Creative Global Investments

Weekly global equities strategy & charts

Monday, July 30th, 2018

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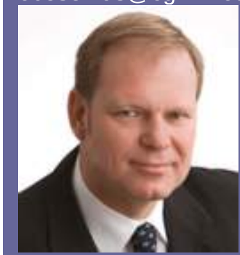

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Objectivity

Integrity

Creativity

Global macro & geo-political commentary

"Empty threats by an empty suit?"

Sentiment was underpinned by news that the US-EU meeting in Washington had yielded some progress as the US agreed on Wednesday to work towards lowering trade barriers with the EU. The two sides said they would work towards zero tariffs, zero non-tariff barriers and zero subsidies on non-auto goods. In addition, they agreed to up trade in services and agriculture, which includes greater US soybean exports to the EU. Agreeing to no new tariffs (existing ones remain) on industrial goods while they work to reduce US-EU trade barriers, a trade war may have been averted. That said, cars (especially valuable for Germany) remain in the firing line as a potential focus for Trump protectionism.

President Donald Trump said he and European Commission President Jean-Claude Juncker agreed to work toward "zero tariffs" and "zero subsidies on non-auto industrial goods." At an unscheduled news conference following a joint meeting, Trump also said the EU would buy more US soybeans almost immediately and that he and Juncker would work to resolve tariffs on European steel and aluminum. Trump has threatened to impose tariffs on European autos but said he'll hold off on any retaliation as long as talks are taking place.

Jean-Claude Juncker found himself sitting in an unadorned meeting room at a Washington think tank, where he reflected on the hours he had just spent at the White House. He appeared visibly exhausted, but was in a buoyant mood, after spending more than two hours negotiating with Trump before finally reaching an agreement that was greeted with relief both in the EU and the US Trump has now said he will not impose punitive tariffs on European cars -- at least for the time being. In exchange, the Europeans have expressed a willingness to buy more liquefied petroleum gas and soybeans from the US and, among other things, discuss how tariffs on other goods can be abolished. The US president has agreed there will be no further tariffs, and that existing tariffs on cars would not be increased.

It's still too early to tell how long that agreement will hold, as it seems all it would take is one nasty tweet from Trump for the whole thing to come undone again. And, additionally, the deal does nothing to solve the many other problems the Europeans have with this unpredictable American president. Trump seems prepared to call a kind of cease-fire in the trade conflict, but he still wants to abolish NATO, threatens Iran and dismisses climate change as nonsense largely promulgated by Europeans.

At the end, it is ironic though, as it proved to be Juncker who managed to tackle what Angela Merkel and Emmanuel Macron have both failed to achieve, namely to rein-in Trump. An escalation of the trade war, which could have threatened as many as 15MN jobs on both sides of the Atlantic and depressed global gross domestic product by many hundreds of billions of Euros, is off the table for the time being. The question many were asking in Brussels prior to his Washington trip was not whether Juncker could produce tangible results, but whether he was in any condition to take such an arduous journey.

As recently as the NATO summit in mid-July, the US president had assured EU leaders in a highly personal manner that punitive tariffs on European cars were definitely coming, and that they could be expected before November's midterm congressional elections in the US, which he has described as the "most important thing" to him.

One day before his meeting with Trump, Juncker sent Martin Selmayr, the European Commission's general secretary, to meet with Trump’s economic advisor Larry Kudlow. The two drafted a few paragraphs at a hotel in Washington they could agree upon. These were the cornerstones of the deal that would later emerge.

Talks in the Oval Office proceeded quickly for the first 40 minutes, and it was only after other people joined that the atmosphere got frostier. Trump's trade team under Lighthizer and Ross insisted the Europeans take further steps to open up their agricultural market. But Juncker held back, arguing the Europeans didn't want a repeat of the debates that accompanied the first failed negotiations aimed at creating a free trade deal between the EU and the US, including the squabbles over so-called chlorine chicken and genetically modified foods. In the end, the Americans received no more than the pledge the EU would buy more soybeans in the future, a gesture Trump immediately touted to the press as a great victory for farmers in the Midwest.

It was, after all, Trump himself who had pushed for the deal, and that was crucial. When one of his trade representatives intervened with a detail, Trump asked why his trade representative was so worked up. Trump, that much was clear, wanted the deal, as his own supporters are beginning to suffer as a result of the trade conflicts with China and the EU. The tariffs imposed by Brussels as a countermeasure to Trump's punitive levies on European steel, such as those slapped on motorcycles, bourbon-whiskey and peanut butter, have had an effect. Unsellable agricultural products have started to pile up in the country's cold-storage warehouses, and talk of job cuts has also already begun. The pressure felt by the affected companies was immediately passed on to Trump and other Republican politicians.

Ultimately, the outcome of the Washington meeting turned out to be a victory for moderates in the EU over those urging a hardline trade policy against the US. As the French were unable to prevail with their hardline course because most other EU countries had shifted to the German position, particularly those with a strong automotive industry, Italy, Spain, Sweden and Poland, and, later, the Czech Republic and Slovakia. Accordingly, the French call for further clarification is likely to simply fizzle out.

The Europeans adopted the old "flexible response" NATO doctrine, which calls for a variety of responses to attacks by opponents. During the Cold War, that meant retaliating in a reasonable manner in the event of an enemy attack, while leaving the door cracked open for talks and negotiations. The doctrine was conceived by American generals, and now it has brought the Europeans success.

Juncker has emerged as a clear winner, as the past week's developments come as a relief, because it's very possible the commission president will remain in office significantly longer than originally thought. EU leaders are expected to begin looking for a new commission president following elections for the European Parliament next spring. Juncker himself has said he has no plans to be considered for another term.

But many in Brussels are expecting an unclear outcome in parliamentary elections, which could make it difficult for EU leaders to agree on a common candidate to head the European Commission, which is the EU's executive body. Juncker would have to continue as commission president until they could find an acceptable successor, meaning he would have to continue the trade talks agreed to with Trump. According to the plan, working groups will address the issues, but no deal is expected before the upcoming US midterm congressional elections. And any serious negotiations would not commence until the commission has been provided with a mandate to do so by the member states and the European Parliament. And it is precisely within that EU body that the deal with Washington is expected to face the greatest scrutiny.

The experts focused on the details in Washington while Trump and Juncker themselves handled the PR work. As their advisers continued working on the text, Trump offered to

Juncker in private that he would announce the deal as being a big thing. Indeed, it was anything but a given that the US president would give such a show of solidarity. Juncker was also happy for the high-profile announcement, because he needed the images back home.

In other macro news, GDP growth in the US for Q2 2018 printed a gain of 4.1%, the highest quarter in 4-years and representing a significant increase over the upwardly revised 2.2% growth posted in Q1. The number was below the consensus estimate of 4.4% growth for Q2, as inventory declines subtracted -1%, offsetting export gains. We see the increase in GDP giving the Fed cover to continue on its rate increase path. While we expect no move next week, as of this morning there was a 92% probability, as reflected in the Fed Funds market, of a 25 basis point hike in September.

Weekly equities commentary & charts

Short-term political concerns remain elevated. Issues include proposed US tariffs against Chinese goods valued at $500 BN stalled NAFTA negotiations, and the ramp up of US mid-term election political rhetoric.

Stocks are trading slightly lower at the start of the week, with all eyes on foreign central banks and ongoing trade negotiations around the world ahead of a keenly awaited policy announcement from the Bank of England later in the week. Investor sentiment is hampered by the prospect of three major interest rate policy decisions this week; Bank of Japan (Tue, 4am, rate expected unchanged, but stimulus policy could be tweaked), Fed (Weds, 7pm, no change expected) and the Bank of England (Thurs, 12pm, rate hike expected).

US economic focuses this week are on the FOMC announcement on the Fed Fund rate on Wednesday and the July Employment report on Friday. We think for the coming weeks, yields for the 10-Year are capped at the flag's implied target of 3.14%, the highest level since mid-2011, implying a much faster pace of tightening, how might that affect equities?

We still believe that investors should reevaluate their current holdings, and pay close attention to the seasonal forces that likely will come into play in the short term. We are advising investors to invest along the seasonal trends:

- **Buy US treasuries (10-Y's and 30-Y's)**
- **Buy Commodities (Oil; Gold; Metals; Agri's)**
- **Sell European, US and Japanese equities**

The proverbial "Summer Rally" in North American equity markets came to an end last week. US and Canadian equity markets have a history of moving higher from late June to mid-July prior to release of encouraging Q2 corporate results. The 2018 summer rally has been helped by anticipation of strong Q2 corporate results (21.3% y-o-y gain by S&P 500 companies and a 24% increase by TSX 60 companies led by the energy sector). **Seasonal influences normally turn Negative from the 3rd week in July to mid-October. More signs of a seasonal peak appeared last week. Unless a company announced "blow out" results, many S&P 500 stocks moved lower following release of results.** Traders took profits on news, particularly when a company lowered its Q3 guidance (e.g. Facebook, Exxon Mobil, Twitter, Intel). Last week, broadly based equity indices including the NASDAQ Composite Index, Russell 2000 Index moved lower. The TSX Composite Index moved lower for the second week in a row.

Technical action by individual S&P 500 stocks was mixed last week. Number of stocks breaking intermediate resistance totaled 61 while number of stocks breaking support totaled 41. The Up/Down ratio increased last week to (284/117=) 1.60 from 1.52.

Medium term technical indicators for US equity markets (e.g. Percent of stocks trading above their 50 day moving average, Bullish Percent Index) remain intermediate overbought and are showing signs of rolling over.

Short-term technical indicators for US markets and sectors (20 day moving averages, short term momentum) generally recorded significant deterioration on Friday.

Frequency of reports will peak this week: Another 140 S&P 500 companies (and five Dow Jones Industrial companies) are scheduled to release second quarter results this week. The flow of Q2 reports by Canadian companies will ramp up. A focus is on Apple's report on Tuesday.

The outlook for S&P 500 earnings and sales remains positive with

- 53% of S&P 500 stocks having reported Q2 results to date:
- 83% have reported higher than consensus earnings and
- 77% have reported higher than consensus sales.
- Q2 2018 earnings are expected to increase 21.3% (up from 20.8% last week) and sales are expected to increase a 9.3% (up from 9.0% increase last week).
- Q3 earnings are expected to increase 21.2% on a 7.7% increase in sales.
- Q4 earnings are expected to increase 18.0% on a 6.0% increase in sales (up from 5.7% increase last week).
- Q1 2019 earnings are expected to increase 7.3% (up from 7.1% last week) on a 5.8% increase in sales (up from 5.5% last week).
- Q2 2019 earnings are expected to increase 10.2% on a 4.8% increase in sales.

Stocks weakened on Friday in a move that can only be chalked up to rotation. The S&P 500 Index shed 0.66%, retracing all of Wednesday's gain attributed to trade agreement between the US and EU. Negative reaction to earnings of Facebook and Intel had investors pushing the sell button on technology holdings, trimming exposure ahead of the close of the month. The S&P 500 Index continues to show reaction to a convergence of resistance around 2850 and the threat of a continued rotation away from the technology sector risks that these hurdles remain intact into the near future.

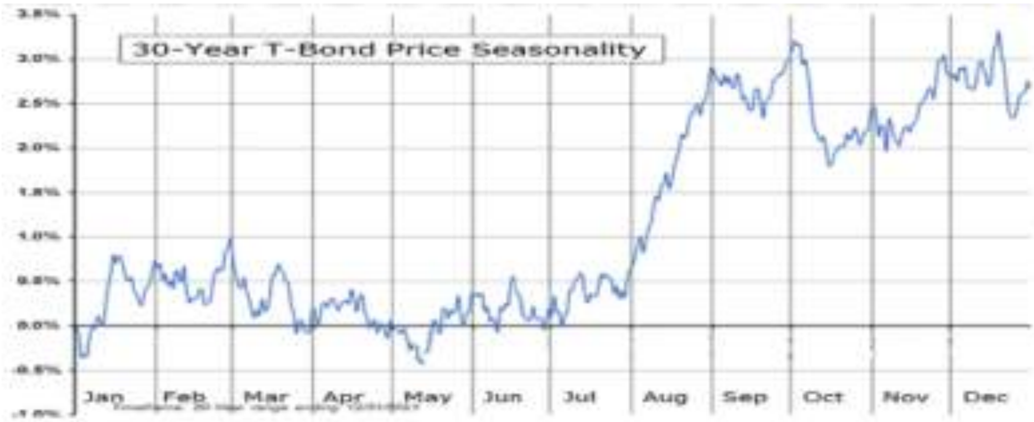
In just two sessions, the technology sector index (NDX) has cut its gain for the month in half, falling back to the comfort of support around 20 and 50-day moving averages. While the NDX charted an all-time high in the latest week, a negative divergence with respect to MACD and performance relative to the market that has been flat over the past couple of months suggests that buying demand is fading as investors look to rotate holdings into areas that have been beaten down in the front half of the year. Industrials and financials are showing signs of being the early beneficiaries of this rotation.

Seasonally, the next period of strength for the sector comes into play in the month of October.

Whilst bond investors have accepted higher interest rates, and there are increasing concerns about the US 10-year yields likely moving higher over the next 2 years, we continue to differ with those general views.

As a matter of fact, we argue that Japanese and European balanced fund managers likely will increase exposure towards US long bonds, due to the extremely high spreads over the indigenous comparable bond yields. Hence, why we see the next 2 months 10-Y US Treasuries prices to increase and implicitly yields to come down towards the upper middle of the 37-year trend channel.

Besides compelling chart technical support, US treasuries are entering their period of seasonal strength, inversely to US equities, and why we are expecting for the TNX to retrace towards 2.55% levels.



Longer Term Performance table of the major global equity indices:

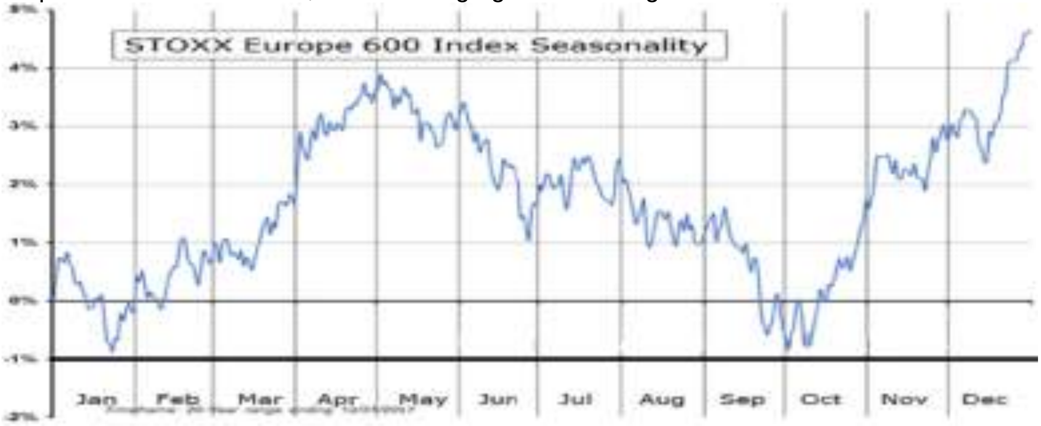
Index	Daily	1 Week	1 Month	YTD	1 Year	3 Years
Dow 30	-0.30%	1.62%	4.86%	2.96%	16.26%	43.87%
S&P 500	-0.66%	0.42%	3.70%	5.43%	14.11%	33.98%
Nasdaq	-1.46%	-1.33%	3.02%	12.08%	21.89%	50.88%
SmallCa...	-1.83%	-2.04%	1.26%	8.35%	16.75%	34.24%
S&P 500...	4.37%	7.77%	-15.48%	23.19%	32.55%	12.21%
S&P/TSX	-0.38%	-0.16%	0.71%	1.14%	8.25%	13.31%
Bovespa	0.58%	2.40%	9.76%	4.53%	21.16%	57.02%
S&P/BM...	0.42%	1.62%	4.16%	0.59%	-2.68%	10.93%
DAX	-0.20%	2.28%	4.30%	-0.64%	5.91%	13.49%
FTSE 100	-0.35%	0.34%	0.58%	-0.08%	4.20%	14.71%
CAC 40	-0.33%	2.15%	3.20%	3.41%	7.85%	8.09%
Euro St...	-0.35%	1.82%	3.57%	0.37%	1.96%	-2.33%
AEX	-0.44%	0.57%	4.00%	5.35%	9.19%	15.85%
IBEX 35	0.20%	1.66%	2.76%	-1.55%	-5.85%	-11.56%
FTSE MIB	0.19%	1.32%	1.22%	0.17%	1.87%	-7.00%
SMI	-0.04%	2.34%	6.51%	-2.26%	1.26%	-2.74%
PSI 20	0.28%	-0.13%	1.85%	4.50%	8.51%	-1.48%
BEL 20	-0.35%	2.11%	5.20%	-1.63%	-0.74%	4.00%
ATX	-0.16%	2.83%	4.40%	-0.61%	5.64%	36.00%
OMXS30	-0.30%	1.73%	3.14%	1.96%	3.86%	-0.48%
OMXC25	-0.33%	1.92%	6.23%	1.74%	-0.26%	-
MOEX	-0.14%	1.25%	-0.28%	8.52%	19.28%	37.18%
RTSI	-0.31%	1.61%	-0.52%	-0.54%	14.00%	33.69%
WIG20	0.28%	4.20%	7.57%	-6.66%	-3.24%	3.13%
Budape...	-0.29%	1.99%	-0.80%	-8.98%	0.19%	58.66%
BIST 100	-0.12%	0.17%	-1.09%	-17.22%	-11.22%	19.47%
TA 35	0.19%	1.97%	3.64%	4.39%	8.90%	-7.98%
Tadawul...	0.08%	-1.59%	-0.31%	15.05%	17.19%	-8.62%
Nikkei 225	-0.75%	0.65%	1.06%	-0.98%	13.13%	9.51%
S&P/AS...	-0.35%	0.82%	1.35%	3.52%	9.75%	10.16%
DJ New ...	-0.82%	0.61%	-0.50%	5.26%	13.25%	36.51%
Shanghai	-0.12%	0.37%	0.80%	-13.22%	-12.31%	-21.66%
SZSE C...	-1.23%	-1.42%	-2.11%	-16.83%	-12.59%	-25.80%
China A50	0.47%	0.49%	1.26%	-11.10%	-0.64%	7.51%
DJ Shan...	-0.08%	0.41%	1.44%	-13.38%	-11.47%	-18.23%
Hang Se...	-0.41%	1.52%	-0.93%	-4.12%	4.98%	16.43%
Taiwan ...	-0.38%	0.79%	1.81%	3.67%	5.81%	27.33%
SET	0.70%	1.56%	6.66%	-2.96%	7.98%	18.18%
KOSPI	-0.06%	1.07%	-1.40%	-7.05%	-4.54%	12.97%
IDX Co...	0.43%	1.68%	3.72%	-5.36%	2.98%	25.25%
Nifty 50	0.19%	1.94%	5.47%	7.31%	12.14%	32.43%
BSE Se...	0.29%	1.98%	5.71%	9.95%	15.16%	33.19%
PSEi Co...	0.93%	5.38%	8.06%	-9.17%	-3.05%	2.96%
STI Index	-0.53%	0.42%	1.19%	-2.80%	-0.66%	3.28%
Karachi ...	1.52%	7.34%	3.64%	7.32%	-5.60%	21.53%
HNX 30	0.91%	0.63%	0.94%	-13.62%	2.26%	17.76%
CSE All-...	-0.33%	-0.83%	-0.98%	-3.70%	-7.59%	-16.35%

Short and medium term technical outlook for major global equity indices:

Index	Hourly	Daily	Weekly	Monthly
Dow 30	Buy	Strong Buy	Strong Buy	Strong Buy
S&P 500	Sell	Strong Buy	Strong Buy	Strong Buy
Nasdaq	Strong Sell	Neutral	Strong Buy	Strong Buy
SmallCap 2000	Strong Sell	Strong Sell	Strong Buy	Strong Buy
S&P 500 VIX	Strong Buy	Strong Buy	Strong Sell	Neutral
S&P/TSX	Strong Sell	Neutral	Strong Buy	Strong Buy
Bovespa	Buy	Strong Buy	Strong Buy	Buy
S&P/BMV IPC	Strong Buy	Strong Buy	Strong Buy	Strong Buy
DAX	Buy	Strong Buy	Strong Buy	Strong Buy
FTSE 100	Buy	Strong Buy	Strong Buy	Strong Buy
CAC 40	Strong Buy	Strong Buy	Strong Buy	Strong Buy
Euro Stoxx 50	Strong Buy	Strong Buy	Strong Buy	Neutral
AEX	Neutral	Strong Buy	Strong Buy	Strong Buy
IBEX 35	Strong Buy	Strong Buy	Neutral	Neutral
FTSE MIB	Buy	Neutral	Sell	Neutral
SMI	Strong Buy	Strong Buy	Strong Buy	Strong Buy
PSI 20	Strong Buy	Strong Buy	Strong Buy	Strong Buy
BEL 20	Strong Buy	Strong Buy	Strong Buy	Neutral
ATX	Strong Buy	Strong Buy	Strong Buy	Strong Buy
OMXS30	Buy	Strong Buy	Strong Buy	Strong Buy
OMXC25	Neutral	Strong Buy	Strong Buy	Strong Buy
MOEX	Buy	Neutral	Neutral	Strong Buy
RTSI	Strong Buy	Sell	Neutral	Neutral
WIG20	Strong Buy	Strong Buy	Strong Buy	Neutral
Budapest SE	Strong Buy	Buy	Neutral	Neutral
BIST 100	Strong Buy	Neutral	Strong Sell	Neutral
TA 35	Strong Buy	Strong Buy	Strong Buy	Strong Buy
Tadawul All S...	Strong Sell	Sell	Strong Buy	Strong Buy
Nikkei 225	Strong Sell	Buy	Buy	Strong Buy
S&P/ASX 200	Strong Buy	Strong Buy	Strong Buy	Strong Buy
DJ New Zealand	Strong Sell	Strong Sell	Strong Buy	Strong Buy
Shanghai	Neutral	Neutral	Strong Sell	Strong Sell
SZSE Compo...	Strong Sell	Strong Sell	Strong Sell	Strong Sell
China A50	Neutral	Neutral	Strong Sell	Neutral
DJ Shanghai	Neutral	Neutral	Strong Sell	Strong Sell
Hang Seng	Neutral	Neutral	Strong Sell	Strong Buy
Taiwan Weigh...	Buy	Strong Buy	Strong Buy	Strong Buy
SET	Strong Buy	Strong Buy	Neutral	Strong Buy
KOSPI	Strong Buy	Sell	Strong Sell	Sell
IDX Composite	Strong Buy	Strong Buy	Strong Buy	Neutral
Nifty 50	Strong Buy	Strong Buy	Strong Buy	Strong Buy
BSE Sensex	Strong Buy	Strong Buy	Strong Buy	Strong Buy
PSEi Composite	Strong Buy	Strong Buy	Strong Buy	Neutral
STI Index	Neutral	Neutral	Sell	Neutral
Karachi 100	Strong Buy	Strong Buy	Buy	Neutral
HNX 30	Strong Buy	Buy	Strong Sell	Neutral
CSE All-Share	Strong Sell	Strong Sell	Strong Sell	Strong Sell

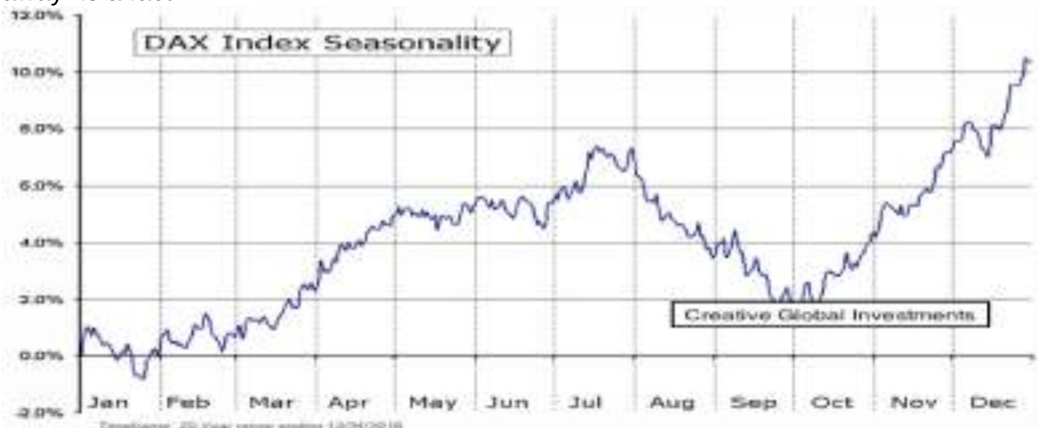
Seasonal influences for a wide variety of equity markets have a history of peaking at this time of year including Chinese, Japanese and most European equity markets. Canadian equity markets follow a similar pattern, peaking near the end of May, turn neutral until mid-July and turn negative until mid-October. History is about to repeat. Short and intermediate technical indicators for the US and Canadian equity markets remain overbought and peaked.

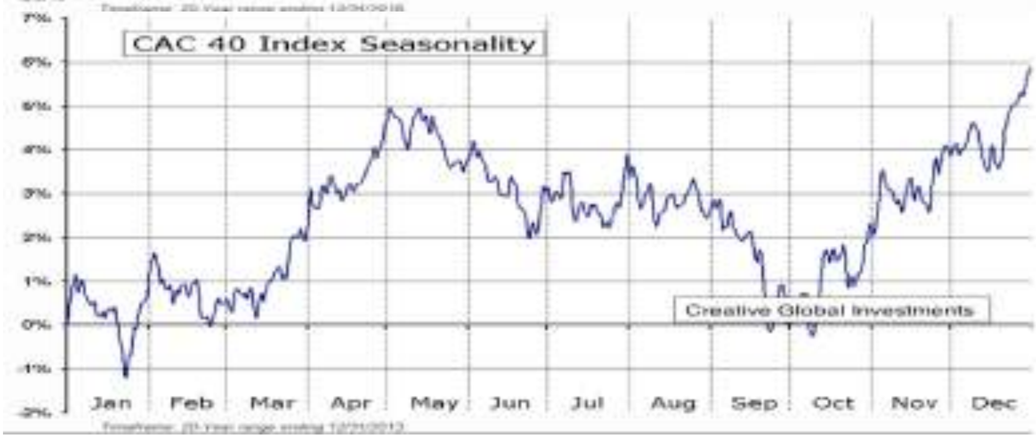
In Europe, seasonally stocks tend to rise through to the start of May. We are advising investors to reduce Eurozone equities in their portfolios between now and the middle of the summer around the 2nd week in August, and see more compelling reasons, such as the stronger EUR, and Brexit fears impact the seasonal trade particularly this year. Except Energy and oil service stocks, which continue showing technical signs of outperformance last week, an encouraging technical sign.



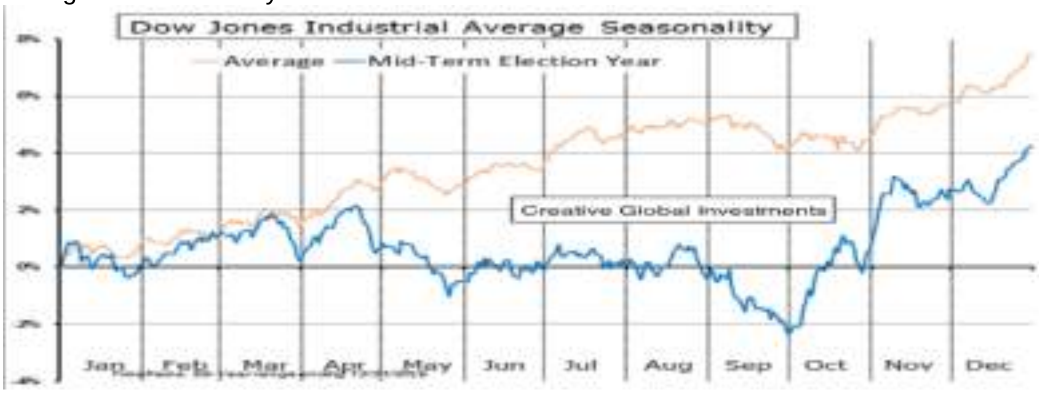
Longer term, the seasonal affects for EU equities turned negative in early May, due to the fact that most companies in Europe are paying out their prior year's dividends after their announcements of full year results starting in February and lasting for some until the end of May. (The original causes of "Sell in May & Go Away").

European high dividend-yield stocks have historically outperformed over the period of November to May, as fund managers are looking at the upcoming annual dividend payout season to own the high yielding stocks. Once post pay-out of the annual dividends, balanced fund managers tend to sell those stocks and "park" their clients money in either government bonds, currencies, or alternatives until October. Hence, why there is such a seasonal performance disparity in those sectors: "Sell in May & go away" is a fact.

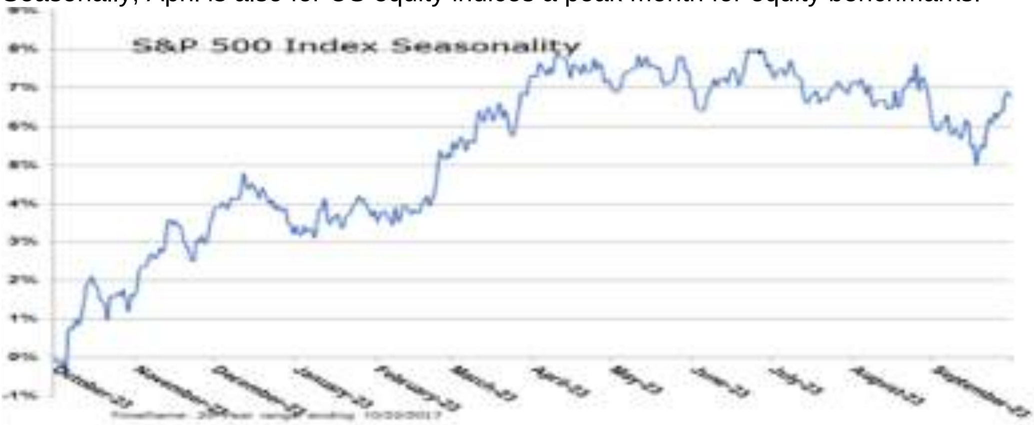




For US equities too, prospects are increasingly negative, with negative political influences on North American equity markets during a US mid-term election year are strongest between May and October.



Seasonally, April is also for US equity indices a peak month for equity benchmarks.

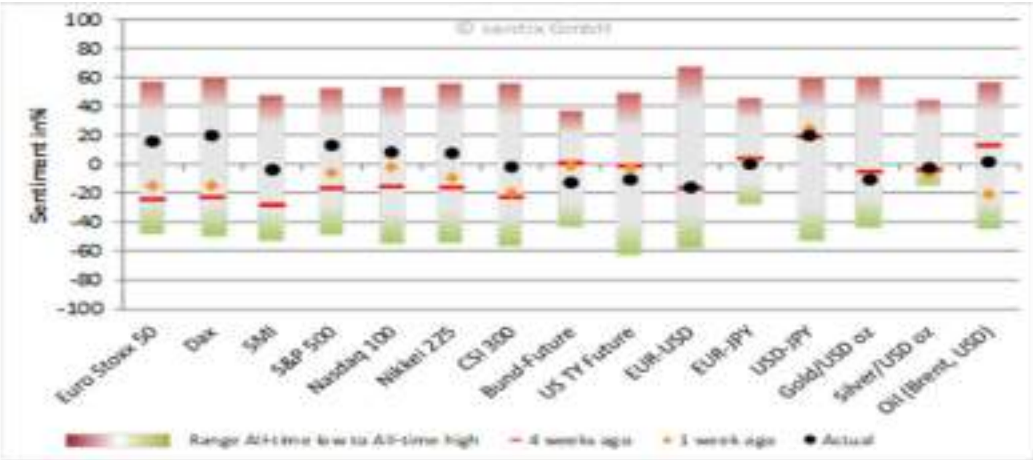


The USD continued to show short-term momentum signs of rolling over after entering its seasonal period of weakness at the beginning of July. The USD peaked in November 2016 and has consolidated since January 2018. We do not think that this proves to be the final trough for the USD since its 15-month bear market started. All long-term technical and fundamental indicators continue to point south, so we keep our bearish stance and keep our low-price-target of 80 for 2018 for the USD.

Investors Sentiment Indicators

According to the latest ***sentix*** Investors' survey, as the charts below are showing a significant improvement in equity sentiment. Investors are becoming more nervous on bonds. Neutrality is climbing to new 26-/52-week highs there

- **Equities:** Significant improvement in sentiment
- **Commodities:** Positive Sentiment for Gold rises
- **Bonds:** High nervousness, new trend pulse



The sentiment on the stock markets is changing. Within a week, sentiment has increased significantly, with the German stock market being the most conspicuous. The sentiment for precious metals showed first signs of pessimism after a long time, although there was no feeling of fear after the sharp price drops.

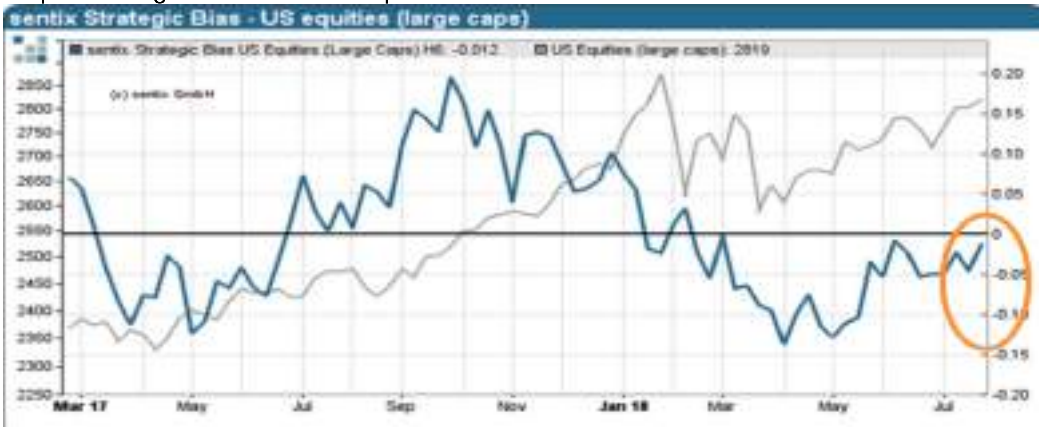
Signals from the sentix data universe / statistical highlights*

	DAX	ESX50	SMI	S&P 500	Nasdaq	Nikkei	CSI 300	Bunds	T-Bonds	EUR-USD	EUR-JPY*	USD-JPY	Gold	Silver	Oil
Sentiment													X		
Strategic Bias															
Neutrality Index			X					X	X	X					
Overconfidence Index															

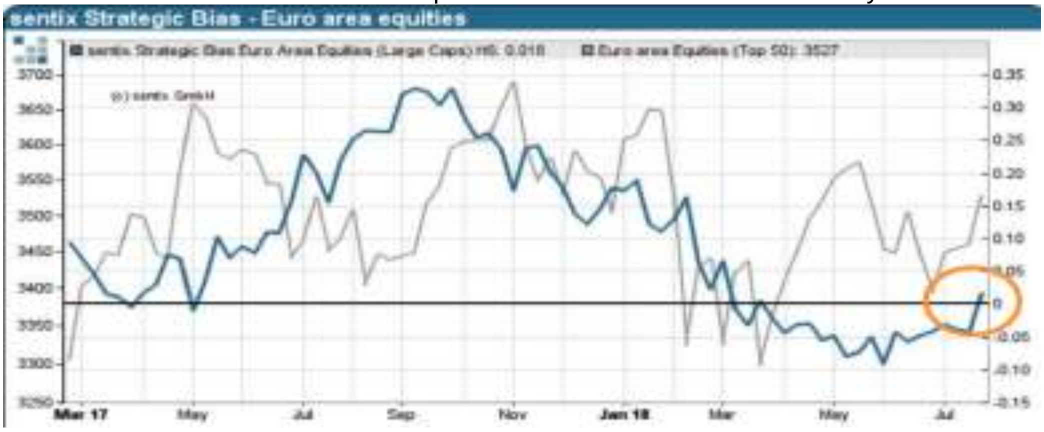
* highlights markets for which the sentix indicators display extreme values

The past week caused a significant rise in sentiment in the US stock market. Finally, the joy in the price gains of US stocks is visible. This had been completely absent in the recovery movement. This also breaks the negative divergence in sentiment that has existed since January 2018.

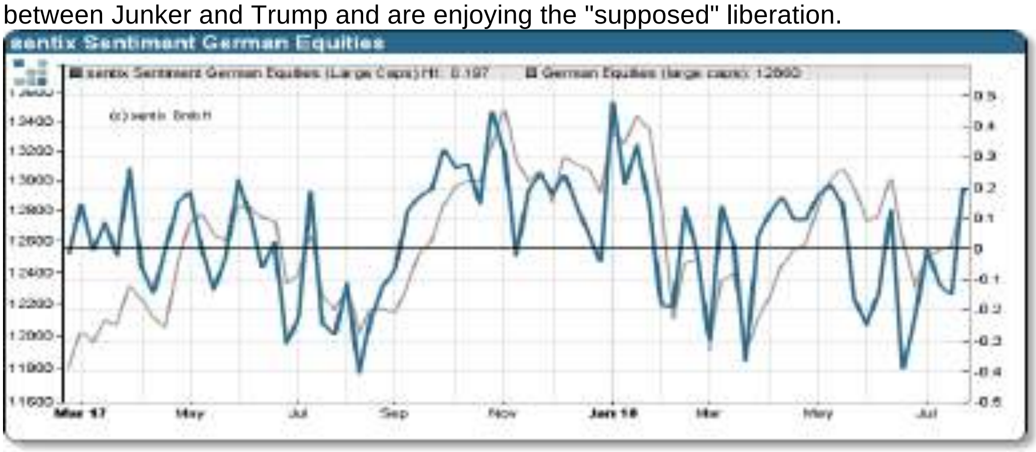
At the same time, however, it must be noted that despite this short-term improvement in sentiment, no fundamentally new medium-term confidence has emerged. Looking ahead to the end of 2018 and the new calendar year, investors have little prospect of outperforming the current share price level.



However, there is a little more momentum in the Euro zone. After all, the Strategic Bias for equities in the Eurozone can increase by 6% and is slightly positive again for the first time since March 2018. But the little plant of confidence stands on a shaky foundation.



Sentiment for German blue chips is increasing the most. The upturn in sentiment is extremely dynamic at +35 percent. Investors liked the results of the negotiations between Junker and Trump and are enjoying the "supposed" liberation.



In both 2008 and 2011 there was a comparable increase in sentiment in mid- July. The similarities to the investor behavior of that time remain intact, as investor’s reactions are very slowly. The index for position risk continues to indicate underinvestment.


sentix Position Risk Index - Euro Area Equities (Institutionals)
sentix Investor Positioning Euro Area Equities (Z-Score) I0: -0.587
Europe Equities (all): 392.1
Oct 15
Jan 16
Apr
Jul
Oct
Jan 17
Apr
Jul
Oct
Jan 18
Apr
Jul

Asian equity markets weekly charts

$BSE rebounded from the intermediate support and made a new high.
Price closed above the 50-day MVA.

Short-term momentum indicators are Positive.

The BSE added 484.79 points (1.33%) last week.

Intermediate trend is Neutral. Strength relative to the S&P 500 Index is Negative.
$NIKK rebounded from the upper trendline.

The $NIKK remains above its 20-day MVA. Short-term momentum indicators are Neutral.

The Nikkei dropped 179.94 points (0.79%) last week.

Intermediate trend is Positive. $SSEC is retracing towards the important former trendline. Strength relative to the S&P 500 Index is Negative.

The $SSEC moved above the 20-day MVA. Short-term momentum indicators are Positive.

Intermediate trend remains Neutral. $HSI is showing signs of bottoming.

The $SSEC moved above the 20-day MVA. Short-term momentum indicators are Positive.

The Shanghai Composite Index gained 116.39 points (4.18%) last week.

The Hang Seng added 803 points (2.86%) last week.

European equity markets weekly charts

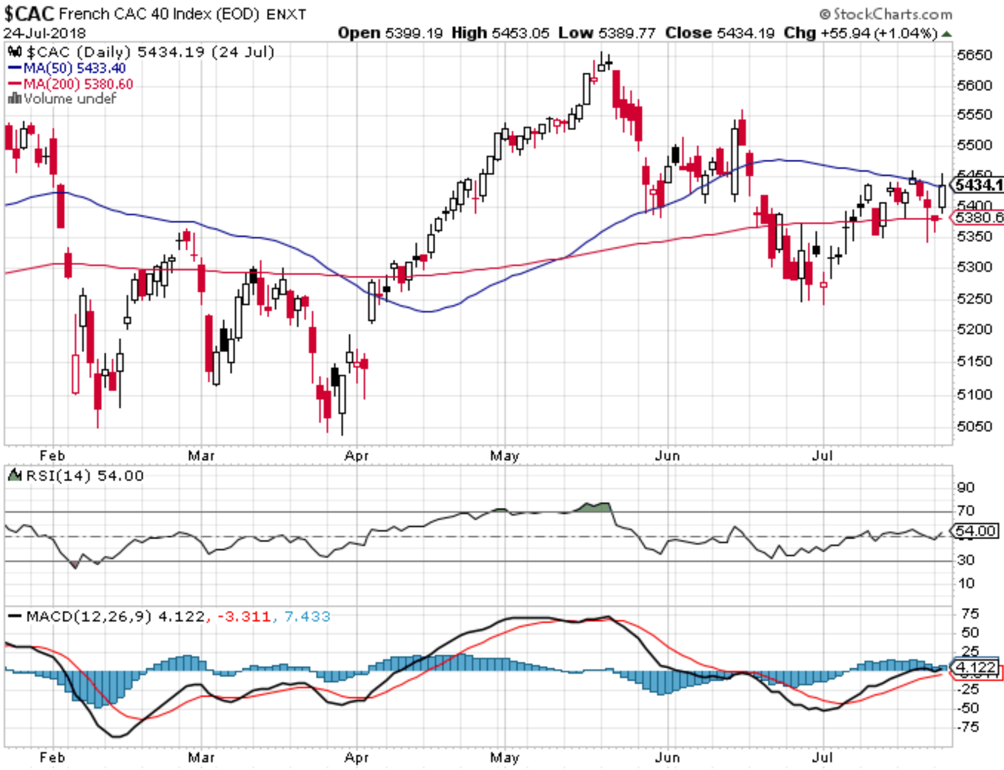
The DAX 30 dropped 186.61 points (1.46%) last week.

Intermediate trend remains Neutral. $DAX is trapped between the moving averages. $DAX remains above the 20-day MVA. Strength relative to the S&P 500 Index is Negative. Short-term momentum indicators are Positive.

The CAC 40 lost 21.03 points (0.39%) last week.

Intermediate trend is Neutral. $CAC failed to break the 50-day MVA.

Short-term momentum indicators are Neutral.



The AEX 25 added 4.71 points (0.83%) last week.

Intermediate trend is Positive. $AEX took out the high from May. Strength relative to the S&P 500 Index is Neutral.

Short-term momentum indicators are Positive.

The IBEX 35 lost 50.10 points (0.51%) last week.

Intermediate trend is Neutral. Strength relative to the S&P 500 is Negative. Index is stuck at the 50-day MVA.

The Index is above the 20-day MVA.

Short-term momentum indicators are Neutral.

The FTSE added 17 points (0.04%) last week.

Intermediate trend is Positive. FTSE keeps rejecting from the lower trendline.
FTSE is just below the 50-day MVA.

Short-term momentum indicators are Neutral.

Intermediate trend is Neutral. RTS rebounded from the lower trendline.

Short-term momentum indicators are Mixed.

The RTSI dropped 3.02 points (0.26%) last week.

Intermediate trend is Positive. SMI is breaking out of the long base.
Price remains above the 50-day MVA.

Short-term momentum indicators are Positive.

The SMI added 81.34 (0.91%) last week.

US equity markets weekly charts

Intermediate trend remains Negative. The Index remains below the 20-day MVA. VIX remains close to the support.

The VIX Index added 0.19 points (1.57%) last week.

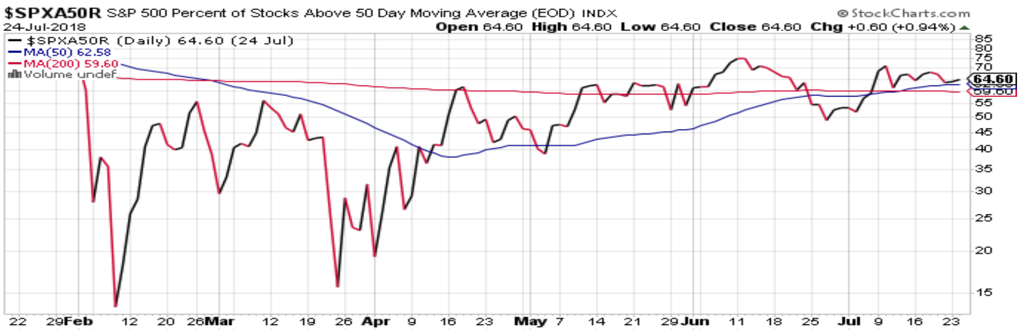
Intermediate trend is Positive. The Index remains above the 20-day MVA. $SPX is moving towards the upper trendline.

Short-term momentum indicators are Positive.

The S&P 500 Index added 30.45 points (1.08%) last week.

The Index remains above the 200-day MVA.

Percent of S&P 500 stocks trading above their 50-day moving average dropped last week from 68.20 to 67.60.



The Index remains above the 50-day MVA.

Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 64.80 from 64.00.

Bullish Percent Index for S&P 500 stocks rose last week to 64.00 from 61.40 and remained above 50-day moving average.

The Index remains above the 50-day MVA.

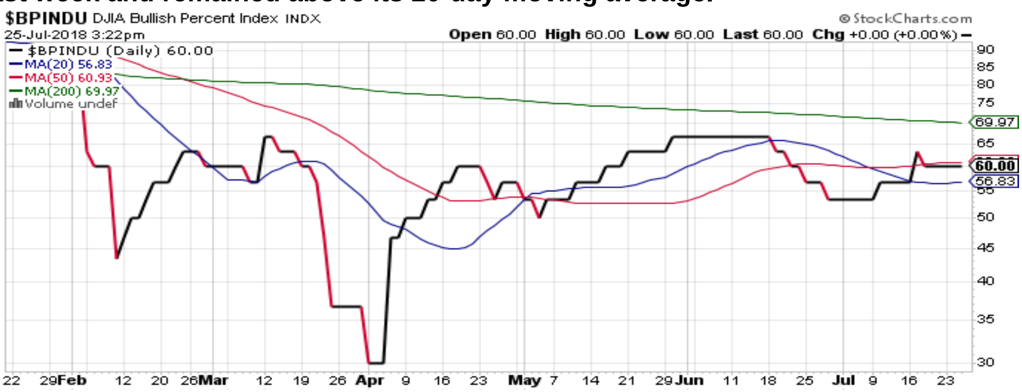
The Dow Jones Industrial Average added 214.81 points (0.85%) last week.

$INDU rejected from the 25000 support. Strength related to the S&P 500 is below the 50MVA.

The INDU remains above its 20-day MVA. Short-term momentum indicators are Positive.

Bullish Percent Index for Dow Jones Industrial Average rose to 63.33 from 60.00 last week and remained above its 20-day moving average.

The Index remains below the 50-day MVA.

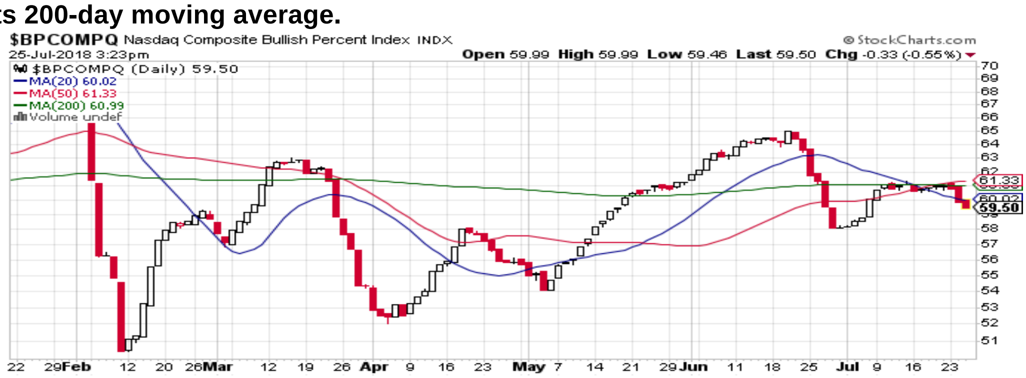


The Dow Jones Transportation Average gained 191.06 points (1.79%) last week.

Dow Jones Transportation Index is near the important Resistance at 10900. Strength relative to the S&P 500 is Negative. The $TRAN remains above its 20- day MVA.

Short-term momentum indicators are Positive.

Bullish Percent Index dropped last week to 59.46 from 60.89 and remained below its 200-day moving average.



The Index is below the 200-day MVA.

The NASDAQ Composite Index added 77.80 points (0.99%) last week.

Intermediate trend is Positive. $COMPQ made a new yearly high. Strength relative to the S&P 500 Index is Positive.

The Index is above the 20-day MVA.

Short-term momentum indicators are Positive.

The Russell 2000 Index dropped 6.67 points (0.39%) last week.

$RUT is in a tight, compressed range. Strength relative to the S&P 500 Index is Negative.

The Index is on the 20-day MVA. Short-term momentum indicators are Negative.

The S&P Energy Index added 8.05 points (1.45%) last week.

Intermediate trend remains Neutral. $SPEN is coming to an apex of a Coil. Strength relative to the S&P 500 Index is Negative.

The Index moved below the 20-day MVA. Short-term momentum indicators are Neutral.

The AMEX Gold Bug Index dropped 0.50 points (0.29%) last week.

Intermediate trend is Neutral.
$HUI keeps close to the support.
Strength relative to the S&P 500 Index remains Negative.

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

Americas equity markets weekly charts

The BOVESPA gained 2855 points (3.69%) last week.

Intermediate trend is Positive.
$BVSP rebounded all the way to the old trendline.

BVSP moved above the 50-day MVA.

Short-term momentum indicators are Positive.

The Mexican Bolsa added 600 points (1.23%) last week.

Intermediate trend is Positive. MXX broke through the key resistance.
$MXX remains above the 50-day MVA.

Short-term momentum indicators are Mixed.

Bullish Percent Index for TSX Composite dropped last week to 63.01 from 64.64 and moved below its 20-day moving average.

The Index moved below the 200-day MVA.

The TSX Composite Index lost 56.64 points (0.34%) last week.

Intermediate trend changed from Positive to Neutral. The Index is will test the lower trendline.

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

Percent of TSX stocks trading above their 50-day moving average dropped last week to 53.14 from 63.34 % and moved below the 200-day moving average.

The index moved below the 200-day MVA.

Percent of TSX stocks trading above their 200-day dropped last week to 58.16% from 58.33%

The index moved below the 50-day MVA.

EM equity markets weekly charts

Emerging Markets iShares added $1.15 (2.62%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Negative. EEM moved towards the upper trendline.

Units moved above the 20-day MVA. Short-term momentum indicators are Positive.

The Australia All Ordinaries Index gained 12.60 points (0.20%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Negative. $AORD has formed a flag.

The $AORD moved above the 20-day MVA. Short-term momentum indicators are Neutral.

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