



Fuller Treacy Money
Global Strategy Service
Empowerment Through Knowledge

Happy 20th Anniversary
Nordic Association of Electricity Traders



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The Triumph of Technology and the Exciting Evolution of Global Energy

April 14th 2016

Nordic Association of Electricity Traders

by David Fuller

fullertreacymoney.com

The Lansdowne Club – 9 Fitzmaurice Place
London W1J 5JD, UK



Thanks to technology

the energy price bubble is over forever,
at least for countries with sensible energy policies,
including fracking, new nuclear and renewables



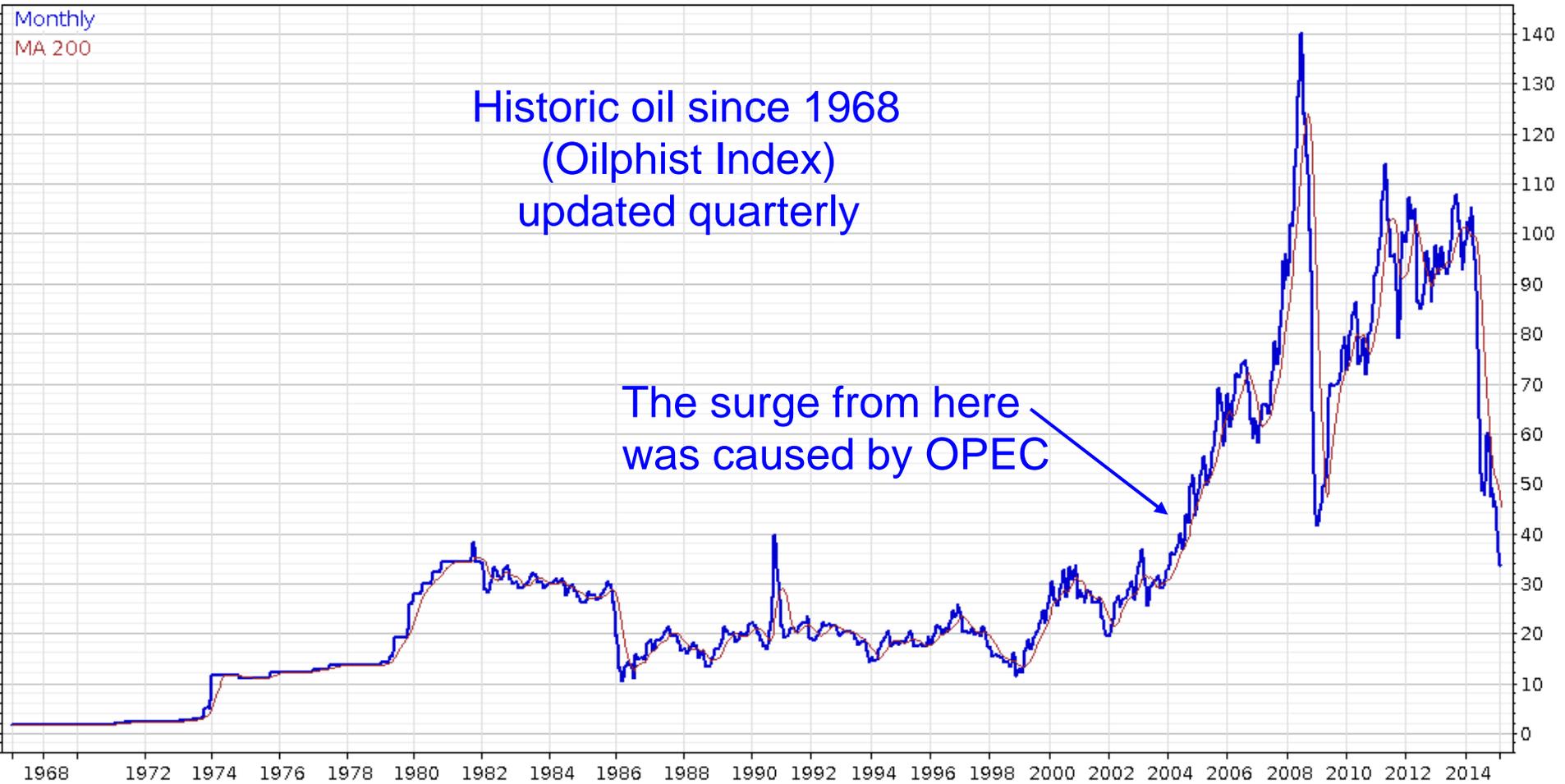
Historic Oil (OILPHIST INDEX) 33.75 0.13

2016-02-29

Monthly
MA 200

Historic oil since 1968
(Oilphist Index)
updated quarterly

The surge from here
was caused by OPEC





Brent Crude Oil (CO1 COMB COMDTY) 41.94 2.34

2016-04-08

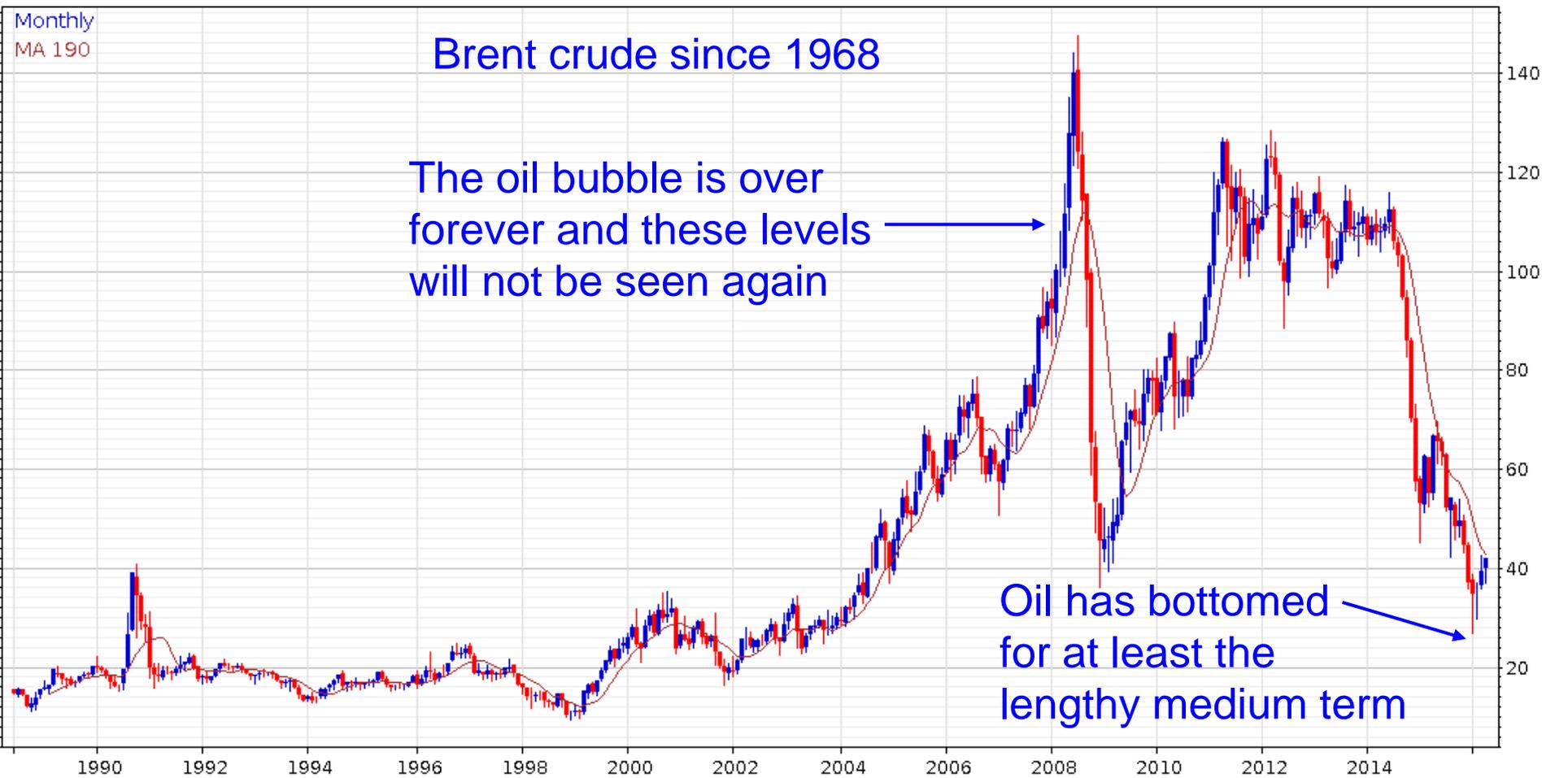
Monthly
MA 190

Brent crude since 1968

The oil bubble is over forever and these levels will not be seen again



Oil has bottomed for at least the lengthy medium term





Natural Gas (NG1 COMB COMDTY) 1.99 0.03

2016-04-08

Monthly
MA 190

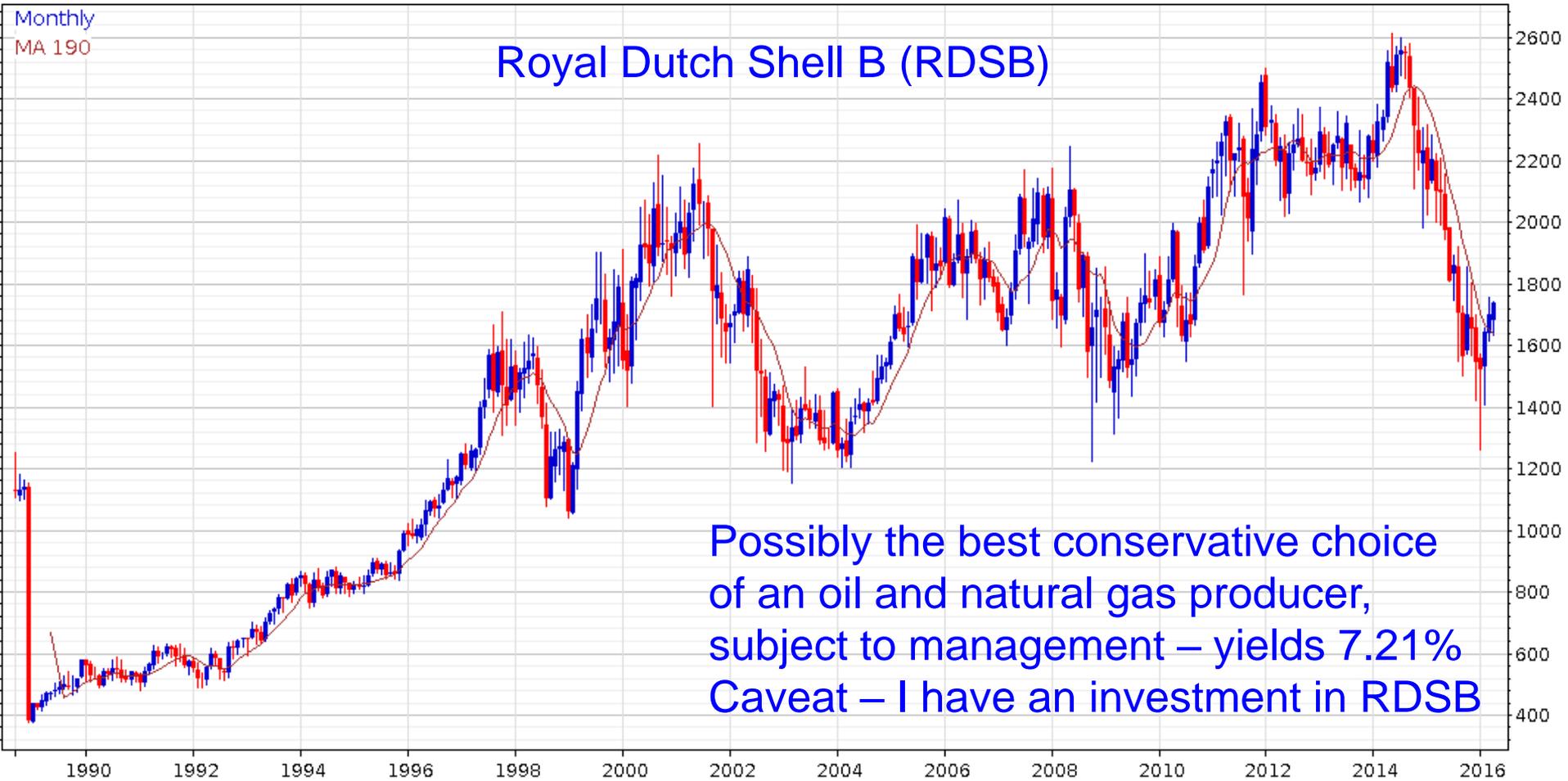
Natural gas will soon be more important than crude oil but shortages caused by cartels are a problem of the past





Monthly
MA 190

Royal Dutch Shell B (RDSB)



Possibly the best conservative choice
of an oil and natural gas producer,
subject to management – yields 7.21%
Caveat – I have an investment in RDSB



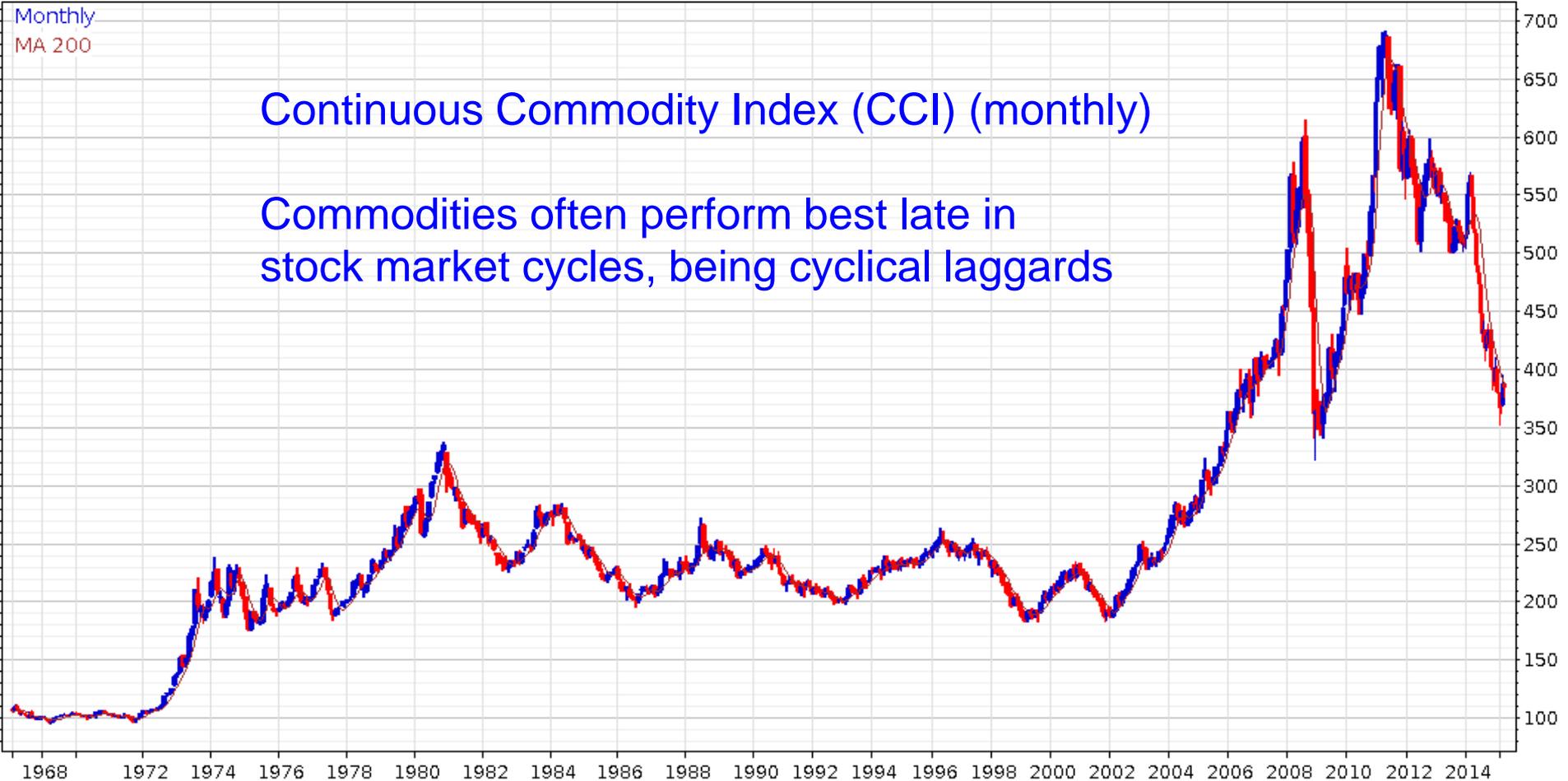
CRB Continuous Commodity Index (Old CRB) (CCI INDEX) 383.1474 -4.68

2016-04-08

Monthly
MA 200

Continuous Commodity Index (CCI) (monthly)

Commodities often perform best late in
stock market cycles, being cyclical laggards





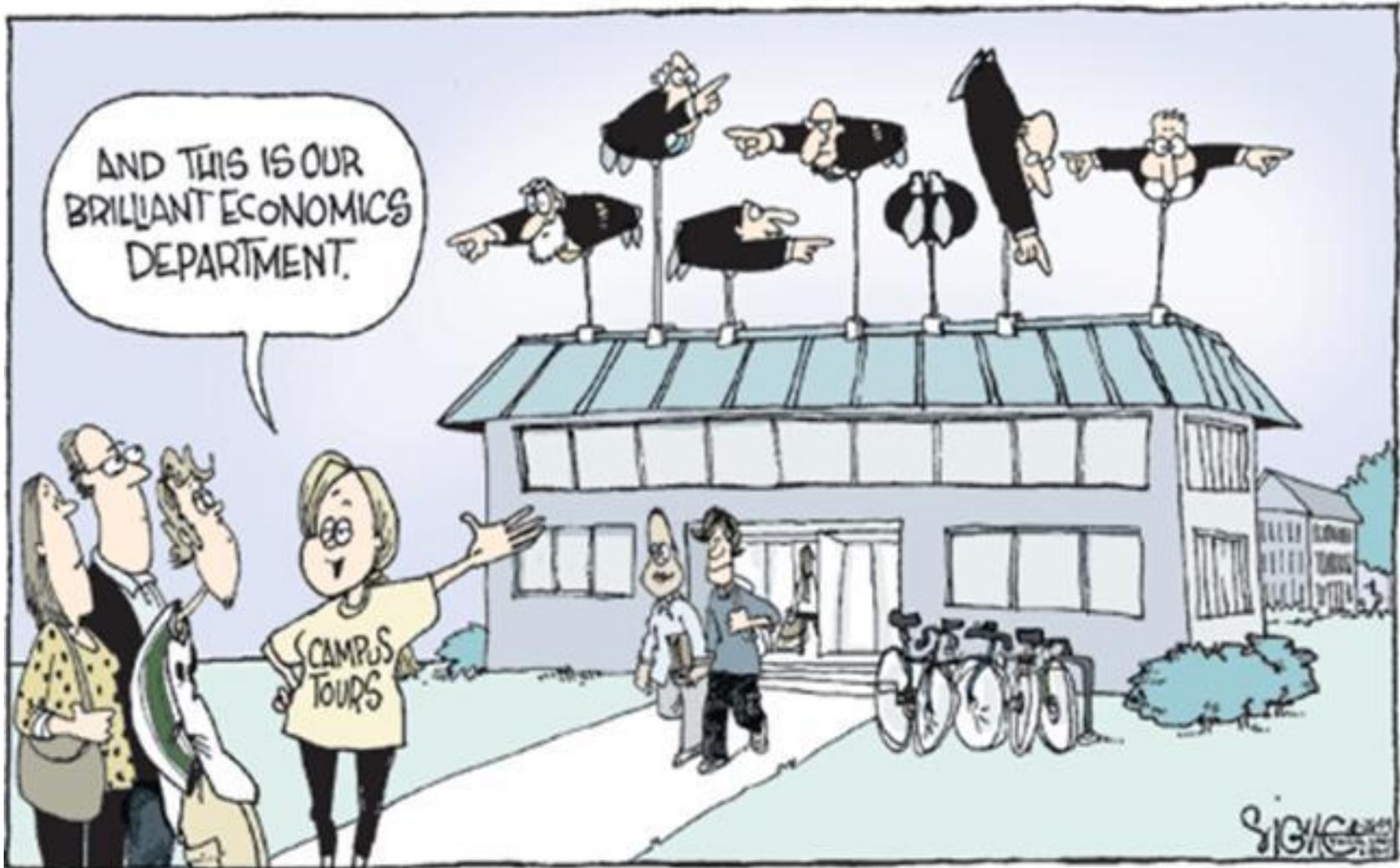
CRB Continuous Commodity Index (Old CRB) (CCI INDEX) 383.1474 -0.21

2016-04-08





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Gold often rises temporarily on fear but is now slowly being remonetized in the eyes of international investors.

In recent years, investors shunned gold due to the Dollar's strength and deflation fears. Today, the \$ is weaker and gradually rising commodity prices will revive inflationary expectations.

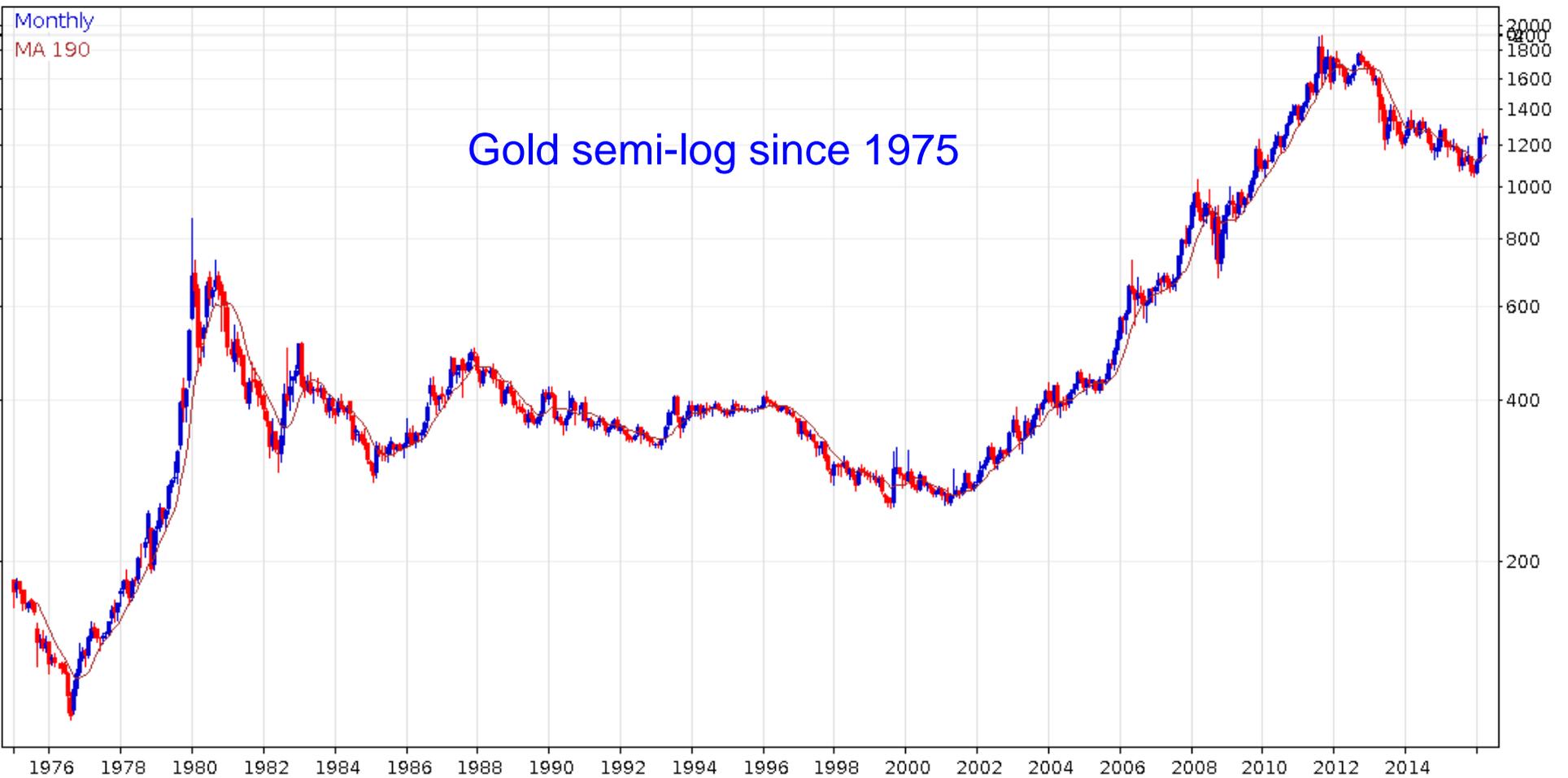


Gold (1st mth) (GC1 COMB COMB COMDTY) 1242.50 8.3

2016-04-08

Monthly
MA 190

Gold semi-log since 1975





Gold (1st mth) (GC1 COMB COMB COMDTY) 1242.50 20.3

2016-04-08





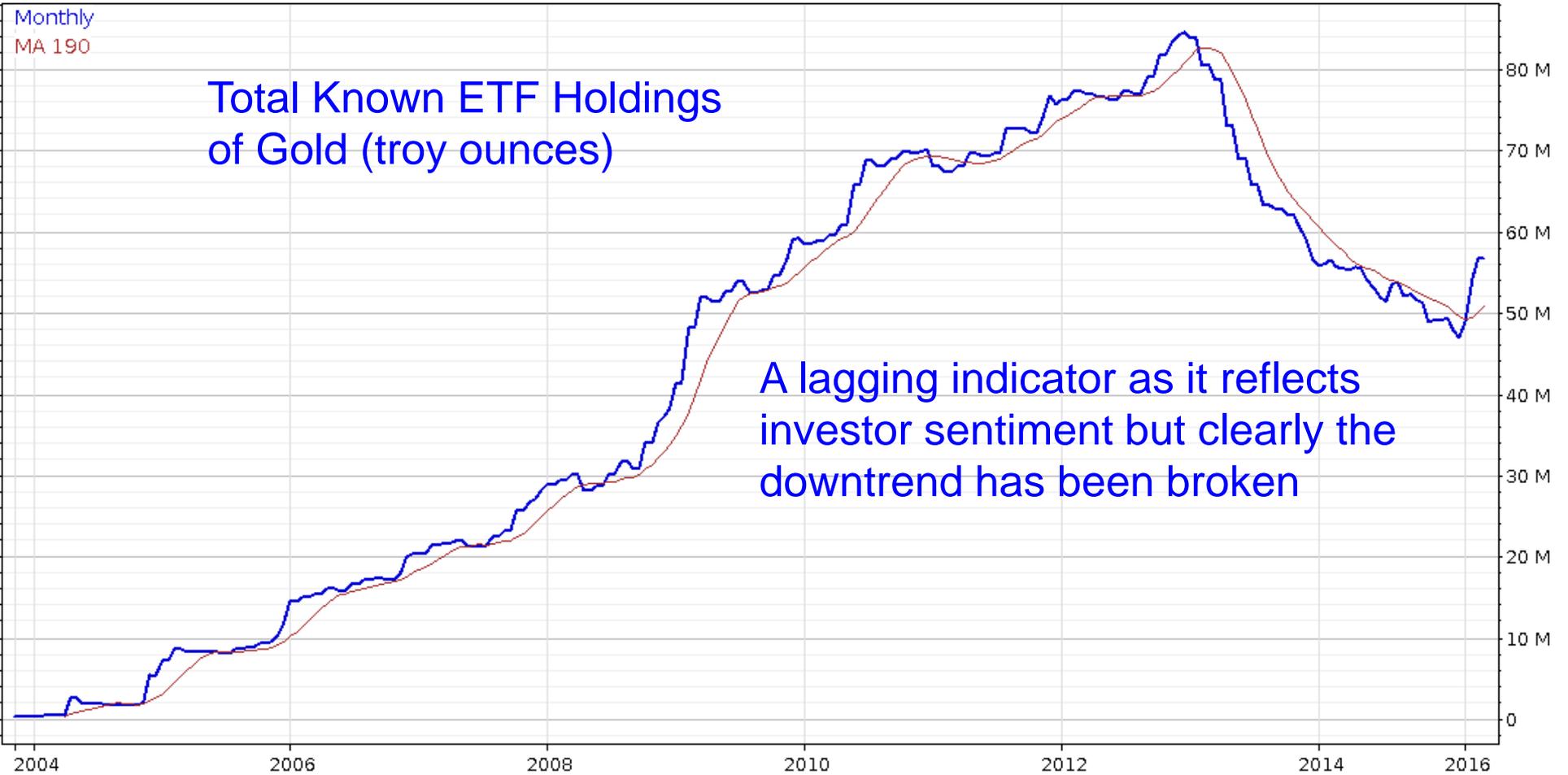
Total Known ETF Holdings of Gold (troy ounces) (ETFGTOTL INDEX) 56721175.00 -53580.0

2016-04-08

Monthly
MA 190

Total Known ETF Holdings of Gold (troy ounces)

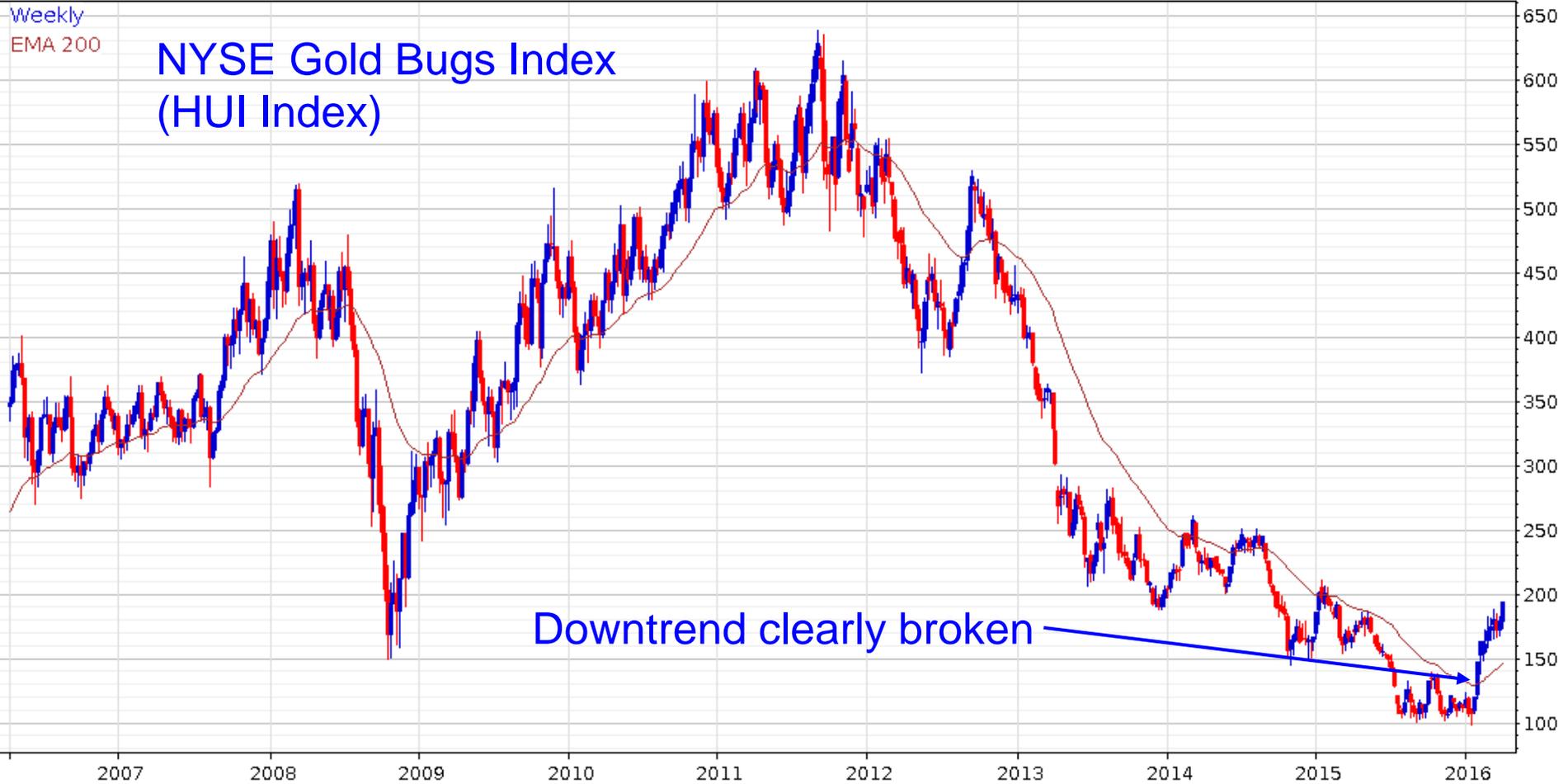
A lagging indicator as it reflects investor sentiment but clearly the downtrend has been broken





NYSE Arca Gold Bugs Index (HUI INDEX) 194.0665 14.15

2016-04-08





Sibanye Gold Ltd (SBGL US EQUITY) 16.19 1.26

2016-04-11

Weekly

EMA 160

Hot Speculative Gold Shares:

Sibanye Gold (SBGL US)

Est P/E 8.68, Yield 2.89%





Kinross Gold Corp (KGC US EQUITY) 4.22 0.31

2016-04-11



Hot Speculative Gold Shares:
Kinross Gold (KGC US)
Est P/E NA, Yield NA



HARMONY GOLD MNG LTD (HMY US EQUITY) 4.17 0.24

2016-04-11





Silver 1st mth (SI1 COMB COMDTY) 16.222 0.84

2016-04-12

Weekly

EMA 200

Silver is high-beta gold
and should outperform
in both directions, once
sentiment clearly changes







Bloomberg Base Metals 2-mth Index (CMDIBAS3 INDEX) 142.22 -2.91

2016-04-08





LME Tin Spot (LMSNDY COMDTY) 16911.00 168.0

2016-04-08

Weekly
EMA 200

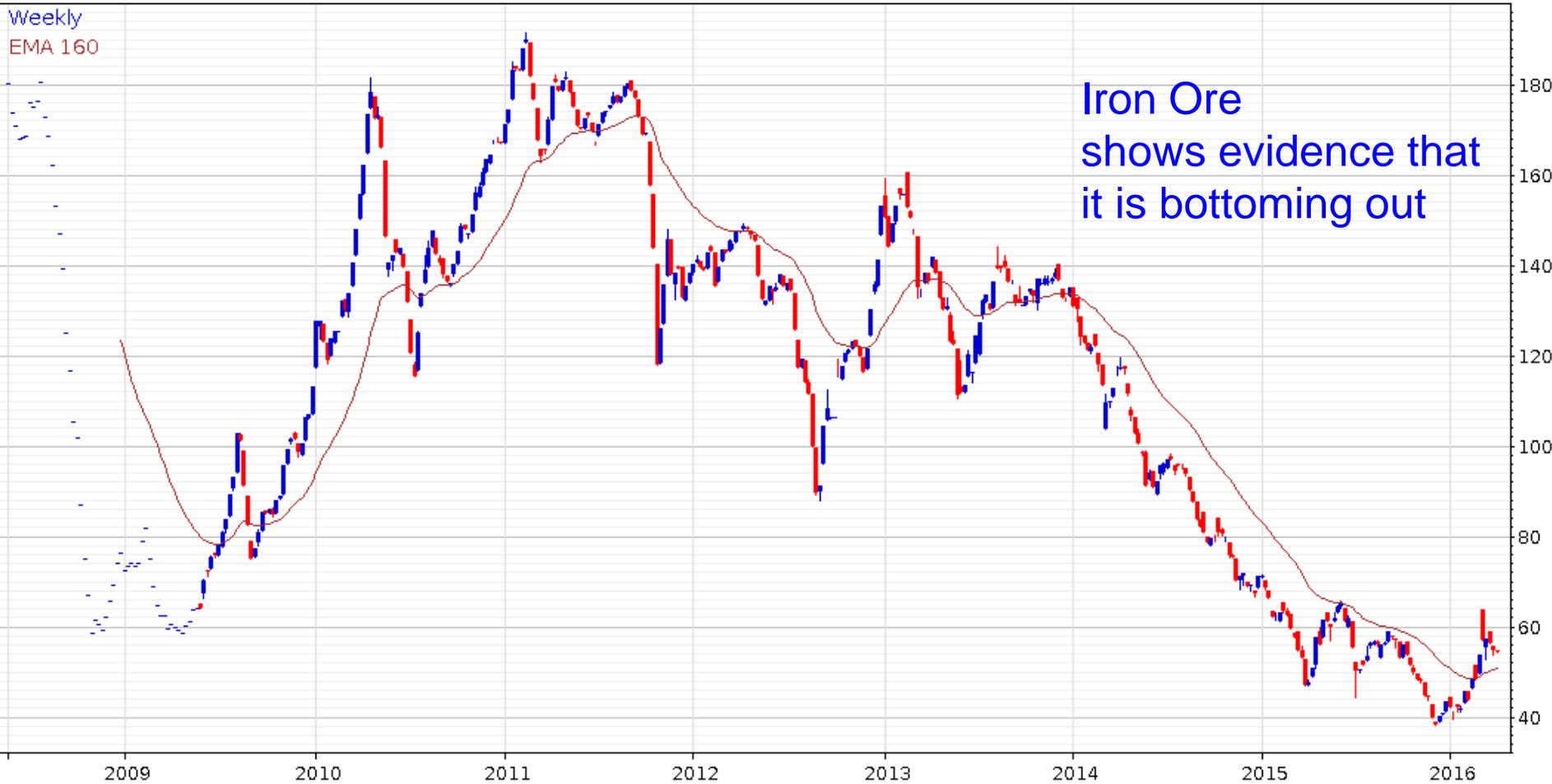
LME Tin (spot)
shows the best
recovery to date
among LME
base metals





Iron Ore (China import Fines 62% Fe per dry metric tonne) (MBIO62DA Index) 54.57 -0.23

2016-04-06



Iron Ore shows evidence that it is bottoming out



Blackrock World Mining Trust (BRWM LN EQUITY) 226.75 13.75

2016-04-12





Are US 10-year Treasury Bonds a bubble?

No, if you expect deflation and minimal GDP growth to persist for many more years.

Yes, if you think global GDP growth and/or inflationary pressures will rise over the next few years.

Common sense suggests government bond yields will not sustain record low yields beyond the lengthy medium term.



US 10yr Treasury Bond Yield (USGG10YR INDEX) 1.7167 -0.05

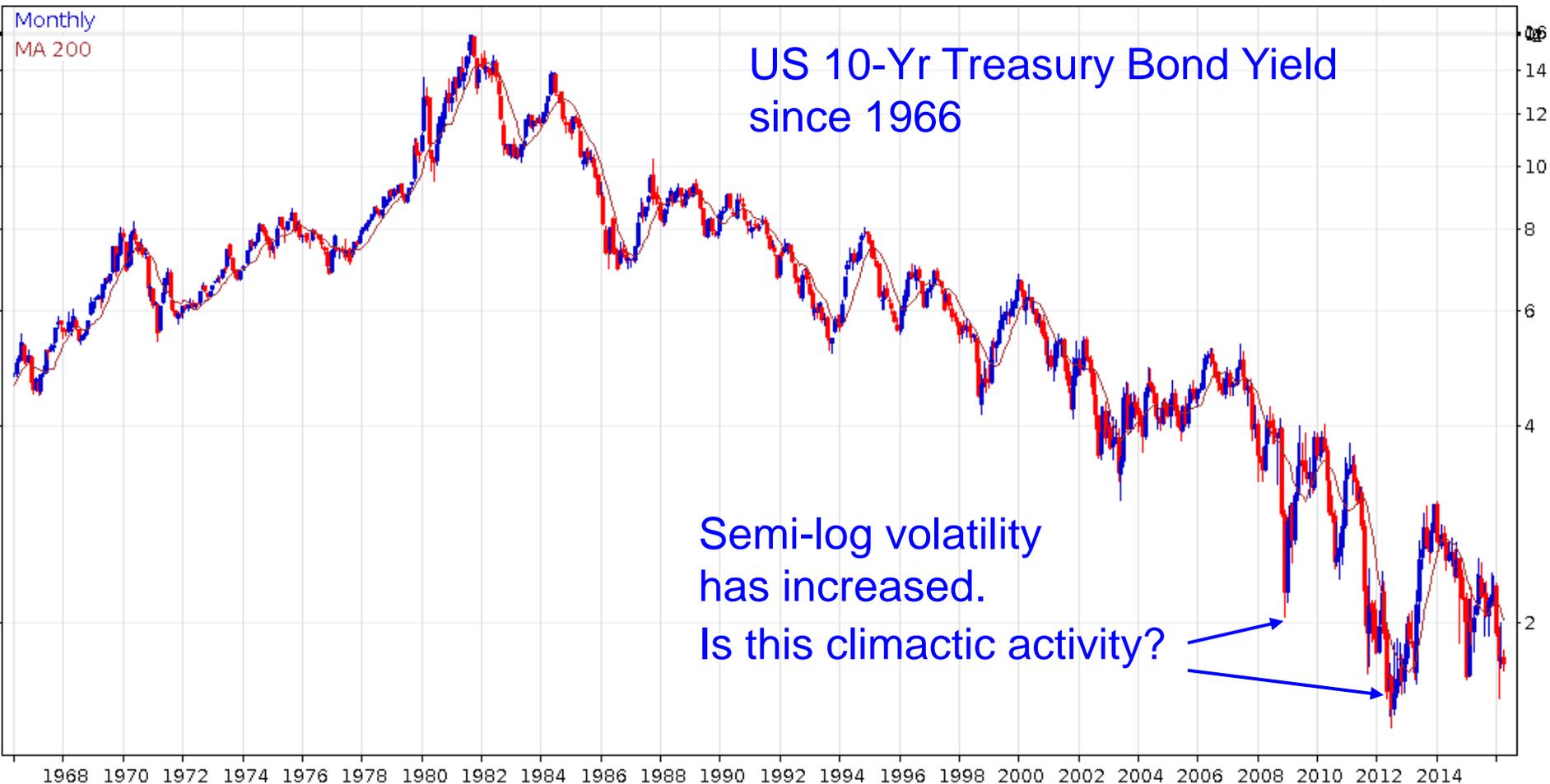
2016-04-08

Monthly
MA 200

US 10-Yr Treasury Bond Yield since 1966

Semi-log volatility
has increased.

Is this climactic activity?





US 10yr Treasury Bond Yield (USGG10YR INDEX) 1.7167 -0.05

2016-04-08

Monthly
MA 200

US 10-Yr Treasury Bond Yield since 1966

Arithmetic scale does not
show increased volatility,
so not necessarily climactic



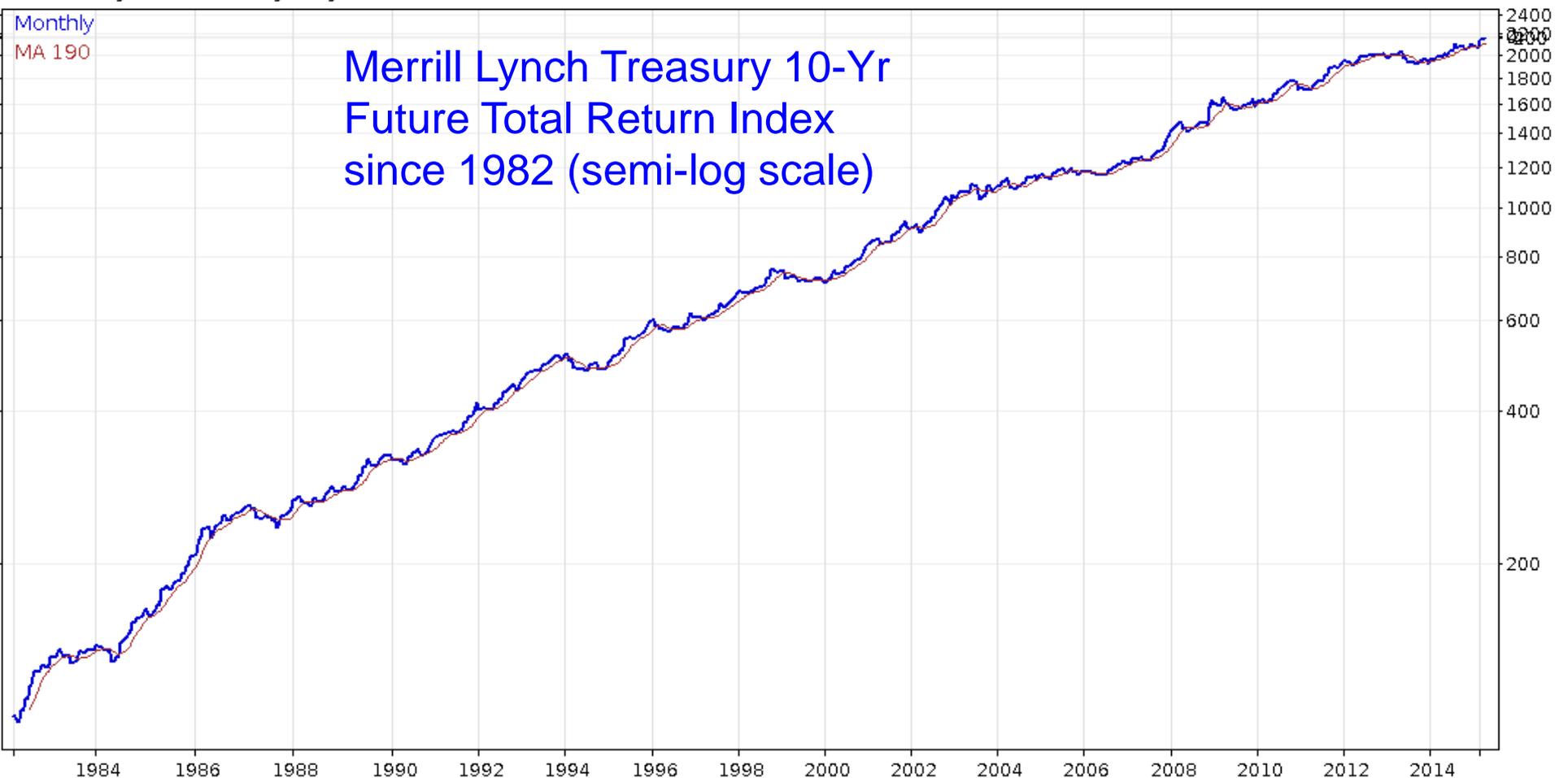


Merrill Lynch Treasury 10yr+ Future Total Return Index (MLT1US10 INDEX) 2159.772 14.28

2016-04-07

Monthly
MA 190

Merrill Lynch Treasury 10-Yr Future Total Return Index since 1982 (semi-log scale)



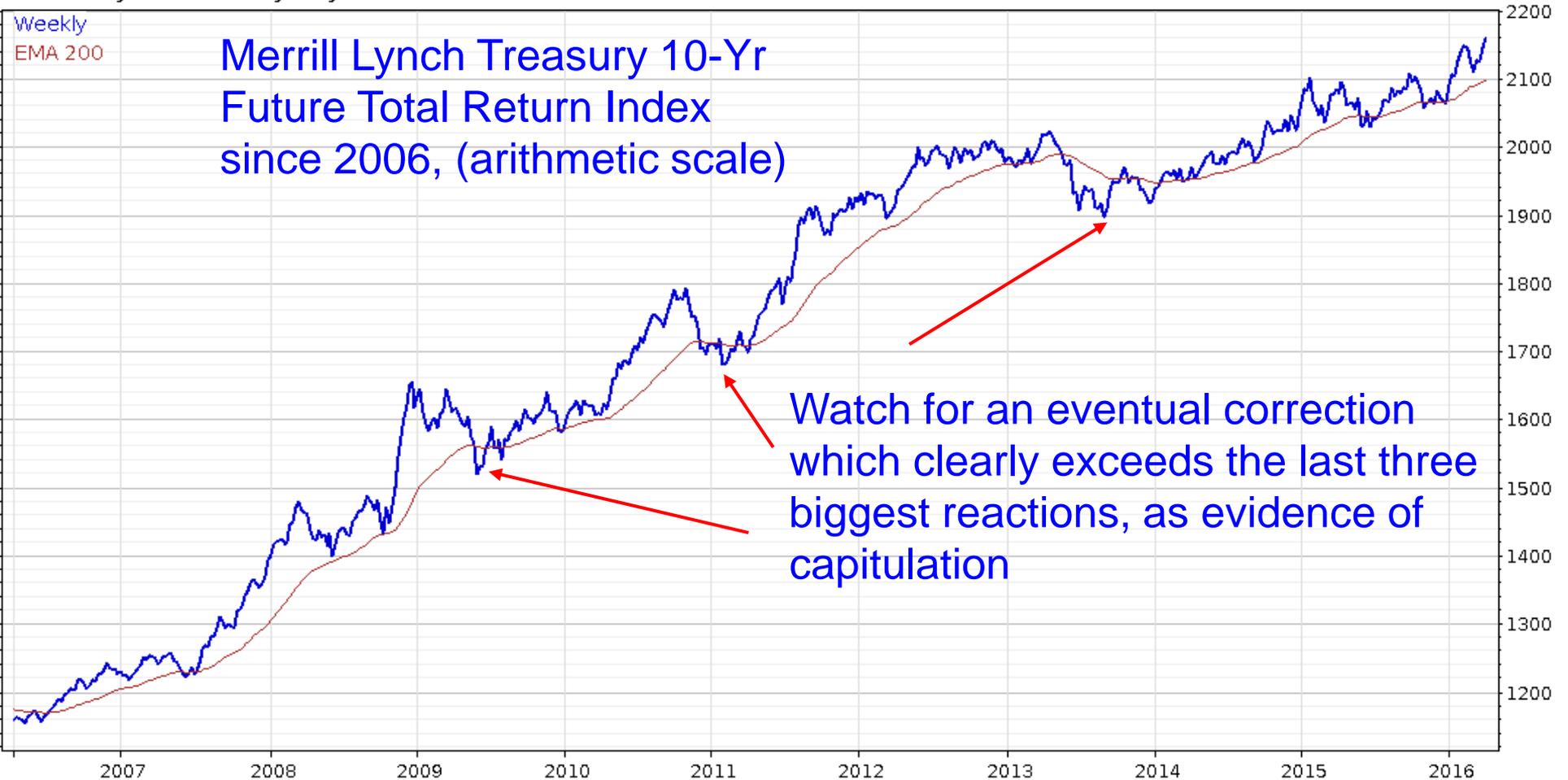


Merrill Lynch Treasury 10yr+ Future Total Return Index (MLT1US10 INDEX) 2159.772 15.81

2016-04-07

Weekly
EMA 200

Merrill Lynch Treasury 10-Yr Future Total Return Index since 2006, (arithmetic scale)





Global Stock Markets

A number of recoveries from bear market lows

Wall Street is short-term overbought in upper side of ranges

A number of other stock markets are short-term overbought

US corporate profits are declining, on average, for a third straight quarter and valuations are not cheap

Contra-cyclical commodity shares are now outperforming



S&P 500 (SPX INDEX) 2041.99 -17.75

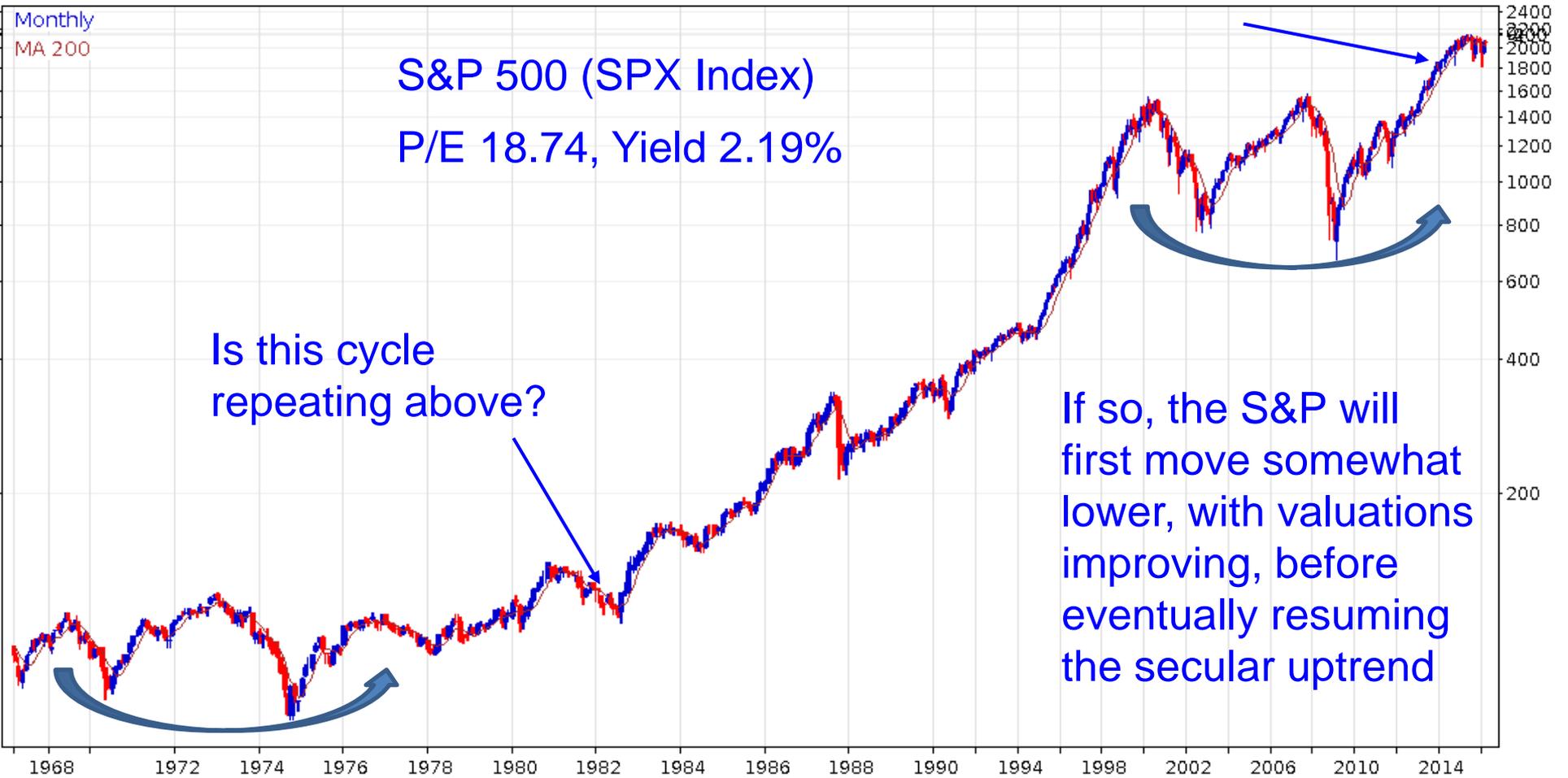
2016-04-11

Monthly
MA 200

S&P 500 (SPX Index)
P/E 18.74, Yield 2.19%

Is this cycle
repeating above?

If so, the S&P will
first move somewhat
lower, with valuations
improving, before
eventually resuming
the secular uptrend





S&P 500 (SPX INDEX) 2041.99 -5.61

2016-04-11

Weekly

S&P 500 Index

Testing resistance in
upper side of lengthy
trading range



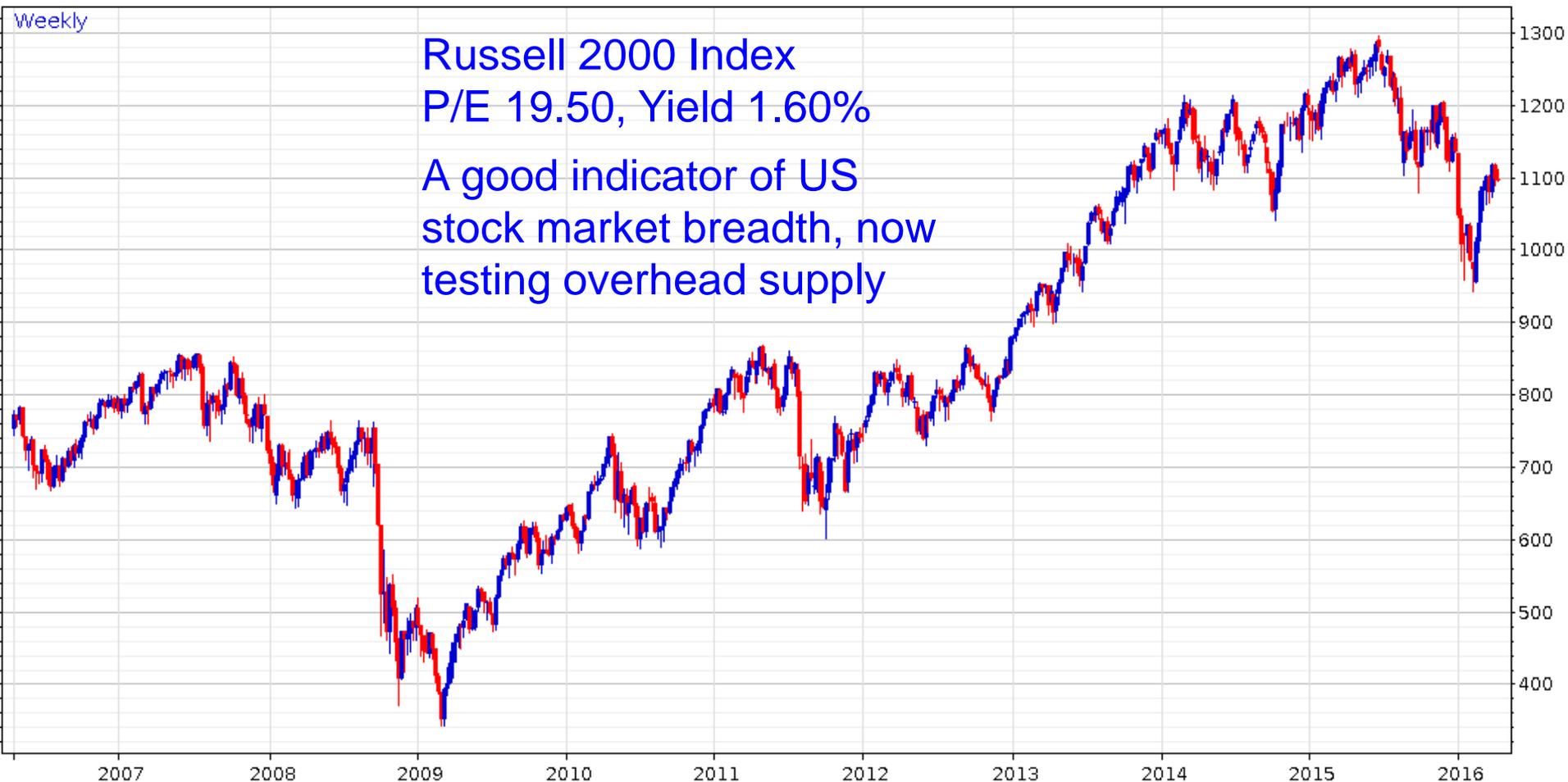


Russell 2000 (RTY INDEX) 1094.342 -2.97

2016-04-11

Weekly

Russell 2000 Index
P/E 19.50, Yield 1.60%
A good indicator of US
stock market breadth, now
testing overhead supply





Nasdaq Composite (CCMP INDEX) 4872.091 21.4

2016-04-12

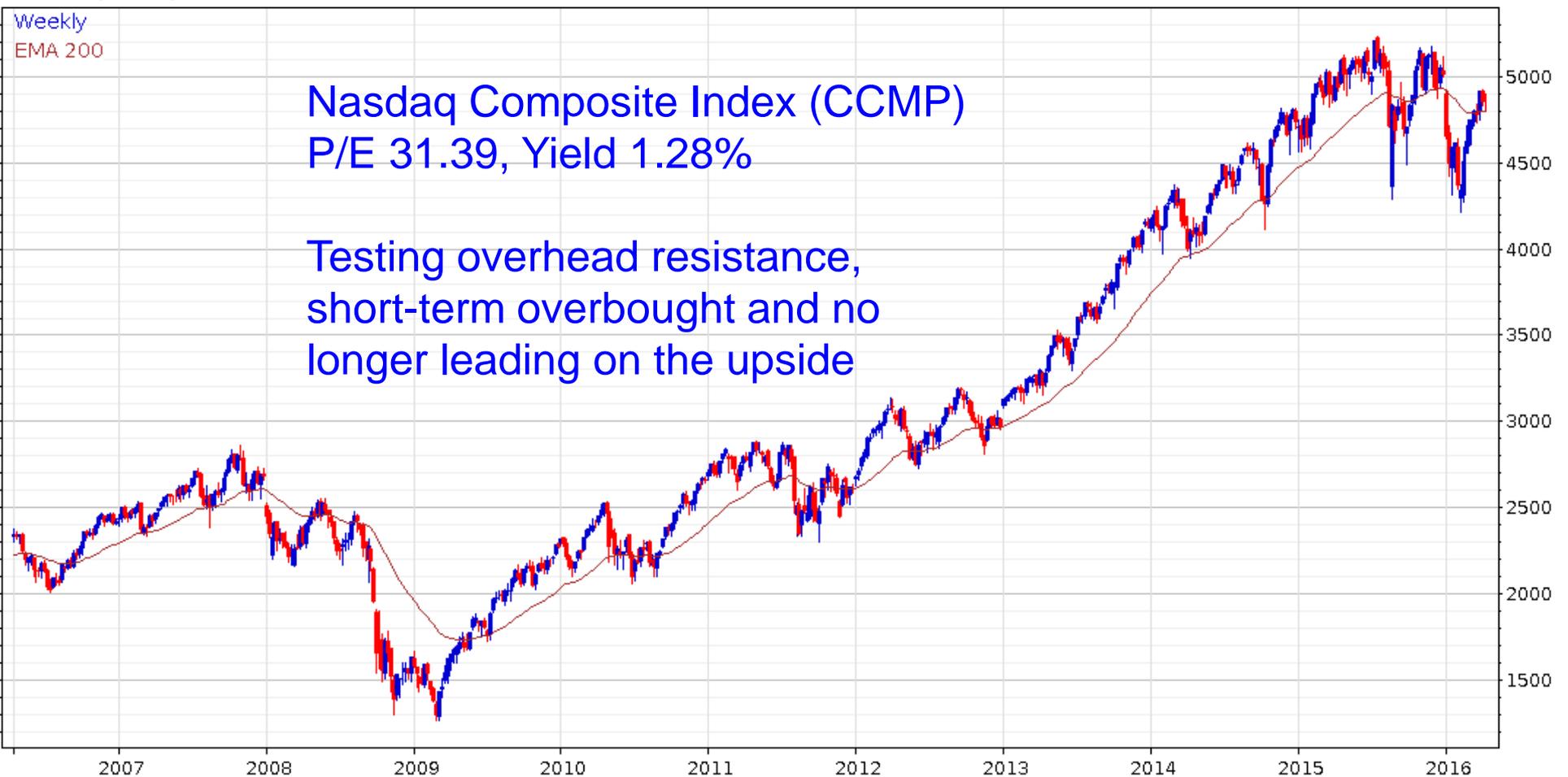
Weekly

EMA 200

Nasdaq Composite Index (CCMP)

P/E 31.39, Yield 1.28%

Testing overhead resistance,
short-term overbought and no
longer leading on the upside





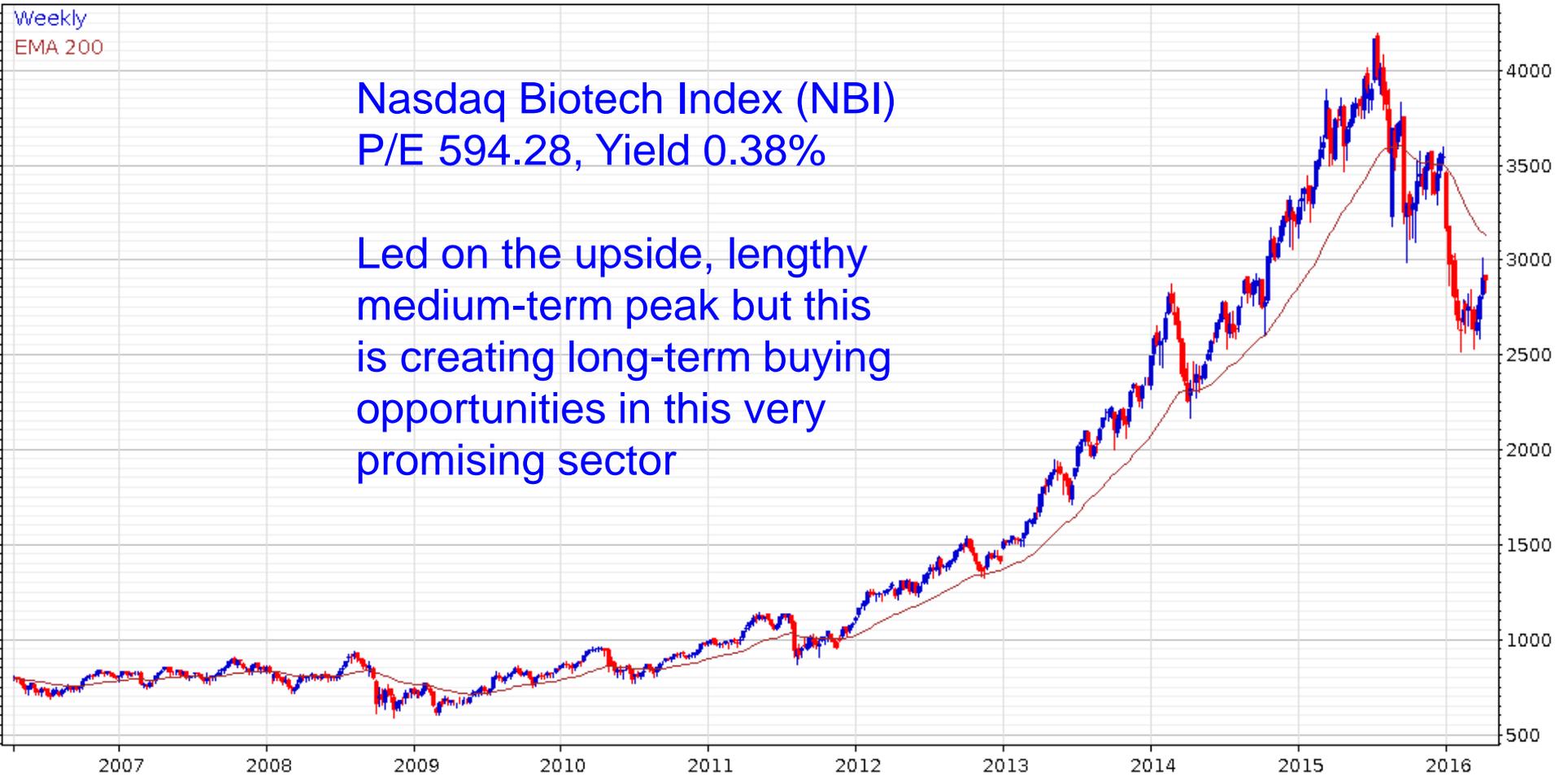
NASDAQ Biotech Index (NBI INDEX) 2885.916 -15.61

2016-04-12

Weekly
EMA 200

Nasdaq Biotech Index (NBI)
P/E 594.28, Yield 0.38%

Led on the upside, lengthy
medium-term peak but this
is creating long-term buying
opportunities in this very
promising sector





Apple (AAPL US EQUITY) 110.44 1.78

2016-04-12

Weekly
EMA 200

'Iconic' Apple (AAPL)
Est P/E 12.28, Yield 1.86

Medium-term peak and
currently underperforming
but not expensive





China Shanghai Composite Index (SHCOMP INDEX) 3066.638 81.68

2016-04-13

Weekly
EMA 200

China Shanghai Composite (SHCOMP)

P/E 16.21, Yield 1.99%

Government currently providing support;
facing oxymoron of command capitalism
while creating a developed economy





Japan Nikkei 225 Index (NKY INDEX) 16381.22 559.7

2016-04-13





Fanuc Ltd (6954 JP EQUITY) 18235.00 1130.0

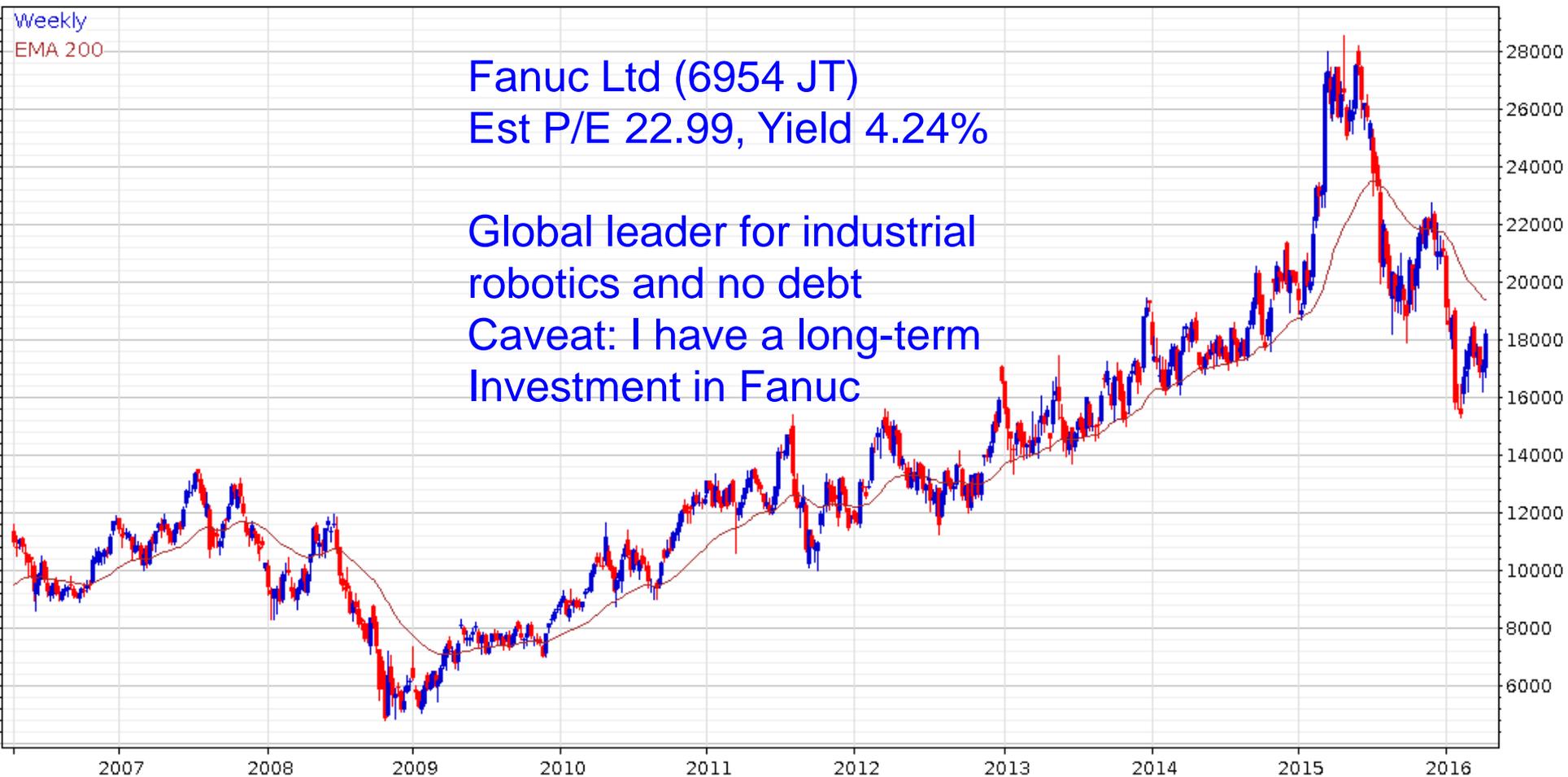
2016-04-13

Weekly

EMA 200

Fanuc Ltd (6954 JT)
Est P/E 22.99, Yield 4.24%

Global leader for industrial
robotics and no debt
Caveat: I have a long-term
Investment in Fanuc





India Mumbai (SENSEX INDEX) 25626.75 952.91

2016-04-1

Weekly

EMA 200

India Mumbai (Sensex)
P/E 19.68, Yield 1.59%

Currently world's fastest
growing economy

Probable floor

Good governance at the top -
N Modi & R Ragan - but
chaotic political system below





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Nordic Stock Markets



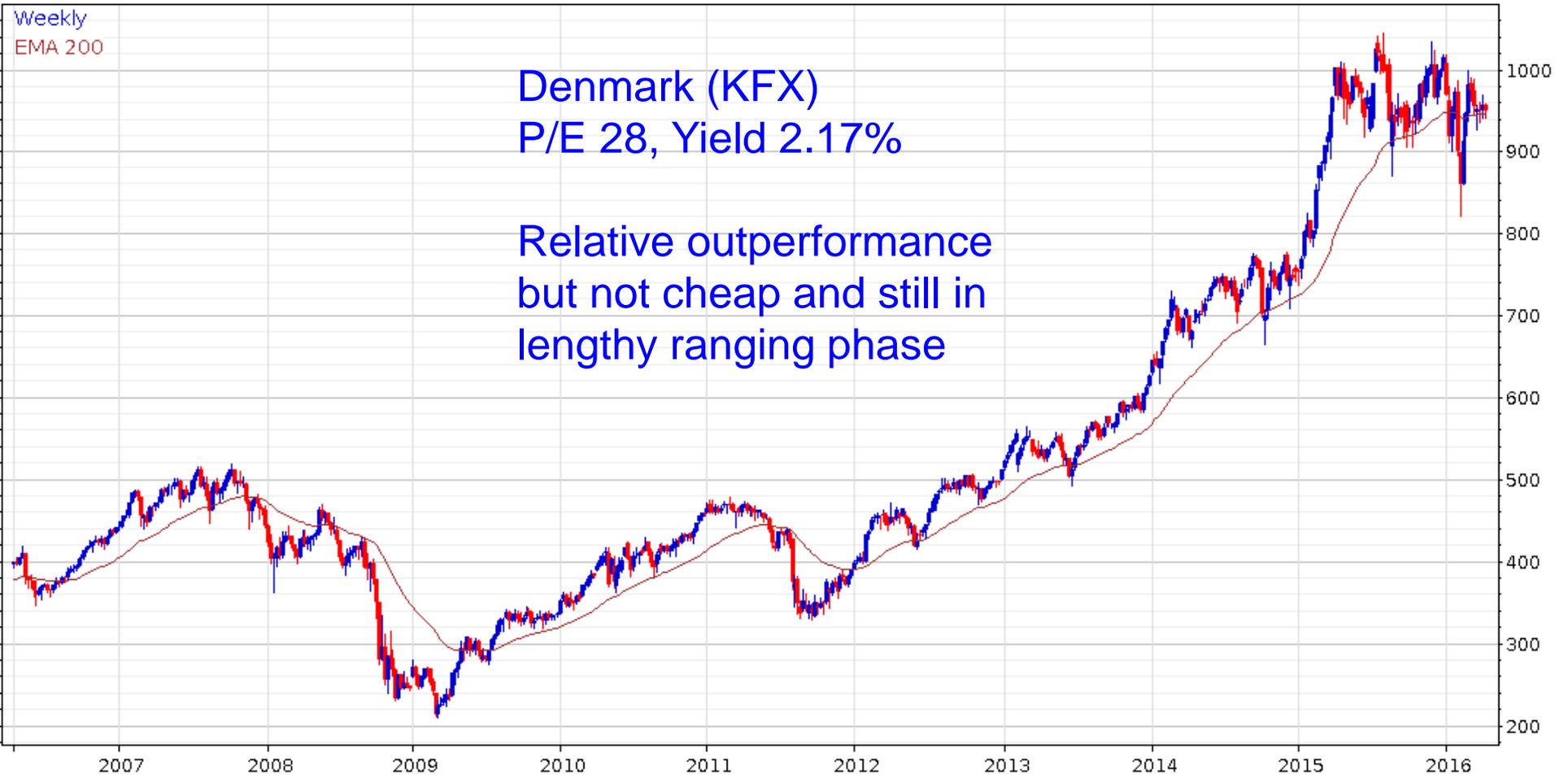
Denmark (KFX INDEX) 949.433 -7.47

2016-04-13

Weekly
EMA 200

Denmark (KFX)
P/E 28, Yield 2.17%

Relative outperformance
but not cheap and still in
lengthy ranging phase





Finland (HEX INDEX) 7970.278 138.91

2016-04-13

Weekly
EMA 200

Finland (HEX)
P/E 17.31, Yield 4.09%

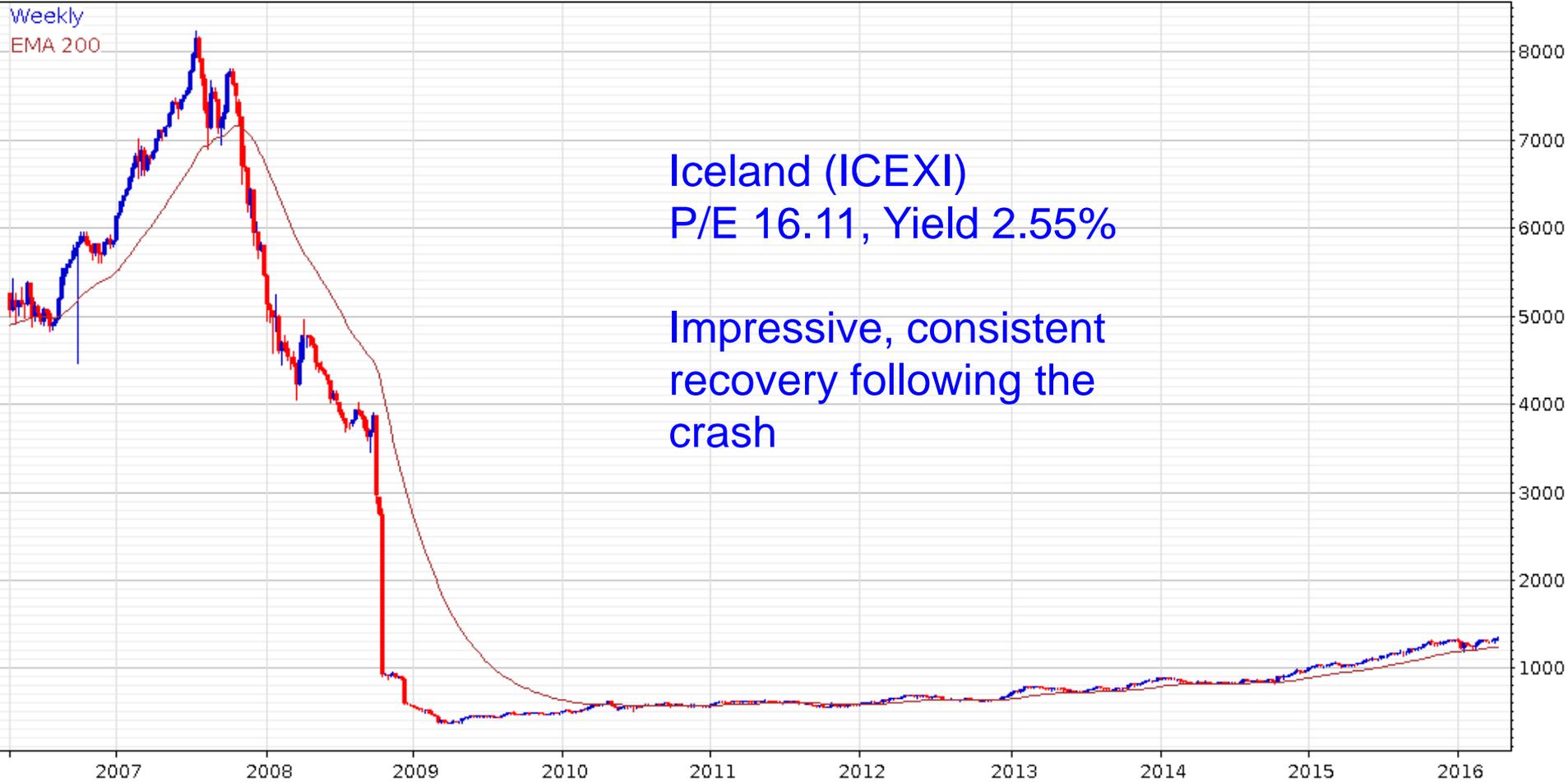
Possibly recovering, needs
to confirm by breaking
above last high





Iceland (ICEXI INDEX) 1344.661 8.81

2016-04-13



Iceland (ICEXI)
P/E 16.11, Yield 2.55%

Impressive, consistent
recovery following the
crash



Iceland (ICEXI INDEX) 1344.661 8.81

2016-04-13

Weekly

EMA 200

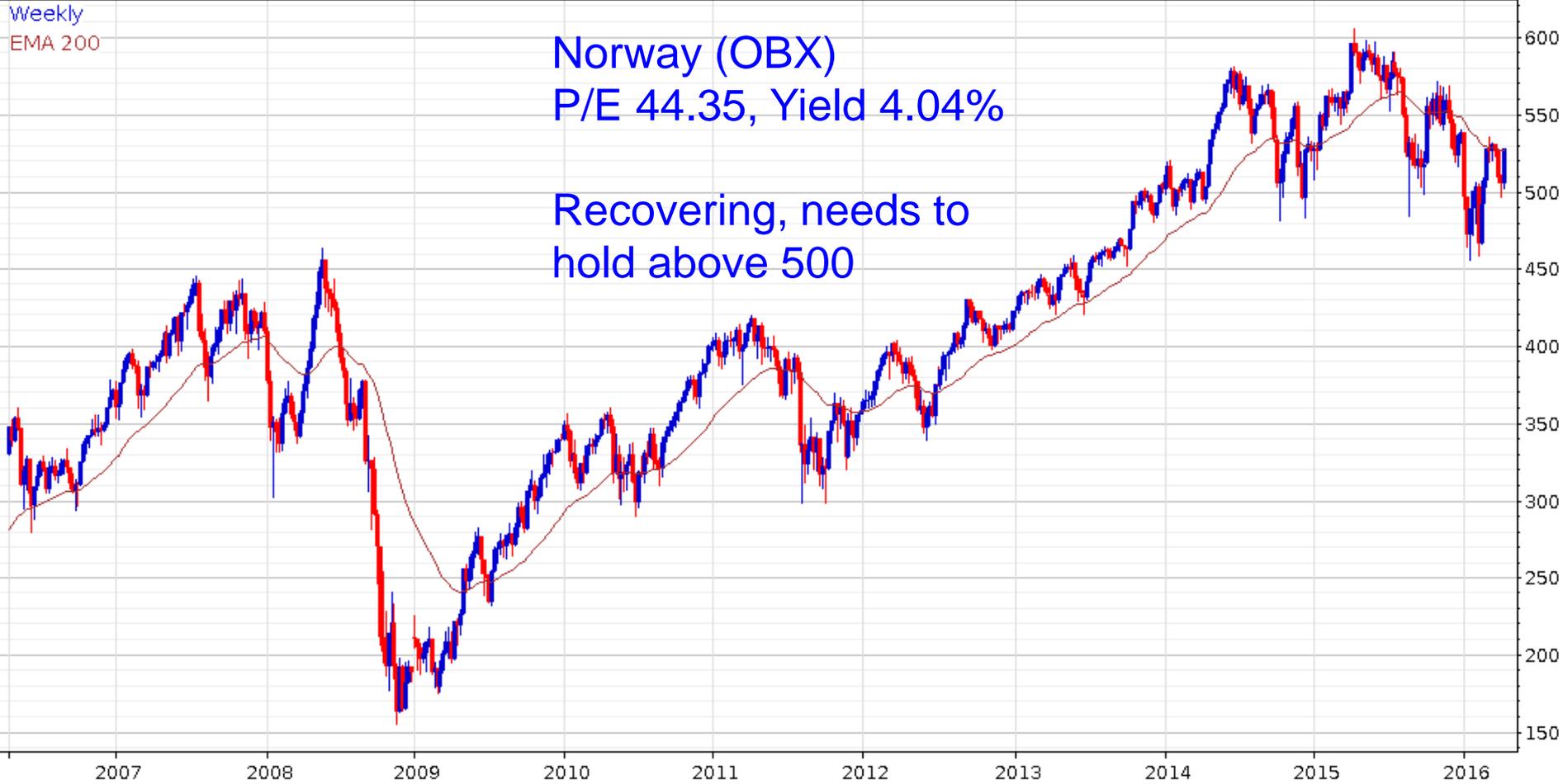
Iceland (ICEXI)
resuming uptrend





Norway (OBX INDEX) 528.35 22.98

2016-04-13





Sweden OMX Index (OMX INDEX) 1392.59 27.64

2016-04-13





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Many thanks for your interest!
Any questions?

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www.fullertreacymoney.com



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GERMANY'S OPEN DOOR POLICY...



ADAMIS 16
14-03



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Technical warning signs to watch for among indices

- Trend acceleration relative to 200-day moving averages
- Declining market breadth (fewer shares rising)
- Failed upside breakouts from trading ranges
- Loss of uptrend consistency characteristics
- Churning price action relative to recent trading ranges
- Breaks of 200-day moving averages
- Broadening patterns for trading ranges following uptrends
- 200-day moving averages turn downwards
- Resistance is encountered beneath declining 200-day MAs
- Previous rising lows are replaced by lower rally highs
- Indices fall faster than they rose to their highs