



Fuller Treacy Money
Global Strategy Service
Empowerment Through Knowledge

A More Challenging Environment For Global Investors But Not Without Opportunities

April 25th 2016

The Markets Now

by David Fuller

fullertreacymoney.com

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Thanks to technology

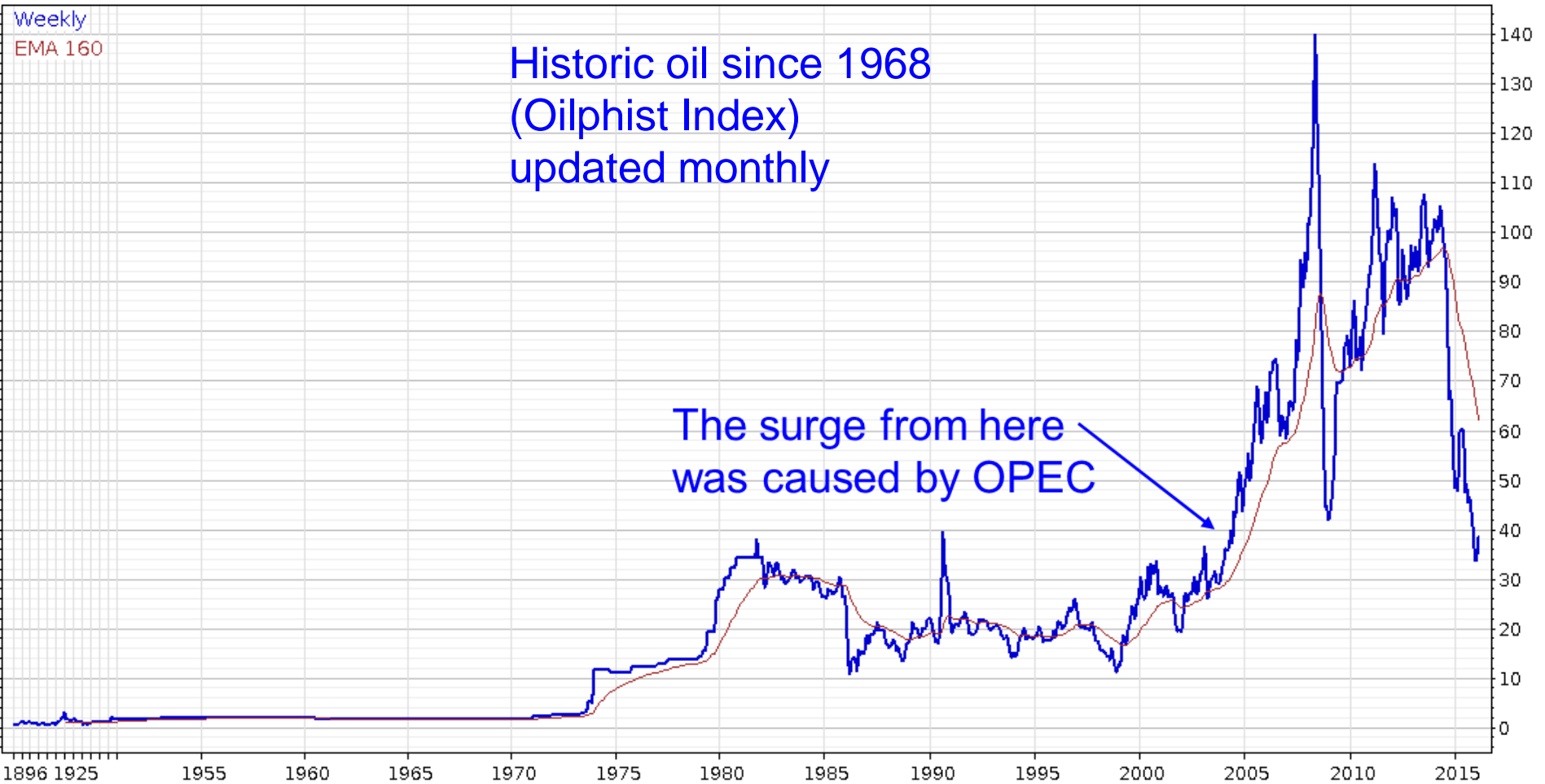
the energy price bubble is over forever,
at least for countries with sensible energy policies,
including fracking, new nuclear and renewables



Weekly
EMA 160

Historic oil since 1968
(Oilphist Index)
updated monthly

The surge from here
was caused by OPEC





Brent Crude Oil (CO1 COMB COMDTY) 41.94 2.34

2016-04-08

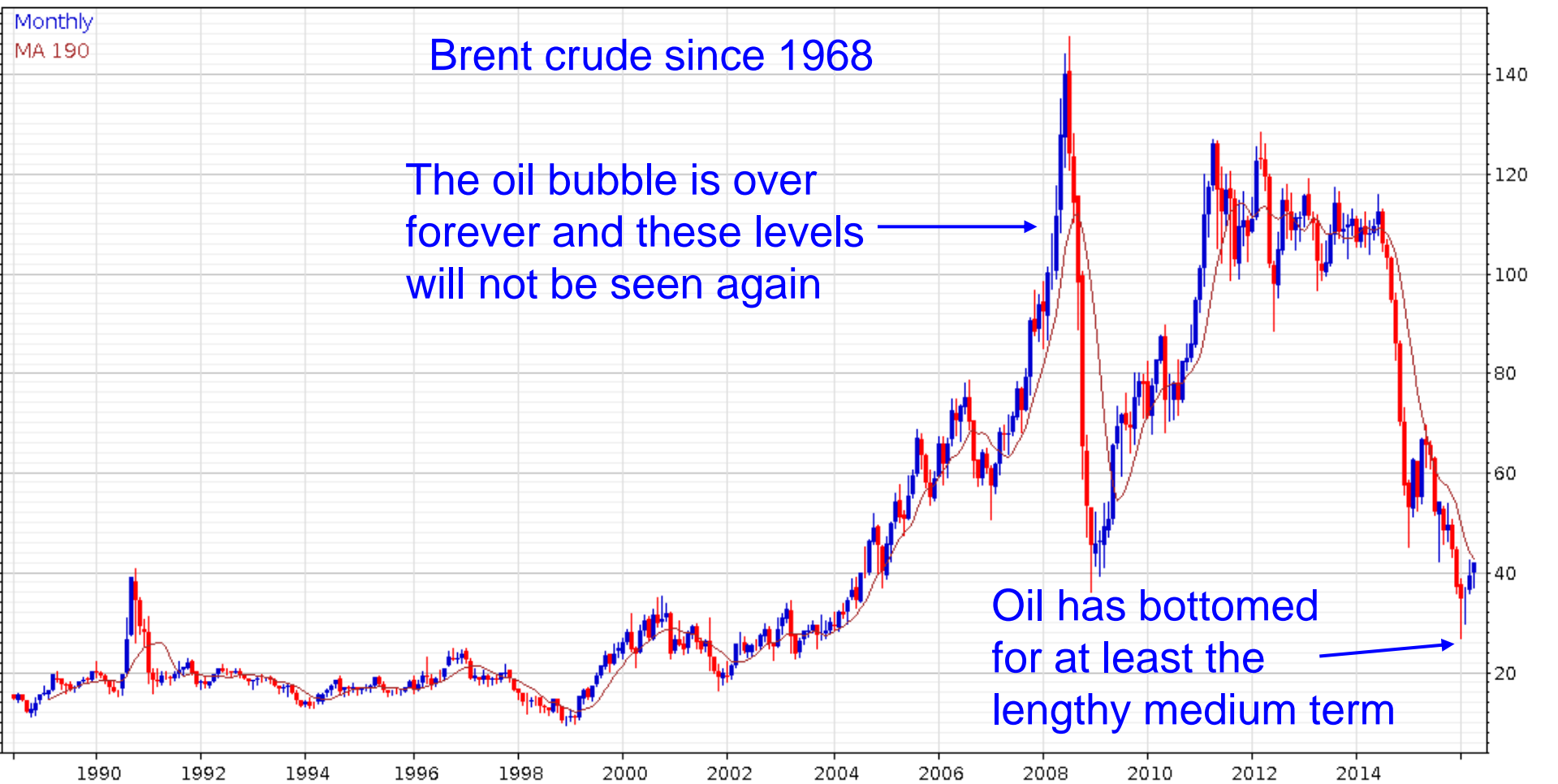
Monthly
MA 190

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) 2.14 0.18

2016-04-22

Monthly
MA 190

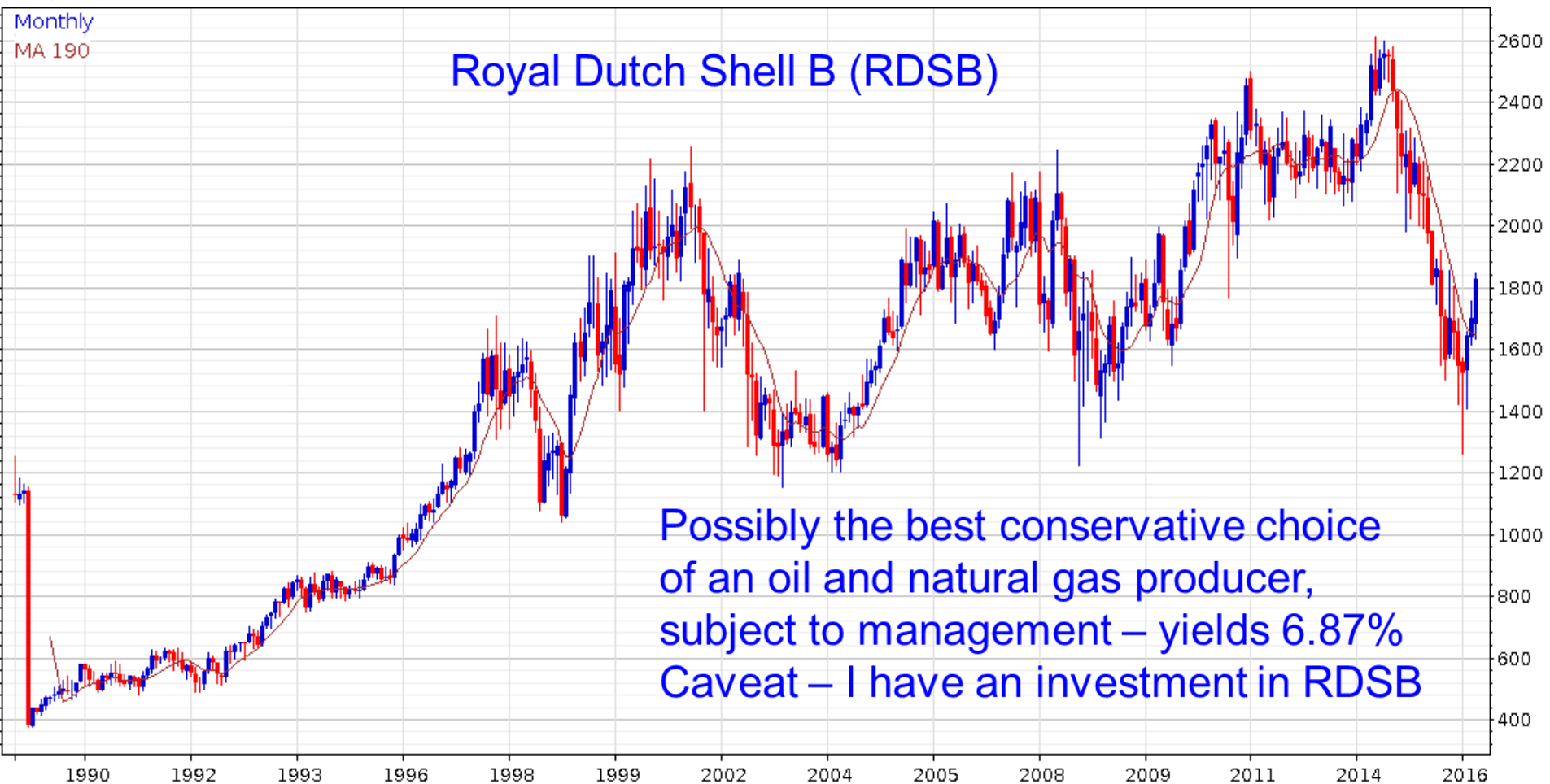
Natural gas will soon be more important than crude oil and shortages caused by cartels are a problem of the past





Monthly
MA 190

Royal Dutch Shell B (RDSB)





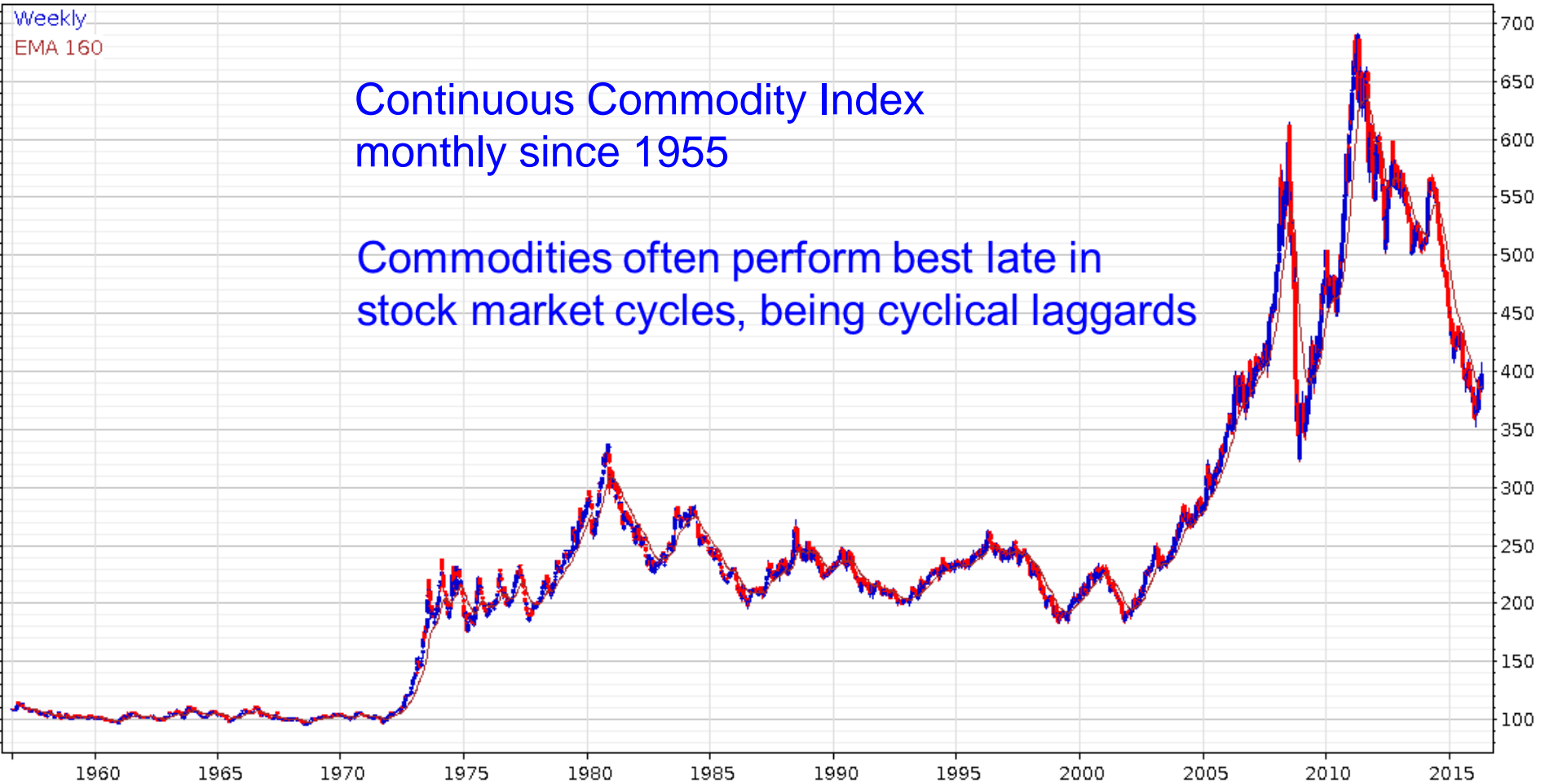
CRB Continuous Commodity Index (Old CRB) (CCI INDEX) 397.5147 8.72

2016-04-22

Weekly
EMA 160

Continuous Commodity Index monthly since 1955

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



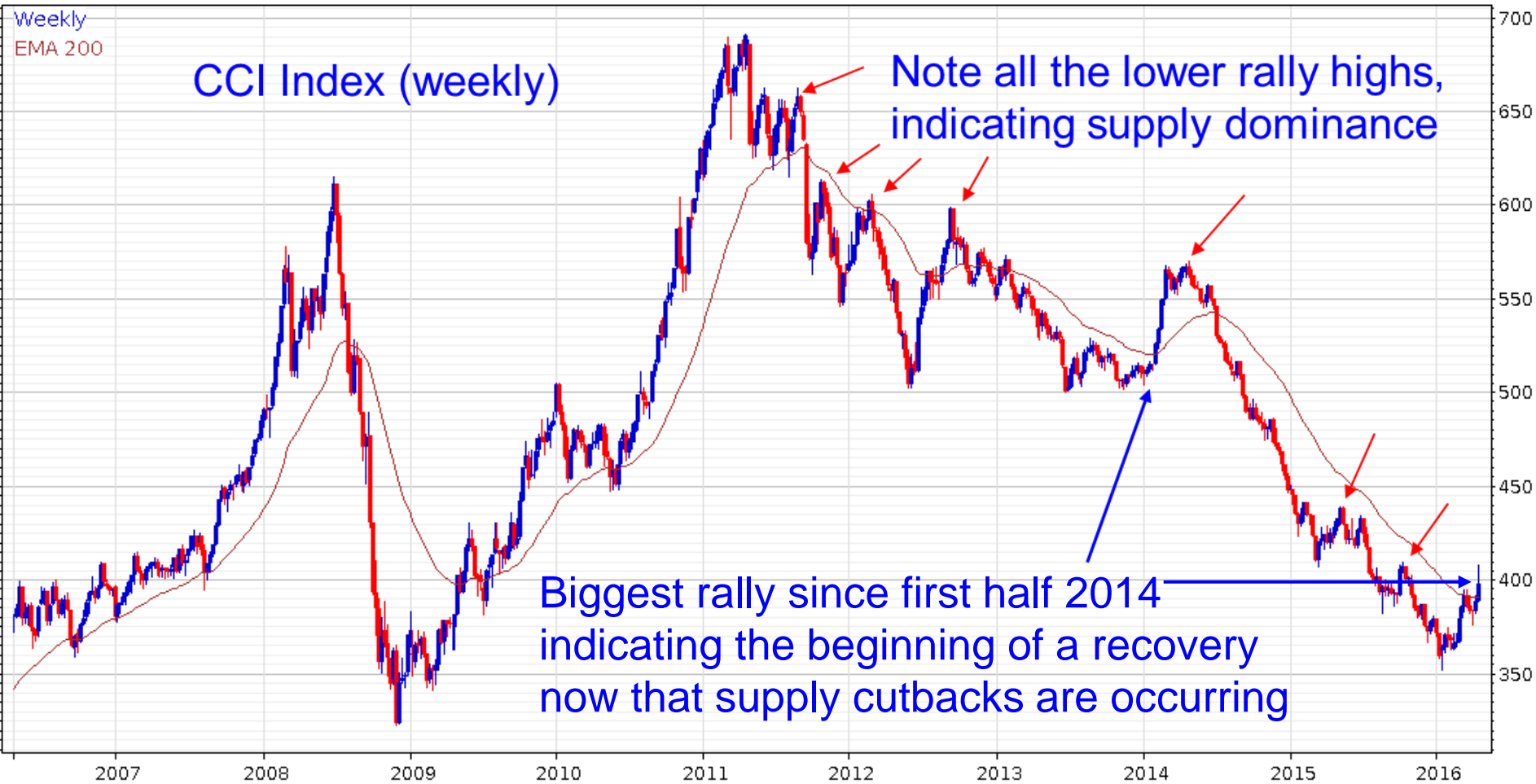


Weekly
EMA 200

CCI Index (weekly)

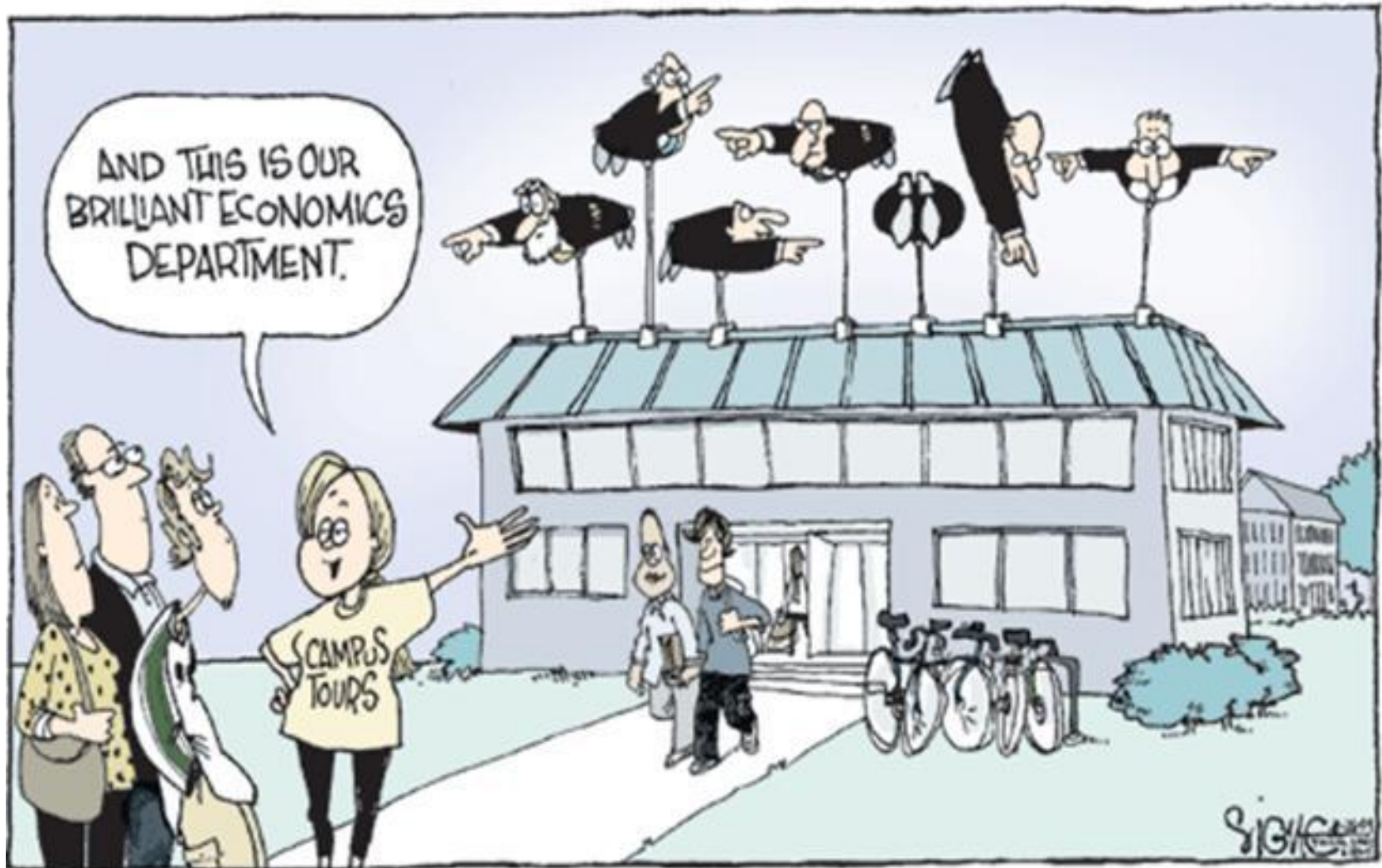
Note all the lower rally highs, indicating supply dominance

Biggest rally since first half 2014 indicating the beginning of a recovery now that supply cutbacks are occurring





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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.

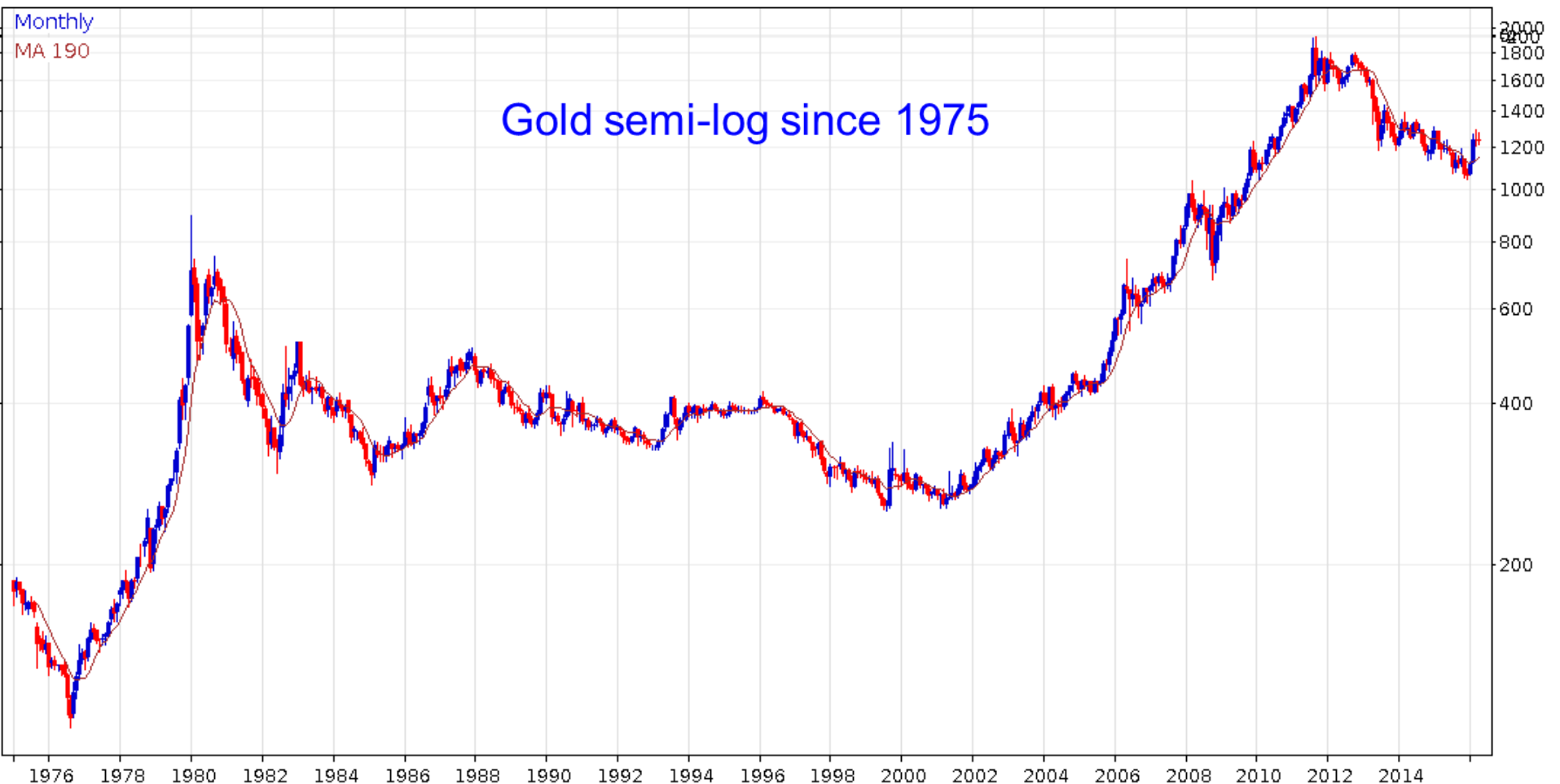


Gold CMX (cont 2nd mth) (GC2 COMB COMDTY) 1230.00 -5.6

2016-04-22

Monthly
MA 190

Gold semi-log since 1975





Gold (1st mth) (GC1 COMB COMB COMDTY) 1228.70 -4.4

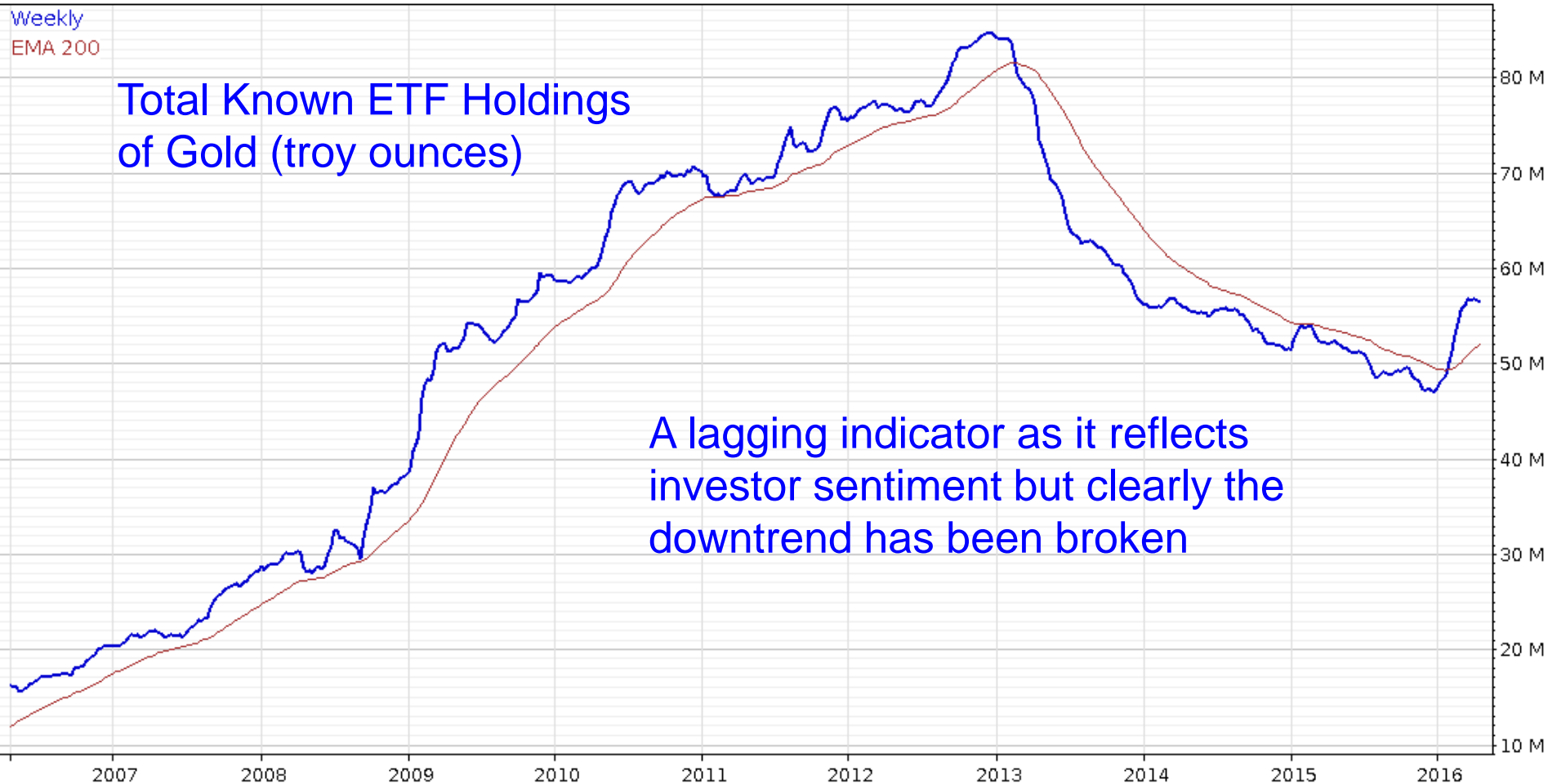
2016-04-22





Total Known ETF Holdings of Gold (troy ounces) (ETFGTOTL INDEX) 56487907.00 -99417.0

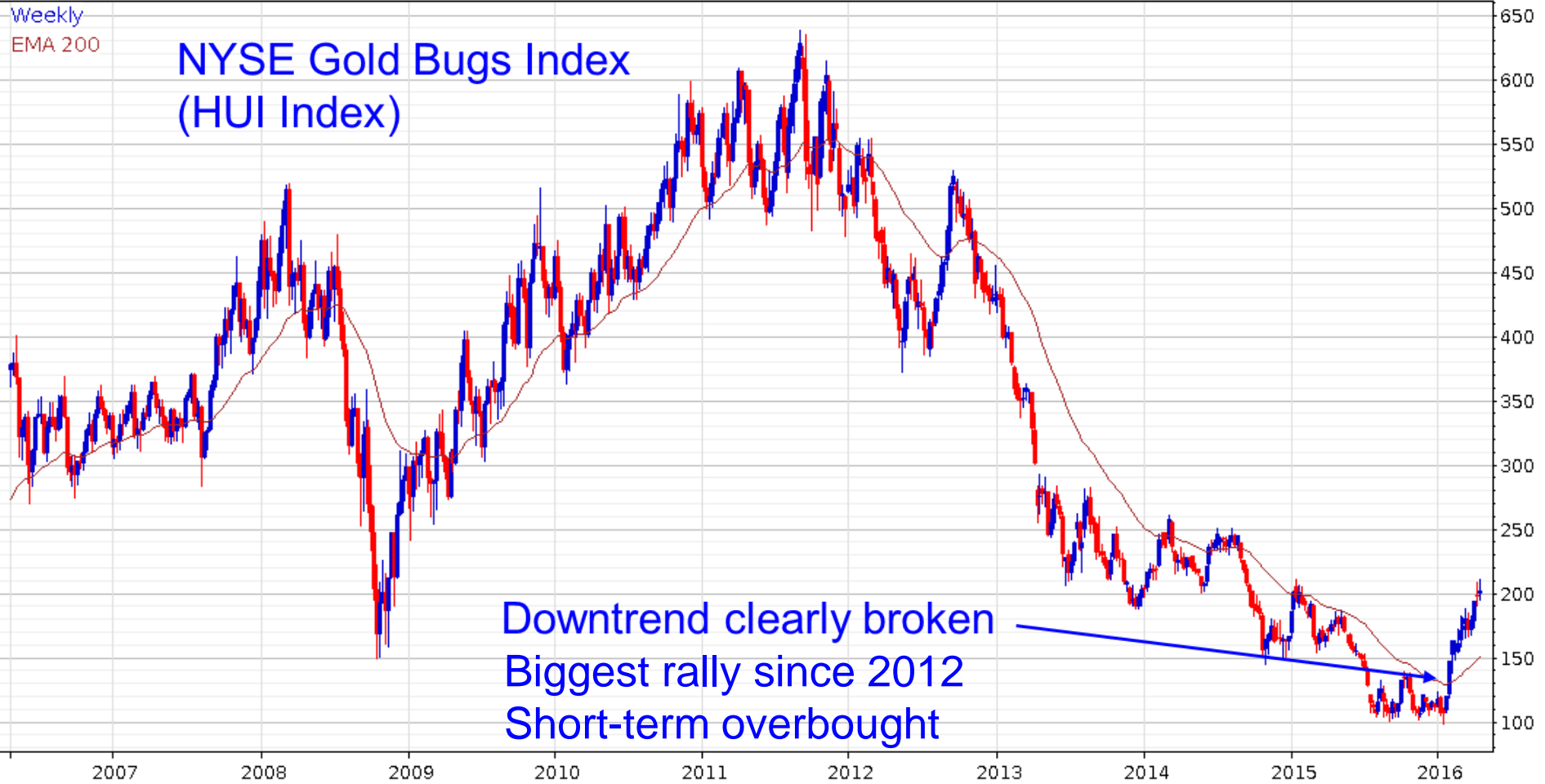
2016-04-22





NYSE Arca Gold Bugs Index (HUI INDEX) 202.294 4.14

2016-04-22





Sibanye Gold Ltd (SBGL US EQUITY) 14.40 -0.88

2016-04-22

Weekly
EMA 160

Hot Speculative Gold Shares,
albeit short-term overbought

Sibanye Gold (SBGL US)
Est P/E 7.53, Yield 3.26%





Kinross Gold Corp (KGC US EQUITY) 4.64 0.39

2016-04-22





HARMONY GOLD MNG LTD (HMY US EQUITY) 3.10 -0.49

2016-04-22





Silver 1st mth (SI1 COMB COMDTY) 16.90 0.59

2016-04-22

Weekly
EMA 200

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

Currently correcting
short-term overbought
condition, prior to
further gains







Bloomberg Base Metals 2-mth Index (CMDIBAS3 INDEX) 152.31 6.02

2016-04-22





LME Tin Spot (LMSNDY COMDTY) 17513.00 328.0

2016-04-22

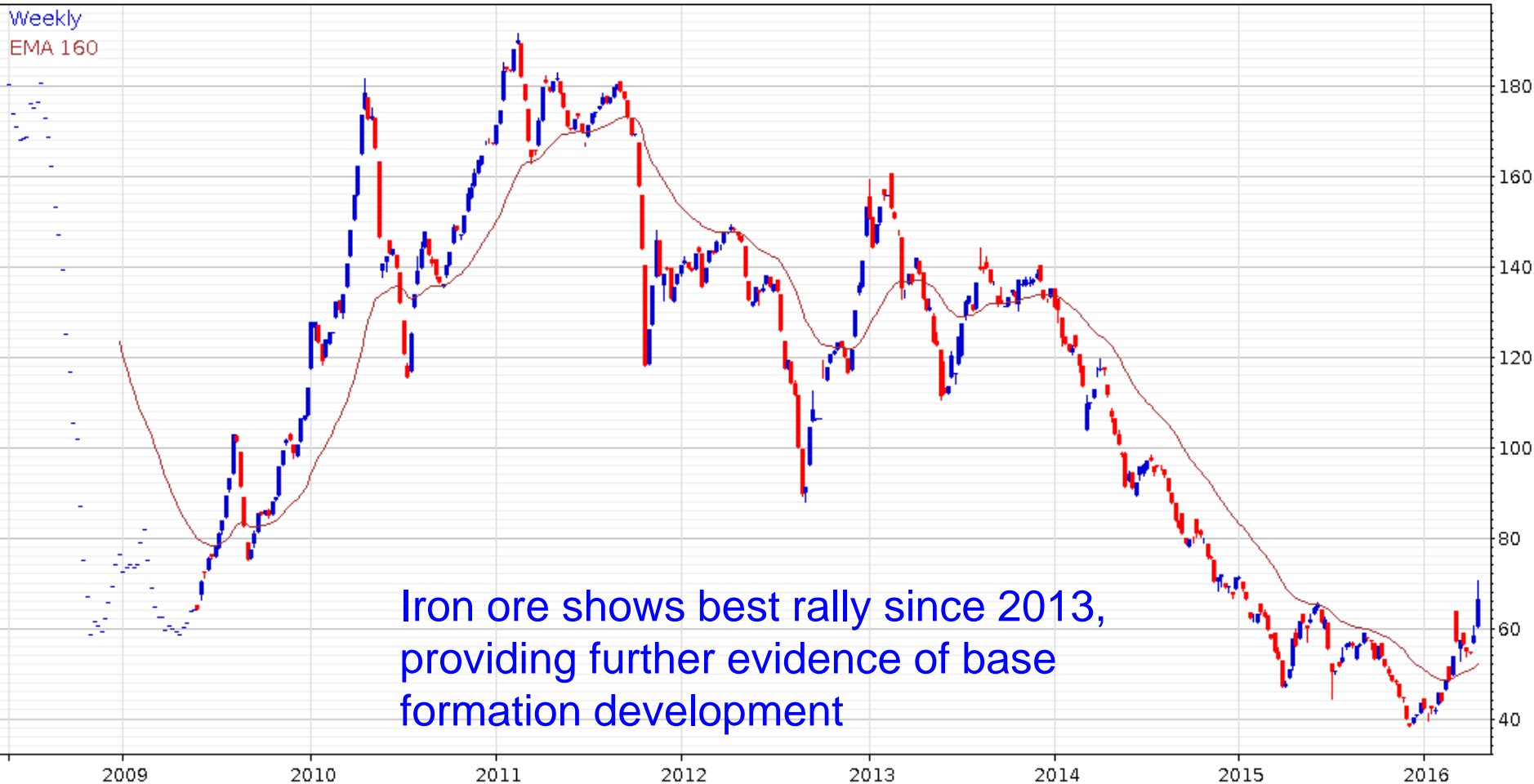


LME Tin shows the best recovery to date among base metals



Iron Ore (China import Fines 62% Fe per dry metric tonne) (MBIO62DA Index) 66.33 8.05

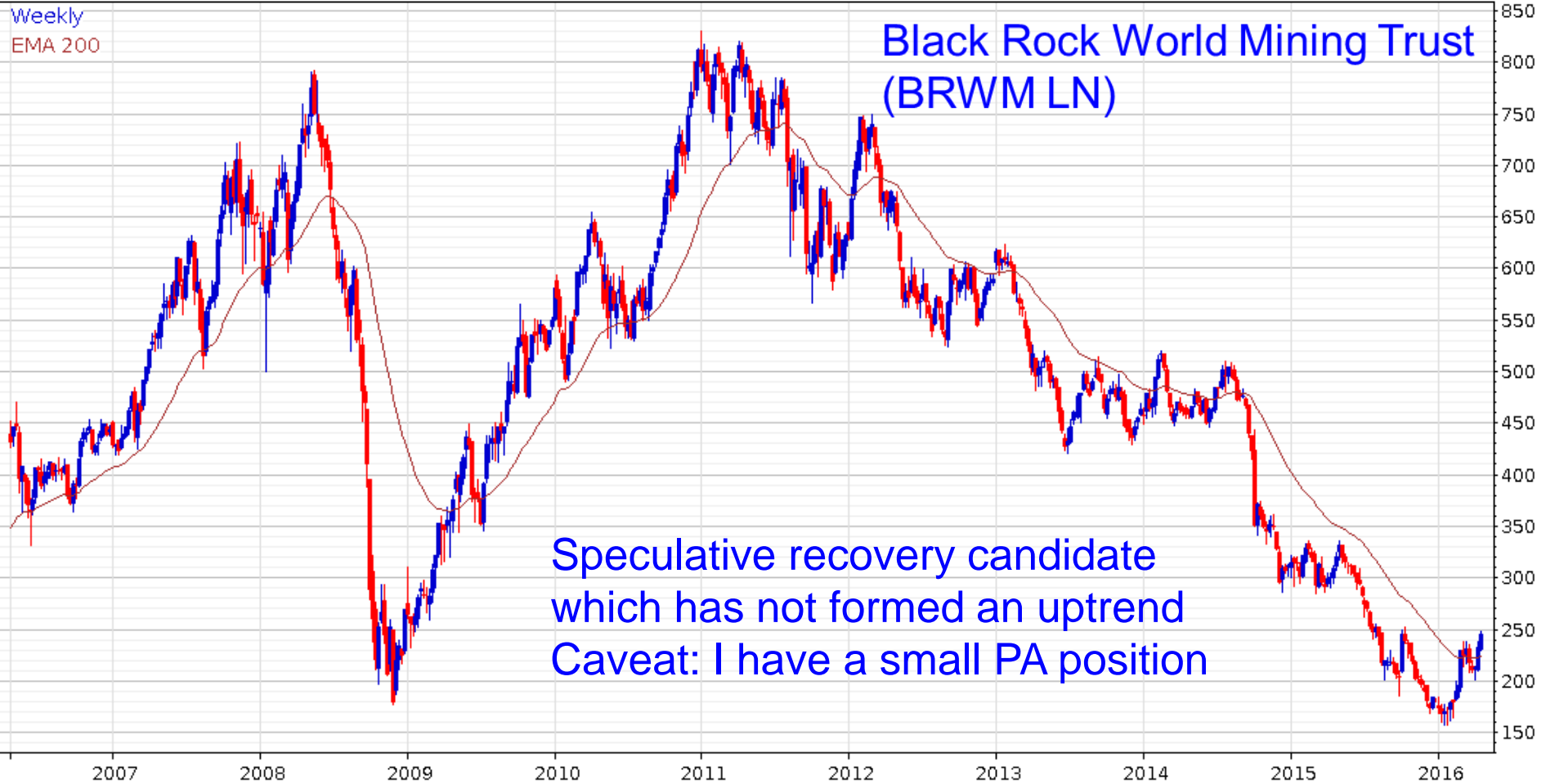
2016-04-22





Blackrock World Mining Trust (BRWM LN EQUITY) 245.00 12.5

2016-04-22





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.



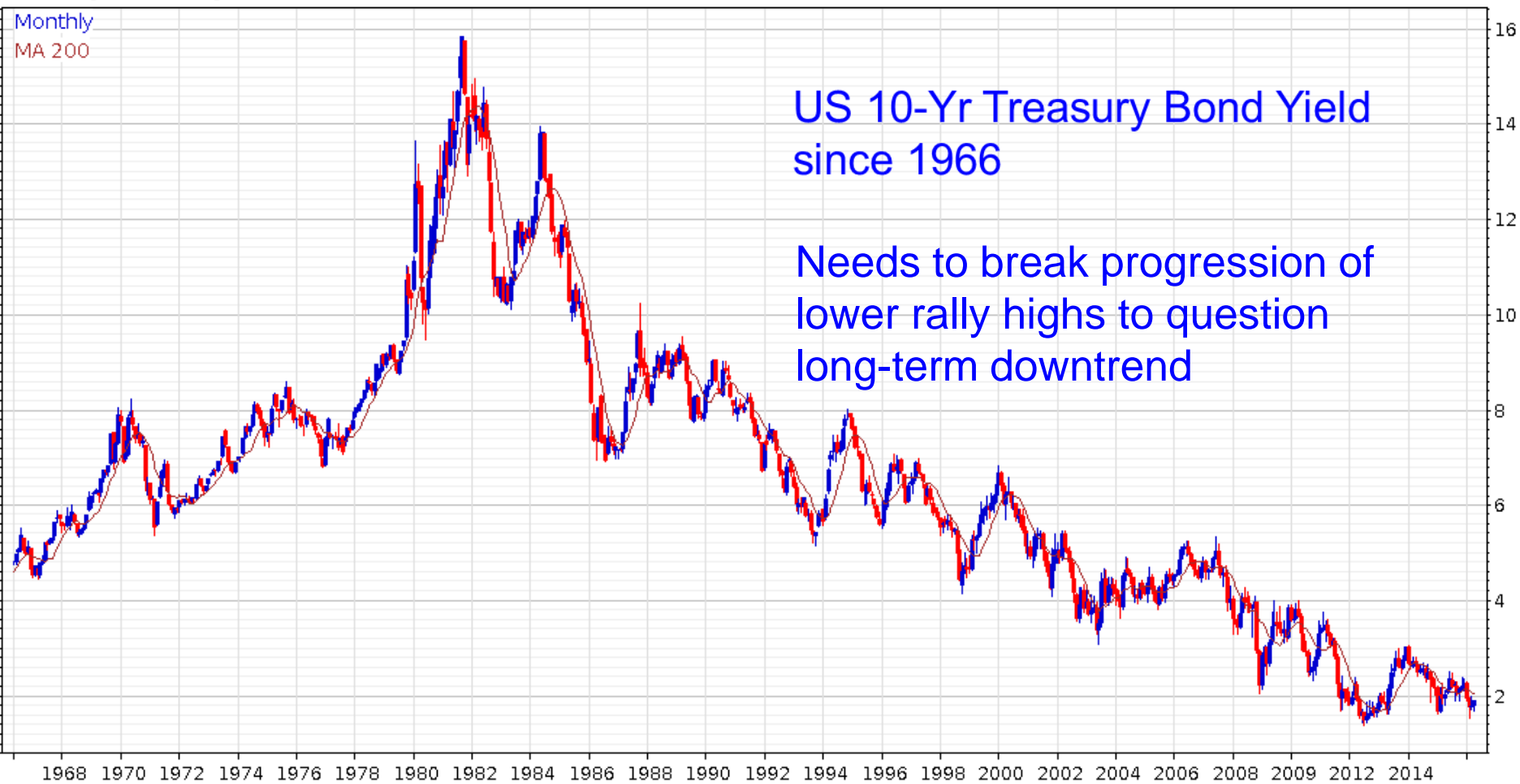
US 10yr Treasury Bond Yield (USGG10YR INDEX) 1.8878 0.12

2016-04-22

Monthly
MA 200

US 10-Yr Treasury Bond Yield since 1966

Needs to break progression of lower rally highs to question long-term downtrend



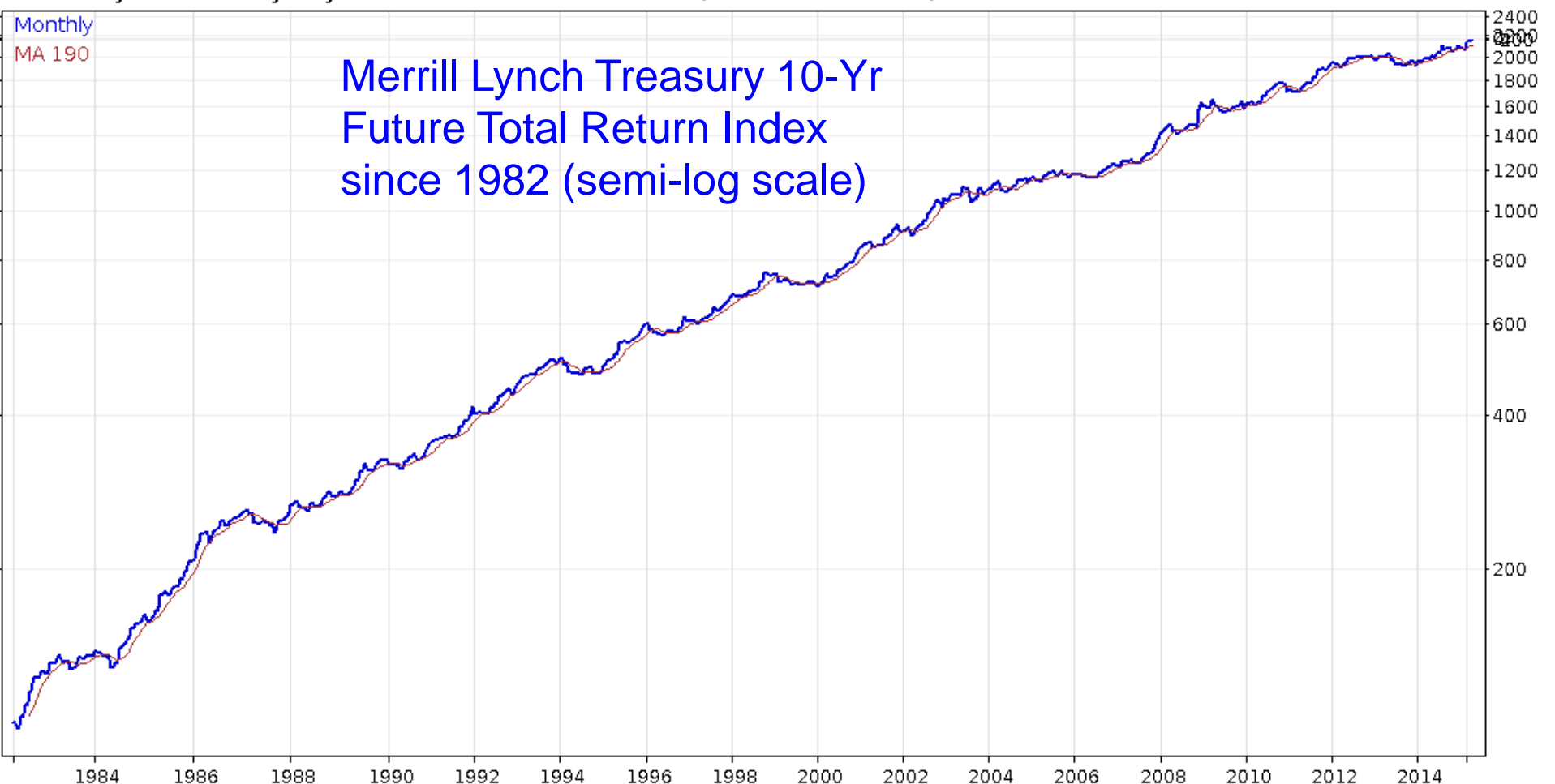


Merrill Lynch Treasury 10yr+ Future Total Return Index (MLT1US10 INDEX) 2159.772 14.28

2016-04-07

Monthly
MA 190

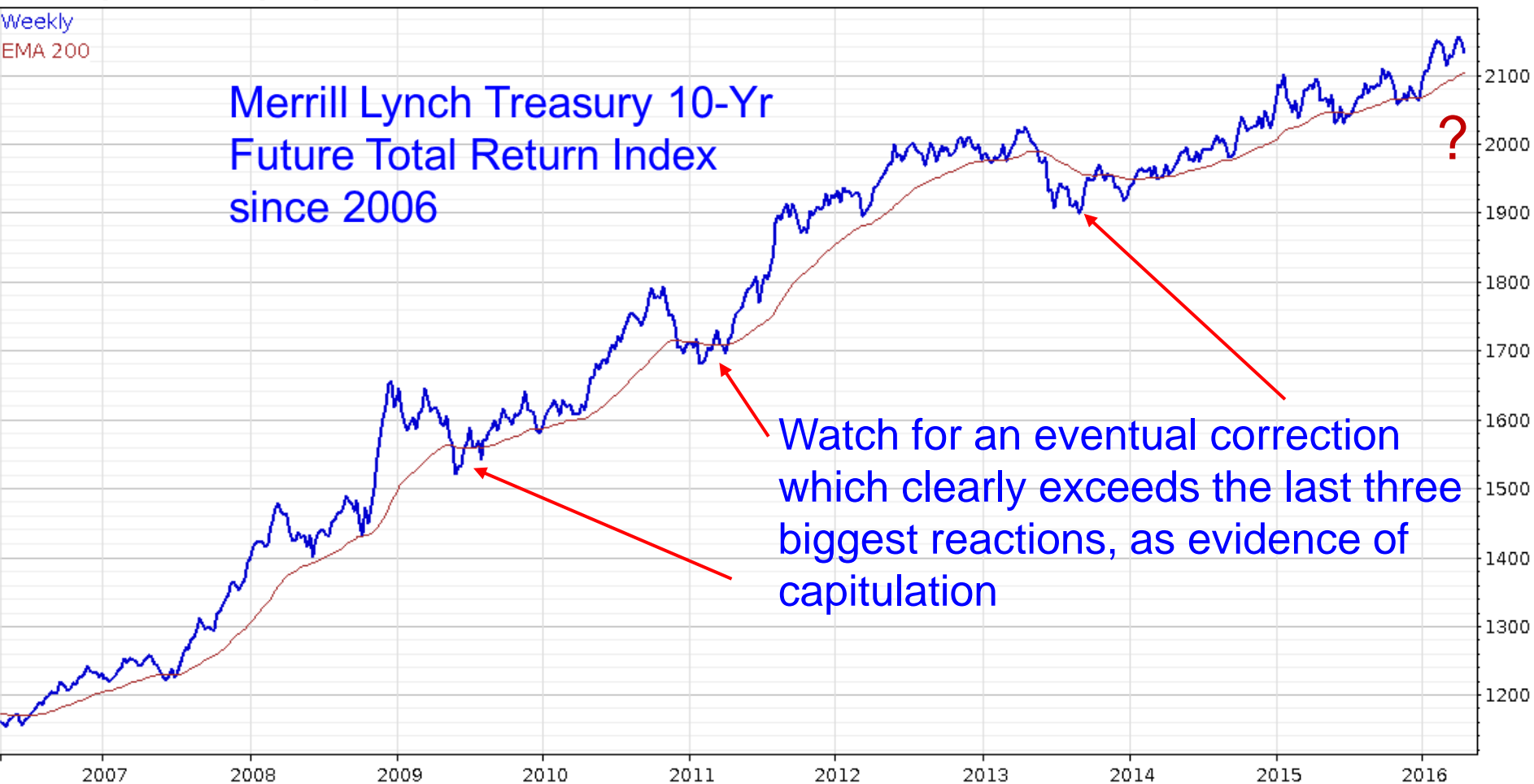
Merrill Lynch Treasury 10-Yr Future Total Return Index since 1982 (semi-log scale)





Weekly
EMA 200

Merrill Lynch Treasury 10-Yr Future Total Return Index since 2006

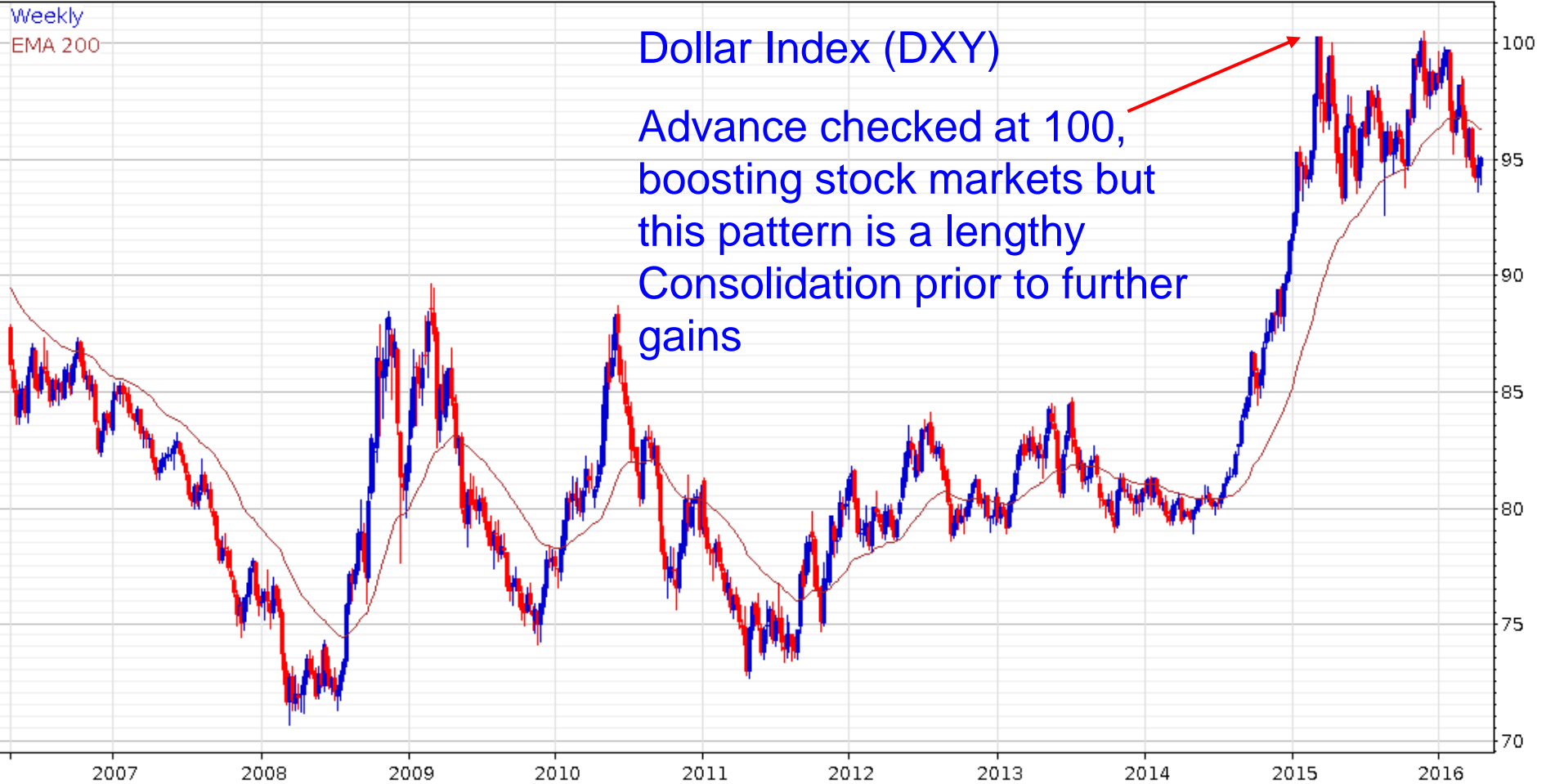


Watch for an eventual correction which clearly exceeds the last three biggest reactions, as evidence of capitulation



Dollar Index (DXY INDEX) 95.066 0.35

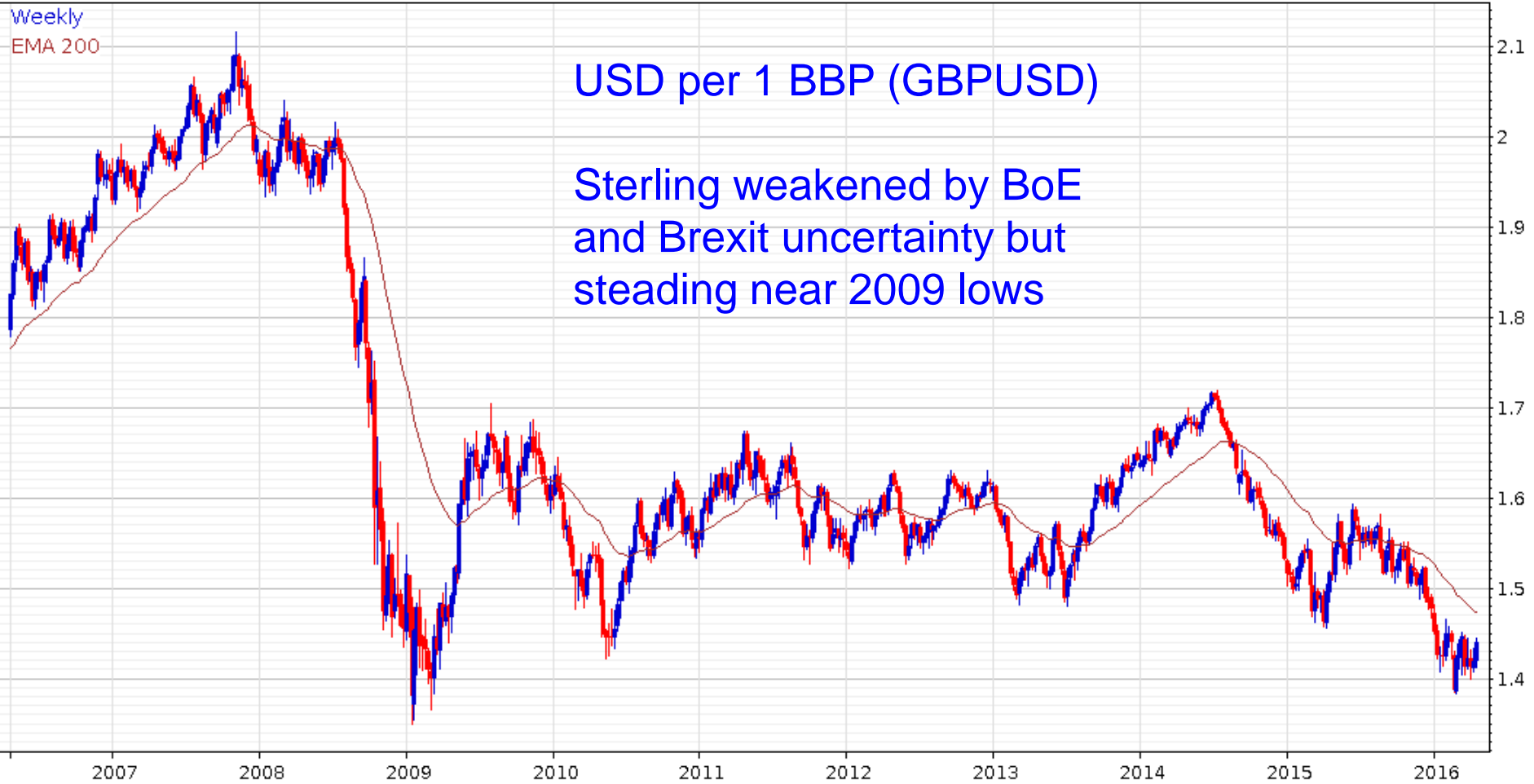
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USD per 1 GBP (GBPUSD CURRENCY) 1.4402 0.02

2016-04-22





EUR per 1 GBP (GBPEUR CURRENCY) 1.2847 0.03

2016-04-22





Global Stock Markets

A number of recoveries from earlier bear market lows, but ...

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 quarter and valuations are not cheap, but softer \$ may help

US momentum leading Autonomies show some loss of form

Contra-cyclical commodity shares are now outperforming, as we often see late in stock market cycles

Seasonal factors turn less favourable in May for six months



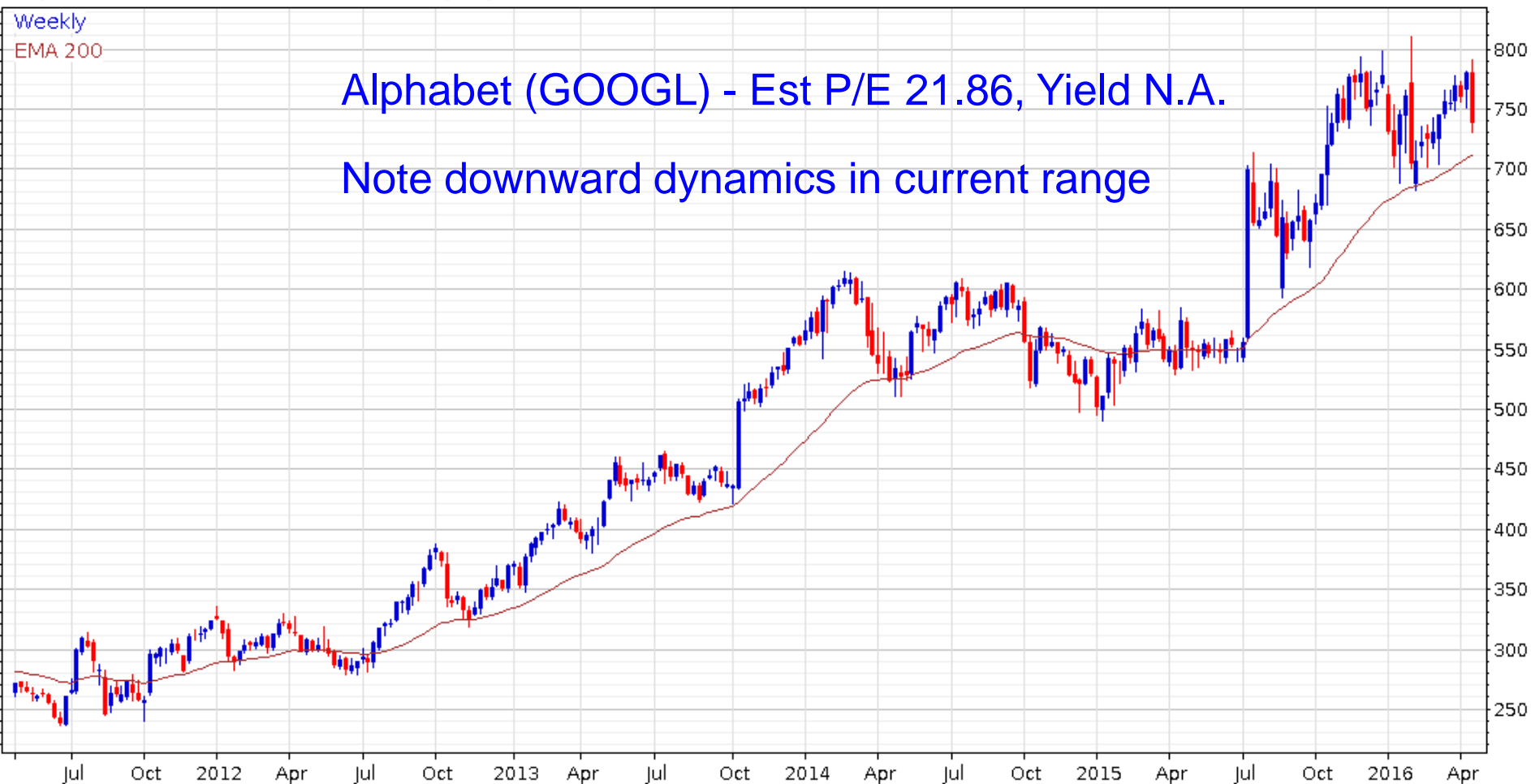
Alphabet Inc. A Class (GOOGL US Equity) 737.77 -42.23

2016-04-22

Weekly
EMA 200

Alphabet (GOOGL) - Est P/E 21.86, Yield N.A.

Note downward dynamics in current range





Walt Disney Co (DIS US EQUITY) 103.77 5.18

2016-04-22

Weekly
EMA 200

Walt Disney - Est P/E 17.77, Yield 1.37%

Note downward dynamics in current range





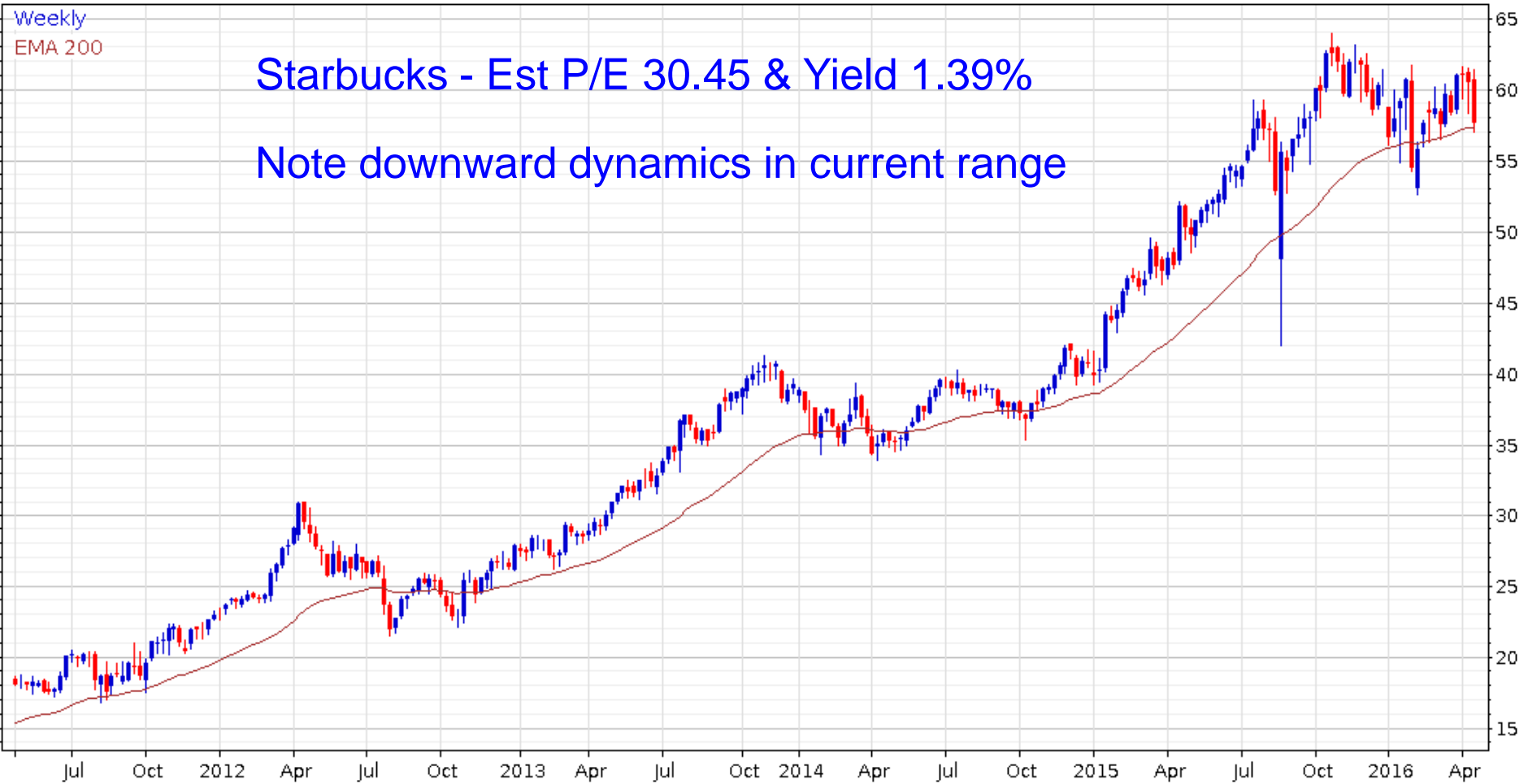
Starbucks Corp (SBUX US EQUITY) 57.68 -2.83

2016-04-22

Weekly
EMA 200

Starbucks - Est P/E 30.45 & Yield 1.39%

Note downward dynamics in current range





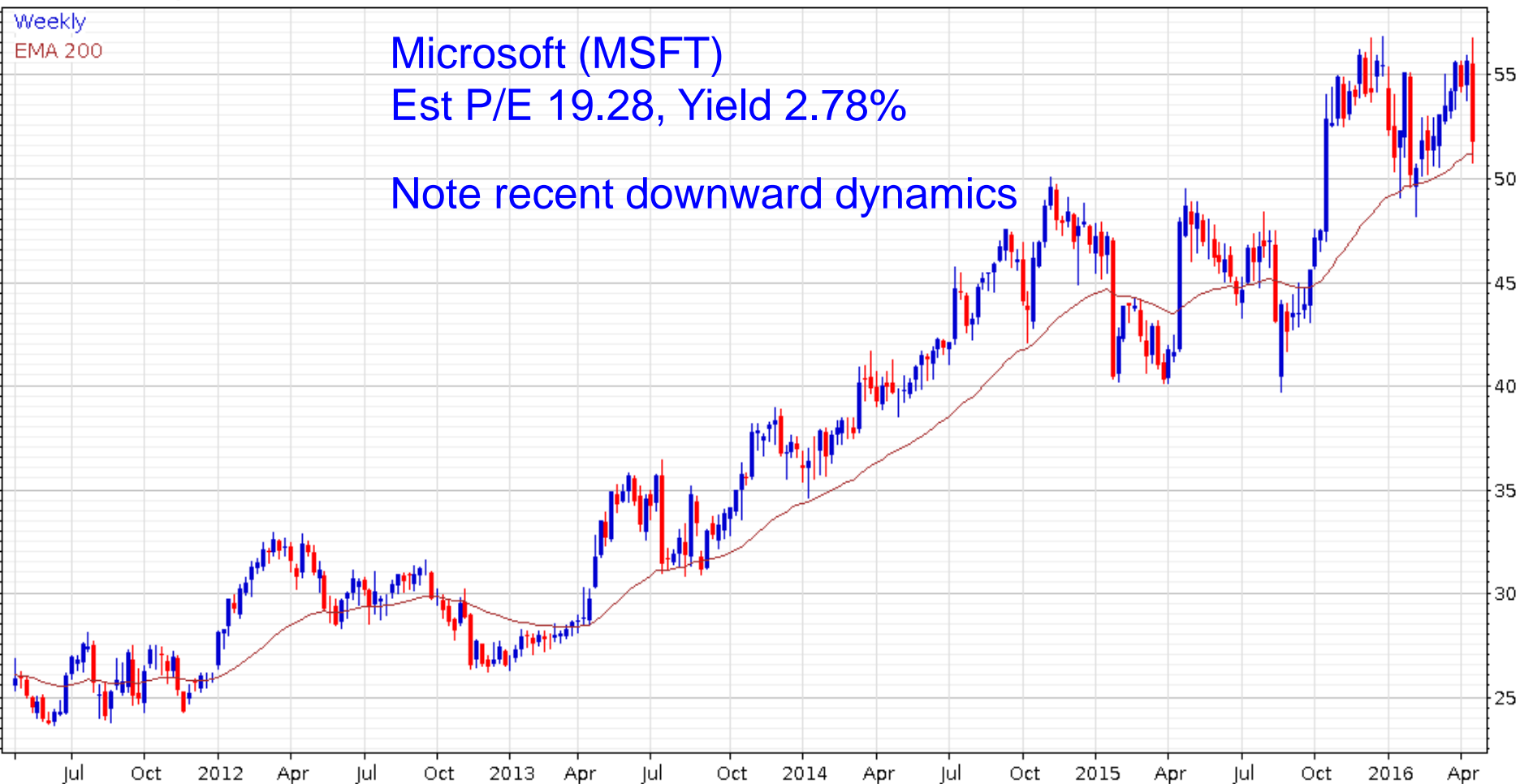
Microsoft Corp (MSFT US EQUITY) 51.78 -3.87

2016-04-22

Weekly
EMA 200

Microsoft (MSFT)
Est P/E 19.28, Yield 2.78%

Note recent downward dynamics





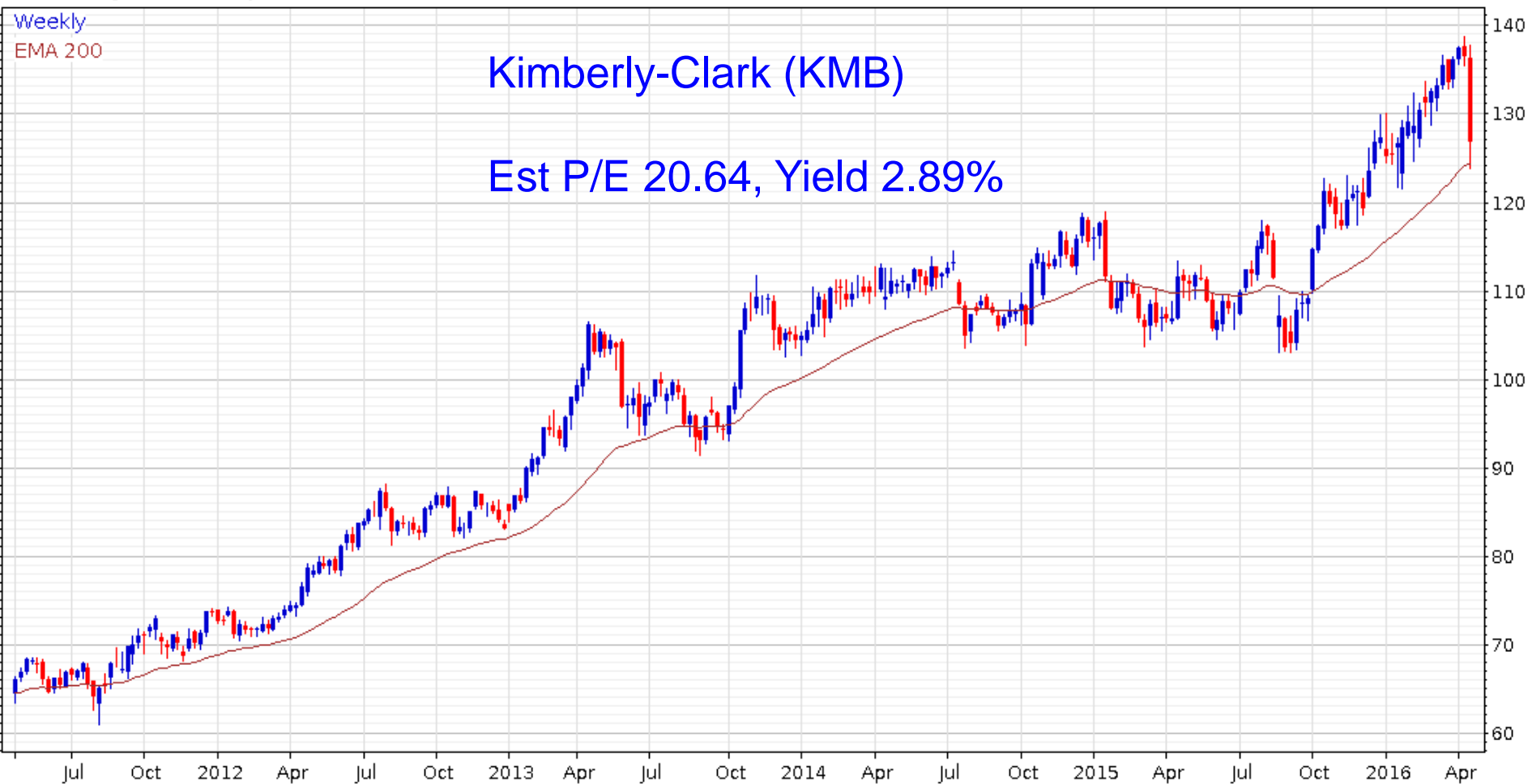
Kimberly-Clark Corp (KMB US EQUITY) 126.88 -9.59

2016-04-22

Weekly
EMA 200

Kimberly-Clark (KMB)

Est P/E 20.64, Yield 2.89%





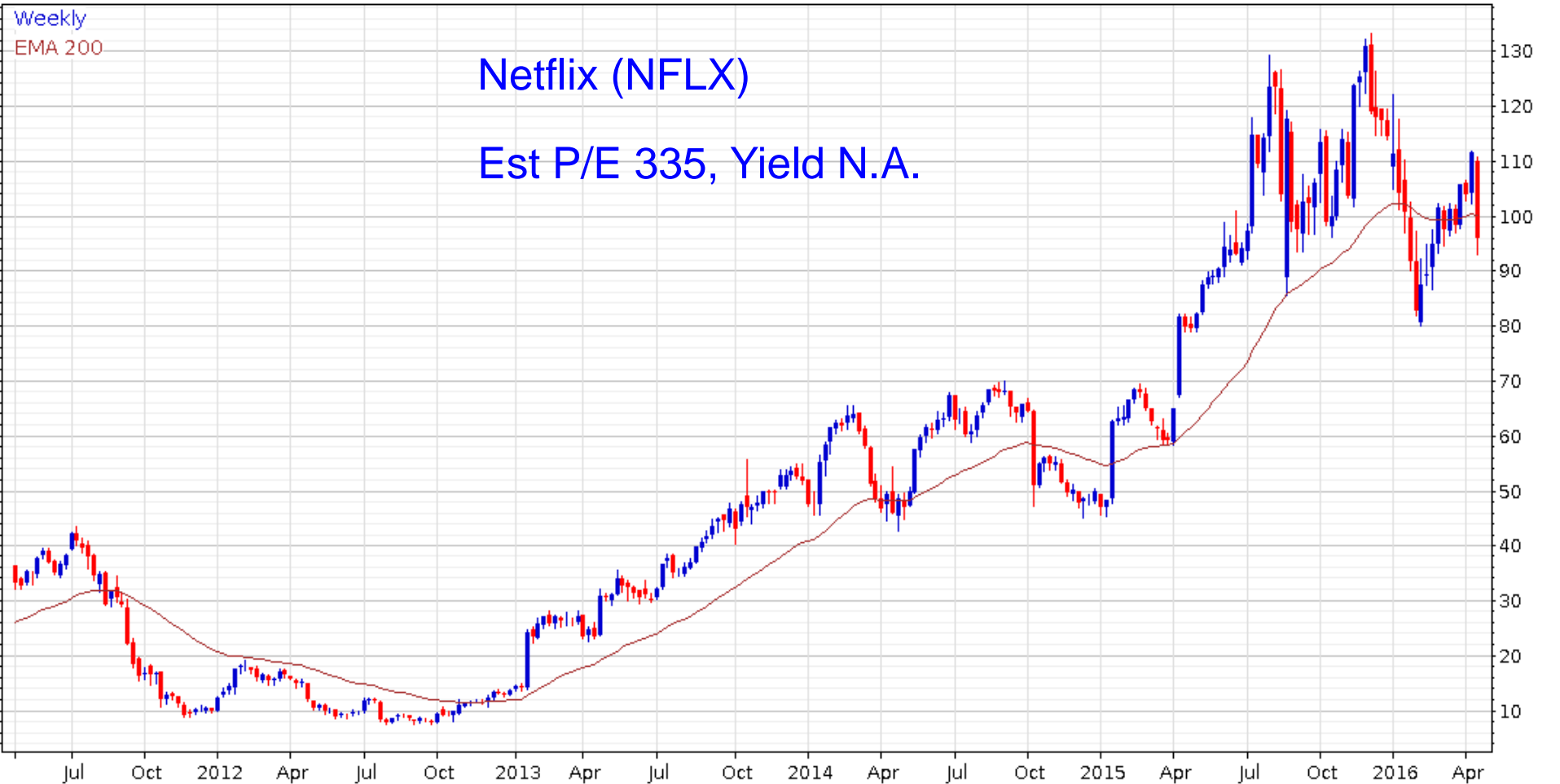
Netflix Inc (NFLX US EQUITY) 95.90 -15.61

2016-04-22

Weekly
EMA 200

Netflix (NFLX)

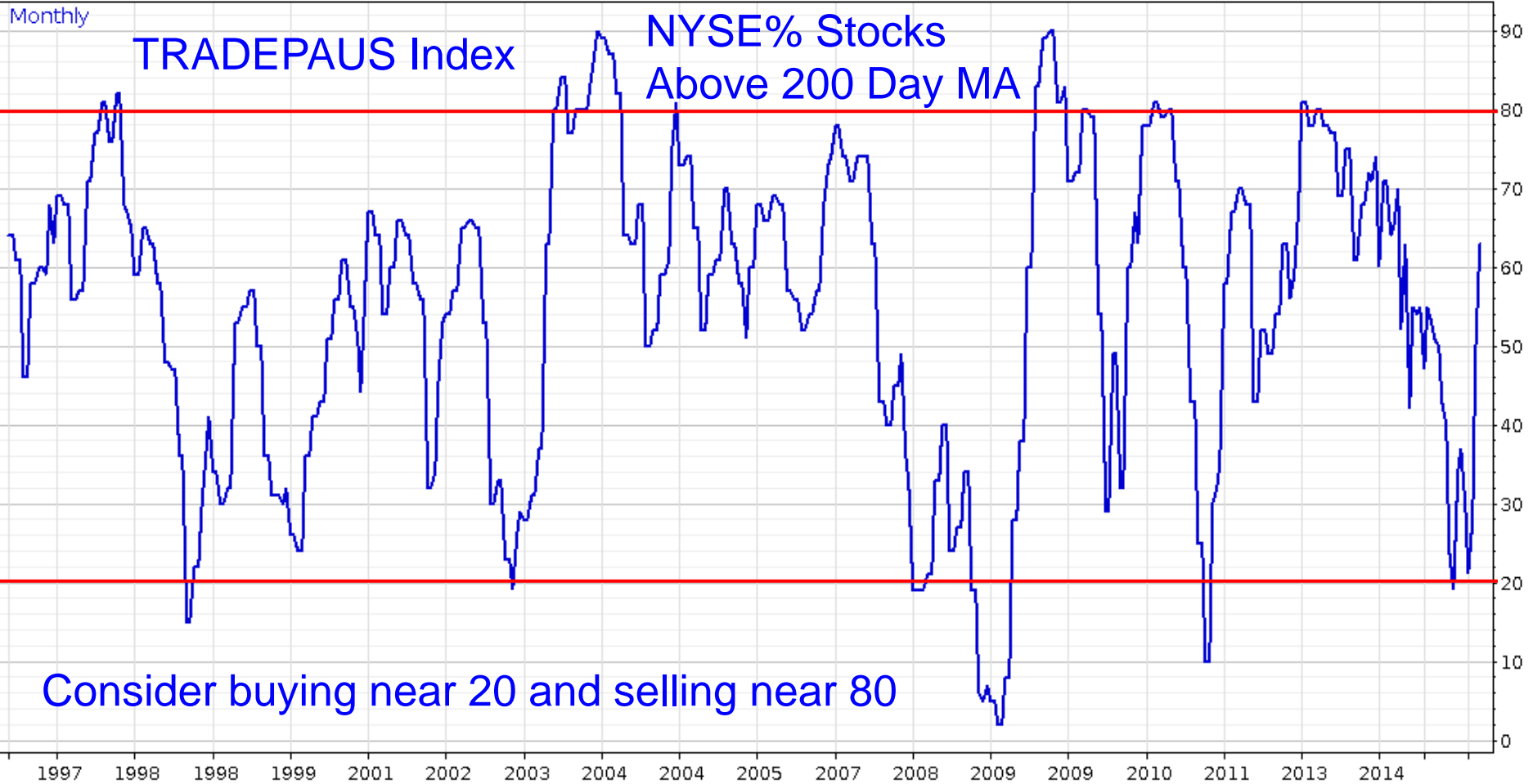
Est P/E 335, Yield N.A.





NYSE % of Stocks above 200day MA (TRADPAUS INDEX) 63.00 14.0

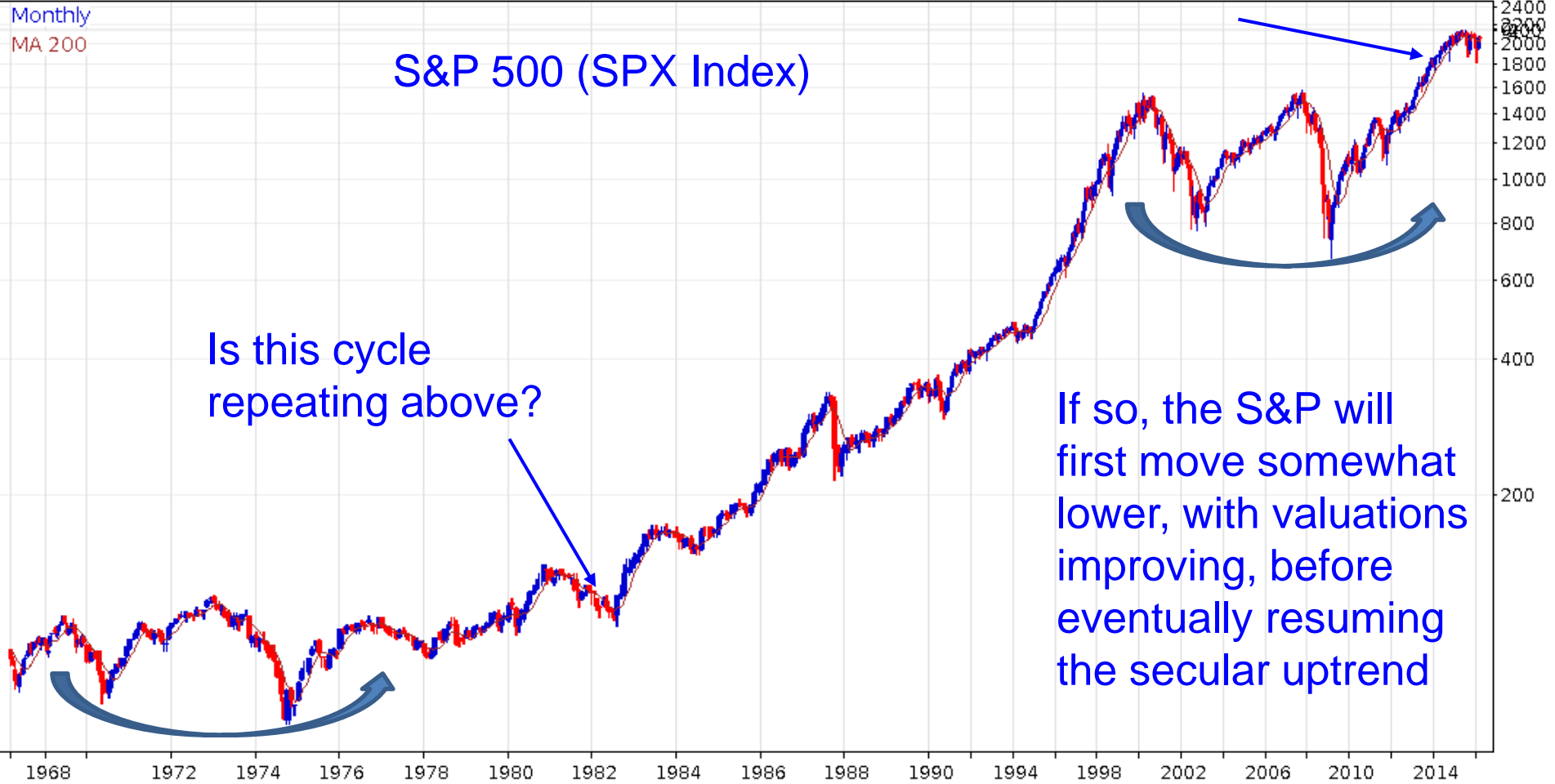
2016-04-22





S&P 500 (SPX INDEX) 2041.99 -17.75

2016-04-11





S&P 500 (SPX INDEX) 2091.58 10.85

2016-04-22

Weekly
EMA 200

S&P 500 Index
P/E 19.18, Yield 2.16%

Testing resistance in
upper side of lengthy
trading range





Russell 2000 (RTY INDEX) 1146.69 15.77

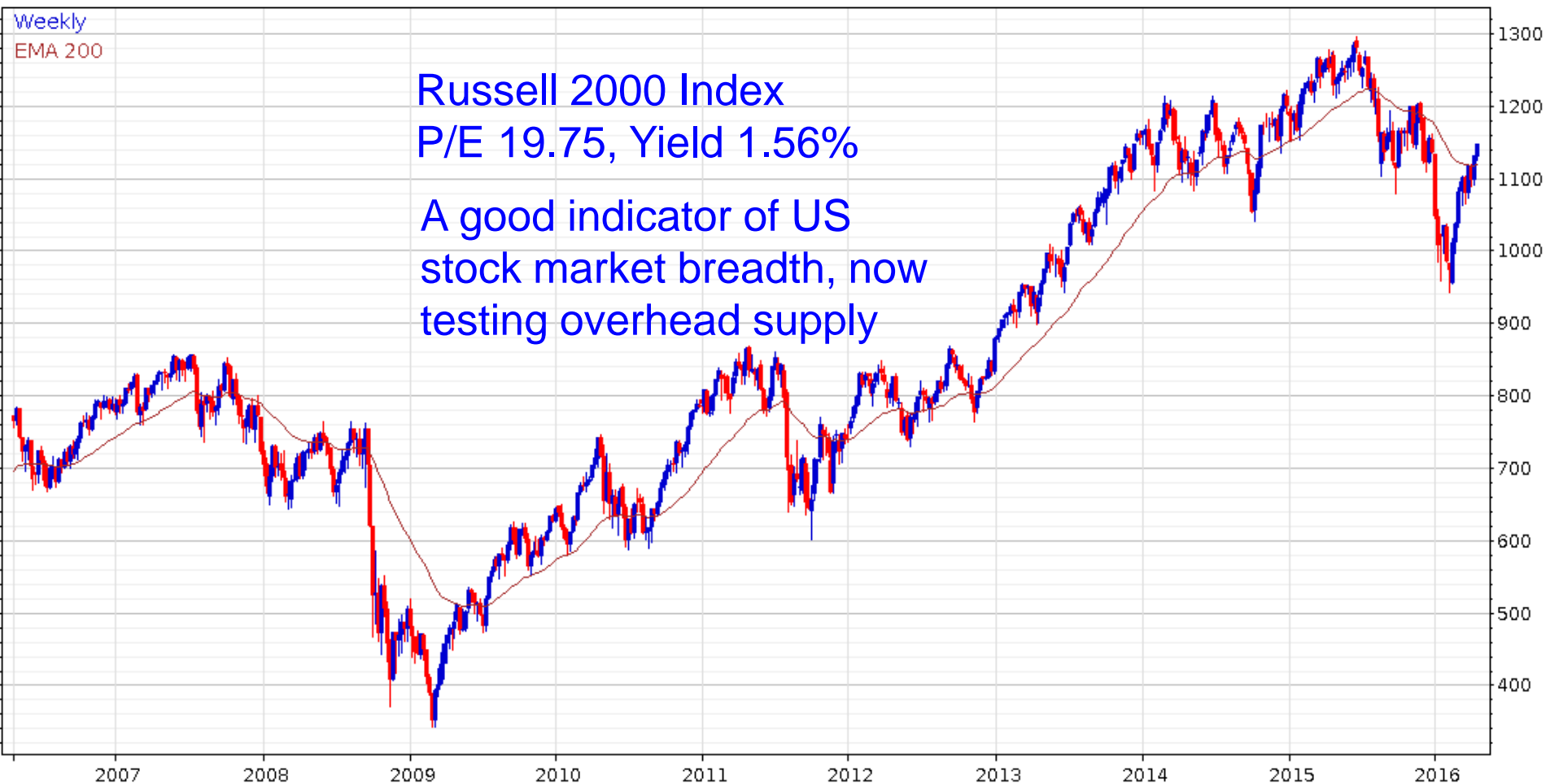
2016-04-22

Weekly

EMA 200

Russell 2000 Index
P/E 19.75, Yield 1.56%

A good indicator of US
stock market breadth, now
testing overhead supply





Nasdaq Composite (CCMP INDEX) 4906.228 -31.99

2016-04-22

Weekly
EMA 200

Nasdaq Composite Index (CCMP)
P/E 31.55, Yield 1.29%

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





NASDAQ Biotech Index (NBI INDEX) 3015.922 79.63

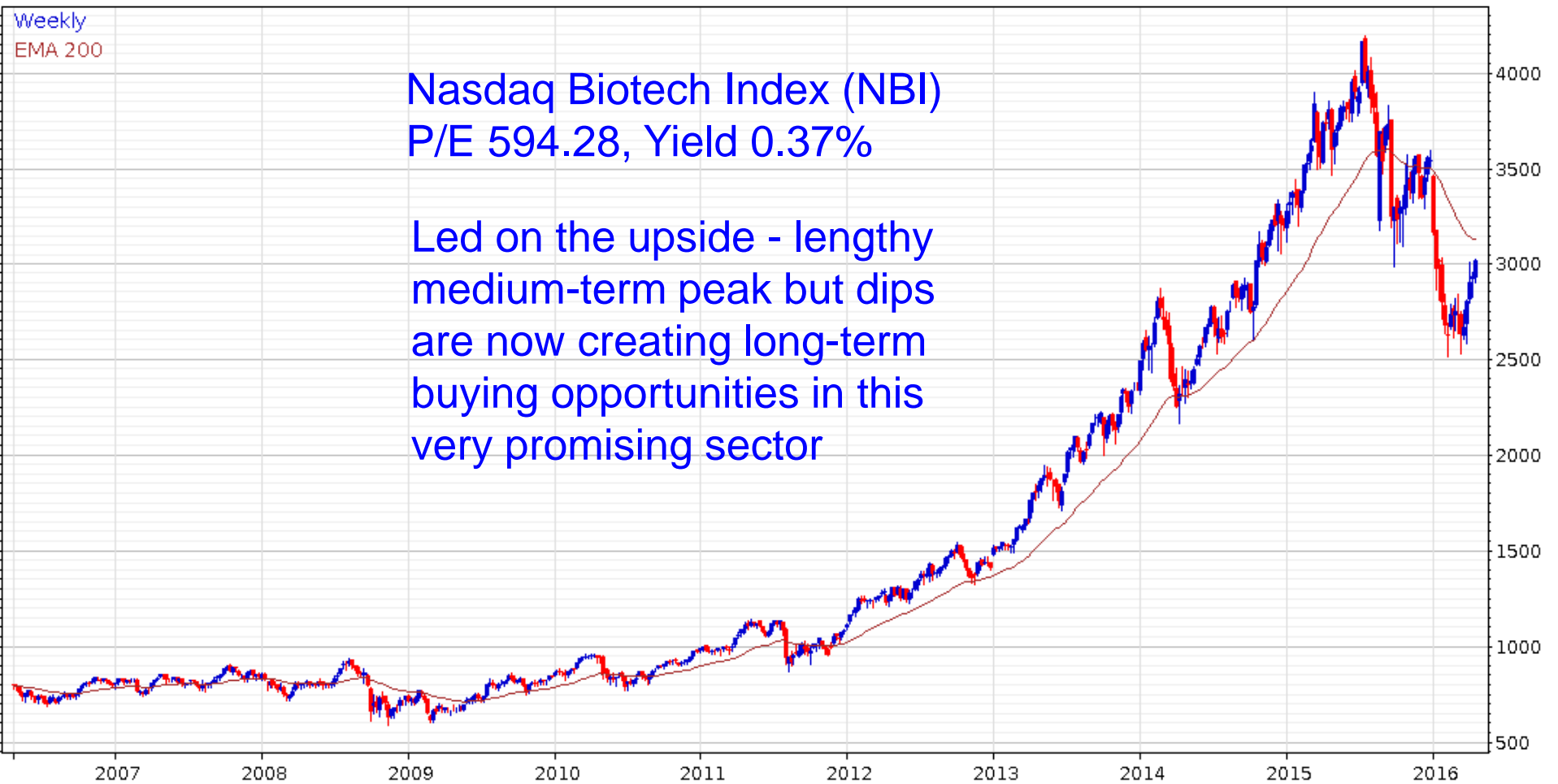
2016-04-22

Weekly
EMA 200

Nasdaq Biotech Index (NBI)

P/E 594.28, Yield 0.37%

Led on the upside - lengthy
medium-term peak but dips
are now creating long-term
buying opportunities in this
very promising sector





China Shanghai Composite Index (SHCOMP INDEX) 2959.24 -118.88

2016-04-22





Japan Nikkei 225 Index (NKY INDEX) 17572.49 724.46

2016-04-22

Weekly
EMA 200

Japan Nikkei 225 (NKY)
P/E 19.74, Yield 1.73%

Enigmatic but building
support after cyclical
bear trend





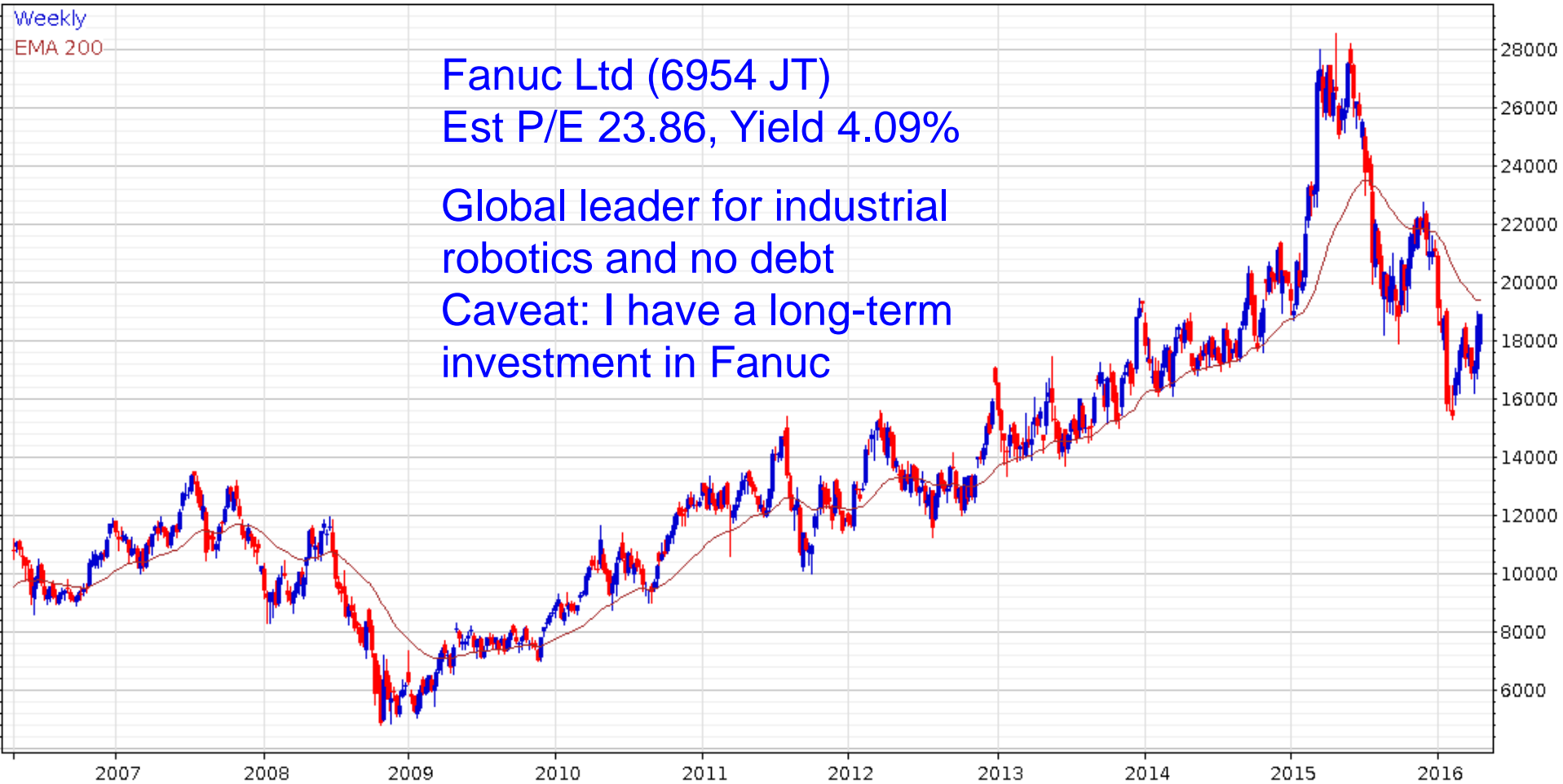
Fanuc Ltd (6954 JP EQUITY) 18905.00 400.0

2016-04-22

Weekly
EMA 200

Fanuc Ltd (6954 JT)
Est P/E 23.86, Yield 4.09%

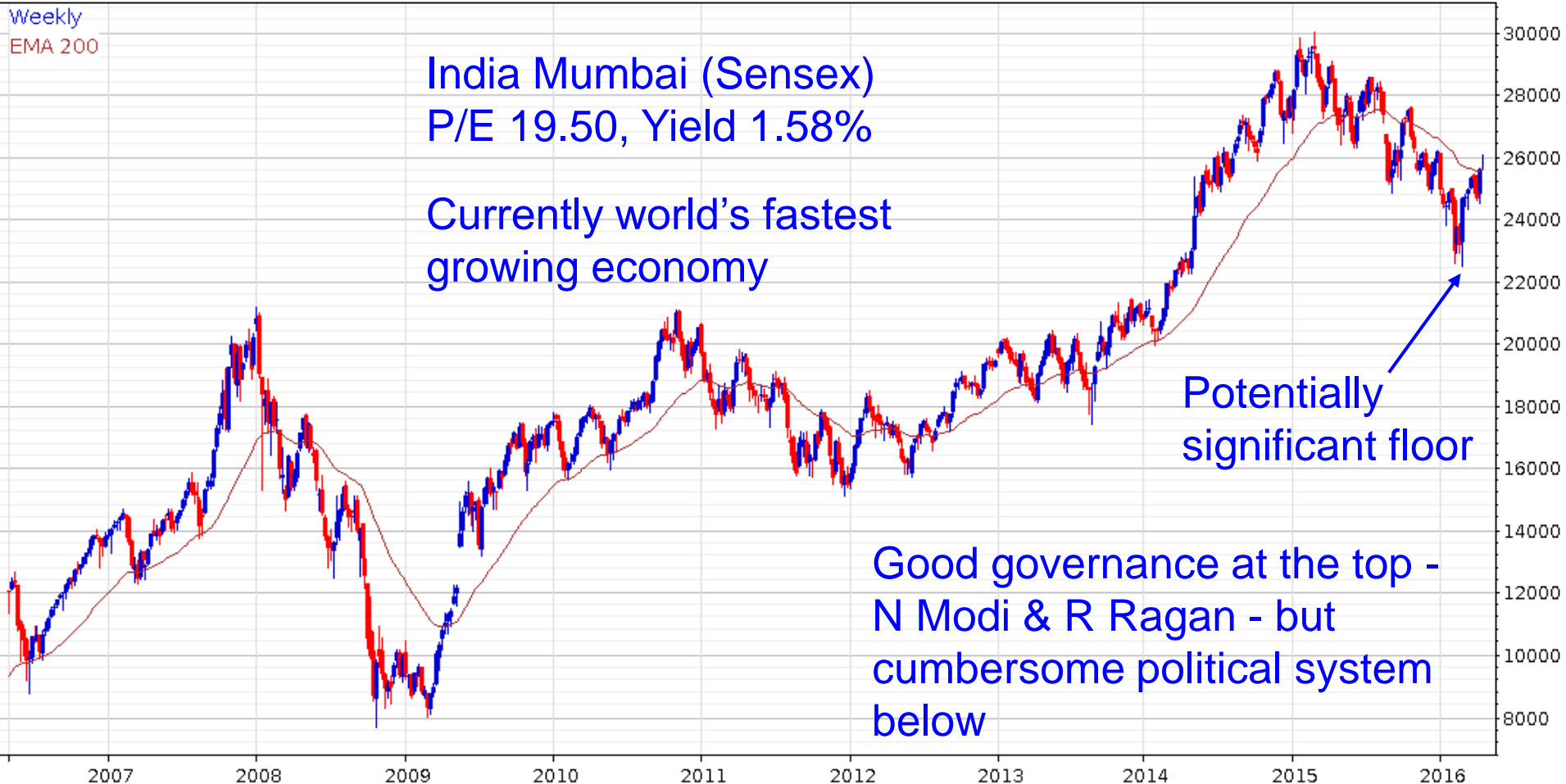
Global leader for industrial
robotics and no debt
Caveat: I have a long-term
investment in Fanuc





India Mumbai (SENSEX INDEX) 25838.14 211.39

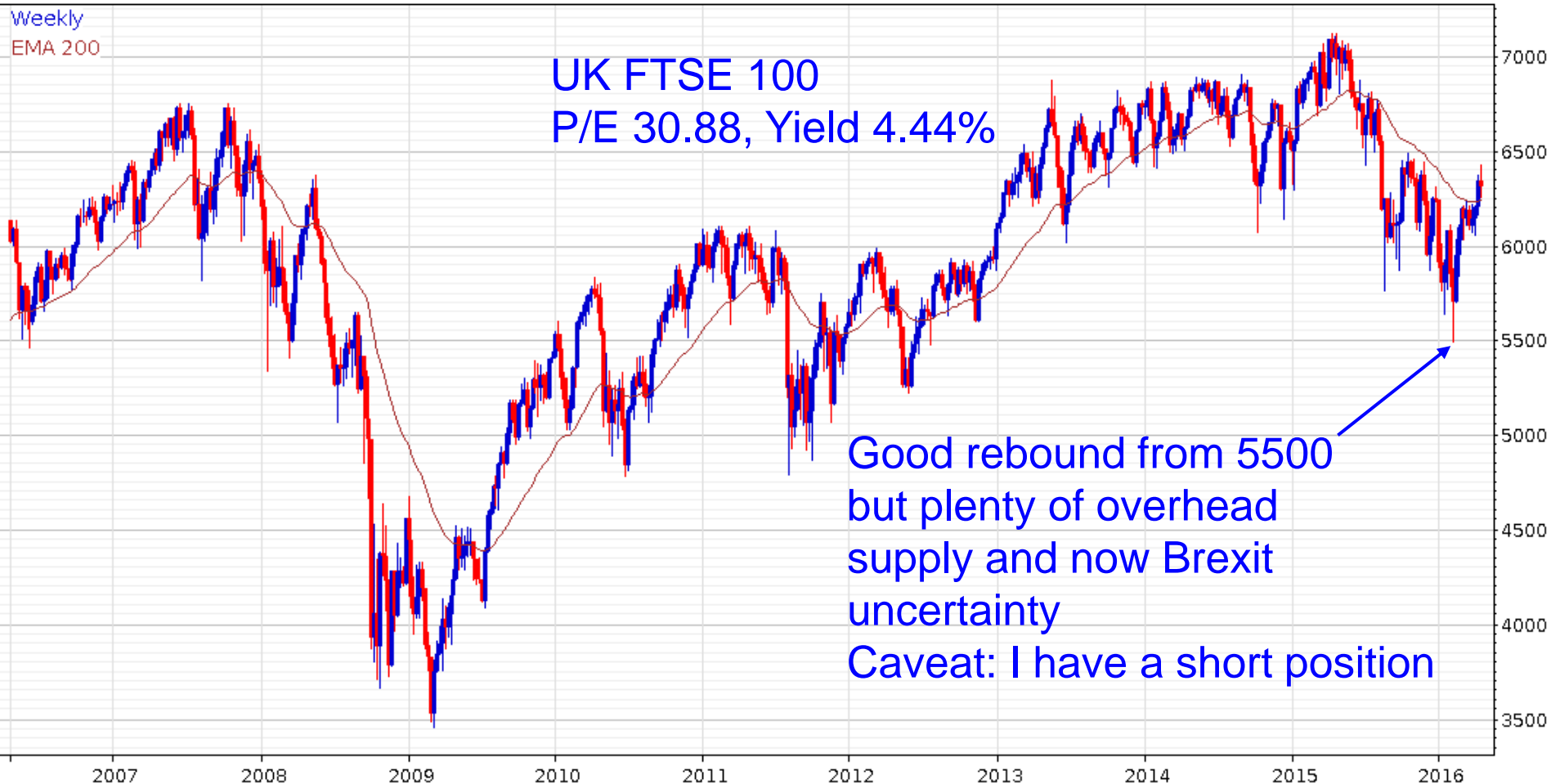
2016-04-22





FTSE100 (UKX INDEX) 6310.44 -33.31

2016-04-22





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Many thanks for your interest!
Any questions?

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GERMANY'S OPEN DOOR POLICY...



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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