



Creative Global Investments

Weekly investment strategy & charts

Monday, May 15th, 2017

Global Macro and political Commentary

Carlo R. Besenius
Chief Executive Officer
cbesenius@cg-inv.com



Creative Global
Investments/Europe
5, op der Heed
L-1709 Senningerberg
Luxembourg/Europe
Tel: +(352) 2625 8640
Mob: +(352) 691 106 969

Stjepan Kalinic
Market Strategist (CMT)
skalinic@cg-inv.com



Creative Global
Investments LLC
115 East 57th Street 11th
Floor New York, NY
10022
Tel: 212 939 7256
Mob: +385 9152 95916

Objectivity

Integrity

Creativity

In Asia, Chinese industrial production grew by 6.5% vs. 7.1% forecast and retails sales grew retail sales 10.7% vs. 10.6% forecast, data this morning showed China performs largely in line with expectations. PMI decreased sharply in April, commodity prices for oil and metals have lost momentum, there has been a sharp rise in yields and the Chinese stock market has fallen over the past month to the lowest level in 4 months

Indonesia's economy had a \$1.24 BN trade surplus in April, the bureau said, more than the \$860 MN a Reuters poll had forecast, but smaller than the revised \$1.39 BN for March. Imports rose 10.31% from a year earlier to \$11.93 BN in April. The poll's median forecast was for a 21.56% annual growth rate. The bureau said imports of consumer goods rose nearly 26% y-o-y. Increases in imports of capital goods and raw materials were smaller. Exports rose 12.61% to \$13.17BN in April, versus the poll's forecast of 22.45%.

Thailand raised its export outlook for 2017, suggesting the recovery was gaining traction, but facing rising global trade protectionism and capital outflow risks. GDP grew a seasonally adjusted 1.3% in the Q1, aided also by household holding and tourism, the National Economic and Social Development Board (NESDB) said today. The pace was slightly faster than the 1.2% forecast in a Reuters poll and the 0.5% growth in the previous quarter, which was revised up from 0.4%. Y-o-y growth was 3.3%, also slightly better than a median forecast of 3.2%, and the 3.0% in Q4.

Saudi Arabia and Russia announced this morning they agreed on the need to extend output cuts into March next year and despite weaker than seen China industrial output for April and as North Korea impacted markets with a statement its latest missile test at the weekend was capable of carrying a large nuclear warhead and investors also fretted over the potential spread of cyber attacks that have already hit 200,000 victims in at least 150 countries. WTI crude June contract jumped 1.71% to \$48.66 a barrel, while on the ICE Futures Exchange in London, Brent for July delivery rallied 1.59% to \$51.65 a barrel. China reported April crude throughput was the lowest since September 2016 and crude oil output down 3.7% y-o-y to 15.99 MN metric tons.

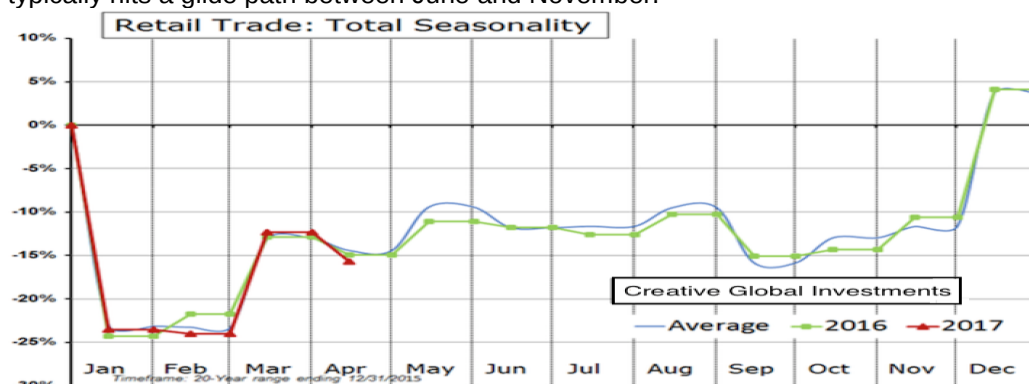
In Europe, G-7 financial leaders pledged stronger cooperation against cyber crime on Saturday and not to use foreign exchange to gain competitive advantage, but stuck to their cautious wording on trade. Finance ministers and central bank governors from the Japan, France, Germany, Italy and Britain, Canada and the US met in the Italian city of Bari to discuss the world economy, combating terrorist funding, cyber security and taxes. The seven countries committed to use all policy tools fiscal, structural and monetary, to boost economic growth. G7 financial leaders also indicated to focus to strengthen cooperation to counter cyber threats such as a global online attack, which infected tens of thousands of computers in nearly 100 countries on Friday.

German state election in North Rhine-Westphalia proved to be another victory for CDU/CSU and Angela Merkel, who continues to solidify her position of strength, and the 'Schulz-effect' fading and the fact that North Rhine-Westphalia is the most populous of the German states, the outcome bodes well for Merkel's chances of being re-elected as Chancellor at the general federal election in September.

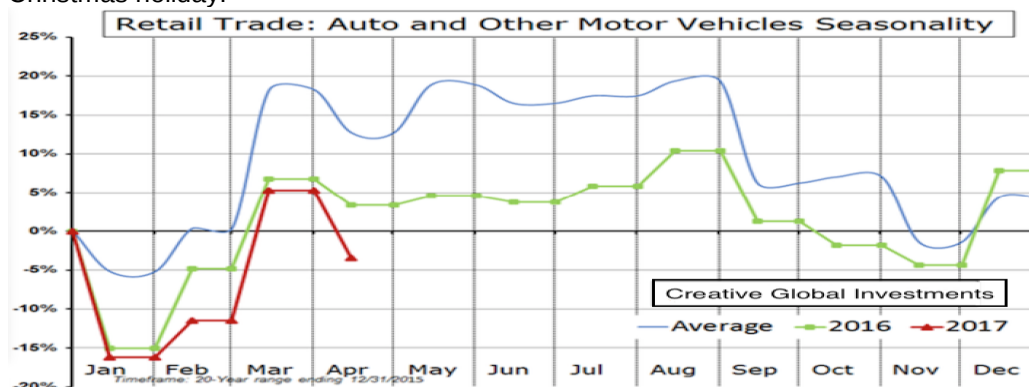
IMPORTANT DISCLAIMER: As a company purely focused on research, CGI LLC has no business relationships with the company covered in this report, be it investment banking, consulting or any other type of relationship. In addition, CGI LLC does not seek and does not intend to seek in the future any such businesses, maintains complete independence and has no conflicts of interest related to the companies in its research universe. Neither the analysts responsible for this report nor any related household members are officers, directors, or advisory board members of any covered company. No one at a covered company is on the Board of Directors of CGI LLC or any of its affiliates. In addition, CGI LLC and its employees, including the analyst who wrote this report, hold no equity, debt or other linked derivative investments, the value of which is related in any way, directly or indirectly, to the operating and stock price performance of the company covered in this report. No such investment positions are held in any of the competitors, suppliers or customers of the companies in our coverage universe. This report is provided for information purposes only. It should not be used or considered as an offer of securities and it does not represent a solicitation to either buy or sell any securities or derivatives thereof.

In the Americas, US retail sales and CPI data released on Friday gave further confirmation that the US economy is slowing down, with retail sales again coming in weaker than expected. The CPI data also showcased an economy that is slowing down, with headline inflation decreased to 2.2% y/y (2.4% in March), but even more interesting was that core inflation was unable to offset the surprising drop seen in March, even with the timing of Easter having an upward effect on April's print. On the inflation front, the market now shifts to April's PCE prints (due to be released 30 May), which the Fed tends to prefer as its benchmark when reviewing economic conditions. The headline indicated an m-o-m increase of 0.4%, short of the 0.6% forecast called for by analysts.

Less gas and autos, sales are reported to have increased by 0.3%, still shy of the 0.4% estimate. Stripping out the seasonal adjustments, total retail trade actually declined by -3.8%, over double the average decline for April of -1.5%. The y-t-d change has now fallen below average as sales of motor vehicles weigh. Excluding autos, the y-t-d change in retail trade remains at average, easing some concerns that something more systematic is playing out amongst consumer spending. Sales at furniture, electronics, sporting, apparel, and grocery stores continue to trend above average on the year. A look at what is perhaps the most discretionary category of the lot, food services and restaurants/bars; the view is merely an average consumer. Typically during periods of economic strain, consumers will tighten their spending habits, particularly in the area of restaurant spending, instead opting for eating at home. With a gain of 1.2% y-o-y, restaurant spending is about inline with the average change, closing a gap that was apparent in Q1. Spending in this category can be weather dependent, peaking through the summer months during the patio season. Overall, the aggregate result certainly gives caution, however May is typically a strong month for the consumer amidst home renovation and gardening projects, following which this segment of the economy typically hits a glide path between June and November.



Sales in the motor vehicle category were lower by -8.3% last month, much more than the 4.3% average decline for April. The y-t-d figures are also very poor, down by -3.4% versus the average increase of 12.7%. This is the first time in the history of the report that auto sales have shown a y-t-d contraction through the month of April, a period that has historically benefitted from an uptick in demand coming out of the winter months. As we had written before, this is part of a trend away from spring buying and towards end of year purchases when auto dealers provide specials around the Christmas holiday.



Global Equities Commentary

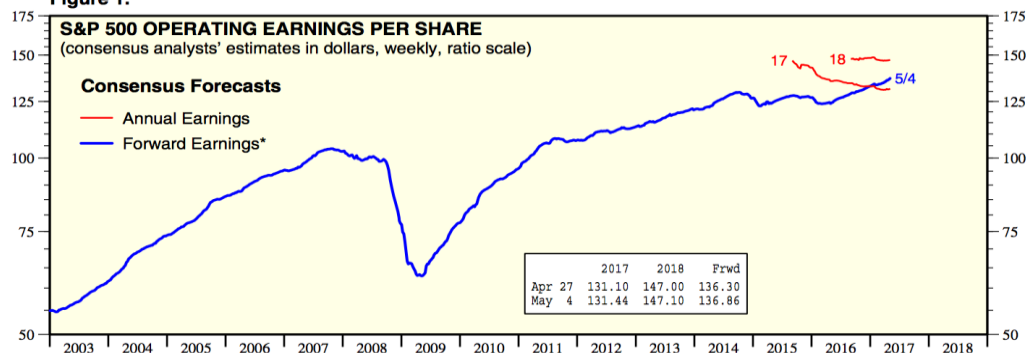
Economic news globally this week is expected to be mildly encouraging, implying an improvement over slower than expected March data. Geopolitical events continue to influence equity markets: Growing trade tensions with the US (NAFTA), the Italian election, unresolved issues related to North Korea, Venezuela, Iran, etc. will continue to have an influence. The firing of FBI director James Comey continues to grab media headlines, an issue that is raising stock market uncertainty.

Frequency of annual 2016 and Q1 reports by German, French Italian, Swiss, Dutch, Spanish and US & Canadian companies has peaked. Results to date generally have exceeded consensus. **However, for the next 2 – 4 months, we believe it is as good as it gets. Favorable seasonal influences for European, Japanese, Chinese and US equity markets and economic sensitive sectors normally dissipate in the month of May. Seasonal influences have turned negative for most equity markets around the world and have turned neutral/negative for economic sensitive sectors. Accordingly, caution in equity markets continues to be supported with the exception of specialty-selected sectors.**

Major North American equity indices continue to flirt with all-time highs. Higher-than-consensus Q1 corporate reports have helped, particularly by the largest market cap companies in the US (FANG and Apple). However, the Q1 report season for S&P 500 companies is 91% complete. Despite better than consensus results, analysts have lowered growth expectations for the rest of 2017. Q1 report season for US companies is winding down. 91% of S&P 500 companies have reported Q1 results to date. Blended earnings were up 13.6% on a y-o-y basis. Blended sales were up 7.8%. 75% of reporting companies beat consensus earnings and 64% beat consensus sales. Another 18 S&P 500 companies are scheduled to report this week (including three Dow Jones Industrial Average components).

The outlook for S&P 500 companies beyond Q1 remains positive, but at a diminished rate: 61 companies have issued negative Q2 guidance while 29 companies have issued positive Q2 guidance. Consensus Q2 earnings is a y-o-y gain of 6.8% (versus 7.2% last week) and consensus Q2 sales expect a gain of 4.8% (versus 4.9% last week). Consensus for Q3 earnings is an increase of 7.5% (versus 7.7% last week) and consensus for Q3 sales is a gain of 4.8% (versus 4.8%) last week. Consensus for Q4 earnings is an increase of 12.4% (versus 12.5% last week) and consensus for Q4 sales was a gain of 5.3% (versus 5.2% last week). Consensus for 2017 is an increase of 9.9% in earnings (versus 10.1% last week) and consensus for 2017 sales is an increase of 5.3% (versus 5.2% last week).

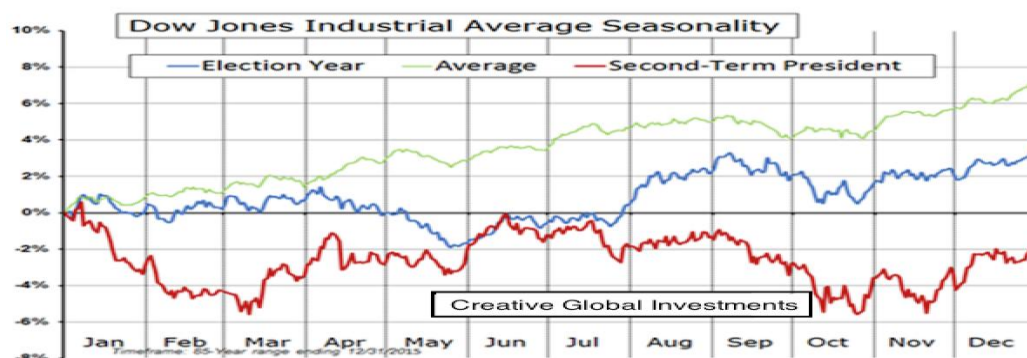
Figure 1.



Technically, equity markets have begun to rollover from overbought levels implying short-term risk. However, technical signs of a significant intermediate downdraft (i.e. more than a 5% drop in North American equity indices) have yet to surface. The VIX Index remains at near a 24 year low and US equity indices remain nicely above their 50-day moving averages. Meanwhile, technical parameters for specialty-selected sectors (e.g. biotech, technology, health care equipment, aerospace, health care providers) remain positive. Technical action by S&P 500 stocks was mixed last week:

18 stocks broke intermediate resistance and 24 stocks broke support. Number of stocks in an uptrend increased to 291 from 285, number of stocks in a neutral trend dropped to 44 from 50 and number of stocks in a downtrend was unchanged at 175. The Up/Down ratio increased last week to $(291/175=)$ 1.66 from 1.63. Short-term technical indicators for a wide variety of equity indices and economic sensitive sectors (Momentum, Above/Below 20-day moving average) have rolled over from overbought levels. Exceptions last week were upticks to energy and precious metals and their related equities. Medium term technical indicators (Bullish Percent Index, Percent above 50-day moving average) for major equity indices generally are overbought/declined-to-neutral and are trending down.

US equity markets have a history of moving sideways/lower into May during the first year after a US Presidential election. A new President takes longer than expected to establish his Cabinet and to pass promised legislation. History is repeating this year.



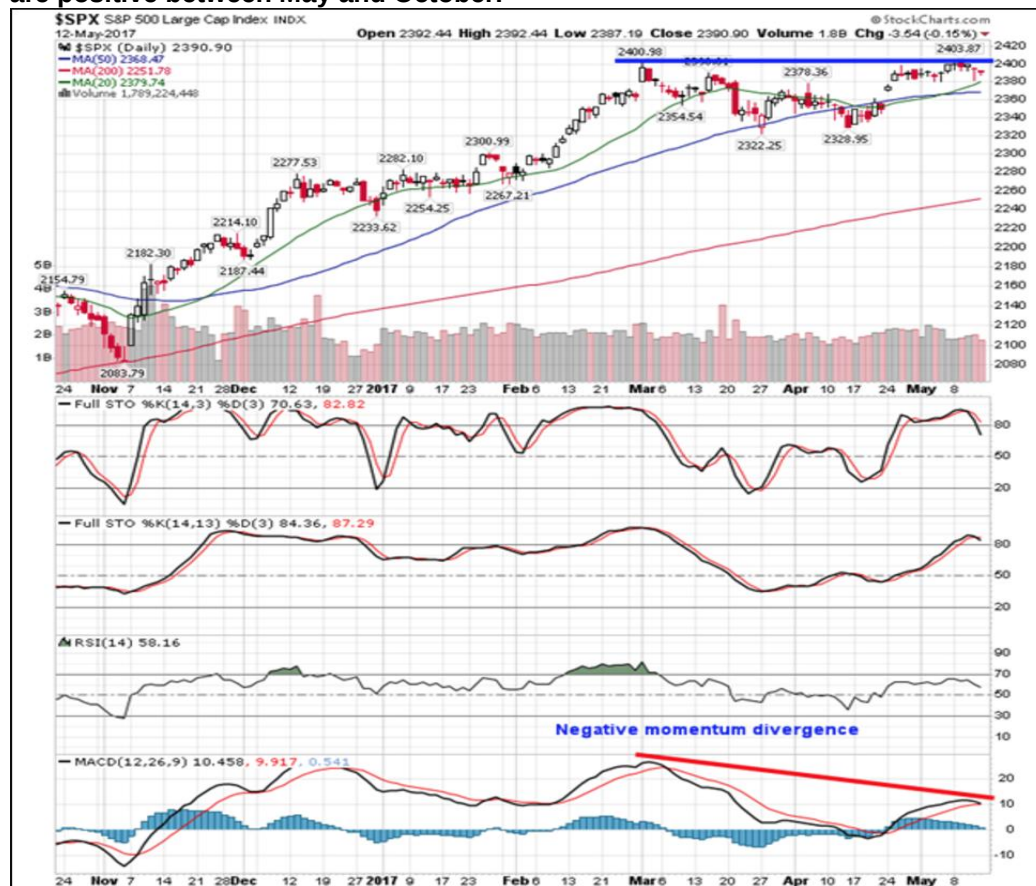
US stock markets are overvalued by a number of valuation metrics. Even though current US asset valuation measures (particularly equities) are not as extreme as in 1999, today's economic underpinnings are not as robust as they were then. The chart below allows for a different perspective and quantification, as comparison of valuations and economic activity, to show that today's P/E ratio might be more overvalued than those observed in 1999." A simple direct comparison from the recent past's biggest equities bubble which started in 1994 and ended as we know painfully in 1999, the current valuation metrics are frightening:

US Economic Valuation Metric	1995 – 2000	2012 – 2017	Change/Diff. (% , \$)
US GDP	\$9.89 TRN	\$18.20 TRN	+\$9.32 TRN
US GDP Growth	4.05%	1.90%	-2.15%
US GDP Trend	2.30%	1.80%	-0.50%
US Productivity Growth	1.85%	0.50%	-1.35%
US Federal Debt	\$5.36 TRN	\$18.2 TRN	+\$12.84 TRN
US Federal Debt/GDP	60.50%	106.2%	+45.7%
US Federal Reserve Balance Sheet	\$0.45 TRN	\$4.65 TRN	+\$4.20 TRN
US Personal & Corporate Debt	\$15.5 TRN	\$41.5 TRN	+\$25.5 TRN
US Government Deficit (% of GDP)	-0.35%	-3.3%	+2.95%
US Personal & Corporate. Debt/GDP	156.10%	223.50%	+67.4%
US Trade Deficit	\$210 BN	\$505 BN	+\$295 BN
US Fed Funds Rate	5.40%	0.25%	-5.15%
US 10-Y Treasury Yield	6.10%	2.15%	-3.95%
S&P 500 3 Y EPS Growth Rate	7.53%	3.85%	-3.68%
S&P 500 5 Y EPS Growth Rate	9.50%	0.50%	-9.00%
S&P 500 10 Y EPS Growth Rate	7.75%	1.00%	-6.75%
US Equities Market Cap/GDP	151%	134%	17%

Of course, as we all know in hindsight, equity valuations back in 1999 were ridiculously stretched. However, relative to economic factors as the table above shows, those valuations appear to be relatively sanguine compared to today's.

The S&P 500 Index, the large-cap index shed 0.35% over the course of last week, retracing the gain accumulated during the week prior. Resistance remains apparent at 2400, just as support at the rising 20-day moving average remains intact. A break, one way or the other, appears imminent. Momentum indicators on the daily chart are

increasingly showing signs of rolling over with MACD on the verge of triggering a bearish crossover. If confirmed, a negative divergence, compared with price, would become evident, signaling waning buying pressures as the market stalls at its all-time high. **These revelations come on the day that a bout of risk aversion played out, resulting in a gap higher in treasury prices. Seasonal tendencies for bond prices are positive between May and October.**



Investors should also consider investing in government bonds from May 6th until the beginning of October. Government bonds tend to perform well at this time of the year as investors look for a place to park their money during the six-month unfavorable period for stocks.

Fixed income charts & commentary

The EUR FI market remains in search of the next 'theme'. The next general election is coming up in Germany, and therefore Sunday's state election in North Rhine-Westphalia (+1/5 of German voters) was an important indication on whether SPD will be able to threaten Merkel's CDU at the general election in September. Based on Sunday's result, that does not seem to be the case, with CDU beating SPD in a state where SPD has fared well historically. Merkel has added to her strong lead recently and for now it appears that the German general election will have limited market impact.

The ECB will remain the center of attention with the June and September meetings being the focal points. Towards the end of this week, we will have Mario Draghi, Peter Praet and Vitor Constancio speaking. The market will be scrutinizing upcoming speeches, to see if Friday's Der Spiegel article was really 'a signal' of the board converging towards tapering starting in January 2018.

EUR supply this week is kicked off today with Germany tapping in Buxl on Wednesday while France and Spain will be issuing on Thursday. The window is also wide open for syndicated deals with a new 30-Y Italy being a potential candidate. Denmark is due to release Q1 GDP figures today (we forecast 0.4% q/q) on Wednesday, the Danish DMO

is due to launch a new long 2Y (DGB 0.25% Nov'20). The new bond will replace the former 2Y benchmark DGB Nov'18 on the primary list of on-the-run bonds immediately. Norway will follow tomorrow (we estimate 0.6% q/q). Tomorrow, the Riksbank will present its proposal for a new target variable. We believe it will propose a change to the CPIF target but not a new tolerance (or for that matter a target) interval, as it could threaten the credibility of the inflation target.

As we were forecasting, US Long-bond yields have been dropping since the beginning of 2017, and have caught a lot of the major participants off-guard. The US', the British and Japanese charts also score lower yields since January, and only Germany is holding a higher yield, as we were forecasting and recommending to sell the Bunds.



For the past 3 weeks, investors are again leaning towards a more deflationary scenario by bidding up the price of bonds against commodities. The technical position of this relationship has started to break down, with a negative 200-day MA cross by the price itself, and an increasing risk of a drop below 1.4, which would result in a violation of that 2016-17 up trendline.



Currencies commentary & charts

USD dropped versus all G10 currencies on Friday amid weaker-than-expected US retail sales data. USD/JPY fell from 113.90 to 113.12 while EUR/USD bounced back above the 1.09 figure, trading at 1.0930 this morning.

According to the latest IMM positioning data, non-commercial investors reduced EUR shorts further last week, and speculative accounts are now net long EUR for the first time since 2014 suggesting that risks, from a positioning point of view, are more balanced. While the level shift in EUR/USD, which took the cross into higher ranges after the French election, is likely to prevail, we think that the Fed's upcoming announcement on its QT scheme could lend some support to the USD in the near term.

However, we still think that the significant move to watch out for on a 12M horizon is a higher EUR/USD, which is likely to be fuelled by an ECB shift away from further easing while fundamentals such as valuation and C/A balances remain supportive for the cross as well. The US\$ intermediate trend remains Negative. \$USD rebounded from the lower trendline but was rejected from the previous support – now resistance. The US\$ remains below its 20-day moving average. Short-term momentum indicators are Mixed.



Commodities charts & commentary

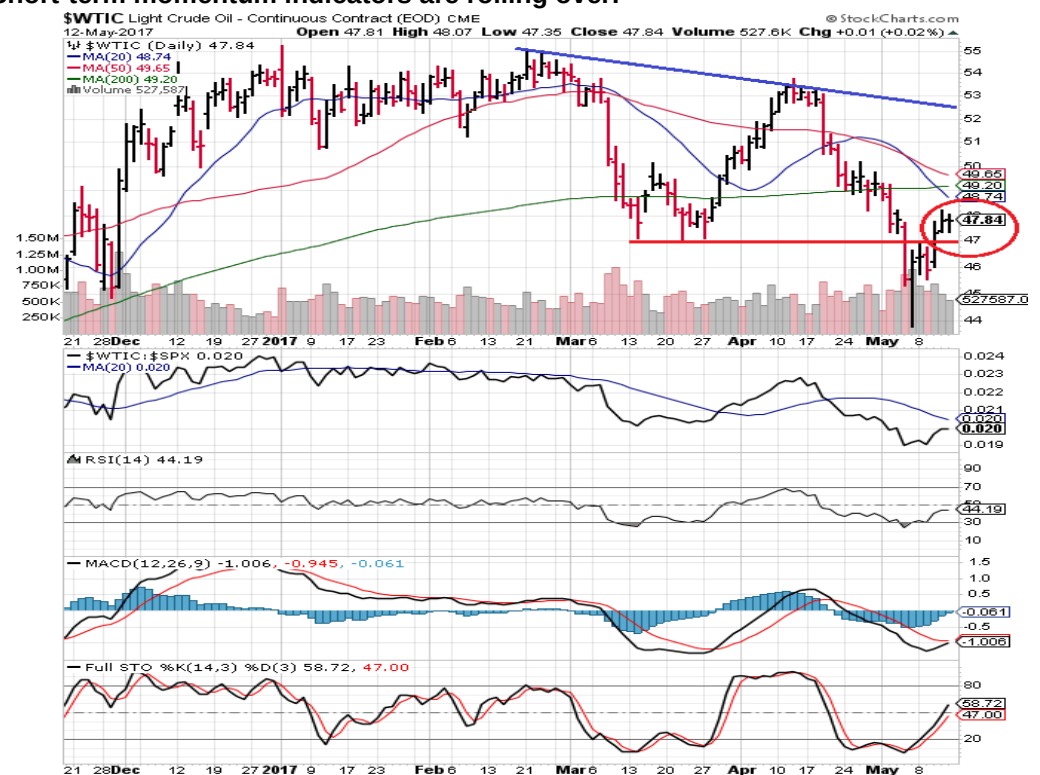
Seasonally, commodities are one of the weakest asset class performers in financial markets between May and October, falling victim to reduced manufacturing demand over the summer months.

In recent reports we highlighted the risk that instability in one market, such as the commodity market, can flow into another, such as the equity market. The extreme moves recorded in commodity prices in recent days warrant caution.

The \$CRB intermediate trend remains Negative. Strength relative to the S&P 500 Index changed from Negative to Neutral. \$CRB pulled back to the previous support- now resistance. The \$CRB closed above its 20-day moving average. Short-term momentum indicators are Positive.



WTI's intermediate trend changed back to Neutral. Strength relative to the S&P 500 Index remains Negative. \$WTIC retraced and closed above the old support. Short-term momentum indicators are rolling over.



US equity markets weekly charts

The VIX Index dropped 0.17 (1.61%) last week.

Intermediate trend remains Negative. The Index is below the 20-day moving average. Price temporarily broke the support but retraced.



The S&P 500 Index lost 8.39 points (0.35%) last week.

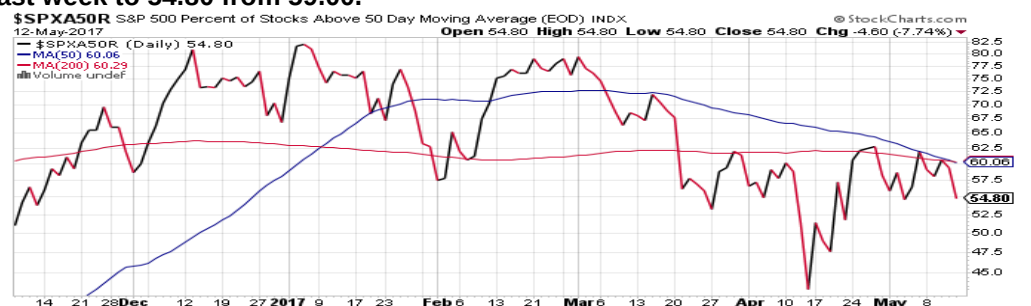
Intermediate trend changed from Positive to Neutral. The Index closed above its 20-day moving average. \$SPX remains close to the yearly high but shows signs of a possible reversal.

Short-term momentum indicators are diverging negatively.



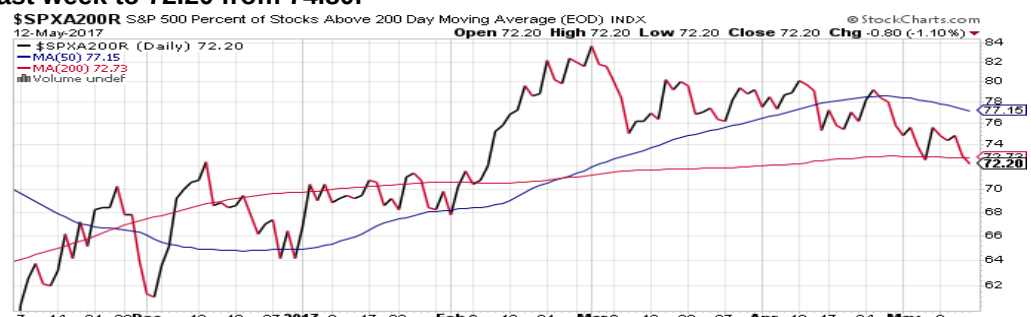
Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 54.80 from 59.00.

The Index moved below the 200-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 72.20 from 74.80.

The Index moved below the 200-day moving average.



Bullish Percent Index for S&P 500 stocks dropped last week to 71.00 from 71.40 and remained above its 50-day moving average.

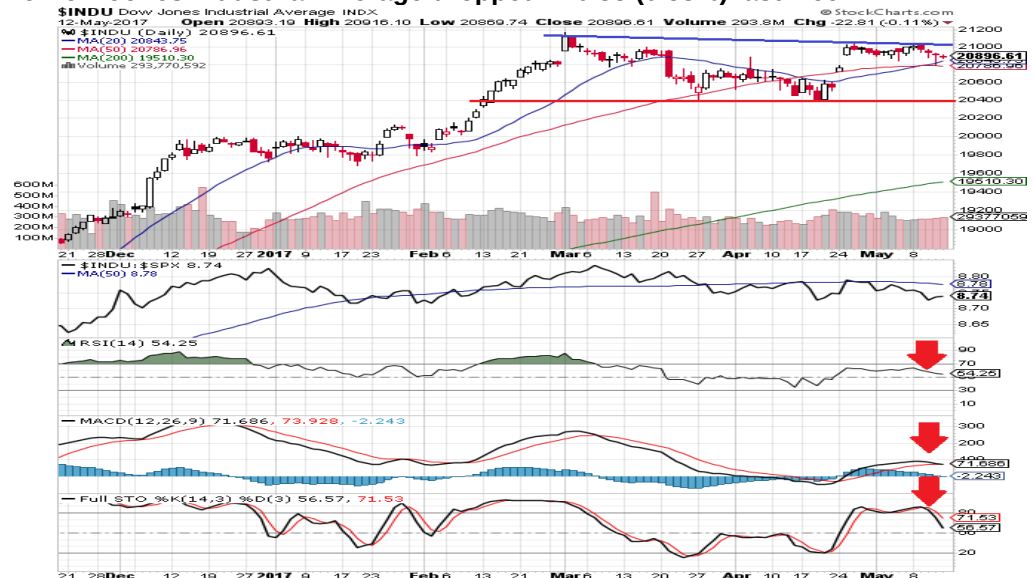
The Index remained below the 50-day moving average.



The Dow Jones Industrial Average dropped 110.33 (0.53%) last week.

\$INDU rebounded from the moving averages. Strength related to the S&P 500 remained Negative.

The Average remains above its 20-day moving average. Short-term momentum indicators are rolling over.



Bullish Percent Index for Dow Jones Industrial Average dropped last week to 80.00 from 83.33 and moved below its 20-day moving average.

The Index moved below the 50-day moving average.



The Dow Jones Transportation Average lost 188.83 (2.05%) last week.

Dow Jones Transportation Index rebounded from the lower trendline. 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 61.05 from 61.81 and moved below its 20-day moving average.

The Index moved onto the 20-day moving average.

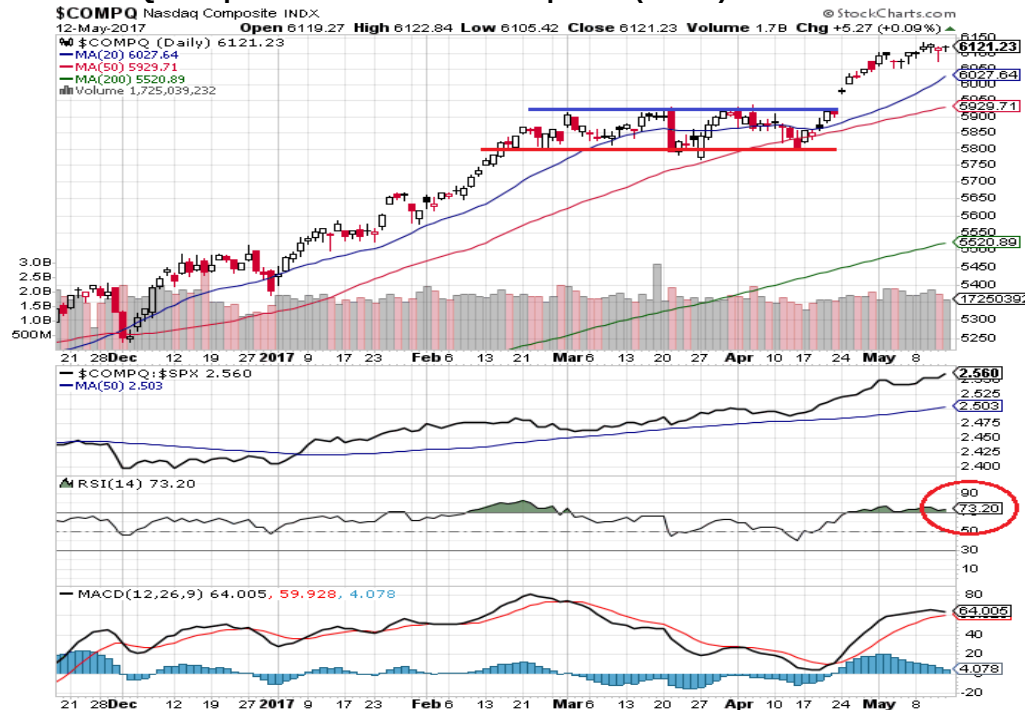


The NASDAQ Composite Index added 20.47 points (0.34%) last week.

\$COMPQ created a new high. Strength relative to the S&P 500 Index remains Positive.

The Index remained above the 20-day moving average.

Short-term momentum indicators are overbought but starting to roll over.



The Russell 2000 Index lost 14.23 points (1.02%) last week.

\$RUT is struggling to break the 50-day moving average. Strength relative to the S&P 500 Index remained Neutral.

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



The S&P Energy Index added 1.90 points (0.38%) last week.

Intermediate trend remains Negative. \$SPEN retraced back to the middle of the channel. Strength relative to the S&P 500 Index changed from Negative to Neutral.

The Index remains below the 20-day moving average. Short-term momentum indicators are Mixed.



The Philadelphia Oil Services Index lost 4.19 points (2.76%) last week.

\$OSX continues the bearish momentum. 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 AMEX Gold Bug Index added 11.17 points (6.01%) last week.

\$HUI looks to be going for the upper trendline. Strength relative to the S&P 500 Index remains Negative.

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



Latam equity markets weekly charts

The BOVESPA added 2512 points last week.



\$BVSP broke out upwards towards the yearly high.

Short-term momentum indicators remain Positive.

The Mexican Bolsa dropped 59 points last week.



Intermediate trend remains Neutral. **\$MXMX** remains inside a broadening channel.

Short-term momentum indicators remain negative with negative divergence.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite dropped to 71.60 from 72.80 and remained below its 20-day moving average.

The Index remains below the 50-day moving average.



The TSX Composite Index lost 44.16 points (0.28%) last week.

Intermediate trend remains Neutral. The Index is ranging around the moving averages.

The Index remains below the 20-day moving average. Short-term momentum indicators are Neutral.



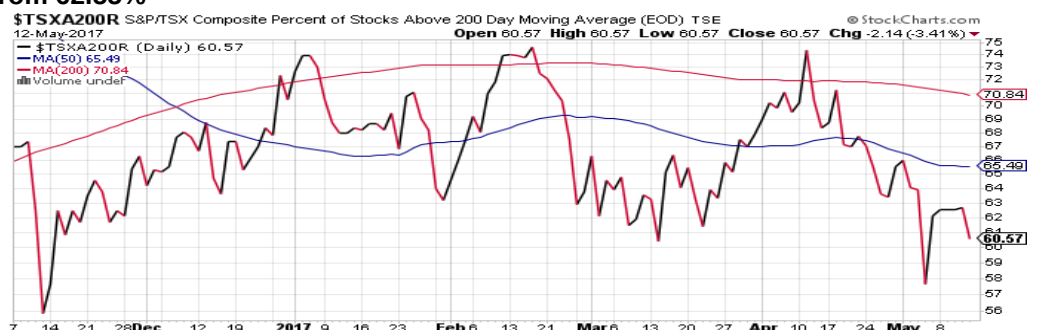
Percent of TSX stocks trading above their 50-day moving average rose last week to 50% from 48.47%

The index remains below the 50-day moving average.



Percent of TSX stocks trading above their 200 day moving average dropped last week to 60.57% from 62.55%

The index remains below the 50-day moving average.



Asian equity markets weekly charts

The BSE gained 329.35 points (1.10%) last week.



\$BSE keeps pressuring the upper trendline of an established channel increasing the chance of an upward breakout.

Short-term momentum indicators are Neutral.

The Nikkei Average gained 438.20 points (2.25%) last week.



Intermediate trend remains Positive. Strength relative to the S&P 500 Index changed from Neutral to Positive. \$NIKK broke through the resistance with a gap.

The \$NIKK remains above its 20-day moving average. Short-term momentum is Positive.

The Shanghai Composite Index dropped 19.53 points (0.63%) last week.



Intermediate trend remains Negative. \$SSEC broke through an important Support but temporarily pulled back.

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

Emerging Markets iShares added \$1.03 (2.56%) last week.

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

Units remain above the 20-day moving average. Short-term momentum indicators are Positive.



The Australia All Ordinaries Index gained 7.10 points (0.12%) last week.

Intermediate trend remains Neutral. Strength relative to the S&P 500 Index remains Negative. \$AORD is trapped between the moving averages.

The \$AORD remains below 20-day moving average. Short-term momentum indicators remain Negative.



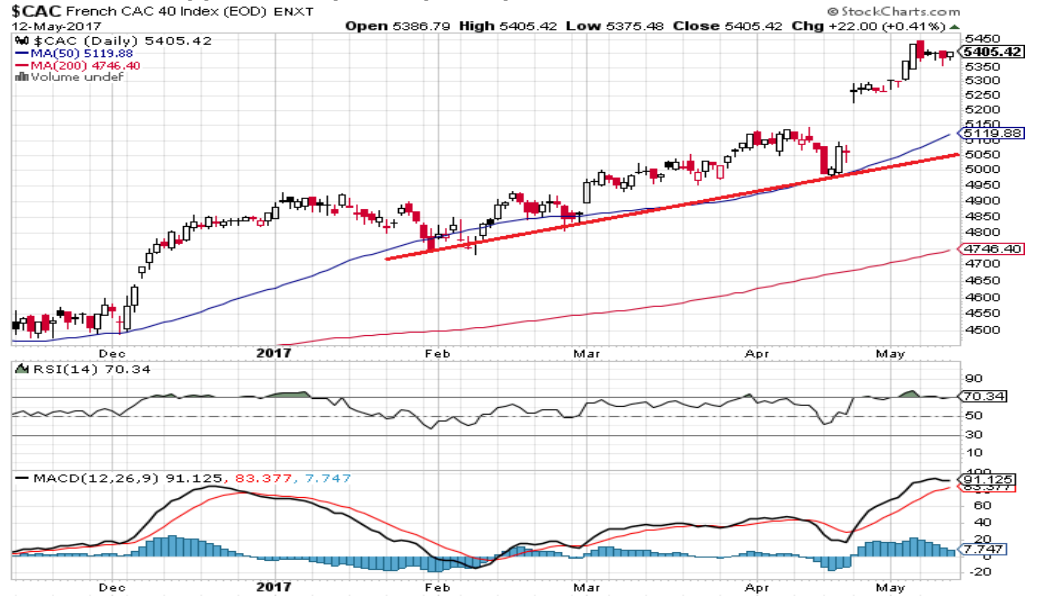
European equity markets weekly charts

The DAX 30 gained 53.32 points (0.42%) last week.

Intermediate trend remains Positive. \$DAX is ranging post the upward breakout. Strength relative to the S&P 500 Index remains Positive. Short-term momentum indicators are Positive and Overbought.



The CAC 40 dropped 26.98 points (0.50%) last week.



Intermediate trend remains Positive. \$CAC is temporarily exhausted after a breakout.

Short-term momentum indicators are rolling over.

The AEX 25 gained 1.44 points (0.27%) last week.



Intermediate trend is Positive. Index remains above the 20-day moving average.

Short-term momentum indicators are slightly Overbought.

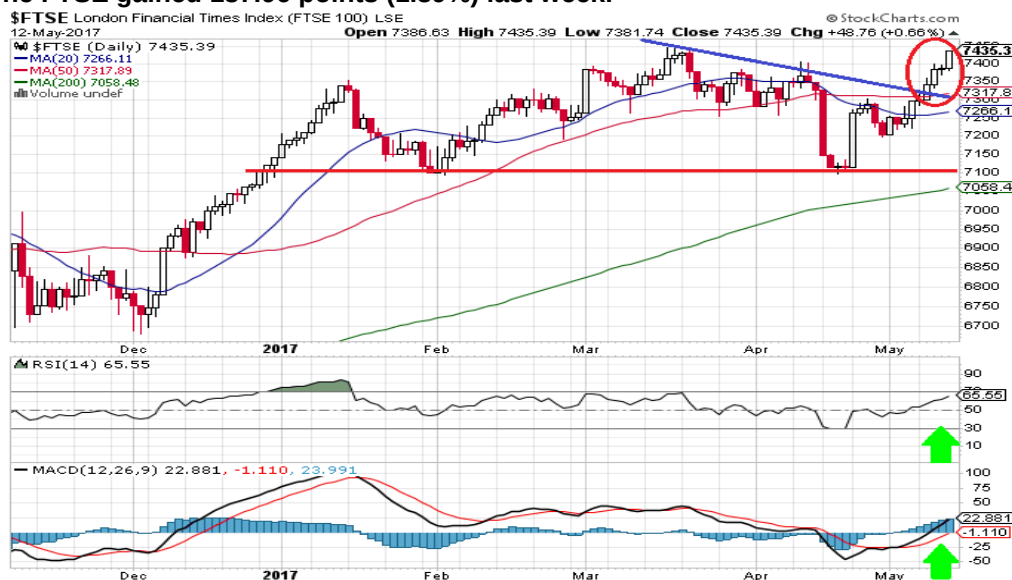
The IBEX 35 dropped 238.40 (2.14%) last week.



\$IBEX retraced back towards the previous resistance – now support. Strength relative to the S&P 500 remains Positive.

The Index remains above the 20-day moving average.

Short-term momentum indicators are rolling over.

The FTSE gained 137.96 points (1.89%) last week.**Europe iShares dropped \$0.07 (0.13%) last week.****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 price target yet, and we see yields to continue to move lower below 2.00% towards likely 1.70% in the coming 3 months.

Ten year government bond spreads

Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.60%	+2.20	+0.26
Austria	0.65%	+0.26	-1.69
Belgium	0.79%	+0.40	-1.55
Canada	---	---	---
Denmark	0.69%	+0.30	-1.65
Finland	0.47%	+0.08	-1.87
France	0.84%	+0.45	-1.50
Germany	0.39%	---	-1.95
Greece	5.66%	+5.27	+3.32
Ireland	0.85%	+0.46	-1.49
Italy	2.26%	+1.87	-0.08
Japan	0.04%	-0.35	-2.30
Netherlands	0.60%	+0.21	-1.74
New Zealand	2.95%	+2.56	+0.61
Portugal	3.40%	+3.01	+1.06
Spain	1.63%	+1.24	-0.71
Sweden	0.60%	+0.21	-1.74
Switzerland	-0.06%	-0.46	-2.40
UK	1.10%	+0.70	-1.25
US	2.33%	+1.94	---

Data delayed at least 15 minutes, as of May 15 2017 04:59 BST.

We continue recommending taking profits in German 10-Y Bunds.

However, we can see yields France and the Benelux compress over Bunds 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.

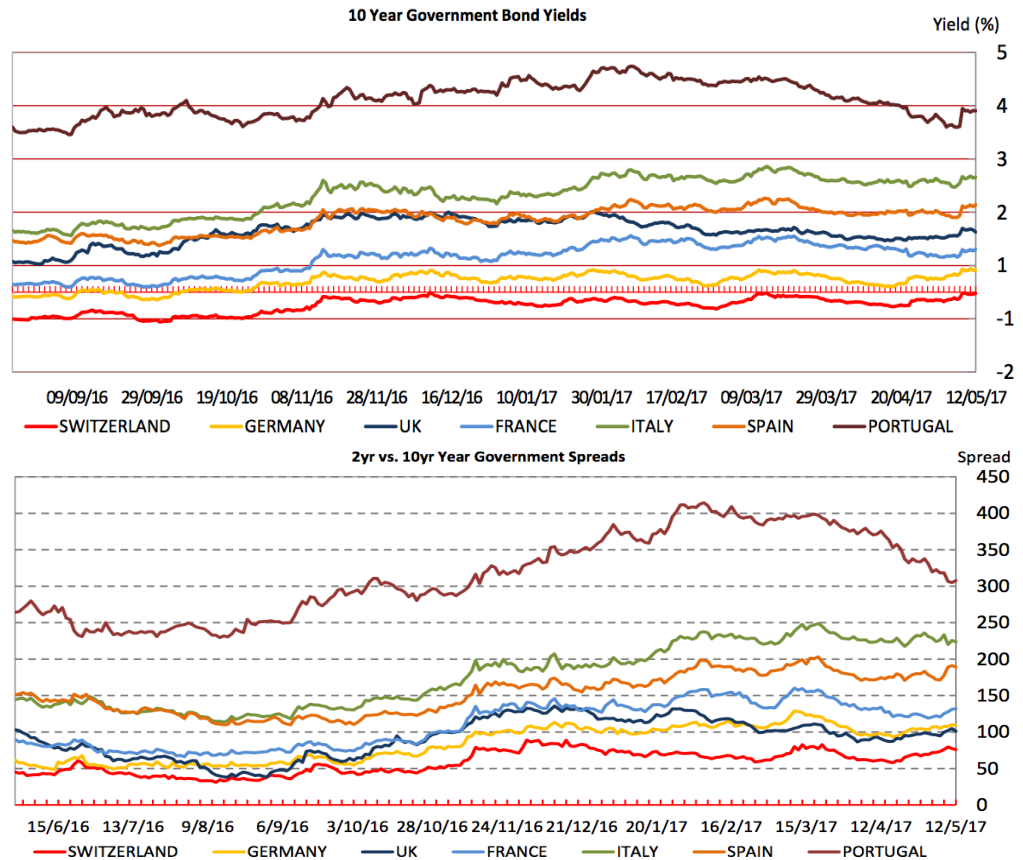
US Bonds

Intermediate trend remain Neutral. \$TNX is just above the important level - 23. \$TNX closed above the 20-day moving average.

Short-term momentum indicators are rolling over.

Intermediate trend remains Neutral. TLT moved above the 20-day moving average.

Short-term momentum indicators are Mixed.



Yield on 10 year Treasuries lost 0.17 basis points (0.72%) last week.



The long term Treasury ETF added 0.10 points (0.08%) last week.



Currency markets weekly charts

The Euro lost 0.71 points (0.65%) last week.

Intermediate trend is Positive. \$XEU rebounded from the 200MA and continues upwards.

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

Short-term momentum indicators are Mixed.



The US\$ added 0.60 points (0.61%) last week.

Intermediate trend remains Negative. \$USD rebounded from the lower trendline but was rejected from the previous support – now resistance. The US\$ remains below its 20-day moving average.

Short-term momentum indicators are Mixed.



The Japanese Yen lost 0.48 points (0.54%) last week.

Intermediate trend changed Neutral to Negative. XJY closed below the lower trendline \$XJY remains below the 20-day moving average.

Short-term momentum indicators are Mixed.



The Canadian Dollar dropped 0.33 points (0.44%) last week.

Intermediate trend remains Negative. \$CDW is ranging post the downward breakout.

Short-term momentum indicators have rolled over to Positive.



Commodity markets weekly charts

The CRB Index added 3.77 points (2.12%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index changed from Negative to Neutral. \$CRB pulled back to the previous support-resistance now.

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

Short-term momentum indicators are Positive.



Copper stood put at \$2.52 per lb. last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Negative. Copper retraction was stopped by the moving average.

Copper closed below the 20-day moving average.

Short-term momentum indicators are Neutral.



Lumber dropped \$24.60 (6.33%) last week.

Intermediate trend changed from Neutral to Negative. Strength relative to the S&P 500 Index is Negative. Lumber decisively broke the lower trendline.

Lumber remains below the 20-day MA. Short-term momentum indicators are Negative.

**The Grain ETN dropped \$0.25 (0.90%) last week.**

Intermediate trend remains Neutral. Units are ranging around the moving average.

Price remained above the 20-day MA. Short-term momentum indicators are Mixed

**The Agriculture ETF lost \$0.55 (1.01%) last week.**

Intermediate trend changed from Positive to Neutral. Strength relative to the S&P 500 Index remains Negative. MOO is slowly moving back to the support.

Units closed below the 20-day moving average.

Short-term momentum indicators are Mixed.



Gold & precious metals markets weekly charts

Gold added \$0.80 (0.07%) last week.

Gold is slowly pulling back towards the old trendline.

Gold is below the 20-day moving average.

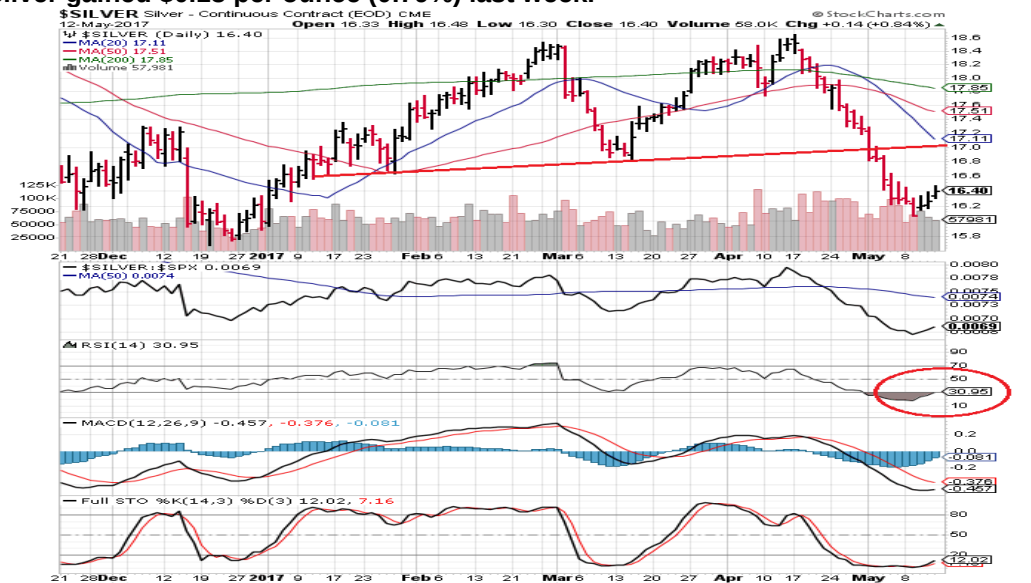
Short-term momentum indicators are rolling over.



Silver gained \$0.13 per ounce (0.79%) last week.

Silver seems to be recovering after bottoming just above the yearly low.

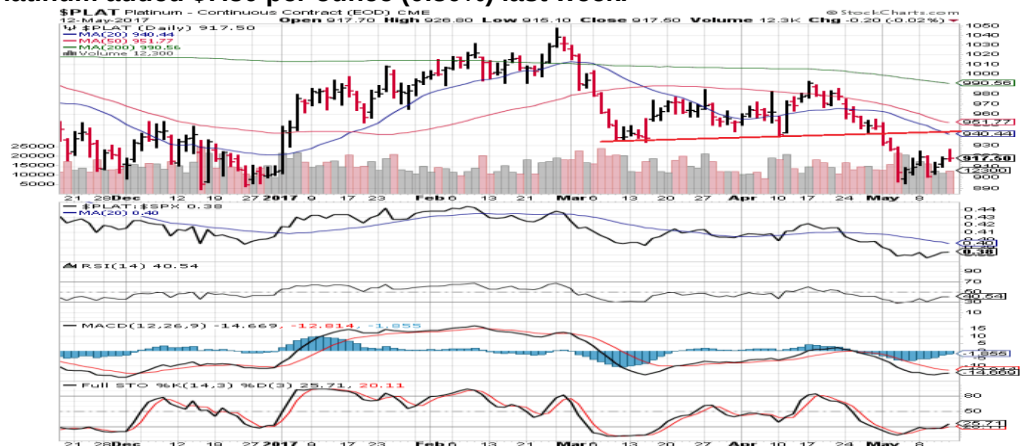
Silver moved below its 20-day moving average. Short-term momentum indicators are rolling over.



Platinum added \$7.30 per ounce (0.80%) last week.

Intermediate trend changed from Negative to Neutral. Strength relative to the S&P 500 Index remained Negative. \$PLAT is retracing towards the old rising support.

\$PLAT trades below its 20-day Moving Average. Momentum indicators are rolling over.



Palladium dropped \$9.55 per ounce (1.17%) last week.

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

\$PALL remains above its 20-day moving average and is getting even more compressed.

Short-term momentum indicators remain Mixed.

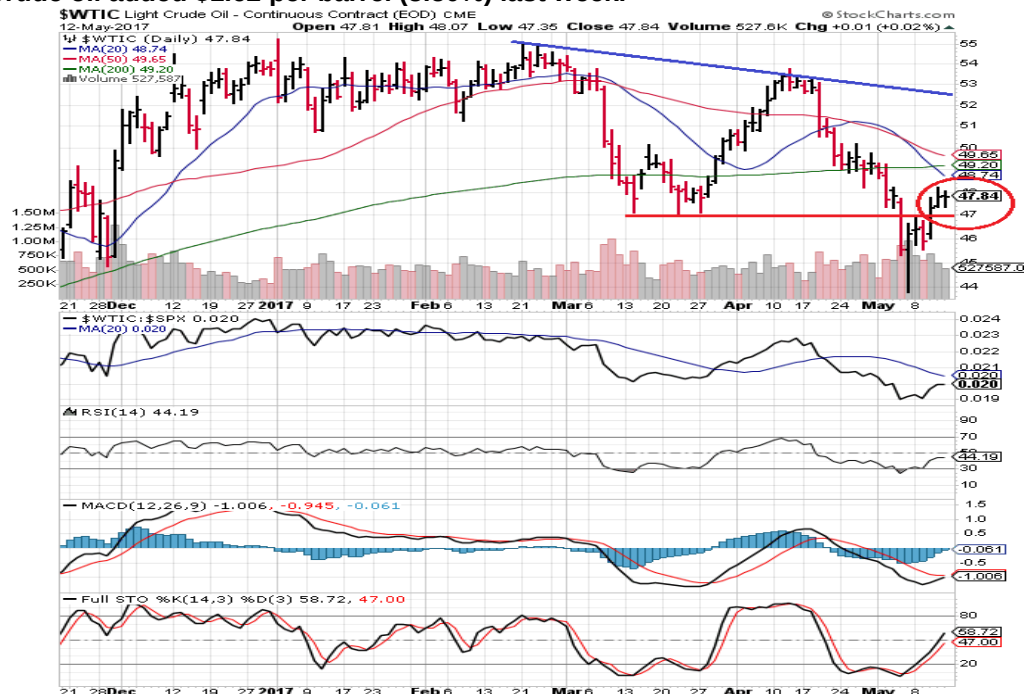


Oil, gas & energy markets weekly charts

Crude oil added \$1.62 per barrel (3.50%) last week.

Intermediate trend changed back to Neutral. Strength relative to the S&P 500 Index remains Negative. \$WTIC retraced and closed above the old support.

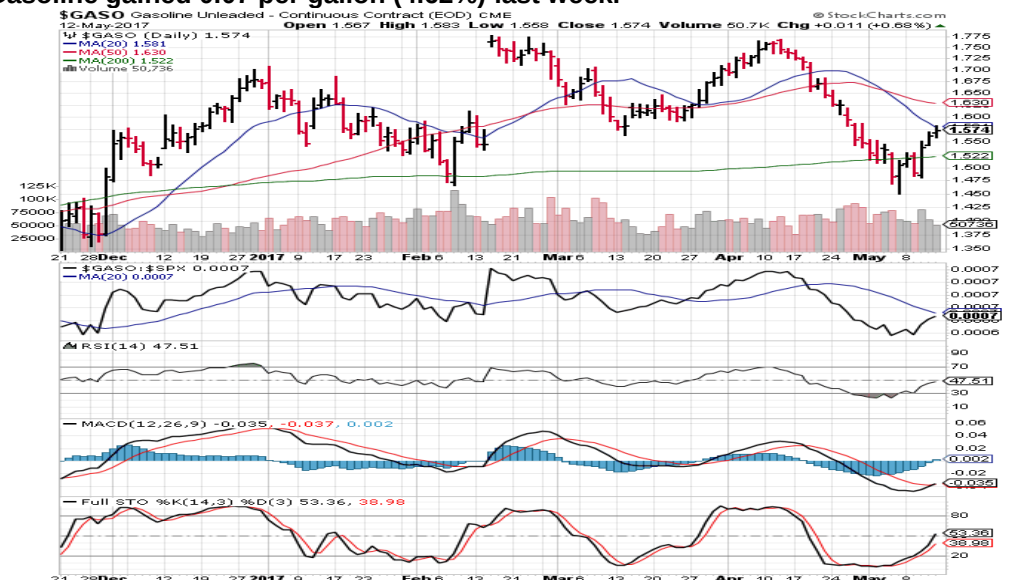
Short-term momentum indicators are rolling over.



Gasoline gained 0.07 per gallon (4.62%) last week.

Intermediate trend changed from Negative to Neutral. Strength relative to the S&P 500 Index is Negative. \$GASO retraced towards the 20 MVA.

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



Natural Gas added \$0.16 (4.84%) per MBtu last week.

Intermediate trend changed from Neutral to Positive. Strength relative to the S&P 500 Index changed from Neutral to Positive. \$NATGAS broke upwards towards the 3.5 resistance.

Short-term momentum indicators are Positive.



Carlo R Besenius, CEO
 Head of Global Strategy
cbesenius@cg-inv.com
 office: +(352) 26 25 86 40
 mobile: +(352) 691 106 969
 Luxembourg/Europe
Stjepan Kalinic, Market Strategist/Technician
skalinic@cg-inv.com
 office: 212 939 7256
 mobile: +(385) 9152 95916
 Kastel Sucurac, Croatia
Jennifer Crisman, COO
jcrisman@cg-inv.com
 office: +(352) 26 25 86 40
 Luxembourg/Europe
Gary Schieneman, Managing Director,
 Global Accounting and Finance
gschieneman@cg-inv.com
 office: 917-868-6842
 New York, NY, USA

Steve Gluckstein, Global Strategist
sgluckstein@cg-inv.com
 office: 212 939 7256
 mobile: 732 768 8843
 New York, NY, USA

Marc Peters, Head of Global Industrial Strategy
mpeters@cg-inv.com
 office: +(352) 26 25 86 40
 mobile: +352 621 36 44 50
 Luxembourg/Europe
Allison M Cimon, Director of Sales & Technology
amcimon@cg-inv.com
 office: 646 228 4321
 Boston, MA, USA
Jennifer Crisman, COO
jcrisman@cg-inv.com
 office: +(352) 26 25 86 40
 Luxembourg/Europe

Sabine CJ Blümel, Head of Global Automotive Research
sblumel@cg-inv.com
 office: +44 (7785) 301588
 London, UK

IMPORTANT DISCLAIMER: As a company purely focused on research, CGI LLC has no business relationships with the company covered in this report, be it investment banking, consulting or any other type of relationship. In addition, CGI LLC does not seek and does not intend to seek in the future any such businesses, maintains complete independence and has no conflicts of interest related to the companies in its research universe. Neither the analysts responsible for this report nor any related household members are officers, directors, or advisory board members of any covered company. No one at a covered company is on the Board of Directors of CGI LLC or any of its affiliates. In addition, CGI LLC and its employees, including the analyst who wrote this report, hold no equity, debt or other linked derivative investments, the value of which is related in any way, directly or indirectly, to the operating and stock price performance of the company covered in this report. No such investment positions are held in any of the competitors, suppliers or customers of the companies in our coverage universe. This report is provided for information purposes only. It should not be used or considered as an offer of securities and it does not represent a solicitation to either buy or sell any securities or derivatives thereof.