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Still A Very Challenging Environment For Global Investors But Not Without Opportunities

July 11th 2016

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Post-Brexit Probabilities

1. This is not a global repeat of 2008.
2. The UK is susceptible to a medium-term recession.
3. Free-floating Sterling will cushion UK economic risk.
4. Good governance led by a new PM is now required.
5. UK consensus: love Europe but not the EU.
6. EU citizens working in the UK are welcome to remain.
7. UK welcomes immigration but will control the process.
8. Brexit will enable the UK to be more international.
9. Brexit has shone a new light on the EU's deficiencies.
10. UK Brexit negotiations will resemble the Grand National and the EU would be wise to lower the fences.



“Social democracy and capitalism both need hitting over the head from time to time. It detoxifies them of bureaucracy, monopoly and cronyism. Britain is experiencing such a time. It Should do us no end of good.”

Simon Jenkins, EU Referendum Opinion for The Guardian



US 10yr Treasury Bond Yield (USGG10YR INDEX) 1.3579 -0.09

2016-07-08

If you had just returned from ten years on Mars and saw this chart, you might think the US economy was in severe recession, or perhaps even worse.





S&P 500 (SPX INDEX) 2129.90 26.95

2016-07-08

Weekly

EMA 200

If you had just returned from ten years on Mars and saw this chart, you might think the US economy was heading for another growth spurt.





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Such divergence is probably unprecedented,
so what is going on?



GRAB

Equity Index ▾ SPX Index 1) Settings Member Ranked Returns

View Members Groups Period YTD ▾ 12/31/15 - 07/08/16 2) Total Return Currency LCL ▾

3) Movers 4) All

Negative Price Return	Members (505)	Return	Positive Price Return
	S&P 500 INDEX	4.21%	
	Best Performing		
	11) NEWMONT MINING CORP	128.68%	
	12) ONEOK INC	92.05%	
	13) SOUTHWESTERN ENERGY CO	81.01%	
	14) RANGE RESOURCES CORP	79.32%	
	15) FREEPORT-MCMORAN INC	65.44%	
	16) NVIDIA CORP	54.28%	
	17) SPECTRA ENERGY CORP	51.88%	
	18) ALBEMARLE CORP	49.22%	
	19) EQT CORP	49.01%	
	20) IRON MOUNTAIN INC	47.54%	
	Worst Performing		
	21) FIRST SOLAR INC	-30.90%	
	22) TESORO CORP	-30.99%	
	23) SIGNET JEWELERS LTD	-31.90%	
	24) ROYAL CARIBBEAN CRUISES LTD	-32.44%	
	25) VALERO ENERGY CORP	-32.50%	
	26) SEAGATE TECHNOLOGY	-34.51%	
	27) ALEXION PHARMACEUTICALS INC	-34.77%	
	28) PERRIGO CO PLC	-35.22%	
	29) CF INDUSTRIES HOLDINGS INC	-39.08%	
	30) ENDO INTERNATIONAL PLC	-71.55%	

5) Analyze List



GRAB

Equity Index SPX Index Settings Group Ranked Returns

View Members Groups Period YTD 12/31/15 - 07/08/16 2) Total Return Currency LCL

Movers All

Negative Price Return	Groups (156)	Return	Positive Price Return
	S&P 500 INDEX	4.21%	
	Best Performing		
	11) S&P 500 GOLD INDEX	128.68%	
	12) S&P 500 DIV MTL&MIN IDX	65.44%	
	13) S&P 500 Secur & Alm Svc	36.41%	
	14) S&P 500 CONST MATRLS IDX	35.87%	
	15) S&P 500 STEEL INDEX	31.99%	
	16) S&P 500 CAS & GAMING IX	29.72%	
	17) S&P 500 ID Pw PRD EN TRD	28.50%	
	18) S&P 500 FOOD DISTR INDEX	25.83%	
	19) S&P 500 OIL&GAS ST&TR IX	25.43%	
	20) S&P 500 LEISURE PRDT IDX	22.63%	
	Worst Performing		
	21) S&P 500 PUBL&PRNTNG IDX	-12.90%	
	22) S&P 500 DIV BANKS INDEX	-13.01%	
	23) S&P 500 OFF SERV&SUP IDX	-13.80%	
	24) S&P 500 HR & Employ Svc	-17.99%	
	25) S&P 500 INVST BNK & BRKG	-18.18%	
	26) S&P 500 TIRES&RUBBER IDX	-18.79%	
	27) S&P 500 AIRLINES INDEX	-22.40%	
	28) S&P 500 OIL&GAS REF MKT	-23.38%	
	29) S&P 500 Real Estate Svc	-24.23%	
	30) S&P 500 SPCL CON SVC IX	-29.18%	

Analyze List



CRB Continuous Commodity Index (Old CRB) (CCI INDEX) 430.1386 -6.75

2016-07-08





China Shanghai Composite Index (SHCOMP INDEX) 2988.094 55.62

2016-07-08





Commodities

1. The cure for low prices is low prices, as supply declines and demand begins to increase.
2. Contra-cyclical commodities are underowned by investors.
3. Global uncertainty, competitive devaluations and low interest rates revive the 'hard money' appeal of gold and other precious metals



London Spot Gold (GOLDS COMDTY) 1366.38 24.53

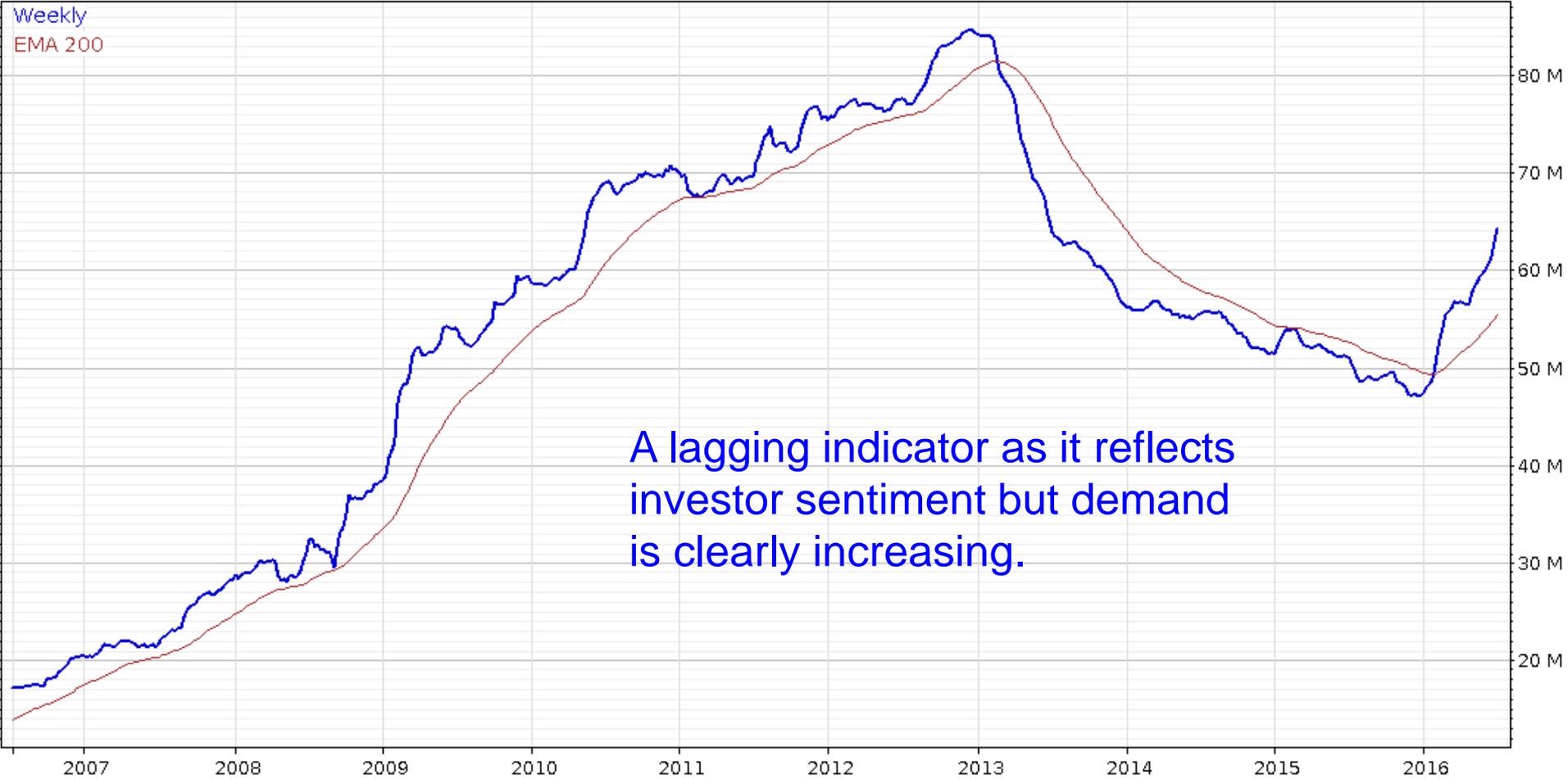
2016-07-08





Total Known ETF Holdings of Gold (troy ounces) (ETFGTOTL INDEX) 64219662.00 [1444285.0](#)

2016-07-08





NYSE Arca Gold Bugs Index (HUI INDEX) 271.5299 12.55

2016-07-08





Silver 1st mth (SI1 COMB COMDTY) 20.058 0.51

2016-07-08

Weekly

EMA 200

Silver is high-beta gold





Platinum NYME 1st Month Continuation (PL1 COMB COMDTY) 1097.00 42.3

2016-07-08





LME Copper Spot (LMCADY COMDTY) 4697.75 -201.75

2016-07-08





LME Nickel Spot (LMNIDY COMB COMDTY) 9839.50 -87.0

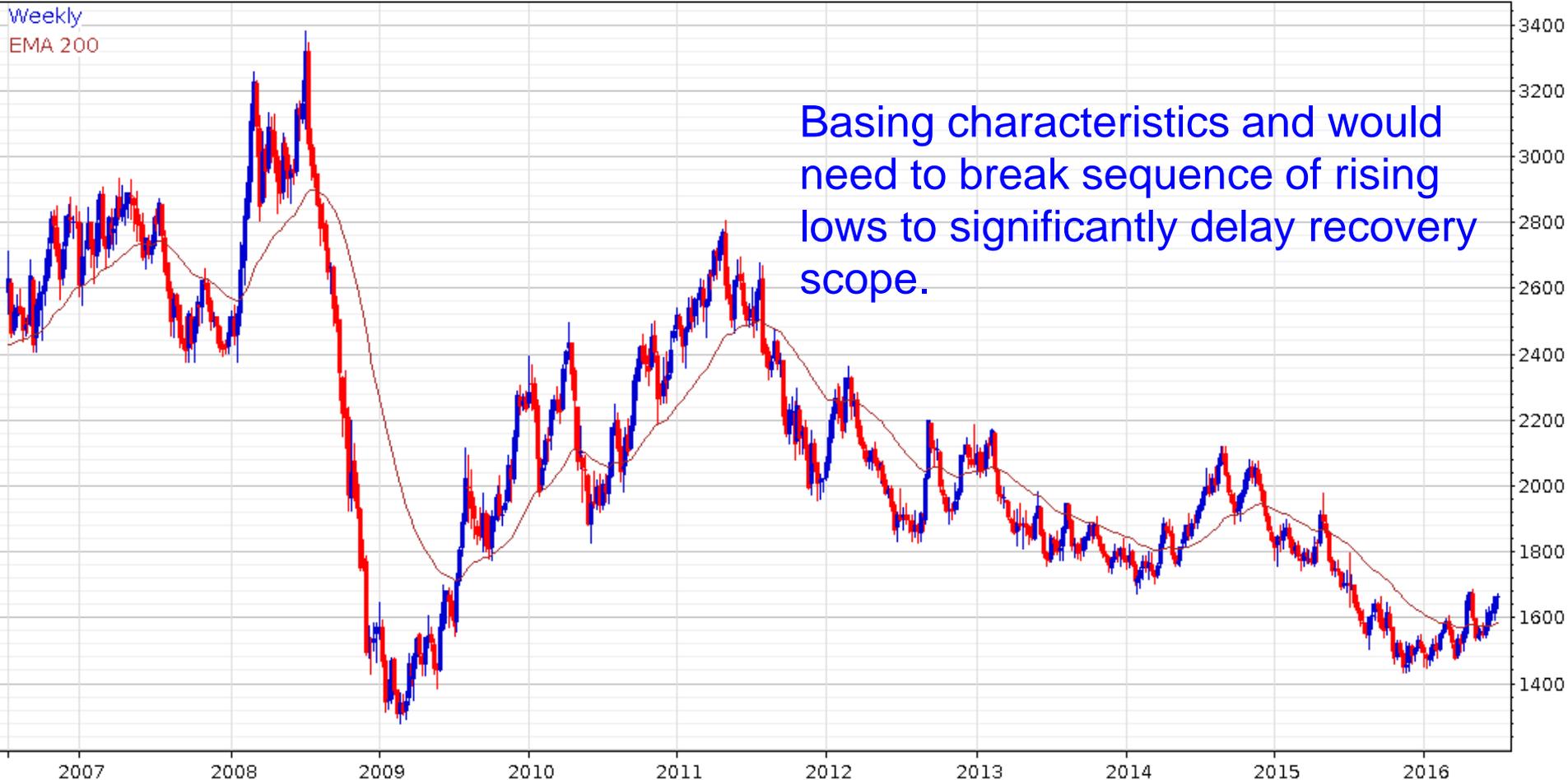
2016-07-08





LME Aluminium 3mth (LMAHDS03 LME COMDTY) 1663.00 -1.5

2016-07-08





LME Zinc Special HG 3 Months (LMZSDS03 COMDTY) 2142.00 -13.0

2016-07-08





LME Tin HG 3 Months (LMSNDS03 COMDTY) 17840.00 370.0

2016-07-08





LME Lead 3 months (LMPBDS03 COMDTY) 1817.00 -33.5

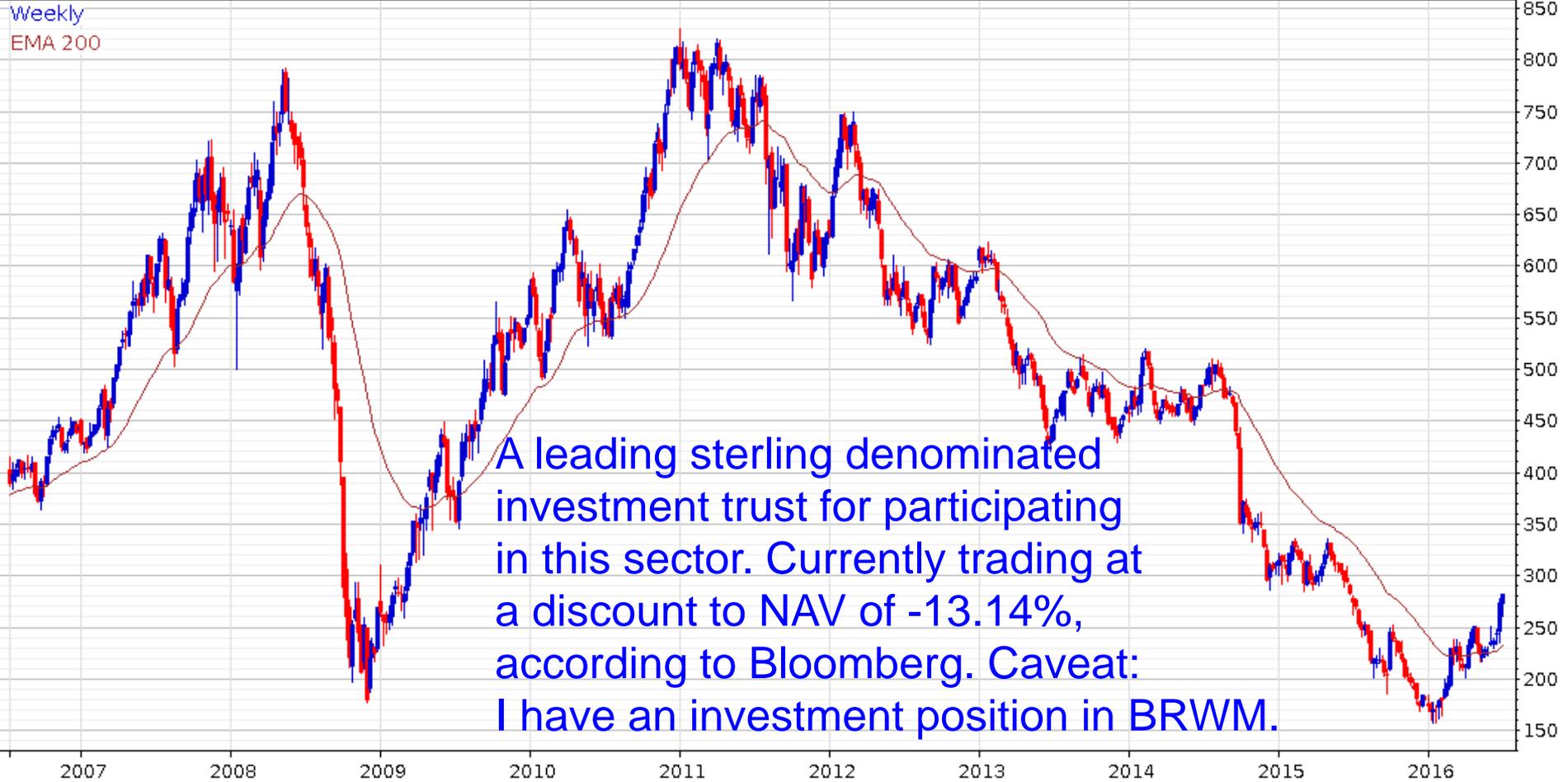
2016-07-08





Blackrock World Mining Trust (BRWM LN EQUITY) 281.75 8.0

2016-07-08





Thanks to technology

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



Brent Crude Oil (CO1 COMB COMDTY) 46.76 -3.59

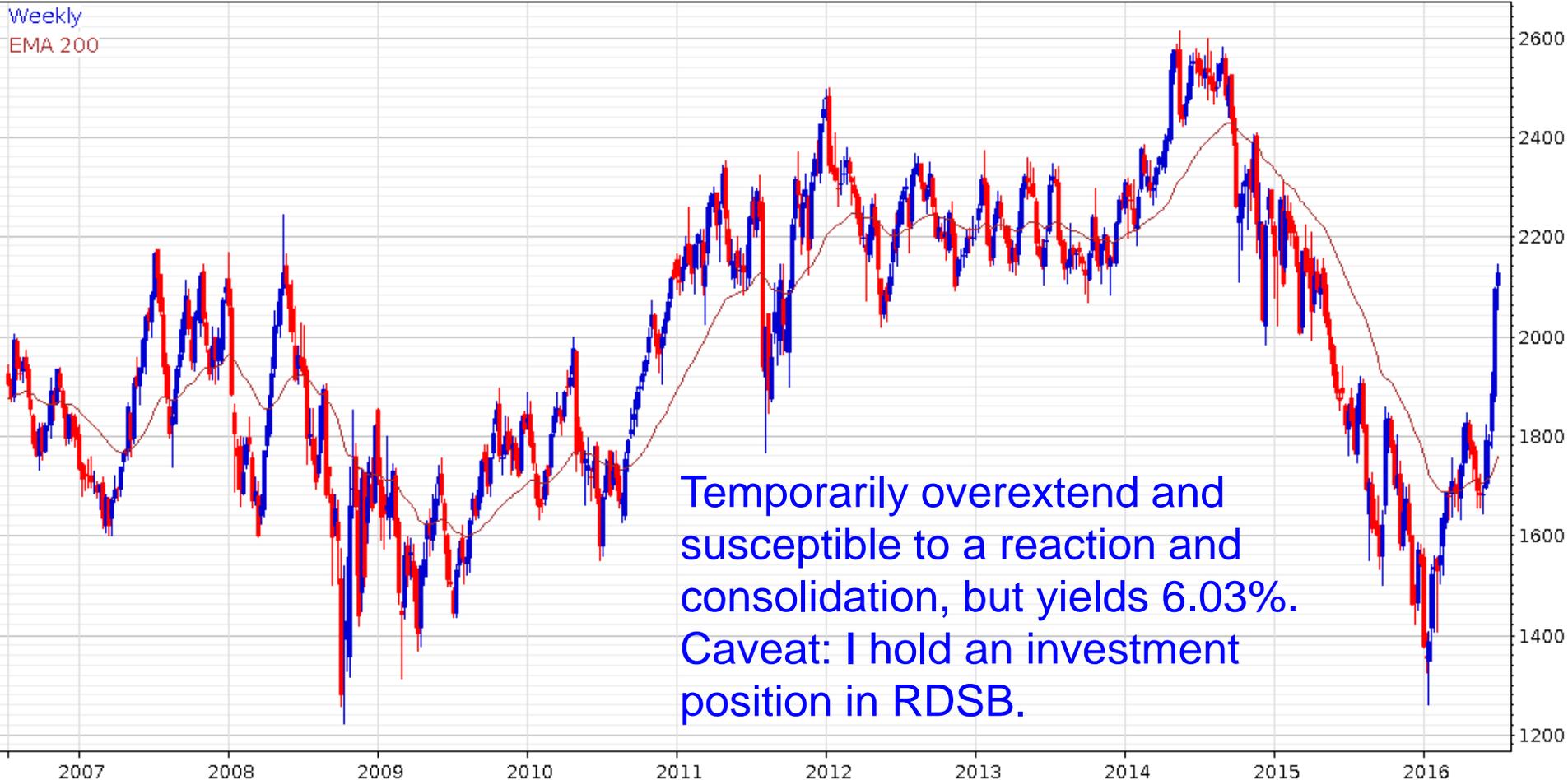
2016-07-08





Royal Dutch Shell PLC - B (RDSB LN EQUITY) 2127.00 31.5

2016-07-08





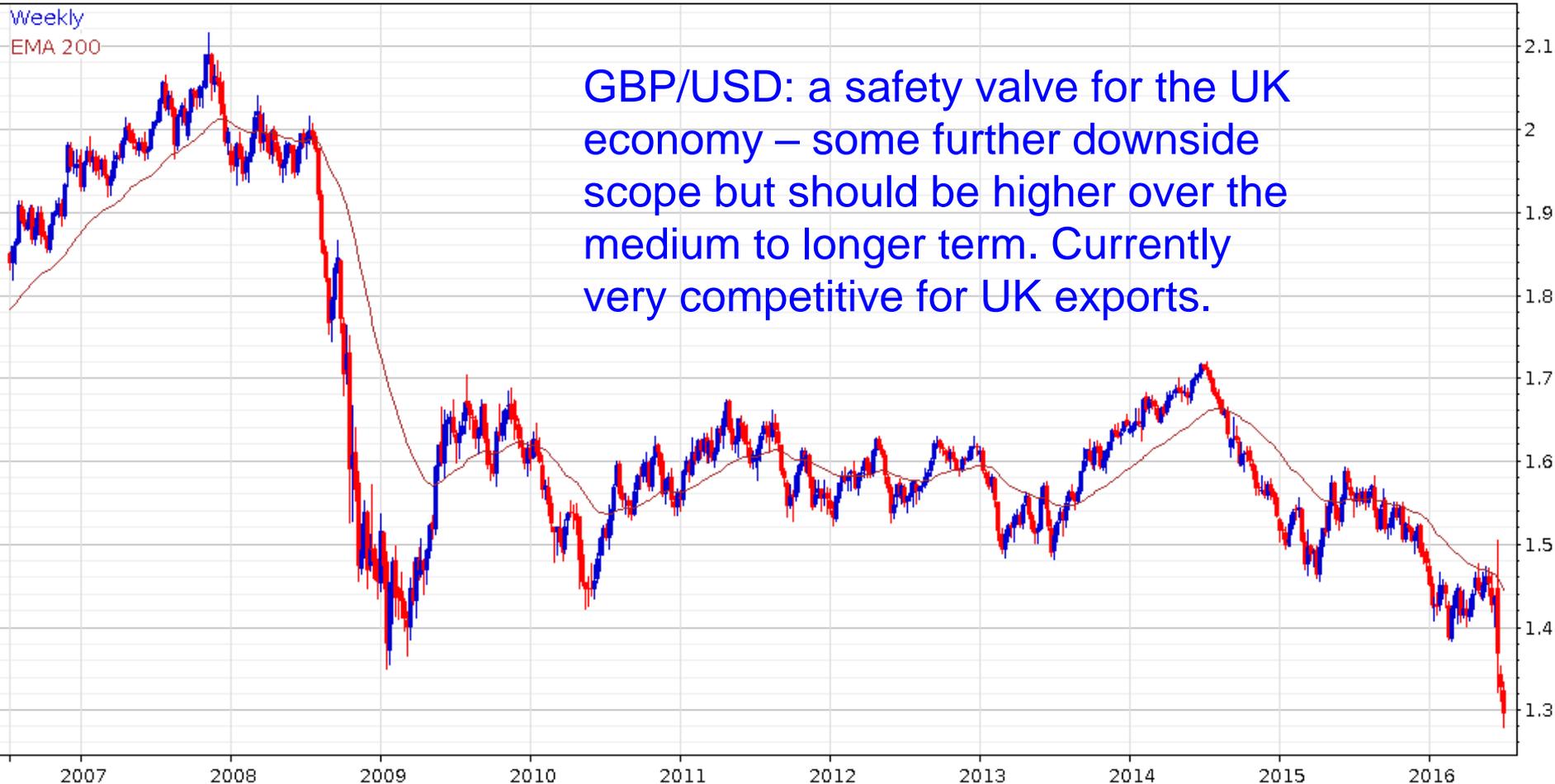
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A Few Currencies



USD per 1 GBP (GBPUSD CURRENCY) 1.2954 -0.03

2016-07-08



GBP/USD: a safety valve for the UK economy – some further downside scope but should be higher over the medium to longer term. Currently very competitive for UK exports.



EUR per 1 GBP (GBPEUR CURRENCY) 1.172 -0.02

2016-07-08



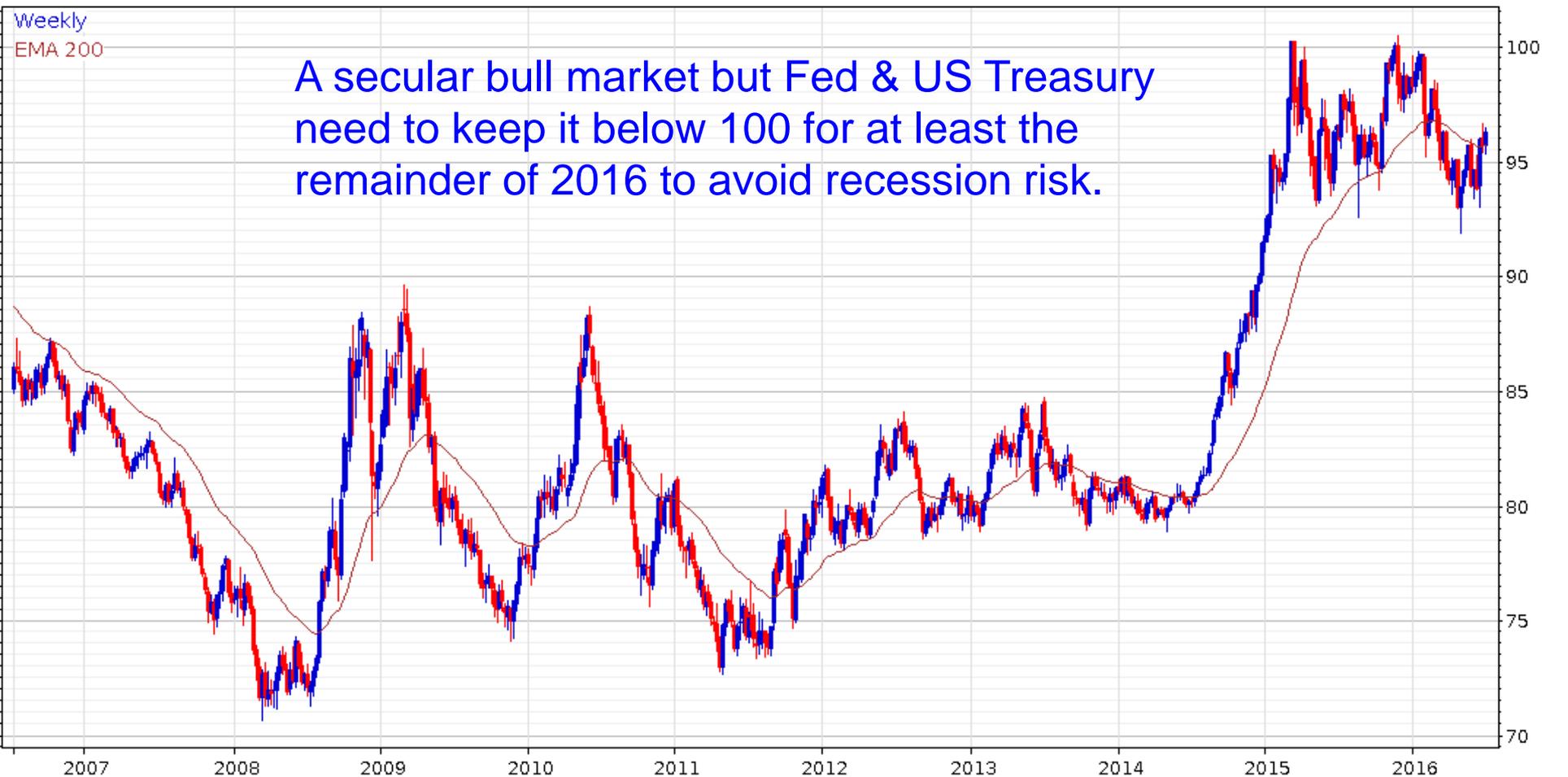


Dollar Index (DXY INDEX) 96.309 0.62

2016-07-08

Weekly
EMA 200

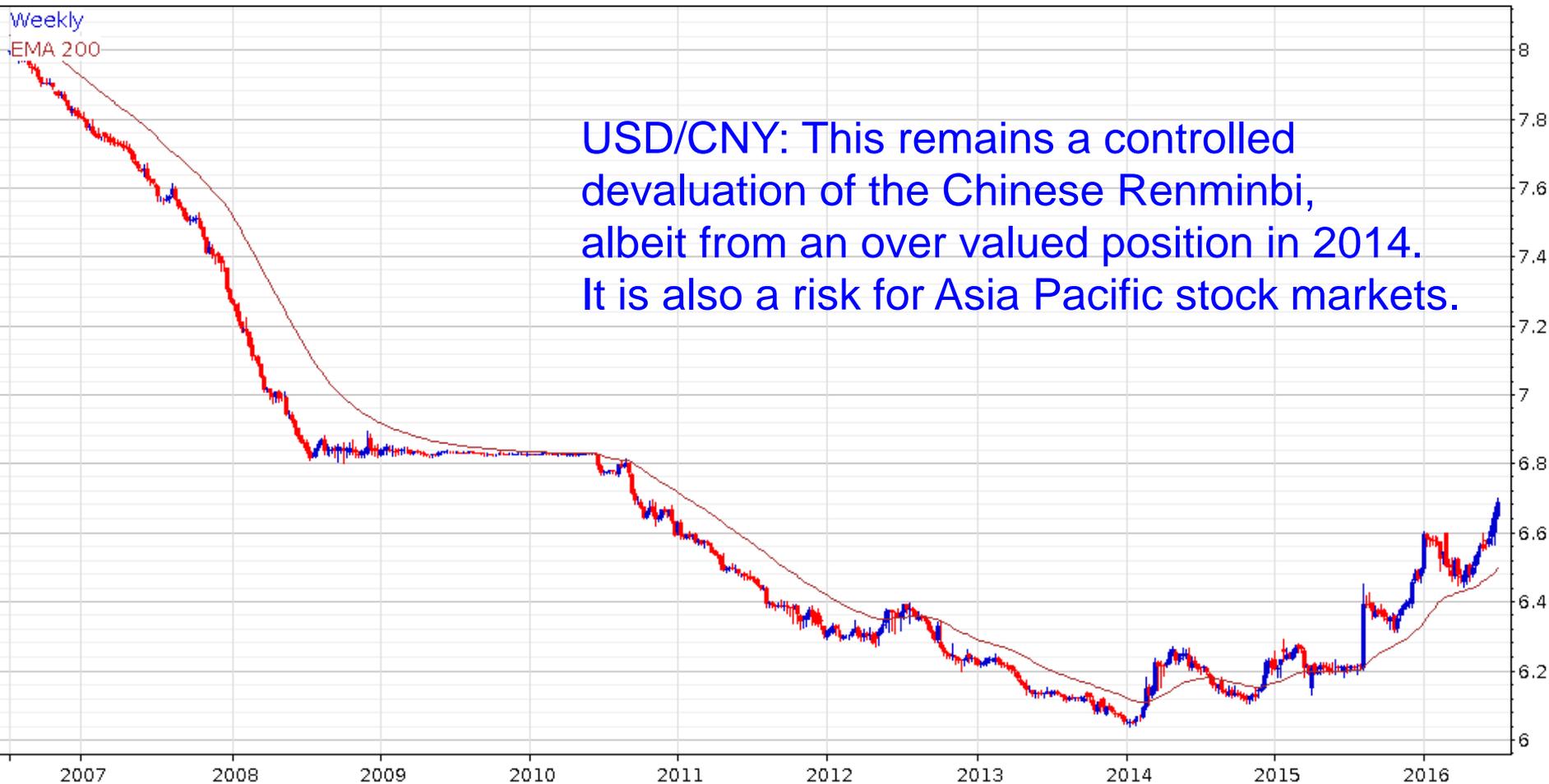
A secular bull market but Fed & US Treasury need to keep it below 100 for at least the remainder of 2016 to avoid recession risk.





CNY per 1 USD (CNY CURRENCY) 6.6881 0.03

2016-07-08



USD/CNY: This remains a controlled devaluation of the Chinese Renminbi, albeit from an over valued position in 2014. It is also a risk for Asia Pacific stock markets.



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A Few Stock Markets



Russell 2000 (RTY INDEX) 1177.36 20.59

2016-07-08

Weekly

EMA 200

RTY: small-cap domestic shares

Still the canary
in the coal mine
for US shares





FTSE100 (UKX INDEX) 6590.64 12.81

2016-07-08



FTSE 100: boosted by
devaluation and overseas
resources shares



FTSE 250 Midcaps (MCX INDEX) 16177.75 -287.74

2016-07-08

Weekly
EMA 200

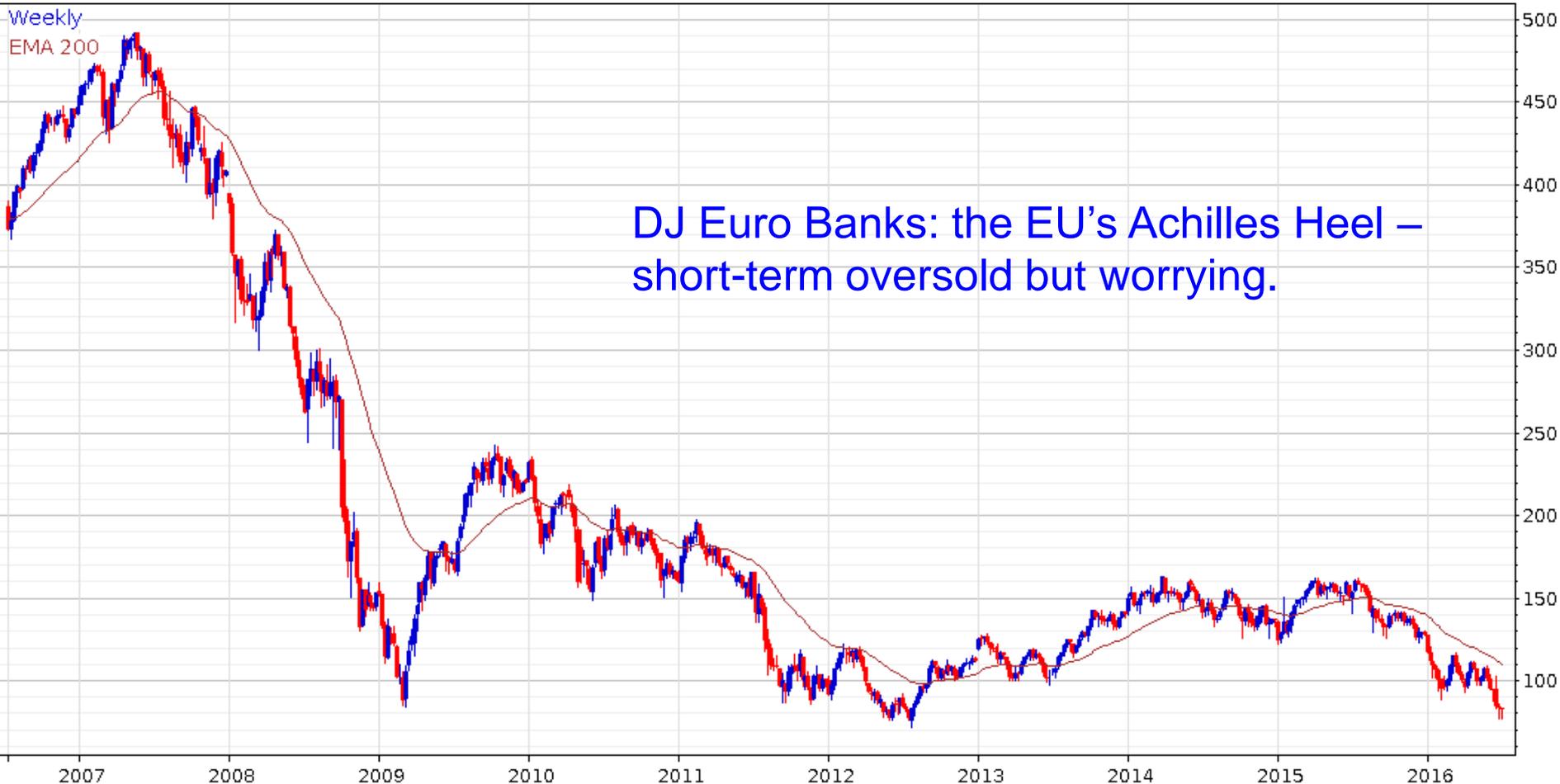
FTSE 250 Midcaps: more representative of UK market; needs to break progression of lower rally highs to confirm that demand is regaining the upper hand.





DJ Euro Banks (SX7E INDEX) 82.91 -0.63

2016-07-08





DJ Euro STOXX 50 (SX5E INDEX) 2838.01 -45.05

2016-07-08



DJ Euro STOXX 50: still in a bear market -
needs a climactic selloff and or a break of the
descending lows to indicate recovery scope.



India Mumbai (SENSEX INDEX) 27626.69 499.79

2016-07-11

Weekly

EMA 200

Still the best big economy growth story – requires a break of this year's rising lows, with the latest near 26000, to question the current upward bias.





S&P ASX Industrials (AS51INDU INDEX) 5313.80 51.4

2016-07-11





Amazon.com Inc (AMZN US EQUITY) 745.81 20.13

2016-07-08

Weekly
EMA 200

Amazon: is this the best managed tech share?
Possibly, and it is certainly one of the most
destructive in terms of retail competition.





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Many thanks for your interest!
Any questions?

Please visit our site:
www.fullertreacymoney.com



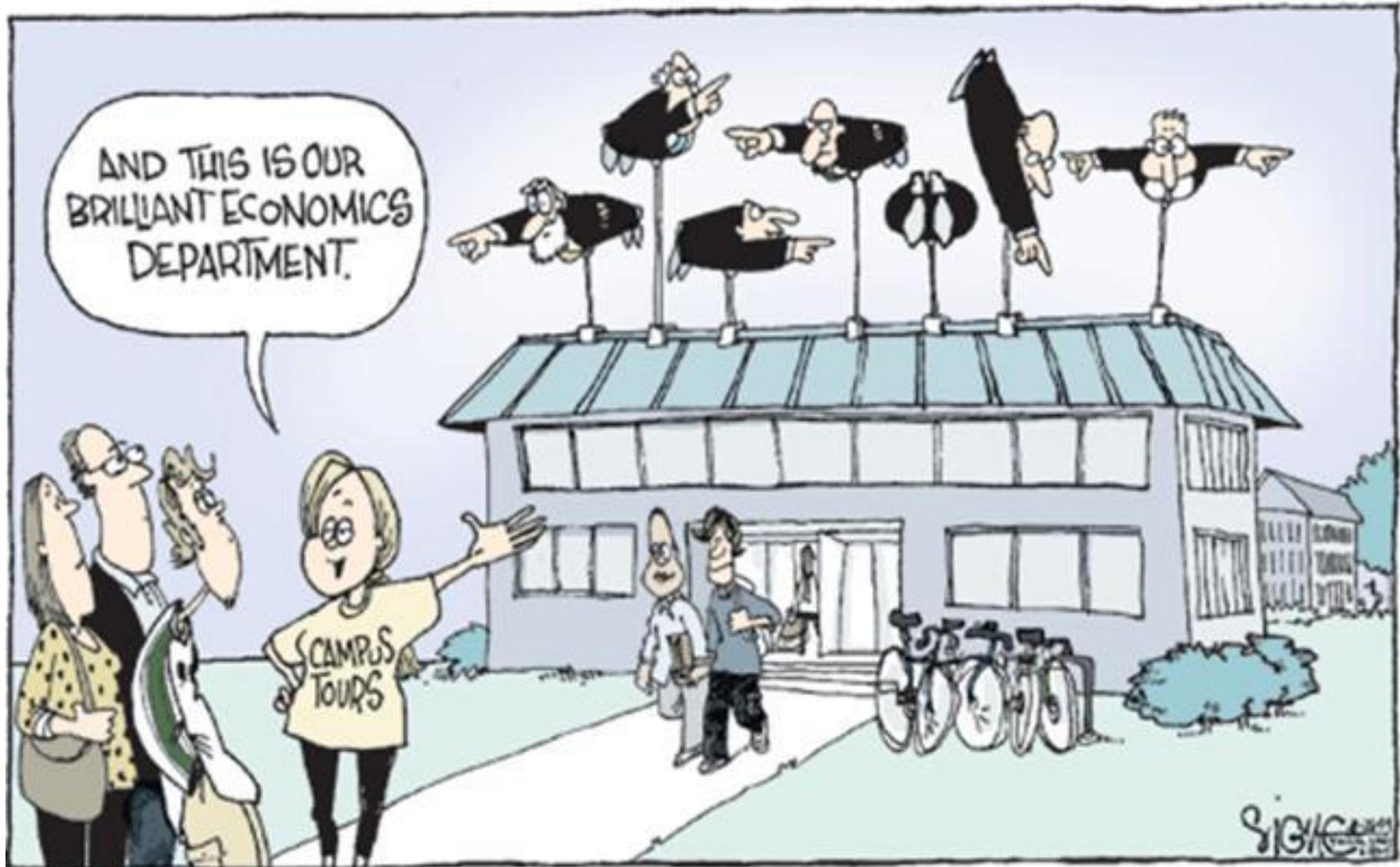
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Technical warning signs to watch for among indices

- 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