

## Weekly Report of February 15<sup>th</sup> 2017

### Executive Summary: prepare to reduce/sell/hedge

**We are getting maximal evidence that a significant stock market correction (-15% to -20%) will unfold in the summer between June and November.** Some indices or sub-indices could already top out in February. A noticeable pullback should occur in April as wake-up call. We still own equity positions so far but we do not anymore chase them as upside potential is limited and **we prepare to sell/hedge/reduce anytime by May/June at the latest - on signal - and we intend then to buy back/increase/de-hedge around October/November (when lowest level of 2017 should be printed).**

We also observe maximal evidence of excessively turbulent and nervous summertime in all fields, centred on July-August-Sept. **We can only but recommend very high level of cautiousness throughout the summer. The 2018 Hellish Year may be a replica on steroids of summer 2017. Prepare to much higher volatility from mid-2017 into 2018.**

**So far we do not foresee S&P500 below 1825 (worst case) or 1905 (best case) in 2017. We now cannot rule out that 2017 correction could lead to further downtrend move throughout 2018.**

We are getting high visibility that **an amazing positive world secular upturning setup is located around years 2019/2020** which will thereafter propel up 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 until 2018+ World Currency Crisis** but it started 2017 on a much softer tone as it will trade nervously within a lateral price range against most major currencies. **Some kind of secular topping process may begin earlier than expected.** Emerging currencies will outperform in H2; so will globally GBP, YEN and CHF. We do not foresee big price moves in 2017 among major currencies.

Precious metals & mining companies have formed their expected cycle-low in Dec/Jan. Gold and silver will soon soften again through July, so will mining companies, when another very good buying opportunity will form. **2016 & 2017 are accumulation years. Rocket mode in 2018 & 2019 and possibly again around 2023.**

**Brent has some more upside potential in 2017** toward upper range of \$64. CRB Index is on very slow motion price strengthening. **Agriculture prices – especially grains - are basing in 2017 before soaring +50% to +100% into 2018.** Many commodities are in slow motion W-shaped SECULAR bottoming process 2016 to 2019. **Rare Earth & Strategic metals** mining already developed their major bottom whilst **Uranium mining sector** started its own in December. **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 2025 will be \*THE\* very strong positive time for commodities!**

**We buy now solar energy companies (tracker TAN) as we wrote last year about a major bottom in 2017.**

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

US High Yield Debt and USD Emerging Debt Indexes produced a major upturn in February 2016. **We are cautious on emerging debt due to strong USD.** We prefer High Yield Debt. US Tsy & German Bund long bond yields are on consolidation but the secular upturning is slowly building up 2015-2017 on US Tsy and 2016-2018 on German Bund. It will be soon time to leave them.

**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 2019/2020 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.**



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: 2337.58
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Significant top by May. Limited upside potential by then. Painful summer.	Good
Long-Term 6M-2Y	2017 will be lateral, nervous, with 2 significant corrections in the summer. Year-end target is uncertain for now. Cyclical top may form in 2017 and bear trend could unfold throughout 2018.	Good Low Low
Secular Trend >2Y	Secular bottom was printed in 2009 (same than 1932/1942 and 1974 ones) Bear-market somewhere in between 2017 and 2019. Next secular top around years 2030/2035.	Highest Low Good
Critical Level	Critical support level is 2153 on a February 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. Will turn neutral by May

**Our decision:** we bought late Sept around 2160. We will reduce by May and buy back around October.

**Failure, Stop-Loss:** a prolonged price action below 2153 could trigger a sell signal, especially if 2033 (Q1 level) is rapidly penetrated afterwards.

**Target, Profit-Taking:** M/T and L/T projections are now imprecise due to heavy summer turmoil + 2018 hellish year.

**If you start today:** hold for now; prepare to reduce anytime by May; next buying opp will be around October.

NASDAQ Composite		Symbol: .IXIC	Last daily close: 5782.57
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Significant top by May. Limited upside potential by then. Awful summer		Good
Long-Term 6M-2Y	2017 will be nervous, lateral, with 2 intermediate corrections in the summer Year-end target is uncertain. Cyclical top could form in 2017 and bear trend could unfold throughout 2018.		Good Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.		Low Good
Critical Level	Critical support level is 5191 on a February closing basis		

**Current main signal:** positive. Could turn neutral by May.

**Our decision:** we bought late-Sep around 5305 and will reduce by May.

**Failure, Stop-Loss:** a prolonged price action below 5191 could trigger a sell signal, especially if 4800 (Q1 level) is rapidly penetrated.

**Target, Profit-Taking:** M/T and L/T projections are imprecise due to heavy summer turmoil + 2018 hellish year.

**If you start today:** hold for now; prepare to reduce anytime by May; next buying opp will be around October

NASDAQ Biotech		Symbol: .NBI	Last daily close: 3031.07
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	2926 Monthly resistance line about to give up. Uncertain upside potential		Average
Long-Term 6M-2Y	Uncertain trading range throughout 2017 Year-end target is uncertain for now		Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035 in sync with broad market?		Low Low
Critical Level	Critical resistance level is 2926 on a February closing basis.		

**Current main signal:** moderately positive. On testing of 2926 resistance. Technical failure = down-move till Q42017.

**Our decision:** we bought some late-Sep around 3080. We may add on lower side in the summer

**Failure, Stop-Loss:** inability to recover above 2926 will be suspicious; a quarterly closing below 2904 (Q1 level) could trigger a sell signal.

**Target, Profit-Taking:** we will focus on a live sell signal if triggered in sync with other markets by May.

**If you start today:** hold for now; prepare to possibly sell by May. Next buying opportunity would be Oct/Nov

Russell 2000		Symbol: .RUT	Last daily close: 1396.65
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Significant top by May. Limited upside potential by then. Awful summer.		Good
Long-Term 6M-2Y	2017 will be nervous within lateral range, with 2 summer corrections Year-end target is uncertain. Cyclical top could form in 2017 and bear trend could unfold throughout 2018.		Good Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.		Low Good
Critical Level	Critical support level is 1235 on a February closing basis		

**Current main signal:** positive. Could turn neutral by May.

**Our decision:** we bought Late-Sep 2016 around 1245 and we will reduce by May.

**Failure, Stop-Loss:** a prolonged price action below 1235 could trigger a sell signal, especially if Q1 closes below 1191.

**Target, Profit-Taking:** M/T and L/T projections are now imprecise due to summer turmoil and 2018 hellish year.

**If you start today:** hold for now; prepare to reduce by May; next buying opp will be around October.

Philadelphia Housing		
Symbol: .HGX	Last daily close: 253.58	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	237 critical pivotal still on testing. Lack of upward pressures, limited upside	Average
Long-Term 6M-2Y	2017 will remain within lateral range, with 2 summer intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and bear trend could unfold throughout 2018.	Average Low Low
Secular Trend >2Y	Upside is limited in 2017 at 260 Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035 in sync with broad market?	Good Low Low
Critical Level	Critical <b>pivotal/support</b> level is <b>237</b> on a <b>February</b> closing basis.	

**Current main signal:** moderately positive. **Upside is limited. Could turn neutral by May.**

**Our decision:** we bought late-Sep around 239 but may give up by May.

**Failure, Stop-Loss:** a prolonged price action below **237** could trigger a sell signal, especially if Q1 closes below **222**.

**Target, Profit-Taking:** M/T & L/T projections are imprecise for now.

**If you start today:** hold for now; **prepare to reduce by May**; next buying opp may form around October.

Volatility US Markets		
Symbol: .VIX	Last daily close: 10.74	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in March/April and then <b>substantial rise in the summer</b>	High
Long-Term 6M-2Y	VIX will go through the roof <b>from</b> 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 <b>resistance</b> level is <b>15.67</b> on a <b>Q1</b> closing basis	

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

**High volatility on ALL asset classes from mid-2017 and 2018 to 2019: NOWHERE TO HIDE!**

**Current main signal:** Neutral. May turn positive after mid-2017.

**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 **15.67** currently neutral.

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

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

Volatility EU Markets		
Symbol: .VSTX90	Last daily close: 18.61	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in March/April and then <b>substantial rise in the summer</b>	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 <b>pivotal</b> level is <b>22.78</b> on a <b>Q1</b> 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 **22.78**, currently more or less neutral.

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

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

DJ Stoxx 600 Europe		
Symbol: .STOXX	Last daily close: 370.20	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Significant top by May. Limited upside potential by then. Painful summer	Good
Long-Term 6M-2Y	2017 will be nervous, lateral, with 2 summer intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and bear trend could unfold throughout 2018.	Good Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.	Low Good
Critical Level	Critical support level is 350 on a February closing basis	

**Current main signal:** moderately positive. Could turn neutral again by June.

**Our decision:** we bought around 343 and we will reduce by May, prior to summer correction.

**Failure, Stop-Loss:** a Q1 closing below 347 and inability to hold above 350 could trigger a sell signal.

**Target, Profit-Taking:** M/T & L/T projections are imprecise due to summer nervousness and 2018 hellish year.

**If you start today:** hold for now; prepare to reduce by May; next buying opp will be around October.

Swiss Market Index		
Symbol: .SSMI	Last daily close: 8426.15	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Significant top by May. Limited upside potential by then. Painful summer	Good
Long-Term 6M-2Y	2017 will be nervous, lateral, with 2 summer intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and bear trend could unfold throughout 2018.	Good Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.	Low Good
Critical Level	Critical support/pivotal level is 8193 on a February closing basis	

**Current main signal:** moderately positive. At risk of technical failure if 8348 resistance holds over near-term

**Our decision:** we bought some at 8230 and will reduce over coming months, by May, prior to summer correction.

**Failure, Stop-Loss:** inability to recover and hold above 8358 could turn main signal to neutral.

**Target, Profit-Taking:** M/T & L/T projections currently imprecise due to summer turmoil and 2018 hellish year

**If you start today:** hold for now; prepare to reduce by May; next buying opp will be around October.

Hang-Seng Index		
Symbol: .HSI	Last daily close: 23703.01	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Downside risk is limited in H1, then summer correction	Average
Long-Term 6M-2Y	Should outperform from H2 2017. Cyclical top in H1 2018	Good Low
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2019. Next secular top around years 2032/2037.	Low Good
Critical Level	Critical support level is 22186 on a February closing basis	

**Current main signal:** Positive since June 2016.

**Our decision:** we bought in August 2016 around 22500.

**Failure, Stop-Loss:** a prolonged price action below 22186 could trigger a sell signal. More importantly, a yearly closing below 20562 could derail the on-going secular uptrend that has been intact since 1964 (!).

**Target, Profit-Taking:** on sell signal, from 27000, by mid-2018.

**If you start today:** hold on for now; do not chase anymore. We will hedge/reduce by early summer and increase in the autumn.



NIKKEI 225		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .N225 Last daily close: 19238.98		
Medium-Term <6M	Lateral range in H1 then summer correction. Upside is limited to 21000-21500	Good
Long-Term 6M-2Y	Nervous lateral range throughout 2017. Uncertain pattern after 2017 – possibly a bear trend throughout 2018.	Good Low
Secular Trend >2Y	Secular bottom was printed in 2008/2009. Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.	High Low Low
Critical Level	Critical support level is 17751 on a February closing basis	

**Current main signal:** positive.

**Our decision:** we bought some late-Sep at 16600 and added from 17461. **We will reduce by May.**

**Failure, Stop-Loss:** inability to hold above 17751 and a quarterly closing below 17090 could trigger a sell signal.

**Target, Profit-Taking:** cyclical top will be capped around 21500 area in 2017/2018.

**If you start today:** hold for now; **prepare to reduce by May;** next buying opp will be around October.

Shanghai Composite		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .SSEC Last daily close: 3217.92		
Medium-Term <6M	likely to surge and outperform in H2 2017	Good
Long-Term 6M-2Y	Could lead world markets from H2 2017, possibly part of 2018. Cyclical top in by H2 2018 – uncertain trend throughout 2018	Average Low
Secular Trend >2Y	Secular bottom around 2020 +/- 1 year Uncertain pattern during hellish year 2018 Next secular top in 2032/2037.	High Low Low
Critical Level	Critical support level is 3083 on a February closing basis.	

**Current main signal:** Moderately positive over medium-term. Negative into 2019/2020.

**Our decision:** we bought around 3025. **We may add in the late summer.**

**Failure, Stop-Loss:** stop-loss is raised to 2950.

**Target, Profit-Taking:** 3435 is intermediate peak in Q4 2017 (may be up to 3900 in 2018); 2400-2500 zone will be secular bottoming area in 2019/2020.

**If you start today:** hold for now; **prepare to add in the summer** and then hold on till target.

iShares MSCI Emerging		
Time Horizon	Outlook/Forecast	Visibility
Symbol: EEM Last daily close: 38.38		
Medium-Term <6M	On testing of major L/T 37.62 resistance. Nervous in the summer.	Average
Long-Term 6M-2Y	Significant catching-up in H2 2017. Should outperform developed markets H2 2017 and 2018	High Average
Secular Trend >2Y	Uncertain trend when entering hellish year 2018 Next secular top in 2032/2037?	Low Low
Critical Level	Critical support level is 35.44 on a February closing basis.	

**Current main signal:** positive. Price however needs to recover and hold above 37.62.

**Our decision:** we bought late September around 37.50 for an advance toward 45-47 into Q4 2017/H1 2018.

**Failure, Stop-Loss:** inability to hold above 37.62 or prolonged price action below 35.44 could trigger a sell signal.

**Target, Profit-Taking:** significant or major top may form around 45-47 in H2 2017/ H1 2018.

**If you start today:** hold for now; **prepare to reduce by May.** ETF Tracker ILF (Latin America) also fits. Next buying opportunity in the late summer.

## COMMODITIES

Gold ounce spot \$			Symbol: XAU=	Last daily close: \$1228.20	
Time Horizon	Outlook/Forecast	Visibility			
Medium-Term <6M	A low has formed @ \$1122 in Dec; now topping 1240-1270 by early March	Average			
Long-Term 6M-2Y	<b>Major buying opportunity in summer 2017!</b> rocket mode from 2018 or 2019.	High			
Secular Trend >2Y	Next secular topping projected around 2023, or within 2020 to 2024 time range	High			
Critical Level	Critical <b>resistance</b> level is <b>\$1227</b> on a <b>February</b> closing basis. <b>Now on testing</b>				

**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 with slight positive bias; will turn positive from the summer.**

**Our decision:** **we added early Jan small size** to our L/T buy-and-hold position. Sizeable position only from mid-2017.

**Failure, Stop-Loss:** inability to recover and hold above \$1225 by March will reopen retest of \$1120-\$1160 area by July

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

**If you start today:** **hold for now; prepare to reduce above \$1240 by early March; big size position will be built up only from mid-2017 (July?).**

Silver ounce spot \$			Symbol: XAG=	Last daily close: \$17.95	
Time Horizon	Outlook/Forecast	Visibility			
Medium-Term <6M	Temporary low has formed at \$15.59 in December. Now topping by early March	Average			
Long-Term 6M-2Y	<b>Major buying opportunity coming in 2017;</b> rocket mode from 2018 or 2019.	High			
Secular Trend >2Y	Next secular topping will be located within 2020 to 2024 time band	High			
Critical Level	Critical <b>pivotal</b> level is <b>\$17.12</b> on a <b>February</b> closing basis. <b>Now on testing</b>				

**Current main signal:** Positive since December 2015. About to turn neutral if **\$17.12** doesn't hold.

**Our intention:** **we bought small size position 6 weeks ago.** Full size position likely in July ahead of 2018/2019 soaring.

**Failure, Stop-Loss:** failure to hold **\$16.50** area will open **\$14** downside risk.

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

**If you start today:** **hold for now. Prepare to reduce early March. Silver will strongly outperform gold from H2 2017.**

Phila Gold Silver Index			Symbol: .XAU	Last daily close: 94.27	
Time Horizon	Outlook/Forecast	Visibility			
Medium-Term <6M	<b>a low was printed Nov-Dec around 73-78; now topping by early March</b>	Average			
Long-Term 6M-2Y	Secular bottoming formed in the autumn of 2015. No clear price target beyond 2018 as price will go ballistic in 2018/2019	Highest Average			
Secular Trend >2Y	On a multi-fold price advance into 2020-2024	Highest			
Critical Level	Critical <b>support</b> level is <b>82.54</b> on a <b>February</b> closing basis.				

**Current main signal:** positive since September 2015. A temporary low has formed Nov-Dec 2016 around 73-78.

**Our decision:** we started accumulating a long-term buy-and-hold position from September of 2015 around 44 and reduced from 65 and above. **We added again at 73-78 range in Dec; will reduce by March and buy in summer.**

**Failure, Stop-Loss:** a decline below **76** (intramonth) or **82.67** (monthly closing) would appear suspicious.

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

**If you start today:** **hold for now; we may somewhat reduce by March; prepare to add later in the summer.**

**Gold/Silver ratio (68.24):** this ratio is used as a **confirmation** of new major uptrend in precious metals as we got a major sell signal in March 2016. Downtrend not yet fully confirmed as price went back above **70.33** (Q1 pivotal level); critical **resistance** is at **71.98** in **February**. Target is 50-55 into Q4 2017/Q1 2018. **Silver will outperform gold from H2 2017.**

Rare Earth Metals		Symbol: .MVREMX	Last daily close: 329.88
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Defeating of critical 275 resistance still working out and about to succeed soon		Average
Long-Term 6M-2Y	Major/secular bottom formed in January. Will launch a major advance when 275 is clearly defeated. Slow motion price action = very good secular bottoming		High
Secular Trend >2Y	Multi-fold price increase into 2022-2024.		High
Critical Level	Critical support/pivotal level is 275 on a February 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 2019/2020.

**Current main signal:** Moderately positive. About to soon turn positive when 275 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 2016 and we will add in summer on lower side (sub-300). L/T holding.

**Failure, Stop-Loss:** a prolonged price action below 275 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 anytime a moderate L/T buy-and-hold position and **prepare to add** on lower side (sub-300, on our signal) likely in the summer. This is multi-year price development but with high volatility.

Copper HG Future		Symbol: HGc1	Last daily close: \$2.7310
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Uptrend is on reacceleration; pressing higher		Good
Long-Term 6M-2Y	Intermediate peak will form in 2017/2018 then down into 2019 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 2.34 on a February 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. Upwards reacceleration.

**Our decision:** we bought in July @2.14, we added @2.24 and we reduced @2.63 in Dec. **We bought back 3 wks ago.**

**Failure, Stop-Loss:** inability to hold above 2.34 could leave copper within a prolonged W-shaped bottoming process.

**Target, Profit-Taking:** will be \$4+ beyond 2019/20.

**If you start today:** buy on any weakness as bull trend resumed. Downside is limited to 2.34 at worst.

Brent Future		Symbol: LCOc1	Last daily close: \$55.97
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Trading range \$44-\$64 throughout 2017. Upper range to be visited in H2		Average
Long-Term 6M-2Y	January 2016 was major bottom. Significant top will form at \$64-\$67 in 2017 (maybe \$75 in 2018).		High Average
Secular Trend >2Y	Blocked within \$30-\$75 range for 3-6 years. Secular bottom in 2020 +/- 1 year		Good
Critical Level	Critical support level is \$48.74 on a February 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 2015/January 2016. At technical risk if \$48.74 fails to hold.

**Our decision:** we bought from December 2015, averaged down to low \$30s early 2016 and will sell at \$64+ in H2.

**Failure, Stop-Loss:** inability to hold above \$48.74 could derail uptrend.

**Target, Profit-Taking:** on sell signal, from \$64 in H2 2017 or higher in 2018.

**If you start today:** hold for now, wait on lower side (\$49-\$50) to buy/add (on our signal) and hold then until target.



CRB Index Reuters	Symbol: .TRJCRBTR	Last daily close: 193.63
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Still on testing of 186 critical pivot for some more months	Average
Long-Term 6M-2Y	January 2016 was major bottom. Significant top will form at 215/225 in 2017/2018.	Good Average
Secular Trend >2Y	Secular W-shaped bottoming is forming 2016-2020, then up over long-term	Good
Critical Level	Critical support/pivotal level is 186 on a February 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 defeated (on our signal) and hold till target.

## CURRENCIES

EUR/USD	Symbol: EUR=	Last daily close: 1.0577
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	S/T upside hit 1.08 and rolled over, now S/T decline. Range trading	Average
Long-Term 6M-2Y	Secular downtrend that has been playing out since 2008 could soon resume toward 0.85-0.98 into 2018 secular cycle-low.	Average
Secular Trend >2Y	Likely a secular low by 2018. Currency crisis in 2018/2019	Average/High
Critical Level	Critical resistance level is 1.0934 on a February 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**.

**Current main signal:** Negative. Resumption of primary downtrend requires some more technical evidence.

**Our intention:** we have been negative on EUR/USD since 1.56 in August 2008; early November was critical pivotal time; we now prepare to sell **only if** downtrend will be re-confirmed.

**Failure, Stop-Loss:** inability to stay below 1.0934 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 for now; prepare to possibly sell at upper range(1.09-1.12, on our signal)

USD/CHF	Symbol: CHF=	Last daily close: 1.0055
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Upside is limited to 1.04-1.05. Downside is also limited to 0.94-0.95. Ranging	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 by 2018. Currency crisis in 2018/2019 !!!	Average/High
Critical Level	Critical support level is 0.9915 on a February closing basis. Now on testing	

**Current main signal:** Positive. Resumption of primary uptrend requires some more technical evidence.

**Our intention:** we have been positive on USD/CHF since 0.77 August 2011; we now prepare to buy **only if** uptrend will be re-confirmed.

**Failure, Stop-Loss:** inability to hold above 0.9915 over near-term will turn main signal to neutral. Inability to hold above 0.9645 (Q1 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:** stay neutral for now; prepare to possibly buy lower (0.94-0.95, on our signal).

USD/JPY		
Time Horizon	Outlook/Forecast	Visibility
Symbol: JPY= Last daily close: 114.25		
Medium-Term <6M	S/T correction is still underway. M/T downwards pressures dominate.	Average
Long-Term 6M-2Y	Still under attraction of yearly pivotal line around <b>105.71</b> . Primary uptrend may however resume at some point (but still needs confirmation).	Average
Secular Trend >2Y	Neutral signal. 2017 opening was slightly positive	Average
Critical Level	Critical <b>support</b> level is <b>110.81</b> on a <b>February</b> closing basis	

**Our interpretation:** currency war at its best.

**Current main signal:** Neutral. **Under attraction of 105.71 over M/T. If price holds above 110.68-110.81 area it can reactivate former secular uptrend (requires several months of price action). Will soon be on testing.**

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

**Failure, Stop-Loss:** inability to hold above **110.81** will leave main signal **neutral**. Decline below **105.71** 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**, likely a new buying opportunity on lower side (105-110, on our signal).

EUR/CHF		
Time Horizon	Outlook/Forecast	Visibility
Symbol: EURCHF= Last daily close: 1.0643		
Medium-Term <6M	Magnetized by <b>1.0841</b> monthly pivotal line.	Good
Long-Term 6M-2Y	Advance toward 1.13-1.14 is unlikely. <b>Cap is 1.1192 in Q1</b> . 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 <b>pivotal/resistance</b> level is <b>1.0841</b> on a <b>February</b> 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 **1.0841**.

**Our intention:** waiting on next clear technical incentive.

**Failure, Stop-Loss:** a prolonged price action below **1.0841** could trigger a sell signal. **Under monitoring**.

**Target, Profit-Taking:** no clear projection. **1.00 or sub-1.00 may be re-visited in H2 2017 or very likely in 2018.**

**If you start today:** **stay neutral for now** and expect price to remain close to **1.0841** for time being.

## Bond Yields

US Tsy 10Yrs Yield		
Time Horizon	Outlook/Forecast	Visibility
Symbol: US10YT=RR Last daily close: 2.4700		
Medium-Term <6M	<b>trading range with slight upward bias</b>	average
Long-Term 6M-2Y	Yield should end a secular low process in 2017 as cycles show but technicals do not fully corroborate so far. <b>L/T upside pressures are however building up.</b>	Low
Secular Trend >2Y	A secular reversal should develop 2015 to 2017. Technical signal not full yet	Low
Critical Level	Critical <b>support</b> level is <b>2.17</b> on a <b>Q1</b> closing basis.	

**Our interpretation:** When secular reversal signal will be in = 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:** we are getting closer to full confirmation of secular reversal. When signal will be completed, yield will enter new secular bull trend.

**Failure, Stop-Loss:** if yield dives below **2.17** (Q1 closing level), downside risk could reopen.

**Target, Profit-Taking:** none.

**If you start today:** **hold on for now; prepare to leave them in 2017** (likely in the summer around 2.00-2.10).

Bund 10 Yrs Yield		
Time Horizon	Outlook/Forecast	Visibility
Symbol: DE10YT=RR Last daily close: 0.3660		
Medium-Term <6M	will stabilize around 0.28; range trading throughout 2017	average
Long-Term 6M-2Y	Yield should find a secular low 2016 to 2018 as cycles strongly show 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 0.5950 on a Q1 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 the major/secular signal will be displayed. Cycle-trough is 2016-2018.

**Failure, Stop-Loss:** as long as yield stays below 0.60 (Q1 level; on decrease q/q), downside risk dominates.

**Target, Profit-Taking:** none.

**If you start today:** you can [hold](#) on to those bonds but [prepare to leave them](#) by 2018.

USD High Yield Corp Debt		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .IBLUS0004 Last daily close: 257.71		
Medium-Term <6M	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 235 on a Q1 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 243 (February level; on the rise m/m) could trigger a sell signal.

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

**If you start today:** [buy now](#) and hold on till target. [We favour High Yield debt over Emerging debt](#)

Emerging Debt USD		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .JPMEG Last daily close: 760.37		
Medium-Term <6M	upside is now moderate due to US dollar strength	Average
Long-Term 6M-2Y	Major topping formation is possible in 2017. <a href="#">Current projected target is 795.</a>	Average
Secular Trend >2Y	No visibility about how JPMEG will behave during market turmoil 2018/2019.	None
Critical Level	Critical support level is 697 on a Q1 closing basis	

**Current main signal:** Positive since February 2016. [Increasing volatility due to US dollar uncertainties.](#)

**Our decision:** we bought at 692 in mid-March 2016 for an advance toward 795 by H1 2018.

**Failure, Stop-Loss:** a weakness below 733 (February level; on the rise m/m) could trigger a temporary sell signal.

**Target, Profit-Taking:** first minimum target of 775 by Q1 2017 has been achieved yet, next one is 795 by 2018.

**If you start today:** hold on till target by 2018 or [buy preferably High Yield Debt for new position.](#)

**Opportunities:** we got early 2016 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 many months; XOP and OIH confirmed their breakout and FCG is about to do so over coming months. [Linked to oil/gas price development.](#)

**REMX** ETF (rare earth mining companies; last 19.72) posted last year a long-term strong buy signal and is slowly but surely settling above monthly pivotal line (16.67). [Best long-term buying opportunities always start with a slow-motion price development.](#) This is a multi-year holding strategy, we expect to sell only in the years 2022-2025 time frame.

**We have very strong leading signals that agriculture/grains 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 in H1 2017. **Prepare to buy by the summer, with target price into 2018.**

**Uranium mines (tracker URA, last 19.16)** has been on monitoring last year since a major buying signal was in preparation: **it shot an amazing first salvo by soaring +32% Dec-Jan** and by getting through monthly pivotal line (14.30). **We started early Jan to build a small long-term buy-and hold position** and **we will add later on** as recent overshooting must cool down. This is a multi-year holding strategy, we expect to sell in the years 2020-2025 time frame.

We bought at 28.20 the ETF tracker **ROBO (last 31.41)** as **ROBO Global Disruptive Technology PR Index (.RUPT)** will follow leading US tech markets on the rise. We might however reduce by May.

Some indexes in the **renewable energy technologies** sector are on monitoring for a very likely major bottom **in 2017** – such as solar energy for instance (ETF **TAN; last 18.18**). **We also monitor MVIS Global Solar TR Index (MVKWTR; last 241.19) which should bottom out anytime soon to be followed by a 240 to 560 advance over 18 months. We buy now a small size position in solar tracker TAN and we will add in the summer. Tracker KWT is too small and illiquid.**

We got a long-term buy signal on **coffee (future KCC1 \$143.65; tracker JO)** which formed in Jan/Feb 2016, with long-term upside potential toward **\$200+** into 2017/2018.

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.