

Weekly Report of December 21st 2016

Executive Summary

There is a S/T cycle right now which is a top on US dollar & a top on US stock markets as well as a bottom on gold; this S/T correction should unfold into 2nd half of January. Do not chase dollar & markets from now on. **Global economic visibility will remain poor until March 2017** when trends will then be easier to grasp.

We have **maximal visibility** about **aggressiveness/violence/terrorism activity from 3rd week of December to early January – with a peak around Dec 26-28**. Be watchful during Festive Season. Same configuration about to repeat around Trump inauguration day!

Due to the approaching of **2018 hellish year**, and therefore **much crazier volatility**, current long-term projections are judged useless. **All financial asset prices will turn upside down** – likely to start nauseatingly after mid-2017 but certainly throughout 2018, and very likely to extend into 2019 as well.

We are fortunately getting increasing visibility that **an amazing positive secular upturning time is located around year 2020 (+/- 1)** which will thereafter propel both commodities and equities. If free trading still exists then, **stock markets have capability to achieve next secular topping around years 2030/2035** whilst **commodities will soar into years 2023-2025**.

US dollar should dominate as the most wanted international currency into 2018 World Currency Crisis but technicals do not confirm so far; **next few weeks will guide**. Bitcoin will fly toward \$1300+

Precious metals chose the hardest way to form coming January cycle-trough with lower downside risk that will then trigger a powerful slingshot move from 2017 low. Possibly a double bottom 2015-2017. Gold is on accumulation; silver and mines will be on buy by January. **Fireworks in 2018/2019 and possibly again around 2023**. **2016 to 2017 is accumulation/waking up**. **2018 to 2024 will be strong buy/soaring**.

Brent has some more upside potential into 2017 (and 2018?) toward upper range of \$65/\$75. CRB Index is on very slow motion price strengthening. But **peak oil is behind us as ecology master cycle has started**.

Agriculture prices – as well as many food prices - are basing in 2016/2017 before soaring +50% to +100% into 2018. Copper, nickel, zinc, natural gas... shot sharply up but it is too early for prime time. Many commodities are in slow motion W-shaped secular bottoming process 2016-2019. **We strongly foresee the onset of a global commodity price increase over coming years and likely the very early stages of next big reflationary wave beyond 2018**. **2018 to 2024 will be THE very strong positive time for commodities!**

VIX and VSTX Volatilities are subdued for time being but will wake up from mid-2017 and **indomitable overall nervousness is expected 2018 & 2019**. Possibly echoing 2022/2023.

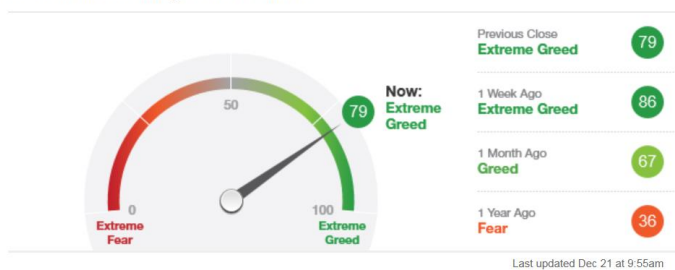
US High Yield Debt and USD Emerging Debt Indexes produced a major upturn in February; were on consolidation. **We are cautious on emerging debt due to rising USD against emerging currencies**.

Recent impressive rally on US Tsy & German Bund long bond yields is only seen as part of the global W-shaped secular upturning process 2015-2018. Current overextension will abort soon but overall secular upturning process is slowly in the making.

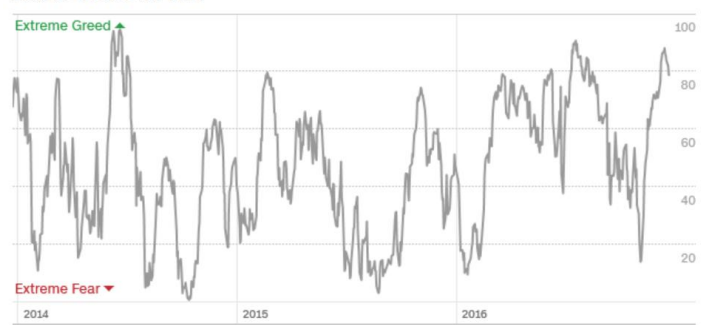
2008-2024 is kind of major societal change that happens once every 100-300 years. 2015-2020 will concentrate maximum financial pain/shock – especially centred on 2017-2019. 2020-2024 will play as joker/stabilizer. There is significant eventuality for a Ctrl-Alt-Delete-Reset process within 2017-2024 time band. Confidence plays major role. World economy will worsen into 2019/2021 cycle-trough. Western Socialism will fail and collapse by 2040. This is a governance crash! Flee public assets and rush into private & hard assets. Maximum confrontation government versus people. Fight for democracy & against nationalism. Adapt to robotics revolution. Many resemblances with Roman Empire demise. Asia will lead world economy from 2035. Europe/EUR could break apart by 2024. The 2 worst times appear to be around 2018 & around 2023.

Fear & Greed Index beta

What emotion is driving the market now?



Fear & Greed Over Time



Source: CNN Money. Index ranges usually from 5-10 (extreme fear=buying zone) to 90-95 (extreme greed=selling zone)

STOCK MARKETS

S&P500	Symbol: .SPX	Last daily close: 2270.76	
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	2275 has been reached! Now waiting on imminent S/T correction		High
Long-Term 6M-2Y	An irrational & frenzy advance toward 2600/3200 major top into 2018 has been launched from September. In case of failure: decline through Nov/Dec 2017. Cyclical top in H2 2017/H1 2018.		Average
Secular Trend >2Y	Secular bottom was printed in 2009 (same than 1932/1942 and 1974 ones) Bear-market somewhere in between 2018 and 2020 (potentially severe). Next secular top around years 2030/2035.		Highest Average Good
Critical Level	Critical support level is 2113 on a December closing basis		

Our interpretation: QE to infinity + loss of confidence in governments (collapse of socialism) + tech boom = shift from public assets to **private assets** & hard assets. Reflation game about to add fuel in coming years. These elements should feed the secular uptrend through 2030/2035 when China will handle world economic leadership.

Current main signal: positive. At risk of technical failure October to January. Must reach minimum 2275 by year-end.

Our decision: we bought late Sept around 2160 for an advance toward 2600/3200 into 2018.

Failure, Stop-Loss: a prolonged price action below 2113 could trigger a sell signal, especially if 1988 (Q4 level) is rapidly penetrated afterwards.

Target, Profit-Taking: on sell signal, from 2600 minimum up to 3200 in case of panic buying, likely in H1 2018.

If you start today: hold on for now and add in 2nd half of January after S/T correction, and hold till target.

NASDAQ Composite		Symbol: .IXIC	Last daily close: 5483.94
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	(almost) hit 5510 in December. Then S/T correction anytime soon		High
Long-Term 6M-2Y	An irrational & frenzy leg-up toward major top into 2018 has been launched from September. In case of failure: decline through Nov/Dec 2017 Cyclical top in 2018.		Good Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035.		Average Good
Critical Level	Critical support level is 5066 on a December closing basis		

Current main signal: positive. Challenged October to January. Must reach 5510 by end of Dec.

Our decision: we bought late-Sep around 5305 for an advance into 2018.

Failure, Stop-Loss: a prolonged price action below 5066 could trigger a sell signal, especially if 4658 (Q4 level) is rapidly penetrated.

Target, Profit-Taking: on sell signal, from 6300 minimum up to 8500 in case of panic buying, H2 2017 to H1 2018.

If you start today: hold for now and add in 2nd half of January after S/T correction. Then hold till target.

NASDAQ Biotech		Symbol: .NBI	Last daily close: 2832.69
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Challenged by 2956 critical resistance. Fifth failed month in a row = worrisome		Average
Long-Term 6M-2Y	Once 2956 resistance is firmly cleared, will retest previous high by 2018. In case of failure: decline through Nov/Dec 2017		Low Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035 in sync with broad market?		Average Low
Critical Level	Critical resistance level is 2956 on a December closing basis.		

Current main signal: moderately positive. On testing of 2956 resistance. Technical failure = down-move till Nov2017.

Our decision: we bought some late-Sep around 3080 for an advance into 2018. Not a core holding.

Failure, Stop-Loss: inability to recover above 2956 will be suspicious; a quarterly closing below 2856 (Q4 level) could trigger a sell signal.

Target, Profit-Taking: on sell signal, from 3850 minimum, ideally around 4300, or up to 4700+ in case of panic buying, H2 2017 to H1 2018.

If you start today: buy little on weakness and hold till target. Favour NASDAQ 100/Composite amid tech sector.

Russell 2000		Symbol: .RUT	Last daily close: 1383.95
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Overbought. S/T correction imminent. More upside potential into 2017.		Average
Long-Term 6M-2Y	An irrational & frenzy up-leg toward major top into 2018 has been launched. In case of failure: down-leg into Nov/Dec 2016. Cyclical top in 2018.		Average High Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035.		Average Good
Critical Level	Critical support level is 1201 on a December closing basis		

Current main signal: positive.

Our decision: we bought Late-Sep around 1245 for an advance into 2018.

Failure, Stop-Loss: a prolonged price action below 1201 could trigger a sell signal, especially if Q4 closes below 1163.

Target, Profit-Taking: on sell signal, from 1445 minimum up to 1650 in case of panic buying, H2 2017 to H1 2018.

If you start today: hold for now and add in 2nd half of Jan. Among most preferred markets.

Philadelphia Housing		
Symbol: .HGX	Last daily close: 243.01	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	234 critical resistance still on testing. Lack of upward pressures	Low
Long-Term 6M-2Y	A moderate advance toward major top into 2018 has been launched. In case of failure: decline through Nov/Dec 2017. Cyclical top in H2 2017/H1 2018.	Low Average
Secular Trend >2Y	Upside is limited into 2017/2018 at 260/300. Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035 in sync with broad market?	High Average Low
Critical Level	Critical pivotal/support level is 234 on a December closing basis. Now on testing	

Current main signal: moderately positive. **Challenged by 234 critical resistance – now on testing. Upside is limited.**

Our decision: we bought late-Sep around 239 for an advance into 2018. *We prefer the other US leading markets.*

Failure, Stop-Loss: a prolonged price action below **234** could trigger a sell signal, especially if Q4 closes below **218**.

Target, Profit-Taking: on sell signal, from a minimum of **265** up to **300** maximum, H2 2017 to H1 2018.

If you start today: hold for now and hold till target. **Prefer other major US leading markets.**

Volatility US Markets		
Symbol: .VIX	Last daily close: 11.45	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in January	High
Long-Term 6M-2Y	VIX will go through the roof after H2 2017 and will remain very high 2018 to 2019.	High
Secular Trend >2Y	VIX will remain very high 2018 to 2019. No visibility beyond 2019/2020.	Good None
Critical Level	Critical pivotal level is 15.81 on a Q4 closing basis	

Our interpretation: a bear market will likely develop after next major topping in 2017/2018. One adds the worst of political uncertainties to be reached in 2020 & war cycle peaking in 2019 & currency crisis from 2018.

High volatility on ALL asset classes 2018 to 2019: NOWHERE TO HIDE!

Current main signal: Neutral. **Closest historical similarities are 1994/1995 and 2007 (make-or-break pattern).**

Our intention: for time being we use VIX only as a market gauge. We may however buy from **H2 2017**.

Failure, Stop-Loss: we observe the technical setup around **15.81**, currently neutral.

Target, Profit-Taking: a cyclical high will be printed in between 2018 and 2020.

If you start today: no stress, only short-term reactions for now; VIX will be on sustained rise only **after** mid-2017.

Volatility EU Markets		
Symbol: .VSTX90	Last daily close: 19.21	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in January	High
Long-Term 6M-2Y	VSTX will go through the roof from H2 2017 and will remain very high in 2018 and likely also in 2019.	High
Secular Trend >2Y	VIX will remain very high 2018 to 2019. No good visibility beyond 2019/2020 but may echo in 2022/2023	Good None
Critical Level	Critical pivotal level is 23.04 on a Q4 closing basis	

Current main signal: Neutral.

Our intention: for time being we use VSTX only as a market gauge. We may however buy from H2 2017.

Failure, Stop-Loss: we observe the technical setup around **23.04**, currently more or less neutral.

Target, Profit-Taking: a cyclical high will be printed between 2018 and 2020.

If you start today: no stress, only short-term reactions for now; VIX will be on sustained rise only **after** mid-2017.

DJ Stoxx 600 Europe		
Symbol: .STOXX	Last daily close: 361.32	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Recent thrust above 347 is encouraging. Consolidation will unfold soon.	Average
Long-Term 6M-2Y	A limited & uncertain advance toward major top into 2018 has been launched. Cap is 395-425. In case of failure: decline through Nov/Dec 2017. Cyclical top in 2018.	Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035.	Average Good
Critical Level	Critical support level is 347 on a December closing basis	

Current main signal: moderately positive. **Improvement** as 347 resistance has been defeated.

Our decision: we bought around 343 and **we will soon add** (January?) for an advance into H2 2017/H1 2018.

Failure, Stop-Loss: a Q4 closing below 342 and inability to recover above 347 could trigger a sell signal.

Target, Profit-Taking: on sell signal, up to 395-425 maximum, in 2018.

If you start today: hold for now, **prepare to add** and hold till target. **Prefer US leading markets.**

Swiss Market Index		
Symbol: .SSMI	Last daily close: 8243.00	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	improvement as 8194 resistance is about to give way but 8313 still stands in	Average
Long-Term 6M-2Y	A limited & uncertain advance toward major top into 2018 has been launched from September. In case of failure: decline through Nov/Dec 2017. Cyclical top in H2 2017/H1 2018.	Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035.	Average Good
Critical Level	Critical resistance level is 8194 on a December closing basis	

Current main signal: moderately positive. **At risk of technical failure** if 8194 & 8313 resistances hold over near-term

Our decision: we bought some at 8230 and will add (in January?) for an advance into 2018.

Failure, Stop-Loss: inability to recover and hold above 8313 could trigger a sell signal.

Target, Profit-Taking: on sell signal, up to 9800 cap, H2 2017 to H1 2018.

If you start today: hold for now, **prepare to possibly add** and hold till target. **Prefer US leading markets.**

Hang-Seng Index		
Symbol: .HSI	Last daily close: 21729.06	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Significant leg-up has been launched from June's low	Average
Long-Term 6M-2Y	An irrational & frenzy leg-up toward major top into H2 2017 to H1 2018 has been launched from June's cycle-trough. Cyclical top in H2 2017/H1 2018	Good Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top around years 2032/2037.	Average Good
Critical Level	Critical support level is 21882 on a December closing basis; now on testing	

Current main signal: Positive since June 2016. But main signal currently challenged by testing of critical support

Our decision: we bought in August around 22500.

Failure, Stop-Loss: a prolonged price action below 21882 could trigger a sell signal. More importantly, a yearly closing below 19945 could derail the on-going secular uptrend that has been intact since 1964.

Target, Profit-Taking: on sell signal, from 27000, H2 2017 to H1 2018. Possibly up to 32000-35000 into 2018.

If you start today: buy little now and hold on till target.

NIKKEI 225		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .N225 Last daily close: 19494.53		
Medium-Term <6M	Up-leg from September cycle-low	Average
Long-Term 6M-2Y	An irrational & frenzy advance toward major top into H2 2017 to H1 2018 is on launching. Cyclical top in H2 2017/H1 2018.	Good Average
Secular Trend >2Y	Secular bottom was printed in 2008/2009. Bear-market somewhere in between 2018 and 2020. Next secular top in 2030/2035.	High Average Low
Critical Level	Critical support level is 17540 on a December closing basis	

Current main signal: positive.

Our decision: we bought some late-Sep at 16600 and added from 17461.

Failure, Stop-Loss: inability to hold above 17540 and a quarterly closing below 16710 could trigger a sell signal.

Target, Profit-Taking: cyclical topping will be capped around 21500 mark into 2017/2018.

If you start today: buy/add and hold till target.

Shanghai Composite		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .SSEC Last daily close: 3102.87		
Medium-Term <6M	On the razor-edge as price holds around 3140	Average
Long-Term 6M-2Y	Uncertain price development throughout 2017/2018 as secular bottoming is expected only around 2020 +/- 1 year. Cyclical top in H2 2017/H1 2018	Low Average
Secular Trend >2Y	Secular bottom around 2020 +/- 1 year Bear-market somewhere in between 2018 and 2020. Next secular top in 2032/2037.	High Average Low
Critical Level	Critical support level is 3091 on a December closing basis.	

Current main signal: Moderately positive over medium-term. Negative into 2020.

Our decision: we bought around 3025. However not a core long-term holding before year 2020.

Failure, Stop-Loss: stop-loss is set at 2890.

Target, Profit-Taking: 3435 is intermediate peak in 2017 (may be up to 3900 by Q1 2018); 2400-2500 zone will be secular bottoming area in 2020.

If you start today: hold for now and hold on till target. [We may sell if 3140 clearly gives way](#) on a weekly closing.

iShares MSCI Emerging		
Time Horizon	Outlook/Forecast	Visibility
Symbol: EEM Last daily close: 34.63		
Medium-Term <6M	Jan/Feb was major bottom. Challenged/repelled by 37.63 resistance.	Average
Long-Term 6M-2Y	Major advance into 2017/2018. Cyclical top expected in H2 2017 to H1 2018.	Low Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2020. Next secular top in 2032/2037?	Good Low
Critical Level	Critical support level is 34.82 on a December closing basis. Now on testing.	

Current main signal: positive. Price however needs to recover shortly above 37.63. [Signal at risk of failure.](#)

Our decision: we bought late September around 37.50 for an advance toward 45-47 into H2 2017/H1 2018.

Failure, Stop-Loss: inability to settle above 37.63 or prolonged price action below 34.82 could trigger a sell signal.

Target, Profit-Taking: major top will form around 45-47 in 2017/2018.

If you start today: hold for now and hold till target. ETF Tracker ILF (Latin America) also fits.

COMMODITIES

Gold ounce spot \$			Symbol: XAU=	Last daily close: \$1131.81
Time Horizon	Outlook/Forecast	Visibility		
Medium-Term <6M	Breaking of \$1224 & \$1179 opens lower downside risk into January cycle-low	Average		
Long-Term 6M-2Y	Major buying opportunity in 2017! rocket mode from 2018 or 2019 (\$2000+).	High		
Secular Trend >2Y	Next secular topping projected around 2023, or within 2020 to 2024 time range	High		
Critical Level	Critical resistance level is \$1222 on a December closing basis.			

Our interpretation: Gold is THE hedge against political uncertainties and misgovernance. The more politicians will fail, the more gold will rise. Will get a boost thanks to 2018+ world currency crisis. Best time is only after mid-2017.

Current main signal: **neutral; sharp slingshot move from 2017 low!**

Our decision: we hold on to position and we will add/buy from next major low in 2017. Sizeable position from 2018.

Failure, Stop-Loss: as \$1224 and \$1179 supports failed, **downside risk is now \$1030-\$1140 into January.**

Target, Profit-Taking: from \$2500 and very likely much above, 2020 to 2024.

If you start today: hold on to position but wait on January/2017 before adding/buying within \$1030-\$1140 price range. **The very good news is that gold will definitely form another MAJOR buying opportunity in 2017.**

Silver ounce spot \$			Symbol: XAG=	Last daily close: \$16.08
Time Horizon	Outlook/Forecast	Visibility		
Medium-Term <6M	Uncertain downside risk until January where cycle-trough finds.	Average		
Long-Term 6M-2Y	Major buying opportunity in 2017; rocket mode from 2018 or 2019 (\$60+).	High		
Secular Trend >2Y	Next secular topping will be located within 2020 to 2024 time band	High		
Critical Level	Critical pivotal level is \$16.85 on a December closing basis. Now on testing			

Current main signal: Positive since December 2015. About to turn neutral if \$16.85 support fails over short-term

Our intention: we will purchase a buy-and-hold position by February within \$14-\$16.50 price range.

Failure, Stop-Loss: failure to hold \$16.50 area will open \$14 into January.

Target, Profit-Taking: from \$59+ and likely much above, 2020 to 2024.

If you start today: wait on our buy signal by January/February. **Silver will outperform gold**

Phila Gold Silver Index			Symbol: .XAU	Last daily close: 73.81
Time Horizon	Outlook/Forecast	Visibility		
Medium-Term <6M	Uncertain consolidation; ideally a low should print Nov-Dec around 73-78	Low		
Long-Term 6M-2Y	Secular bottoming formed in the autumn of 2015. No clear price target beyond 2018 as price will go ballistic	Highest Average		
Secular Trend >2Y	On a multi-fold price advance into 2020-2024	Highest		
Critical Level	Critical support level is 77.90 on a December closing basis. Now on testing !			

Current main signal: positive since September 2015. **A sharp distortion is now possible by January.**

Our decision: we started accumulating long-term buy-and-hold position from September of 2015 around 44 and reduced from 65 and above. We will add again over coming weeks, ideally at 73-78 by January.

Failure, Stop-Loss: **a decline below 73 would appear suspicious and lead to further downside.**

Target, Profit-Taking: ultimate top is a multi-fold advance into 2020-2024. Price projection is very approx (250+).

If you start today: accumulate a moderate buy-and-hold position by January, down to 73-78 ideal buying zone.

Gold/Silver ratio (70.11): this ratio is used as a **confirmation** of new major uptrend in precious metals as we got a major sell signal in March. **Downtrend not yet fully confirmed** as price went back above 69.93 (Q4 pivotal level); critical **resistance** is at 72.83 in December. Target is 50-55 into H2 2017.

Rare Earth Metals	Symbol: .MVREMX	Last daily close: 283.19
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Defeating of critical resistance at 266 is getting closer	Average
Long-Term 6M-2Y	Major/secular bottom formed in January. Will launch a major advance when 267 is clearly defeated. Slow motion price action = very good secular bottoming	High
Secular Trend >2Y	Multi-fold price rise into 2022-2024.	High
Critical Level	Critical pivotal level is 266 on a December closing basis; still on testing	

Our interpretation: QE to infinity + loss of confidence in governments (collapse of socialism) + tech boom = shift from public assets to private assets & **hard assets**. Reflation game about to add fuel in coming years. One adds the need of metals for technologies and renewable energies + Asian boom beyond 2020.

Current main signal: Moderately positive. About to soon turn positive when 266 will clearly give way. **Real bull trend will develop after 2018/2019. Not for trading activity. Long-term buy and hold, sit tight.**

Our decision: we bought around 256 in April and we will add soon on lower side. L/T holding.

Failure, Stop-Loss: a prolonged price action below 266 could leave the sector index into prolonged lateral W-shaped bottoming process.

Targets, Profit-Taking: 375-400 into 2017/2018; then 935-1110 into 2020-2024 if 410 is passed by 2018.

If you start today: buy a moderate long-term buy-and-hold position and prepare to add on lower side, on our signal. This is multi-year price development but with high volatility.

Copper HG Future	Symbol: HGc1	Last daily close: \$2.4995
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Strongly capped by \$2.70 (first target). Now on consolidation before new upside	Good
Long-Term 6M-2Y	Intermediate peak will form in 2017/2018 then down into secular bottom.	Average
Secular Trend >2Y	Secular double-bottom will form 2016/2019, then sharply up beyond 2019/2020	High
Critical Level	Critical support level is 2.25 on a December closing basis	

Our interpretation: QE to infinity + loss of confidence in governments (collapse of socialism) + tech boom = shift from public assets to private assets & **hard assets**. Reflation game about to add fuel in coming years + Asian boom 2020+.

Current main signal: positive.

Our decision: we bought early July around 2.14, we added at 2.24 and we reduced at 2.63 early Dec.

Failure, Stop-Loss: inability to hold above 2.25 could leave copper within a prolonged W-shaped bottoming process.

Target, Profit-Taking: 1st target of 2.60-2.80 already met; will be \$4+ beyond 2019/20.

If you start today: prepare to add/buy on lower side (around \$2.35-\$2.40).

Brent Future	Symbol: LCOc1	Last daily close: \$55.35
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	S/T correction then more upside potential in 2017	Average
Long-Term 6M-2Y	January 2016 was major bottom. Significant top will form at \$67-\$75 in 2017/2018.	High Average
Secular Trend >2Y	Blocked within \$30-\$75 range for 4-6 years. Secular bottom in 2020 +/- 1 year	Good
Critical Level	Critical support level is \$47.18 on a December closing basis.	

Our interpretation: renewable energies cycle is on from 2014/2015 and will last for decades. Full-scale Tesla'ed-style future development. Possibly, small devices providing free energy beyond 2020. 2018/2019 war cycle could distort.

Current main signal: Positive since December/January. At technical risk if \$47.18 fails to hold.

Our decision: we bought from December and averaged down to low \$30s and will sell at \$67+ in 2017.

Failure, Stop-Loss: inability to hold above \$47.18 could derail uptrend.

Target, Profit-Taking: on sell signal, from \$65 and above (\$75?), in 2017.

If you start today: hold for now, wait on lower side (\$48) and hold until target. **Not a core position.**

CRB Index Reuters		
Symbol: .TRJCRBTR	Last daily close: 191.74	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	On significant intermediate rebound. Still on testing of 185 critical resistance.	Average
Long-Term 6M-2Y	January was major bottom. Significant top will form at 215/225 in 2017/2018.	Good Average
Secular Trend >2Y	Secular bottoming will form in 2020 +/- 1 year, then up over long-term	Good
Critical Level	Critical pivotal level is 185 on a November closing basis	

Our interpretation: QE to infinity + loss of confidence in governments (collapse of socialism) + tech boom = shift from public assets to private assets & **hard assets**. Reflation game about to add fuel in coming years.

Current main signal: moderately positive. About to turn positive when **185** is **firmly** passed.

Our decision: we bought from 170/175 Dec'15 low and averaged down to \$160s. We may sell at **215/225** in 2017.

Failure, Stop-Loss: inability to hold above **185** could leave price within a prolonged W-shaped bottoming process.

Target, Profit-Taking: on sell signal, from **215** and up to **225** by 2018.

If you start today: **buy a moderate L/T position now**, add when **185** is clearly defeated and hold till target.

CURRENCIES

EUR/USD		
Symbol: EUR=	Last daily close: 1.0385	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	S/T consolidation now and intermediate bottom in Feb/March	Low
Long-Term 6M-2Y	Secular downtrend that has been playing out since 2008 should soon resume toward 0.85-0.98 into 2018/2019 secular cycle-low.	Average
Secular Trend >2Y	Likely a secular low around 2018/2019 . Currency crisis in 2018/2019	Low/High
Critical Level	Critical resistance level is 1.0984 on a December closing basis.	

Our interpretation: market has not yet fully priced Trump consequences. US dollar should lead as last game in town into **2018+ World Currency Crisis** but waiting on indicators to confirm soon.

Current main signal: **Negative**. **Resumption of primary downtrend could be confirmed at Q1 opening.**

Our intention: we have been negative on EUR/USD since 2008; early November was critical pivotal; we now prepare to sell once downtrend will be re-confirmed.

Failure, Stop-Loss: inability to hold below **1.0984** could turn main signal to neutral.

Target, Profit-Taking: unless negative signal is cancelled, target is **0.85-0.98** into 2018.

If you start today: **stay neutral; prepare to sell higher** as signal should confirm resumption of primary downtrend.

USD/CHF		
Symbol: CHF=	Last daily close: 1.0283	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	An intermediate top will be reached in Feb/March 2017 below 1.07	Average
Long-Term 6M-2Y	The major/secular uptrend active from August 2011 should resume soon in direction of 1.07-1.17 into 2018/2019 secular cycle-crest.	Average
Secular Trend >2Y	Likely a secular top in 2018/2019. Currency crisis in 2018/2019 !!!	Low/High
Critical Level	Critical support level is 0.9898 on a December closing basis	

Current main signal: **Positive**. **Resumption of primary uptrend could be confirmed at Q1 opening.**

Our intention: we have been positive on USD/CHF since August 2011; we now prepare to buy when uptrend will be re-confirmed.

Failure, Stop-Loss: inability to hold above **0.9898** over near-term will turn main signal to neutral. Inability to hold above **0.9604** (Q4 level) could turn main signal to negative.

Target, Profit-Taking: unless main positive signal is cancelled, long-term projection is **1.07-1.17** into 2018.

If you start today: **now neutral; prepare to buy lower** as signal should confirm resumption of primary uptrend.

USD/JPY		
Time Horizon	Outlook/Forecast	Visibility
Symbol: JPY= Last daily close: 117.84		
Medium-Term <6M	Overshooting. S/T correction pending anytime from now	Average
Long-Term 6M-2Y	Still under attraction of yearly pivotal line around 105.19. Primary uptrend may however resume soon.	Average
Secular Trend >2Y	Neutral signal. 2017 opening update will tell more.	Average
Critical Level	Critical support level is 110.98 on a December closing basis	

Our interpretation: currency war at its best.

Current main signal: Neutral. Now on renewed long-term upside pressures. A firm break of 109.75 and 110.98 can reactivate former secular uptrend.

Our intention: waiting on confirmation of renewed major & secular uptrend before buying.

Failure, Stop-Loss: inability to hold above 110.98 will leave main signal neutral. Decline below 105.19 could turn main signal to negative.

Target, Profit-Taking: if primary and secular uptrends resume, 135 is bare minimum and 160+ is possible over L/T.

If you start today: stay neutral for now until next technical incentive, likely a new buying opportunity later on.

EUR/CHF		
Time Horizon	Outlook/Forecast	Visibility
Symbol: EURCHF= Last daily close: 1.0683		
Medium-Term <6M	Magnetized by 1.0870 monthly pivotal line.	Good
Long-Term 6M-2Y	Extension toward 1.13-1.14 is unlikely. Cap is 1.1277 in Q4. Waiting on next technical incentive.	Average
Secular Trend >2Y	No visibility about how Swiss franc will behave in 2018/2019 currency turmoil	None
Critical Level	Critical pivotal/resistance level is 1.0870 on a December closing basis	

Our interpretation: under control of SNB until balance sheet implodes.

Current main signal: Neutral with a slight negative bias as price explores south of 1.0870.

Our intention: waiting on next clear technical incentive.

Failure, Stop-Loss: a prolonged price action below 1.0870 could trigger a sell signal. Under monitoring.

Target, Profit-Taking: no clear projection.

If you start today: stay neutral for now and expect price to remain close to 1.0870 for time being.

Bond Yields

US Tsy 10Yrs Yield		
Time Horizon	Outlook/Forecast	Visibility
Symbol: US10YT=RR Last daily close: 2.5680		
Medium-Term <6M	S/T correction will start soon then resumption of L/T upside pressures	Low
Long-Term 6M-2Y	Yield should find a secular low by 2017 as cycles strongly show but technicals do not corroborate so far. L/T upside pressures are however building up.	Low
Secular Trend >2Y	A secular reversal should develop 2015 to 2017. No technical confirmation yet.	Low
Critical Level	Critical resistance level is 2.18 on a Q4 closing basis. Now on testing !!!	

Our interpretation: When secular reversal signal will be on = new secular reflation trend + western socialism toward complete failure/bankruptcy + central banks losing control. Cycles strongly show secular turnaround is 2015-2017.

Current main signal: Neutral. Long-term bias is positive! Secular turnaround is getting closer.

Our intention: unless major/secular reversal is triggered, we stay neutral as we have low visibility only. Presumably we will issue a strong sell signal on bonds once a major/secular signal will be displayed.

Failure, Stop-Loss: as long as yield stays below 2.18 (Q4 closing level), downside risk dominates.

Target, Profit-Taking: none; unless major/secular reversal is clear, yield risks lower range again at 1.71.

If you start today: you can hold on to those bonds but prepare to leave them as L/T upside pressures are mounting.

Bund 10 Yrs Yield		
Time Horizon	Outlook/Forecast	Visibility
Symbol: DE10YT=RR Last daily close: 0.2710		
Medium-Term <6M	On short-term correction	Low
Long-Term 6M-2Y	Yield should find a secular low 2016 to 2018 as cycles strongly tell but technicals do not corroborate so far.	Low
Secular Trend >2Y	A secular reversal should develop 2016 to 2018. No technical confirmation yet.	Low
Critical Level	Critical resistance level is 0.63 on a Q4 closing basis	

Our interpretation: market pays a premium to focus on “the return *of* my money rather than on the return *on* my money” + the safety to get back deutschmarks in case of European failure. **Cycles show secular upturning 2016-2018.**

Current main signal: Neutral. **Long-term bias is neutral.**

Our intention: unless major/secular reversal is triggered, we stay neutral as we have low visibility only. Presumably we will issue a strong sell signal on bonds once that major/secular signal will be displayed. Cycle trough is 2016-2018.

Failure, Stop-Loss: as long as yield stays below 0.63 (Q4 level; on decrease q/q), downside risk dominates.

Target, Profit-Taking: none; unless major/secular reversal is clearly displayed, yield risks lower range again at -0.02.

If you start today: you can hold on to those bonds but prepare to leave them as L/T upside pressures are heating up.

USD High Yield Corp Debt		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .IBLUS0004 Last daily close: 251.69		
Medium-Term <6M	S/T consolidation is over; heading higher into 2017	Good
Long-Term 6M-2Y	Major topping formation is possible from H2 2017. Target is 280 by 2018.	Average
Secular Trend >2Y	No visibility about how JPMEG will behave during market turmoil 2018-2019.	None
Critical Level	Critical support level is 228 on a Q4 closing basis	

Current main signal: Positive since February 2016.

Our decision: we bought at 225 in mid-March for an advance toward 280 into 2018.

Failure, Stop-Loss: a weakness below 238 (December level; on the rise m/m) could trigger a sell signal.

Target, Profit-Taking: minimum target of 250 by Q1 2017 has been reached yet, next one is 280 by 2018.

If you start today: buy on any weakness and hold on till target.

Emerging Debt USD		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .JPMEG Last daily close: 733.38		
Medium-Term <6M	S/T consolidation is over; upside is now moderate due to US dollar impact	Good
Long-Term 6M-2Y	Major topping formation is possible in 2017. New target is revised to 805.	Average
Secular Trend >2Y	No visibility about how JPMEG will behave during market turmoil 2018/2019.	None
Critical Level	Critical support level is 687 on a Q4 closing basis	

Current main signal: Positive since February 2016. **Increasing volatility due to US dollar strengthening.**

Our decision: we bought at 692 in mid-March for an advance toward 825 into 2018.

Failure, Stop-Loss: a weakness below 724 (December level; on the rise m/m) could trigger a temporary sell signal.

Target, Profit-Taking: minimum of 775 by Q1 2017 has been reached yet, next one is 805 into 2018.

If you start today: buy now and hold on till target in 2018. **Higher volatility ahead!**

Opportunities: we had early this year a long-term buy signal on **FCG, XOP and OIH (oil and gas companies)**. All of them have been pressing higher against their monthly pivotal line for months; XOP already did its breakout, OIH confirmed its breakout and FCG is about to defeat its pivotal resistance. **Linked to oil price development.**

REMX ETF (rare earth mining companies; 16.92) posted a long-term buy signal and requires several months to firmly get through monthly pivotal line (16.14). **Best long-term buying opportunities always start with a slow-motion price development** (i.e. gold mines in 2000). Due to different components, we have a better long-term buy signal on the **Solactive Rare Earth Performance Index (.RAREARTH)** but there is hardly no investable vehicle for time being.

We have very strong leading signals that agriculture/food prices will be on fire into 2018. It is only a matter of time before prices will soar. **We will consider grains on a selective basis (corn, wheat, soybean ...).** Waiting on next buying signals, presumably sometime during 2017. **Prepare to buy – soybeans first, then corn and finally wheat.**

We also monitor **uranium mines (tracker URA last 13.90)** as a major bottom may form over coming quarters; **critical monthly pivotal line at 13.70** has been capping price since April. We observe that long-term upward pressures are building up. Not yet a buy but likely in 2017 or 2018.

We bought ETF tracker ROBO (last 28.74) at 28.20 as **ROBO Global Disruptive Technology PR Index (.RUPT)** will follow leading US tech markets on the rise.

Some indexes in the **renewable energy technologies** sector are on monitoring for a possible major bottom **in 2017** – such as solar energy for instance (ETF TAN). **Ecology started a master multi-decade cycle from 2014/2015.**

We got a long-term buy signal on **coffee (future KCC1 \$143.85; tracker JO)** which formed in Jan/Feb, with long-term upside potential toward **\$200+** into 2017/2018. **Despite sharp correction main trend remains positive.**

Sincerely,

Nils Baranger

Source: all chart pictures are extracted from Reuters Thomson EIKON

Explanations: **Short term** outlook goes from 1 week up to 4 weeks. Short term is defined by daily and weekly indicators.

Intermediate Trend/Medium-Term Trend outlook goes from 1 month up to 6 months. Intermediate Trend is defined by weekly and monthly indicators.

Primary Trend/Long-Term Trend outlook goes from 6 months up to 2 years. Primary Trend is defined by monthly and quarterly indicators. Those are also the **long term indicators**.

S/T = short-term **M/T** = medium-term **L/T** = long-term

Secular Trend outlook is 2+ years. Secular trend is defined by quarterly and yearly indicators.

Technical Visibility ranges from best to worst: **Highest – High – Good – Average – Low - None**

Indicators are: 4 different Moving Averages, MACD Forest, Bollinger Bands, Pivotal Lines, 5 different Momentum oscillators, Ichimoku Kinko Hyo, 3 different Relative Strength Index oscillators, Parabolic SAR, Directional Movement Index incl. DI+ and DI-, Variation, Buying Pressure Index, Selling Pressure Index, 4 different Oscillators, MACD Lines, 1 Fast Stochastic, 4 different Slow Stochastics, Aroon-Negative oscillator, Aroon-Positive oscillator.

Line studies are: Andrews Pitchfork Lines, Fibonacci Retracement Lines, Fibonacci Projection Lines, Gann Lines, Regression Lines +/- 2SD, Trend Channel Lines, Trend Lines.

Modelling consists in a peculiar private parameterizing and in about 18 different combinations of the indicators. A **price/time projection model** and a **pattern recognition model** are used.

Reference prices are previous trading day closing prices.