Creative Global Investments

Weekly investment strategy & charts

Monday, October 23rd, 2017

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

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

Stjepan Kalinic
Market Strategist (CMT)
skalinic@cg-inv.com

Creative Global Investments LLC
115 East 57th Street 11th Floor New York, NY 10022
Tel: 212 939 7256
Mob: +385 9152 95916

Objectivity

Integrity

Creativity

Global Macro & geo-political commentary

In Asia, Japanese Prime Minister Shinzo Abe has promised strong "counter-measures" against North Korea, after winning a decisive victory in Sunday's election. Mr. Abe's ruling Liberal Democratic Party (LDP) coalition with the Komeito party has won 313 of the 465 seats in the lower house of Japan's parliament. Mr. Abe had previously announced he wanted to revise a clause, which renounces war, known as Article 9, to formally recognize Japan's military, which is known as “self-defense forces”.

The USDJPY rose 0.4% to reach 113.99, the highest since mid-July when it got as far as 114.49. A break there would open the way to the March peaks around 115.51.

As previously stated, we continue recommending overweighting exposure to Japanese stocks as post landslide election win by Mr. Abe, investors will focus on the positive seasonal forces that historically have driven Japanese equities higher into the end of their fiscal year (March 31st 2018).

In Europe, The situation in Catalonia continues to escalate as Spanish Prime minister Mariano Rajoy is set to trigger article 155 of the Spanish constitution this week. Rajoy will then proceed to take over the government of Catalonia. The party leaders of the Catalan parliament will meet today and the regional president Carles Puigdemont and his allies are suggesting that they could declare independence this week. Catalonia, “be careful what you wish for” is still in the forefront of investors’ concerns.

Not surprising, the immediate rational decision making of nonetheless than 1185 company managements, who last week opted to relocate their headquarters out of Catalonia into other parts of Spain, according to the Ministry of Commerce in Madrid. On Thursday alone, a record 285 companies had requested to legally relocate their headquarters from Catalonia to other cities in Spain, which will enable those companies to continue to function un der sovereign Spanish law.

A bit like the British, with regard to their referendum vote in favor of Brexit, (mainly due to ill informed and misleading political manipulation by the likes of Boris Johnson and Nigel Farrage’s), the Catalonians will find out about the unintended consequences of their referendum vote to gain independence, and are now, subsequently starting to face reality, which looks a bit more like economic suicide.

The EURUSD eased a modest 0.25% this morning to 1.1758 and has strong chart support around $1.1729. On Thursday when the European Central Bank meets amid much talk it will cut back the amount of assets it buys every month, but also extend the program.

As we have pointed out for some time now, the length of time the quantitative easing program runs for matters more than monthly size.

We are still looking for a reduction by at least EUR 30 BN in net terms, however, we are expecting for the ECB to keep the program open ended.

Currencies Commentary & Charts

The US$ started to rebound since early last month. One of the main reasons was ECB President Mario Draghi showed no rush to tighten monetary policy. Many traders took profit on their EURUSD long positions when the pair reached the key level of 1.20. However, risk of "ECB to tighten soon" cannot be ignored this week. If that happens, dollar could end its recent uptrend as early as this week.

At the press conference last month, Draghi sent mixed signals about when the ECB might begin lowering its monthly purchases. European inflation in September remained below the ECB's target, which could pressure the ECB to continue its stimulus. However, Draghi may respond to Europe's general economic improvement by announcing a drop in the monthly asset purchase program this week, to be implemented next year. There were some talks in the FX market that ECB may announce a decrease in monetary expansion volume to EUR 30 BN from the current EUR 60 BN in this week's meeting, and the ECB will extend their stimulus program until the end of 2018. If that happens, EUR/USD could surge towards 1.19 and pressure USD to dip below 92.

We also need to keep an eye on the bond market this week, to see if any words from Draghi pushing the bond yield higher. Hawkish ECB could put pressure on US bond prices, sending yields higher. The US 10-year yield had begun moving up ahead of the ECB meeting, reaching 2.4% last Friday, the highest since July. However, the key factor driving EURUSD exchange rates is the German-US sovereign bond yield spread. This will be one of the most reliable gauges to predict the direction of the upcoming EURUSD moves. If the German-US bond yield spread narrows after the ECB meeting, EURUSD is likely to move higher.

EURO

We see EURUSD around current levels on a 1-3M horizon but stress that risks to our 3-6M forecast of 1.24 remain on the upside. In spite of a key risk being the appointment of a more hawkish Fed Chair, we do not think EURUSD has the potential to drop short term much further with 1.1660 (17-Aug low) a key support level and like to position for a 2018 rebound towards 1.25 (12M target) on Q4 dips, as upside risks dominate the longer-term outlook. We recommend to hedge USD assets/income by moving further out the curve in either FX forwards, CCS, or using options (e.g. risk reversals) to reduce the cost of carry, which is likely to rise further. Wee see EUR/USD as slightly bullish. This pair may rise towards 1.1830 ahead of ECB meeting, as Draghi may hint stimulus-unwinding plan.

EURGBP traded lower yesterday on the back of an unexpected correction of Q2 unit labor costs, which was revised up from 1.6% to 2.4% y/y and as investors digested UK Prime Minister Theresa May comments over the weekend that she plans to remain in charge of the government. Yesterday, the stakes in the Brexit talks were upped after Theresa May outlined a contingency plan for a no-deal scenario, saying that the government is still prepared to walk away from Brexit negotiations without a deal. The fifth round of Brexit negotiations kicked off in Brussels yesterday and focus will be on whether there will be any progress this time. **We expect EURGBP to remain within the 0.89-0.90 ranges ahead of the September CPI figures (due 17 October) and the labor market report (due 18 October). From a risk/reward perspective, we still see value in selling EURGBP above 0.8950 via a bearish seagull for a move towards 0.87 going into the Bank of England meeting on 2 November.**

US$

The USD is worth watching as markets prepare for the ECB meeting and the Fed meeting the following week. The index appeared to get a boost in past few days after the US House voted for tax legislation and continued hawkish language from the Fed officials. Still, the index remained below 94 as of midday Friday, partly due to unclear ECB policy stance that limited the dollar-buying positions.

The $CAD has been struggling around its 50-day moving average for the past couple of weeks, forming an approximately one cent trading range around significant resistance at 0.80. Momentum indicators are oversold, but have yet to show signs of bottoming. Support can be seen in the range between 0.78 and 0.79. Seasonally, the Canadian currency remains in a period of seasonal weakness through to mid-December.

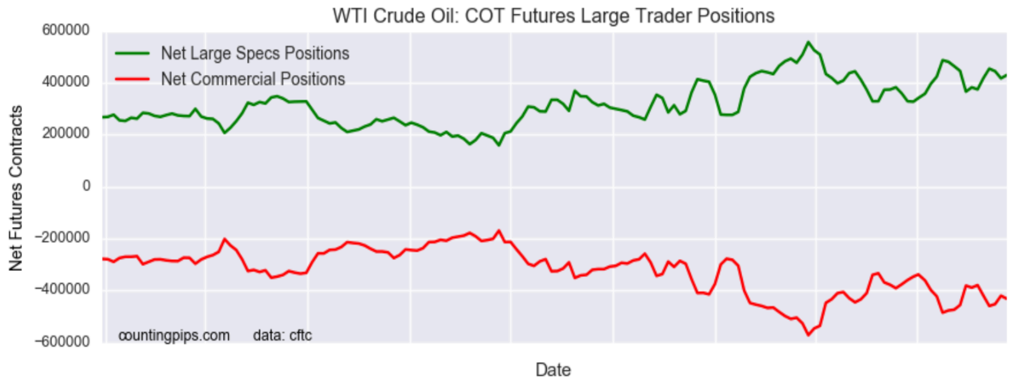
Commodities Commentary & Charts

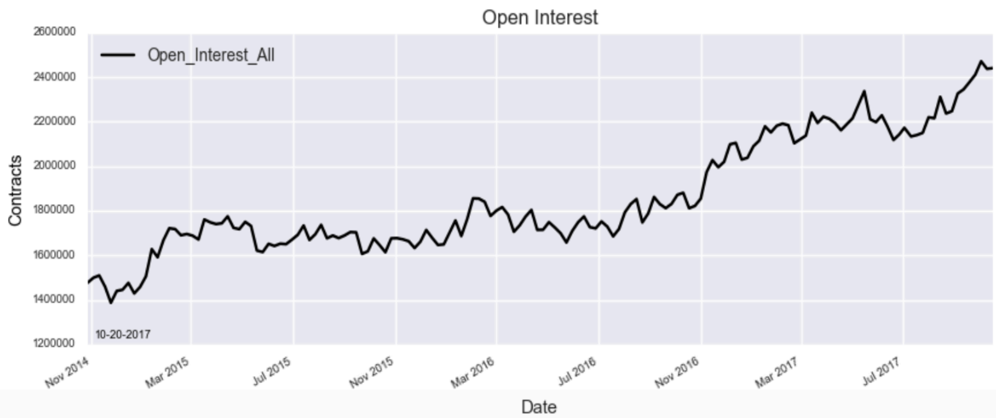
WTI closed higher on the week, despite the fact that, seasonally, the price of WTI tends to trade lower between October and mid-December, fading following the conclusion to the summer driving season in September. WTI spot faces resistance at 52.00 and then 52.50 ahead of its long-term resistance region between 53.50 and 54.50. Like Brent, support is distant at 51.10, which is followed by 50.50. **We maintain our 2017-year end target of $60 - $63 on WTI.**

After a choppy session on Friday where oil spent most of it on the back foot, as the washout of stale long positioning continued in earnest, both Brent and WTI shock of their standing eight counts to rally aggressively and finish the day over 1% higher from their opens. The comeback was sparked by Saudi Arabia compliance comments and the Baker Hughes Rig Count, which showed another fall in US rig numbers to 736. The decline continues a multi-month trend of falling rig numbers with talk of “peak shale” gathering pace.

This morning in Asia Brent and WTI has managed a slightly positive start, trading at 57.95 and 51.80 respectively, and a small rise from Friday’s bright close. Geopolitical tensions in the Middle East will continue to support both contracts through the Asian session following Friday’s comeback. Brent spot will face initial resistance each side of 58.50 ahead of the more formidable 59.10 level. To make serious progress past those lofty heights will likely require fresh news to drive momentum. Support lies distantly at 57.25 and 56.60 demonstrating just how powerful its relief rally was on Friday.

Geo-political events, plus world economic outlook improvements helped to lift prices, as large oil speculators raised their bullish net positions in the WTI Crude 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 WTI Crude Oil futures, traded by large speculators and hedge funds, totaled a net position of 429,525 contracts in the data reported through Tuesday October 17th. This was a weekly lift of 12,464 contracts from the previous week, which had a total of 417,061 net contracts. Speculative WTI oil positions had fallen the previous two weeks before this week's turnaround. Total net positions remain above the +400,000 net contract level for a fifth straight week



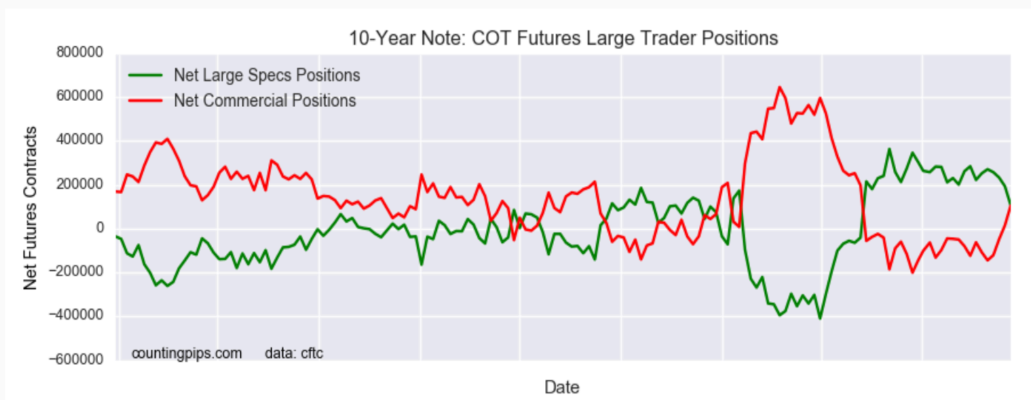


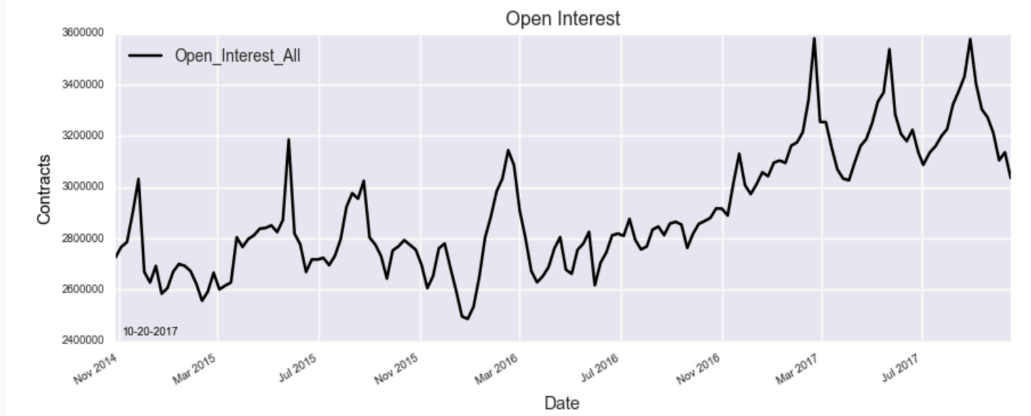
Fixed Income Commentary & Charts

Finally, the ECB decision week has arrived plus we also have monetary policy decisions in Sweden and Norway Thursday (and in Canada on Wednesday). ECB council members have signaled that the QE extension will be 'lower for longer' with consensus now at EUR30bn for nine months. Overall, we see an additional EUR 270 BN to EUR 285 BN of bond buying by the ECB in 2018, and hence, we keep our views that the ECB will proceed with its first rate hike no sooner than in Q1 2019, which is in line with median analyst expectations. If QE continues as we expect, we expect a mildly bearish reaction with a modest curve steepener. However, much will depend on the Q&A afterwards. This very gradual approach to the QE exit should not have a material impact on the periphery core spreads. **Consequently, we see still better value in EM and US bonds for the remainder of 2017.**

In US bonds, large treasury speculators reduced their bullish net positions in the 10-Year Note futures markets again 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 106,291 contracts in the data reported through Tuesday October 17th. This was a weekly decline of -86,315 contracts from the previous week, which had a total of 192,606 net contracts.

Speculative positions have dropped by -163,829 contracts over the past four weeks and are now at the lowest bullish level since April 18th when net positions were negative and totaled -41,300 contracts.





Equities commentary & charts

Globally, equity markets continue to climb a "wall of worry". Short term uncertainties remain, including assessment of impact of three hurricanes on the US economy, North Korean "sabre rattling", slow progress by Congress to pass crucial legislation (notably tax reform) and increased scrutiny by special council on Russia's influence on the Presidential election.

In Asia, Japanese equities led regional gains today, as a landslide election victory for the country's ruling party set the benchmark index there on course for a record 15th session of consecutive gains. Mr. Abe's win will be positive for Japanese equities both for the short term and for the long term, as this will facilitate the BoJ to continue to proceed with its reflationary monetary policies, which will implicitly weaken the Yen, and benefit Japanese companies to become more competitive globally and book higher Yen based foreign profits. **We maintain our strategic overweight in Japanese equities, which have entered their period of seasonal strength from now until the end of the Japanese fiscal year end (March 31st 2018).**

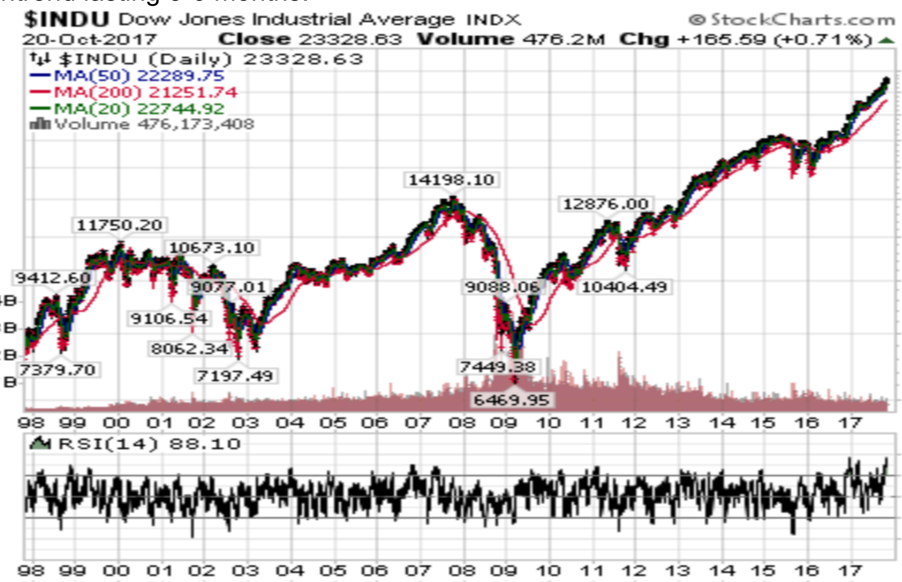
Most of the Asia-Pacific followed Japan's lead, however, Hong Kong stocks markedly underperformed. The Hang Seng Index quickly reversed its opening gains, as investors grew cautious on Chinese banks ahead of their earnings releases this week. Declines in property stocks also acted as a drag on the index. The index was last down -0.6%, having narrowed earlier losses of more than 1%.

In Europe, although a few indices like the DAX 30, the CAC 40 are near all-time highs, one has to keep in mind that equity indices are another 2 weeks away from entering their historic year-end seasonal rally, which gives investors a great entry opportunity to fully load up on financial and industrial stocks, which historically have outperformed over this period.

We clearly see better value still in Asian and EU stocks, and for investors to overweight in both, relative to US equities and achieve higher returns until year-end 2017.

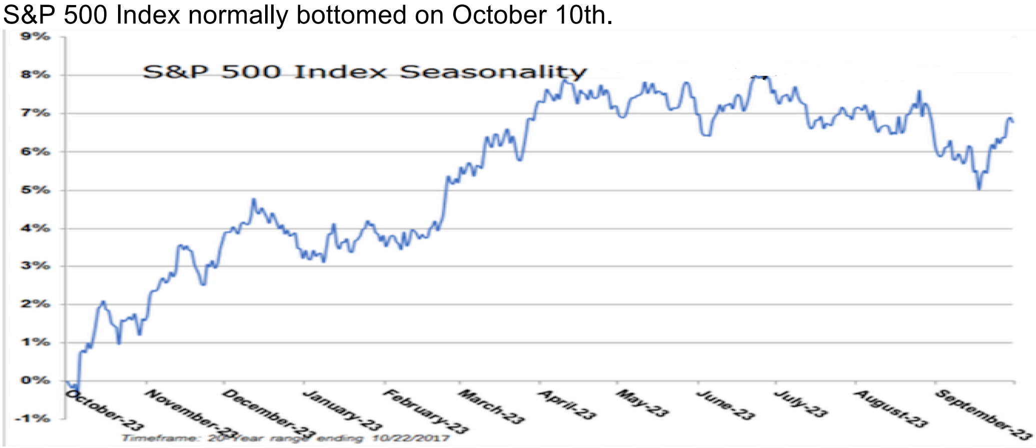
For US equities, technical parameters are extremely overbought, but have yet to show signs of rolling over. Seasonal influences have turned positive, particularly for economic sensitive sectors (e.g. Materials, Industrials, Financials and Technology).

However, we would like to caution on US equity markets in the short term, history has it such as when the Relative Strength Index (RSI) for the Dow Jones Industrial Average moves above 70%, the Average is considered overbought. On Friday, the RSI closed at 88.10%, a level not seen during the past 20 years. Historically, a rollover of the Index from near this level has been followed at best by a flat trend and, more frequently, by a downtrend lasting 3-6 months.



Technical action by individual S&P 500 stocks was bullish again last week. Notable among stocks breaking resistance were Industrials. Notable among stocks breaking support were Energy stocks. Number of stocks breaking resistance totaled 48 while number of stocks breaking support totaled 20. Number of stocks trading in an uptrend increased to 305 from 290, number of stocks trading in a neutral trend dropped to 73 from 78 and number of stocks in a downtrend dropped to 122 from 132. The Up/Down ratio increased last week to (305/122=) 2.50 from 2.20.

Medium term technical indicators (Percent of stocks trading above their 50-day moving average, Bullish Percent Index) remain at intermediate overbought levels, but have yet to show signs of rolling over. Short-term technical indicators (short term momentum, above/below 20-day moving average) for North American equity indices mostly moved higher last week to overbought levels, but have yet to show signs of rolling over. Short-term indicators for commodity and commodity sensitive indices/ETFs turned lower.
Seasonality on a wide variety of equity indices, commodities and sectors began to turn neutral/positive in early October and continue to improve. During the past 20 years, the S&P 500 Index normally bottomed on October 10th.



Earnings reports from US companies continue to pour in this week. 189 S&P 500 companies are scheduled to release fiscal third quarter results including 12 Dow Industrial companies.

The outlook for S&P earnings and revenues remains positive. 6 companies have issued negative Q4 guidance and 12 companies have issued positive guidance. 17% reported Q3 results by the end of last week.

- Q3 EPS are expected to increase 1.7% (down from 2.2% last week) on a 5.1% increase in revenues (up from 5.0% last week).
- Q4 are expected to increase 11.4% on a 5.9% increase in revenues.
- 2017 fy EPS are expected to increase 9.2% (up from 9.1%) on a 5.9% increase in revenues (up from 5.8%).
- Q1 2018 earnings are expected to increase 10.7% on a 6.3% increase in revenues. Q2 2018 earnings are expected to increase 10.4% on a 6.1% increase in revenues.

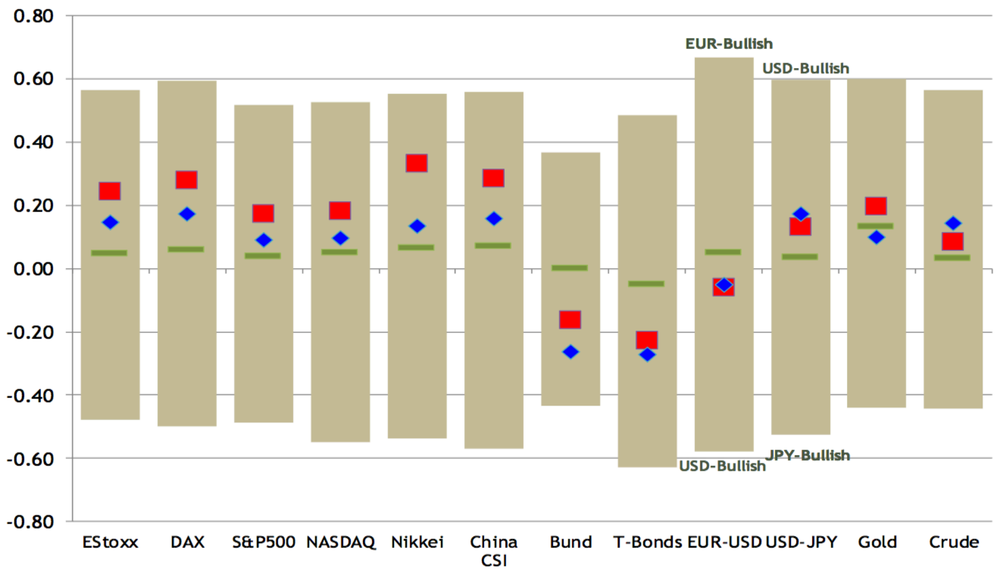
Prospects beyond Q3 report season are good for US based companies with international exposure. Consensus for S&P 500 y-o-y EPS are expected to exceed 10% in Q4 of 2017, Q1 of 2018 and Q2 of 2018. Earnings will benefit significantly from y-o-y weakness in the USD when revenues and earnings from international operations will benefit from higher valued foreign currencies. The USD averaged 100.4 in Q4 of 2016 and 101 in Q1of 2017. If the USD currently at 93.58 maintains that average in Q 4of 2017, revenues and earnings from international operations will be boosted from currency alone by 7.0% in Q4of 2017 and by 8.0% in Q1 of 2018.

Investor Sentiment indicators

At a market level, investors' medium-term strategic bias on equities continues to show signs of moving onto a less positive path. The latest sentix survey suggests sentiment and investors' strategic bias on Eurozone equities has modestly weakened.

In the case of Japan, sentiment and medium-term strategic bias readings are still heading higher as the Nikkei surpassed 2015 highs.

However, at a sector sentiment level there is little sign of heightened risk aversion, with sentiment on defensives such as Healthcare and Food & Beverage weakening over the past month, while high optimism on Technology and Industrials has headed even higher. On the other side of the sentiment divide a couple of sectors stand. Media readings edged higher over the month, but pessimism is still near 10-Y extremes, while relative pessimism on Retail is nearing the extremes reached in 2008. A lot of pessimism is baked into both sectors versus the market at current levels



US equity markets weekly charts

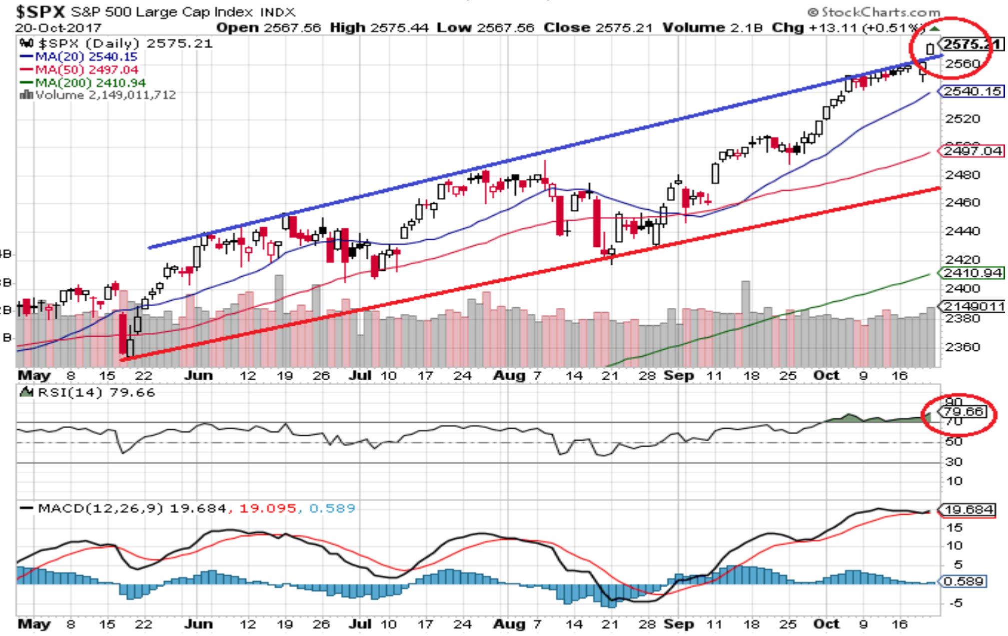
The VIX Index gained 0.36 (3.75%) last week.

Intermediate trend changed from Negative to Neutral. The Index is above the 20-day moving average. VIX failed to break out upwards for now once again.

The S&P 500 Index added 22.04 points (0.86%) last week.

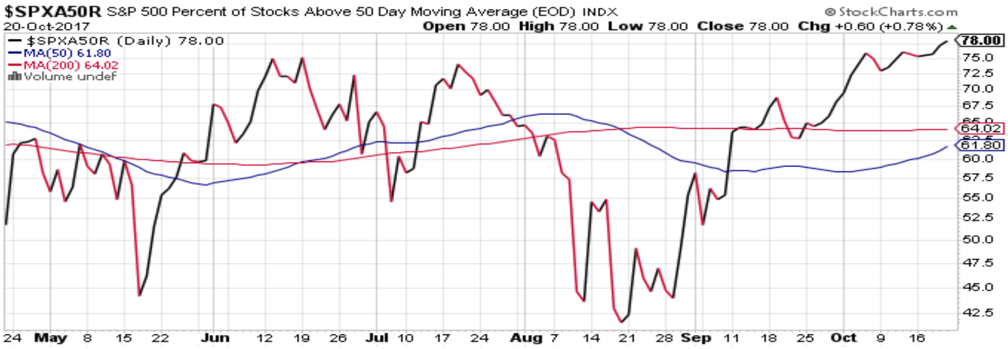
Intermediate trend is Positive. The Index closed above its 20-day moving average. $SPX made a new high with a gap.

Short-term momentum indicators remain Overbought.



Percent of S&P 500 stocks trading above their 50-day moving average rose last week to 78.00 from 75.80.

The Index remains above the 50-day moving average.



Percent of S&P 500 stocks trading above their 200-day moving average rose last week to 76.00 from 74.60

The Index remains above the 50-day moving average.

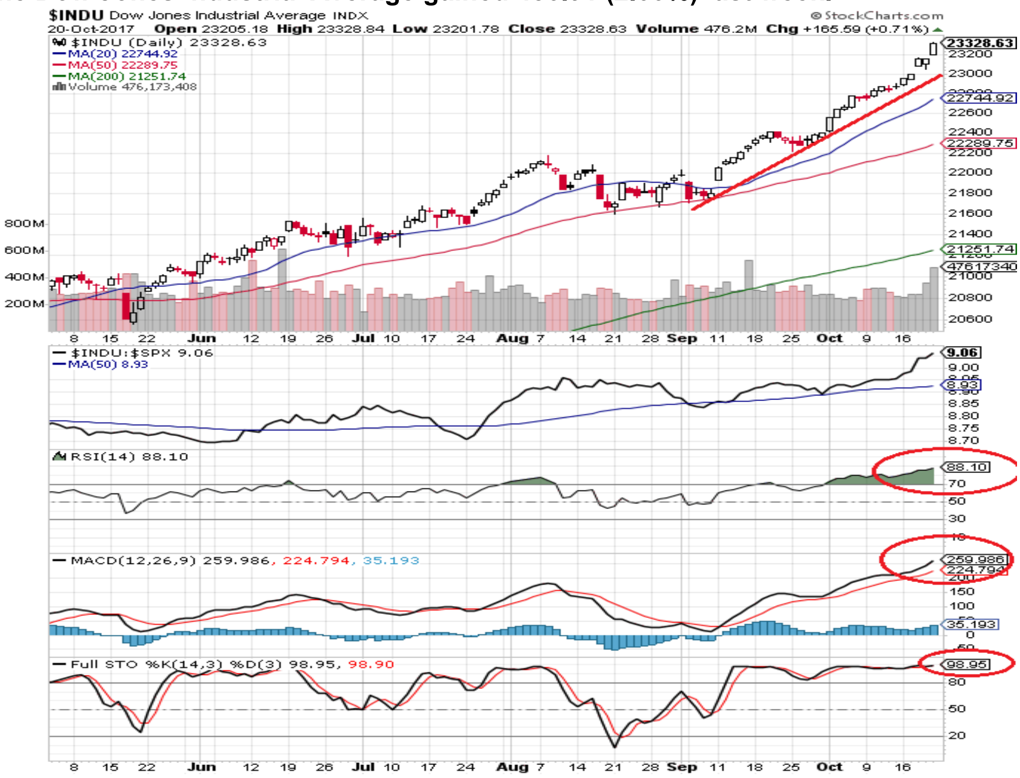
Bullish Percent Index for S&P 500 stocks rose last week to 73.00 from 71.60 and remained above the 200-day moving average.

The Index tested the 200MA and rejected upwards.

The Dow Jones Industrial Average gained 456.91 (2.00%) last week.

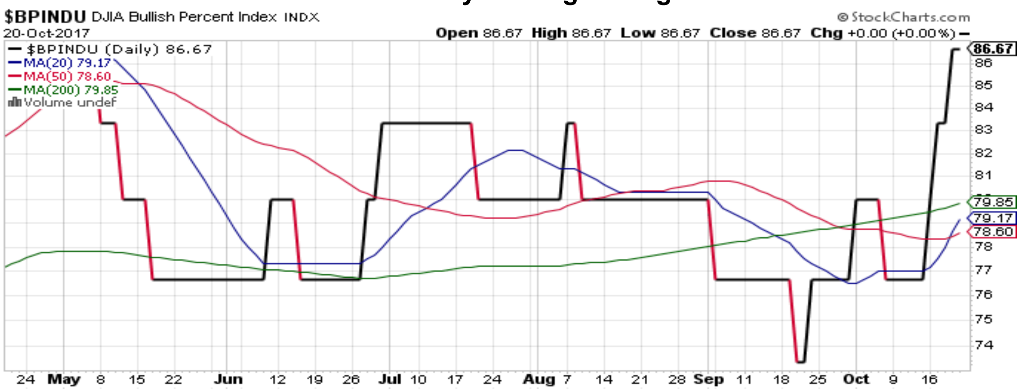
$INDU reached yet a new high. Strength related to the S&P 500 remained above the 50MA.

The INDU is above its 20-day moving average. Short-term momentum indicators are Positive and significantly Overbought.

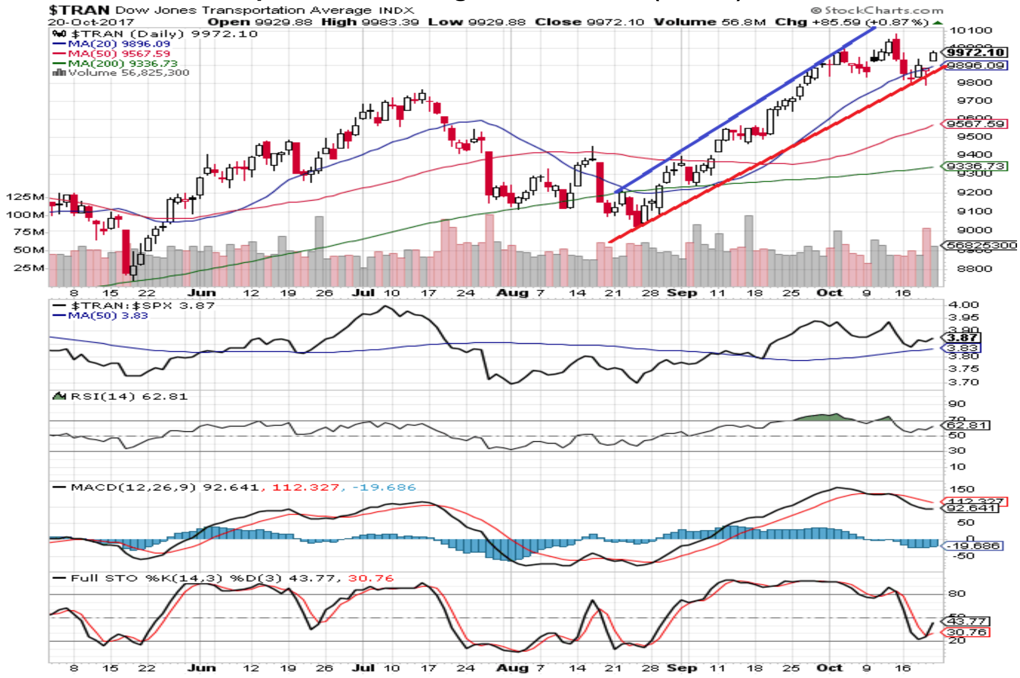


Bullish Percent Index for Dow Jones Industrial Average rose last week to 86.67 from 76.67 and moved above its 20-day moving average.

The Index remains below the 20-day moving average.



The Dow Jones Transportation Average added 35.88 (0.36%) last week.



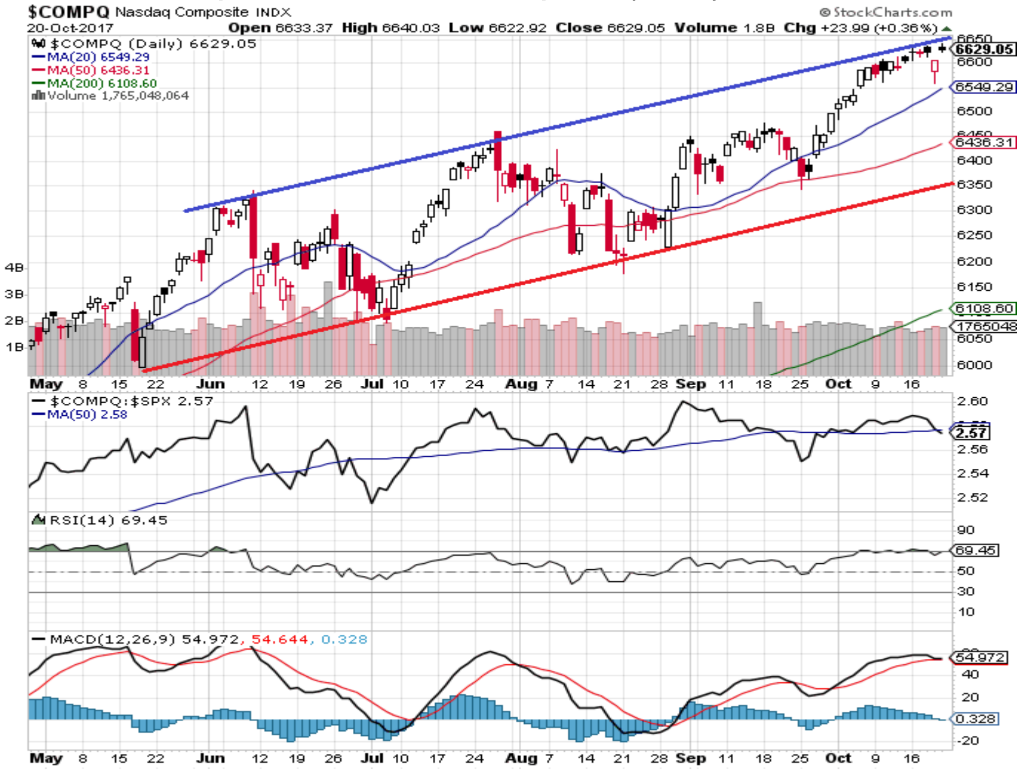
Dow Jones Transportation Index rebounded from the lower channel edge. Strength relative to the S&P 500 remains Positive. The $TRAN closed above its 20- day moving average.

Short-term momentum indicators are mixed.

Bullish Percent Index dropped last week to 64.97 from 65.27 and remained above its 200-day moving average.

The Index remains above the 20-day moving average.

The NASDAQ Composite Index added 23.25 points (0.35%) last week.



$COMPQ is at the upper channel trendline. Strength relative to the S&P 500 Index is Neutral.

The Index remains above the 20-day moving average.

Short-term momentum indicators are rolling over.

The Russell 2000 Index gained 6.59 points (0.44%) last week.

$RUT is breaking up the flag signaling the bullish continuation. Strength relative to the S&P 500 Index remains Positive.

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

The S&P Energy Index dropped 2.25 points (0.45%) last week.

Intermediate trend remains Neutral. $SPEN is ranging inside an established rectangle. Strength relative to the S&P 500 Index changed from Neutral to Negative.

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

The Philadelphia Oil Services Index dropped 6.38 points (4.62%) last week.

$OSX broke through the support and is testing the 50-day MA. Strength relative to the S&P 500 is Negative.

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

$HUI is breaking through the 200MVa. Strength relative to the S&P 500 Index remains Negative.

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

The AMEX Gold Bug Index dropped 5.24 points (2.58%) last week.

Latam equity markets weekly charts

$BVSP rebounded from the 75000 support and sits on the lower trendline.

BVSP remains above the 20-day moving average.

Short-term momentum indicators are Negative.

The BOVESPA lost 599.27 points (0.78%) last week.

Intermediate trend is Negative. $MXX rejected from the 50500 previous support.

Short-term momentum indicators are Mixed.

The Mexican Bolsa added 6.77 points (0.01%) last week.

Canadian equity markets weekly charts

Bullish Percent Index for TSX Composite added 2.40 points (3.57%) last week remained above its 50-day moving average.

The Index broke above the 200-day moving average.

The TSX Composite Index gained 50.05 points (0.60%) last week.

Intermediate trend remains Positive. The Index made yet another high.

The Index remains above the 20-day moving average. Short-term momentum indicators are Overbought and rolling over.

Percent of TSX stocks trading above their 50-day moving average dropped last week to 79.19 from 89.07 % and remained above the 50-day moving average.

The index remains above the 50-day moving average.

Percent of TSX stocks trading above their 200-day dropped last week to 62.55% from 64.1%

The index remains above the 200-day moving average.

Asian equity markets weekly charts

The BSE gained 207.74 points (0.65%) last week.

$BSE was rejected by the yearly high/resistance.

Short-term momentum indicators are rolling over.

The Nikkei Average added 302.46 points (1.43%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. $NIKK retains the bullish strength upon Japanese elections.

The $NIKK remains above its 20-day moving average. Short-term momentum indicators are significantly Overbought.

The Shanghai Composite Index dropped 11.88 points (0.35%) last week.

Intermediate trend is Neutral. $SSEC is failing to break the 20-day MVA support so far.

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

Emerging Markets iShares lost $0.40 (0.86%) last week.

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

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

The Australia All Ordinaries Index gained 83.20 points (1.41%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index remains Negative. $AORD broke out upwards, as anticipated.

The $AORD is above 20-day moving average. Short-term momentum indicators are Positive and Overbought.

European equity markets weekly charts

The DAX 30 lost 0.59 points (0.01%) last week.

Intermediate trend is Positive. $DAX remains above the 20-day moving average. Strength relative to the S&P 500 Index is Positive. Short-term momentum indicators are Overbought and rolling over.

The CAC 40 gained 20.64 points (0.39%) last week.

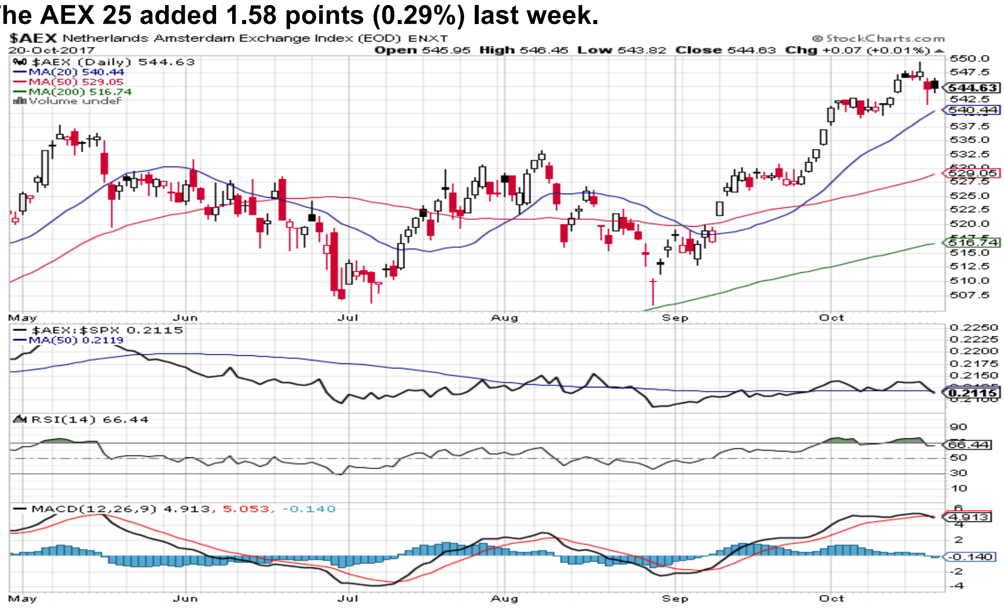
Intermediate trend remains Positive. $CAC retested the 5350 support several times but could not break it.

Short-term momentum indicators are Negative.

The AEX 25 added 1.58 points (0.29%) last week.

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

Short-term momentum indicators are Overbought and rolling over.



The IBEX 35 dropped 35.30 points (0.34%) last week.

$IBEX rebounded but remains close to the upper trendline. Strength relative to the S&P 500 remains Negative.

The Index remains below the 20-day moving average.

Short-term momentum indicators are Neutral.

Intermediate trend is Positive. FTSE moved to resistance but failed to break 7550. Price remains above the 20-days moving average.

Short-term momentum indicators are rolling over.

The FTSE lost 12.21 (0.16%) last week.

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

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

Europe iShares added $0.01 (0.02%) last week.

International Bonds

As per our 2017 Q4 Global Investment Strategy Outlook for 10-Y government bonds, US 10-Year government bonds have not fully reached our 2017 year-end price targets yet, and we see yields to continue to move lower towards 2.50% - 2.65%

Fixed income markets weekly charts

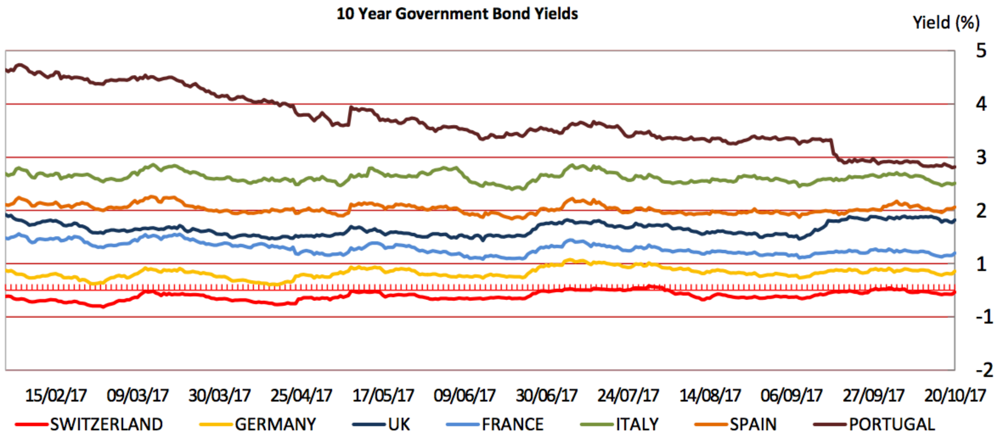
Ten year government bond spreads

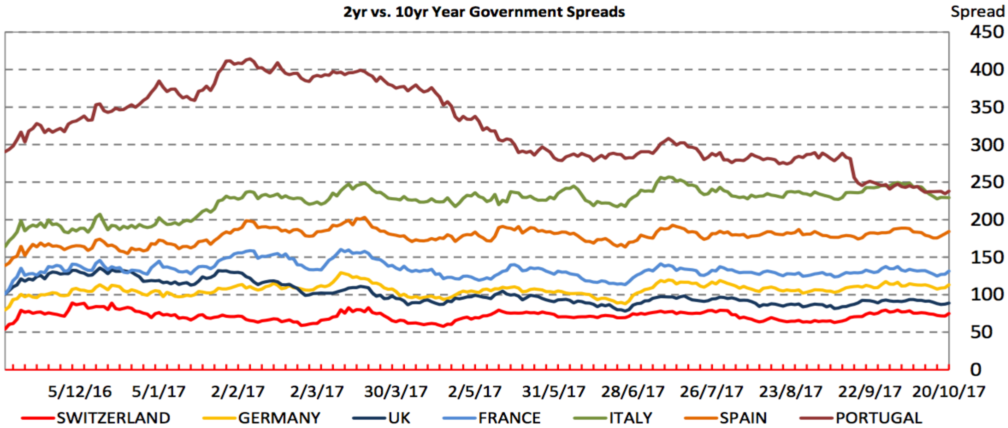
Country	Latest yield	Spread vs bund	Spread vs T-notes
Australia	2.80%	+2.37	+0.41
Austria	0.61%	+0.17	-1.79
Belgium	0.70%	+0.26	-1.70
Canada	--	--	--
Denmark	0.54%	+0.11	-1.85
Finland	0.59%	+0.16	-1.80
France	0.85%	+0.41	-1.55
Germany	0.44%	--	-1.96
Greece	5.58%	+5.15	+3.19
Ireland	0.66%	+0.22	-1.74
Italy	2.03%	+1.60	-0.36
Japan	0.07%	-0.37	-2.33
Netherlands	0.54%	+0.11	-1.85
New Zealand	2.98%	+2.55	+0.59
Portugal	2.29%	+1.86	-0.10
Spain	1.66%	+1.22	-0.74
Sweden	0.86%	+0.42	-1.54
Switzerland	-0.06%	-0.50	-2.46
UK	1.32%	+0.89	-1.07
US	2.38%	+1.95	--

Data delayed at least 15 minutes, as of Oct 23 2017 10:33 BST.

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

We see yields in Italy, Spain and Portugal and Greece to move down by another -20bps to -40 bps over the next 2 months.





US Bonds

Intermediate trend is Positive. $TNX remains close to the monthly high. $TNX remains above the 20-day moving average.

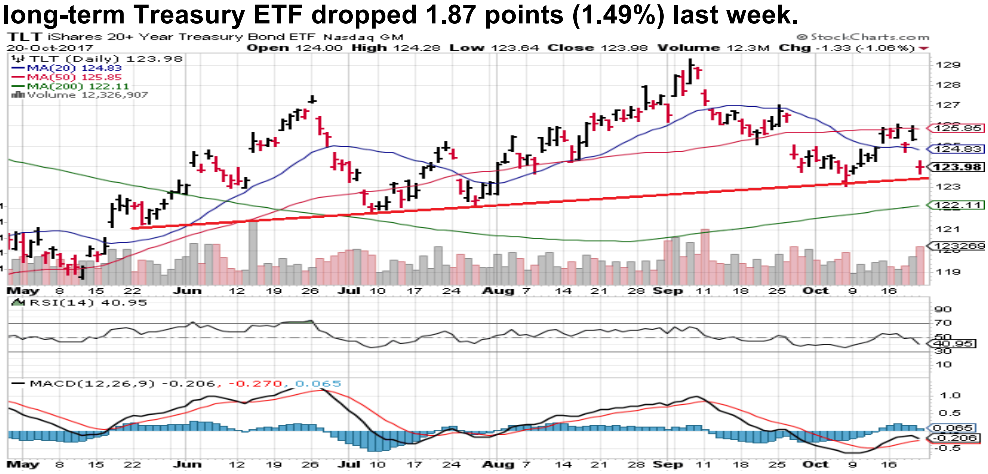
Short-term momentum indicators are Positive.

Yield on 10-year Treasuries gained 1.01 basis points (4.43%) last week.

Intermediate trend is Neutral. TLT is testing the lower trendline once again.
TLT remains below the 20-day moving average.

Short-term momentum indicators are Negative.

The long-term Treasury ETF dropped 1.87 points (1.49%) last week.



Currency markets weekly charts

The Euro dropped 0.36 points (0.30%) last week.

Intermediate trend is Neutral. $XEU is going to test 117 support once again.

The $XEU remains just below the 20-day moving average.

Short-term momentum indicators are Mixed.

The US$ added 0.64 points (0.69%) last week.

Intermediate trend is Positive.
$USD formed a rising wedge indicating a potential bearish continuation.
The US$ remains below its 20-day moving average.

Short-term momentum indicators are Positive.

The Japanese Yen lost 1.35 points (1.51%) last week.

Intermediate trend is Negative. XJY is retesting the 87.5 support.
$XJY remains below the 20-day moving average.

Short-term momentum indicators are Negative.

The Canadian Dollar dropped 1.01 points (1.26%) last week.

Intermediate trend remains Negative. CDW could test the support zone just below.
CDW closed below the 20-day MVA.

Short-term momentum indicators are Negative.

Commodity markets weekly charts

The CRB Index lost 0.71 points (0.39%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index remains Negative.
$CRB rebounded from the upper trendline but remains bullish.
The $CRB closed above its 20-day moving average.

Short-term momentum indicators are Neutral.

Copper added $0.03 per lb. (1.02%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. Copper continues the bullish momentum with a higher high.

Copper closed above the 20-day moving average.

Short-term momentum indicators are Positive.

Lumber gained $3.20 (0.75%) last week.

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

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

The Grain ETN lost 0.71 points (2.74%) the last week.

Intermediate trend is Neutral.
Units are trapped between the lower trendline and 20MVA.

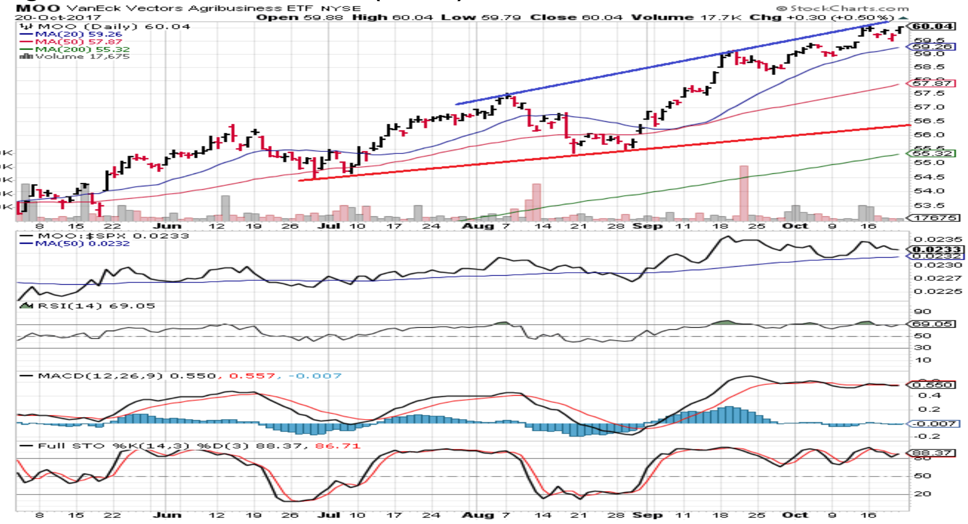
Price is below the 20-day MA. Short-term momentum indicators are Mixed.

The Agriculture ETF added $0.12 (0.20%) last week.

Intermediate trend is Positive. Strength relative to the S&P 500 Index is Positive. MOO continues the bullish momentum.

MOO closed above the 20-day moving average.

Short-term momentum indicators are Overbought and rolling over.

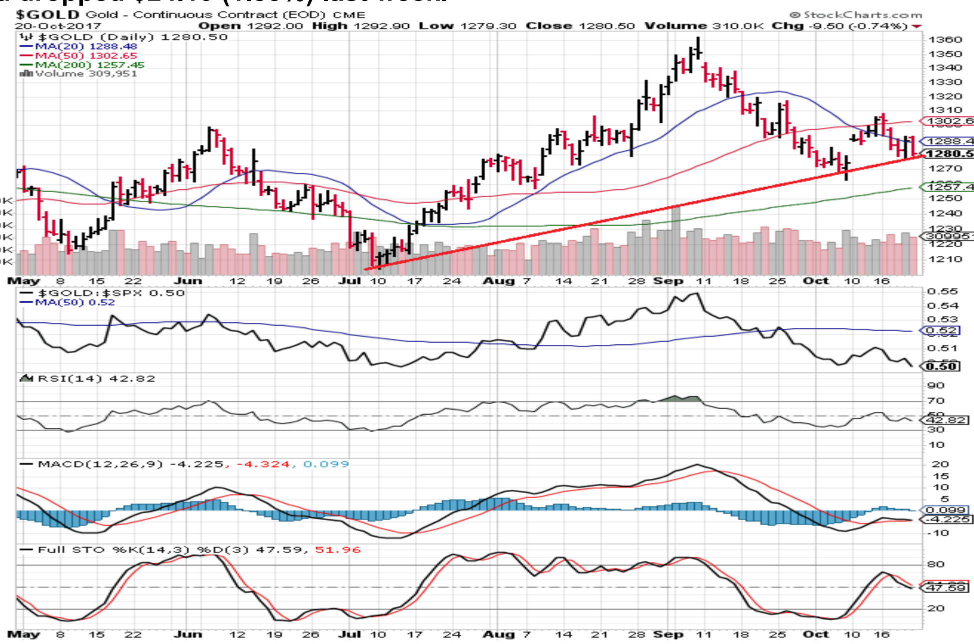


Gold & precious metals markets weekly charts

Gold dropped $24.10 (1.85%) last week.

Gold is heavily weighing on the lower trendline. The breakout potential is down to 200MVA or 1257.

Gold is below the 20-day moving average. Short-term momentum indicators are Negative.

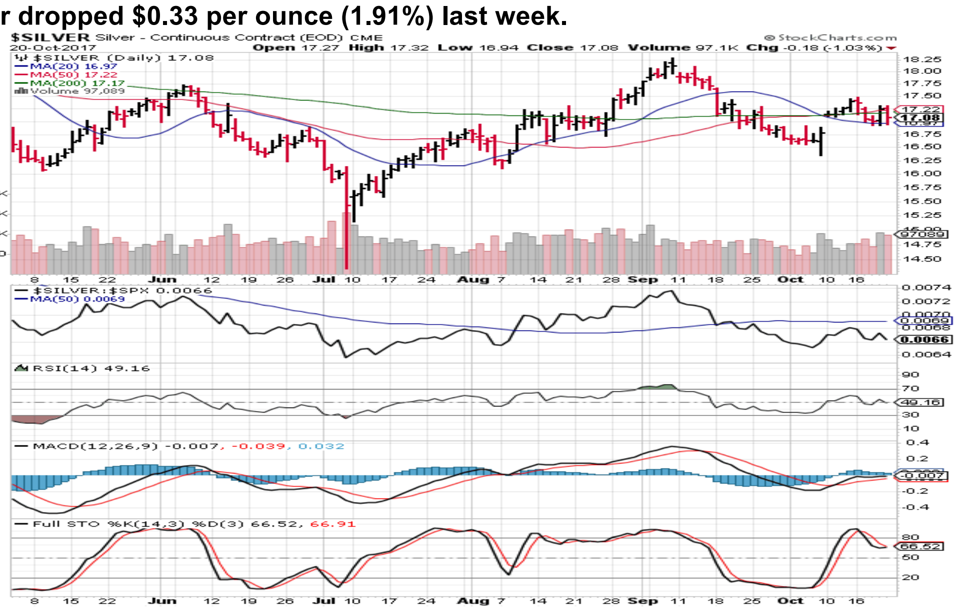


Silver dropped $0.33 per ounce (1.91%) last week.

Silver is stuck between the two moving averages.

Silver is just above the 20-day moving average.

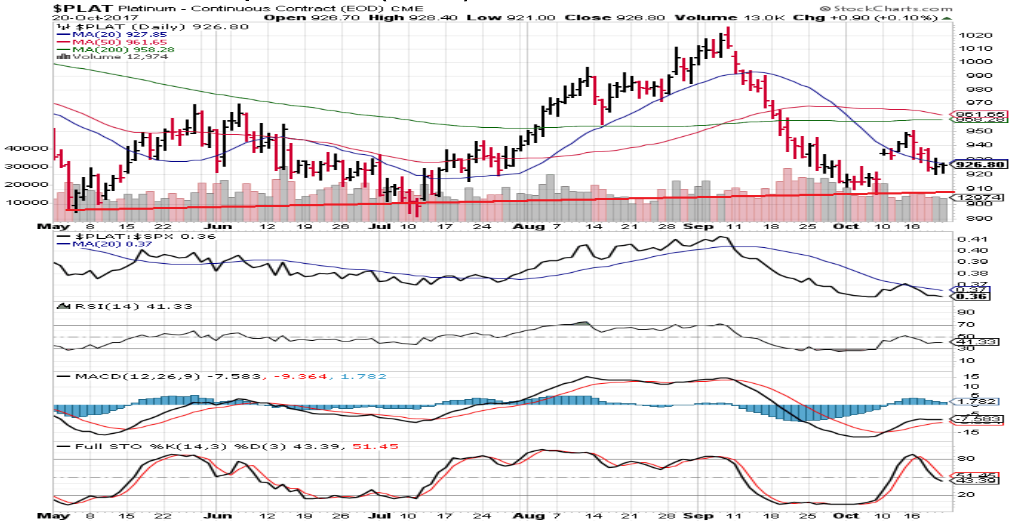
Short-term momentum indicators are Mixed.



Platinum lost $21.10 per ounce (2.23%) last week.

Intermediate trend remains Negative. Strength relative to the S&P 500 Index remained Negative. $PLAT looks ready to test the 900 support again.

$PLAT trades below its 20-day Moving Average. Momentum indicators are Mixed.



Palladium dropped $15.65 per ounce (1.59%) 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 Mixed.

Oil, gas & energy markets weekly charts

Crude oil gained $0.39 per barrel (0.76%) last week.

Intermediate trend changed from Neutral to Positive. Strength relative to the S&P 500 Index is Neutral.
$WTI is climbing towards the upper trendline.
$WTI moved above the 20MA.
Short-term momentum indicators are Neutral.

Gasoline added $0.02 per gallon (1.31%) last week.

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

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

Natural Gas dropped $0.09 (2.83%) per MBtu last week.

Intermediate trend is Negative. Strength relative to the S&P 500 Index is Negative. $NATGAS retested the 2.80 low but quickly rejected.

Short-term momentum indicators are Negative.

Carlo R Besenius, CEO
Chief Global Strategist
cbesenius@cg-inv.com
office: +(352) 26 25 86 40
mobile: +(352) 691 106 969
Luxembourg/Europe
Stjepan Kalinic, Global Strategist/Technician
skalinic@cg-inv.com
office: 212 939 7256
mobile: +(385) 9152 95916
Kastel Sucurac, Croatia
Jennifer Crisman, COO
jcrisman@cg-inv.com
office: +(352) 26 25 86 40
Luxembourg/Europe
Gary Schieneman, Managing Director,
Global Accounting and Finance
gschieneman@cg-inv.com
office: 917-868-6842
New York, NY, USA

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
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

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