



Creative Global Investments

Morning Market Commentary & Weekly Charts

Monday, April 29th, 2013

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Objectivity

Integrity

Creativity

“Rotating Assets”

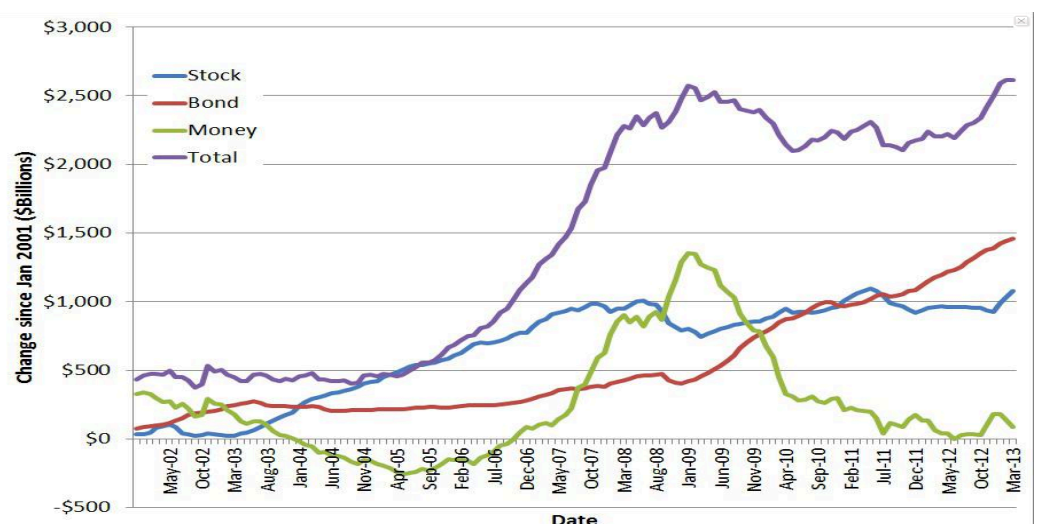
Responses to first quarter reports continue to impact equity markets. Unless earnings and revenues in reports exceeded consensus, stock prices generally came under “Sell on News” pressures. Look for more of the same this week. **Currencies are impacting stock market performance.** Companies with extensive international operations were more prone to “Sell on News” than companies focusing on domestic US operations due to currency translation related to a stronger US\$ on a year-over-year basis. **Large cash positions held by major US and Canadian corporations continue to be spent on dividend increases and share buy backs.** Corporations remain reluctant to invest in new capacity and infrastructure due to uncertainty triggered by greater regulation, taxation and health care costs.

Economic focus this week is on the FOMC meeting on Wednesday and the employment report on Friday. Will the Fed confirm extension of its easy money policy? We think so.

International news also is expected to impact equity markets. Focuses are on the April Eurozone PMI reports on Tuesday and Friday, China’s official April PMI report on Wednesday and the European Central Bank’s interest rate announcement on Thursday.

Despite gains recorded by most equity markets last week, intermediate technical indicators for North American equity markets and most sectors continue to show deterioration.

The following chart, comprised monthly by Lipper data on fund flows into various asset classes shows that a clear rotation out of bonds into equities has started, and we think it is about to become more evident in the later part of 2013. We believe that the recent inflows into equities are sign of things to come, similar to what happened in 2003 where the equities line started to show a major rotation change and an overall increase in investment.



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Weekly Investment Conclusion

Favorable seasonal influences for most equity markets around the world have a history of peaking at this time of year. Hence, we are advising clients to use the temporary seasonal weakness to increase holdings towards select equity strategies, as equities are the better value asset class, versus cash, bonds, alternatives, combined with the lowest downside risk.

For our clients with a shorter term investment perspective, we recommend to take profits in equities sectors with seasonal weakness, as we see evidence of equity markets rolling over temporarily, and for bonds to enter their period of seasonal strength until mid summer.

Global Macro Commentary & Events

Upcoming Macro Events:

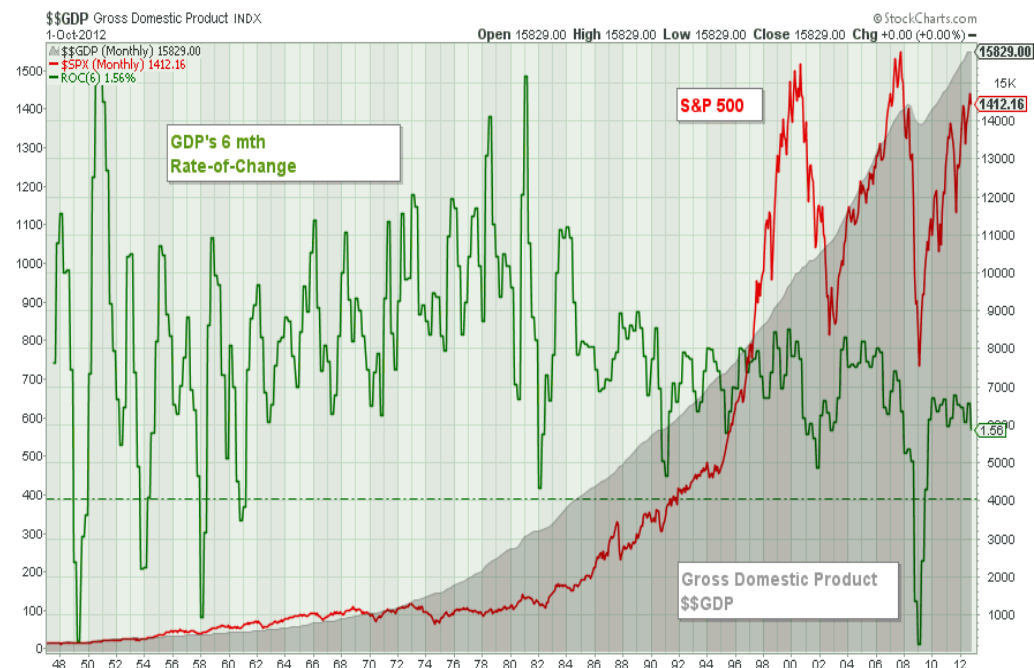
- Euro-Zone Economic Sentiment for April will be released at 5:00am EST. The market expects -22.3, consistent with the previous report.
- German CPI for April will be released at 8:00am EST. The market expects a year-over-year increase of 1.4%, consistent with the previous report.
- Japan Industrial Production for March will be released at 7:50pm EST. The market expects a year-over-year decline of 7.2% versus a decline of 5.6% previous. March Personal Income to be released at 8:30 AM EDT on Monday is expected to improve 0.3% versus a gain of 1.1% in February. March Personal Spending is expected to improve 0.1% versus a gain of 0.7% in February.
- Canadian February Real GDP to be released at 8:30 AM EDT on Tuesday is expected to increase 0.2% versus a gain of 0.2% in January.
- The February Case/Shiller 20 City Home Price Index to be released at 9:00 AM EDT on Tuesday is expected to show a year-over-year gain of 8.7% versus an increase of 8.2% in January.
- April Chicago PMI to be released at 9:45 AM EDT on Tuesday is expected to slip to 52.0 from 52.4 in March.
- April Consumer Confidence to be released at 10:00 AM EDT on Tuesday is expected to increase to 61.0 from 59.7 in March.
- April ADP Employment Report to be released at 8:15 AM EDT on Wednesday is expected to slip to 155,000 from 158,000 in March.
- April ISM Index to be released at 10:00 AM EDT on Wednesday is expected to slip to 51.0 from 51.3 in March
- March Construction Spending to be released at 10:00 AM EDT on Wednesday is expected to increase 0.4% versus a gain of 1.2% in February.
- The FOMC Meeting announcement to be released at 2:00 PM EDT on Wednesday is expected to maintain the Fed Fund rate in a range between 0.0% and 0.25%.
- Weekly Initial Jobless Claims to be released at 8:30 AM EDT on Thursday are expected to increase to 346,000 from 339,000 last week.
- First Quarter Productivity to be released at 8:30 AM EDT on Thursday is expected to increase 1.2% versus a decline of 1.9% in the fourth quarter.
- March U.S. Trade Deficit to be released at 8:30 AM EDT on Thursday is expected to increase to \$43.5 billion from \$43.00 billion in February.
- Canadian March Merchandise Trade Balance to be released at 8:30 AM EDT on Thursday is expected to improve to a deficit of \$700 million from a deficit of \$1.02 billion in February.
- April Non-farm Payrolls to be released at 8:30 AM EDT on Friday are expected to improve to 150,000 from 88,000 in March. Private Non-farm Payrolls are expected to improve to 166,000 from 95,000 in March. The April Unemployment Rate is expected to remain unchanged at 7.6%. April Hourly Earnings are expected to increase 0.2% versus no change in March.
- March Factory Orders to be released at 10:00 AM EDT on Friday are expected to decline 2.5% versus a gain of 3.0% in February.
- April ISM Services to be released at 10:00 AM EDT on Friday are expected to decline to 54.0 from 54.4 in March.

Review of past macro-economic data:

Event	Actual	Forecast	Previous
CNY MNI April Business Sentiment Indicator	58.5		58.2
JPY Bank of Japan Rate Decision	0.10%		0.10%
EUR ECB Announces 3-Year LTRO Repayment	2.28B		11.0B
USD Gross Domestic Product (Annualized)	2.50%	3.00%	0.40%
USD Personal Consumption	3.20%	2.80%	1.80%
USD Gross Domestic Product Price Index	1.20%	1.30%	1.00%
USD Core Personal Consumption Expenditure (QoQ)	1.20%	1.10%	1.00%
USD U. of Michigan Confidence	76.4	73.5	72.3
CNY Industrial Profits (YTD) (YoY)	12.10%		17.20%

US Market Commentary & Weekly Charts

Let's look at the following chart, indicating the dichotomy between the price of the S&P 500 and the US GDP over the past 70 years.

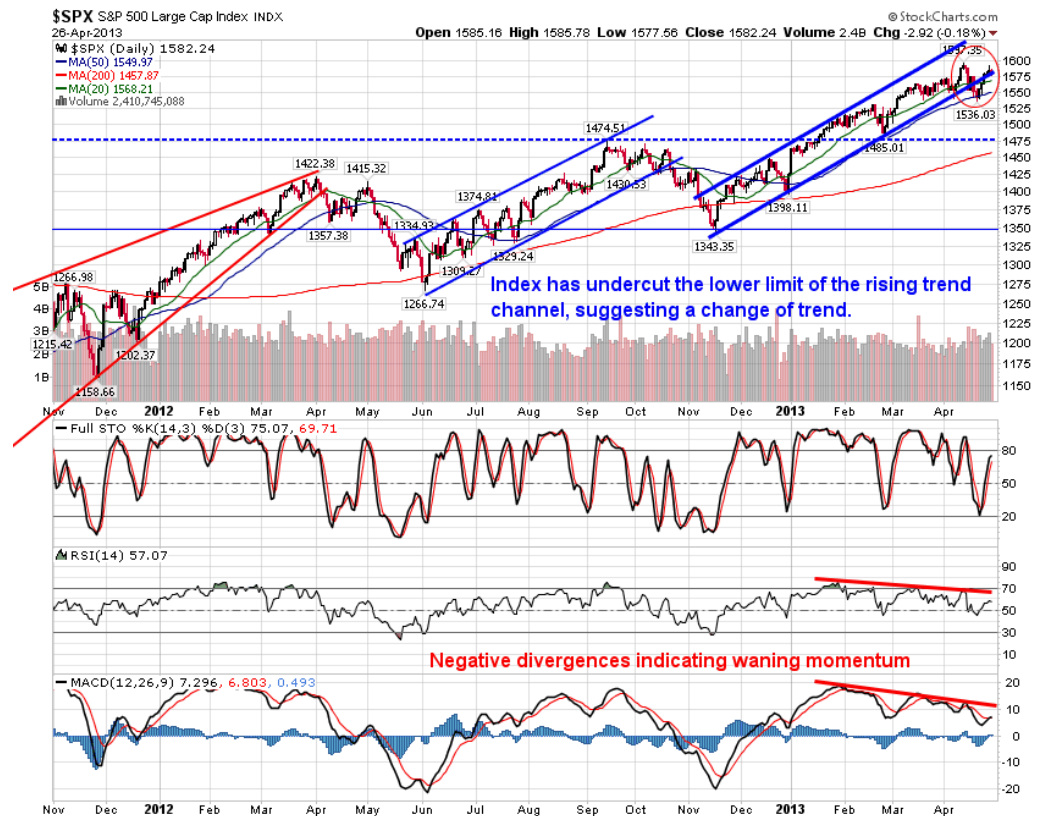


The Index fell below its 20 and 50 day moving averages last week.

The VIX Index fell 1.36 (9.08%) last week.



The S&P 500 having broken through its long-term trend line is indicating a reversal is in place.

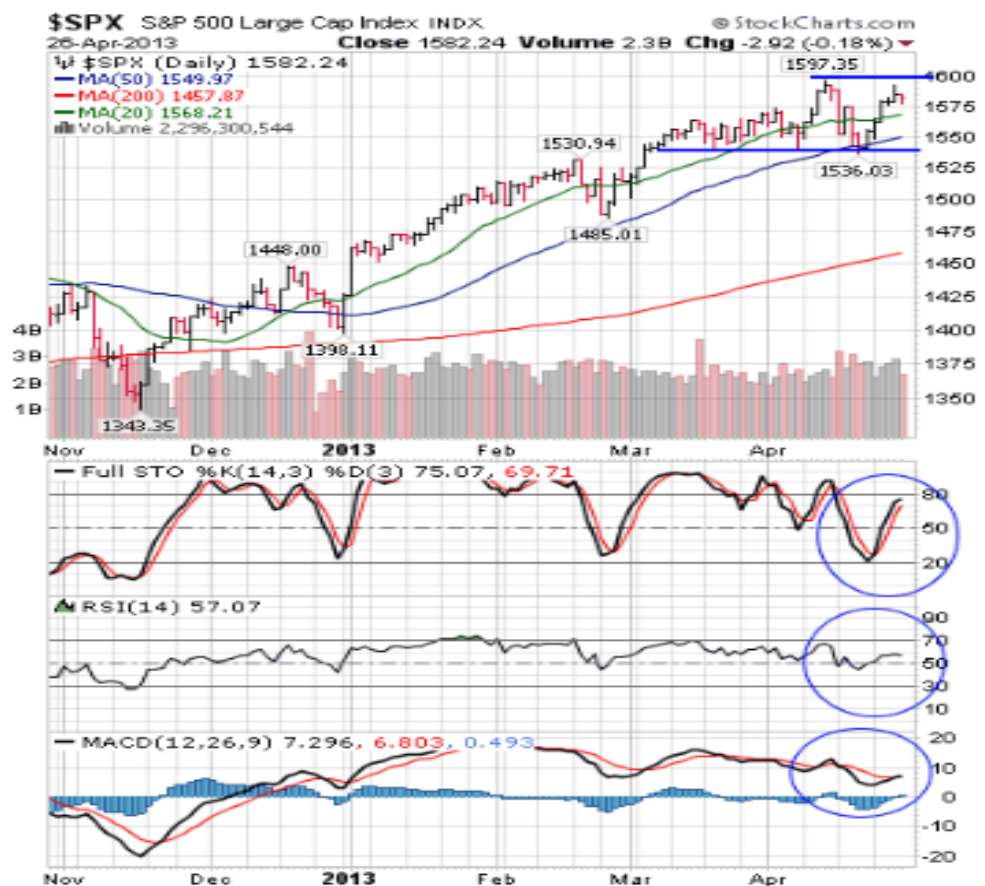


The S&P 500 Index gained 26.99 points (1.74%) last week.

Trend remains neutral. Support is at 1,536.03 and resistance is at April 11th peak at 1,597.35.

The Index recovered to above its 20 day moving average.

Short-term momentum indicators are slightly overbought.



Percent of S&P 500 stocks trading above their 50 day moving average increased last week to 66.20% from 62.00%.

The index remains intermediate overbought and trending down.



Percent of S&P 500 stocks trading above their 200 day moving average increased last week to 87.40% from 83.40%.

The index remains intermediate overbought and rolling over.



Bullish Percent Index for S&P 500 stocks increased last week to 77.80% from 75.20%, but remained below its 15 day moving average.

The Index remains intermediate overbought and has rolled over.



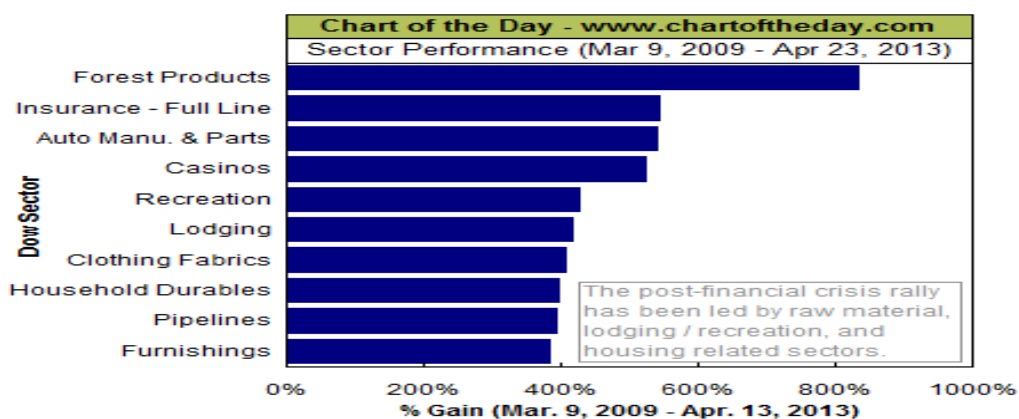
Raw materials (e.g. forest products and clothing fabrics) performed quite well due in part to the continuation of the rise of the rest. Recreation/lodging, casinos, recreation and lodging proved to be a winning bet as the US economy slowly improved. Housing related sectors (e.g. household durables and furnishings) proved to be a store of value as the housing sector found it's footing.

The trend remains up. Support is at 14,444.03 and resistance is at its peak at 14,887.51. A break below support completes a head and shoulders pattern. The Average remains above its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators currently are neutral.

The ten best performing Dow sectors (out of more than 100) since the market troughed on March 9, 2009, lend themselves to a few themes. The performances of each of the sectors are especially compelling considering that the S&P 500 gained a relatively modest 133% during the same period.



The Dow Jones Industrial Average gained 165.04 points (1.13%) last week.



Bullish Percent Index for Dow Jones Industrial Average stocks increased last week to 90.00% from 83.33% and recovered above its 15 day moving average.



The Index remains intermediate overbought.

The trend remains down. Support is at 5,902.82. The Average recovered to above its 20 and 50 day moving averages.

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

Short-term momentum indicators have recovered to a slightly overbought level.

The Dow Jones Transportation Average improved 81.75 points (1.35%) last week.



Bullish Percent Index for NASDAQ Composite stocks increased last week to 63.24% from 62.60%, but remained below its 15 day moving average.

The Index has rolled over from an intermediate overbought level.



The NASDAQ Composite Index gained 73.20 points (2.28%) last week.

The trend remains Neutral. Support is at 3,154.96. Resistance is at its April 11th high at 3,306.95. The Index recovered to above its 20 and 50 day moving averages.

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

Short-term momentum indicators have recovered to slightly overbought levels.



The Russell 2000 Index gained 22.75 points (2.49%) last week.

The trend remains down. A break below 898.40 completes an intermediate head and shoulders pattern. The Index recovered to above its 20 and 50 day moving averages.

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

Short-term momentum indicators have recovered to slightly overbought levels.



The trend remains down. Support is at 544.56. The Index remains below its 20 and 50 day moving averages and above its 200 day moving average.

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

Short-term momentum indicators have recovered from oversold levels.

The S&P Energy Index gained 17.78 points (3.22%) last week.



The Philadelphia Oil Services Index added 9.02 points (3.82%) last week.

The trend remains neutral. The Index moved above its 20 and 50 day moving averages.

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

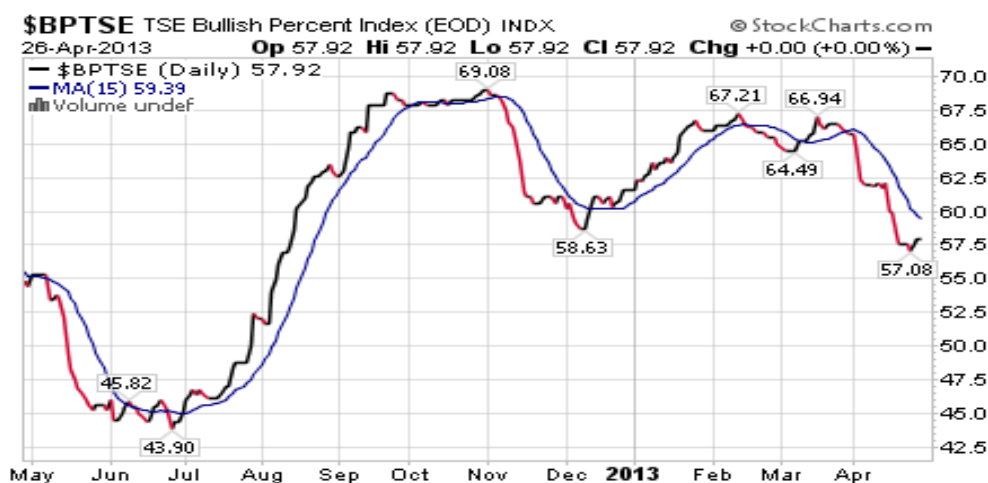
Short-term momentum indicators are recovering from oversold levels.



Canadian Markets Commentary & weekly charts

The Index remains intermediate overbought and is trending down.

Bullish Percent Index for TSX Composite stocks increased last week to 57.92% from 57.50%, but remained below its 15 day moving average.



The TSX Composite Index gained 154.65 points (1.28%) last week.

The trend remains down. Support has formed at 11,916.64. The Index 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 trending up.



Percent of TSX Composite stocks trading above their 50 day moving average increased last week to 37.50% from 27.08%.

The index is slightly intermediate oversold.



Percent of TSX Composite stocks trading above their 200 day moving average increased last week to 51.67% from 47.08%.

The index remains in an intermediate downtrend.



Asian Markets Commentary & weekly charts

The Nikkei Average gained 567.65 points (4.26%) last week.

Intermediate uptrend was confirmed on a move above 13,568.25. 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 remain overbought.

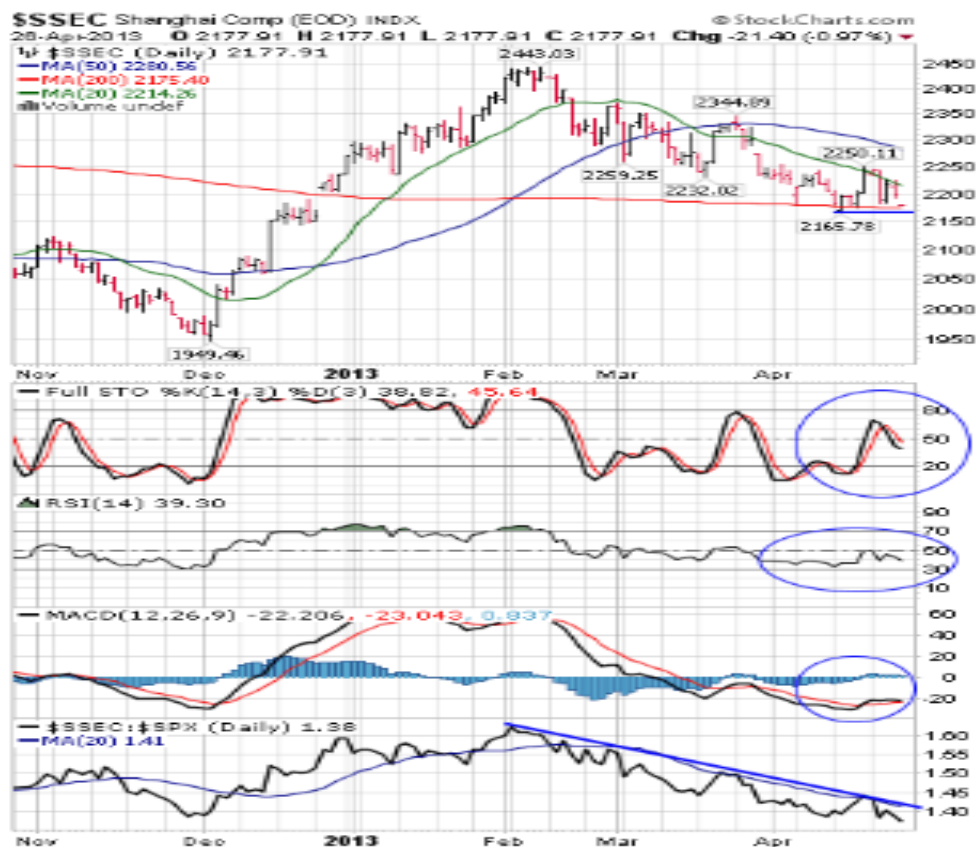


The Shanghai Composite Index FELL 66.73 points (2.97%) last week.

The trend remains neutral. The Index fell below its 20 day moving average.

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

Short-term momentum indicators are neutral.



The trend changed from down to up on a break above 5,024.40. The Index moved above its 20 and 50 day moving averages.

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

Short-term momentum indicators are trending up.

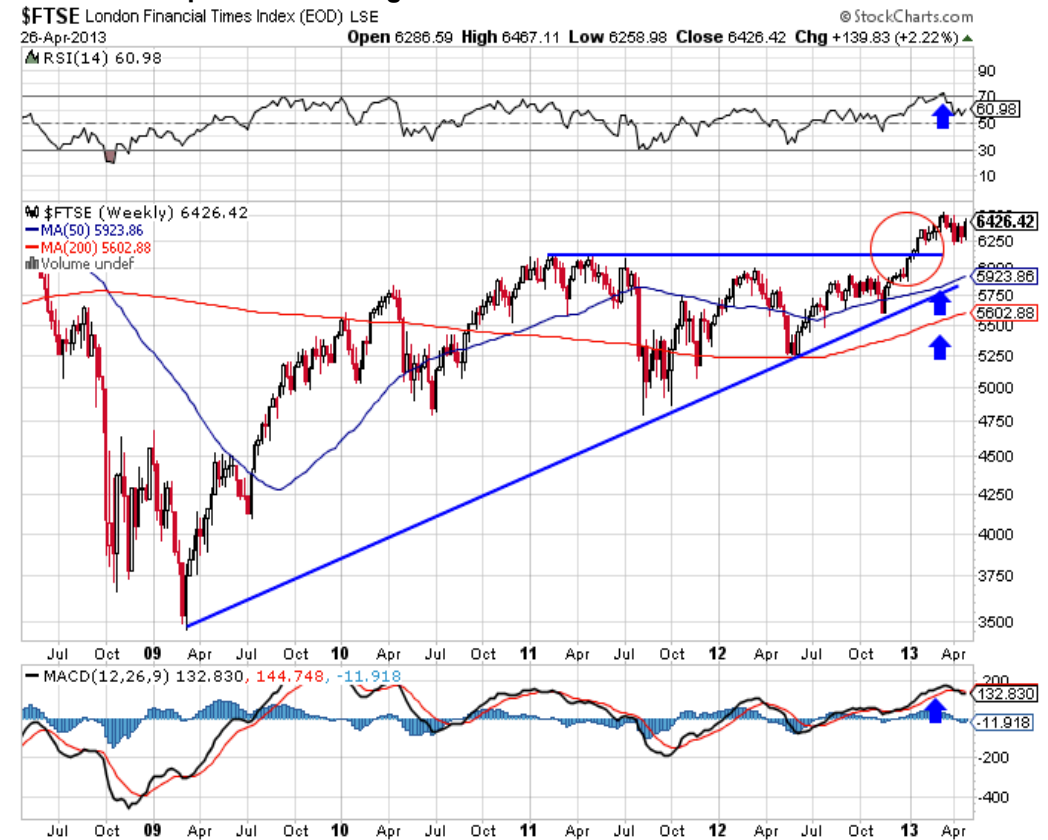
The Australia All Ords Composite Index gained 159.70 points (3.24%) last week.



European Markets Commentary & weekly charts

However, as of last week, signs of topping have emerged. Both RSI and MACD have topped, and are accelerating to lower levels.

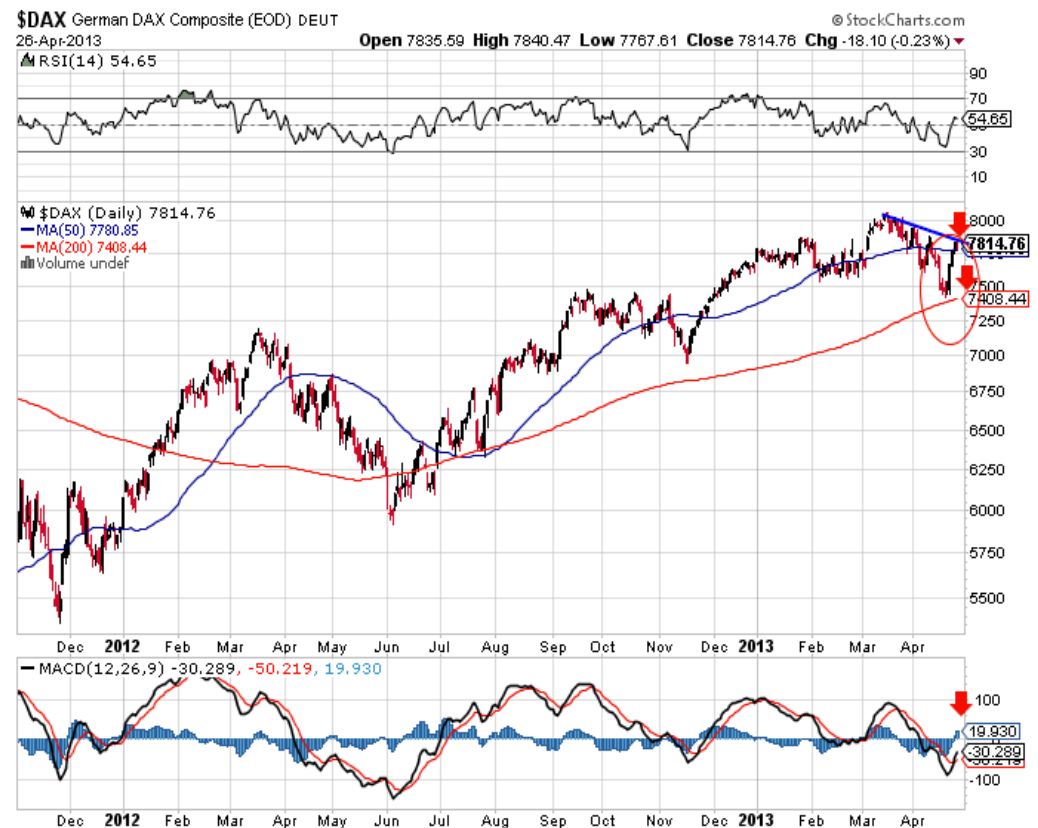
The FTSE keeps on benefitting from a weaker GBP.



After breaking the 50-day mva two weeks ago, the momentum for the DAX has worsened, and the next support target, the 200-day mva is in sight.

We expect the DAX will not hold at that support level, and believe that 7,400 will be tested in the coming months.

Although the DAX ended the week higher, signs of rolling over are strengthening.



Europe 350 iShare gained \$1.52 (3.86%) last week.

The trend changed from down to neutral on a move above \$40.92. Resistance is at \$41.63. Units moved above their 20 and 50 day moving averages.

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

Short-term momentum indicators have recovered to overbought levels.



The Athens Index gained 35.30 points (3.81%) last week.

The trend remains up. The Index remains above its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators remain overbought.



Fixed Income Markets Commentary & weekly charts

EURO Bonds

German 10y	1.23	+0.02	1.38%
Italy 10yr	3.94	-0.09	2.15%
Spain 10yr	4.21	-0.06	1.45%
UK 10yr	1.69	+0.01	0.52%

US Bonds

Yield on 10 year Treasury Notes slipped 0.4 basis points (2.35%) last week.

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

Short-term momentum indicators are oversold.



The long term Treasury ETF added \$0.56 (0.46%) last week.



Currencies Commentary & weekly charts

The Euro eased 0.24 (0.18%) last week.

Support is at 127.47 and resistance is at 132.02.

The Euro is trading almost exactly at its 20 and 50 day moving averages.

Short-term momentum indicators are trending down.



The US\$ slipped 0.29 (0.35%) last week.

Resistance has formed at its April 4th high at 83.66. The US\$ moved below its 20 day moving average on Friday.

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



Intermediate trend remains down. Support has formed at 100.07.

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

Short-term momentum indicators are recovering from oversold levels.

The Japanese Yen gained 1.55 (1.54%) last week.



Oil and metals only represent 20% of Canada's export base, not 80%. Some commodities doing quite well, such as natural gas (exports up 30% from a year ago) and wood products, which are getting a boost from the US housing recovery. Chemicals and foodstuffs as well are a plus in a world where agriculture and farming are becoming increasingly important.

The C\$ gained US 0.93 cents (0.95%) last week.

Support is at 97.14 and resistance is at 98.97.

The C\$ moved above its 20 and 50 day moving averages on Friday.

Short-term momentum indicators are trending up.



Commodities Commentary & weekly charts

The trend remains down. The Index remains below its 20, 50 and 200 day moving average.

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

The CRB Index added 2.21 points (0.78%) last week.



Copper added \$0.03 per lb. (0.95%) last week.

The 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 are recovering from oversold levels.



Lumber fell \$7.15 (1.98%) last week.

The 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 fell \$0.51 (1.03%) last week.

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

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

Short-term momentum indicators are neutral.



The Agriculture ETF added \$0.98 (1.87%) last week.

The trend remains down. Units moved above their 20-day moving average.

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

Short-term momentum indicators are trending up.



Gold & Precious Metals Commentary & weekly charts

The trend remains down. Support has formed at \$1,321.50 per ounce. Gold remains below its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators are recovering from oversold levels.

Gold gained \$47.90 per ounce (3.41%) last week.



The trend remains down. Support is at \$22.00 per ounce. Silver remains below its 20, 50 and 200 day moving averages.

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

Strength relative to gold remains negative.

Short-term momentum indicators are recovering from oversold levels.

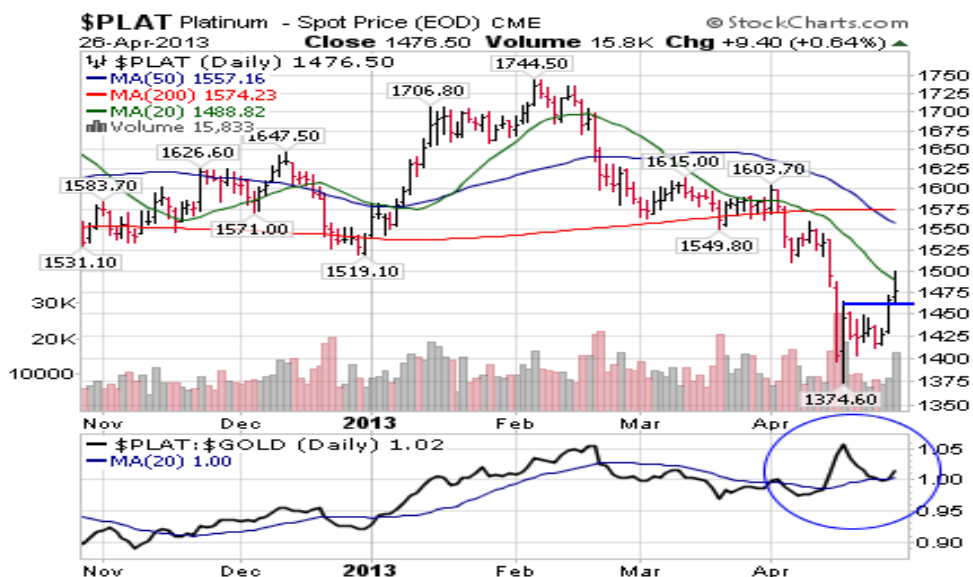
Silver gained \$0.52 per ounce (2.24%) last week.



Platinum gained \$47.90 per ounce (3.35%) last week.

The trend changed from down to up on a move above \$1,464.80. Platinum remains below its 20, 50 and 200 day moving averages.

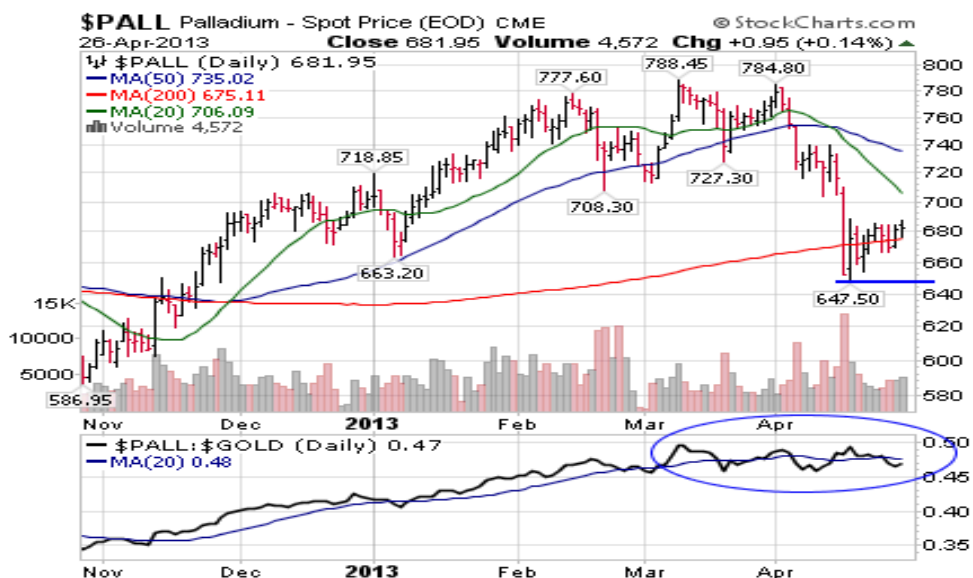
Strength relative to the S&P 500 remains negative.



Palladium improved \$4.25 (0.63%) last week.

The trend remains down. Palladium remains below its 20 and 50 day moving averages.

Strength relative to gold remains neutral.

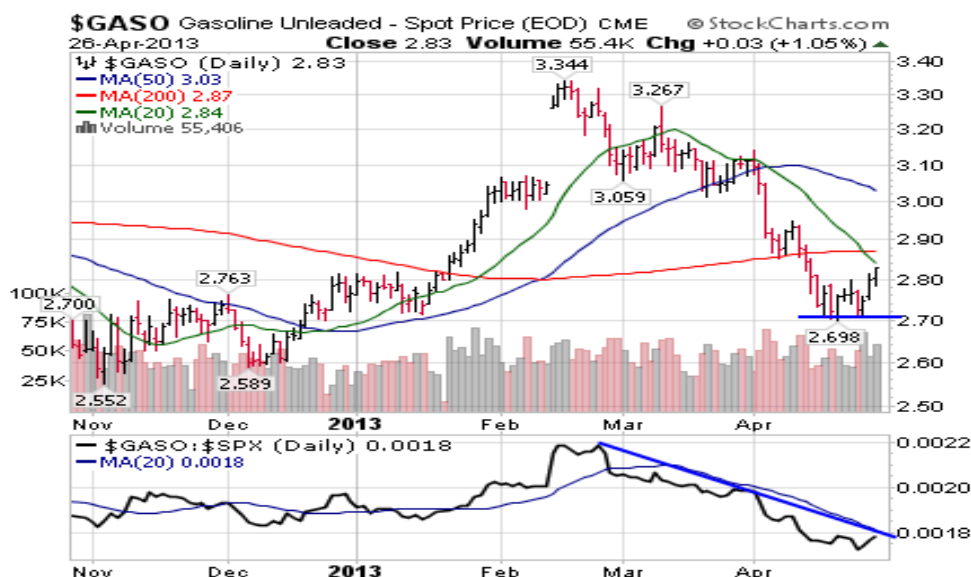


Oil, Gas & Energy Commentary & weekly charts

Gasoline gained \$0.07 per gallon (2.54%) last week on a greater than expected decline in inventories.

The trend remains down. Gasoline remains below its 20, 50 and 200 day moving averages.

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



Crude Oil gained \$4.73 per barrel (5.36%) last week.

The trend remains down despite the gain. Support is at \$85.90. Crude moved above its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators are trending up.



Natural Gas fell \$0.17 per MBtu (3.87%) last week.

The trend remains up. Resistance has formed at \$4.429. Gas remains above its 20, 50 and 200 day moving averages.

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

Short-term momentum indicators have rolled over from overbought levels.



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