Creative Global Investments

Morning Market Commentary

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Objectivity

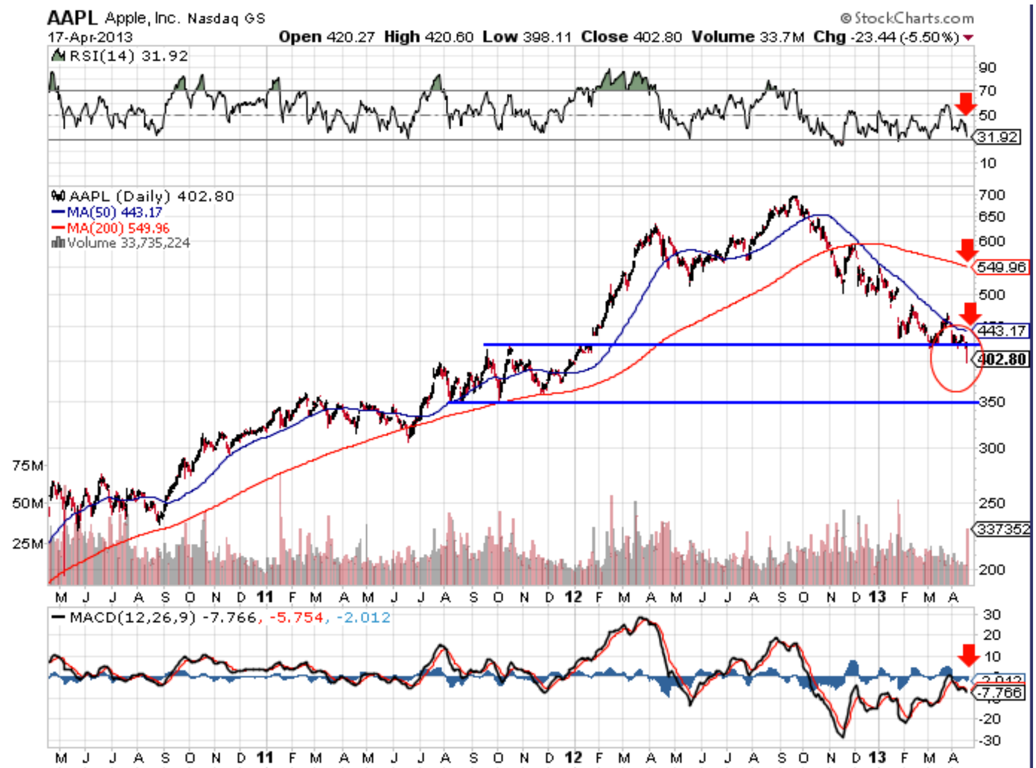
Integrity

Creativity

Apple (NYSE AAPL: US$ 402.80) update

Apple stock traded below US$ 400 for the first time since 2011, just prior to the exuberant and parabolic rise to US$ 705 in 1H 2012. Yesterday APPL fell 5.50% following a weak sales outlook from key chip supplier to Apple, Cirrus Logic. **Shares of AAPL are down around 42% since the stock peaked in September of last year, when we put a "Sell/short" recommendation on AAPL at US$ 685, this amidst concerns that Apple is losing its market dominance.**

AAPL fell below US$ 420 key support level yesterday. We see AAPL's next substantial support around US$ 360, which is another -10% lower than present levels. Apple may not fall through to those support levels in one straight major move, particularly as some momentum indicators have been diverging with the recent price action, suggesting that selling momentum may be temporarily waning. Since our initial "Sell/Short" recommendation on October 3rd, 2012, AAPL declined on substantial volume in the fourth quarter 2012 and Q1 2013. However, in Q2 2013, the volume has gradually declined, as one could suspect, due to redistribution, and as institutional value investors expect AAPL's price to stabilize and begin to anticipate some kind of bottom, where they want to get involved. **Yesterday's spike in volume could indicate that AAPL recently had been bought by uncertain investors, and hence why AAPL's consolidation phase in our opinion will continue. Apple typically trades higher following earnings, which are due to be released on April 23rd, consequently one could expect a move higher back towards US$ 435, before resuming it's path towards US$ 360, and most likely as our research indicates, lastly towards US$ 320.**



Global Macro Commentary

Upcoming macro events:

- Great Britain Retail Sales for March will be released at 4:30am EST. The market expects a year-over-year decline of 0.4% versus 2.6%.
- Weekly Jobless Claims will be released at 8:30am. The market expects Initial Claims to show 347K versus 346K previous.
- The Philadelphia Fed Survey for April will be released at 10:00am. The market expects 3.3 versus 2.0 previous.
- Leading Indicators for March will be released at 10:00am. The market expects a month-over-month increase of 0.2% versus an increase of 0.5% previous.

Past Data Review:

Event	Actual	Forecast	Previous
JPY Consumer Confidence	**44.8**	46	44.2
GBP Claimant Count Rate	**4.60%**	4.70%	4.60%
GBP Jobless Claims Change	**-7.0K**	0.0K	-5.3K
CHF ZEW Survey (Expectations)	**20**		2.3
USD MBA Mortgage Applications	**4.80%**		4.50%
CAD Bank of Canada Rate Decision	**1.00%**	1.00%	1.00%
USD DOE U.S. Crude Oil Inventories	**-1233K**	1200K	250K
USD DOE U.S. Gasoline Inventories	**-633K**	-800K	1699K
USD DOE U.S. Distillate Inventory	**2364K**	-350K	-169K
USD DOE Cushing OK Crude Inventory	**1078K**		889K
JPY Merchandise Trade Balance Total (Yen)	**-Â¥362.4B**	-Â¥522.2B	-Â¥779.5B

Asian Economies

Japan, the world's third-largest economy, has reported a record trade deficit for the year to 31 March. Japan's deficit hit Yen 8.17tn (US$ 83.4bn) as a slump in global demand hurt exports, while greater domestic consumption of fuel boosted imports. The weakening Yen, which has dipped nearly 29% against the US$ since our US$/Yen 95 forecast late August 2012, wen the US$/Yen was at 78, also boosted the value of the imports. Japan's deficit will likely shrink more in the coming months, as the weaker Yen will help Japan's exports. Japan, which has traditionally been known for its exports, has seen a shift in its trade pattern in recent times. The broad picture remains intact as the weaker Yen is having more of an impact on boosting imports than exports. It has seen its imports rise, driven mainly by an increased demand for fuel. This was after most of its nuclear reactors were shut after the earthquake and tsunami in 2011,which damaged the Fukushima Daiichi nuclear plant and resulted in radiation leaks.

As a result, utility providers have had to turn to traditional thermal power stations to generate electricity. These power plants need natural gas and coal to operate, resulting in a surge in imports of these commodities.

Meanwhile, its exports have been hurt by a slump in demand from key markets such as the US and Europe, while a territorial dispute has hurt sales to China. That has seen it report a deficit for nine straight months.

However, while a weakening currency has an immediate impact on the value of imports, it takes longer for it to help exports. At the same time, exports are also influenced by global demand, which analysts said had remained subdued. The broad picture remains intact as the weaker Yen is having more of an impact on boosting imports than exports, while the recovery in the world economy, particularly China, is tepid.

It will take at least until around mid-summer before the weaker Yen enhances price competitiveness of Japanese products abroad to boost exports. There were some signs of recovery in the data for March, which showed a 1.1% increase in exports during the month, from a year earlier. That was better than the 0.4% gain that many analysts had forecast.

European Economies

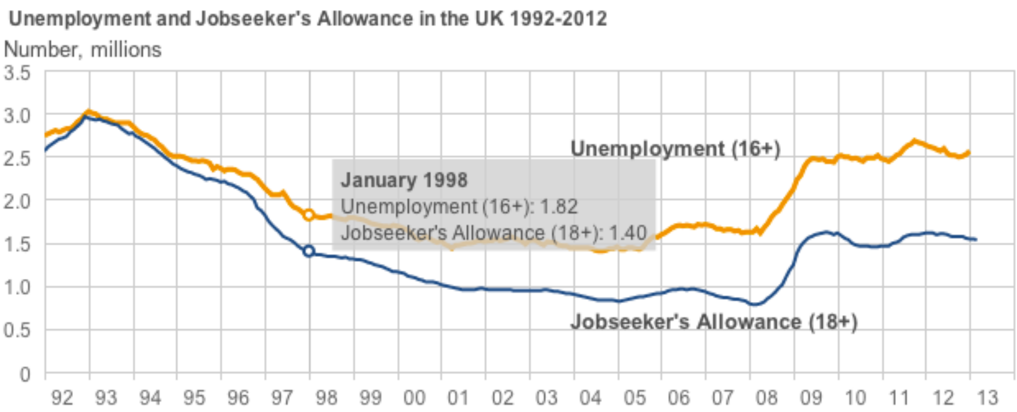
Concerns over the global economy have hit markets over the past week following disappointing growth figures from China and downwards revisions to worldwide gross domestic product forecasts from the International Monetary Fund. The fears were compounded yesterday after Jens Weidmann, the head of Germany's Bundesbank, told reporters, that the recovery in Europe could take as long as a decade to overcome. However, he did leave the door open to the possibility that the ECB could cut rates if required, but warned that such a move would be unlikely to turn the Eurozone's dire economy around and urged government authorities to take action.

The minutes of the Bank of England's (BoE) Monetary Policy Committee meeting suggested that the BoE and the Treasury could be looking to extend the GBP 80bn Funding for Lending Scheme. The parties "saw merit" in boosting the scheme to raise lending further

Today's weak data raises further questions about the UK's economic strength. The news hit GBP, with the pound falling more than a cent against the US$ on concerns that a weaker labor market pointed to worsening economic prospects.

UK retail sales fell more than forecast in March as cold weather during the month depressed purchases of clothing and household goods. Sales including fuel fell 0.7 percent from February, when they increased 2.1 percent, the ONS reported today in London. The median consensus forecast was for a 0.6 percent decline. From a year earlier, sales declined 0.5 percent.

UK unemployment rose by 70,000 to 2.56 million between December and February, the ONS has said, pushing the unemployment rate to 7.9%. The number of people in employment also fell, while earnings growth slowed considerably. However the number claiming Jobseeker's Allowance last month, down 7,000 to 1.53 million. The number of people in work fell by 2,000 in the latest quarter to February, to just under 30 million, the first time the figure has dipped since autumn 2011. And the ONS said that average regular pay, excluding bonuses, rose by 1%, the lowest since records began more than a decade ago.



For the short term, we see things are getting worse. Now the consumer is affected in the day-to-day spend. We can see that was already the case in the automotive industry and in the construction industry; usually the consumer cuts first the big spends and then the small ones, so we think we're reaching the point where the consumer will cut their daily spend.

The French President has used a gathering of economists, business leaders and political figures at the OECD in Paris to send a message to Europe. Yesterday, as the government admitted its public debt and deficit would be higher than planned and fleshed out plans for EUR 6 billion in extra taxes and EUR 14 billion in spending cuts for next year, Francois Hollande said imposing harsher measures on the stagnating economy would be counter-productive. He told the OECD audience: "The policy that I'm putting forward is one of budgetary seriousness. It is indispensable. We must become competitive again, but we must also seek growth. And that can be achieved through a re-orientation of the priorities of Europe."

If the European Commission likes the fiscal plans, Paris will get more time to meet the three percent deficit target, but the latest International Monetary Fund forecast sees the French economy contracting by 0.1 percent this year, which would make that target much more difficult to reach, particularly as more government cuts hit consumers.

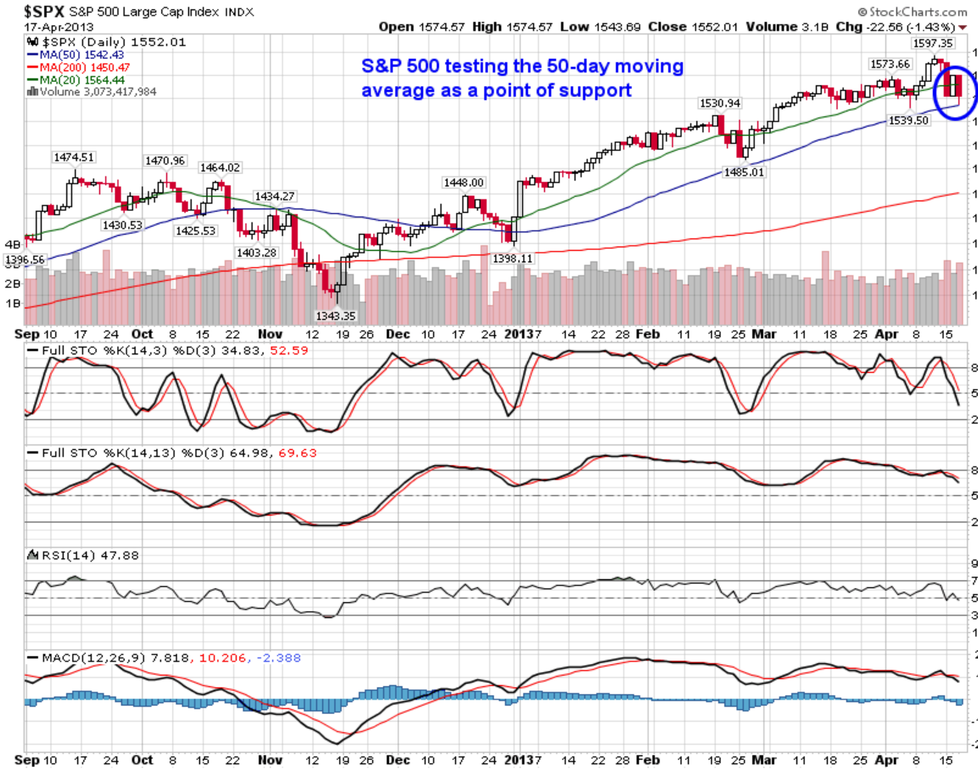
US Equities Market Commentary

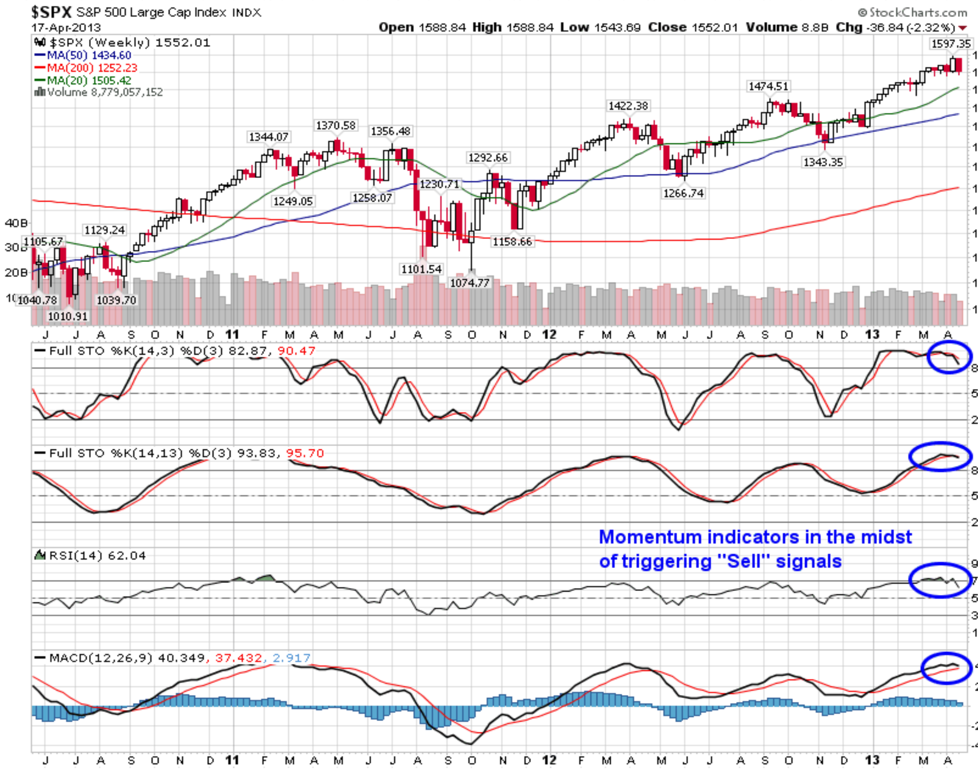
Declines below this significant moving average would likely bring upon a flood of selling pressures as investors seek to lock in gains following the stellar six month run in equity markets.

Looking out on the weekly chart, "Sell" signals are in the midst of being triggered. The weekly RSI is rolling over from the most overbought level since February of 2011.

Weekly Stochastics are curling lower. The weekly MACD is on the verge of crossing below its trigger line. Using moving averages as a guide, the benchmark could soon test the 50-week moving average, presently around 1435, should a change of trend become confirmed.

Wednesday's decline in equity markets saw the S&P 500 index test the 50-day mva as a point of support. This significant moving average has held as support twice over the past year, allowing longer-term traders to accumulate equity positions at appealing levels. Risk-reward of the equity market favors a move lower, a scenario which has more likelihood of occurring as the period of seasonal weakness for equities gets set to begin. Yesterday, the SPX was pressured lower by financials and technology following disappointing earnings reports within the sectors. Bank of America plunged 4.72% after it missed first quarter earnings estimates.





It currently takes 10.8 ounces of gold to 'buy the Dow' in terms of Dow/Gold ratio. Priced in gold, the Dow has been in a massive 13-year bear market.

While the Dow/Gold is well off its record highs of the late 90's, it has been on a tear as of late.

A different view at the DJIA: The current rally has resulted in a break above resistance of its latest downtrend channel as well as new post-financial crisis highs.

Oil, Gas & Energy Commentary

$WTIC now trades below both the 10-WMA and the 40-WMA. It has broken the rising trend line.

If $WTI could not hold at those levels, and a major violation of support at $76 would occur, then Oil and the oil stocks would show serious long-term chart breakdowns.

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