Creative Global Investments

Morning market commentary & weekly charts

Monday, September, 26th, 2016

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

Creative Global Investments LLC
115 East 57th Street 11th Floor New York, NY 10022
Tel: 212 939 7256
Mob: 917 301 3734

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

Objectivity

Integrity

Creativity

Global Macro Commentary

In Asia, Bank of Japan Governor Haruhiko Kuroda said the central bank stood ready to use every available tool to achieve its 2% inflation target. While the BOJ would be mindful of the impact ultra-easy policy could have on banks' profits, that would not prevent it from expanding stimulus further if needed to revive Japan's economy. In designing monetary policy, the BOJ will relentlessly pursue innovation and never hesitate to challenge. The BOJ made an abrupt shift last week to targeting interest rates on government bonds to achieve its elusive inflation target, after years of massive money printing failed to jolt the economy out of decades-long stagnation. Under the new framework, the BOJ's main means for monetary easing would be to deepen negative interest rates from the current minus 0.1%, or lower its 10-year government bond yield target - now set at around zero percent, Kuroda said. The pace of the BOJ's bond purchases could fluctuate depending on how much the central bank needed to buy to achieve its yield curve target. However such changes in the amount of bond purchases would have no policy implications, taming market speculation the BOJ was eyeing a future tapering of asset purchases. The BOJ may instead top up asset purchases or accelerate base money expansion, if economic and price conditions warranted such powerful monetary easing.

In Europe, Germany's Constitutional Court will rule on Oct. 13 on a complaint by activists aimed at stopping an ambitious trade agreement between the European Union and Canada. Three German groups handed in 125,000 signatures to the court in August to try and scupper the Comprehensive Economic and Trade Agreement (CETA), which opponents fear will undermine workers' rights and environmental and consumer standards. The court said on Friday it will hold proceedings on Oct. 12 and rule on the emergency appeal a day later. Activists want to prevent the government backing the pact, which is due to be signed at a EU-Canada summit at the end of next month. The European Commission hopes that the governments of the EU states can approve CETA before Brussels signs the accord with Ottawa on Oct. 27. The European Parliament would also need to vote to allow it to enter force provisionally next year.

The UK rumors circulate that Britain intends to become an independent member of the World Trade Organization when it leaves the European Union. Britain would seek to be an independent member of the body so that it could negotiate its own trade deals outside of the EU. Being an independent member of the WTO would involve Britain leaving the EU's customs union, the newspaper said, something the government has so far refused to confirm it intends to do.

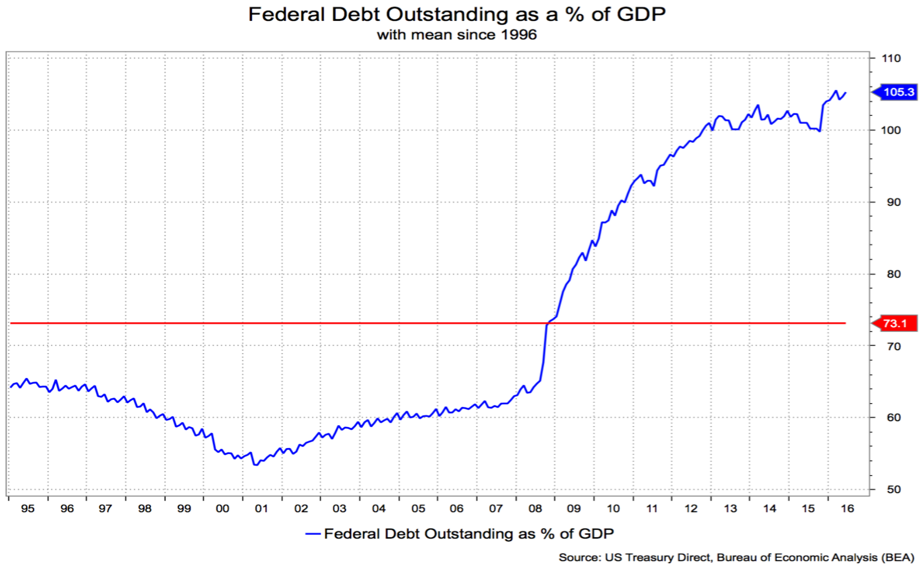
In the US, Markit showed activity in the US manufacturing sector eased more than expected in September, as its flash US manufacturing purchasing managers' index fell to 51.4 from 52 in August, missing expectations for a reading of 51.9. The weakest improvement in overall business conditions since June, with softer rates of output and new business growth the main factors weighing on the headline PMI in September. Survey respondents suggested that relatively subdued economic conditions had acted as a brake on new order volumes, while there were also reports that the strong US$ had dampened export sales.

Again, the macro data from the US continues to weaken, in spite of "sell-side" and FED economists "sweet-talking" the current macro conditions.

One other major concern we would like to point out at this point in time, ahead of the presidential candidates' first debate this evening, and their "obscure stimulus plans" to make America great again", is the fact that the US Federal Deficit is already steeply on the rise, and that any of those "new plans" would surely increase the deficit over the next 4 years.

Increases in the annual budget gap add to national debt and peril prospects for economic growth, and bode badly for US down the road. In August, the Congressional Budget Office updated its projections for the US budget in a report that began with an alert that, in fiscal year 2016, the budget deficit will grow, relative to the economy, for the first time since 2009. In US$ terms, that's about a $590 BN annual gap, $152 BN wider than last year's.

The first paragraph of the daunting, 83-page opus concludes: "If current laws generally remained unchanged—an assumption underlying CBO's baseline projections—deficits would continue to mount over the next 10 years, and debt held by the public would rise from its already high level." Which means that the federal budget deficit is about to explode, and that by 2026, the deficit, relative to GDP would be "considerably larger than its average over the last 50 years." Federal debt held by the public will edge to 77% of GDP in 2016, which is the most since 1950.



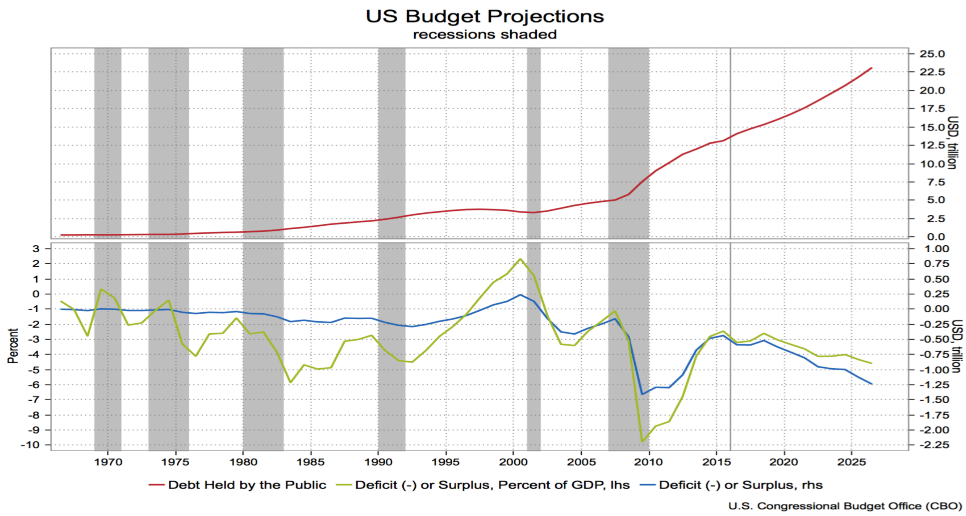
As we have written before, the new normal of subdued economic growth (real GDP expansion averaged 3.2% from 1970 to 2000, 1.8% from 2000 to 2016, and 1.4% since 2006) and an aging population that expects to be supported in its grossly underfunded retirement, is not going to suffice to support those debt levels.

Government debt is simply bad for growth. Government spending has at best a trivial, if not slightly negative, multiplier. That means that for every dollar of federal spending there's a contraction in private GDP. Spending May Not Create Jobs Even During Recessions. Of course, government spending can boost growth for a while, but we're talking about a protracted period of increased deficits. Indeed, the debt/GDP ratio has been over 90% since 2010 (see chart, above).

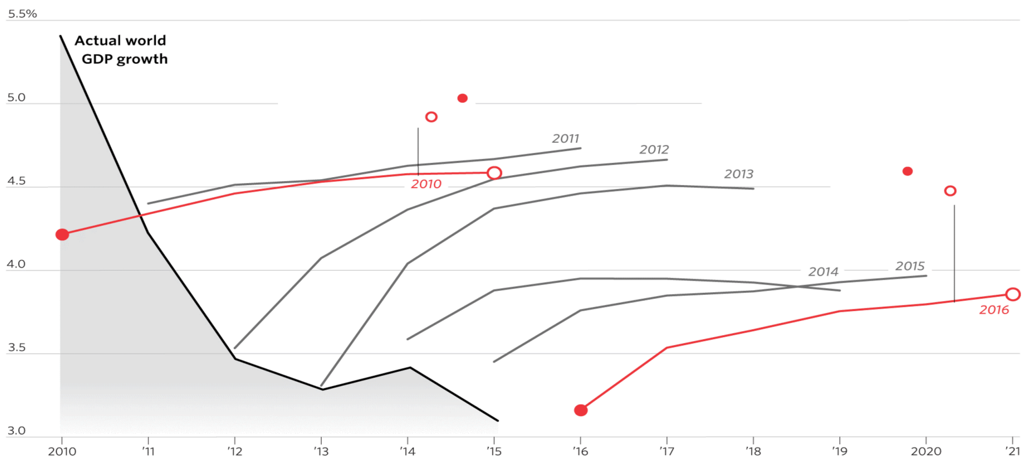
Mandatory spending today amounts to nearly 70% of federal spending, a record, and is rising. The problem is that these programs provide income for much of our population, but skew our borrowing priorities. In essence, we're borrowing for consumption today, rather than for long-term investments to generate future income, taking on this kind of debt eventually will cause bankruptcy.

Various tax breaks and windfalls, like lower gas prices, have boosted spending, but they have also increased savings from before the financial crisis. That makes sense as people save more to compensate for low returns on those savings and perhaps fear that taxes will rise (or entitlement benefits fall) down the road. If we accept that a high level of government debt holds back economic growth and therefore pushes rates lower, the problem is compounded. The low rates can entice the borrower to take on more debt. **We continue believing that the slow growth could prompt the Fed to try to push rates even lower, prompting still more borrowing and bigger debts**. Prime examples of this phenomenon include Japan over the past 25 years and more recently Europe. Savers facing retirement must compensate for low savings yields by saving more money. Expect subdued consumption, due to diminished incomes.

The chart below by the CBO shows, seven years after the trough of the recession, the US is about to see a sharp and lengthy widening of its deficit. That means more Treasury issuance competing with private sector borrowing, and more uncertainty about how the debt will be paid, probably with higher taxes and/or reduced entitlements. Corporate America is issuing debt to boost share prices via buybacks, but isn't investing for growth. Rising federal debt contributes to this mindset because the government isn't issuing the kind of debt that would encourage growth. If US corporations have less confidence about growth, they are more likely to take short-term actions to help themselves and their shareholders. What doesn't seem likely or sustainable is an increase in the kind of federal spending that brings more growth. Thus, we can expect more middling GDP figures and easier-than-anticipated monetary policy. This is why the FED is not hiking short-term rates, and why we see 10-Year Treasury yields to fall to new lows over the coming 12 months.



The New York Federal Reserve on Friday lowered its forecast on US Q3 GDP growth to 2.26% on Sept. 20, (compared with 2.38% as of Sept. 16), and downgraded its Q4 GDP outlook to 1.22% from 1.37%. Here is a sobering (actual vs. projected) growth chart from the article on interest rates in the Wall Street Journal. The consistent one-sided errors highlight the huge extent to which headwinds to growth are yet to be sufficiently understood and internalized.



Over the past 15 years, the FED has shown repeatedly that it is not only behind the curve, but also rather behind the woods on forecasting economic growth and accuracy. So, for investors who still believe the FED is doing a good job in steering the US economy, the proof is in the pudding, as all the actions by the FED so far have resulted in not much. It has been rather, the US consumer who has been solely bailing the dwindling GDP growth out. Anemic FED-stimulated corporate and government spending actions speak louder than words.

Currencies Commentary

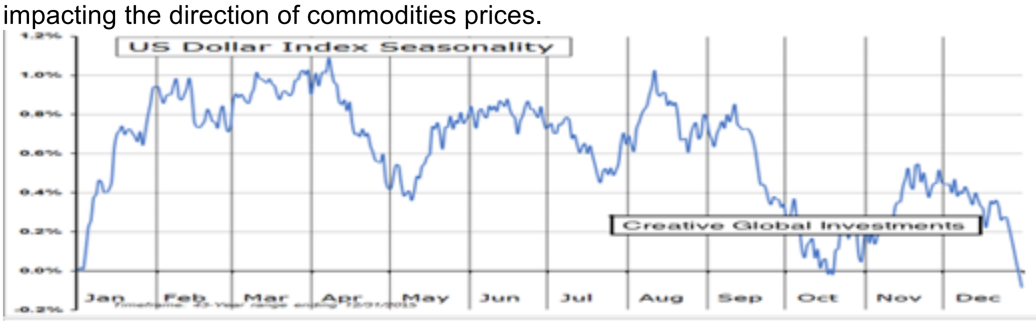
With the upcoming Chinese Yuan into the IMF SDR (Special Drawing Rights) on Oct 1st, the situation for the US$ going forward will come under increased stress as global trade moves more into Chinese Yuan currency. This will negatively impact the US Treasury holdings by foreigners as they move into owning more Chinese Yuan for trade. The days of the "US$ - exclusive reserve currency status" (besides the Euro, the Yen, the Swiss franc and the GBP) and is slowly but surely declining. It is no surprise that the central banks of the US, Russia and China continue to add a great deal of gold to their official holdings.

Last week's data showed the major currencies that improved the most against the US$ were the GBP (+24,135 weekly change in contracts), CHF (+7,065 contracts) and the YEN (+1,939 contracts). The currencies whose speculative bets declined last week versus the US$ were the AUD (-29,619 weekly change in contracts).

The chart below shows the $USD nearing a major inflection point. Risks are rising for the $USD to breakdown below support of $94.5.

If the USD support of $94.5 were to fail, risk are rising for $USD to fall towards $84.

Seasonally, direction of the $USD in the months from August to September is generally negative. This is one of the reasons why we see the current US$ weakness inversely impacting the direction of commodities prices.



Monthly Averages over past 43 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	0.9%	-0.2%	0.2%	-0.5%	0.4%	-0.1%	-0.1%	0.1%	-0.4%	-0.2%	0.3%	-0.5%
Gain Frequency	65%	44%	56%	40%	63%	49%	53%	49%	35%	40%	58%	47%
Max Return	5.4%	4.4%	6.4%	4.0%	4.9%	4.8%	3.9%	4.7%	5.8%	8.7%	6.8%	3.1%
	2015	1985	1991	2004	1989	1982	1981	2008	2011	2008	1978	2009
Min Return	-3.2%	-7.0%	-4.9%	-4.9%	-6.6%	-3.7%	-4.6%	-2.9%	-4.5%	-4.8%	-3.8%	-4.6%
	1987	1973	1985	1986	2009	1986	1985	1987	2003	1978	1987	2008

EUR/USD moved up and broke through the resistance around the 1.12 level after good manufacturing PMI data out of Germany and the Eurozone.

USD/YEN keeps moving up but will first have to deal with the resistance around the 101.26 level.

GBP/USD with the UK initiating Article 50 beginning 2017 and comments that the exit from the EU could be within 2 years is adding further pressure on the GBP and we can see that we have reached the lowest level in over a month. A further drop and we will get to the lowest levels in the aftermath of the Brexit vote.

USD/CAD after having reached the support around the 1.30 level on Thursday, we are trading again above the resistance at the 1.312 level. This comes after two moves, first in response to the weak Canadian data and further by the renewed drop in oil prices.

Commodities Commentary

Crude oil prices held gains in Asia on Monday, rebounding from a sharp on Friday with the focus on OPEC talks later in the week. OPEC members, led by Saudi Arabia and other big Middle East crude exporters, such as Iran and Iraq, will meet non-OPEC producer Russia on the last day of the International Energy Forum, which will be held in Algeria Monday through Wednesday. Algeria's energy minister Noureddine Bouterfa said on Sunday that all options for a production cut or freeze at this week's OPEC meeting were on the table. Bouterfa said: "We will not come out of the meeting empty-handed."

Although we do not see high chances that the meeting would yield any action to reduce the global glut, we see the major oil producers continue to monitor the market and oil price developments and possibly postpone freeze talks to the official OPEC meeting in Vienna on November 30. An attempt to jointly freeze production levels earlier this year failed after Saudi Arabia backed out over Iran's refusal to take part of the initiative, underscoring the difficulty for political rivals to forge consensus.

Nevertheless, **US crude (WTI) is on the verge of testing its 28-months downtrend at this time. $WTIC is trying to breakout of a two-year falling trend. A breakout above the upper resistance trend line of the current downtrend could open $WTIC's path towards the 200-dayMVA of around $63 over the coming months, which has been our price target for $WTIC for 2016.**

Crude and stocks have had a high degree of correlation over the last few years. What the price of crude does in the coming days is critical, and could have a significant impact on commodities and stocks in general going forward

Equities Commentary

With the first US presidential debate this evening, we can see major volatility return towards equity markets as of today.

The $SPX turned lower at the upper limit of the open gap following the plunge decline of two weeks ago. This level, at 2180, remains a significant hurdle for the large-cap benchmark to overcome.

The Nasdaq Composite and the Russell 2000 index remain around their y-t-d highs. The breadth of the new high club does raise some concerns, however. Technology is the only sector to chart a new 52-week high in the most recent week, benefitting, to a large extent, from the Apple derivate plays, such as semiconductors.

While Technology is the largest sector of the market, therefore an important leader, the momentum of the market can only run so far on one leg; further sector participation would be required to suggest a sustainable move in market benchmarks, allowing for further breakouts ahead. Typically, breakouts in sector benchmarks in the last half of September is not common.

Weekly Investment Conclusion

Slower than consensus economic news from the US, Japan, Brazil and smaller parts of Europe last week proved to be good news for markets. Additionally, as we were expecting, the Federal Reserve decision to maintain the Fed Fund rate at 0.25%-0.50% on Wednesday afternoon boosted equity, commodity and bond prices. Economic news this week is expected to confirm an additional slowdown in US economic growth in Q3.

The period of uncertainty for world equity markets continues. Many equity markets, commodities and primary sectors have returned to the top of their trading range previously reached in mid-July. Establishment of another intermediate uptrend is unlikely prior to the US Presidential election on November 8th.

Earnings news this week is expected to be quiet. Most major companies in Europe and the US have entered their quiet period prior to release of Q3 results. In the US, 8 S&P 500 companies are to release results (including one Dow Industrial Average company: Nike).

Consensus in the US for Q3 corporate results continues to slip lower. Consensus for Q3 earnings by S&P 500 companies slipped last week to a decline of -2.3% on a y-o-y basis versus a drop of -2.1% in the previous weekly report. 79 companies have issued negative guidance for Q3 while 35 companies have issued positive guidance. Beyond Q3 results, analysts are maintaining an upbeat outlook. Consensus for Q4 for S&P500 stocks is a 5.7% increase in earnings and a 5.3% increase in revenues. Consensus for 2017 is a 13.1% increase in earnings and a 6.1% increase in revenues. Most of the gains are expected to come from a recover by the energy sector.

Seasonal influences for economically sensitive sectors are negative at this time of year. Short term momentum indicators for many equity indices, commodities and sectors moved higher last week and are near overbought levels at a time when many are testing the top of their recent trading range. However, signs of short-term peak have yet to appear.

Medium term technical indicators (e.g. Percent of Stocks trading above their 50-Day Moving Average, Bullish Percent Index.) moved higher last week, but returned to intermediate overbought levels.

Technical action by individual S&P 500 stocks turned bullish last week after six consecutive weeks of decline: 46 stocks broke resistance and 5 stocks broke support. Number of stocks in an intermediate uptrend increased last week to 236 from 228, number of stocks in a neutral trend increased last week to 85 from 80 and number of stocks in a downtrend dropped to 189 from 202.

Other events that can influence equity markets this week include the Presidential election debate on Monday evening, the OPEC meeting on Monday and the IMF meeting late this week.

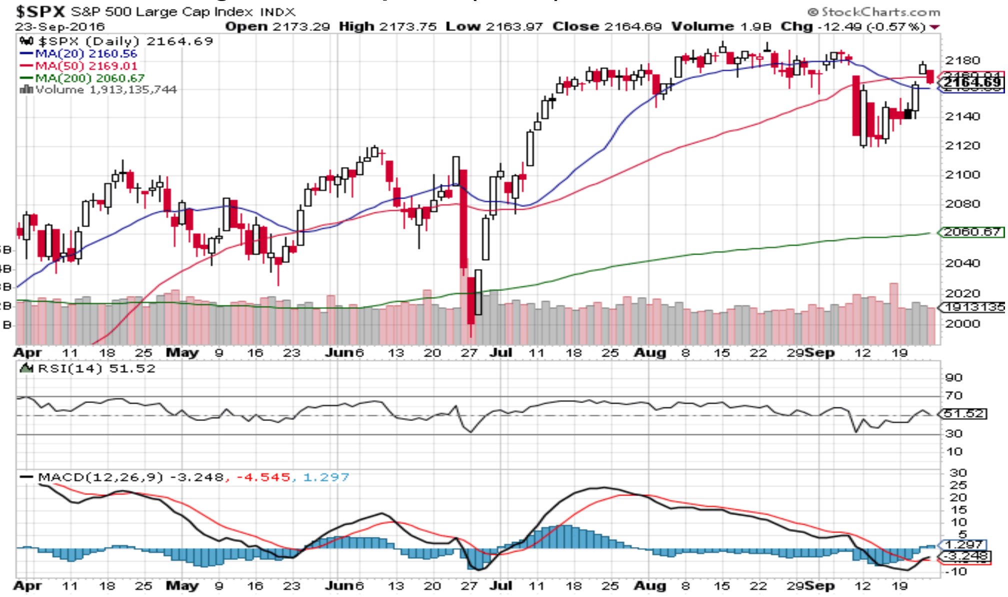
US equity markets weekly charts

The VIX Index dropped 3.08 points (20.04%) last week.

Intermediate trend remains up. The Index has moved below its 20-day moving average and rebounded of the trend line.

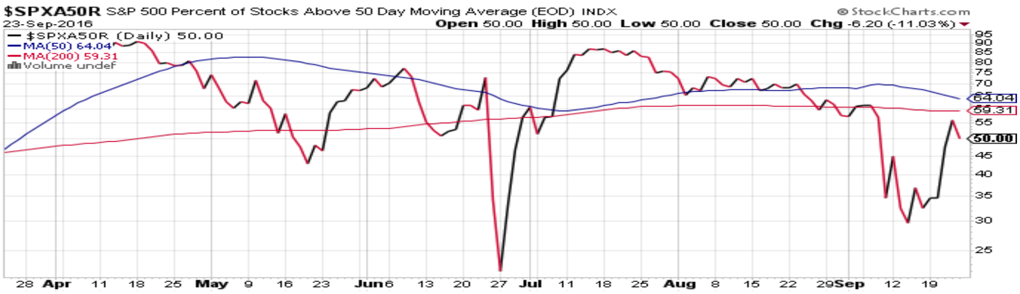
The S&P 500 Index gained 25.53 points (1.19%) last week.

Index has bounced back and closed above its 20-day moving average.
Short-term momentum indicators are mixed.



Percent of S&P 500 stocks trading above their 50-day moving average raised last week to 34.80 to 50.00.

Index has rebounded but still stayed under 200-day moving average



Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 66.60 from 70.40.

Index has remained below the 50-day moving average

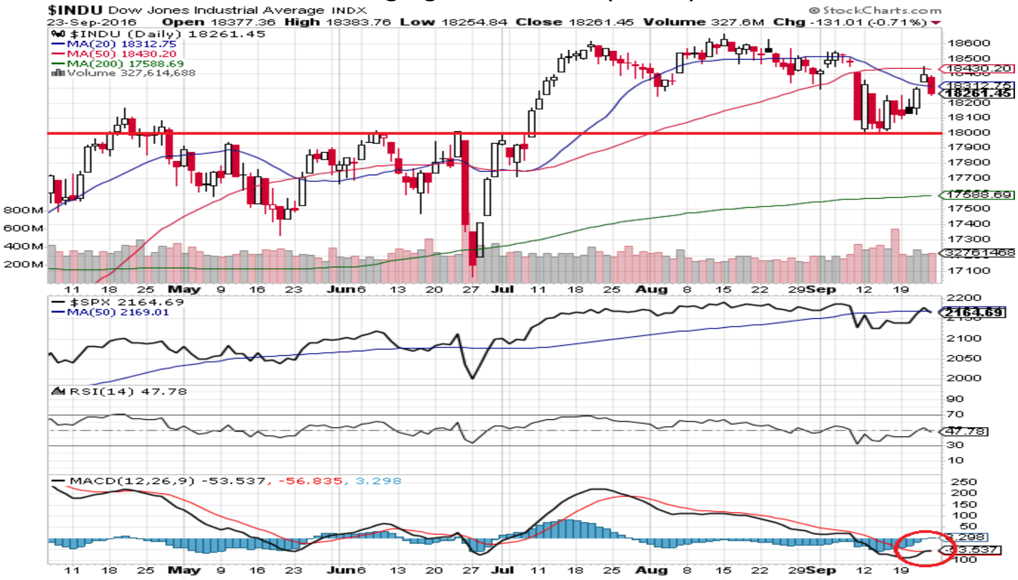
Bullish Percent Index for S&P 500 stocks rose last week to 71.00 from 70.60 and remained below its 20-day moving average.

Index has been ranging through the week and remained below the 20-day moving average

The Dow Jones Industrial Average gained 137.65 (0.76%) last week.

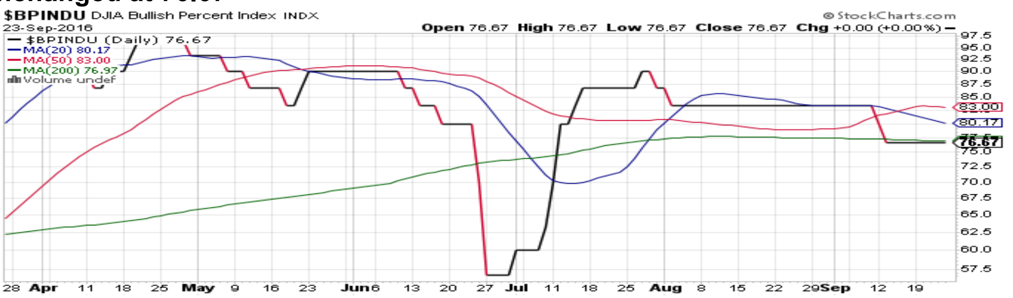
Index rallied but was rejected by 50-day MVA and closed below 20-day MVA.

Short-term momentum indicators are mixed.



Bullish Percent Index for Dow Jones Industrial Average stocks remained unchanged at 76.67

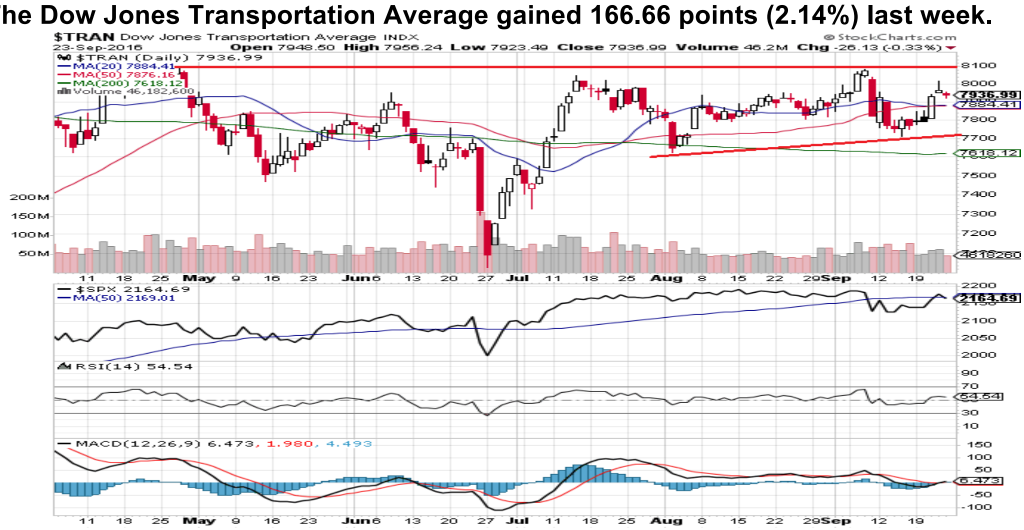
Index has remained unchanged. It is stuck on the 200-day MVA.



The Dow Jones Transportation Average gained 166.66 points (2.14%) last week.

Index is exhibiting an ascending triangle pattern. Another attack on the 8100 resistance is realistic.

Strength relative to the S&P 500 Index changed from positive to neutral. The $TRAN closed above its 20-day moving average. Short-term momentum indicators are rolling over.

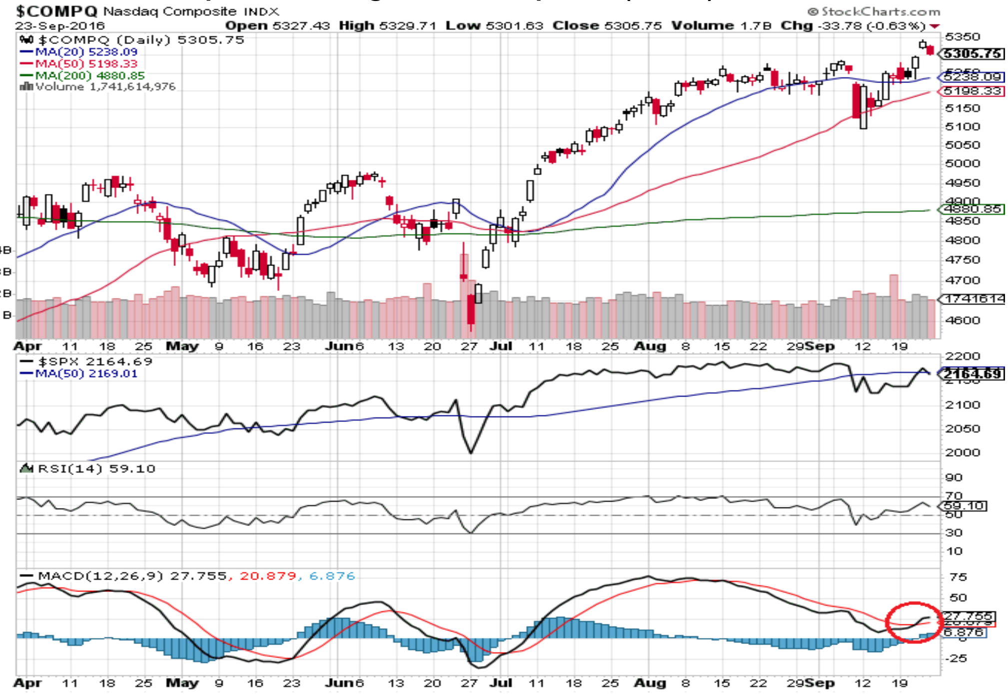


Bullish Percent Index raised last week to 63.88 to 63.93 and moved above its 20-day moving average.

Index has broken and closed above 20-day MVA.

The NASDAQ Composite Index gained 61.18 points (1.17%) last week.

Intermediate trend remains positive. Index broke out to a new high. Strength relative to the S&P500 Index changed from positive to neutral. The Index closed above its 20-day moving average. Short term indicators are rolling over.



The Russell 2000 Index gained 29.84 points (2.44%) last week.

Intermediate trend has changed from rolling over to positive. Strength relative to the S&P 500 Index changed from Positive to Neutral.

The index rose above its 20-day moving average. Short momentum indicators are trending up.

The S&P Energy Index gained 0.48 points (0.10%) last week.

Intermediate trend seems to be rolling over. 20-day MVA has crossed below the 50-day MVA while rejecting the bullish price movement.
The Index could test the 480 support in the incoming period.

The Index remained below the 20-day moving average. Short term indicators are trending down.

The Philadelphia Oil Services Index dropped 0.45 points (0.30%) last week.

Intermediate trend remains down. Strength relative to the S&P 500 has changed from negative to neutral.
The Index remained below its 20-day moving average. Short term indicators seem to be rolling over.
Lower trend line remains under bearish pressure but it isint broken yet.

The AMEX Gold Bug Index gained 9.47 points (4.20%) last week.

Intermediate trend remains Down. Strength relative to S&P 500 Index has changed from positive to Neutral.

The Index has created a lower high but closed at the 20-day moving average. Short-term indicators seem to be rolling over.

Latam Equity markets weekly charts

The BOVESPA gained 1 617 points (2.83%) last week.

Index has rallied but was rejected by the northern trend line resistance.
Short term indicators are rolling over.

The Mexican Bolsa dropped 493 points last week.

Index has rallied up through the old support rejected the pullback.

The $MXX has closed above the 20-day moving average. Short term indicators are trending up

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite stocks rose last week to 79.67 from 77.92 and remained above its 20-day moving average.

The Index remains trending down. It has closed on the 20-day MVA.

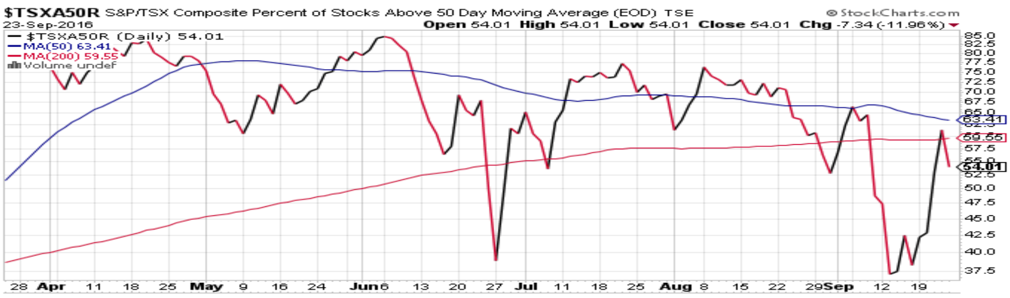
The TSX Composite Index gained 247.09 points (1.71%) last week.

The Index is exhibiting an ascending triangle pattern. It will most likely attempt to break the resistance in the coming period.

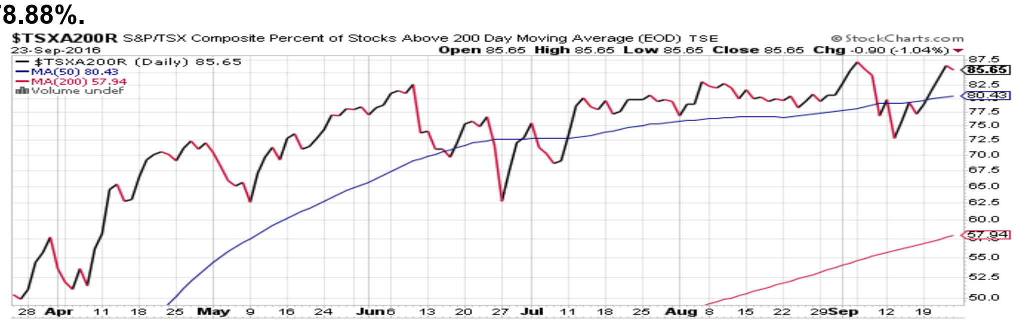
The index moved above the 20-day moving average. Short-term momentum indicators are rolling over.

Percent of TSX stocks trading above their 50-day moving climbed last week to 54.01 from 42.24.

The Index has pulled back towards the 200-day moving average.



Percent of TSX stocks trading above their 200 day rose last week to 85.65% from 78.88%.



Asian equity markets weekly charts

Intermediate Trend remains positive.
The price has remained above the 20-day moving average.

Short-term momentum indicators are mixed.

The SENSEX gained 69.19 points (0.24%) last week.

Intermediate trend remains up. Index is getting compressed, indicating a potential larger breakout in the coming period.

The $NIKK rallied up but closed just a bit above the 20-day moving average. Short term indicators are rolling over

The Nikkei Average rallied 234.73 points (1.42%) last week.

Intermediate trend is still in the rollover zone.
The $SSEC has rallied but has been rejected by the 50-day MVA. It remains below the 20-day MVA.

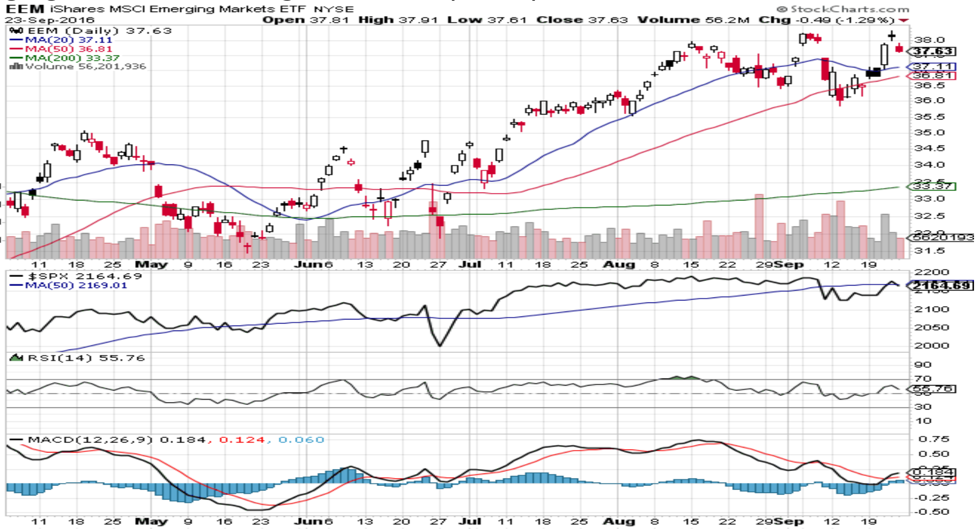
Short term indicators appear to be rolling over.

The Shanghai Composite Index gained 31.05 points (1.03%) last week.

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

Units moved above the 20-day moving average. Short-term momentum indicators are rolling over.

Emerging Markets iShares gained $1.12 (3.07%) last week.



Intermediate trend is changing from negative to neural. Strength relative to the S&P 500 Index remains neutral.

The $AORD broke out and close above its 20-day moving average. Short-term momentum indicators have changed from mixed to positive.

The Australia All Ords Composite Index added 121.90 points (2.26%) last week.

European Equity markets weekly charts

Intermediate trend is changing from negative to neutral. The price is rallying but has been rejected by the old trend line. Stronger resistance is waiting above at 10800.

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

The DAX 30 gained 350.80 points (3.41%) last week.

The CAC 40 added 156.25 points (3.61%) last week.

Intermediate trend is changing from negative to neutral. The $CAC rallied but was stopped by the old trend line. Stronger resistance is above at 4550.

Short momentum indicators are rolling over.

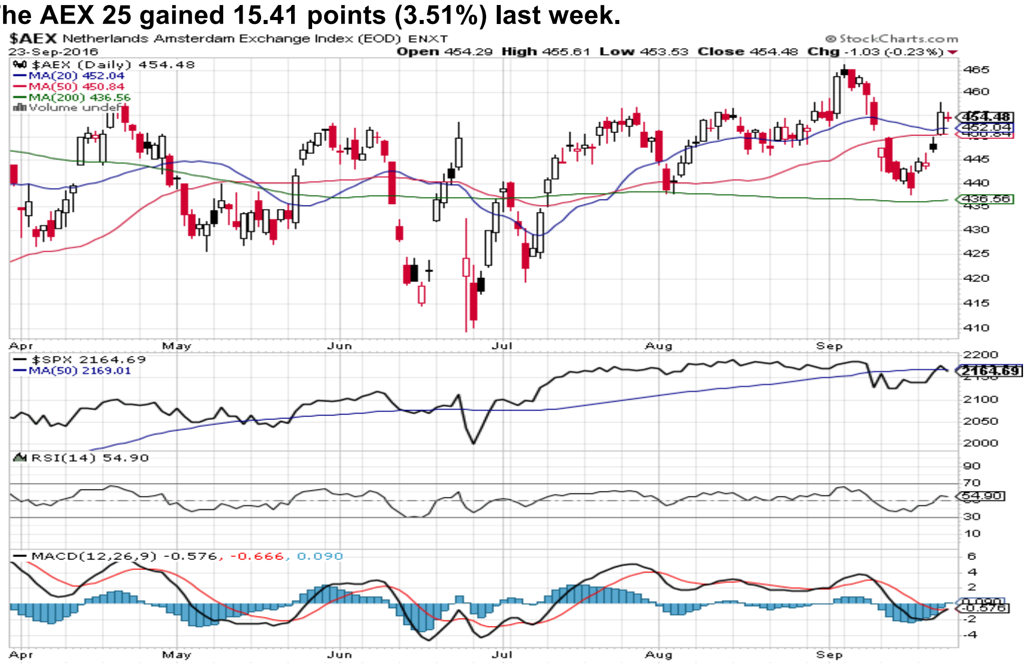
$CAC has moved above its 20-day moving average.

The AEX 25 gained 15.41 points (3.51%) last week.

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

The Average moved above is 20-day and 50-day moving average.

Index is at the important resistance level.



The IBEX 35 gained 190.20 points (2.20%) last week.

Intermediate trend looks to have rolled over to positive. The Index has moved up above 20-day, 50-day and 200-day moving averages.

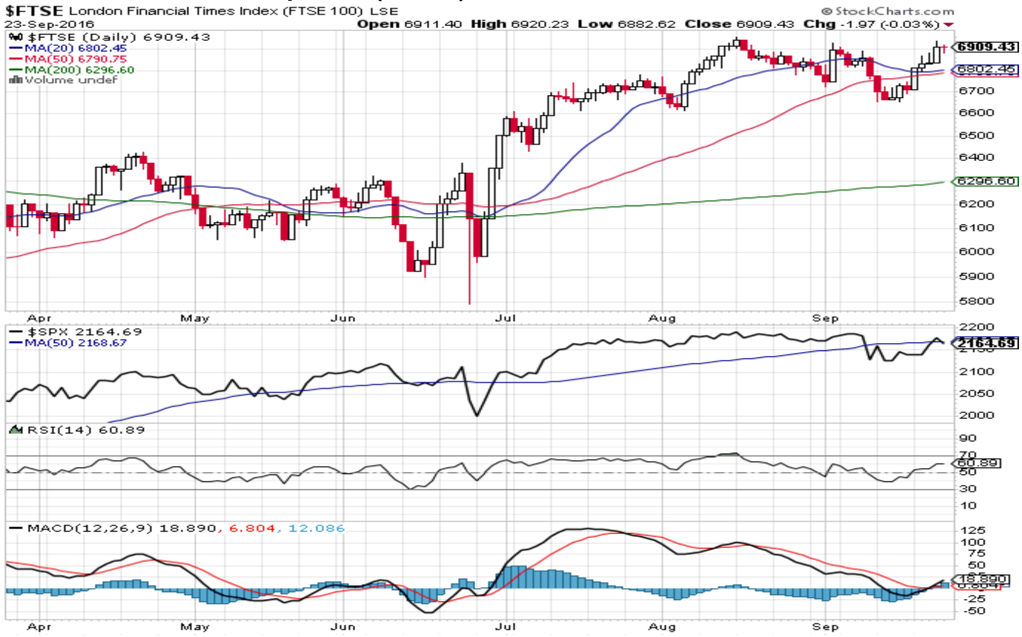
Price is likely to retest 9100 resistance in the incoming period.

Short-term momentum indicators are mixed.

The FTSE added 199.15 points (2.97%) last week.

Intermediate trend is changing from neutral to positive. The Average broke above its 20-day and 50-day moving averages.

Price is likely to retest the important resistance at 7000. Short-term momentum indicators have changed from mixed to positive.



Europe iShares gained $1.59 (3.55%) last week.

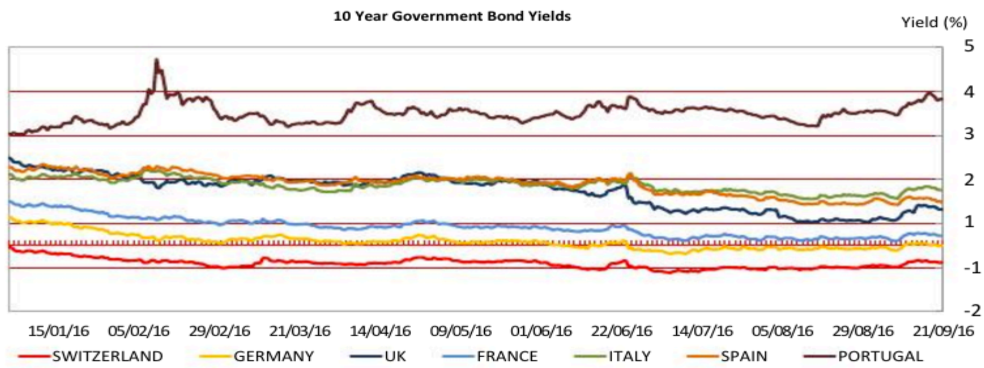
Intermediate trend has changed from neutral to positive. Index rallied above the 20-day moving average.

Short-term momentum indicators are rolling over.

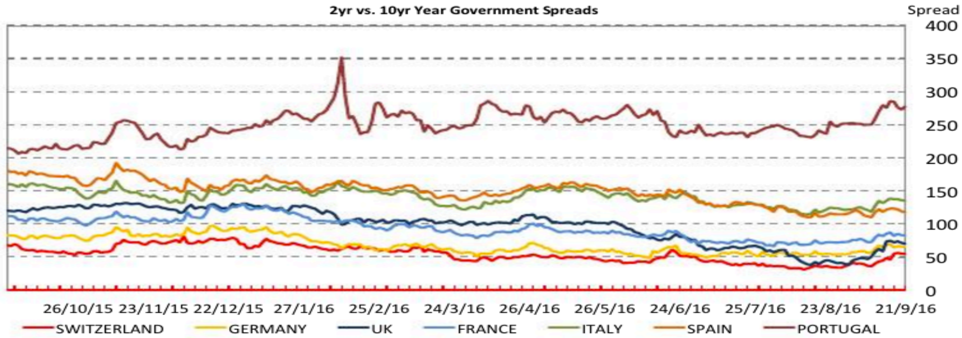
Fixed Income markets commentary & weekly charts

International Bonds

As per our 2016 Global Investment Outlook gover nment European and Japanese 10-Year government bonds have fully reached our 2016 price targets, and we are recommending to investors to take profits into the seasonal period of weakness for government bonds until year-end.



We are recommending for investors continuing to sell/reduce in German, French, Spanish, Italian 10-Year government bonds currently. We are expecting for yields to rise by 30 to 80 bps until year end.



We see yields in France and the Benelux move higher by 20bps to 40 bps over the next 3 months, and similarly to rise by 30bps to 50bps in Spain, Italy, Portugal and Greece.

Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.01%	+2.12	+0.41
Austria	0.10%	+0.20	-1.50
Belgium	0.13%	+0.23	-1.47
Canada	--	--	--
Denmark	-0.01%	+0.10	-1.61
Finland	0.02%	+0.12	-1.58
France	0.13%	+0.23	-1.47
Germany	-0.10%	--	-1.70
Greece	8.45%	+8.55	+6.85
Ireland	0.37%	+0.48	-1.23
Italy	1.22%	+1.32	-0.39
Japan	-0.06%	+0.04	-1.66
Netherlands	0.02%	+0.12	-1.59
New Zealand	2.38%	+2.48	+0.77
Portugal	3.38%	+3.48	+1.78
Spain	0.98%	+1.08	-0.62
Sweden	0.19%	+0.29	-1.41
Switzerland	-0.48%	-0.38	-2.08
UK	0.70%	+0.80	-0.91
US	1.60%	+1.70	--

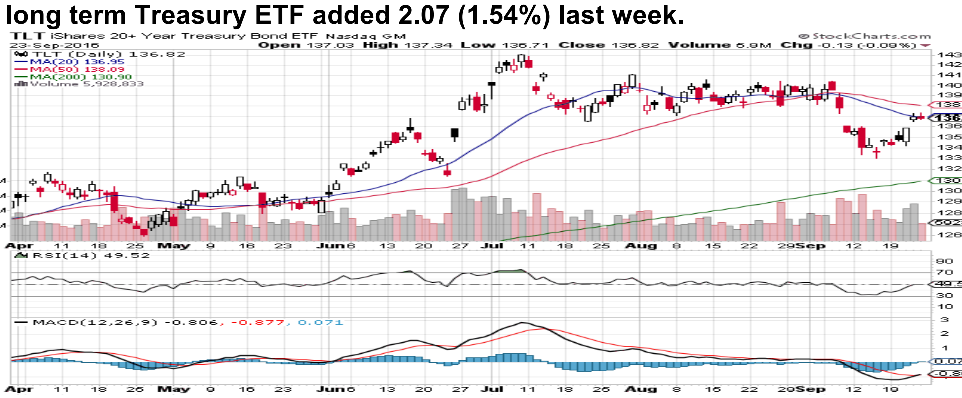
US Bonds

Yield on 10 year Treasuries dropped 0.17 basis points (1.04%) last week.

Intermediate trend remains up. $TNX pulled back below the 20-day moving average towards the 50-day moving average.

Short-term momentum indicators are rolling over.

The long term Treasury ETF added 2.07 (1.54%) last week.



Intermediate trend remains down. Yield pulled back towards the mean but it is stuck at the important support-turned-resistance of 137.

Currencies weekly charts

The Euro added 0.69 (0.62%) last week.

Intermediate trend has changed to neutral as price is getting more compressed. The $XEU closed above the 20-day moving average with an unusually high volatility on Friday.

Short-term momentum indicators are changing back to positive.

The US$ dropped 0.66 (0.69%) last week.

Intermediate trend remains bullish. The $USD has been rejected by the trend line once again. It closed just below the 20-day moving average.

Short-term momentum indicators are mixed.

The Japanese Yen gained 1.23 (1.26%) last week.

Intermediate trend remains bullish. Ascending triangle pattern is still in play with the price closing above 20-day moving average.
Short-term momentum indicators indicate that index might be overbought.

The Canadian Dollar gained 0.25 (0.33%) last week.

Intermediate trend remains negative. The $CDW made a bullish attempt but was rejected by the 50-day moving average. 20-day MVA has crossed the 50-day MVA from above.

Commodities commentary & weekly charts

The CRB Index gained 2.31 points (1.28%) last week.

Intermediate trend has changed from down to neutral.
Symmetric triangle pattern has broken with moving average rejecting the pullback.
Strength relative to the S&P 500 remains neutral.
The $CRB has closed above the 20-day moving average.

Copper gained $0.04 per lb. (1.90%) last week.

Intermediate trend remains positive. Copper has rallied and closed above the 50-day moving average.

Short-term momentum indicators are trending up.

Lumber added 23.20 (7.63%) last week.

Intermediate trend changed from down to neutral.
Lumber broke out above the 20-day and 50-day moving averages.
Short-term momentum indicators are trending up.

The Grain ETN dropped $0.20 (0.71%) last week.

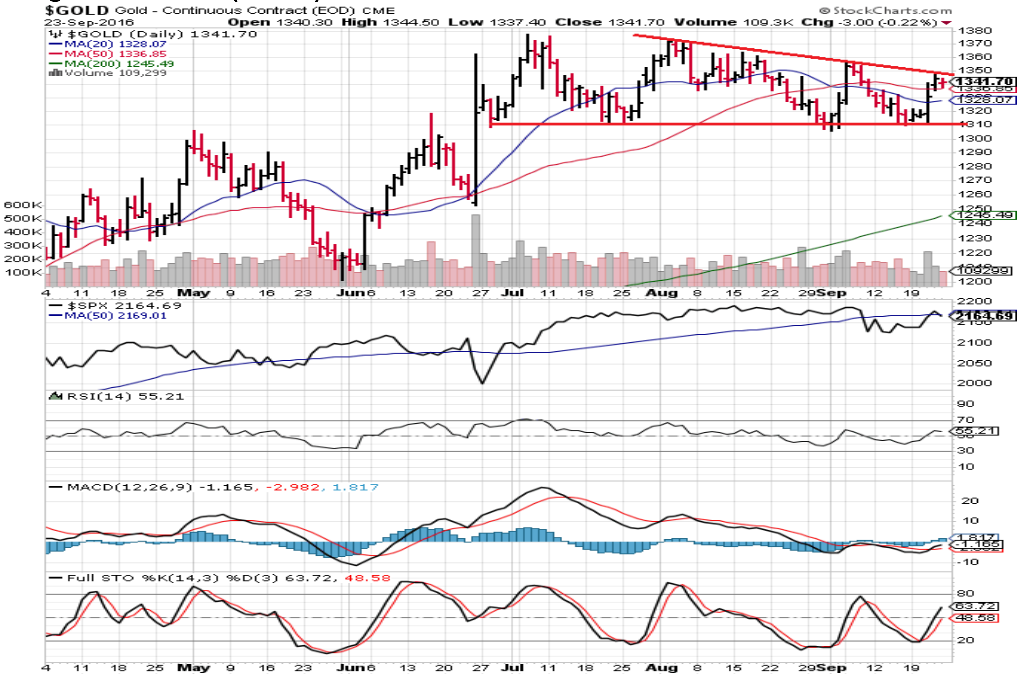
Intermediate trend remains negative. Strength relative to the S&P 500 Index has changed from negative to neutral. Price remained above the 20-day MA.

The Agriculture ETF gained $0.73 (1.49%) last week.

Intermediate trend is neutral. The 20-day moving average but above 50-day moving average.
Short-term indicators are rolling over.

Gold & Precious Metals weekly charts

Gold gained $31.50 (2.40%) last week.



Intermediate trend remains down. Gold is exhibiting a descending triangle pattern.
Strength relative to the S&P 500 Index has changed to neutral.

Short term momentum indicators look to be rolling over.

Silver gained $0.95 per ounce (5.03%) last week.

Intermediate trend is changing from down to neutral. Strength relative to the S&P 500 Index is neutral.

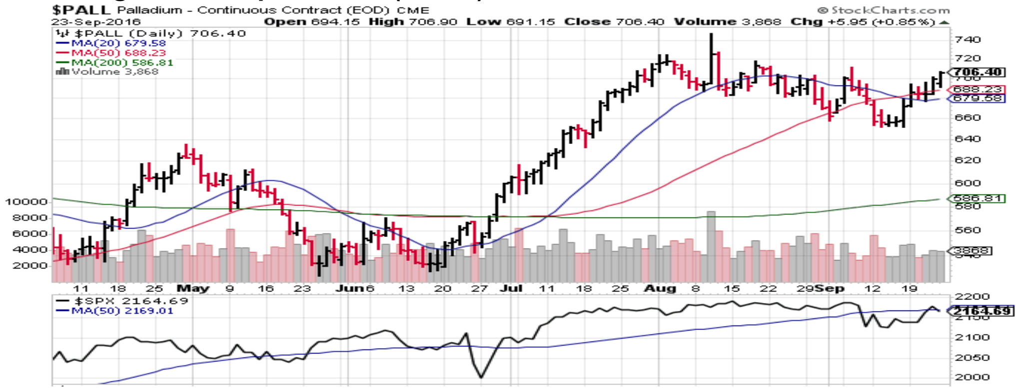
Silver broke out and closed above the 20-day and 50-day moving averages.
Short term momentum indicators are rolling over.

Platinum added $39.40 per ounce (3.87%) last week.

Intermediate trend remains bearish. $PLAT has moved up on the 20-day moving average. Short-term momentum indicators are positive.

Palladium gained $34 per ounce (5.06%) last week.

Intermediate trend is changing from down to neutral.
$PALL broke out above the 20-day moving average. Short -term momentum indicators are trending up.



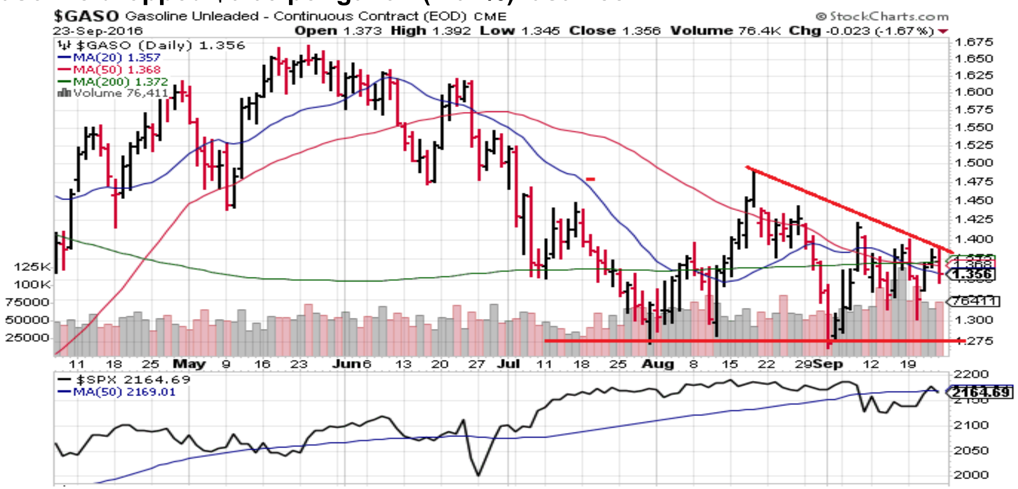
Oil & Gas & Energy weekly charts

Crude oil gained $0.86 per barrel (1.97%) last week.

Intermediate trend remains bearish. Crude oil is exhibiting a descending triangle pattern with a support level of 43. Price has space to range for another 3 to 4 weeks before a forced breakout occurs. $WTIC remains below the 20 -day moving average.
Short term momentum indicators are mixed.

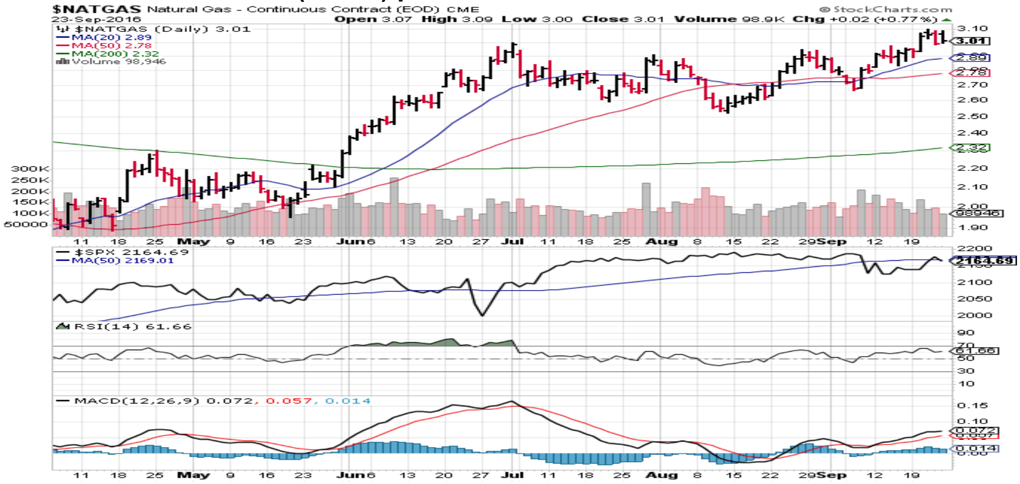
Gasoline dropped $0.03 per gallon (2.04%) last week.

Intermediate trend is changing from up to neutral. Gasoline is exhibiting a descending triangle pattern.
Support line is at 1.275
$GASO has closed below the 20-day MA. Short -term momentum indicators are neutral.



Intermediate trend remains up. Strength relative to the S&P 500 Index remains neutral. $NATGAS has remained above its 20-day moving average. Short term momentum indicators remain up.

Natural Gas added $0.07 (2.20%) per MBtu last week.



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

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

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

Stjepan Kalinic, Market Technician
skalinic@cg-inv.com
office: 212 939 7256
mobile: +(385) 9152 95916
Kastel Sucurac, Croatia

Feliks Lukas, Director of Corporate Consulting
flukas@cg-inv.com
office: 212 939 7256
mobile: +(385) 9848 8951
Kastela, Croatia

Gary Schieneman, Managing Director,
Global Accounting and Finance
gschieneman@cg-inv.com
office: 917-868-6842
New York, NY, USA

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