Creative Global Investments

Morning market commentary & weekly charts

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Objectivity

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Global Macro Commentary

In Asia, **Japan's BoJ Governor Haruhiko Kuroda maintained his upbeat view of the economy** and reiterated the central bank's resolve to maintain ultra-loose monetary policy for as long as needed to hit its ambitious 2% inflation target. Japan's economy continues to perform moderately, although some weaknesses are seen in exports and output due to the effect of stronger Yen and slowing growth in emerging economies. **We expect for the BOJ to cut next fiscal year's inflation forecast slightly in the new projection.**

In South Korea, the deputy minister said growth this year would comfortably meet the government's forecast of 2.8%, and exceed that level next year, despite the negative impacts stemming from Samsung related problems. Nevertheless, South-Korean factory output in August fell -2.4% from July, the fastest decline in 19 months.

In Europe, **Greece will return to GDP growth of about 0.5% this year**, contrary to the government's previous projection for a slight drop in output, due to a strong summer tourism season and a high take-up of EU funds, PM Tsipras said on Saturday. The government expects the economy to expand 2.7% next year, propped up by the trickle-down impact of bailout cash inflows and resurgent private demand.

In the America's, the US GDPNow indicator from the Atlanta Federal Reserve has been cut in half to 1.9% for Q3, after only 1.1% actual growth for 1H of this year. GDP Now keeps fading away, and if Q3 will produce only 1.9% GDP as per consensus estimates, (our forecast is 1.4% for Q3 and similarly for Q4), then we are looking at only 1.3% GDP for the US this year, which is below our 1.6% estimate (the lowest of sell-side estimates, and btw, below the so belittled EU GDP of 1.5%).

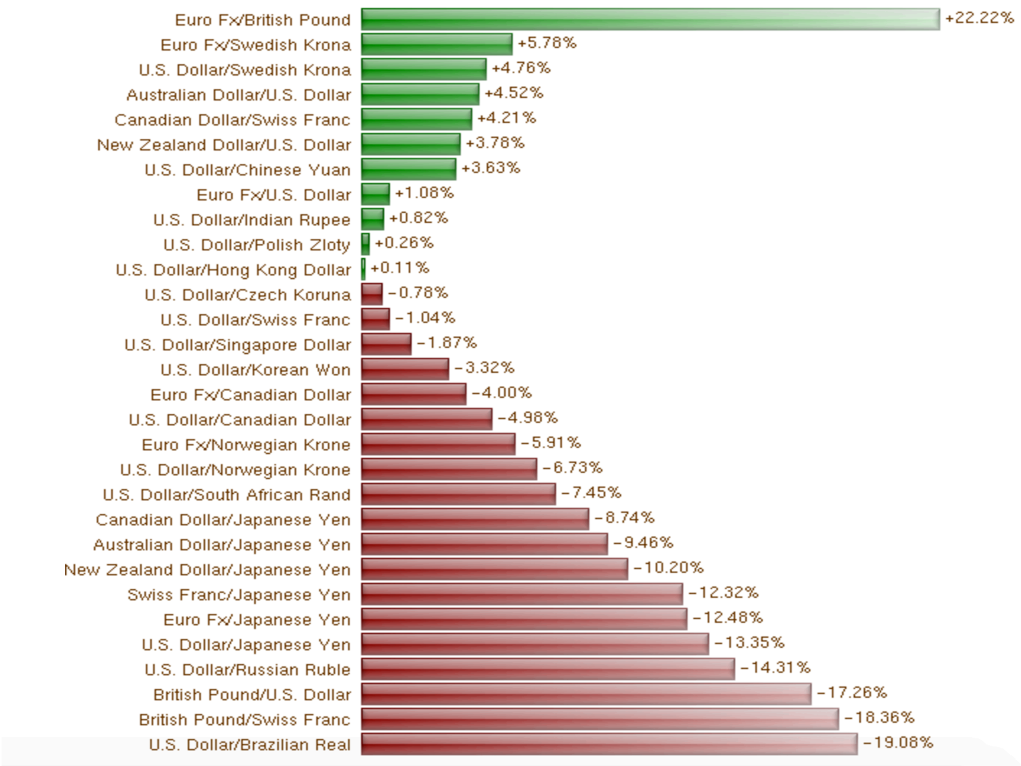
Fed Chair Janet Yellen told a Boston luncheon that US economic potential is slipping and may need aggressive steps to rebuild it in remarks that sent a ripple through financial markets. Ms. Yellen and FED team have been the world's champions in misleading investors in the past 2 and a half years as to have everyone guessing as to when the next rate hike will occur.

Again, the way we continue seeing it, the macro climate in both the US and most of the G-10 countries is still fading, global trade still depressed, and capacity global utilization still well under 70%, we see no rational reason as to why the FED should raise rates this year, or in 2017.

In Brazil, there is room for another rate cut, Serra said, speaking to reporters after the BRICS summit, which gathered the leaders of Brazil, Russia, India, China and South Africa. Many investors, after lower inflation figures last month and an improved outlook for the economy's recovery, already believe the central bank's monetary policy committee could begin cutting the benchmark Selic rate at its upcoming meeting on Wednesday. Inflation in Brazil fell to 8.48% in the 12 months through September from 8.97% in the previous month. Because of rapid price increases in recent years, the committee has kept the rate at 14.25% since July 2015.

Currencies commentary & carts

Best & worst performing currencies ytd 2016



The following chart (besides Ms. Yellen's Boston FED speech last Friday and US companies'Q3 statements and subsequent future earnings warnings) shows the US$ index ending the week at a seven-month closing high. That's also weighing on large cap stocks. **We are expecting for the US$ to weaken until year-end 2016 towards the .93 level.**

Fixed Income commentary & charts

Although there were renewed hopes amongst sell side strategists regarding a tight labor market in the US, price inflation moving higher, GDP to re-launch in 2H (oh well; that got crushed badly by the Atlanta FED's GDPNow indicator to about half the rate of 1.9% versus 3.6% that was expected last Friday), reality has to eventually catch up with the hype. So, whilst yields have staged a remarkable countertrend over the past 4 weeks, we think that there is very little room for further upside from current levels. Let's remember that both the 30-Year Treasuries and the 10-Year Treasuries did enter their historic time range of seasonal weakness as of late summer into March of the following year, and countertrend reversals are a natural thing.

Like the 30-year bond, the price of the 10-year, $UST also reflects seasonal weakness, and creates a great opportunity for investors to buy into the seasonally lower prices.

And when looking at the "most important chart in the world" as we call it, there is nothing alarming from a chartist evaluation when looking at the current countertrend, as the $TNX is still perfectly behaving in line of the upper and lower trend parameters. **We are recommending for investors to add towards $TNX at current prices, we maintain our year end 2016 price target for the yield to drop to below 1.30%, and for the yield to drop below 1.10 by the middle of 2017.**

Commodities commentary & charts

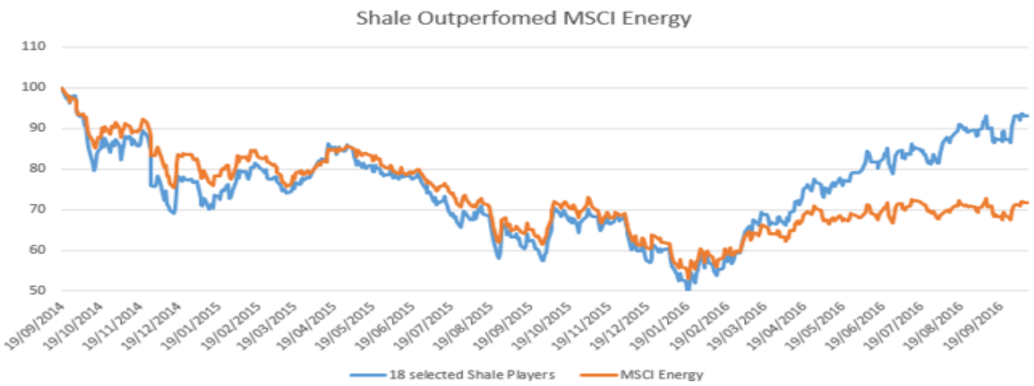
One major leading indicator which we like to use to gauge the demand perception of commodities and their demand and pricing outlook is the Baltic Dry Index ($BDI). Although the $BDI has staged a phenomenal upward move since its all-time low bottom earlier this year, now it is facing major resistance at the 20-day MVA line, and it seemingly has trouble here.

Let's look at the Commodities Index ($CRB) and one can see that prices have rolled over a few weeks ago. **The $CRB has first support at the 50-dayMVA at around 184, if that were to fail, the 200-dayMVA support of 178 would be the next level for investors to buy the $CRB aggressively.**

Brent Oil prices have reached $53/bbl thanks to the Russian support to freeze production and previous discussion from Opec members. It's true that Russia probably supports a freeze as the country's production is at its highest and the potential for additional production increase is very limited. What seems quite likely now though that oil prices will no longer go below $45/bbl, which is pretty much what Saudi Arabia was looking for. A $45/bbl. is the potential low point in our view.

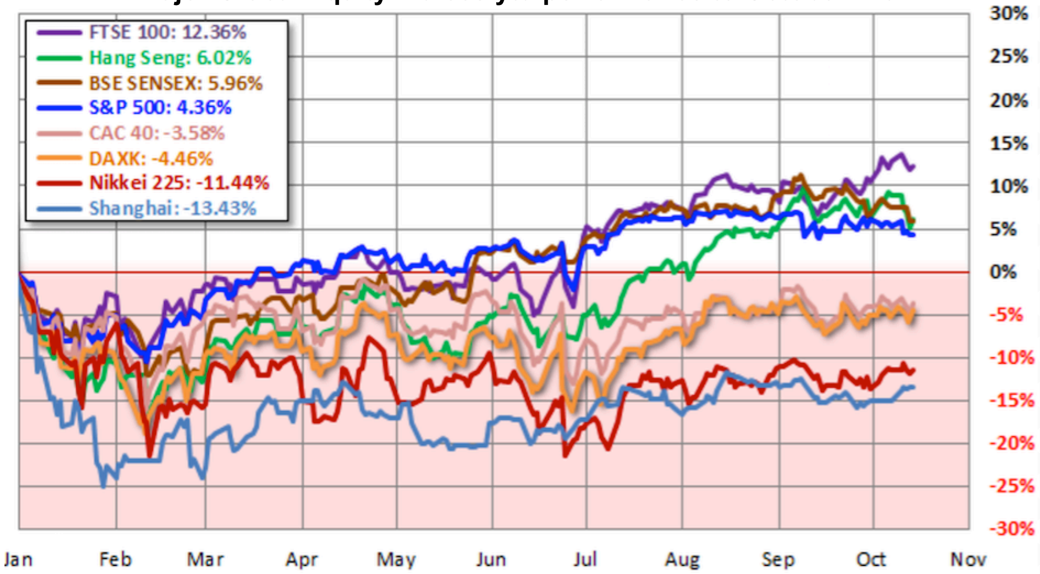
From a fundamental point of view, we see further potential upside this year on oil prices. We maintain our WTI ($63/bbl) target for end 2016, in spite of still a lot of inventories in the world, onshore and offshore, and shale production will start to stabilize in the coming weeks, and increase by 0.3mbpd next year. The cut in capex will have an impact only from 2017 onward.

On oil prices, we didn't change our target set a year ago. For Brent $70/bbl. remains our target for 2017. The preference is on shale as highlighted on the chart below.



Equities commentary & charts

Major Global Equity Indices ytd performance to October 14th



Of the major equities indices, China's Shanghai Composite was the top performer, up 1.97% following the previous week of market closure celebrating Chinese National Day. Hong Kong's Hang Seng was the biggest loser, down 2.59%. The average of the eight was a modestly negative -0.26%.

Best equity markets ytd in 2016

YTD		1 week	
Index	Change	Index	Change
Argentina	49.16%	Portugal	2.84%
Brazil	42.49%	SZ SME	2.18%
Russia	29.67%	Greece	2.08%
Hungary	18.69%	Chinext	2.06%
Vietnam	18.65%	Shanghai	1.97%
Indonesia	17.57%	Shenzhen	1.82%
Thailand	14.72%	Argentina	1.63%
Luxembourg	13.30%	Spain	1.62%
New Zealand	12.79%	Czech	1.52%
London	12.35%	Norway	1.46%

Worst Equity Markets ytd in 2016

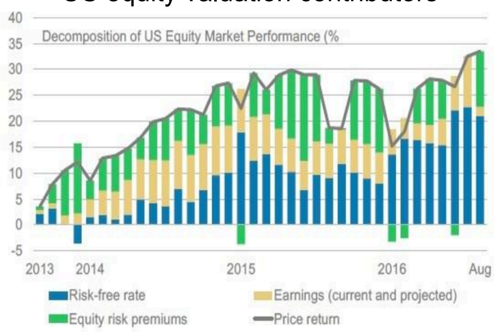
YTD		1 week	
Index	Change	Index	Change
Italy	-21.56%	Hong Kong	-2.59%
Chinext	-19.15%	Philippines	-2.49%
SZ SME	-17.42%	Singapore	-2.09%
Shenzhen	-15.04%	Russia	-2.06%
Shanghai	-13.43%	Rus 2000	-1.95%
Ireland	-13.01%	Thailand	-1.78%
Mongolia	-12.29%	Korea	-1.52%
Denmark	-12.08%	NASDAQ	-1.48%
Nikkei 225	-11.44%	India	-1.38%
Spain	-8.39%	Mongolia	-1.21%

What should investors expect for the remainder of 2016?

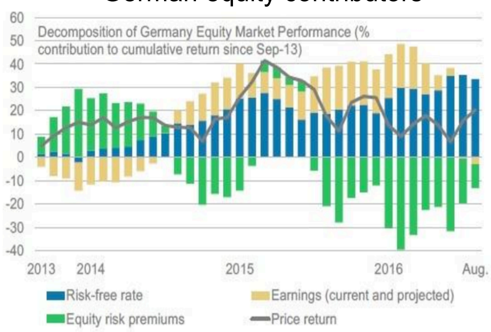
Well, **given the importance of seasonal trends, besides growth, dividend yield and currency tailwind advantages that foreign equities currently still have as an advantage over US equities, we continue recommending to move more out of US equities into the higher yielding European counterparts, and also back into the traditional BRIC countries.**

Although the past years' of equity performance, as per performance attribution analysis done by the IMF, has mainly stemmed from the QE done by the major Central Banks, as the chart below shows, also explains, why equities, and namely US equities can continue to fare at those frothy multiples.

US equity valuation contributors



German equity contributors



source: IMF

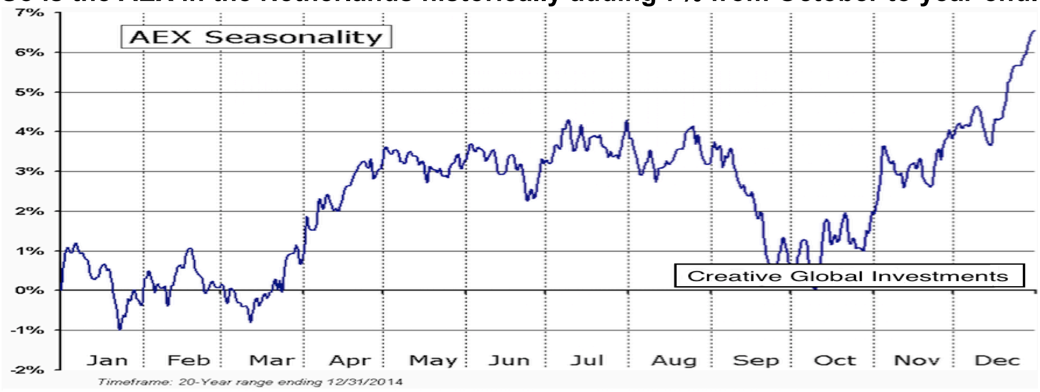
Whilst October is the second highest month on volatility characteristics, it is the beginning month for some equity indices major periods of seasonal strength. Below are the countries equity indices, which historically have recorded the biggest percentage moves since the beginning of October until year-end.

Germany's DAX 30 index is amongst the biggest seasonal performers, with an annual October – year-end performance of 8%.

Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	0.4%	0.6%	0.8%	3.5%	0.6%	0.3%	1.1%	-2.6%	-2.0%	2.5%	3.0%	2.5%
Gain Frequency	60%	50%	50%	75%	55%	60%	55%	55%	55%	70%	80%	80%
Max Return	9.3%	11.5%	9.5%	20.0%	8.9%	7.9%	15.9%	3.4%	6.2%	14.6%	9.4%	16.8%
	2012	2000	2010	2003	1998	2003	1997	1999	1997	2002	2001	1999
Min Return	-15.7%	-11.6%	-8.8%	-6.7%	-7.5%	-9.9%	-15.4%	-20.4%	-28.2%	-12.9%	-10.2%	-13.1%
	2008	2009	1995	2002	2012	2008	2002	2011	2002	2008	2000	2002

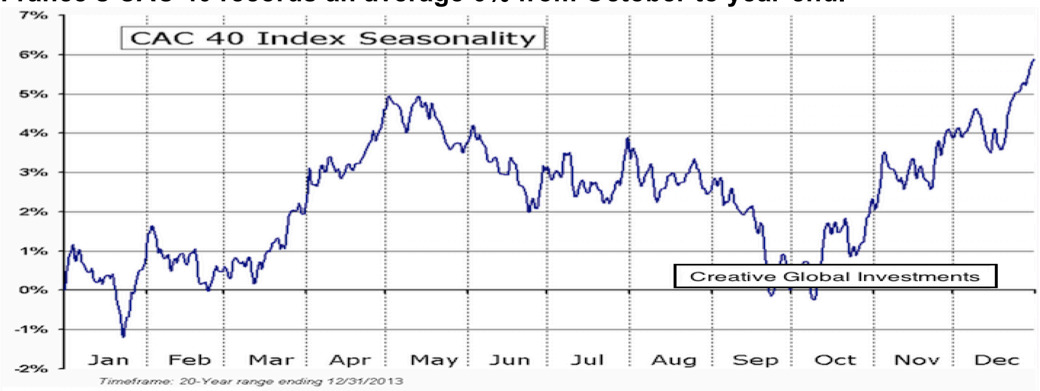
So is the AEX in the Netherlands historically adding 7% from October to year-end.



Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	-0.4%	0.4%	0.6%	2.4%	0.2%	-0.1%	1.1%	-1.1%	-2.7%	1.5%	1.8%	2.7%
Gain Frequency	60%	60%	50%	75%	50%	60%	50%	50%	50%	70%	65%	80%
Max Return	4.7%	11.3%	8.1%	13.4%	7.8%	8.6%	13.5%	4.7%	6.1%	15.7%	10.6%	11.0%
	1998	1998	2010	2003	2009	1997	1997	2009	1997	2002	1998	1999
Min Return	-14.9%	-11.9%	-6.4%	-5.9%	-6.9%	-12.9%	-17.2%	-11.9%	-21.5%	-18.1%	-7.5%	-11.1%
	2008	2009	2001	2005	2010	2008	2002	1997	2002	2008	2007	2002

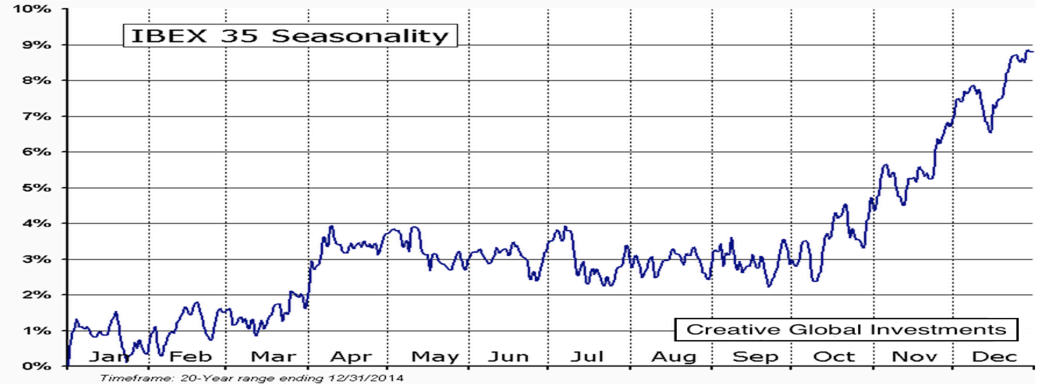
France's CAC 40 records an average 6% from October to year-end.



Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	0.7%	-0.3%	1.5%	2.7%	-0.8%	-0.7%	0.8%	-1.4%	-2.5%	2.3%	1.6%	1.9%
Gain Frequency	65%	45%	65%	70%	50%	50%	55%	35%	50%	80%	65%	80%
Max Return	8.5%	9.3%	12.6%	12.4%	5.2%	10.3%	9.4%	6.6%	8.4%	13.7%	9.0%	11.1%
	1997	2000	1998	2003	2005	1997	1994	2009	1997	2002	1999	1999
Min Return	-13.6%	-11.0%	-7.1%	-6.0%	-7.5%	-12.1%	-11.9%	-11.2%	-18.2%	-11.5%	-7.4%	-8.0%
	2008	2001	1994	2012	2010	2008	2002	2011	2002	2008	2000	2002

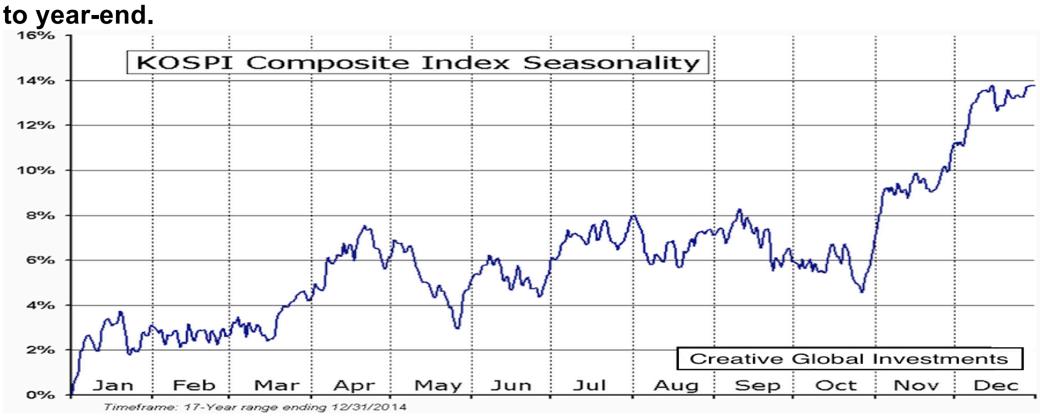
In Spain, the IBEX adds over 5% from October to year-end.



Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	0.3%	1.2%	0.1%	2.1%	-0.8%	0.3%	0.1%	-0.7%	0.2%	1.9%	2.0%	2.1%
Gain Frequency	60%	55%	45%	65%	50%	55%	40%	50%	60%	65%	70%	80%
Max Return	10.7%	15.3%	13.9%	15.0%	6.6%	15.9%	12.8%	10.3%	10.8%	14.7%	11.9%	10.3%
	2001	2000	1998	2009	1997	2012	2010	2012	1997	1998	1999	1996
Min Return	-13.0%	-10.0%	-5.4%	-12.8%	-13.7%	-13.6%	-9.0%	-23.2%	-16.3%	-15.7%	-15.2%	-10.0%
	2008	2009	2012	2012	2012	2002	2002	1998	2002	2008	2010	2002

Over in ASIA, Korea's KOSPI gains the most with an average of 8% from October to year-end.



Monthly Averages over past 17 years:

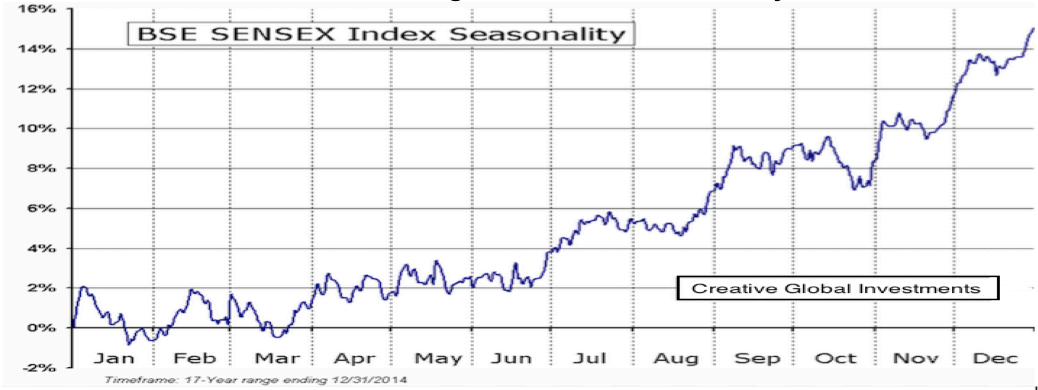
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	3.1%	-0.6%	1.5%	2.0%	-1.1%	0.4%	2.4%	-0.7%	-1.2%	0.5%	4.5%	2.9%
Gain Frequency	59%	47%	47%	53%	53%	47%	71%	47%	53%	59%	71%	65%
Max Return	41.9%	9.6%	17.9%	20.2%	9.9%	19.1%	15.5%	9.0%	12.1%	22.6%	18.5%	23.5%
	1998	2002	1999	1999	2007	1999	1998	2004	2005	1998	2001	1998
Min Return	-15.0%	-12.4%	-12.5%	-15.6%	-21.3%	-10.8%	-14.6%	-11.8%	-12.6%	-23.2%	-7.6%	-14.1%
	2008	2000	1998	2000	1998	1998	2000	2011	2002	2008	2007	2002

The Hang Seng records an average of 4% from October to year-end.

Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	-1.8%	2.7%	-1.3%	2.3%	0.0%	0.4%	2.4%	-1.6%	0.2%	1.9%	2.1%	1.3%
Gain Frequency	40%	60%	45%	75%	40%	60%	70%	40%	65%	75%	75%	70%
Max Return	12.2%	22.9%	10.8%	20.2%	16.3%	11.0%	11.6%	7.5%	12.6%	26.3%	15.1%	10.1%
	1996	1998	1999	1999	2009	1999	2009	2003	2007	1998	1999	1999
Min Return	-15.2%	-8.4%	-14.4%	-10.8%	-14.7%	-10.2%	-6.9%	-14.3%	-15.5%	-30.5%	-9.5%	-7.6%
	2008	2001	2001	2000	1998	2008	1998	1997	2008	1997	2011	2002

India's SENSEX also adds an average of 5% from October to year-end.

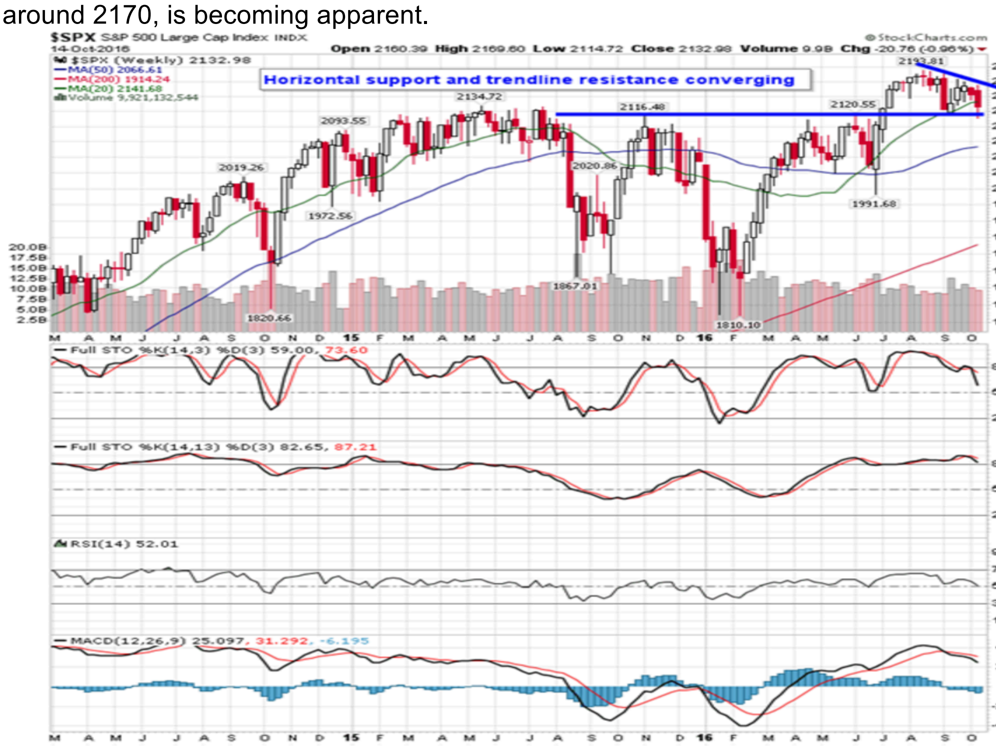


Monthly Averages over past 17 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	-0.6%	0.8%	0.8%	0.8%	0.8%	1.2%	1.7%	1.4%	2.1%	-0.7%	3.1%	3.7%
Gain Frequency	47%	59%	47%	53%	47%	71%	59%	71%	65%	47%	71%	76%
Max Return	10.8% 2012	11.9% 1998	15.2% 1999	16.5% 2009	26.8% 2009	12.7% 2003	9.5% 1999	11.5% 2003	12.3% 2007	14.4% 2007	10.9% 2005	14.8% 2003
Min Return	-13.0% 2008	-8.3% 2007	-15.5% 2001	-11.1% 1999	-15.7% 2004	-19.4% 2008	-9.9% 2000	-8.8% 1998	-13.6% 2001	-24.6% 2008	-9.2% 2011	-4.2% 2014

For allocators to US equities, the simple question for investors is whether the FED is about to let the air out of the balloon or not. With corporate earnings that clearly have peaked, combined with a still slowing US and global economy below historic growth rates, with government spending being at maximum levels, and with the consumer pretty stretched (particularly in the US), and most importantly with a US$ which is too strong for the US companies to compete globally, we do see no pressing rational for the FED to do so.

Stocks flat lined on Friday for a second day, this time relinquishing the gains accumulated early in the session following better than expected earnings results from Wells Fargo, Citigroup, and JP Morgan. The S&P 500 had shed nearly one percent (0.96%) during the week, trading marginally below its 20-weekMVA. Momentum indicators on the weekly look of the $SPX are increasingly rolling over as selling pressure escalate. Significant support at 2120, while broken intraweek, remains intact on a weekly closing basis, keeping the breakout realized this past summer intact. While horizontal support remains obvious, declining trendline resistance, presently hovering around 2170, is becoming apparent.



The KBW Bank Index closed higher by .5%, albeit well off of the highs of the session as the conference calls got underway. The $BKX has been attempting to hold support at its rising 50-day moving average for the past few months, struggling to overcome the significant headwinds imposed by shares of Wells Fargo as the scrutiny surrounding their business practices continues.

Seasonally, bank stocks start to move higher around this time of year, gaining through the first quarter of the new year.

Monthly Averages over past 20 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	-0.9%	-1.0%	2.4%	2.8%	1.0%	-2.2%	1.7%	-1.9%	-0.4%	2.1%	0.4%	1.2%
Gain Frequency	55%	55%	50%	65%	65%	40%	70%	40%	55%	65%	65%	65%
Max Return	8.9%	9.6%	18.3%	28.4%	15.5%	5.3%	12.7%	12.9%	7.7%	15.5%	9.9%	15.4%
	2010	1998	2000	2009	2009	1999	1997	2009	1997	1999	1996	2010
Min Return	-36.8%	-22.0%	-7.5%	-6.1%	-11.4%	-24.1%	-8.1%	-25.0%	-10.4%	-7.9%	-14.7%	-9.5%
	2009	2009	1997	2000	2010	2008	2007	1998	2002	2001	2008	1999

Weekly Investment Conclusion

Economic news this week in Canada and the U.S. is expected to show continuing growth at a slow but steady rate.

The period of seasonal strength for Japanese, European and North American equity markets has arrived. Seasonal influences begin to change in the month of October. During the past 20 years, US and Canadian equity markets on average have reached their annual low in October (October 4th for TSX companies and October 15th for S&P 500 companies) on increased volatility.

This year, the S&P 500 Index likely reached a seasonal low last week at 2,114.72, the Dow Jones Industrial Average likely reached a low at 17,959.95 and the TSX Composite Index likely reached a low at 14,468.03. Volatility likely will remain high between now and November 8th (US Presidential Election Day).

Thereafter, equity markets are expected to catch the seasonal upswing wave that traditionally happens between now and the first week in January.

Technical action by S&P 500 stocks last week was bearish. Another 62 stocks broke intermediate support while only 15 stocks broke intermediate resistance. Number of stocks in an uptrend dropped to 189 from 217, number stocks in a neutral trend changed to 72 from 74 and number of stocks in a downward trend increased to 249 from 219. Up/Down ratio dropped to (189/249=) 0.76 from 0.99. Short term and intermediate term technical indicators are oversold and showing early signs of bottoming. On average during the past 20 years, the S&P 500 Index reached a seasonal low on October 15th and the TSX Composite Index reached a seasonal low on October 5th.

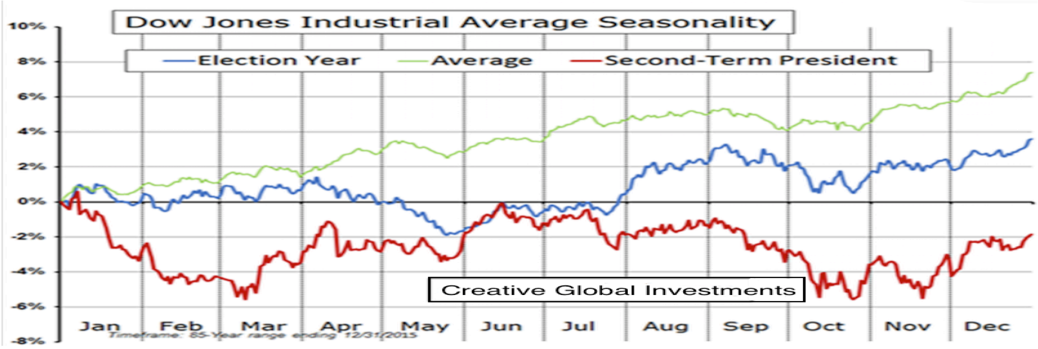
Q3 reports begin to pour in this week: 91 S&P 500 companies and 11 Dow Jones Industrial Average companies are scheduled to report. 7% of S&P 500 companies have reported to date. Thanks to better than expected results from major US banks, consensus calls for a drop in Q3 earnings on a y-o-y basis of 1.8% (versus a -2.1% decline last week). Sales are expected to increase 2.6% (same as last week).

Prospects beyond Q3 for S&P 500 companies remain positive, but analysts have lowered their estimates due to the impact of Hurricane Matthew. Q4 earnings are expected to increase 5.6% (versus 5.9% last week) and sales are expected to increase 5.3% (versus 6.1% last week). Four S&P 500 companies have issued negative Q4 guidance while two companies have issued positive guidance.

Prospects for 2017 remain promising for S&P 500 companies, but also have been reduced slightly. Earnings are expected to increase 12.8% (versus 12.9% last week) and sales are expected to increase 6.0% (versus 6.1% last week). Prospect for 2017 also were reduced slightly due to strength in the US$.

Earning prospects for Canada’s largest list companies (i.e. TSX 60 companies) is significantly better than prospects for S&P 500 and Dow Jones Industrial Average companies. Consensus calls for a year-over-year average (median) gain of 6.1%.

Polls on the US Presidential election show Hilary with a significant lead. US equity markets have responded accordingly (e.g. weakness in the Health Care sector and strength in the Mexican equity markets). History shows that US equity markets bottom about mid-October when a new President is elected after a two term President. Thereafter, equity markets move sideways to Election Day followed by a significant upside move.



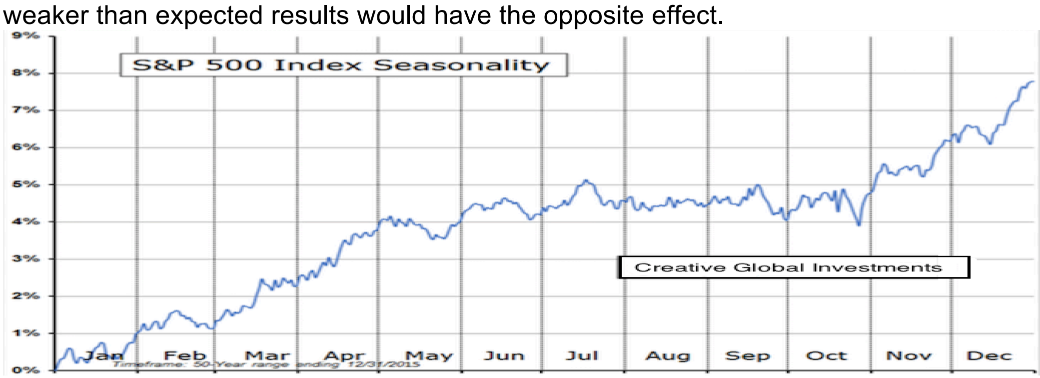
Over the past 50 years, the S&P 500 has returned 1.0%, on average, in this tenth month of the year. The gains in the month have come with a frequency of 60%, one of the better monthly frequencies in the 50-year timespan. Returns have ranged from a loss of -21.8% in 1987, known as the crash of Black Monday, to a gain of 16.3% realized in 1974. As is common with seasonal pivot points, earnings play a significant role in influencing market activity.

Monthly Averages over past 50 years:

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
% Return	1.0%	0.1%	1.1%	1.5%	0.2%	0.0%	0.4%	-0.1%	-0.6%	1.0%	1.2%	1.4%
Gain Frequency	58%	56%	66%	70%	56%	52%	44%	56%	44%	60%	68%	70%
Max Return	13.2%	7.1%	9.7%	9.4%	9.2%	5.4%	8.8%	11.6%	8.8%	16.3%	10.2%	11.2%
	1987	1986	2000	2009	1990	1999	1989	1982	2010	1974	1980	1991
Min Return	-8.6%	-11.0%	-10.2%	-9.0%	-8.2%	-8.6%	-7.9%	-14.6%	-11.9%	-21.8%	-11.4%	-6.0%
	2009	2009	1980	1970	2010	2008	2002	1998	1974	1987	1973	2002

While the average low in the large-cap benchmark is typically realized on October 27, reaction to Q3 earnings released in the month can play a role in driving stocks higher or lower throughout this first month of Q4. Presently, the expected y-o-y earnings decline for Q3 is -2.1%, still driven by the energy sector, which is expected to realize an earnings decline of a whopping 67%.

Utilities, consumer discretionary, consumer staples, health care, materials, technology, and financials are all expected to report growth in earnings of between 0.3% to 5.3%. Real estate, industrials, and energy are the unfortunate victims to the sharp decline in oil prices, either directly or indirectly. As of the end of Q2, it was expected that Q3 earnings would tilt back into growth territory at 0.3%, but analyst revisions have taken numbers lower throughout the past three months. Should it become apparent that analyst expectations are too low, stocks may see that earlier than average jump, while weaker than expected results would have the opposite effect.



US equity markets weekly charts

The VIX Index gained 2.64 points (19.58%) last week.

Intermediate trend remains down. The Index remained below its 20-day moving average. Price has been rejected by the upper trendline.

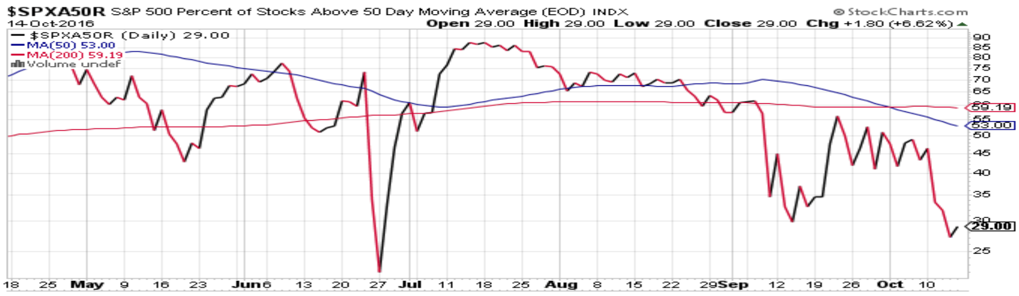
The S&P 500 Index dropped 20.76 points (0.96%) last week.

Intermediate trend is rolling over. The Index closed below its 20-day moving average and below the 2140 support.

Short-term momentum indicators are rolling over.

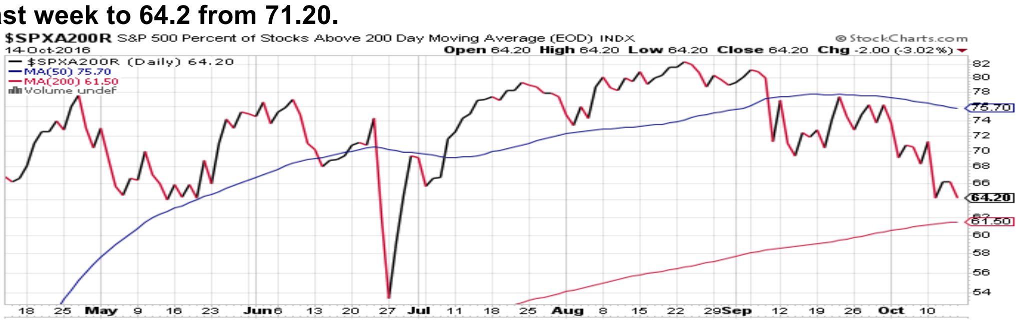
Percent of S&P 500 stocks trading above their 50-day moving average dropped last week to 29 from 46.40.

The index remains trending down and below its 50-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average dropped last week to 64.2 from 71.20.

The index remains trending down and below its 50-day moving average.



The Index continued trending down area and broke below the 200-day moving average.

Bullish Percent Index for S&P 500 stocks slipped last week to 62.60 from 66.60 and remained below its 50-day moving average.

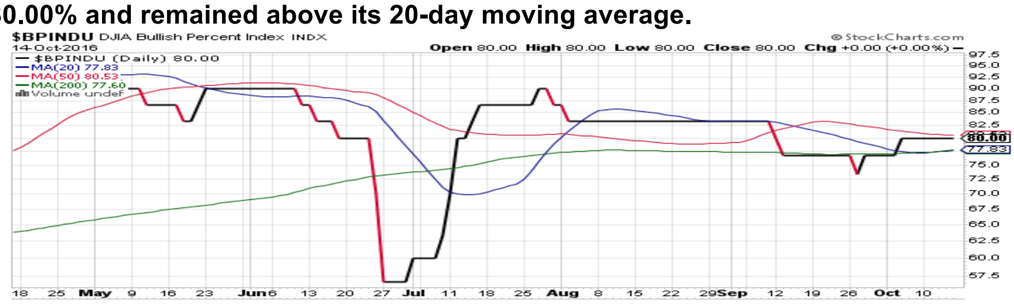
Intermediate trend remained up. The Index rejected the breakout attempt.

The Average moved below its 20-day moving average. Short-term momentum indicators are neutral.

The Dow Jones Industrial Average slipped 102 points (0.56%) last week.

The Index remained above its 20-day and 200-day moving average.

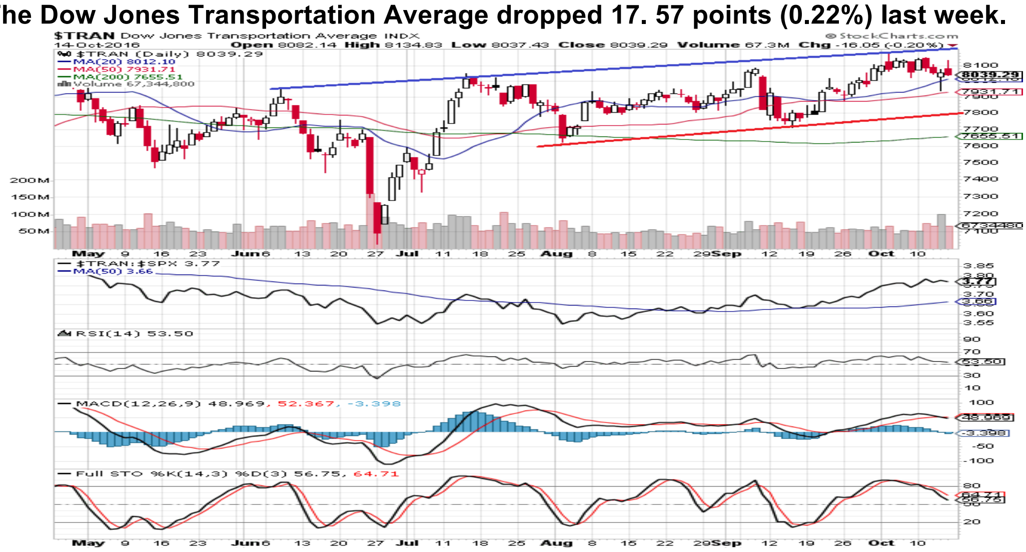
Bullish Percent Index for Dow Jones Industrial Average stocks remained at 80.00% and remained above its 20-day moving average.



Dow Jones Transportation Index rebounded off the 50-day moving average. Strength relative to the S&P 500 Index remained positive. The $TRAN remained above its 20- day moving average.

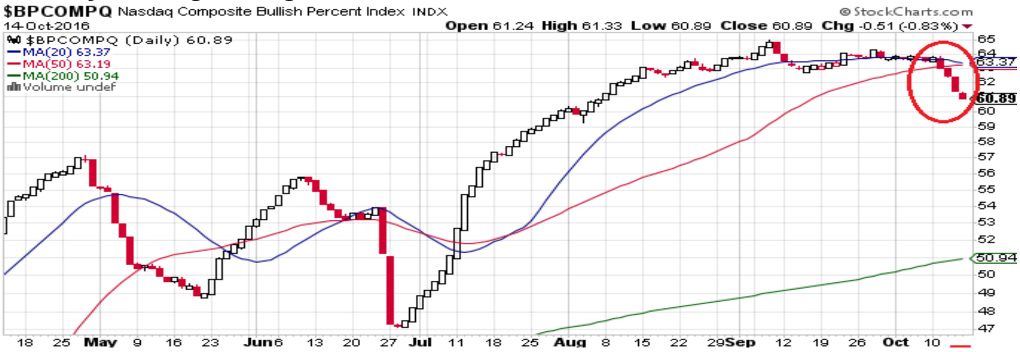
Short-term momentum indicators are rolling over.

The Dow Jones Transportation Average dropped 17. 57 points (0.22%) last week.



Bullish Percent Index dropped last week to 60.89from 63.41 and remained below its 20-day moving average.

The Index broke out below the 20-day moving average.

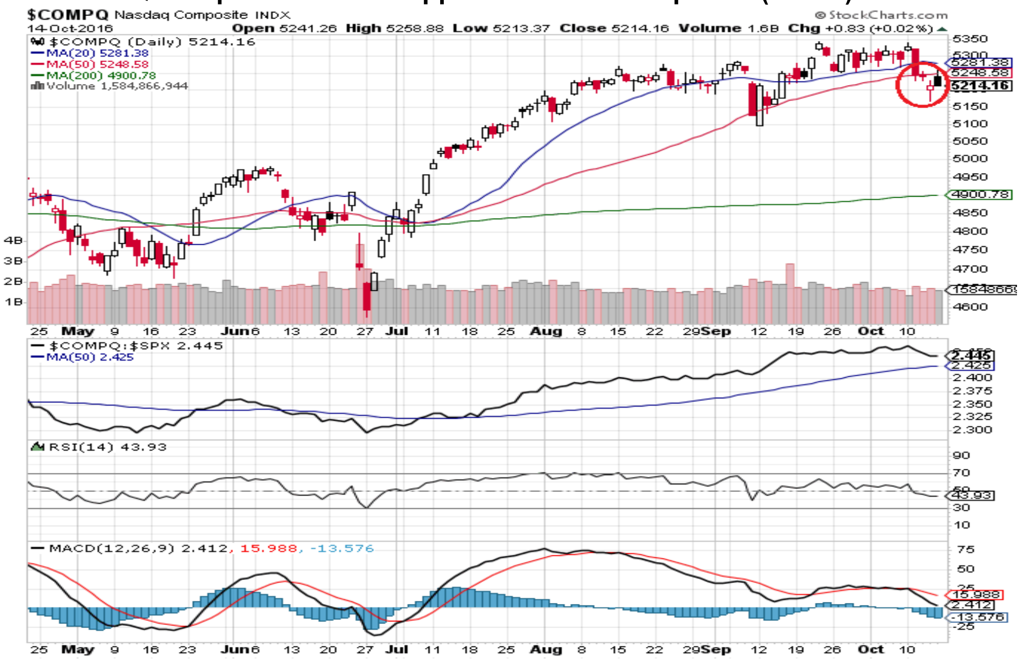


The NASDAQ Composite Index dropped another 78.24 points (1.48%) last week.

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

The Index moved below its 20-day moving average.

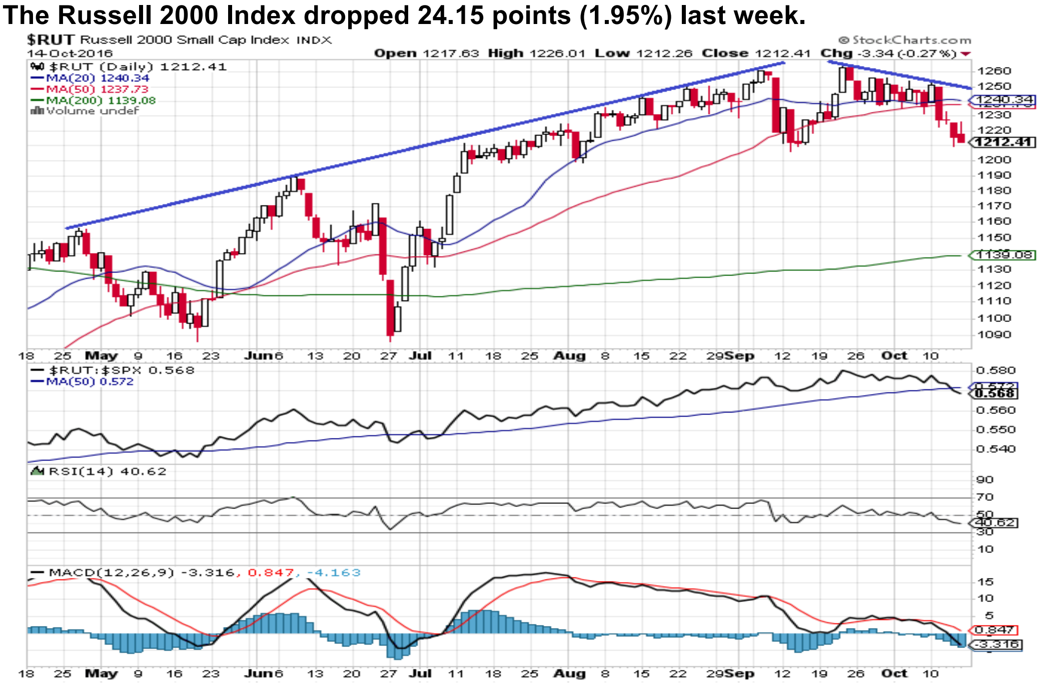
Short-term momentum indicators are trending down.



The Russell 2000 Index dropped 24.15 points (1.95%) last week.

Russel 2000 Index looks to test the 1200 support. Strength relative to the S&P 500 Index changed from Positive to Neutral.

The Index remained its 20-day moving average. Short-term momentum indicators are trending down.



The S&P Energy Index fell 2.12 points (0.41%) last week.

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

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

The Philadelphia Oil Services Index lost 1.41 points (0.85%) last week.

$OSX continues the bullish momentum. Strength relative to the S&P 500 Index remained Positive.

The Index remained above its 20-day moving average. Short-term momentum indicators are neutral.

The AMEX Gold Bug Index gained 0.25 points (0.13%) last week.

$HUI started ranging post the gap breakout. Strength relative to the S&P 500 Index remained Negative

The Index remained below its 20-day moving average. Short-term momentum indicators are mixed.

Latam equity markets weekly charts

The BOVESPA added 658.24 points last week.

Intermediate trend remained upwards.

Short-term momentum indicators are rolling over, the $BVSP continues to move towards the northern trend-line resistance.

The Mexican Bolsa gained 104.85 points last week.

Intermediate trend remains positive. The Index is trapped inside a tight trendline – MA50 range.

Short-term momentum indicators are rolling over.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite stocks slipped last week to 73.58 from 73.98 and remained below its 20-day moving average.

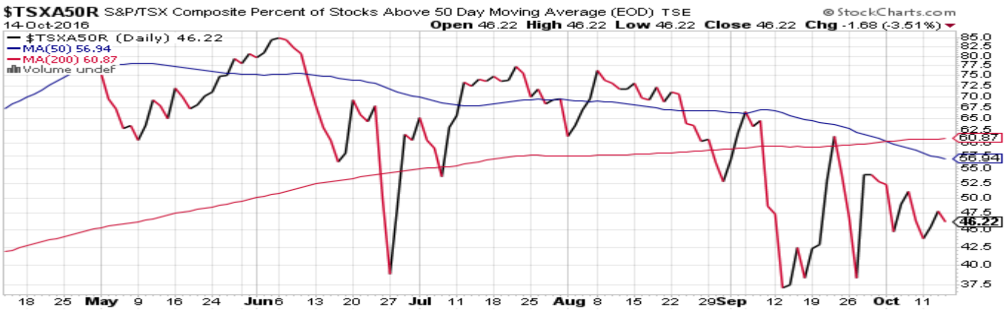
The Index remains intermediate oversold and trending down.

The TSX Composite Index gained 18.73 points (0.13%) last week.

Intermediate trend remains up. The Index is exhibiting an ascending triangle pattern

The Index remained below its 20-day moving average. Short-term momentum indicators are flat.

Percent of TSX stocks trading above their 50-day moving average plunged last week to 46.22 from 43.70.



The index remains in the downtrend and below the 50-day moving average.

Percent of TSX stocks trading above their 200 day dropped last week to 73.11% from 73.53%.

The index remains intermediate oversold and below the 50-day MVA.

Asian equity markets weekly charts

The SENSEX lost 387.54 points last week.

$BSE is trapped inside a descending triangle pattern. Support line has momentarily stopped the bearish momentum.

Short-term momentum indicators are trending down. The Index has remained below its 50-day moving average.

The Nikkei Average dropped 3.72 points (0.02%) last week.

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

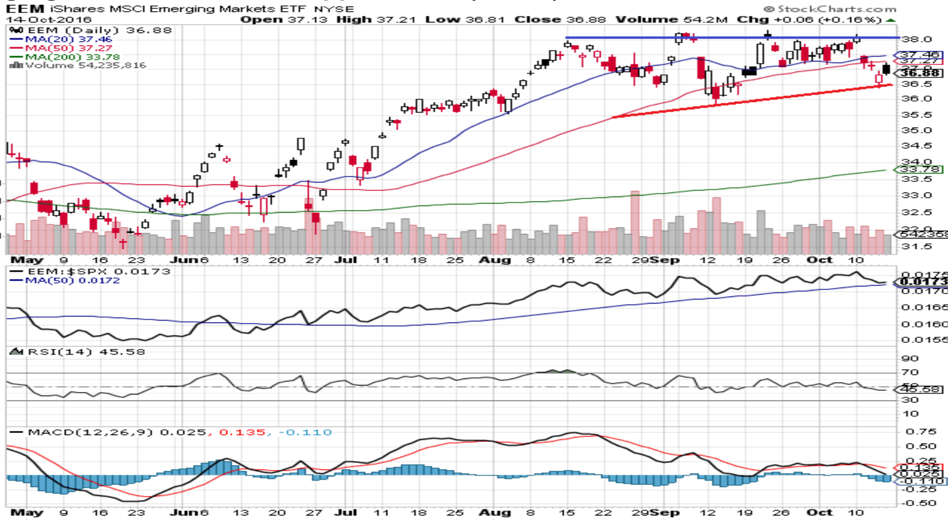
The $NIKK remained above its 20-day moving average. Short-term momentum indicators are rolling over.

The Shanghai Composite Index gained 59.11 points (1.97%) last week.

Intermediate trend changed to Neutral. The Index has bounced back in the ranging zone.

The $SSEC moved above its 20-day moving average. Short-term momentum indicators are positive.

Emerging Markets iShares dropped $0.81 (2.15%) last week.



Intermediate trend remained up. Strength relative to the S&P 500 Index changed from Positive to Neutral. Price looks to be forming an Ascending Triangle.

Units moved below their 20-day moving average. Short-term momentum indicators are neutral.

The Australia All Ords Composite Index added 23.30 points (0.42%) last week.

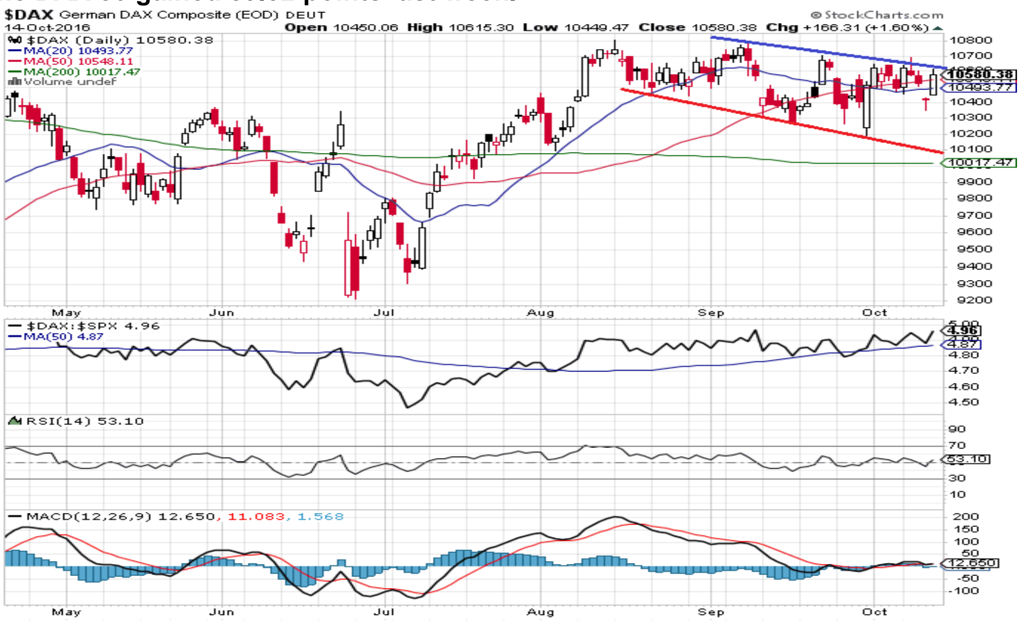
Intermediate trend remains up. Strength relative to the S&P 500 Index remained Positive.

The $AORD remains above its 20-day moving average.

Short-term momentum indicators are starting to roll over.

European equity markets weekly charts

The DAX 30 gained 89.52 points last week.



Intermediate trend is Down. Upper trendline exhibits solid resistance.

Short-term momentum indicators are mixed. The $DAX looks to be moving towards the lower-trend-line area of 10,200.

The CAC 40 added 21 points last week.

Intermediate trend remains neutral. The Average remained above the 50-day moving average.

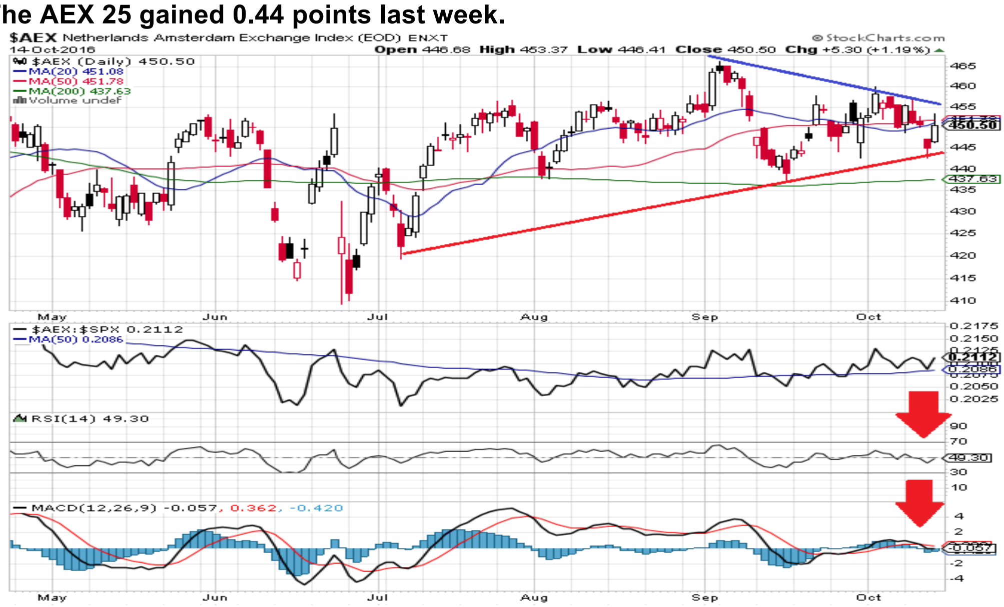
Short-term momentum indicators look to be rolling over

If $CAC fails to break the upper trend line it will retest the support in the coming period.

The AEX 25 gained 0.44 points last week.

$AEX momentum is trapped in a bullish biased triangle. The Average moved above its 20-and moving average. Price rejected the lower breakout.

Short-term momentum indicators rolling over.

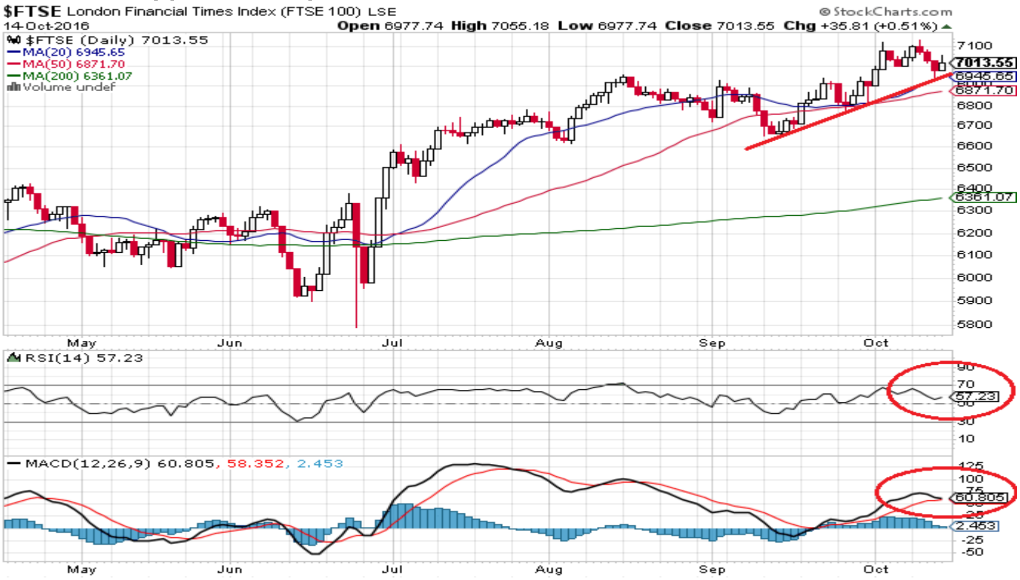


The IBEX 35 added 143.6 points last week.

Intermediate trend is negative. $IBEX remains inside a descending triangle. Strength relative to the S&P 500 Index remains neutral The Average moved above the 20-day moving average.

Short-term momentum indicators are mixed.

The FTSE dropped -30.84 points last week.



Intermediate trend is bullish. The Average remained above the 50-day moving averages

Short-term momentum indicators are rolling over.

Europe iShares lost $0.75 (1.63%) last week.

Intermediate trend remains up. The Index rejected the breakout and is still inside ascending triangle pattern.

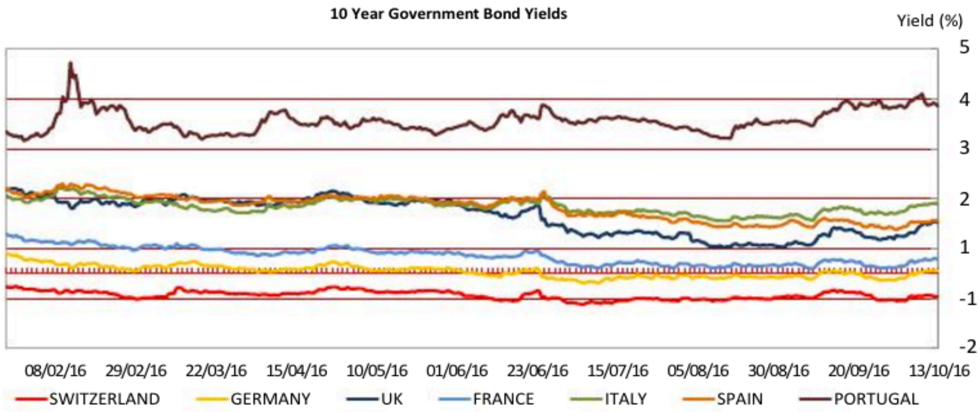
Units dropped below their 20-day moving average. Short-term momentum indicators are trending down.

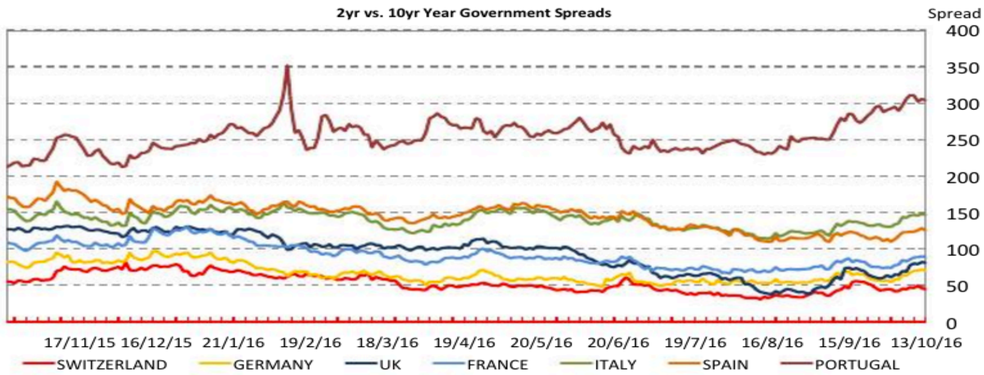
Fixed Income markets weekly charts

International Bonds

As per our 2016 Q4 Global Investment Strategy Outlook for 10-Y government bonds, US, Japanese and European 10-Year government bonds have reached our 2016 price targets, and have entered their period of seasonal weakness. Hence why we are recommending temporarily taking profits.

Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.32%	+2.25	+0.53
Austria	0.25%	+0.18	-1.54
Belgium	0.30%	+0.23	-1.48
Canada	--	--	--
Denmark	0.19%	+0.12	-1.60
Finland	0.19%	+0.12	-1.60
France	0.33%	+0.26	-1.45
Germany	0.07%	--	-1.72
Greece	8.52%	+8.45	+6.73
Ireland	0.54%	+0.47	-1.24
Italy	1.38%	+1.31	-0.41
Japan	-0.05%	-0.12	-1.84
Netherlands	0.17%	+0.10	-1.62
New Zealand	2.56%	+2.49	+0.77
Portugal	3.31%	+3.24	+1.52
Spain	1.12%	+1.06	-0.66
Sweden	0.28%	+0.22	-1.50
Switzerland	-0.46%	-0.53	-2.25
UK	1.09%	+1.03	-0.69
US	1.79%	+1.72	--





We are recommending continuing to take profits in German, French, Spanish, Italian 10-Year government bonds as they have entered their period of seasonal weakness, which historically between September and March.

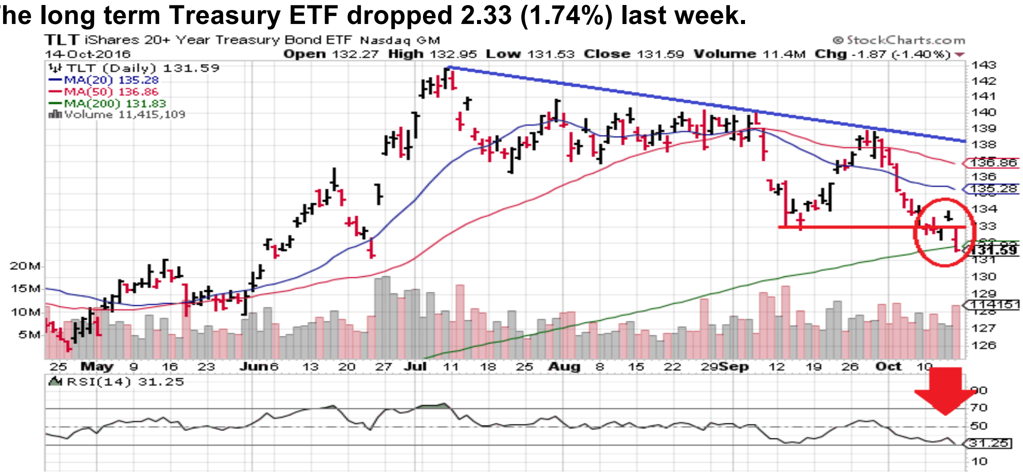
US Bonds

Yield on 10 year Treasuries gained 0.58 basis points (3.34%) last week.

Intermediate trend remains up. Yield remained above its 20-day moving average.

Short-term momentum indicators are trending up.

The long term Treasury ETF dropped 2.33 (1.74%) last week.



Intermediate trend remains down. Price broke the 133 support and remained below its 20-day moving average.

Currencies weekly charts

The Euro slipped 2.31 (2.06%) last week.

Intermediate trend changed to Neutral. The $XEU remained below its 20-day moving average.
The Index broke out downwards from the Coil.

Short-term momentum indicators indicate that the Euro is slightly oversold.

The US$ gained 1.34 (1.39%) last week.

Intermediate trend remains up. The US$ remained above its 20-day moving average.

Short-term momentum indicators remain upwards.

The Japanese Yen dropped 1.18 (1.21%) last week.

The Yen is ranging post the breakout. Price remained below the 20-day moving average.

Short-term momentum indicators indicate that $XJY oversold.

The Canadian Dollar added 0.93 (1.24%) last week.

Intermediate trend remains down. The C$ rose above the 20- day moving average.

Short-term momentum indicators are rolling over.

Commodities weekly charts

The CRB Index gained 1.15 points (0.61%) last week.

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

The $CRB remained above its 20-day moving average.

Short-term momentum indicators are trending up.

Copper dropped $0.05 per lb (2.45%) last week.

Intermediate trend remained Neutral. Strength relative to the S&P 500 Index changed from Neutral to Negative.

Copper closed below the 20-day moving average.

Short-term momentum indicators are trending down. Copper looks to test the lower trendline.

Lumber lost 19.70 (5.74%) last week.

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

Lumber moved below its 20- day MA. Short-term momentum indicators look to be rolling over.

The Grain ETN gained $0.91 (3.27%) last week.

Intermediate trend remains Neutral. Units moved above their 20-day MA. Short-term momentum indicators are mixed.

The Agriculture ETF dropped $0.55 (1.11%) last week.

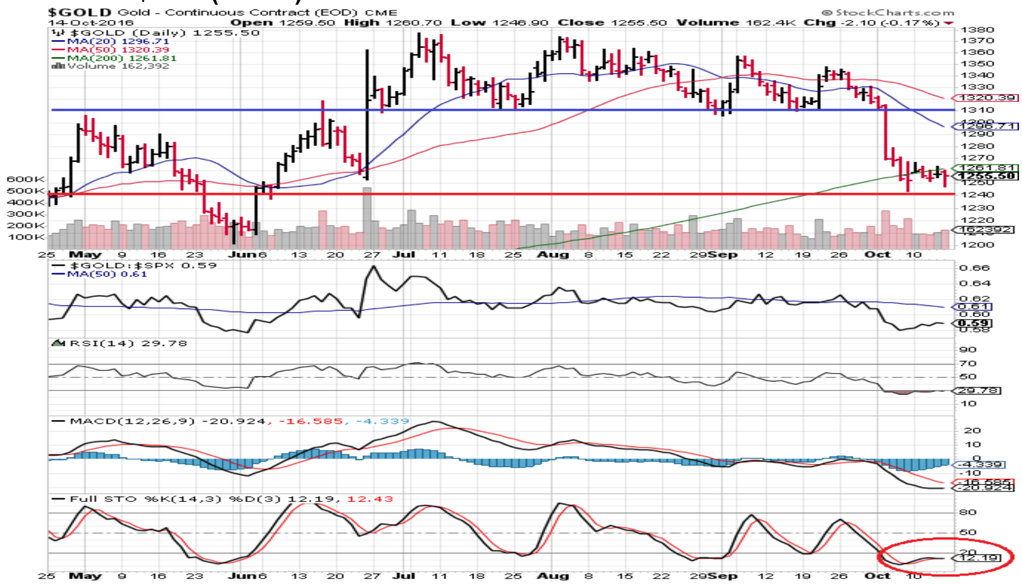
Intermediate trend has changed to neutral. Strength relative to the S&P 500 Index has remained neutral. MOO is forming a descending triangle.

Units closed below the 20-day moving average.

Short-term momentum indicators are trending down.

Gold & precious metals weekly charts

Gold added $3.60 (0.29%) last week.



Gold remained in the ranging area post-breakout.

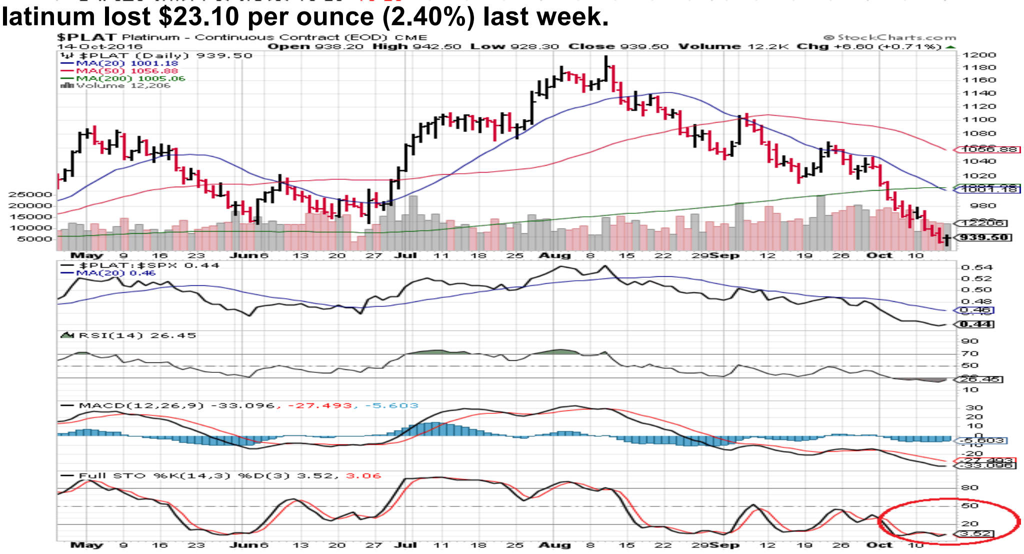
It remained below its 20-day moving average. Short-term momentum indicators are flattening out. $GOLD remains to be oversold.

Silver dropped $0.02 per ounce (0.1%) last week.

Silver remained in a tight range post the breakout.. Strength relative to the S&P 500 Index remained Negative.

Silver remained below its 20-day moving average. Short-term momentum indicators are flattening out.

Platinum lost $23.10 per ounce (2.40%) last week.

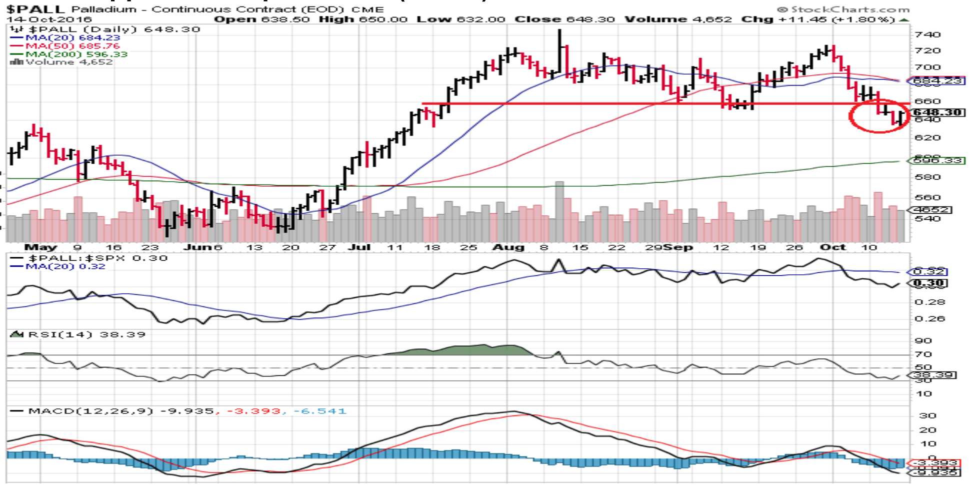


Intermediate trend remains down.

$PLAT trades below its 20-day MA. Momentum indicators are trending down.

Palladium dropped $19.10per ounce (2.86%) last week.

Intermediate trend is changing from Neutral to Negative. Strength relative to the S&P 500 Index remained Negative. $PALL remained below its 20-day moving average. Short-term momentum indicators are trending down. $PALL looks oversold.



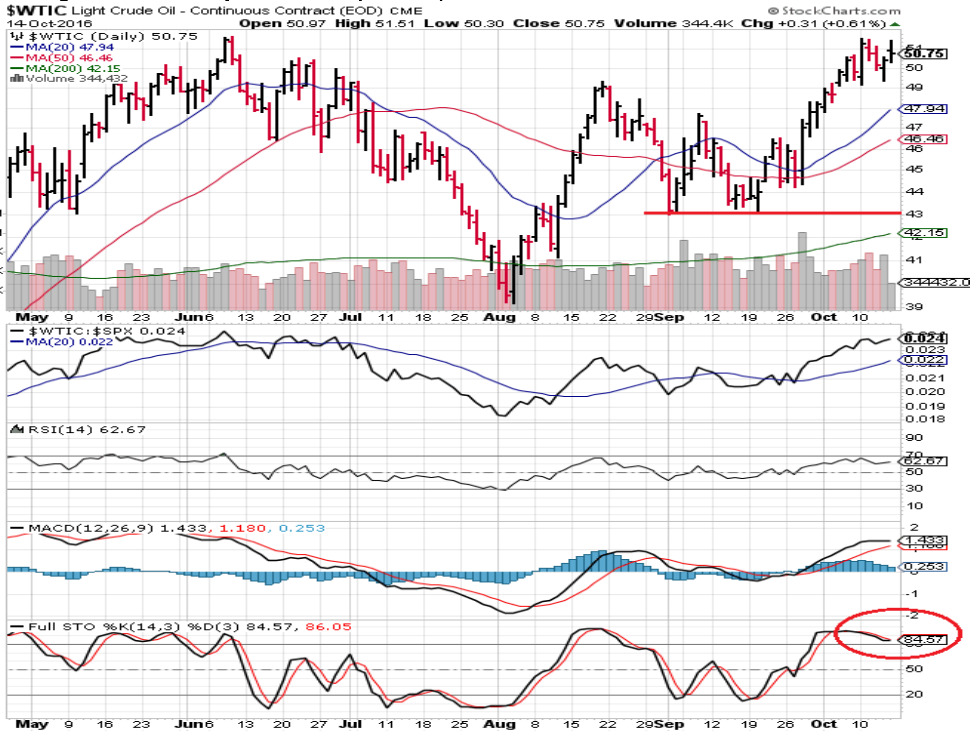
Oil, gas & energy weekly charts

Crude oil gained $0.94 per barrel (1.89%) last week.

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

$WTIC remains above its 20-day moving average.

Short-term momentum indicators are trending up. $WTIC remains overbought.



Gasoline added $0.01 per gallon (0.80%) last week.

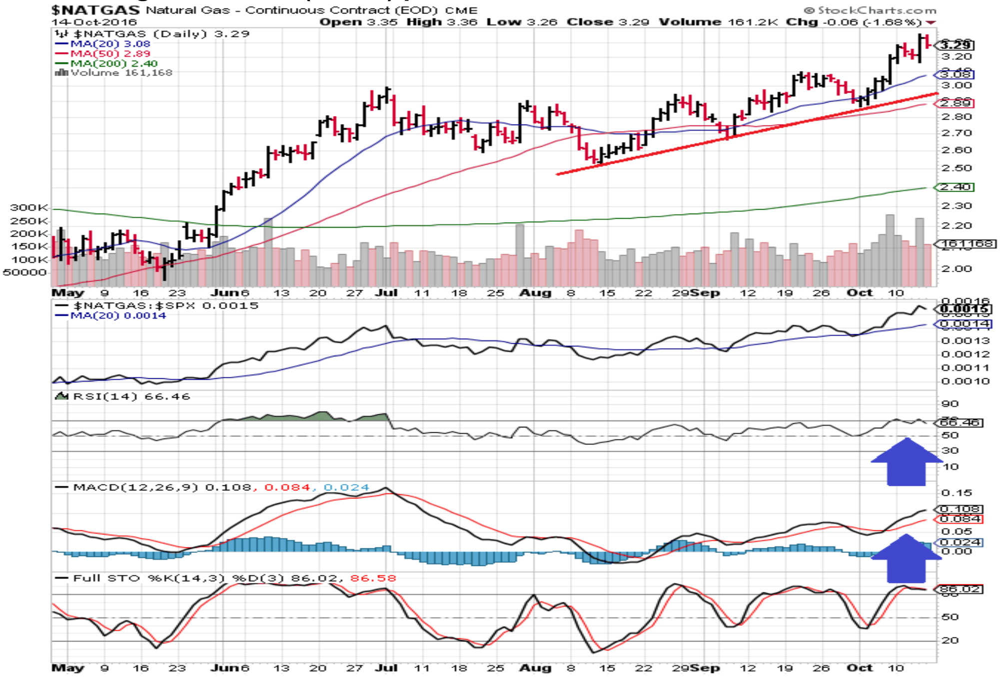
Intermediate trend remains up. $GASO rejected another throwback to the old resistance. Strength relative to the S&P 500 Index remained Positive.

$GASO remained above its 20-day moving average. Short-term momentum indicators are trending up.

Natural Gas gained $0.09 (2.88%) per MBtu last week.

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

$NATGAS closed above its 20-day moving average. Short-term momentum indicators are trending up. $NATGAS starts to look overbought.



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