



Creative Global Investments

Morning Market Commentary

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Objectivity

Integrity

Creativity

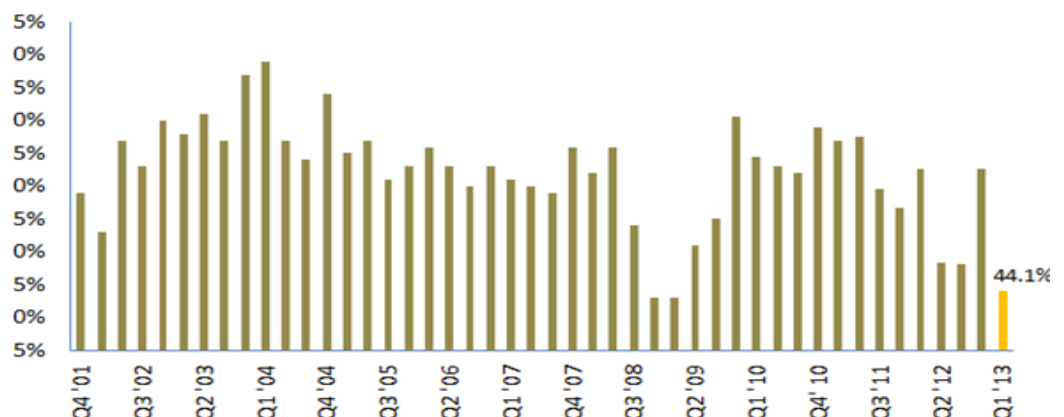
More signs of US corporate revenues slowdown

Currently the number of US companies that have reported sales above estimates are at a mere 44.1% based on results released for the first quarter, thus far. The current quarterly revenue beat rate is the third lowest in over 10 years, beaten only by the fourth quarter of 2008 and the first quarter of 2009, just as the recession was beginning.

We believe that the actual data, whether it relate to the broad economy, to actual negative currency impacts, or to earnings, fail to catch up to expectations, a correction in forecasts may be in order, the result of which would likely lead to a correction of stock prices as well.

Again, we see more evidence in increasing metrics for investors to brace themselves for a 6% to 10% pullback in major global equities markets, and surely also for the US markets

Percent of US Companies beating quarterly Earnings estimates



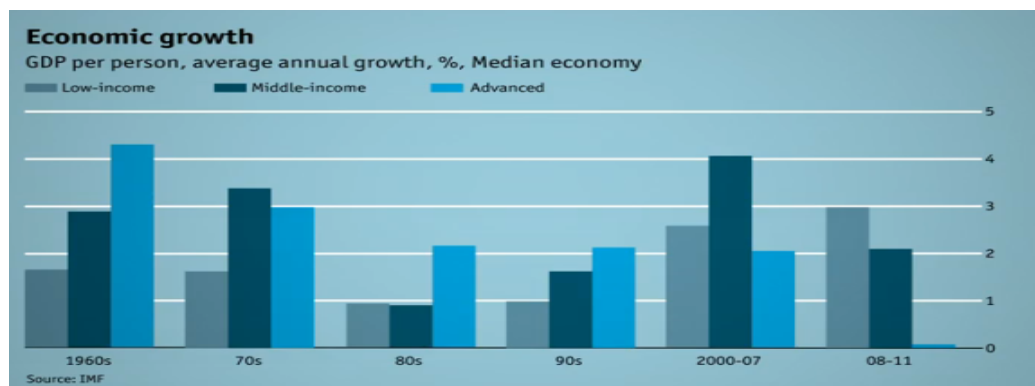
World stock markets are up 15% since last summer. Global investors might have expected the macro growth forecasts finally to be going up. Unfortunately, the real economy is still quite a long way behind the financial markets, and we do not think it will catch up any time soon. Financial conditions remain highly vulnerable to shifts in market sentiment.

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Global Macro Commentary & Events

In recent years poor countries have enjoyed impressive improvements in GDP per person.

But in the rich world they have hardly grown at all.



Upcoming Macro Events:

- First Quarter GDP will be released at 8:30am. The market expects a quarter-over-quarter increase of 3.1% versus an increase of 0.4% previous.
- Consumer Sentiment for April will be released at 9:55am. The market expects 73.0 versus 72.3 previous.

Review of past macro-economic data:

Event	Actual	Forecast	Previous
GBP Gross Domestic Product (QoQ)	0.30%	0.10%	-0.30%
GBP Gross Domestic Product (YoY)	0.60%	0.40%	0.20%
USD Initial Jobless Claims	339K	350K	355K
USD Continuing Claims	3000K	3055K	3093K
USD EIA Natural Gas Storage Change	30	33	31
USD Kansas City Fed Manf. Activity	-5	-1	-5
NZD Balance (YTD) (New Zealand dollars)	-525M	-883M	-1057M
JPY Tokyo Consumer Price Index Ex Food, Energy (YoY)	-0.70%	-0.70%	-0.80%
JPY National Consumer Price Index Ex Food, Energy (YoY)	-0.80%	-0.80%	-0.90%
JPY Tokyo Consumer Price Index (YoY)	-0.70%	-0.80%	-1.00%
JPY Tokyo Consumer Price Index Ex-Fresh Food (YoY)	-0.30%	-0.40%	-0.50%
JPY National Consumer Price Index Ex-Fresh Food (YoY)	-0.50%	-0.40%	-0.30%
JPY National Consumer Price Index (YoY)	-0.90%	-0.80%	-0.70%

European Economy

The number of unemployed people in France rose to a fresh high last month, official data shows. There are now some 3.2 million people seeking work in France, 11.5% more than a year ago and 1.2% more than in February. The number of jobseekers is the highest since records began in January 1996. The ministry does not express the jobseeker figure as a percentage of the work force, as done by the International Labor Organization. But it did say the unemployment rate was 10.2% at the end of 2012, and current unemployment had not breached the 10.7% high seen in 1997.

In Spain, the general unemployment level has risen to 27.16%. Currently, over six million Spaniards are without work. The government has tried to draw some comfort from the fact that the rate at which jobs are being shed is slower than in previous quarters. We expect Spain will return to growth in both the labor market and in GDP next year, however, for 2012 we expect GDP to decline by 1.6% for 2013.

US Economy

The US Commerce Department is expected to reveal later on that gross domestic product in the US expanded at a 3.0% pace in the first three months of 2013, a sharp acceleration from the meager 0.4% growth in the final quarter last year. This seems excessively optimistic to us, given that we have seen payroll tax hikes and spending cuts kick in at the beginning of the year as well as a host of disappointing economic data for March, such as the disappointing ADP private and non-farm payrolls report, as well as a plunge in consumer confidence, a surprise slide in US retail sales and a really poor durable goods number, as well as some weaker housing data, which all suggest that we could see a significantly sub 3.0% number

US Equity Market Commentary

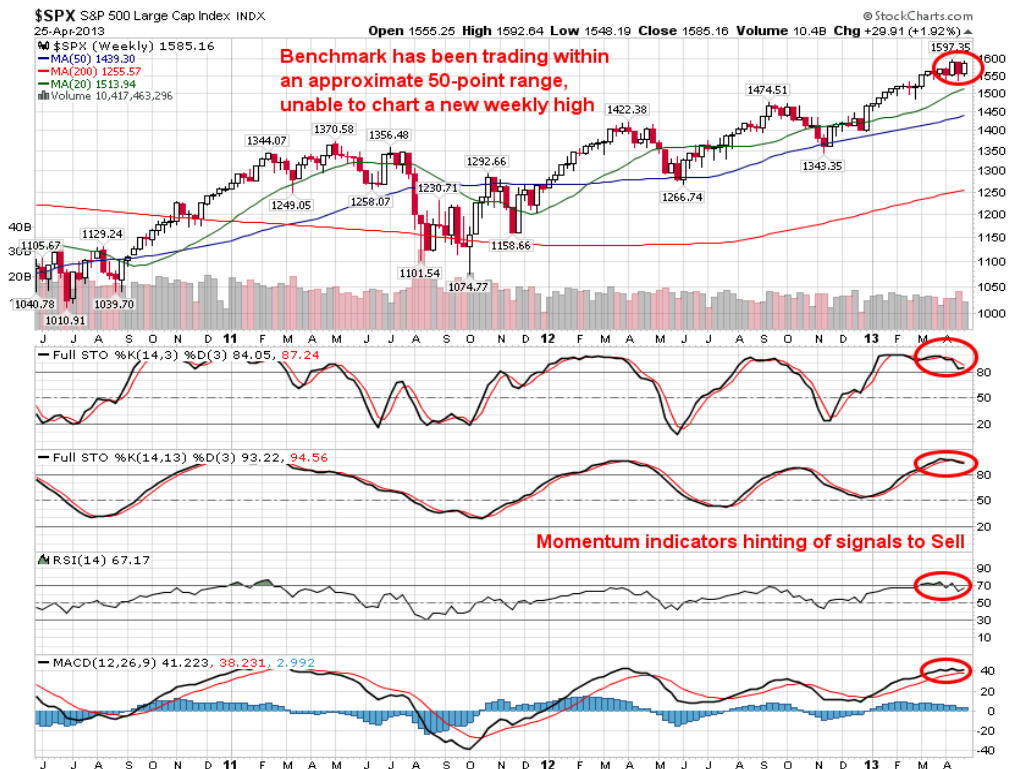
Today's session could present a make or break moment for the S&P 500.

Equity markets climbed again on yesterday, fueled by earnings and a better than expected report of weekly jobless claims. The S&P 500 pushed back towards the closing high of the year around 1593, however, the benchmark failed to overcome this apparent level of resistance, drifting lower into the close. Weekly sell signals could provide further confirmation that the period of seasonal strength for equity markets has come to an end, as is typical for this time of year.

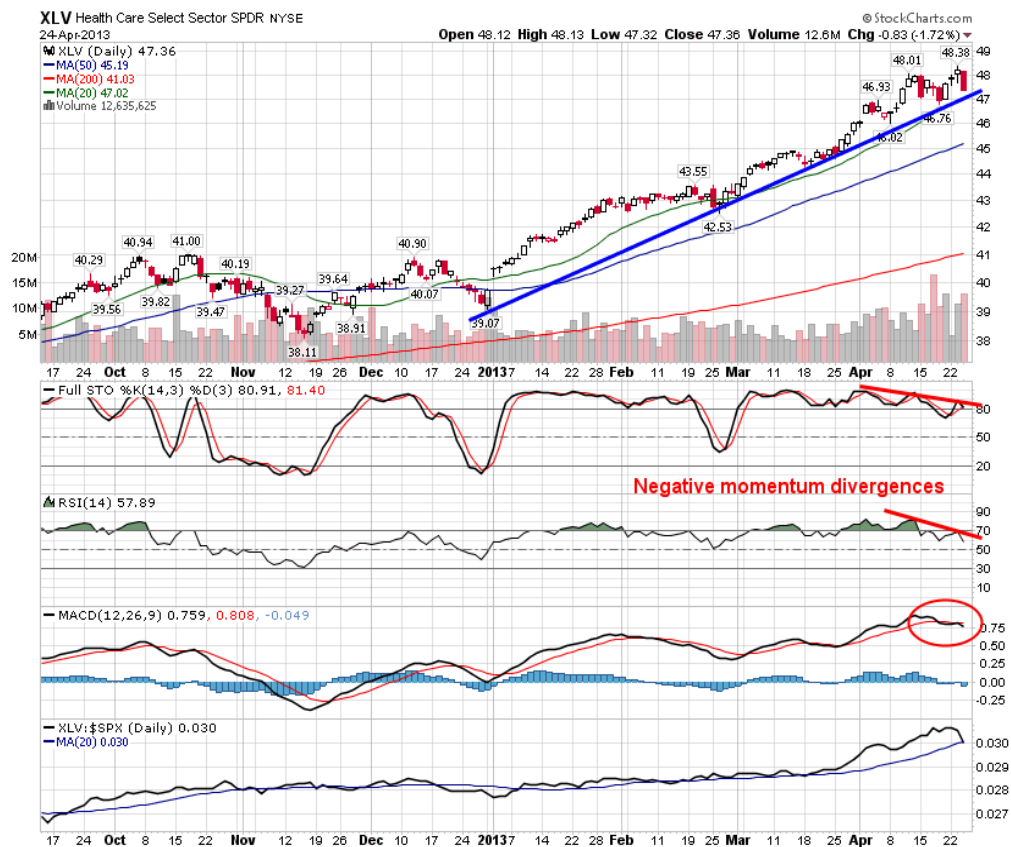
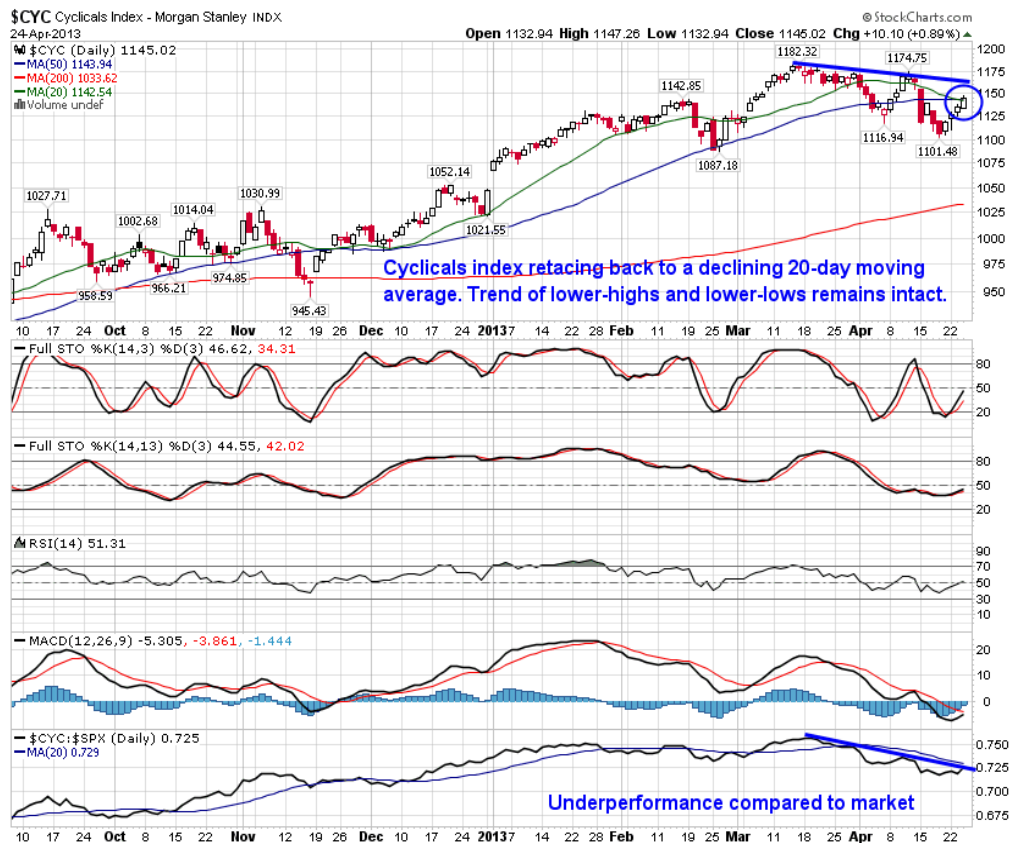
The S&P 500 has been trading within an approximately 50-point range for almost three weeks, unable to chart a new weekly high since peaking at the start of the month.

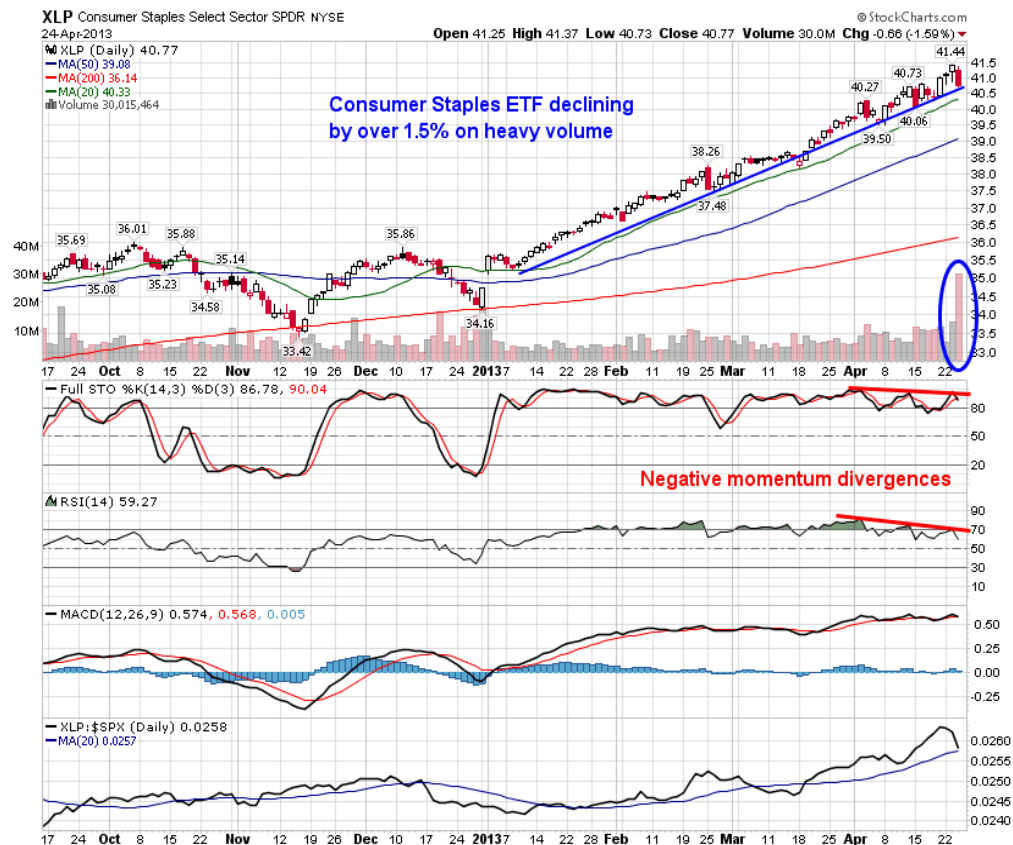


Momentum indicators on the weekly chart are already hinting at signals to Sell with the MACD converging on the signal line, RSI crossing below the 70 line from overbought levels, and Stochastics curling lower.



Some more sectorial evidence of US markets losing steam.





Canadian Markets Commentary

The TSX has already shown a more pronounced correction, mainly due to its higher exposure towards energy, metals and materials sector, which have been underperformers so far.



European Markets Commentary

We have been advising clients to “buy” EADS shares for the past 7 years, and it has proven to be a tremendous outperformer, by comparison to the sector, and mostly its major competitor Boeing.

Long term, we remain very bullish on EADS shares, increasingly supported by a weak EUR/US\$, which helps EADS to remain and even increase its competitiveness vis a vis Boeing.

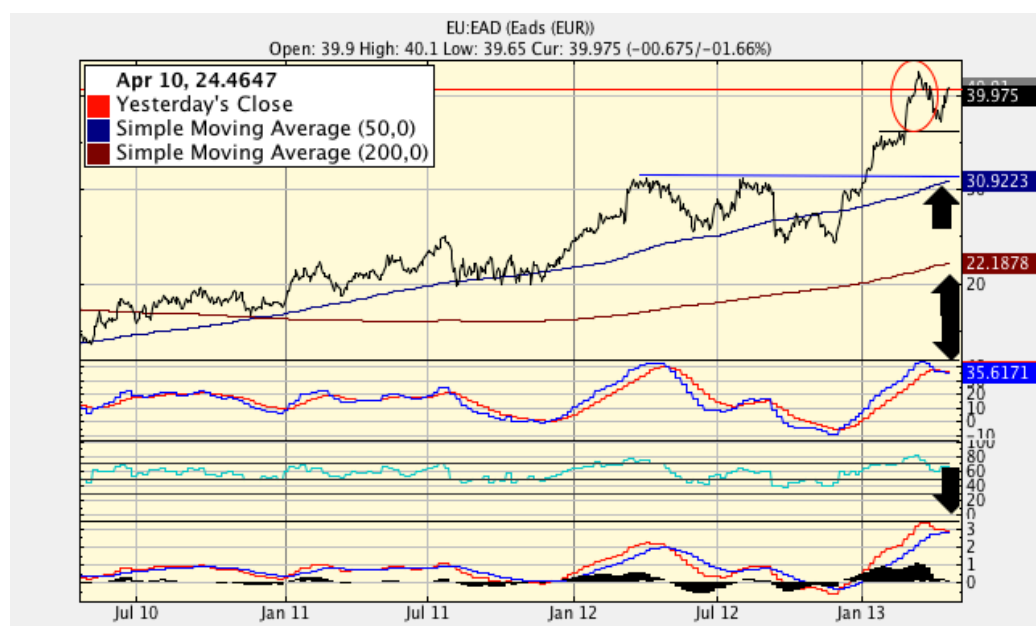
Currently, EADS has entered a phase of correction, and we are advising to wait before adding towards the stock.

The short term technical are getting worse, and are showing risk for EADS shares to potentially drop towards the EUR 36,50 level. If that support were not to hold, there is additional risk for EADS to drop back towards the EUR 31 horizontal support line, which also coincides with the 50-daymva.

China has agreed to buy 60 planes from European firm Airbus, in a deal worth US\$ 8 bn at list prices, and includes 42 Airbus A320 aircraft and 18 A330 planes. It is the first such deal since the European Union suspended the inclusion of foreign airlines in its controversial Emissions Trading Scheme. China had voiced its opposition to the scheme, which charges airlines for the carbon they emit. Last year, Airbus had alleged that China blocked firms from purchasing its planes amid the row over the scheme. The deal was signed as part of a series of agreements during French President Francois Hollande's two-day visit to China.



We continue to recommend “buying” EADS shares at current prices of EUR 39.75 and maintaining our year-end 2013 price target for EADS shares of EUR 46.



Gold & Precious Metals Commentary

Gold has recovered strongly from oversold levels during the past few trading days.

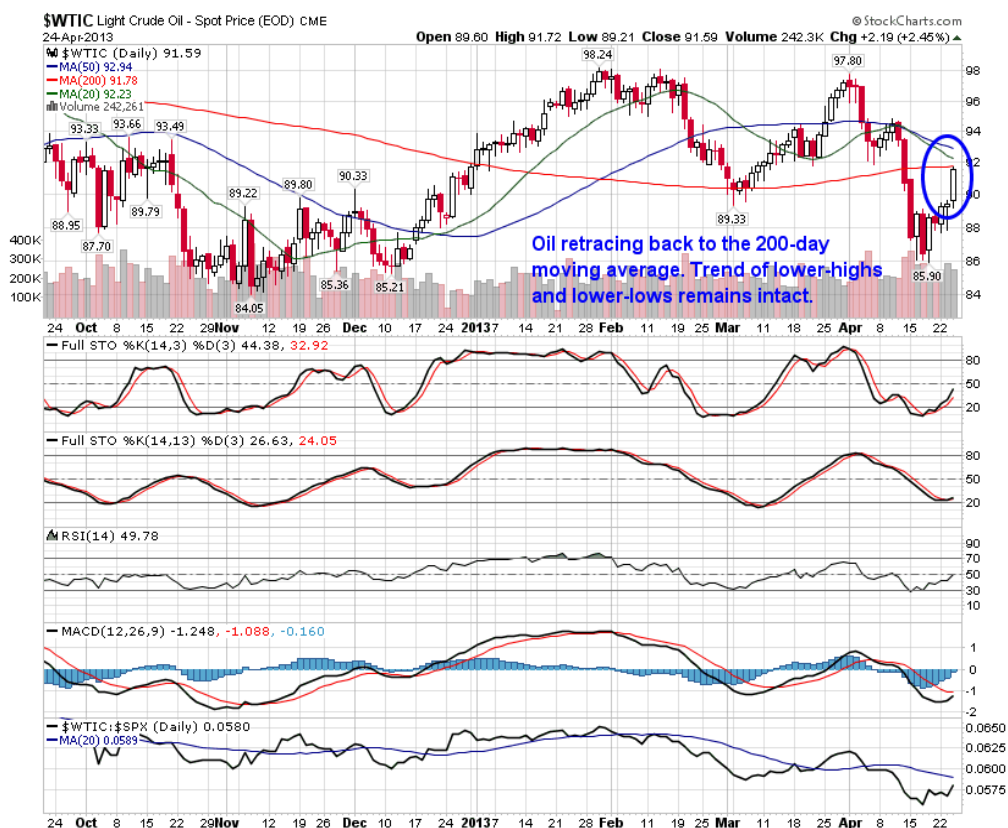


Oil, Gas & Energy Commentary

The price of oil jumped by over 2%, retracing back to its 200-day moving average, however still struggling to claw away at the significant losses recorded over the last few weeks.

Energy remains in a negative trend, characterized by a series of lower-highs and lower-lows.

A number of commodities, including Oil, enter into a period of seasonal weakness around this time of year, ranging well into the summer months.



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