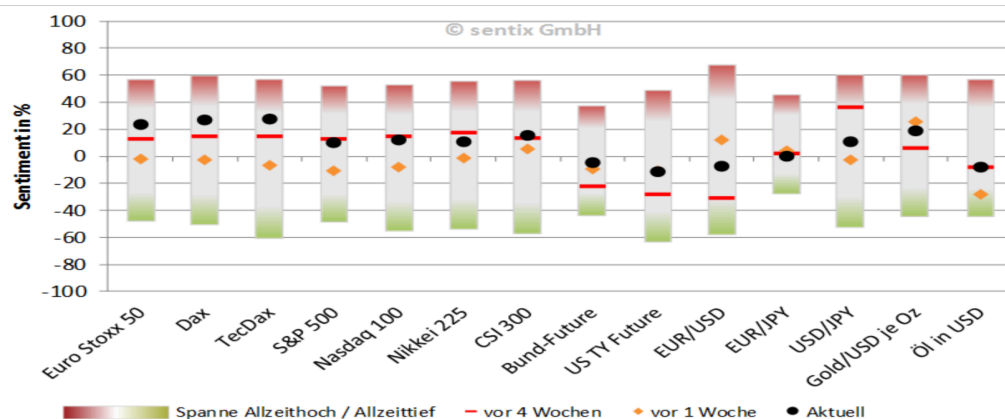
Central Banks' "liquidity-peak" to reach its zenith in 2018



source: ECB & Bloomberg

Financial Markets Sentiment indicators

Investors Sentiment is extremely high, as shown by the **sentix index**, which climbed from 1.7 in July 2016 to 20.7 in March, which is the highest level since the financial crisis. As noted last month, political uncertainty has derailed financial sentiment while PMIs and other survey indicators show strength consistently. We therefore expect Sentix barometers to increase marginally to 21.0 in April as we also note that the historically high level makes further upside surprises less likely.



Currencies Commentary

Most importantly in the currency world is President Trump out again talking the US\$ down, even “reinstating” the hawkish Ms. Yellen’s position as respectful, and flip-flopping as on most of his campaign promises from his views on Janet Yellen and her FED leadership. By now, if investors seem to start seeing the obvious, namely that they have been “fooled” by a comedian, who is flip flopping on virtually more than 60% of his campaign promises, which resulted in a “blindly followed” US asset rally. We see no macro, political and fiscal reasons for the embedded asset price rise, and hence, starting with the obvious cracks in the US\$, we are expecting for major corrections to occur in the direction of the US\$ and spilling over to US equities. **The \$USD intermediate trend changed back to Neutral. \$USD rebounded from the upper trendline. The US\$ moved below its 20-day moving average. Short-term momentum indicators are rolling over. The \$USD next support level is at 98.5.**



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.**

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.**

From a seasonal aspect, investors should also be careful in the weeks ahead as the \$USD pivots out of a period of seasonal strength into a period of weakness.

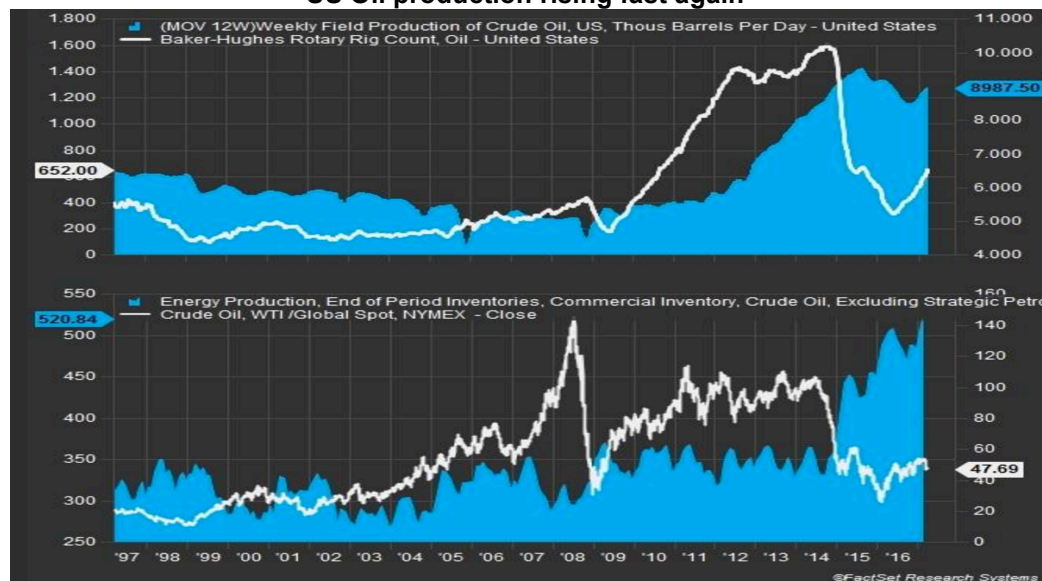


Commodities Commentary

With that said on our views of a weakening US\$, the effects on commodity prices should be the inverse. When looking at the \$CRB, the intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. \$CRB will test the 200-day moving average / upper trendline. The \$CRB moved above its 20-day moving average. Short-term momentum indicators are Positive.

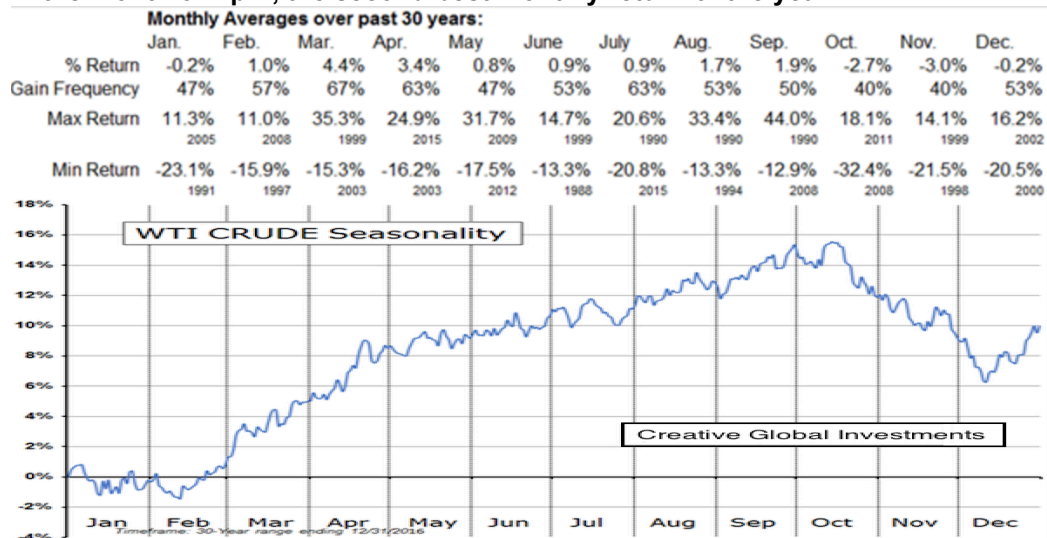


US Oil production rising fast again



West Texas Intermediate futures traded one cent lower to finish at \$52.28 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 +3.4% in the month of April, the second 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. **Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. \$WTIC looks to be climbing back to the Resistance. Short-term momentum indicators are Positive.**



Fixed Income Commentary

As per our Q2 Global Investment Outlook & Strategy, we stand firmly to our point that the mispricing of the long end of US treasuries will correct further over the coming 3 months, and have yields retrace towards 1.70% levels, as the entire “Trump hype & hope rally” is nothing but a charade. The “short bond trade” had become crowded with market participants attempting to take advantage of the perception of a rising rate cycle that we were assumingly in; a theory which we categorically denied, and identified as a one-sided positioning and great opportunity for investors to reinvigorate the longer-term prospects of adding towards long bonds’ trade. As underpinnings of the US economy are deteriorating, and at this point for the 10-year Treasury Yield, the breakdown projects a calculated move back towards support at 2.00%. Long-term moving average support at the 200-day presently hovers around 2.05%. However, we do see increasingly the possibility for the \$TNX to drop towards 1.70 by mid summer.



Equities Commentary

Best performing equity markets

1 week	
Index	Change
Turkey	1.77%
Denmark	1.66%
S. Africa	1.21%
Mongolia	1.16%
Finland	0.75%
Norway	0.62%
Philippines	0.61%
Argentina	0.41%
Australia	0.39%
Thailand	0.38%

YTD	
Index	Change
Argentina	23.02%
Turkey	15.26%
Poland	13.41%
Philippines	11.53%
India	10.70%
Hong Kong	10.30%
Spain	10.02%
Singapore	9.35%
Austria	8.96%
Portugal	8.30%

Worst performing equity markets

1 week	
Index	Change
Russia	-3.63%
Chinext	-3.01%
Brazil	-2.74%
Italy	-2.36%
Abu Dhabi	-2.10%
Luxembourg	-2.05%
Spain	-1.92%
Nikkei 225	-1.76%
Austria	-1.63%
UAE Dubai	-1.60%

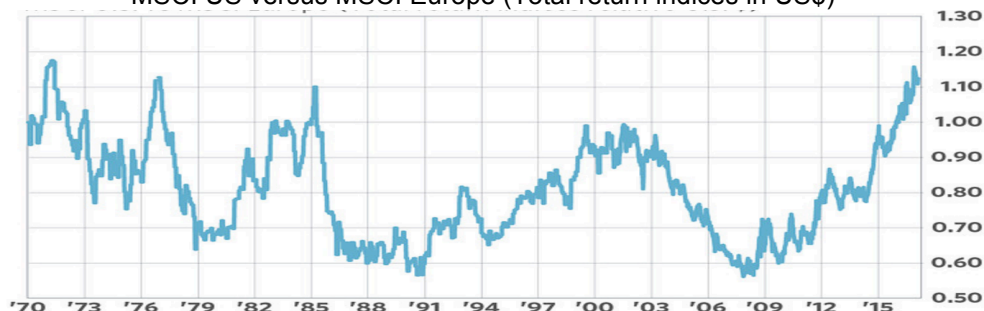
YTD	
Index	Change
Russia	-6.67%
Israel	-5.69%
Nigeria	-5.08%
Nikkei 225	-4.07%
Chinext	-3.80%
Rus 2000	-0.88%
UAE Dubai	-0.61%
Egypt	0.00%
Rus 3000 value	0.56%
Norway	1.39%

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.

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\$)

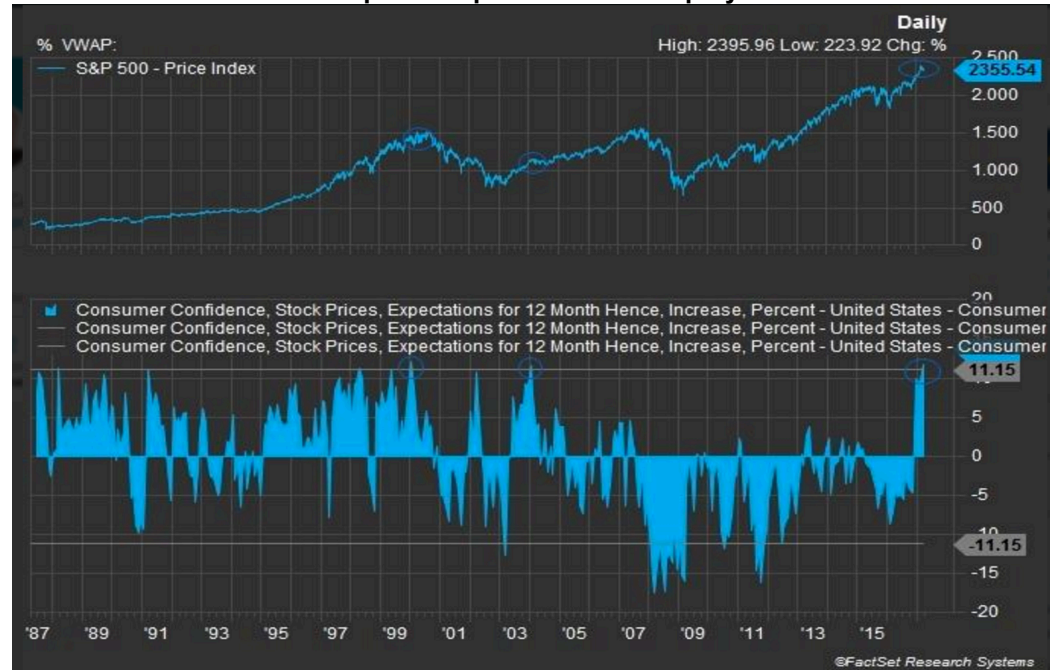


We continue to have strong doubts that the rosy view investors are taking on the economy can hold water in the near-term.

We believe that Wall Street is totally misreading Washington, and equities' investors are pricing in a fantasy about a Trump stimulus that simply isn't going to happen.

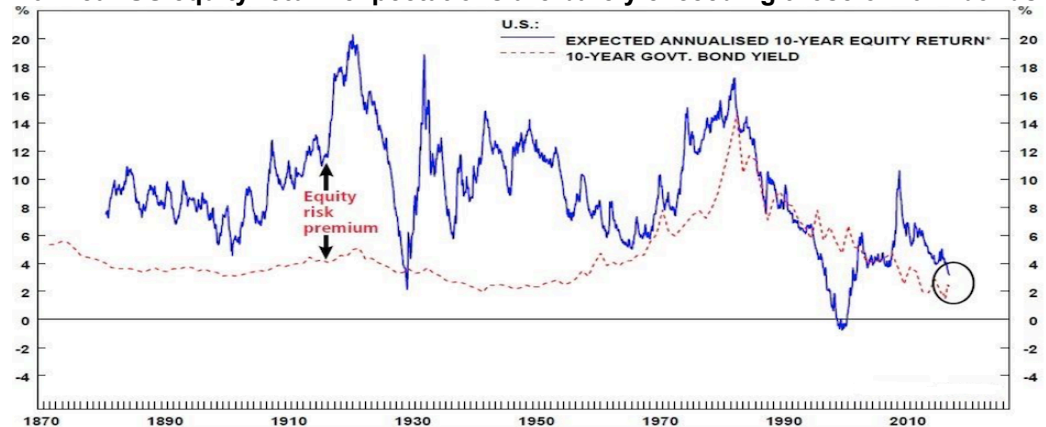
We do not see a possibility for a corporate tax cut, but only the usual republican enforced tax breaks to the rich.

Too much optimism priced into US equity markets



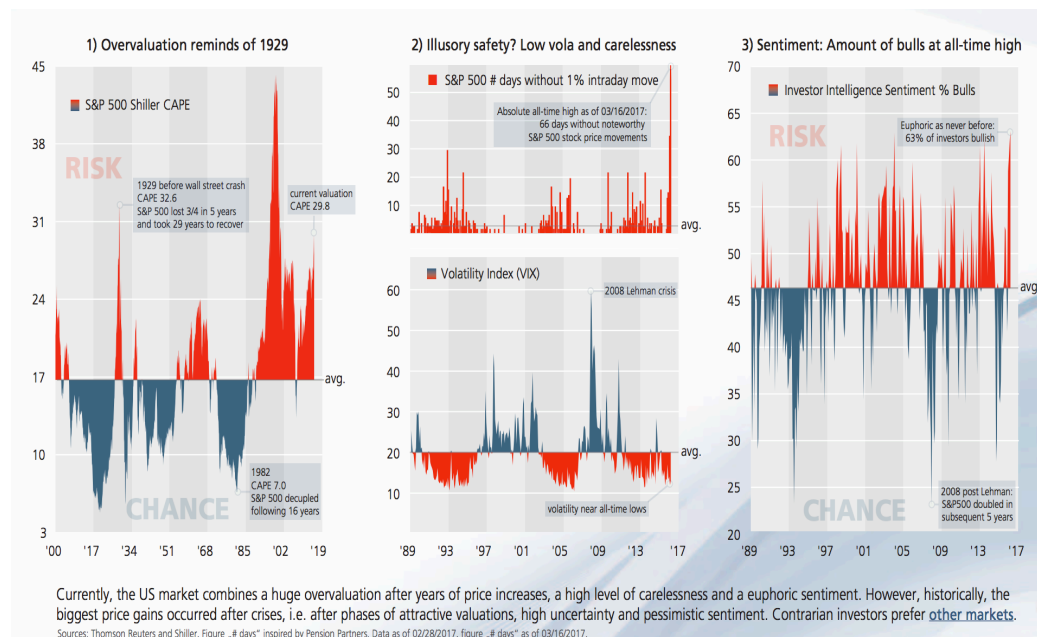
As we have warned investors over the past 5 weeks, US equities are rolling over, and allocations into long bonds in the US offered better the better return opportunities.

10- Year US equity return expectations are barely exceeding those of 10-Y bonds.

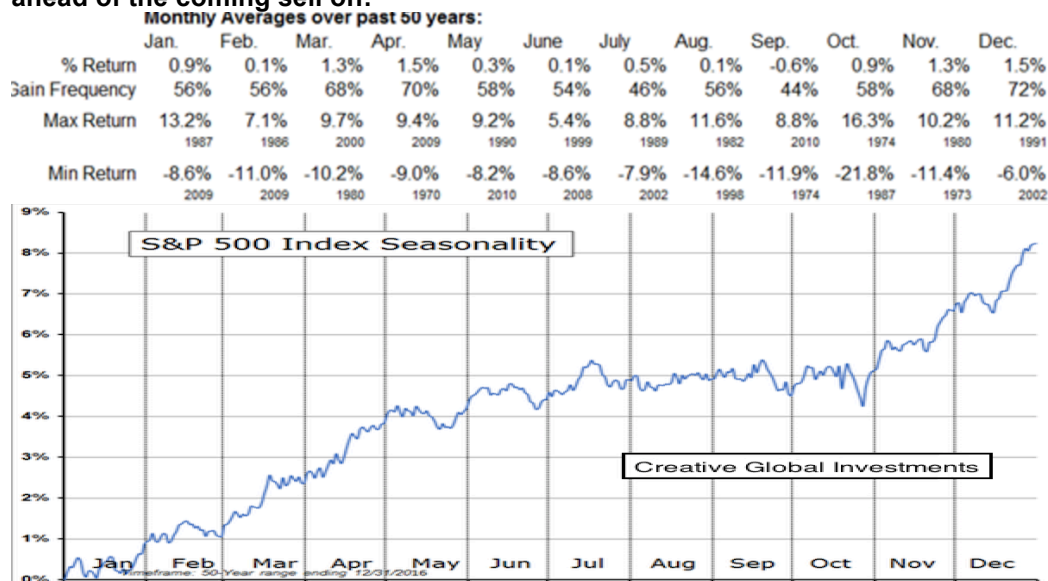


Investors will be forced to shift in thinking and focus on reality instead, and the "debt ceiling trap", which will prevent tax reform, infrastructure and defense spending that, have excited so many investors. **We see the risks of a government shutdown more likely to happened under the Trump administration, than by any other administration before, and this is not at all priced in by financial market valuations.** 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.

We continue to highlight that the bullish sentiment in favor of US financial assets is way too high, and that US assets are overvalued by at least +25%. Most of that overvaluation has been building due to central bank accommodation, and lastly by economically and fiscally unsound and empty promises from the Trump administration, and that now, "something has to give". As per our forecasts, the yields for US 10-year treasuries have declined from Q1 highs of around 2.62% to currently 2.20%. We believe that those lower yield levels are going to take the air out of the Trump related US\$ and stock rally, and will be the start of a sell off in US\$ and US equities.



Seasonal influences for equity markets around the world and those in the US are positive into at least the first week in May. As not everyone can get out of positions at the same time, we are advising our clients to reduce stock holdings ahead of the coming sell off.



Geopolitical events (French preliminary election next weekend, North Korea holiday event early this week, Afghanistan, Syria, Venezuela, Brazil corruption charges) are weighing on equity markets.

Economic news this week generally is expected to show a slight slowing in US economic growth.

International equity markets (particularly emerging markets and China) continue to offer better opportunities for equity investors during their current period of seasonal strength lasting into at least early May. The energy sector was the best performing sector again last week and remains in its seasonally strongest period into mid-June. Based on the past 30 years, seasonal influences for equity markets around the world are positive into at least the first week of May, hence “Sell in May & Go Away”.

Levels 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) and the TSX Composite Index on February 21st at 15,903.09 remained intermediate highs that likely will last well into May and possibly longer. Geopolitical uncertainties are weighing on world equity markets. Crude oil was the best-performing commodity again last week, support for strong y-o-y Q1 cash flow and earnings by energy companies.

Technical action by S&P 500 stocks was bearish last week: 13 stocks broke intermediate resistance and 46 stocks broke intermediate support. Number of stocks in an uptrend dropped to 280 from 294, number of stocks in a neutral trend increased to 48 from 46 and number of stocks in a downtrend increased to 182 from 170. The Up/Down ratio dropped to $(280/182=)$ 1.54 from 1.73.

Intermediate term technical indicators (Percent above 50-day moving average, Bullish Percent Index) remain overbought and trending down. Major North American equity indices broke below their 50-day moving average last week (S&P 500, Dow Jones Industrial Average, NASDAQ Composite Index, Russell 2000 Index, TSX Composite Index). Based on the past 57 similar events show that, on average, the S&P 500 Index was down -1.0% after the next five trading days and down -0.9% after the next 30 trading days.

Short-term technical indicators (Momentum, 20 day moving average) are trending down. Some already are oversold, but have yet to show signs of bottoming. Precious metals and energy prices continue to trend up.

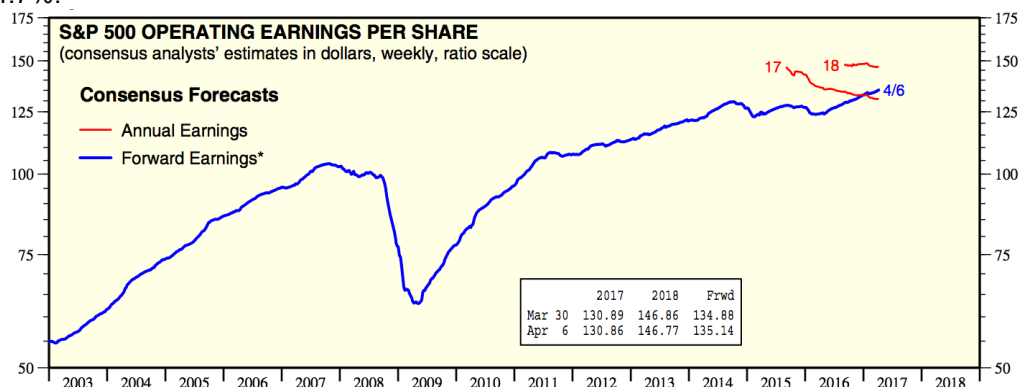
Q1 reports by S&P 500 companies began pouring in last Thursday: 6% of companies have reported to date. 76% beat consensus earnings and 59% beat consensus sales. This week another 64 S&P 500 companies are scheduled to report (including 9 Dow Jones Industrial components). Consensus calls for a y-o-y 9.2% increase in earnings and 7.1% increase in sales. However, closer looks where earnings gains are expected suggest a slightly more cautious expectation: 3.7% of the 9.2% increase in earnings comes from one sector, energy. A closer look at earnings by the 30 Dow Jones Industrial Average companies shows only an average (median) gain of 2.1%.

Q1 earnings reports by Canadian companies start to trickle in this week. Largest y-o-y gains are expected to come from the energy and gold companies. Consensus shows that earnings per share by TSX 60 companies will record an average (median) increase of 10.4%.

Earnings and sales growth expectations for S&P 500 companies beyond Q1 remain encouraging, but at a slightly diminished level.

Q2 earnings are expected to rise 8.7% and earnings are expected to increase 5.2%, Q3 earnings are expected to rise 8.2% and sales are expected to increase 5.2%, Q4 earnings are expected to rise 12.6% and sales are expected to increase 5.2%.

For 2017 earnings are expected to rise 9.7% and sales are expected to increase 5.3%. For 2018, earnings are expected to increase 12.0% and sales are expected to increase 4.7%.



US equity markets weekly charts

The VIX Index added 3.09points (24.01%) last week.

Intermediate trend changed from Neutral to Positive. The Index moved above the 20-day moving average. Price broke through the trendline and made a new high.



The S&P 500 Index dropped 26.59 (1.13%) last week.

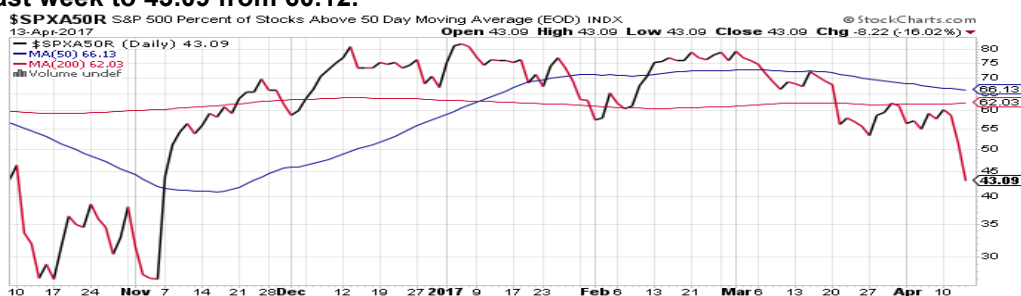
Intermediate trend changed from Neutral to Negative. The Index closed below its 20-day moving average. \$SPX is pressuring the old Support..

Short-term momentum indicators are Negative.



Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 43.09 from 60.12.

The Index remained below the 200-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 75.35 from 80.16.

The Index moved below the 50-day moving average.



Bullish Percent Index for S&P 500 stocks rose dropped week to 71.40 from 73.60 and remained below its 50-day moving average.

The Index remained below the 50-day moving average.



The Dow Jones Industrial Average lost 202.85 (0.98%) last week.

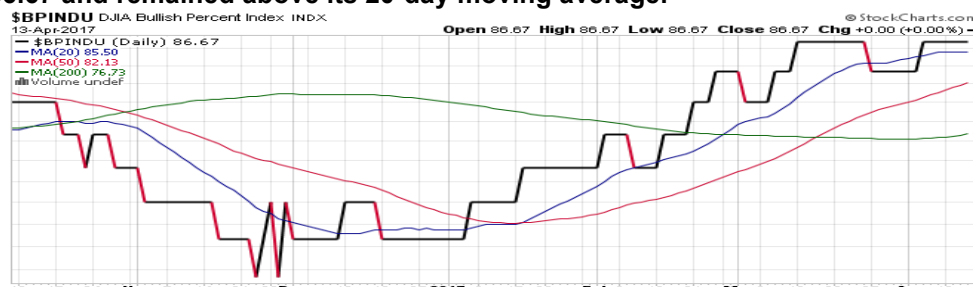
\$INDU broke through the 2500 support. Strength related to the S&P 500 remains Neutral.

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



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

The Index remains sitting at the yearly high.



The Dow Jones Transportation Average lost 230.25 points (2.53%) last week.

Dow Jones Transportation Index looks for another attempt to break the 8800 support. 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 59.11 from 60.46 and remained below its 200-day moving average.

The Index remained below the 50-day moving average.

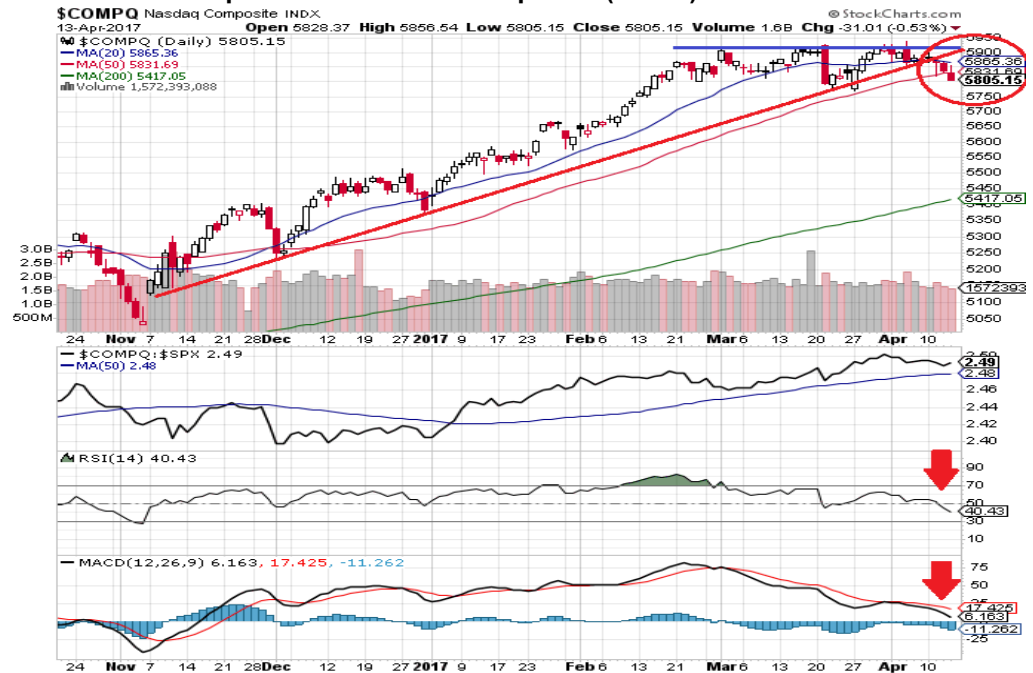


The NASDAQ Composite Index lost 72.66 points (1.24%) last week.

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

The Index moved below the 20-day moving average.

Short-term momentum indicators are Negative.



The Russell 2000 Index dropped 19.32 points (1.42%) last week.

\$RUT is moving towards the 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 Negative.



Intermediate trend changed back to Negative. \$SPEN was thrown back to the old trendline. Strength relative to the S&P 500 Index changed back to Neutral.

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

The S&P Energy Index lost 7.73 points (1.49%) last week.



\$OSX has rebounded from the upper trendline. 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 Philadelphia Oil Services Index dropped 4.26 points (2.53%) last week.



The AMEX Gold Bug Index added 9.12 points (4.47%) last week.



\$HUI moved onto the 200-day moving average.

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

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

Latam equity markets weekly charts

The BOVESPA dropped 1766 points last week.

\$BVSP closed below the important level of 64000 with a potential to move towards 200MA.

Short-term momentum indicators are Negative.



The Mexican Bolsa lost 387 points last week.

Intermediate trend remains Positive. **\$MXX** found new resistance at 49500.

Short-term momentum indicators are rolling over.



Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite stood put at 73.39 and moved above its 20-day moving average.

The Index remains above the 20-day moving average.



The TSX Composite Index dropped 131.65 points (0.84%) last week.

Intermediate trend remains Neutral. The broke through both of the moving averages.

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



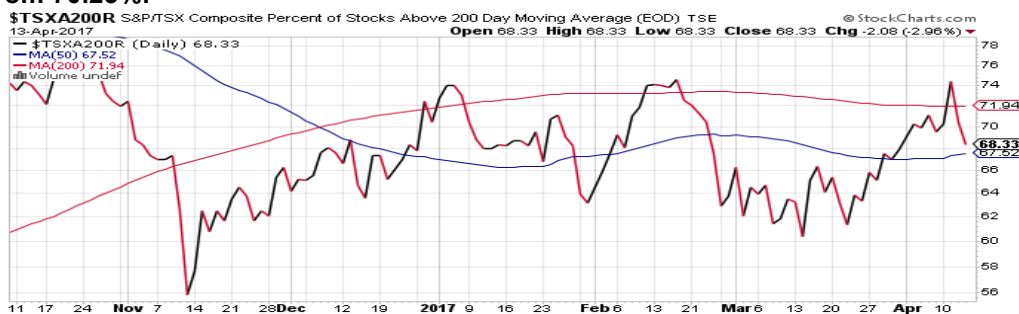
Percent of TSX stocks trading above their 50-day moving average dropped last week to 59.58% from 68.60%.

The index remains above the 50-day moving average.



Percent of TSX stocks trading above their 200 day dropped last week to 68.33% from 70.25%.

The index remains below the 50-day moving average.



Asian equity markets weekly charts

The BSE dropped 245.16 points (0.83%) last week.

\$BSE broke the trendline and might possibly create an island reversal.

Short-term momentum indicators are Negative.



The Nikkei Average lost 237.79 points (1.27%) last week.

Intermediate trend changed from Neutral to Negative. Strength relative to the S&P 500 Index remains Negative. \$NIKK continues bearish movement.

The \$NIKK remained below its 20-day moving average. Short-term momentum is Negative.



The Shanghai Composite Index dropped 10.66 points (0.32%) last week.

Intermediate trend remains Positive. \$SSEC rebounded from the upper trendline and formed an Ascending Broadening Wedge.

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



Emerging Markets iShares lost \$0.23 (0.58%) last week.

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

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



The Australia All Ordinaries Index added 23.30 points (0.39%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remains Positive. \$AORD is still threatening with a throwback to previous resistance.

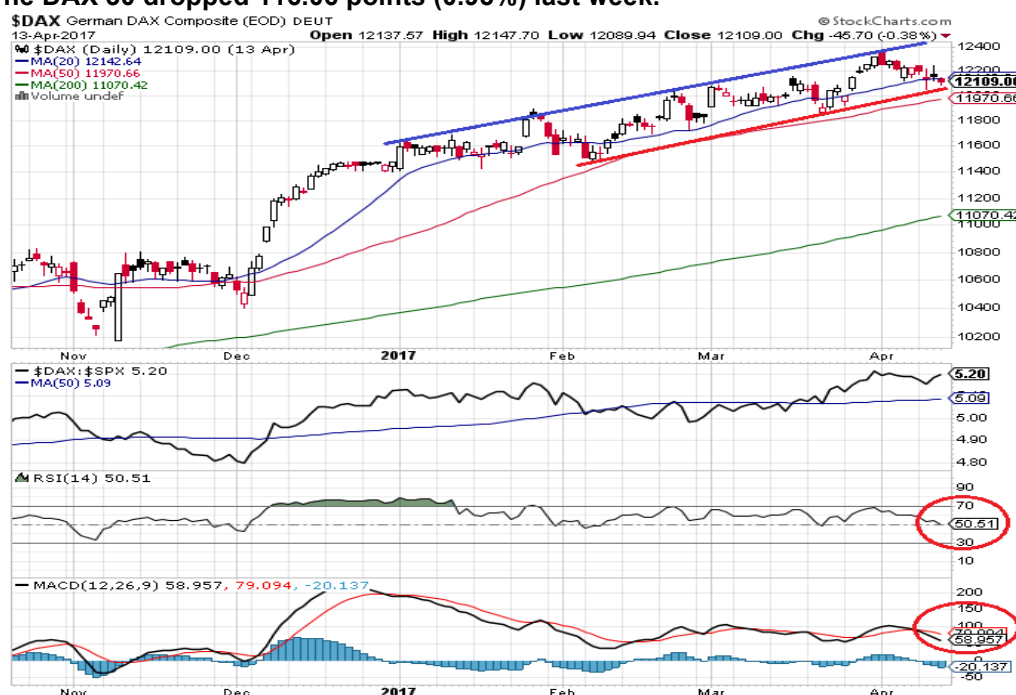
The \$AORD remained above the 20-day moving average. Short-term momentum indicators are rolling over.

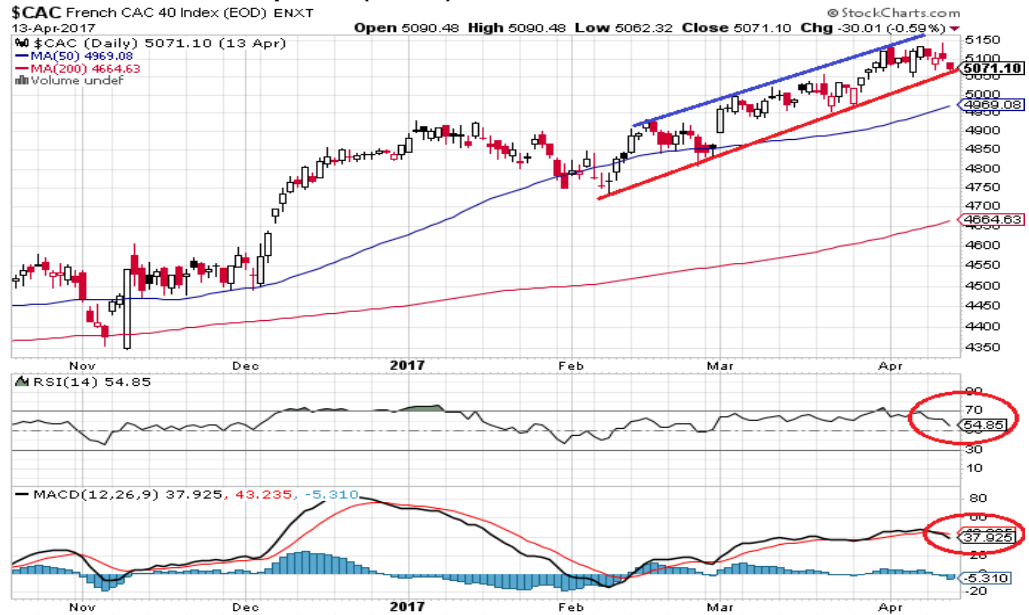


European equity markets weekly charts

The DAX 30 dropped 116.06 points (0.95%) last week.

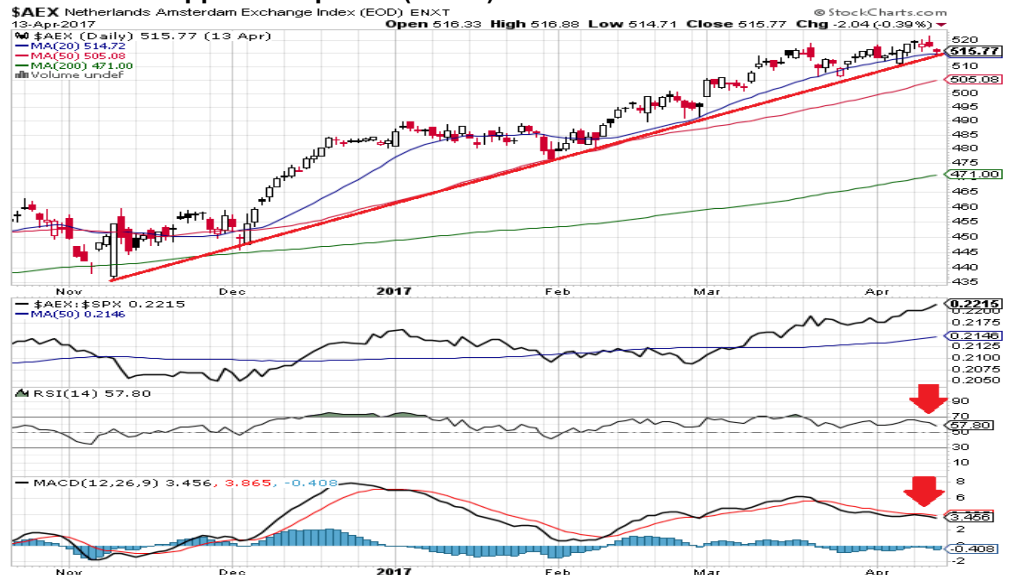
Intermediate trend changed from Positive to Neutral. \$DAX is sitting on the lower channel trendline. Strength relative to the S&P 500 Index remains Positive. Short-term momentum indicators are Negative.



The CAC 40 lost 64.18 points (1.25%) last week.

Intermediate trend changed from Positive to Neutral. \$CAC is hanging onto the lower trendline.

Short-term momentum indicators are Negative.

The AEX 25 dropped 2.93 points (0.56%) last week.

Intermediate trend changed from Positive to Neutral. Index remains just above the 20-day moving average.

Short-term momentum indicators are Negative.

The IBEX 35 lost 202.90 (1.93%) last week.

\$IBEX looks to be reversing. Strength relative to the S&P 500 remains Positive.

The Index remains above the 20-day moving average.

Short-term momentum indicators are Negative.

The FTSE dropped 21.78 points (0.30%) last week.

Intermediate trend remains Neutral. FTSE looks to be stuck between the moving averages. Price remains below the 20-days moving average.

Short-term momentum indicators are Negative.

Europe iShares lost \$0.13 (0.26%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 changed from Positive to Neutral. \$IEV broke through the lower trendline. Units closed below the 20-day moving average. Short-term momentum indicators are Negative.

Fixed income markets weekly charts**International Bonds**

As per our 2017 Q2 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 2.00%

Ten year government bond spreads

Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.52%	+2.34	+0.30
Austria	0.42%	+0.24	-1.80
Belgium	0.76%	+0.57	-1.47
Canada	--	--	--
Denmark	0.51%	+0.32	-1.71
Finland	0.31%	+0.12	-1.91
France	0.92%	+0.73	-1.30
Germany	0.19%	--	-2.04
Greece	6.67%	+6.48	+4.45
Ireland	0.92%	+0.73	-1.30
Italy	2.31%	+2.12	+0.09
Japan	0.01%	-0.18	-2.22
Netherlands	0.28%	+0.09	-1.94
New Zealand	2.96%	+2.77	+0.74
Portugal	3.86%	+3.67	+1.64
Spain	1.69%	+1.51	-0.53
Sweden	0.51%	+0.32	-1.72
Switzerland	-0.18%	-0.37	-2.40
UK	1.05%	+0.86	-1.18
US	2.21%	+2.02	--

Data delayed at least 15 minutes, as of Apr 17 2017 07:32 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

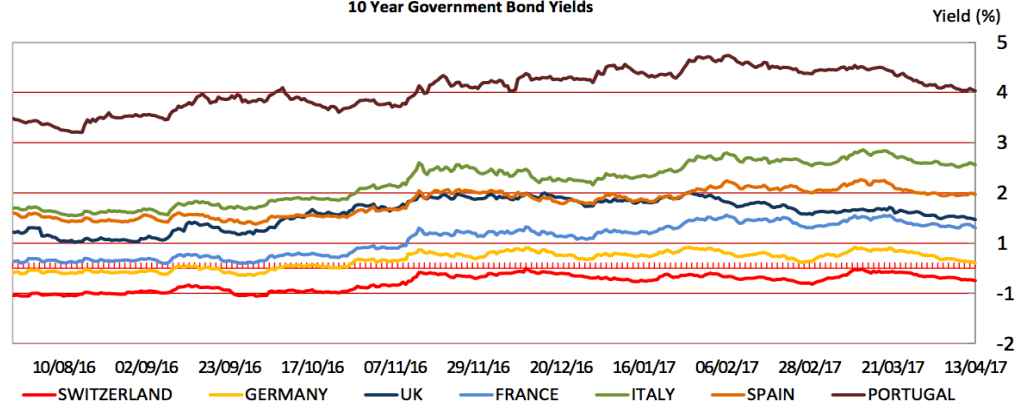
Intermediate trend changed from Neutral to Negative. \$TNX broke through the 23 Support. \$TNX remains below the 20-day moving average.

Short-term momentum indicators are Negative.

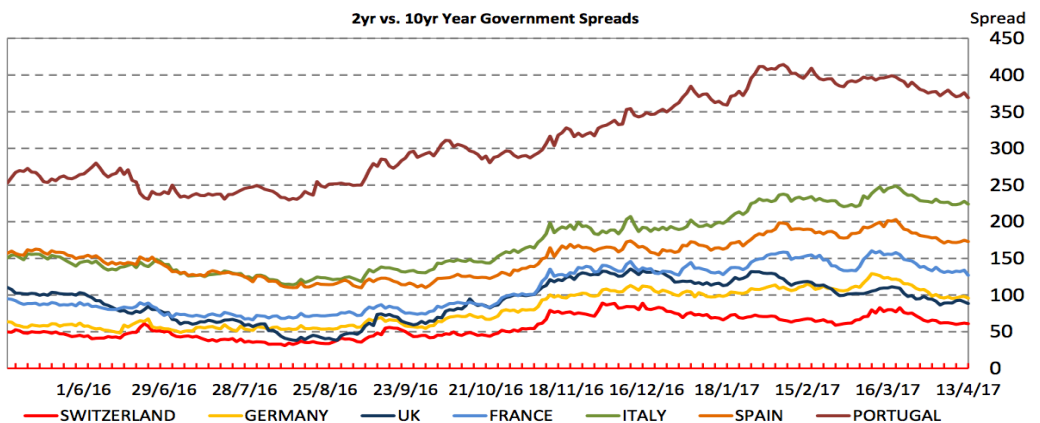
Intermediate trend changed from Neutral to Positive. TLT still has not confirmed the upper trendline breakout. TLT remained above the 20-day moving average.

Short-term momentum indicators are rolling over.

10 Year Government Bond Yields



2yr vs. 10yr Year Government Spreads



Yield on 10 year Treasuries dropped 1.41 basis points (5.94%) last week.



The long term Treasury ETF gained 2.76 points (2.29%) last week.



Currency markets weekly charts

The Euro added 0.19 points (0.19%) last week.

Intermediate trend is Neutral. \$XEU rebounded from the lower trendline once again.

The \$XEU remains below the 20-day moving average.

Short-term momentum indicators are Mixed.



The US\$ dropped 0.65 points (0.65%) last week.

Intermediate trend changed back to Neutral. \$USD rebounded from the upper trendline. The US\$ moved below its 20-day moving average.

Short-term momentum indicators are rolling over.



The Japanese Yen added 1.62 points (1.80%) last week.

Intermediate trend remains Positive. XJY rejected throwback to the upper rectangle levels. \$XJY remains above the 20-day moving average.

Short-term momentum indicators are rolling over.



The Canadian Dollar gained 0.43 points (0.57%) last week.



Intermediate trend changed to Neutral. \$CDW decisively rebounded from the upper trendline.

Short-term momentum indicators are Mixed.

Commodity markets weekly charts

The CRB Index added 0.66 points (0.36%) last week.



Intermediate trend is Positive. Strength relative to the S&P 500 Index remains Positive. \$CRB is struggling around the moving average / trendline convergence.

The \$CRB remains above its 20-day moving average.

Short-term momentum indicators are Mixed.

Intermediate trend changed from Neutral to Negative. Strength relative to the S&P 500 Index changed from Neutral to Negative. Copper broke out through the lower trendline but is yet to confirm it.

Copper closed below the 20-day moving average. Short-term momentum indicators are Negative.

Copper lost \$0.08 per lb. (2.89%) last week.



Lumber dropped \$14.60 (3.65%) last week.

Intermediate trend changed back to Neutral. Strength relative to the S&P 500 Index is Positive. Lumber closed the gap in a swift move.

Lumber remains above the 20-day MA. Short-term momentum indicators are rolling over.

**The Grain ETN added \$0.59 (2.14%) last week.**

Intermediate trend remains Negative. Units rebounded from the lower trendline.

Price moved above the 20-day MA. Short-term momentum indicators are Positive.

**The Agriculture ETF lost \$0.26 (0.49%) last week.**

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Negative. MOO looks very compressed and a downward breakout is probable.

Units closed below the 20-day moving average.

Short-term momentum indicators are Mixed.



Gold & precious metals markets weekly charts

Gold gained \$31.20 (2.48%) last week.

Gold finally broke out above the important 200-day moving average.

Gold remains above its 20-day moving average.

Short-term momentum indicators are Positive and slightly overbought.



Silver added \$0.36 per ounce (1.98%) last week.

Silver rebounded from moving averages and went back to the yearly high.

Silver remains above its 20-day moving average. Short-term momentum indicators are Positive.



Platinum gained \$14.80 per ounce (1.54%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remained Neutral. \$PLAT still struggles to break the 50-day moving average.

\$PLAT trades above its 20-day Moving Average. Momentum indicators are Positive.



Palladium dropped \$7.80 per ounce (0.97%) last week.

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

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

Short-term momentum indicators are rolling over.

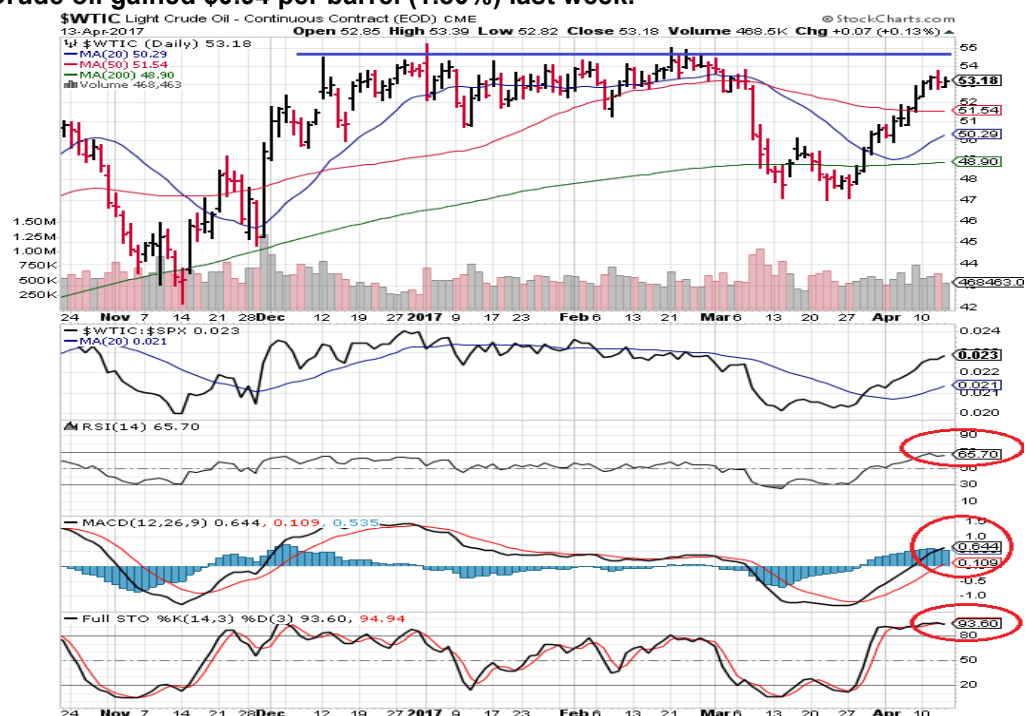


Oil, gas & energy markets weekly charts

Crude oil gained \$0.94 per barrel (1.80%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. \$WTIC is almost back to the resistance.

Short-term momentum indicators are Positive and slightly Overbought.



Gasoline dropped 0.01 per gallon (0.42%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. \$GASO rebounded from the resistance for now.

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



Natural Gas lost \$0.03 (1.04%) per MBtu last week.

Intermediate trend is Neutral. Strength relative to the S&P 500 Index remains Positive. \$NATGAS almost broke the channel but was stopped by the moving average.

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



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