

Weekly Report of January 18th 2017

Executive Summary

Prepare to reduce/hedge/sell: we gather increasing evidences that developed stock markets are on the verge of a significant correction (between 10% and 20%) that will start by February, will get temporarily relief April to June and then will undergo **maximal pain July to September** (=most dangerous time band).

The highest of the year will likely be printed by February – or by June for some indexes – and **the lowest will be printed whether in August/September or in October/November**. It is currently not clear by how much stock markets will recover during Q4. It is also not yet clear enough if 2017 correction mode will turn into **full blown bear-market** till 2018 or if financial assets prices will “simply” undergo throughout 2018 **extreme nervousness within wider lateral trading range**.

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 from mid-2017 but definitely throughout 2018, and very likely to extend partly into 2019 as well.

We are fortunately getting high visibility that **an amazing positive secular upturning setup is located around year 2020 (+/- 1)** 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 with 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.

Precious metals & mining companies have formed their expected cycle-low in December/January. Gold and silver are on accumulation in H1; we added small size of mining companies. **2016 & 2017 are accumulation years. Rocket mode in 2018 & 2019 and possibly again around 2023.**

Brent has some more upside potential into 2017 toward upper range of \$67. CRB Index is on very slow motion price strengthening. **Agriculture prices** – especially grains - **are basing in 2016/2017 before soaring +50% to +100% into 2018**. Copper, nickel, zinc, natural gas... shot sharply up last year but it is bit too early for prime time. 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** just started its own with a bang. **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!**

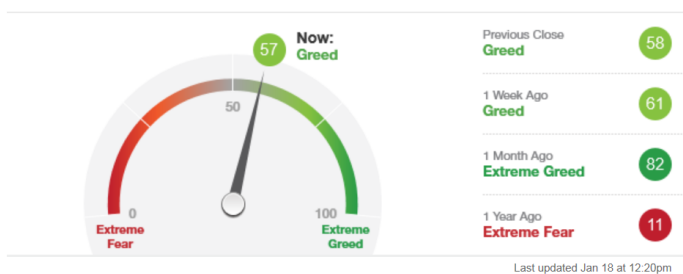
VIX and VSTX Volatilities are subdued for time being but will wake up from mid-2017 and soar into 2018. **Indomitable overall nervousness & fear are expected 2018 to 2019**. Possibly echoing 2022/2023.

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 2019/2021 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

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: 2267.89	Visibility
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Intermediate top by Feb and then intermediate low in April		Average
Long-Term 6M-2Y	2017 will be lateral, nervous, with 2 or 3 significant corrections. Year-end target is uncertain for now. Cyclical top may form in 2017 and unfold through 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 Average Good
Critical Level	Critical support level is 2128 on a January 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. **Could turn neutral by Feb.**

Our decision: we bought late Sept around 2160. **We will reduce by Feb and buy in August or October.**

Failure, Stop-Loss: a prolonged price action below 2128 could trigger a sell signal, especially if 2026 (Q1 level) is rapidly penetrated afterwards.

Target, Profit-Taking: we will reduce by Feb. M/T and L/T projections are now imprecise due to 2018 hellish year.

If you start today: hold on for now; prepare to reduce by Feb; next buying opp will be August or October.

NASDAQ Composite		Symbol: .IXIC	Last daily close: 5538.73
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Intermediate top by Feb, then intermediate low in April		average
Long-Term 6M-2Y	2017 will be nervous within lateral range, with 2-3 intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and unfold through 2018.		Good Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.		Average Good
Critical Level	Critical support level is 5110 on a January closing basis		

Current main signal: positive. Could turn neutral by June.

Our decision: we bought late-Sep around 5305 and will reduce by Feb or by July.

Failure, Stop-Loss: a prolonged price action below 5110 could trigger a sell signal, especially if 4775 (Q1 level) is rapidly penetrated.

Target, Profit-Taking: we will reduce by Feb or July. M/T and L/T projections are imprecise due to 2018 hellish year.

If you start today: hold for now; prepare to reduce by Feb or June; next buying opp will be August or October

NASDAQ Biotech		Symbol: .NBI	Last daily close: 2873.29
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	NBI on testing of 2929 resistance for 6 th consecutive month; at risk of failure		Average
Long-Term 6M-2Y	If 2929 is not passed, NBI could open further downside risk into H2 2017 and Year-end target is uncertain for now		Good Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035 in sync with broad market?		Average Low
Critical Level	Critical resistance level is 2929 on a January closing basis.		

Current main signal: moderately positive. On testing of 2929 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 2929 will be suspicious; a quarterly closing below 2888 (Q1 level) could trigger a sell signal.

Target, Profit-Taking: we may take out stop-loss if breakout fails as downside would open 2100-2300 by Q4 2017.

If you start today: hold for now and wait on next signal; prepare to possibly sell. Next buy opp would be Nov

Russell 2000		Symbol: .RUT	Last daily close: 1352.32
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Intermediate top by Feb then intermediate low in April; range trading		Average
Long-Term 6M-2Y	2017 will be nervous within lateral range, with 2-3 intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and unfold through 2018.		Average Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.		Average Good
Critical Level	Critical support level is 1215 on a January closing basis		

Current main signal: positive. Could turn neutral by Feb.

Our decision: we bought Late-Sep around 1245 and we will reduce by Feb.

Failure, Stop-Loss: a prolonged price action below 1215 could trigger a sell signal, especially if Q1 closes below 1187.

Target, Profit-Taking: we will reduce by Feb. M/T and L/T projections are now imprecise due to 2018 hellish year.

If you start today: hold for now; prepare to reduce by Feb; next buying opp will be August or October.

Philadelphia Housing		
Symbol: .HGX	Last daily close: 240.60	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	234 critical pivotal still on testing. Lack of upward pressures	Low
Long-Term 6M-2Y	2017 will remain within lateral range, with 2-3 intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and unfold through 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?	High Average Low
Critical Level	Critical pivotal/support level is 234 on a January closing basis.	

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

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

Failure, Stop-Loss: a prolonged price action below **234** could trigger a sell signal, especially if Q1 closes below **221**.

Target, Profit-Taking: we will reduce by Feb or June. M/T & L/T projections are imprecise for now.

If you start today: hold for now; prepare to reduce by Feb or June; next buying opp in August or October.

Volatility US Markets		
Symbol: .VIX	Last daily close: 11.87	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in March/April and then in the summer again	High
Long-Term 6M-2Y	VIX will go through the roof from 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/resistance level is 15.74 on a Q1 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 by 2020 & war cycle peaking in 2018/2019 & currency crisis from 2018.

High volatility on ALL asset classes 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 **15.74**, 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 **after** mid-2017.

Volatility EU Markets		
Symbol: .VSTX90	Last daily close: 19.46	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	About to spike in March/April and then in the summer again	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 22.84 on a Q1 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 **22.84**, 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: 362.42	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Intermediate correction Feb to April and then again in the summer	Average
Long-Term 6M-2Y	2017 will be nervous within lateral range, with 2-3 intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and unfold through 2018.	Average Low Average
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.	Average Good
Critical Level	Critical support level is 348 on a January closing basis	

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

Our decision: we bought around 343 and we will reduce by Feb or By June.

Failure, Stop-Loss: a Q1 closing below 346 and inability to hold above 348 could trigger a sell signal.

Target, Profit-Taking: we will reduce by Feb or by June; M/T & L/T projections are imprecise due to 2018 hellish year.

If you start today: hold for now; prepare to reduce from Feb or June; next buying opp will be August or October.

Swiss Market Index		
Symbol: .SSMI	Last daily close: 8304.10	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Will oscillate around 8200 level; lateral trading range; downside is limited	Average
Long-Term 6M-2Y	2017 will be nervous within lateral range, with 2-3 intermediate corrections Year-end target is uncertain. Cyclical top could form in 2017 and unfold through 2018.	Average Low Low
Secular Trend >2Y	Bear-market somewhere in between 2017 and 2019. Next secular top in 2030/2035.	Average Good
Critical Level	Critical support/pivotal level is 8183 on a January closing basis	

Current main signal: moderately positive. At risk of technical failure if 8342 resistance holds over near-term

Our decision: we bought some at 8230 and will now reduce over coming months.

Failure, Stop-Loss: inability to recover and hold above 8342 could turn main signal to neutral.

Target, Profit-Taking: we will reduce by June; M/T & L/T projections currently imprecise due to hellish year 2018.

If you start today: hold for now; prepare to reduce by June; next buying opp will be August or October.

Hang-Seng Index		
Symbol: .HSI	Last daily close: 22840.97	
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Should outperform; downside is limited	Average
Long-Term 6M-2Y	Should outperform from H2 2017. Cyclical top in H1 2018	Good Average
Secular Trend >2Y	Bear-market somewhere in between 2018 and 2019. Next secular top around years 2032/2037.	Average Good
Critical Level	Critical support level is 21978 on a January 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 21978 could trigger a sell signal. More importantly, a yearly closing below 20476 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: buy small size now on any weakness and hold on till target.

NIKKEI 225		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .N225 Last daily close: 18812.86		
Medium-Term <6M	Up-leg from September 2016 cycle-low; now entering lateral range	Average
Long-Term 6M-2Y	Nervous lateral range throughout 2017. Uncertain pattern after 2017.	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 Average Low
Critical Level	Critical support level is 17628 on a January closing basis	

Current main signal: positive.

Our decision: we bought some late-Sep at 16600 and added from 17461. We may reduce by June.

Failure, Stop-Loss: inability to hold above 17628 and a quarterly closing below 17090 could trigger a sell signal.

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

If you start today: hold for now; prepare to reduce by June; next buying opp will be August or October.

Shanghai Composite		
Time Horizon	Outlook/Forecast	Visibility
Symbol: .SSEC Last daily close: 3108.77		
Medium-Term <6M	On the razor-edge; likely to surge and outperform in H2 2017	Average
Long-Term 6M-2Y	Could lead world markets from H2 2017, possibly part of 2018. Cyclical top in by H2 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 3075 on a January closing basis.	

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

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

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

Target, Profit-Taking: 3435 is intermediate peak in H2 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; 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: 36.66		
Medium-Term <6M	Jan/Feb 2016 was major bottom. Challenged/repelled by 37.42 resistance.	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 34.99 on a January closing basis. Now on testing.	

Current main signal: positive. Price however needs to recover shortly above 37.42. 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 37.42 or prolonged price action below 34.99 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 in Feb and add in April. ETF Tracker ILF (Latin America) also fits.

COMMODITIES

Gold ounce spot \$		Symbol: XAU=	Last daily close: \$1216.46
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	A temporary low has formed @ \$1122 in December; now bouncing till late-Feb		Average
Long-Term 6M-2Y	Major buying opportunity in 2017! 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 resistance level is \$1224 on a January 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 – preferably in H2!**

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

Failure, Stop-Loss: inability to recover and hold above \$1224 by March will reopen retest of \$1100-\$1140 area

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

If you start today: **buy small size on weakness; prepare to reduce by March; big size position will be built up only after mid-2017**

Silver ounce spot \$		Symbol: XAG=	Last daily close: \$17.16
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	A temporary low has formed at \$15.59 in December. Now bouncing till late-Feb		Average
Long-Term 6M-2Y	Major buying opportunity coming in 2017; 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 resistance level is \$16.92 on a January closing basis. Now on testing		

Current main signal: Positive since December 2015. About to turn neutral if **\$16.92** is not firmly passed by March

Our intention: **we bought small size position 2 weeks ago.** Full size position likely in H2 ahead of 2018/2019 soaring.

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

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

If you start today: **buy small size. Prepare to add later on. Silver will strongly outperform gold from H2 2017.**

Phila Gold Silver Index		Symbol: .XAU	Last daily close: 89.10
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	a low has printed Nov-Dec around 73-78; now on S/T rebound till late-Feb		Average
Long-Term 6M-2Y	Secular bottoming formed in the autumn of 2015. No clear price target beyond 2018 as price will go ballistic 2018/2019		Highest Average
Secular Trend >2Y	On a multi-fold price advance into 2020-2024		Highest
Critical Level	Critical support level is 80.15 on a January 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 long-term buy-and-hold position from September of 2015 around 44 and reduced from 65 and above. **We added small size within 73-78 range and will add again later in 2017.**

Failure, Stop-Loss: a decline below **74** 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, close to **80** ideal level. Prepare to add later again.

Gold/Silver ratio (70.66): 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 **70.52** (Q1 pivotal level); critical **resistance** is at **72.67** in January. Target is 50-55 into H2 2017/Q1 2018. **Silver will outperform gold after mid-2017.**

Rare Earth Metals		Symbol: .MVREMX	Last daily close: 305.26
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Defeating of critical 268 resistance is still working out		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 increase into 2022-2024.		High
Critical Level	Critical support/pivotal level is 268 on a January 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 268 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 in 2017 on lower side. L/T holding.

Failure, Stop-Loss: a prolonged price action below 268 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: \$2.6165
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Still on consolidation as \$2.65 strongly caps over M/T		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 2.28 on a January 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 in July @2.14, we added @2.24 and we reduced @2.63 in Dec. Now about to add lower.

Failure, Stop-Loss: inability to hold above 2.28 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 \$2.40).

Brent Future		Symbol: LCOc1	Last daily close: \$55.47
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Trading range \$44-\$64 throughout 2017		Average
Long-Term 6M-2Y	January 2016 was major bottom. Significant top will form at \$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 \$48.00 on a January 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 December2015/January2016. At technical risk if \$48.00 fails to hold.

Our decision: we bought from December 2015, averaged down to low \$30s early 2016 and will sell at \$64+ in 2017.

Failure, Stop-Loss: inability to hold above \$48.00 could derail uptrend.

Target, Profit-Taking: on sell signal, from \$64 in 2017.

If you start today: hold for now, wait on lower side (\$49) to buy/add and hold until target. **Not a core position.**

CRB Index Reuters	Symbol: .TRJCRBTR	Last daily close: 196.42
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 W-shaped bottoming is forming 2016-2020, then up over long-term	Good
Critical Level	Critical support/pivotal level is 186 on a January 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: 1.0712
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	S/T consolidation in progress then range trading throughout 2017	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 1.0963 on a January 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 2008; early November was critical pivotal time; we now prepare to sell **if** downtrend will be re-confirmed.

Failure, Stop-Loss: inability to hold below **1.0963** 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 could confirm resumption of primary downtrend.

USD/CHF	Symbol: CHF=	Last daily close: 1.0009
Time Horizon	Outlook/Forecast	Visibility
Medium-Term <6M	Upside is limited to 1.04-1.05. Downside is also limited to 0.96-0.97	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 0.9908 on a January closing basis	

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

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

Failure, Stop-Loss: inability to hold above **0.9908** over near-term will turn main signal to neutral. Inability to hold above **0.9648** (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; prepare to buy lower** as signal could confirm resumption of primary uptrend.

USD/JPY		Symbol: JPY=	Last daily close: 112.62
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Overshot. S/T correction is still underway		Average
Long-Term 6M-2Y	Still under attraction of yearly pivotal line around 105.64 . 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 support level is 110.82 on a January closing basis		

Our interpretation: currency war at its best.

Current main signal: Neutral. **Now on renewed long-term upside pressures. A firm break of 110.60 and 110.82 can reactivate former secular uptrend (requires several months of price action).**

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

Failure, Stop-Loss: inability to hold above **110.82** will leave main signal **neutral**. Decline below **105.64** 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**, do not chase/buy, **likely a new buying opportunity will form on lower side.**

EUR/CHF		Symbol: EURCHF=	Last daily close: 1.0727
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	Magnetized by 1.0862 monthly pivotal line.		Good
Long-Term 6M-2Y	Extension toward 1.13-1.14 is unlikely. Cap is 1.1197 in Q1 . 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 1.0862 on a January 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 **1.0862**.

Our intention: waiting on next clear technical incentive.

Failure, Stop-Loss: a prolonged price action below **1.0862** 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 **1.0862** for time being.

Bond Yields

US Tsy 10Yrs Yield		Symbol: US10YT=RR	Last daily close: 2.3270
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	S/T correction then trading range with slight upward bias		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. L/T upside pressures are however building up.		Low
Secular Trend >2Y	A secular reversal should develop 2015 to 2017. Technical signal not full yet		Low
Critical Level	Critical support level is 2.16 on a Q1 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 **2.16** (Q1 closing level), downside risk will reopen.

Target, Profit-Taking: none.

If you start today: **prepare to leave them in 2017** as L/T upside pressures are mounting.

Bund 10 Yrs Yield		Symbol: DE10YT=RR	Last daily close: 0.3110
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	will stabilize around 0.23; 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 0.59 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 0.59 (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** as L/T upside pressures are slowly but surely heating up.

USD High Yield Corp Debt		Symbol: .IBLUS0004	Last daily close: 255.64
Time Horizon	Outlook/Forecast		Visibility
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 240 (January 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 now and hold on till target. **We favour High Yield debt over Emerging debt**

Emerging Debt USD		Symbol: .JPMEG	Last daily close: 752.94
Time Horizon	Outlook/Forecast		Visibility
Medium-Term <6M	upside is now moderate due to US dollar strength		Average
Long-Term 6M-2Y	Major topping formation is possible in 2017. Current projected target is 795.		Average
Secular Trend >2Y	No visibility about how JPMEG will behave during market turmoil 2018/2019.		None
Critical Level	Critical support level is 696 on a Q1 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 795 by 2018.

Failure, Stop-Loss: a weakness below 729 (January 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 795 by 2018.

If you start today: hold on till target by 2018 or **buy High Yield Debt for new position.** **Higher volatility ahead!**

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; **18.33**) posted last year a long-term buy signal and is slowly but surely settling above monthly pivotal line (**16.27**). **Best long-term buying opportunities always start with a slow-motion price development.** This is a multi-year holding strategy, we expect to sell in the years 2020-2025 time frame.

We have very strong leading signals that agriculture/grain 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.**

Uranium mines (tracker URA, last 16.63) has been on monitoring for many months for a major buying signal was in preparation: **it shot an amazing first salvo by soaring +32% in less than 2 weeks** by getting through monthly pivotal line (13.71). **We started 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 ETF tracker ROBO (last 29.42) at 28.20 as **ROBO Global Disruptive Technology PR Index (.RUPT)** will follow leading US tech markets on the rise. We might however reduce by June.

Some indexes in the **renewable energy technologies** sector are on monitoring for a likely major bottom **in 2017** – such as solar energy for instance (ETF TAN). **We also monitor MVIS Global Solar TR Index (MVKWTR) which should bottom out soon to be followed by a 240 to 560 advance over 18 months. We will soon start to buy. Same move (doubling) than it produced between 2012 and 2014.**

We got a long-term buy signal on **coffee (future KCC1 \$149.90; tracker JO)** which formed in Jan/Feb 2016, with long-term upside potential toward **\$200+** into 2017/2018. Despite recent 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.