Creative Global Investments

Morning Market Commentary

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Objectivity

Integrity

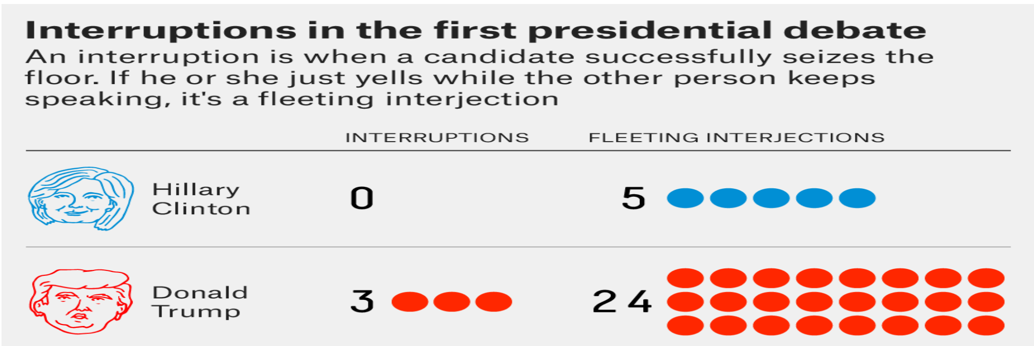
Creativity

US Presidential Debate Commentary

Having lead several political and economic debate teams, one thing that after last nights venue comes to show is that both candidates lack discipline and respect to discuss factually the differences they have in their "plans" and the way they want to steer the United States for the next presidential term.

- Not a lot of substance on differentiation of both candidates' 4-year economic and socio-political pans. One hour into the debate, the candidates had failed communicating their priorities. There's been no "on my first day in office …" or "the first bill I'll sign …" or other similar promises. Trump is most animated about trade and immigration, but it's harder to tell which issue, if any, Clinton is putting at the center of her campaign. The only noteworthy difference between both candidates highlighted in last nights debate was when they debated how to grow jobs and incomes; Trump mentioned cutting regulation, while Clinton vowed to boost manufacturing jobs; both touted their tax and trade policies.
- Not enough focus and solutions to current economic problems in US
- Too much finger pointing on personality differences and character issues
- Too much proof, that neither candidate is truly fit and of presidential quality to lead the world's biggest economy for the next 4 years (God-forbid for any longer than that).

Trump and Clinton argued about temperament. He said she didn't act like a winner, and she said he was too easily baited. The latter claim is easier to settle than the former. Trump may think he has a better temperament than Clinton. According to a newly released Monmouth poll, only 35% of voters say Trump has the right temperament to be president. A much higher 58% say Clinton does.



Trump kept up a running commentary while Clinton was speaking, although he seldom wrested the floor from her. He was much more likely to jump in when he was being discussed (whether it was his position on Iraq or the exact size of his fortune) than he was during discussion of racial tensions.

The betting consensus on Clinton is becoming more emphatic, as her odds of becoming president are now at 68.3% at Betfair, up from 63.1% before the debate.

In conclusion, our first impressions sum up to the point that Ms. Clinton became a more plausible president last night and Trump became a less plausible one.

So, how did the debate and the perceived first impact investor opinions and sentiment?

The S&P 500 futures rose just over 16 points over the course of the debate. The index sat at 2,151.50 at 10:40 p.m. ET, up from 2,135 at 9 p.m.
Additionally, the Mexican Peso strengthens against the US$, an indication that foreign exchange traders believed the debate was a win for Hillary Clinton. Gold was lower, falling $2.80 over the course of the debate.

Currencies Commentary & Charts

The weakness in the US$ Index is becoming more pronounced, particularly against commodities based currencies.

Commodities Commentary & Charts

Short to medium term, we remain bullish on commodities, as the US$ is likely breaking down below 94.5 support, we think it will take at least for a few weeks until the US$ finds a final intermediate bottom.

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Global Equities Commentary & Charts

Intermediate-term, the price action of the S&P500 index has been narrowing, coming to a point of what could end up being a rising wedge pattern. The pattern is derived from trend line support that stems from the February lows, as well as trend line resistance that connects the April and July/August highs. Price is presently testing the lower limit of this possibly bearish setup with resistance closer to 2250. Theory has it, a break below a rising wedge pattern could lead to a move back to where the pattern started, and in this case the February lows. Levels around the 200-day moving average have historically provided effective support and resistance characteristics and with price now above this important variable level, buyers would be expected to enter should price sink back to around that important pivot point, presently around 2060. The 200-day moving average has been pointing higher since June, bringing an end to a prolonged period of consolidation for the benchmark that saw prices range between 1800 and 2100. The break of this narrowing price trend could merely lead to another period of consolidation, the range of which has yet to be confirmed.

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