

Weekly Report of December 28th 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 US dollar & US markets from now on.

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 confirm or negate. 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 in January. **Fireworks in 2018/2019 and possibly again around 2023**. 2016 to 2017 is accumulation/waking up. 2018/2019 will be strong buy.

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.

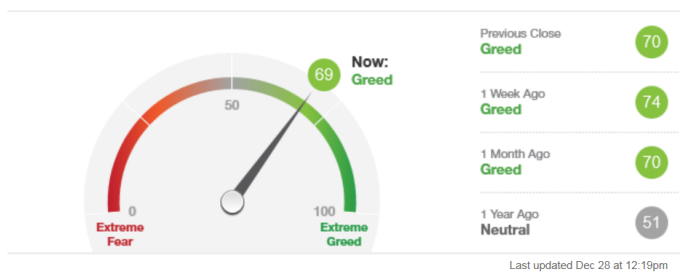
US High Yield Debt and USD Emerging Debt Indexes produced a major upturn in February; were on consolidation. **We are cautious on emerging debt due to rising USD against emerging currencies**.

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 – led by US Tsy.

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.

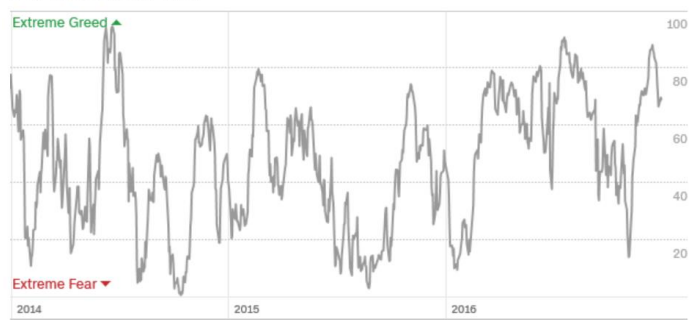
Fear & Greed Index beta

What emotion is driving the market now?



Fear & Greed Over Time

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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: 2268.88
Time Horizon	Outlook/Forecast	Visibility	
Medium-Term <6M	2275 has been reached! Now 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	
Critical Level	Critical support level is 2113 on a December closing basis	Average	
		Good	

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 1989 (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 buy/add in 2nd half of January after S/T correction, and hold till target.

NASDAQ Composite		
Symbol: .IXIC	Last daily close: 5487.44	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	5510 has been hit in December. Now S/T correction about to unfold anytime	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 5068 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 5068 could trigger a sell signal, especially if 4660 (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 buy/add in 2nd half of January after S/T correction. Then hold till target.

NASDAQ Biotech		
Symbol: .NBI	Last daily close: 2839.02	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Challenged by 2959 critical resistance. Fifth failed month in a row = worrisome	Average
Long-Term 6M-2Y	Once 2959 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 2959 on a December closing basis.	

Current main signal: moderately positive. On testing of 2959 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 2959 will be suspicious; a quarterly closing below 2859 (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: 1377.70	
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 1200 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 1200 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 buy/add in 2nd half of Jan. Among most preferred markets.

Philadelphia Housing		
Symbol: .HGX	Last daily close: 242.68	
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: 11.91	
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 15.91 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.

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 **15.91**, currently neutral.

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

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

Volatility EU Markets		
Symbol: .VSTX90	Last daily close: 20.37	
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 23.16 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 **23.16**, currently more or less neutral.

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

If you start today: no hurry, 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: 360.48	
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: 8259.45	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	improvement as 8195 resistance is about to give way but 8314 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 support/pivotal level is 8195 on a December closing basis	

Current main signal: moderately positive. **At risk of technical failure** if 8195 & 8314 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 8314 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: 21574.76	
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 21877 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 21877 could trigger a sell signal. More importantly, a yearly closing below 19940 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: 19403.06		
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 17536 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 17536 and a quarterly closing below 16707 could trigger a sell signal.

Target, Profit-Taking: cyclical top will be capped around 21500-22000 area 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: 3114.66		
Medium-Term <6M	On the razor-edge as price holds between 3087 and 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 3087 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 in 2018); 2400-2500 zone will be secular bottoming area in 2020.

If you start today: hold for now and hold on till target. Waiting on supports' testing.

iShares MSCI Emerging		
Time Horizon	Outlook/Forecast	Visibility
Symbol: EEM Last daily close: 34.43		
Medium-Term <6M	Jan/Feb was major bottom. Challenged/repelled by 37.64 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 34.83 on a December closing basis. Now on testing.	

Current main signal: positive. Price however needs to recover shortly above 37.64. 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 37.64 or prolonged price action below 34.83 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: \$1138.85
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 \$1120-\$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 before adding/buying within \$1120-\$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: \$15.95
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 from 2017 on.**

Phila Gold Silver Index		Symbol: .XAU	Last daily close: 76.00
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 78.17 on a December closing basis. Now on testing !		

Current main signal: positive since September 2015. **A 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 shortly, ideally within 73-78 range 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, within 73-78 ideal buying range.

Gold/Silver ratio (71.11): 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 70.00 (Q4 pivotal level); critical **resistance** is at 72.87 in December. Target is 50-55 into H2 2017.

Rare Earth Metals	Symbol: .MVREMX	Last daily close: 280.32
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Defeating of critical 265 resistance 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 265 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 265 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 265 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 L/T 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: \$2.5080
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: \$56.09
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 \$47.25 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 \$47.25 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 \$47.25 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) to buy/add and hold until target. **Not a core position.**

CRB Index Reuters		
Symbol: .TRJCRBTR	Last daily close: 193.96	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	On significant intermediate rebound. Still on testing of 186 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 support/pivotal level is 186 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 **186** is **firmly** passed (multi-month process).

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 **186** 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 **186** is clearly defeated and hold till target.

CURRENCIES

EUR/USD		
Symbol: EUR=	Last daily close: 1.0455	
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 secular cycle-low.	Average
Secular Trend >2Y	Likely a secular low around 2018 . 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: 1.0273	
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 secular cycle-crest.	Average
Secular Trend >2Y	Likely a secular top in 2018. Currency crisis in 2018/2019 !!!	Low/High
Critical Level	Critical support level is 0.9900 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 **0.9900** over near-term will turn main signal to neutral. Inability to hold above **0.9606** (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		Symbol: JPY=	Last daily close: 117.39
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Overshooting. S/T correction pending anytime soon		Average
Long-Term 6M-2Y	Still under attraction of yearly pivotal line around 105.16 . 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 110.95 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 109.71 and 110.95 can reactivate former secular uptrend.**

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

Failure, Stop-Loss: inability to hold above **110.95** will leave main signal **neutral**. Decline below **105.16** could turn main signal to **negative**.

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

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

EUR/CHF		Symbol: EURCHF=	Last daily close: 1.0748
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Magnetized by 1.0872 monthly pivotal line.		Good
Long-Term 6M-2Y	Extension toward 1.13-1.14 is unlikely. Cap is 1.1279 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 1.0872 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 **1.0872**.

Our intention: waiting on next clear technical incentive.

Failure, Stop-Loss: a prolonged price action below **1.0872** 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 **1.0872** for time being.

Bond Yields

US Tsy 10Yrs Yield		Symbol: US10YT=RR	Last daily close: 2.5630
Time Horizon	Outlook/Forecast		Visibility
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 identified, 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: 0.2040		
Medium-Term <6M	On short-term correction (yield lower)	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 0.61 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 0.61 (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 -0.05.

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: 252.65		
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: 736.68		
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 805 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 and OIH confirmed their breakout and FCG is about to do so over short-term. **Linked to oil/gas price development.**

REMX ETF (rare earth mining companies; 16.85) posted a long-term buy signal and requires several months to firmly get through monthly pivotal line (16.11). **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 at some point during 2017. **Prepare to buy – soybeans first, then corn and finally wheat.**

We also monitor **uranium mines (tracker URA last 13.70)** as a major bottom may form over coming quarters; **critical monthly pivotal line at 13.60** has been capping price since April. We observe that long-term upward pressures are building up. Not yet a buy but very likely in 2017.

We bought ETF tracker ROBO (last 28.79) 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 positive cycle from 2014/2015.

We got a long-term buy signal on **coffee (future Kcc1 \$134.20; 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.