



Creative Global Investments

Morning Market Commentary & Weekly Charts

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Objectivity

Integrity

Creativity

Global Equities running out of steam

This past weekend's meeting of the G-20 has highlighting that there is only minimal coordination between the main economic powers. Japan was not singled out for reprobation. The G-20 and the BoJ have made it very clear to the financial community that Japan has the green light regarding continued quantitative easing and resulting in continued Yen weakness. **We expect the US\$/Yen 100 level will fall soon, and moving towards our 2013 price target in coming months. Short term, we expect the US\$ to run into resistance at the psychologically important US\$/Yen 100 level, which it hasn't crossed since April 2009.**

The main European equity benchmarks have started the day higher following the re-election of Italian President Giorgio Napolitano to a second term. This is the first time in the history of the Republic that a President has been asked to serve two consecutive terms.

The peak of first quarter earnings season for S&P 500 companies happens this week. About 20% of S&P 500 companies have reported quarterly results: Two thirds have reported higher than consensus earning, but 57% reported lower than consensus revenues. As we had been anticipating, most of investor's responses to reports were "Sell on News". Some exceptions existed when companies reported results that blew out consensus. Look for more of the same this week. 170 S&P 500 companies and 10 Dow Industrial companies are scheduled to release results this week.

Economic news is quieter this week. The focus is on US housing data and the first estimate of Q1 GDP to be released on Friday, which we expect to be quite weak. We expect the US central bank to keep quantitative easing at its current monthly pace of US\$ 85bn of asset purchases until mid-2014.

Short and intermediate technical data for North American equity markets and sectors recorded significant deterioration last week. US equity indices and most sectors are just starting to show deterioration from intermediate overbought levels.

The window of opportunity to takes seasonal profits in equity markets and sectors has appeared earlier than usual this year. Average optimal date during the past 62 years is May 5th.

Large cash positions held by major US, Canadian and European corporations are being spent, but not in a way that will help long-term prospects. More companies are announcing dividend increases and share buy backs instead of capital expansion, which is not a sign of confidence in business outlook and government policy responses.

Weekly Investment Conclusion

We continue to advise our clients to take profits in seasonal trades, and in global equities in general, as we see increasing market technical and market dynamic evidence of more deterioration and expect the anticipated -7% to -10% "sell-off" to materialize with greater certainty now.

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Global Macro Commentary & Events

Upcoming Macro Events:

- **March Existing Home Sales** to be released on Monday at 10:00 AM EDT are expected to increase to 5.01 million from 4.98 million in February.
- **Canadian February Retail Sales** to be released on Tuesday at 8:30 AM EDT are expected to increase 0.2% versus a gain of 1.0% in January.
- **March New Home Sales** to be released on Tuesday at 10:00 AM EDT are expected to increase to 415,000 from 411,000 in February.
- **March Durable Goods Orders** to be released on Wednesday at 8:30 AM EDT are expected to fall 3.1% versus a gain of 5.6% in February. Excluding Transportation, Orders are expected to be unchanged versus a decline of 0.7% in February.
- **Weekly Initial Jobless Claims** to be released on Thursday at 8:30 AM EDT are expected to slip to 351,000 from 352,000 in the previous week.
- **First estimate of real annualized First Quarter GDP** to be released on Friday at 8:30 AM EDT is expected to increase to 2.8% from 0.4% in the fourth quarter.
- **April Michigan Sentiment Index** to be released on Friday at 9:55 AM EDT is expected to increase to 72.4 from 72.3 in March.

Review of past macro-economic data:

Event	Actual	Forecast	Previous
CNY MNI Flash Business Sentiment Indicator	59.3		58.2
All Industry Activity Index MoM	0.60%		-1.60%
JPY Coincident Index	92.4		92.1
JPY Leading Index	97.6		97.5
EUR German Producer Prices (YoY)	0.40%	0.70%	1.20%
EUR German Producer Prices (MoM)	-0.20%	0.10%	-0.10%
EUR Euro-Zone Current Account s.a. (euros)	16.3B		13.8B
EUR Euro-Zone Current Account n.s.a. (Euros)	12.1B		-5.6B
EUR ECB Announces 3-Year LTRO Repayment	10.9B		10.8B
CAD Consumer Price Index (MoM)	0.20%	0.30%	1.20%
CAD Consumer Price Index (YoY)	1.00%	1.10%	1.20%
CAD Bank Canada Consumer Price Index Core (MoM)	0.20%	0.20%	0.80%
CAD Bank Canada Consumer Price Index Core (YoY)	1.40%	1.40%	1.40%
CAD Core CPI SA (MoM)	0.20%	0.20%	0.40%
CAD Consumer Price Index	122.9		122.7
CAD Wholesale Sales (MoM)	0.00%	0.30%	0.50%
CAD Consumer Price Index SA (MoM)	0.10%	0.20%	0.70%

European Economy

Swiss money supply grew by 9.9% year-on-year in March after a 9.8% increase the month before.

France's 2012 budget deficit was 4.8 percent of economic output, statistics office Eurostat said in the final reading of all 27 countries' public accounts. It compared with a target of 4.5 percent.

Spain's budget shortfall was 7.1 percent, excluding bank recapitalization, which was higher than the government's 6.98 percent official year-end reading, and well above Madrid's original target of 6.3 percent.

Overall, the Euro Zone looked much better off at the end 2012, however. Its combined fiscal deficit was 3.7 percent of gross domestic product, compared with 4.2 percent in 2011 and 6.5 percent in 2010.

The Fitch credit ratings agency has downgraded the UK to AA+ owing to a weakened economic outlook. Fitch said its downgrade primarily reflected a weaker economic and fiscal outlook. Fitch said its downgrade "primarily reflects a weaker economic and fiscal outlook" but returned its outlook to "stable", removing the threat of further rate action in the near term.

US Market Commentary & Weekly Charts

The VIX Index gained 2.91 (24.13%) last week.



Trend changed from up to neutral when the Index briefly moved below support at 1,538.57 on Thursday.

The S&P 500 Index fell 33.60 points (2.11%) last week.

The Index fell below its 20-day moving average and briefly fell below its 50 day moving average on Thursday.

Short-term momentum indicators are trending down.



The index established intermediate downtrend.

has an

Percent of S&P 500 stocks trading above their 50 day moving average plunged last week from 77.40% to 52.00%.



The index has rolled over from intermediate overbought level.

rolled an

Percent of S&P 500 stocks trading above their 200 day moving average fell last week to 83.40% from 90.20%.



The Index has rolled over from intermediate overbought level.

rolled an

Bullish Percent Index for S&P 500 stocks fell last week to 75.20% from 82.20% and returned below its 15 day moving average.



The Dow Jones Industrial Average dropped 317.55 points (2.14%) last week.

Trend remains up. The Average closed below its 20 day moving average on Friday.

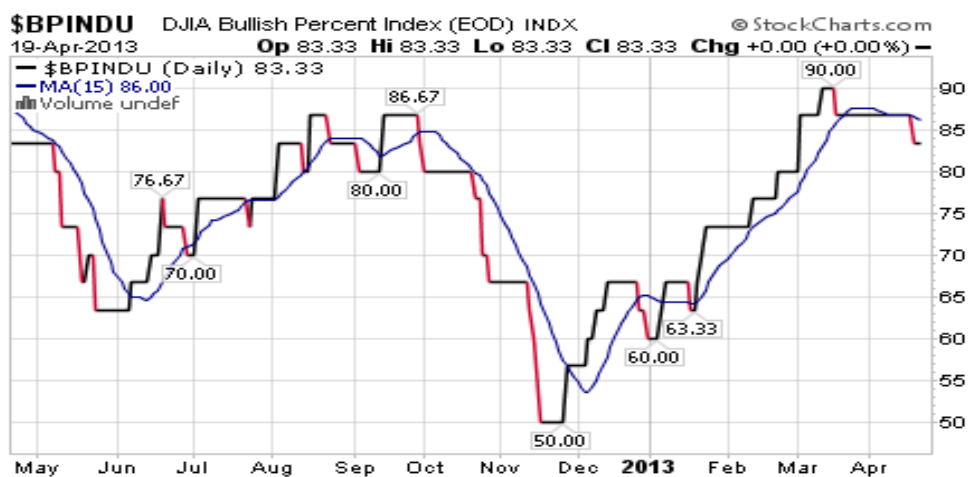
Strength relative to the S&P 500 Index remains positive.

Short-term momentum indicators are trending down.



The Index has rolled over from an intermediate overbought level.

Bullish Percent Index for Dow Jones Industrial Average stocks slipped last week to 83.33% from 86.67% and moved below its 15 day moving average.



The Dow Jones Transportation Average fell 109.61 points (1.78%) last week.

Trend remains down.
The Average fell below
its 20 and 50 day
moving averages.

Strength relative to the
S&P500 Index remains
negative, but showing
signs of change.

Short-term momentum
indicators are trending
down.



The Index has rolled
over from an
intermediate to an
overbought level.

Bullish Percent Index for NASDAQ Composite stocks fell last week to 62.60% from 66.17% and remained below its 15 day moving average.



The NASDAQ Composite Index fell 88.89 points (2.70%) last week.

Trend changed from up to neutral on a break below 3,168.88. The Index fell below its 20 and 50 day moving averages.

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

Short-term momentum indicators continue to trend down.



The Russell 2000 Index dropped 30.35 points (3.22%) last week.

Downtrend was confirmed on a move below 909.90. The Index fell below its 20 and 50 day moving averages.

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

Short-term momentum indicators are trending down.

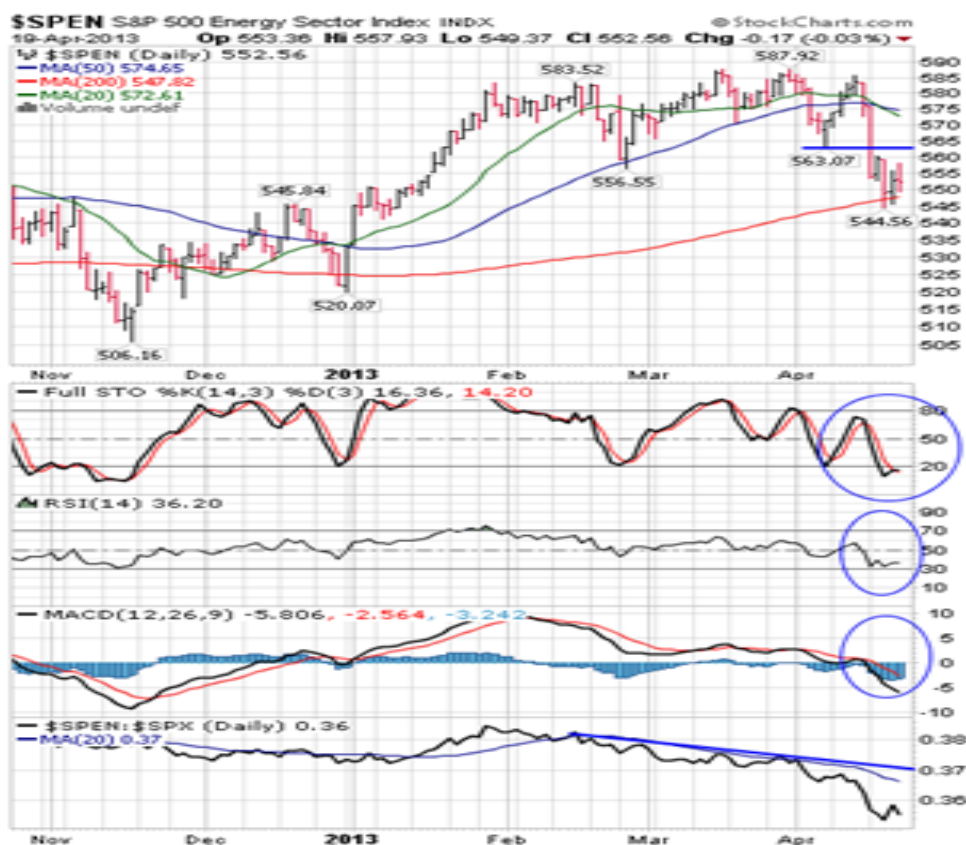


The S&P Energy Index fell 23.55 points (4.09%) last week.

Downtrend was confirmed on a break below 563.07. The Index remains below its 20 and 50 day moving averages.

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

Short-term momentum indicators are oversold.



The Philadelphia Oil Services Index fell 13.22 points (5.30%) last week.

Intermediate trend remains neutral. The Index fell below its 20 and 50 day moving averages.

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

Short-term momentum indicators continue to trend down.



The AMEX Gold Bug Index plunged another 32.97 points (10.94%) last week.

Trend remains down.
The Index remains below its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators are oversold and showing early signs of bottoming.



Canadian Markets Commentary & weekly charts

The Index remains in an intermediate downtrend.

Bullish Percent Index for TSX Composite stocks fell last week to 57.50% from 62.08% and remained below its 15 day moving average.



The TSX Composite Index plunged another 272.04 points (2.20%) last week.

Trend remains down. The Index remains below its 20 and 50 day moving averages and fell below its 200 day moving average.

Strength relative to the S&P 500 Index remains negative

Short-term momentum indicators are oversold, but have yet to show significant signs of bottoming.



Percent of TSX Composite stocks trading above their 50 day moving average fell to 27.08% from 35.83%.

The index is oversold, but has yet to show signs of bottoming.



Percent of TSX Composite stocks trading above their 200 day moving average fell last week to 47.08% from 53.33%.

The index continues an intermediate downtrend.



Asian Markets Commentary & weekly charts

The Nikkei Average slipped 168.66 points (1.25%) last week.

Trend remains up. The Average remains above its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators are overbought and showing early signs of rolling over.



The Shanghai Composite Index added 38.86 points (1.76 %) last week.

Intermediate trend changed from down to neutral on a move above 2,242.48. The Index moved above its 20 day moving average on Friday.

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

Short-term momentum indicators are recovering from oversold levels.



The Australia All Ordinaries Composite Index fell 93.00 points (1.85%) last week.

Trend remains down.
The Index fell below its
20 and 50 day moving
averages.

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

Short-term momentum
indicators are neutral.

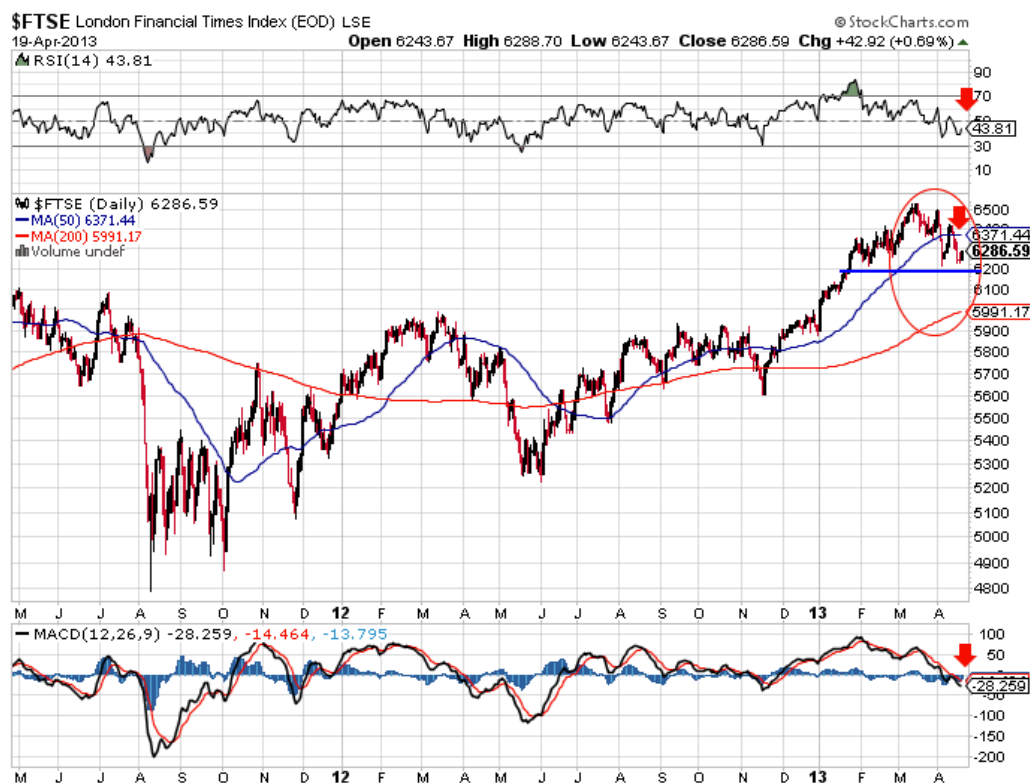


European Markets Commentary & weekly charts

All major equity indices in Europe clearly have rolled over.

The technical short-term support levels are between -6% and -11% below current market levels.

The FTSE 100 longer-term support level is at 6,000 (psychological support), however, the 200-daymva at 5,991 might well be tested, during this summer sell-off.



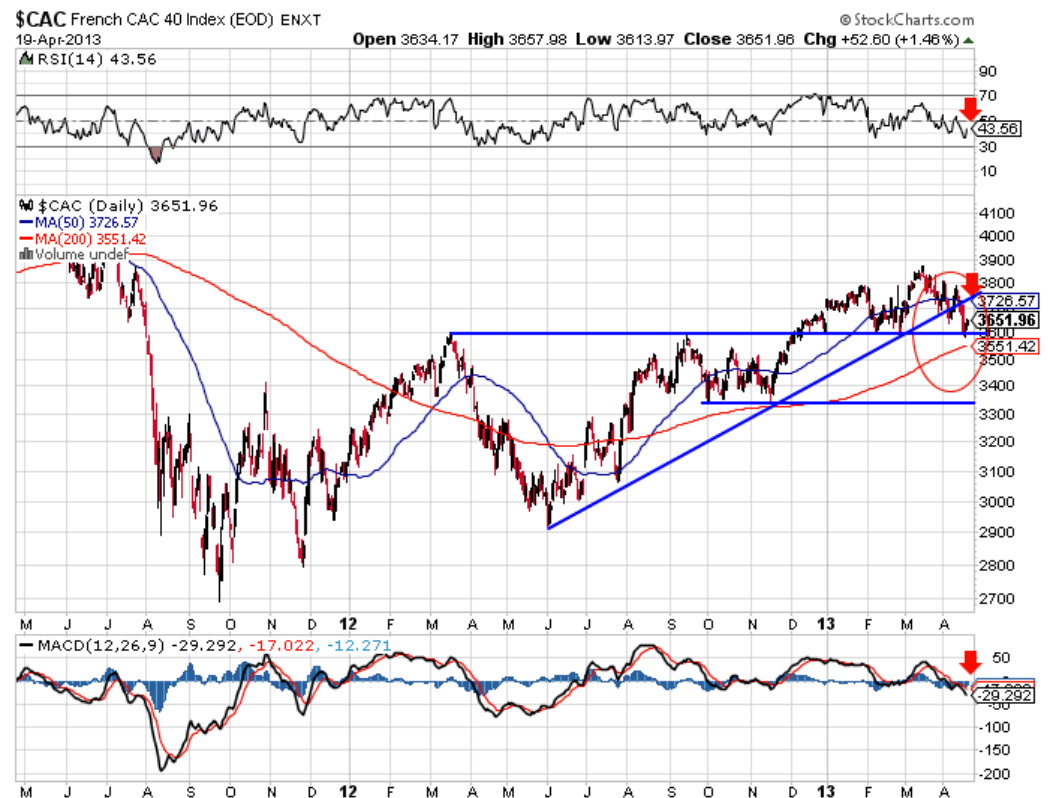
The DAX 30 similarly has its longer-term support at the 200-daymva at 7,375.

However, if broken, the long-term trend line since September 2011 support of 7,250 may come into play.



The longer-term technical support for the CAC 40 is at the horizontal line at 3,325.

Similarly, the CAC 40 having broken through the 50-day mva looks like testing the 200-day mva at 3,551.



The Ibox shows vulnerability towards 7,550 horizontal line support.



The Athens Index added 0.18 (0.02%) last week.

Trend changed from down to up on a move above 936.59. The Index remains above its 20 day moving average.

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

Short-term momentum indicators are trending up.



Ishares on the Europe 350 dropped \$1.21 (2.99%) last week.

Trend remains down. The Index fell below its 20 and 50 day moving averages.

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

Short-term momentum indicators continue to trend down.



Fixed Income Markets Commentary & weekly charts

EURO Bonds

German 10y	1.24	-0.01	0.89%
Italy 10yr	4.04	-0.14	3.29%
Spain 10yr	4.52	-0.10	2.09%
UK 10yr	1.67	+0.00	0.02%

US Bonds

Yield on 10 year Treasuries slipped 1.8 basis points (1.05%) last week.

Yield remains below its 20, 50 and 200 day moving averages.

Short-term momentum indicators remain oversold.



Conversely, price of the Treasury ETF added \$0.90 (0.74%) last week.



Currencies Commentary & weekly charts

The Euro remains above its 20 and 200 day moving averages and below its 50 day moving average.

Short-term momentum indicators are slightly overbought.

The Euro fell 0.60 (0.46%) last week.



The US\$ added 0.66 (0.80%) last week.

The US\$ moved above its 20 day moving average on Friday.

Short-term momentum indicators are neutral.



The Japanese Yen fell another 1.14 (1.12%) last week.

Trend remains down.
The Yen remains below
its 20, 50 and 200 day
moving averages.

Short-term momentum
indicators are oversold.



The C\$ dropped US1.26 cents last week.

The C\$ fell below its 20
and 50 day moving
averages.

Short-term momentum
indicators are neutral.

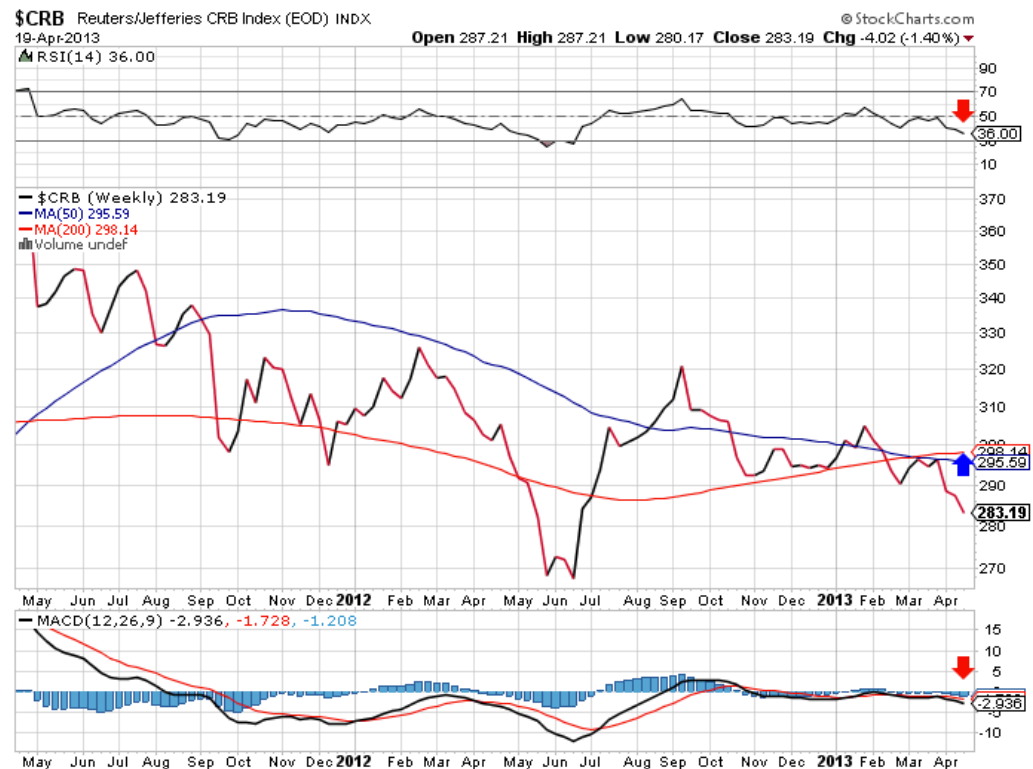


Commodities Commentary & weekly charts

Trend remains down.
The Index remains
below its 20, 50 and 200
day moving averages.

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

The CRB Index dropped 4.02 points (1.40%) last week.



Copper dropped another \$0.19 per lb. (5.69%) last week.

Trend remains down.
Copper remains below
its 20, 50 and 200 day
moving averages.

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

Short-term momentum
indicators remain
oversold.





Lumber lost another \$10.99 (2.96%) last week.

Trend remains down.
Lumber remains below
its 20 and 50 day
moving averages.

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



The Grain ETN slipped \$0.52 (1.04%) last week.

Trend remains down.
Units remain below the
20, 50 and 200-day
moving averages.

Strength relative to the
S&P 500 remains
negative, but showing
early signs of change.



The Agriculture ETF fell \$0.86 (1.62%) last week.

Trend remains down.
Units remain below
their 20 and 50 day
moving averages.

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

Short-term momentum
indicators are oversold.



Gold & Precious Metals Commentary & weekly charts

Gold lost another \$74.80 per ounce (5.05%) last week.

Trend remains down.
Gold remains below its
20, 50 and 200 day
moving averages.

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

Short-term momentum
indicators are oversold
and showing early
signs of recovery.



Silver fell another \$2.65 per ounce (10.24%) last week.

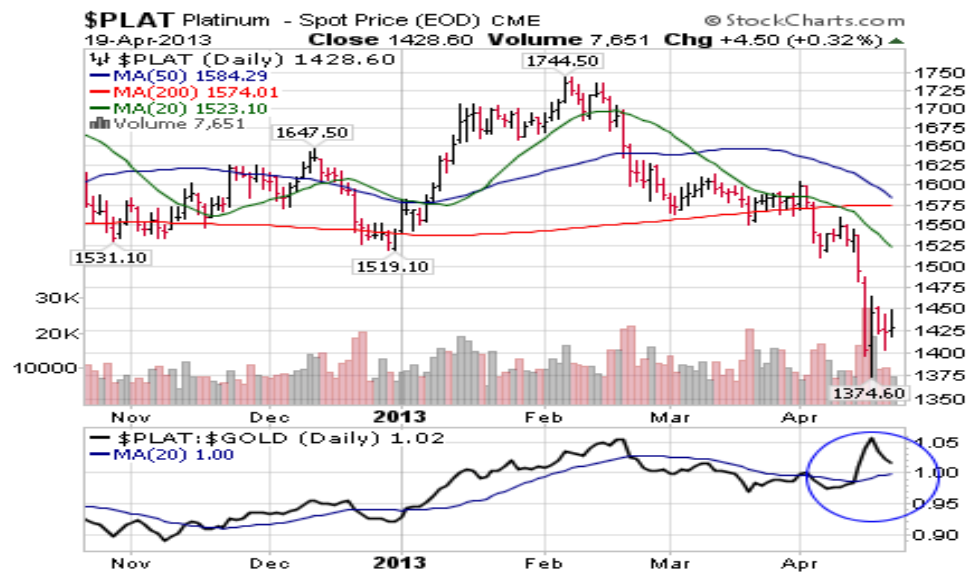
Trend remains down.
Silver remains well
below its 20, 50 and 200
day moving averages.

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

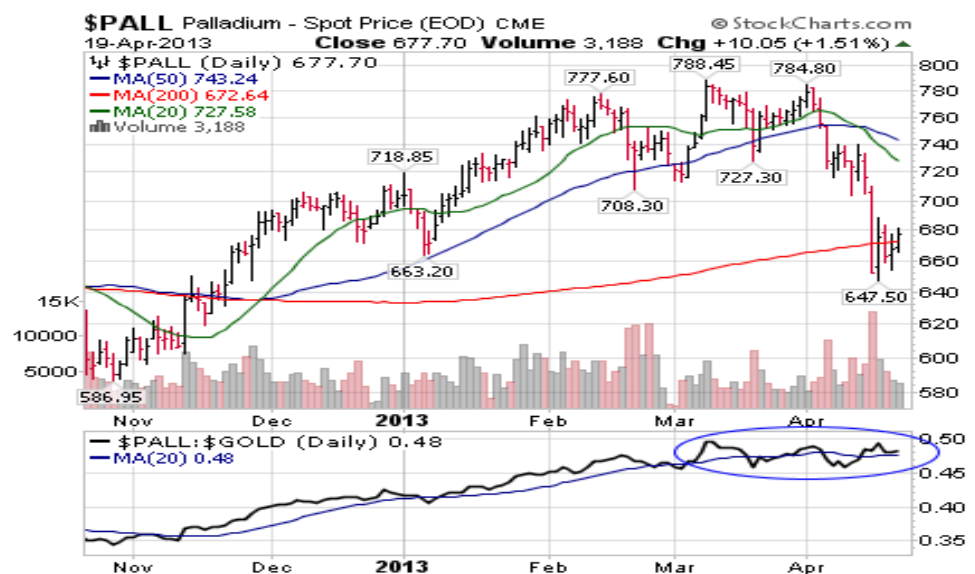
Short-term momentum
indicators are oversold.



Strength relative to gold remains positive.



Strength relative to gold remains neutral.



Oil, Gas & Energy Commentary & weekly charts

Gasoline fell another \$0.05 per gallon (1.78%) last week.

Gas remains below its 20, 50 and 200 day moving averages.

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



Crude Oil dropped another \$2.45 per barrel (2.70%) last week.

Downtrend was confirmed on a break below \$89.33. Crude remains below its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators are oversold.



Natural Gas gained another \$0.14 per MBtu (3.29%) last week.

Trend remains up. Gas remains above its 230, 50 and 200 day moving averages.

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

Short-term momentum indicators remain overbought.



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