Creative Global Investments

Weekly investment strategy & charts

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Objectivity

Integrity

Creativity

Currency Commentary & Charts

US$ - Sell 6 months target price 88

Shockwaves rippled through US politics and beyond yesterday as Donald Trump again reshuffled his pack giving Communications Director, Anthony Scaramucci the boot after just ten days in the job. It appears newly appointed Chief of Staff, General John Kelly deemed a working relationship with Scaramucci as being unsustainable given his apparent lack of discipline and recent colorful comments about former colleagues Priebus and Bannon. As a result of yet more upheaval in the White House the US$ was sold off yesterday evening with cable cracking 1.32 as traders in Asia switched on for the day. Yesterday saw UK Net Lending m/m beat estimates showing GBP 5.6Bn was lent to individuals in June. US data was again mixed with Chicago PMI printing 58.9 when 60.8 was forecast; Pending Home Sales m/m printed in the green however with a 1.5% uptick registered. A busy week of UK data kicks off today with the monthly Manufacturing PMI due this morning, a slight rise from 54.3 to 54.4 is penciled in. This afternoon we have Core PCE Price Index m/m; Personal Spending m/m and ISM Manufacturing PMI from the States. GBP/USD trades at 1.3210.

Euro - Buy 6 months target price 1.24

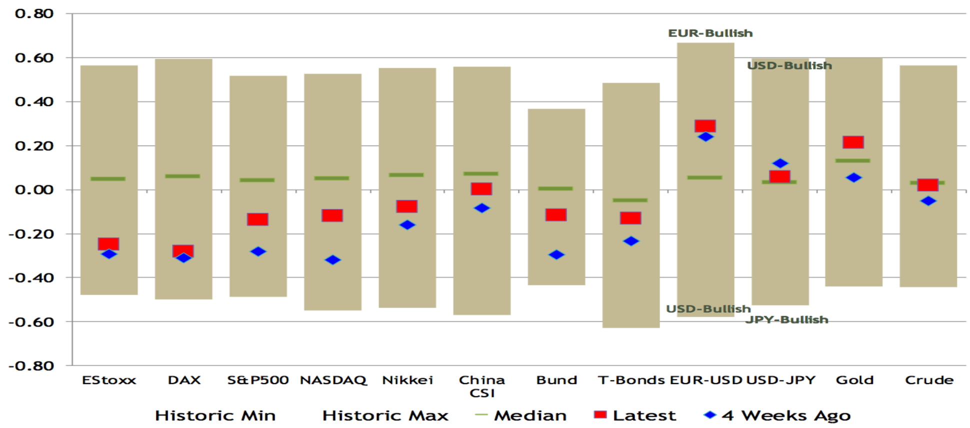
More turmoil in Washington saw EUR/USD rally yesterday evening, rising above 1.18 for the first time since Jan 2015. As Trump continues to underwhelm and confidence in the Eurozone grows the EUR has rocketed in the year to date. Back in January, consensus forecasts were for EUR/USD to drop below parity however it has surged nearly 15%, as we were forecasting. Data-wise the first reading of Julys Inflation in the EZ saw the core reading beat forecast printing 1.2% y/y. Yesterday also saw EZ unemployment drop to its lowest level since Feb 2009 coming in at 9.1% for June. The European Union's statistics agency today reported Q2 Eurozone GDP was 0.6% higher in June than in Q1, and 2.1% higher than in Q2 of 2016. EUR/USD trades at 1.1810 with GBP/EUR at 1.1180.

AUD and NZD

The AUD briefly rose back above 80 cents against the US$ on the back of Trumps latest reshuffle however it has since retreated below the big number. The latest rate decision from the Reserve Bank of Australia saw no change as expected from the current 1.5% although the accompanying statement alluded to concerns a strengthening AUD could have on the economy, assisting the local dollar's fall. GBP/AUD is at 1.6505. Like the AUD the NZD rose then fell back overnight with NZD/USD trading either side of 75 cents. There has been little date from NZ this week however tonight sees Unemployment data and the fortnightly Global Dairy Trade Price Index which has been trading close to zero over recent weeks. GBP/NZD trades at 1.7625.

Investor Sentiment indicators

The latest ***sentix*** survey revealed that investors kept levels of over-investment in equities, while pessimism on indices such as the EuroSTOXX remains notable. This latter development may represent the sentiment flipside of still high optimism on the near-term outlook for the Euro, given the risk that Euro strength begins to weigh on the outlook for exporters. Sentiment readings on EUR/USD did tick modestly lower over the week, albeit they remain elevated. Any further moderation in Euro optimism over the summer might be the catalyst for renewed sentiment support for Eurozone equities.



Fixed Income Commentary & Charts

So far in 2017, our outlook and consequent strategic call has been correct: through the 1H, municipal bonds as measured by the Muni Bond 10-year Index are up +4.2%, and US Corporate Bonds aren't far behind at +3.8%. Those y-t-d returns are better than US Treasuries (1.9%), TIPS (0.9%), the Barclays US Aggregate Bond Index (2.3%), and Mortgage-Backed Securities (1.3%). With long-term yields compressing, longer duration bonds outperform shorter bonds.

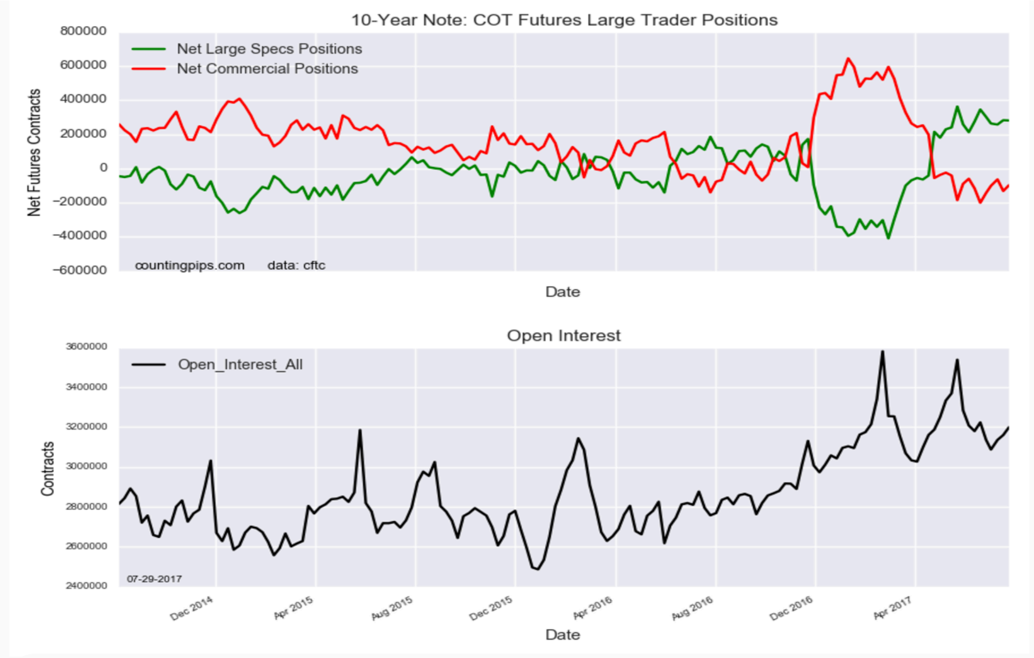
Let's focus on corporate bonds in this week's strategy pubication even as investment grade bond issuance is on pace to exceed 2016 levels, strong domestic as well as international demand is keeping downward pressure on yields. Except for a few circumstances in the high yield arena, corporations are not having any trouble raising funds to either refinance higher cost debt or to use for share buybacks and dividend payouts. And corporations are doing just that. Think about this environment from a personal finance standpoint if you could borrow money today at lower rates to pay off old debts that carry higher interest rates, would you do it? Of course! Many strong corporations are in that very position they have high cash balances, robust earnings, quality balance sheets, and low default rates to borrow at attractive rates.

We say many corporations, but investors should be careful to be selective when purchasing corporate debt. The temptation is often to chase yield, but in the current environment doing so could be a trap since high demand and relatively low default rates are keeping yields low, many weaker corporations are able to enter the market and capture lower yields than they probably should, given their risk profile. We tend to look at credit quality as a primary metric when we're selecting corporate bonds to own. Our selection method is rigorous and thorough.

What is the Outlook for Fixed Income?
On the corporate bond side, it may be difficult to match the performance seen in 1H, but we believe the outlook remains positive. Returns may come more from coupon payments than price appreciation, but we think it still makes sense to own high-quality corporates within a fixed income allocation. The S&P 500 saw its best quarterly earnings growth rate since 2011, and we still expect corporate earnings to grow by close to 8% for 2017, in aggregate. That should support positive performance from corporate bonds.

Looking at the fixed income world from a more macro standpoint, there are a few things to note as it relates to the Federal Reserve. At its June meeting, the Fed hiked the fed funds rate as expected by 25 basis points. More importantly, however, were the stated plans to unwind the Fed's balance sheet. From the looks of it, the Fed is planning to run off $6 BN in Treasuries and $4 BN in mortgage backed securities per month (starting next quarter perhaps), and increase them on a quarterly basis until they reach $30 BN and $20 BN per month respectively. This unwinding means that a major buyer of US government debt is starting to step away from the table, leaving a fairly large void in its place. Demand from international investors remains strong, but those institutions do not have the same gravitas as the Fed. If the balance shifts, we may finally start to see some upward pressure on the long end of the yield curve (10-year and 30-year Treasuries). Even more reason, in our view, to favor corporate and municipal bonds for now in the current environment.

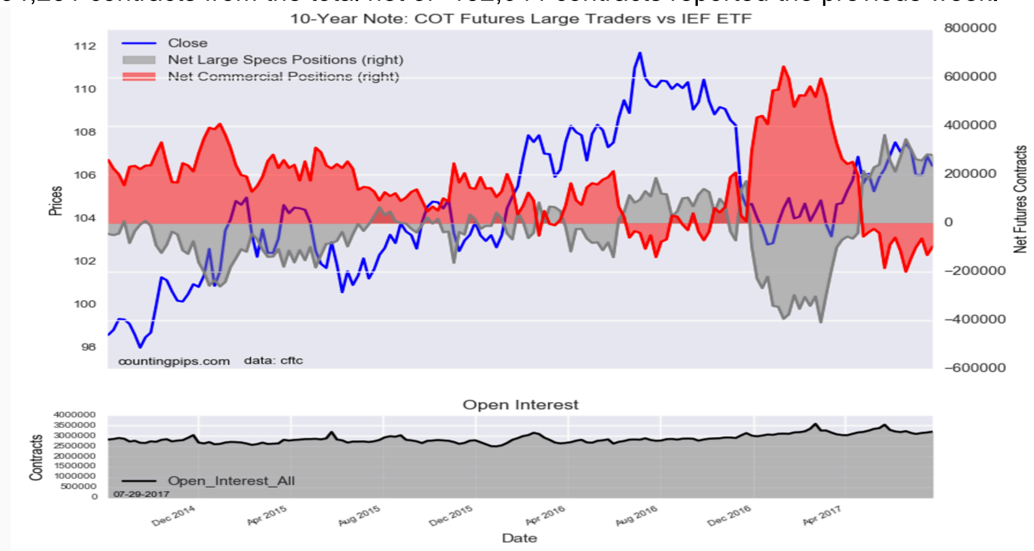
Looking at the weekly chart of the TNX, the CBOE 10-yearTreasury Yield Index, the 10-year Treasury yield is at a critical level. A trade much lower in yield toward 2% and it would appear the uptrend that started last summer is over. The weaker USD is leading to higher commodity prices, particularly crude oil and the fear of inflation may be on the rise in the coming months, although, the weak US$ hasn't done a thing for inflationary expectations this year. Let's look at the bond traders positioning for the week.



10-Year Note COT Futures Large Trader Positions

Treasury speculators edged their bullish net positions lower in the 10-Year Note futures markets this week, according to the latest Commitment of Traders (COT) data released by the Commodity Futures Trading Commission (CFTC) on Friday. The non-commercial futures contracts of 10-Year Note futures, traded by large speculators and hedge funds, totaled a net position of 280,684 contracts in the data reported through Tuesday July 25th. This was a weekly decline of -1,645 contracts from the previous week, which had a total of 282,329 net contracts. The 10-year note speculative positions have fallen four of the past five weeks but remain in highly bullish territory above the +250,000 net contract level for seven straight weeks.

10-Year Note Commercial Positions: The commercial traders position, categorized by the CFTC as hedgers or traders engaged in buying and selling for business purposes, totaled a net position of -97,813 contracts on the week. This was a weekly advance of 34,231 contracts from the total net of -132,044 contracts reported the previous week.



10-Year Note COT Futures Large Trader Vs IEF ETF

For the next 6 months, the $TNX chart trend looks intact for yields to continue to decline towards the bottom end of the trend channel towards 1.70% yield levels.

Overall, it has been a reasonably good year so far to be a fixed income investor, as to our original 2017 outlook and forecasts, nearly all fixed income asset classes have delivered a positive return in 2017. Fixed income markets have largely been calm, as equities markets continue to rally on a global basis. A diversified portfolio of stocks and bonds, as we were recommending did help many of our clients achieve alpha in 1H of 2017.

Equities commentary & charts

Best performing equity indices | **Worst performing equity indices**

1 week		YTD		1 week		YTD	
Index	Change	Index	Change	Index	Change	Index	Change
Nigeria	3.45%	Turkey	37.62%	Greece	-4.34%	Russia	-12.02%
Vietnam	3.13%	Nigeria	33.39%	Korea	-1.99%	Chinext	-11.51%
Chinext	2.96%	Argentina	27.57%	Luxembourg	-1.58%	Israel	-2.25%
Austria	1.88%	Greece	26.19%	Mexico	-1.27%	Jordan	-1.40%
Hong Kong	1.78%	Hong Kong	24.22%	Finland	-1.24%	Canada	-0.94%
Switzerland	1.76%	Austria	22.54%	Sweden	-1.19%	Egypt	0.00%
United States	1.76%	India	22.17%	Portugal	-1.03%	Luxembourg	0.10%
S. Africa	1.70%	Poland	20.95%	NASDAQ	-0.98%	Australia	0.96%
SZ SME	1.32%	Korea	18.57%	Jordan	-0.95%	Ireland	2.03%
Argentina	1.28%	Vietnam	17.97%	Rus 2000	-0.90%	Sweden	2.04%

Y-t-d, of the major 10 equity indices, the top performer thus far is Hong Kong's Hang Seng with a gain of 24.20%, followed closely by India's BSE SENSEX at 22.12%. In third is the S&P 500 with 10.34%. **Seasonal influences have a history of turning negative for a wide variety of equity indices and sectors at this time of year. Changes in seasonality on a wide variety of equity indices, commodities and sectors were downgrades. Weakest months for equity markets are August and September.**

We continue recommending for investors to reduce equity positions in G-10 markets into the last rally before the summer, as we are forecasting for a -12% to -15% decline in European and US stocks to materialize. The spike in volatility above levels reached last week will be the most likely sign that the summer

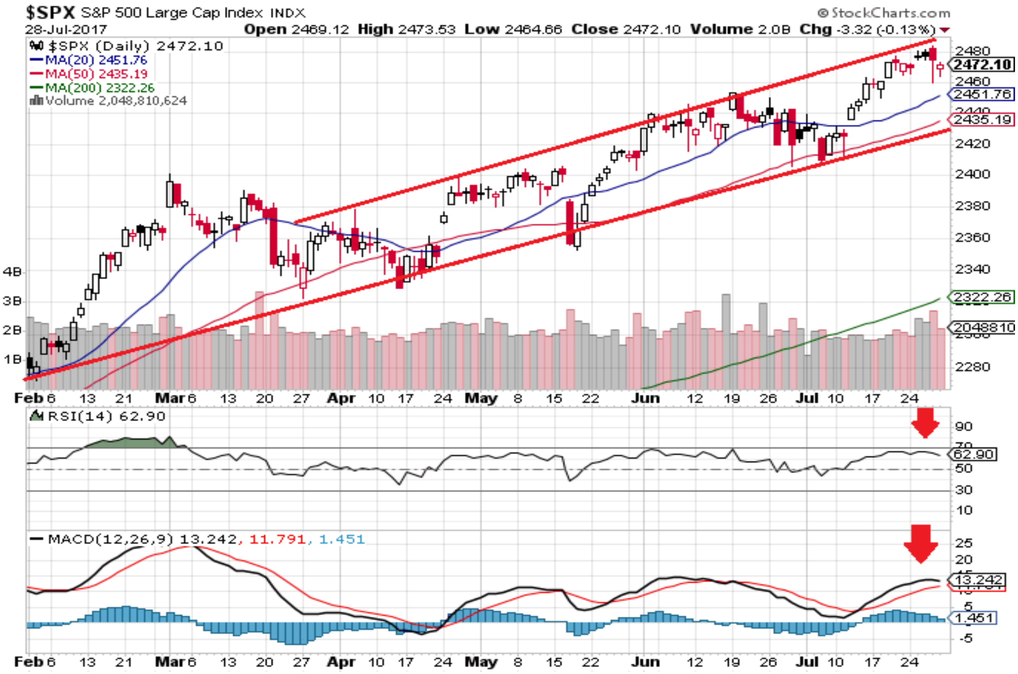
correction has been confirmed. Meanwhile, we continue to recommend holding a robust position in cash in your investment portfolios.

We have highlighted since May 5th that signs of a seasonal peak in European and now also for North American equity markets had arrived. The Euro Stoxx 600, the DAX and the CAC reached their seasonal peaks on May 13th. The Euro Stoxx 600 Index, which moved below 386.46 completing a double top pattern, and short-term indicators (MACD and RSI) turned negative. Now at 378, the next support is the 200-day MVA at 366, there after the range of support between 340 and 360 should give comfort, but risks towards 330 are rising.

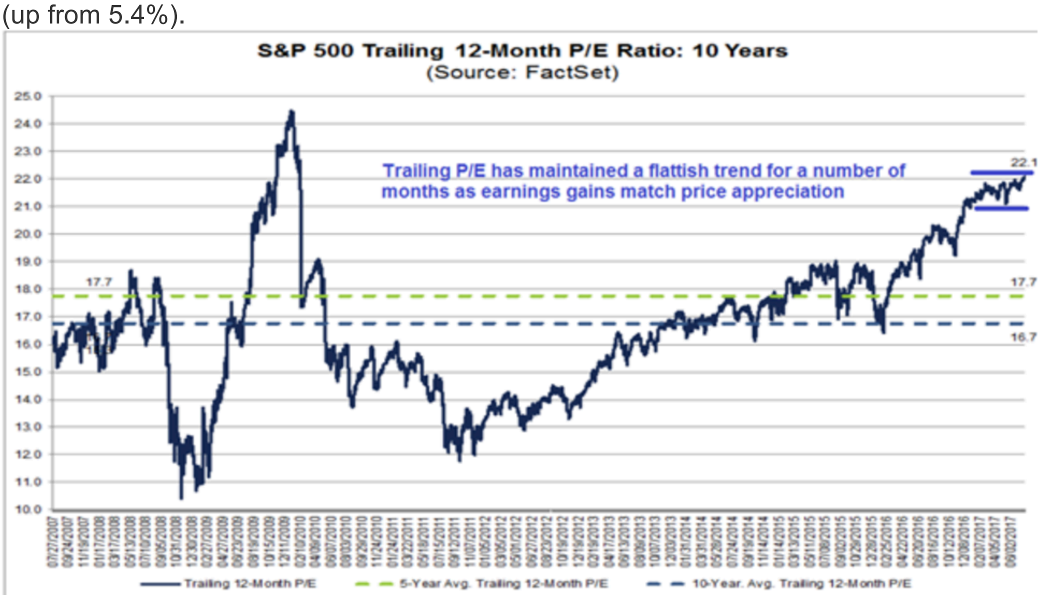
There are increasing technical signs that North American equity markets have reached a seasonal peak!

Technical action by individual S&P 500 stocks was bearish last week. Notable among stocks breaking resistance were Consumer Staples and Energy. Notable among stocks breaking support were Financials, Health Care and Industrials. Number of stocks breaking resistance totaled 60 while number of stocks breaking support totaled 75. Number of stocks trading in an uptrend dropped to 277 from 301, number of stocks trading in a neutral trend increased to 65 from 15 and number of stocks in a downtrend increased to 158 from 149. The Up/Down ratio dropped last week to (272/158=) 1.73 from 2.02.

The S&P 500 Index shed a mere two basis points over the course of the week, charting a doji candlestick, an indication of investor indecision. The benchmark is testing rising intermediate resistance around 2485 and momentum indicators remain solidly in overbought territory. The logical point for a pause, or digestion of recent results, is upon us, potentially creating for some choppy trading activity as investors look past earnings and focus on some of the macro fundamentals, such as the lack of progress in getting legislation passed that would support the Trump agenda. Rising trendline support, or the lower limit of the narrowing range, is closing in on 2450, certainly a make or break level as stocks enter into the most volatile months of the year. **Intermediate trend remains Neutral. The Index closed below its 20-day moving average. $SPX tested the intermediate support at 2460. Short-term momentum indicators are rolling over**



Despite better than consensus Q2 earnings and sales, traders were sellers on news. Exceptions existed when a blowout report was released (e.g. Boeing, Facebook). Look for more of the same this week as the US report season begins to wind down and the Canadian report season peaks. The exception is the precious metal sector, which continues to gain strength. 57% of companies have reported to date. 73% reported higher than consensus earnings and 73% reported higher than consensus revenues. Consensus for blended Q2 earnings y-o-y for all companies increased to 9.1% from 7.2%.Consensus for blended Q2 revenues increased to 5.2% rate from 5.0%. This week another 131 S&P 500 companies are scheduled to report (including 2 Dow Jones Industrial companies). Beyond Q2, consensus shows a 6.1% increase in Q3 earnings (down from 6.4% last week) and a 4.8% increase in revenues (down from 5.0% last week. Consensus for Q4 shows an 11.7% increase in earnings and a 5.2% increase in revenues. For 2017, earnings are expected to increase 9.5% (up from 9.3%) and revenues are expected to increase 5.5% (up from 5.4%).



Volatility remains unusually low for this time of year. When volatility appears during the next couple of months (as has happened in 20 of the past 20 periods from mid-June to mid-October), the expected correction will arrive. Holding a robust position in cash continues to make sense.

US equities weekly charts

The VIX Index gained 0.93 (9.94%) last week.

Intermediate trend remains Neutral. The Index is above the 20-day moving average. VIX rebounded towards the moving averages.

The S&P 500 Index lost 0.44 points (0.02%) last week.

Intermediate trend remains Neutral. The Index closed below its 20-day moving average. $SPX tested the intermediate support at 2460.

Short-term momentum indicators are rolling over

Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 66.20 from 71.80

The Index remains just above the 50-day moving average.

Percent of S&P 500 stocks trading above their 200-day moving average rose last week to 76.60 from 74.00

The Index moved above the 200-day moving average.

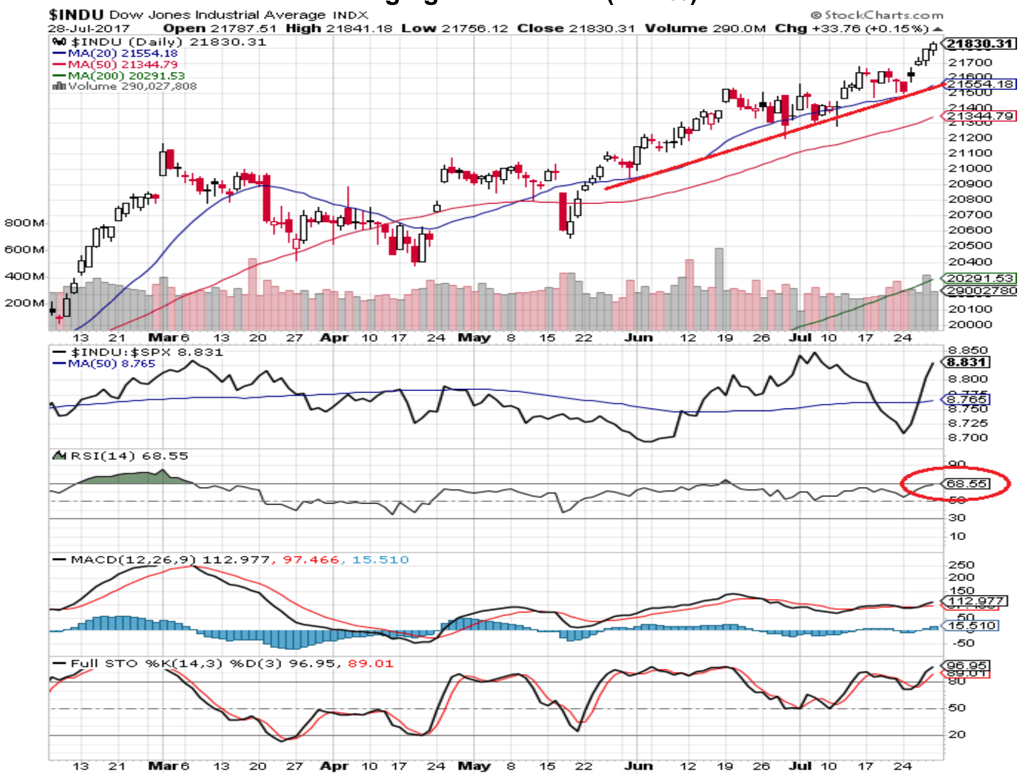
Bullish Percent Index for S&P 500 stocks dropped last week to 72.60 from 74.60 and remained above its 50-day moving average.

The Index broke through the trendline but remains above the 50-day moving average.

The Dow Jones Industrial Average gained 250.24 (1.16%) last week.

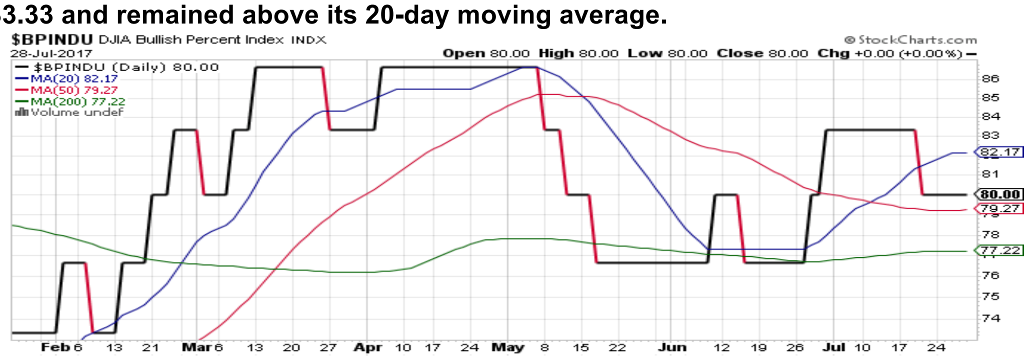
$INDU made a new high. Strength related to the S&P 500 remained above the 50MA.

The Average remained above its 20-day moving average. Short-term momentum indicators are Positive.

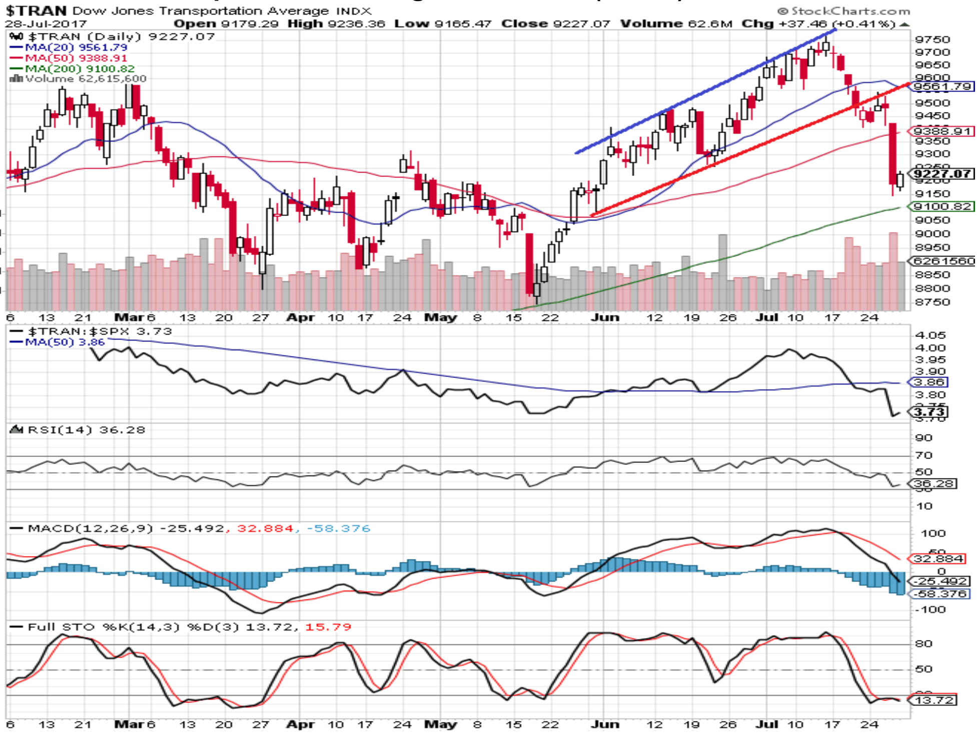


Bullish Percent Index for Dow Jones Industrial Average dropped to 80.00 from 83.33 and remained above its 20-day moving average.

The Index moved below the 20-day moving average.



The Dow Jones Transportation Average lost 244.20 (2.58%) last week.



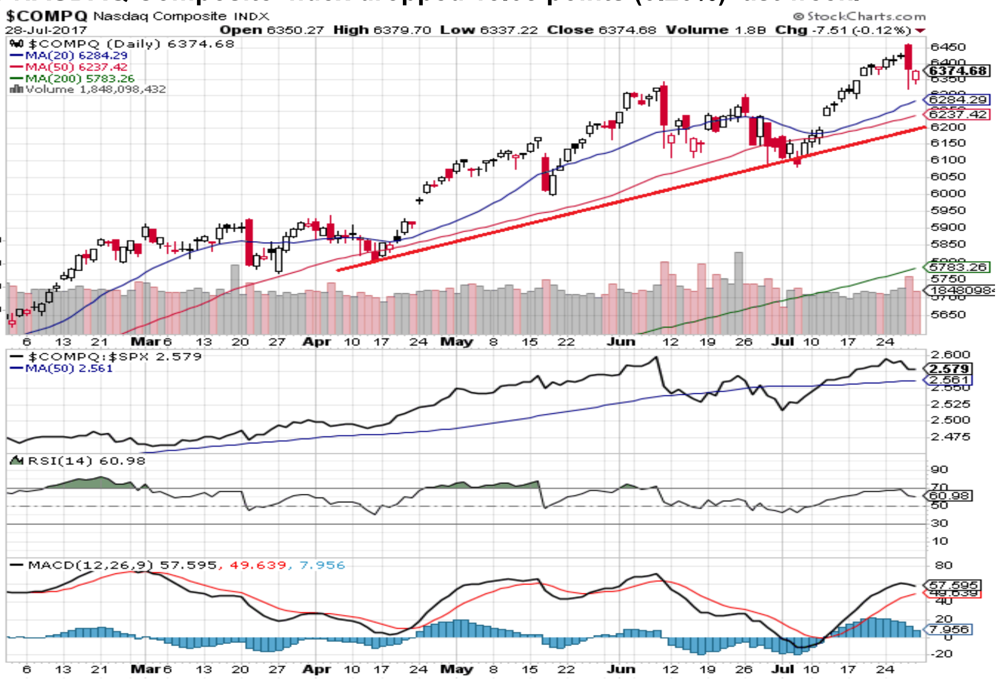
Dow Jones Transportation Index broke through the moving averages. Strength relative to the S&P 500 is Negative. The $TRAN closed below its 20- day moving average.

Short-term momentum indicators are Negative.

Bullish Percent Index dropped last week to 63.01 from 63.92 and remained above its 20-day moving average.

The Index was stopped by the lower trendline once again.

The NASDAQ Composite Index dropped 13.08 points (0.20%) last week.



$COMPQ is retracing towards the 20MVA. Strength relative to the S&P 500 Index is Positive.

The Index remained below the 20-day moving average.

Short-term momentum indicators are rolling over.

$RUT was stopped by the lower trendline. Strength relative to the S&P 500 Index remains Positive.

The Index remained just above the 20-day moving average. Short-term momentum indicators are rolling over.

The Russell 2000 Index lost 6.58 points (0.46%) last week.

Intermediate trend changed from Neutral to Positive. $SPEN broke through the trendline. Strength relative to the S&P 500 Index changed from Neutral to Positive.

The Index is above the 20-day moving average. Short-term momentum indicators are Positive.

The S&P Energy Index added 8.99 points (1.88%) last week.

$OSX is ranging around the 50MA. Strength relative to the S&P 500 remains Negative.

The Index closed above its 20-day moving average. Short-term momentum indicators are Neutral.

The Philadelphia Oil Services Index added 0.03 (0.02%) last week.

The AMEX Gold Bug Index gained 4.51 points (2.35%) last week.

$HUI closed on the upper trendline.
Strength relative to the S&P 500 Index remains Negative.

The Index remains below its 20-day moving average. Short-term momentum indicators are Negative.

Latam equity markets weekly charts

The BOVESPA added 812 points last week.

$BVSP remains ranging post the upper breakout.

Short-term momentum indicators are Mixed.

The Mexican Bolsa dropped 351 points last week.

Intermediate trend remained Positive. $MXX rebounded from the 51000 support.

Short-term momentum indicators are rolling over.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite dropped last week to 60.24 from 61.44 and remained below its 20-day moving average.

The Index remains below the 20-day moving average.

The TSX Composite Index lost 54.48 points (0.36%) last week.

Intermediate trend remains Negative. The Index keeps on testing the 15100 support.

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 50.21 from 40.00 % and moved above the 50-day moving average.

The index moved above the 50-day moving average.

Percent of TSX stocks trading above their 200 day rose last week to 52.72% from 48.33%

The index remains below the 50-day moving average.

Asian equity markets weekly charts

$BSE reached the new high at 32500.

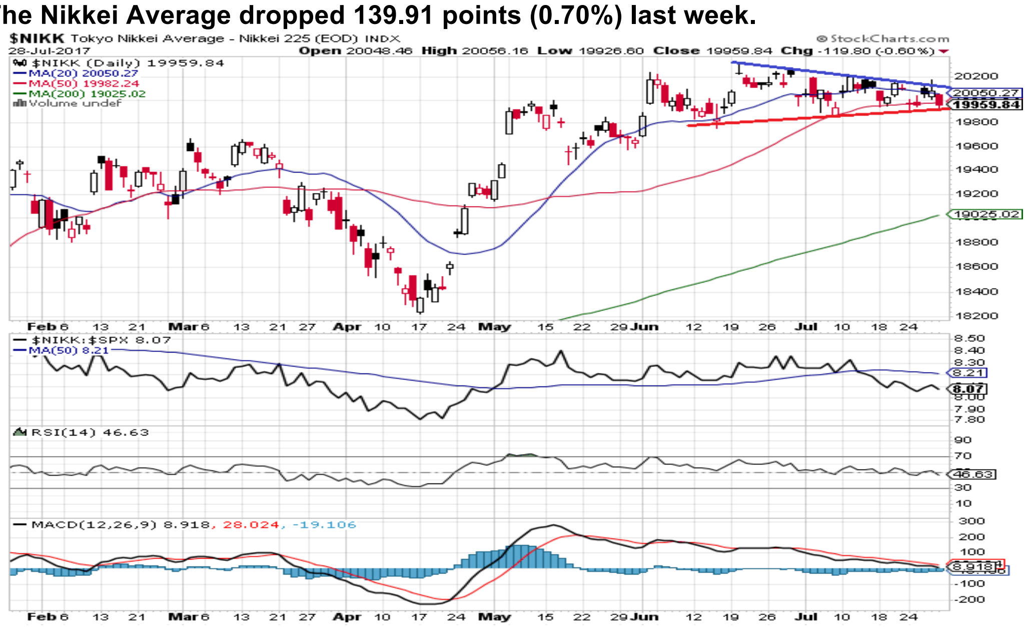
Short-term momentum indicators are Positive and slightly Overbought.

The BSE gained 280.99 points (0.88%) last week.

Intermediate trend is Neutral. Strength relative to the S&P 500 Index is Positive. $NIKK is facing an immediate breakout, most likely downwards.

The $NIKK moved below its 20-day moving average. Short-term momentum is Negative.

The Nikkei Average dropped 139.91 points (0.70%) last week.

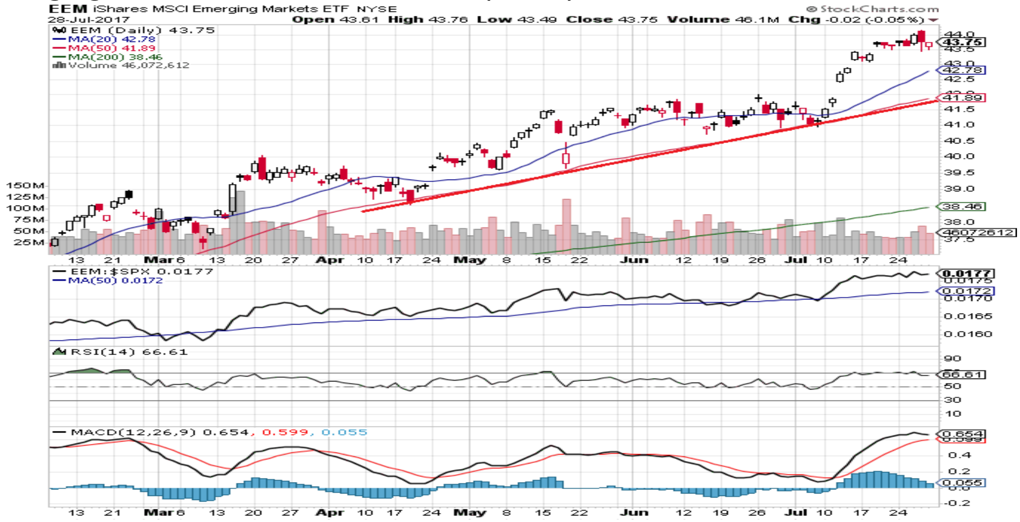


Intermediate trend remains Positive. $SSEC is facing some intermediate resistance at 3260.

The $SSEC remains above the 20-day moving average. Short-term momentum indicators are Positive.

The Shanghai Composite Index gained 15.26 points (0.47%) last week.

Emerging Markets iShares added $0.12 (0.28%) last week.



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

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

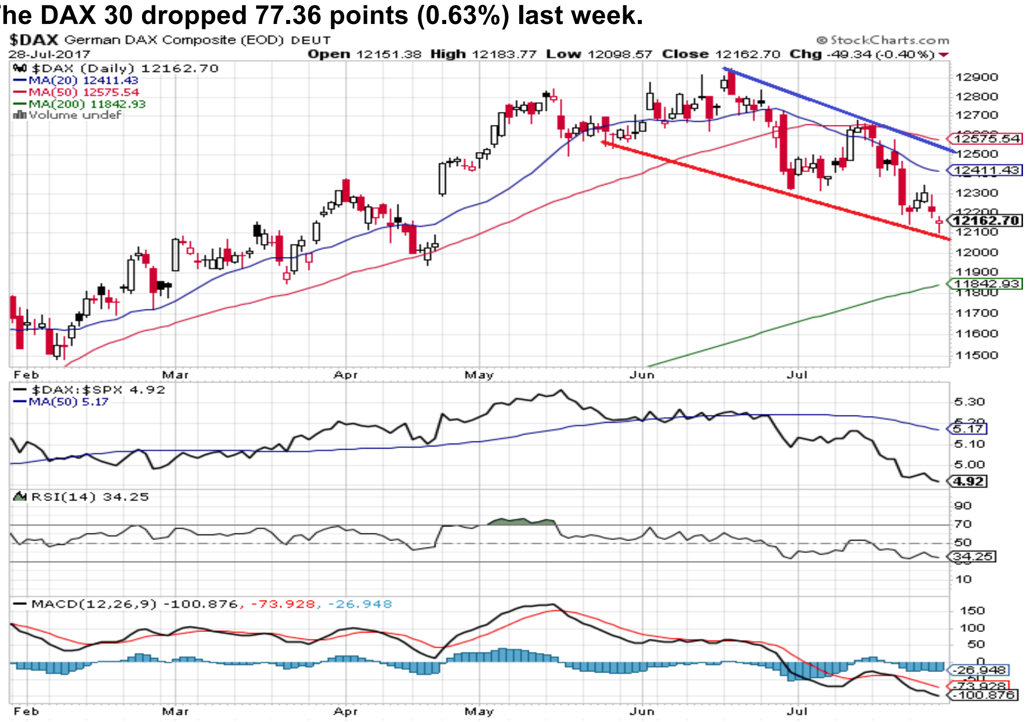
The Australia All Ordinaries Index dropped 16 points (0.28%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Negative. $AORD will test the 200MA support.

The $AORD remains below 20-day moving average. Short-term momentum indicators are Neutral.

European equity markets weekly charts

The DAX 30 dropped 77.36 points (0.63%) last week.



Intermediate trend is Negative. $DAX closed below the 20-day moving average. Strength relative to the S&P 500 Index is Negative. Short-term momentum indicators remain Negative.

Intermediate trend remains Negative. $CAC is retesting the 5100 support.

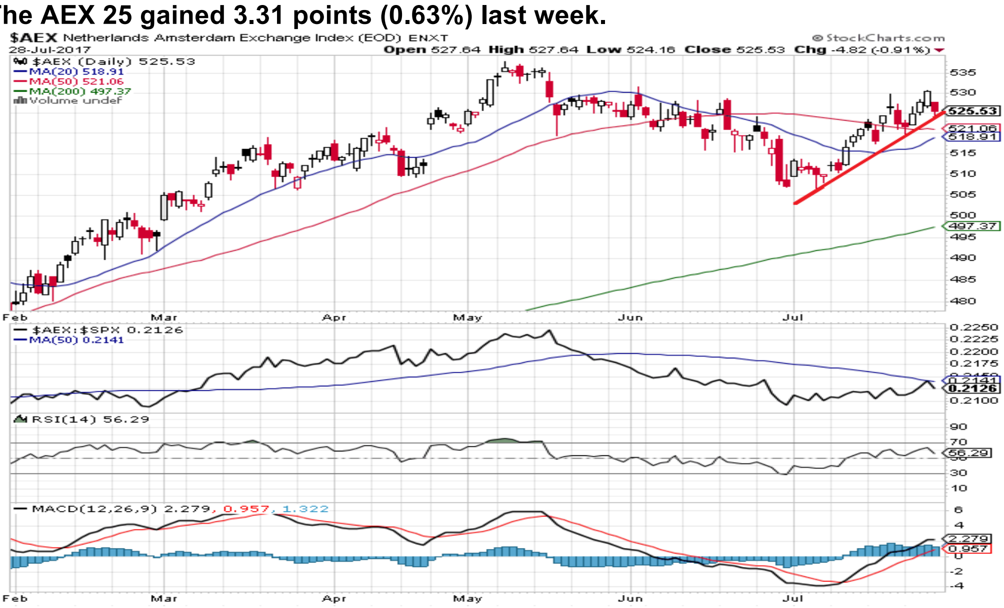
Short-term momentum indicators are Neutral.

The CAC 40 added 13.73 points (0.27%) last week.

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

Short-term momentum indicators are Positive.

The AEX 25 gained 3.31 points (0.63%) last week.



$IBEX continues the bearish momentum. Strength relative to the S&P 500 remains Negative.

The Index remains below the 20-day moving average.

Short-term momentum indicators are Neutral.

The IBEX 35 added 109.5 (1.05%) last week.

The FTSE gained 21 points (0.28%) last week.

Intermediate trend is Neutral. FTSE is inside a coil.
Price remains below the 20-days moving average.

Short-term momentum indicators are Negative.

Europe iShares added $0.31 (0.59%) last week.

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

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

Fixed income markets weekly charts

International Bonds

As per our 2017 Q1 Global Investment Strategy Outlook for 10-Y government bonds, US 10-Year government bonds have not fully reached our 2017 price targets yet, and we see yields to continue to move lower towards 2.15%

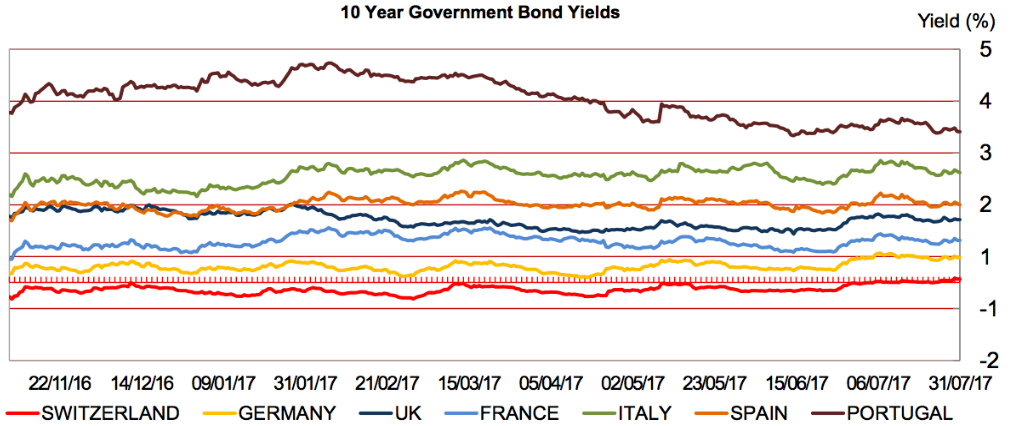
Ten year government bond spreads

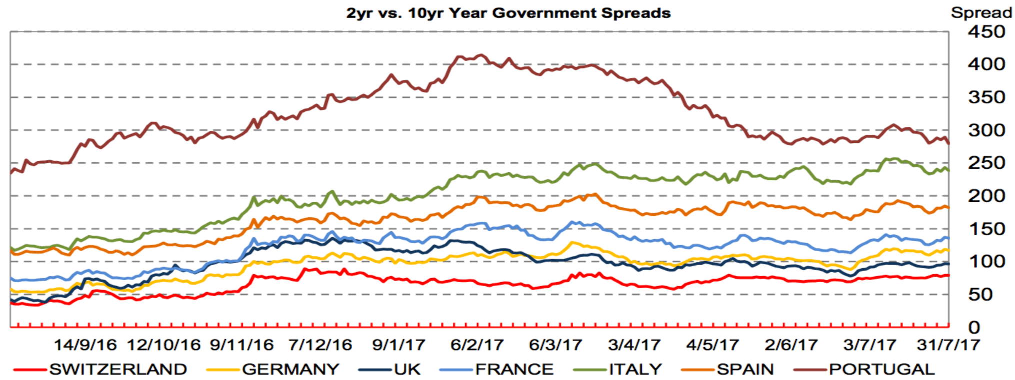
Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.73%	+2.18	+0.41
Austria	0.71%	+0.16	-1.61
Belgium	0.82%	+0.28	-1.49
Canada	--	--	--
Denmark	0.66%	+0.12	-1.65
Finland	0.53%	-0.01	-1.78
France	0.80%	+0.26	-1.51
Germany	0.55%	--	-1.77
Greece	5.37%	+4.83	+3.06
Ireland	0.83%	+0.28	-1.49
Italy	2.09%	+1.54	-0.23
Japan	0.08%	-0.47	-2.24
Netherlands	0.65%	+0.11	-1.66
New Zealand	3.06%	+2.51	+0.74
Portugal	2.87%	+2.32	+0.55
Spain	1.49%	+0.94	-0.83
Sweden	0.72%	+0.18	-1.59
Switzerland	0.05%	-0.49	-2.26
UK	1.23%	+0.68	-1.09
US	2.30%	+1.76	--

Data delayed at least 15 minutes, as of Aug 01 2017 08:52 BST.

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

We can see yields in France and the Benelux move down 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

Yield on 10 year Treasuries added 0.57 basis points (2.55%) last week.

Intermediate trend is Neutral. $TNX created a lower high. $TNX moved below the 20-day moving average.

Short-term momentum indicators are Neutral.

The long term Treasury ETF lost 1.80 points (1.43%) last week.

Intermediate trend changed back to Neutral. TLT is on the lower trendline.
TLT moved below the 20-day moving average.

Short-term momentum indicators are Negative.

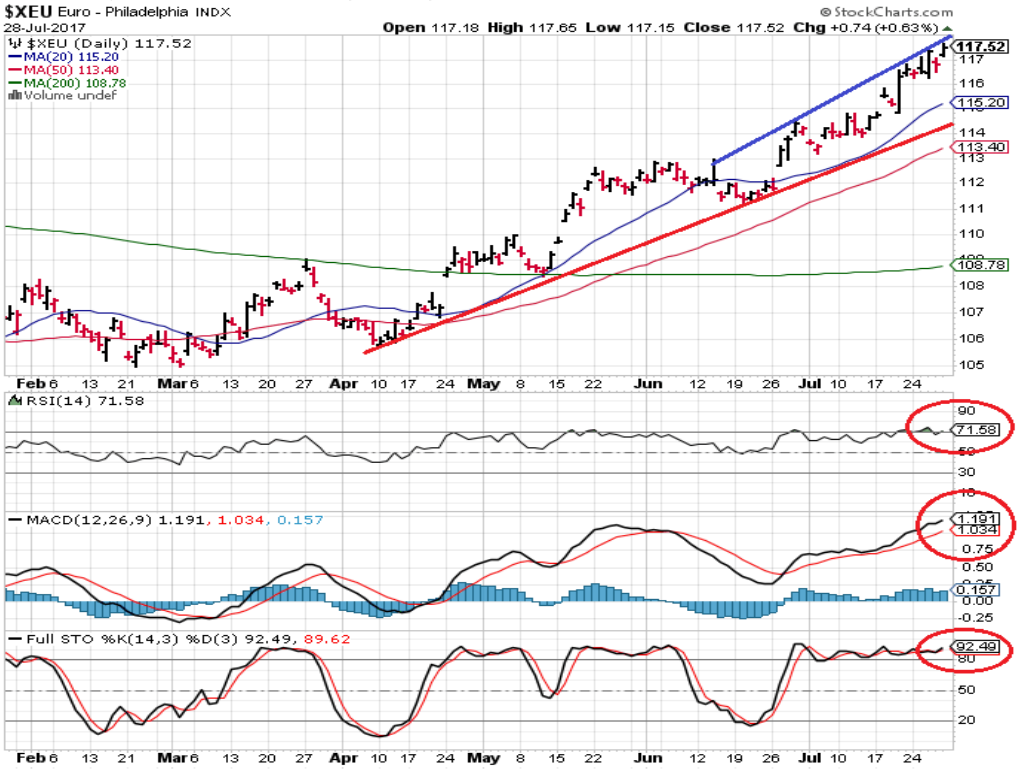
Currency markets weekly charts

The Euro gained 0.91 points (0.78%) last week.

Intermediate trend is Positive. $XEU made a new high.

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

Short-term momentum indicators are Positive and Overbought.



The US$ lost 0.56 points (0.60%) last week.

Intermediate trend remains Negative. $USD might break 93 this week.
The US$ remains below its 20-day moving average.

Short-term momentum indicators are Negative and Oversold.

The Japanese Yen added 0.43 points (0.47%) last week.

Intermediate trend remains Neutral. XJY reached the upper trendline.
$XJY remains above the 20-day moving average.

Short-term momentum indicators are Positive.

The Canadian Dollar added 0.71 points (0.89%) last week.

Intermediate trend remains Positive. $CDW created yet another high.

Short-term momentum indicators are Positive and Overbought.

Commodity markets weekly charts

The CRB Index added 5.46 points (3.09%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Neutral. $CRB closed just above the trendline.
The $CRB closed above its 20-day moving average.

Short-term momentum indicators are Positive.

Copper added $0.15 per lb. (5.60%) last week.

Intermediate trend remains Positive. Strength relative to the S&P 500 Index remains Positive. Copper broke out upwards.

Copper closed above the 20-day moving average.

Short-term momentum indicators are Positive and Overbought.

Lumber lost $9.00 (2.33%) last week.

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

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

The Grain ETN dropped 0.58 points (1.98%) the last week.

Intermediate trend remains is Neutral.
Units are on the 200-day moving average.

Price is above the 20-day MA. Short-term momentum indicators are rolling over.

The Agriculture ETF added $0.21 (0.37%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Neutral. MOO is on the upper trendline.

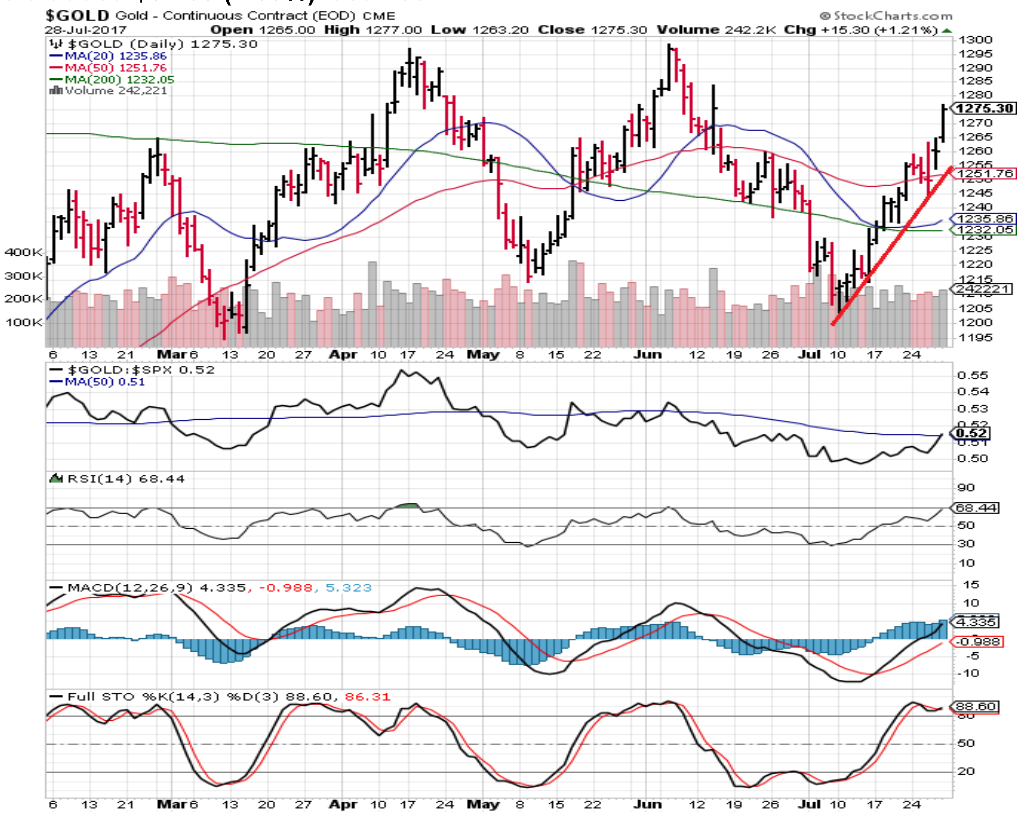
Units closed above the 20-day moving average.

Short-term momentum indicators are Negative.

Gold & precious metals markets weekly charts

Gold added $32.60 (1.63%) last week.

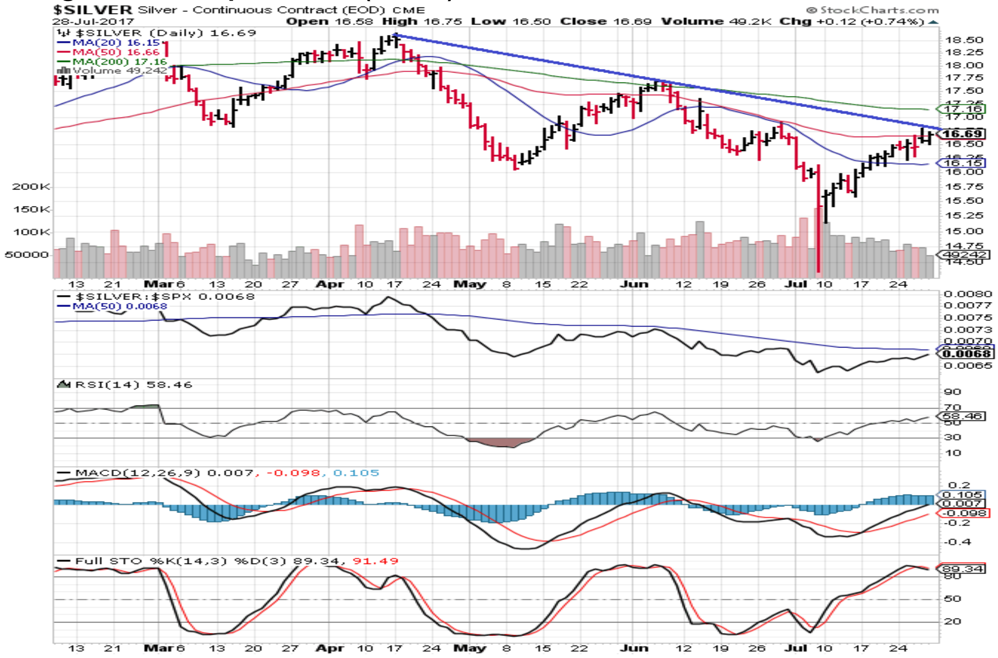
Gold looks to be heading back to the yearly high.
Gold is above the 20-day moving average.
Short-term momentum indicators are Positive.



Silver gained $0.24 per ounce (1.45%) last week.

Silver moved towards the trendline.

Silver moved above the 20-day moving average. Short-term momentum indicators are Positive.



Platinum lost $0.80 per ounce (0.09%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained is Negative. $PLAT is on the upper trendline.

$PLAT trades above its 20-day Moving Average. Momentum indicators are Positive.

Palladium added $35.80 per ounce (0.09 %) last week.

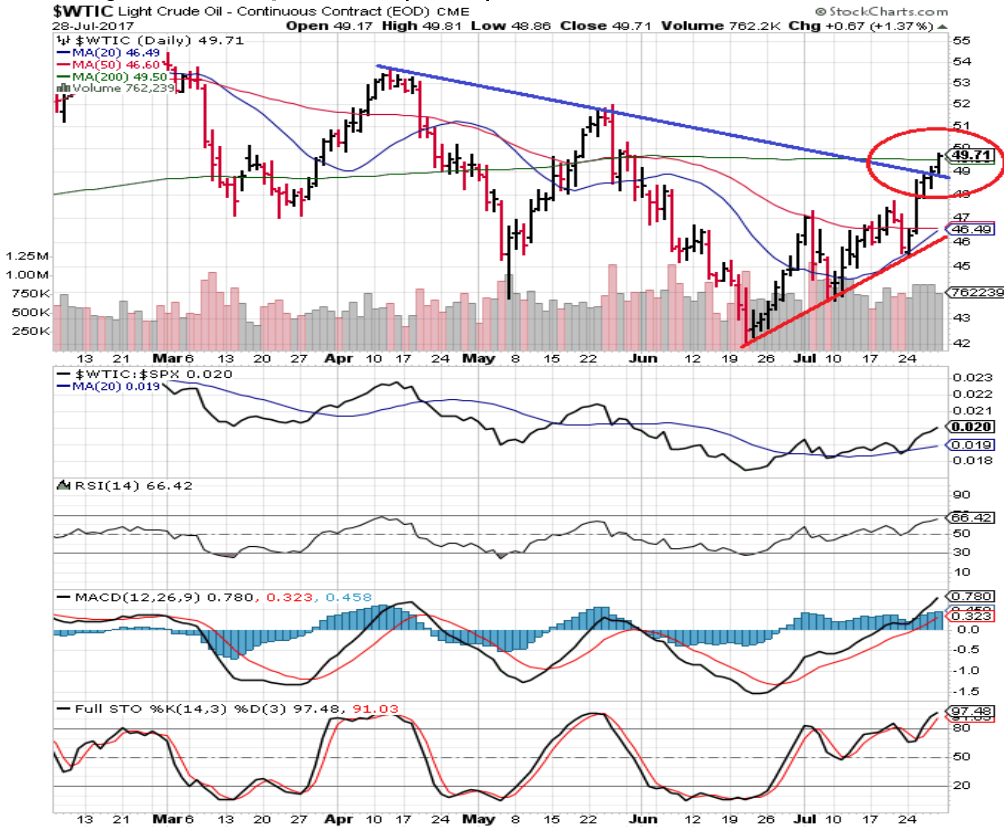
Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive.

$PALL moved above its 20-day moving average.

Short-term momentum indicators are Positive.

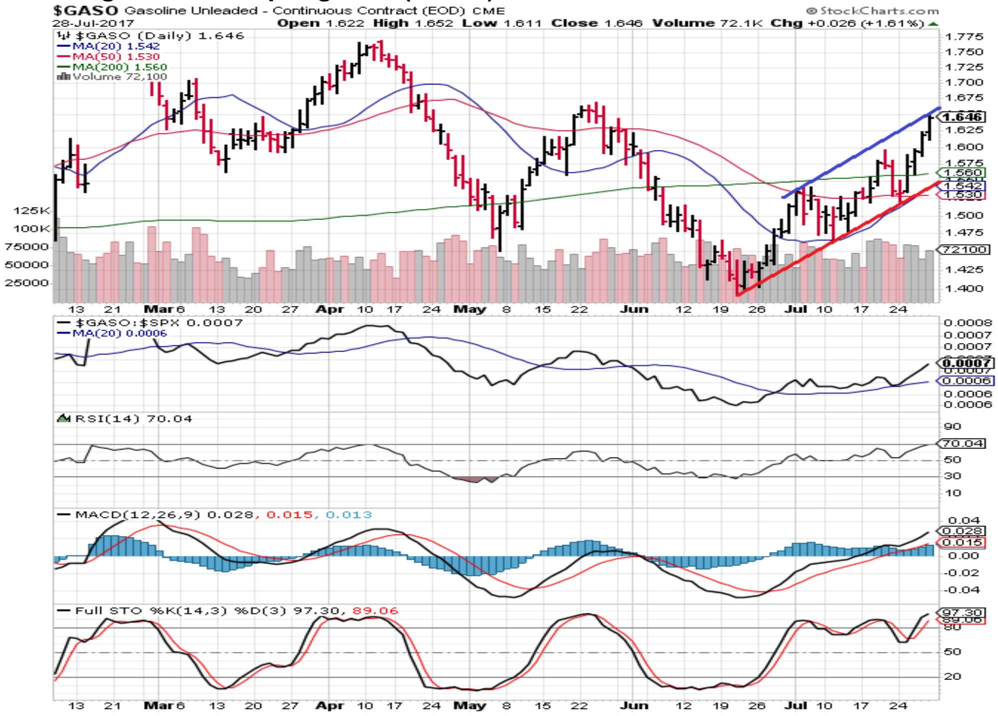
Oil, gas & energy markets weekly charts

Crude oil gained $3.94 per barrel (8.61%) last week.



Intermediate trend is Positive. Strength relative to the S&P 500 Index is Neutral. $WTIC rebounded 50MVA.broke the upper trendline and closed above 200MA. Short-term momentum indicators are Positive.

Gasoline gained $0.11 per gallon (7.27%) last week.



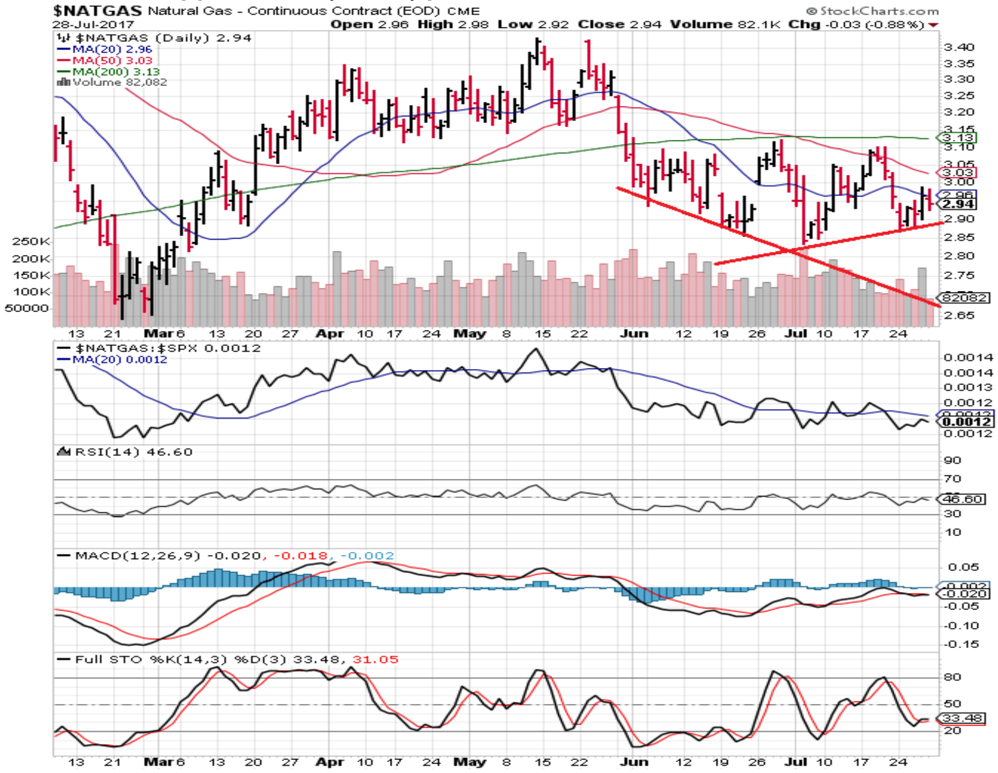
Intermediate trend is Positive. Strength relative to the S&P 500 Index remains Positive.

$GASO closed above the 20-day moving average. Short-term momentum indicators are Positive.

Natural Gas dropped $0.02 (0.68%) per MBtu last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remains Neutral. $NATGAS rebounded from the 200MVA and rejected the pullback.

Short-term momentum indicators are rolling over.



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