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# The Donald Trump Rally! Can you believe it? How long will it last?

This is a Markets Now Seminar  
November 28<sup>th</sup> 2016

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The two most important charts  
in the world right now –  
any views as to what they are?

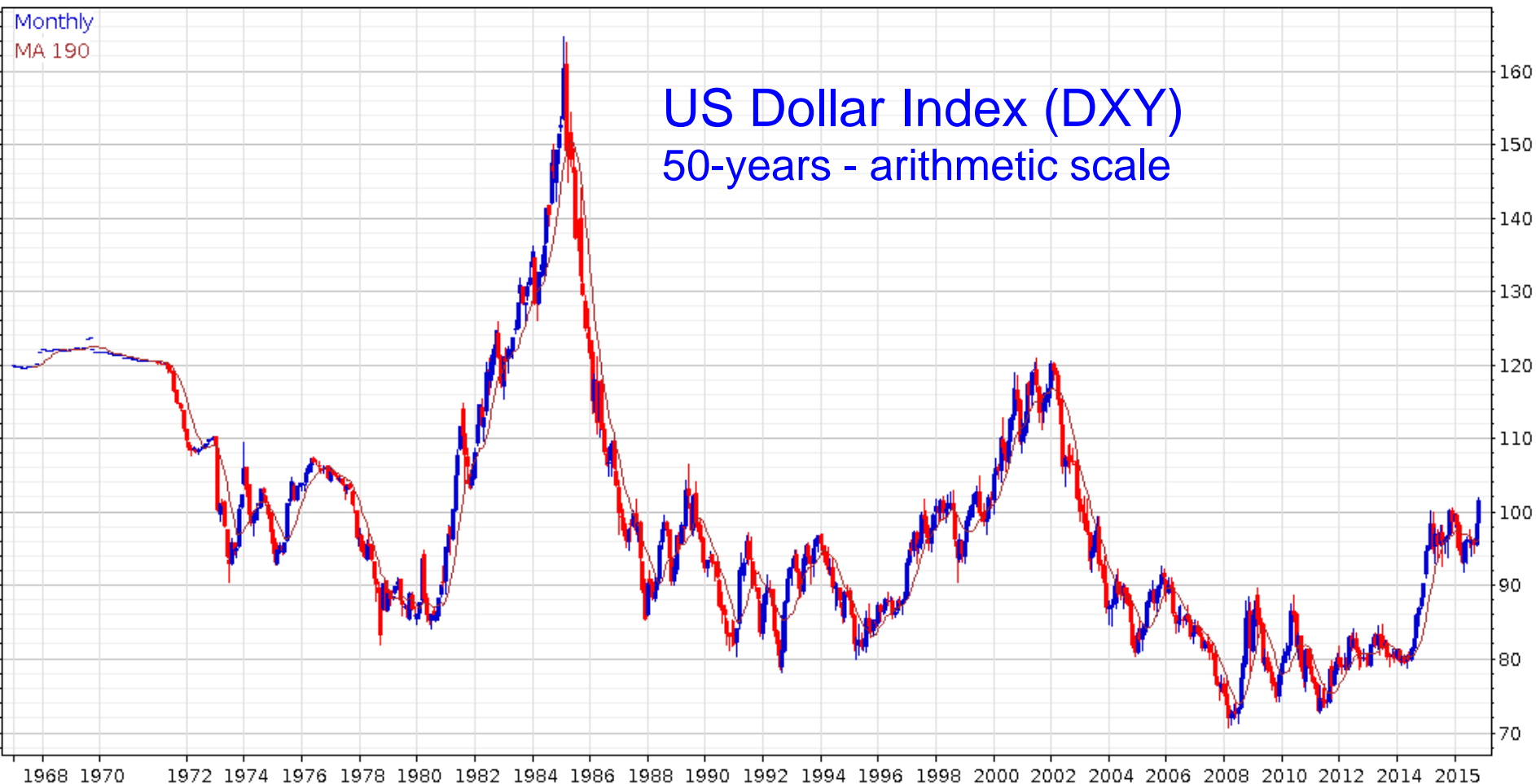


Dollar Index (DXY INDEX) 101.67 3.31

2016-11-24

Monthly  
MA 190

## US Dollar Index (DXY) 50-years - arithmetic scale





Dollar Index (DXY INDEX) 101.67 0.33

2016-11-24

Weekly  
EMA 200

DXY

A secular bull market is underway  
which started from a very low base

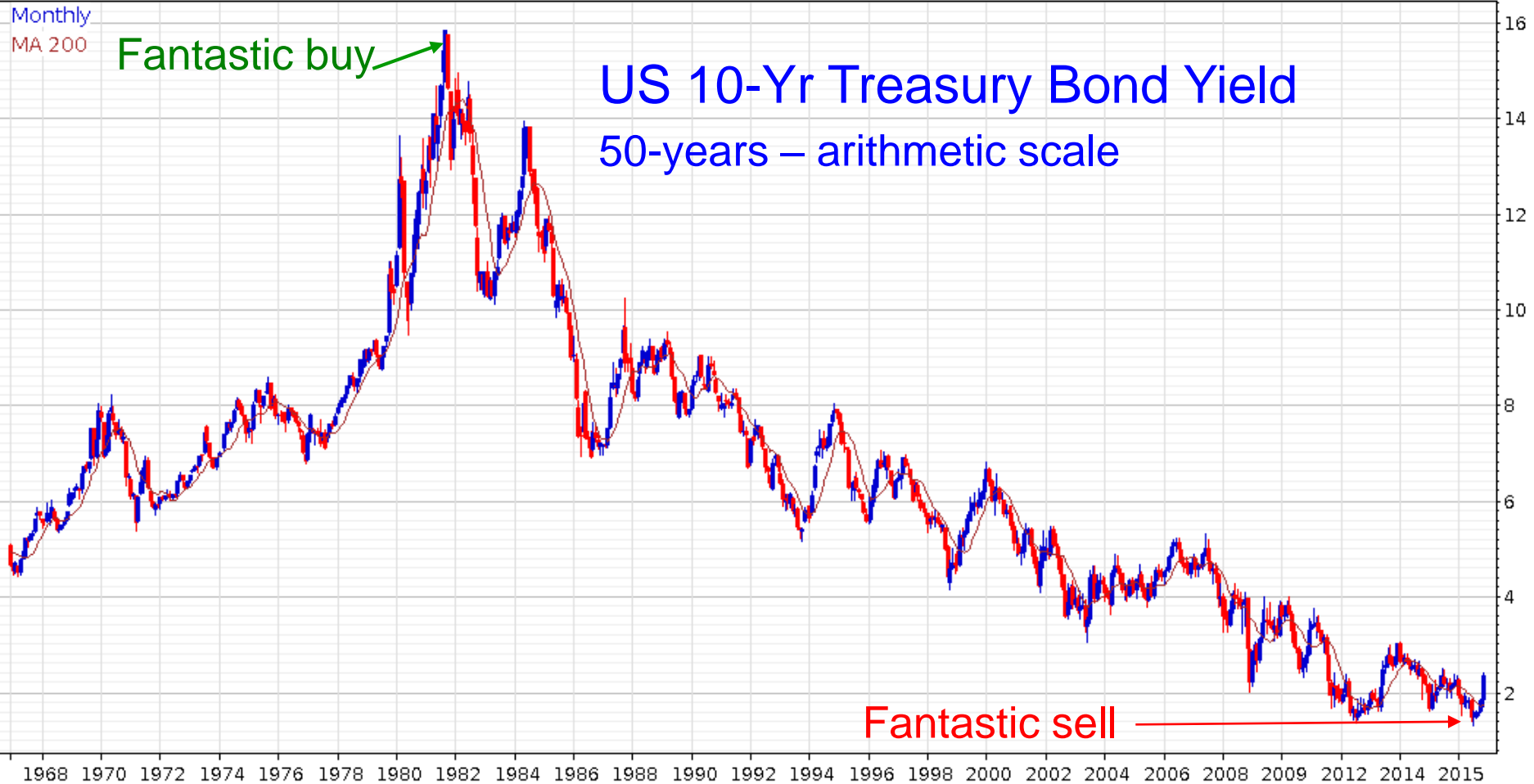
Trump wins  
Presidential  
election





US 10yr Treasury Bond Yield (USGG10YR INDEX) 2.3498 0.52

2016-11-24





## US 10-Yr Treasury Bond Yield

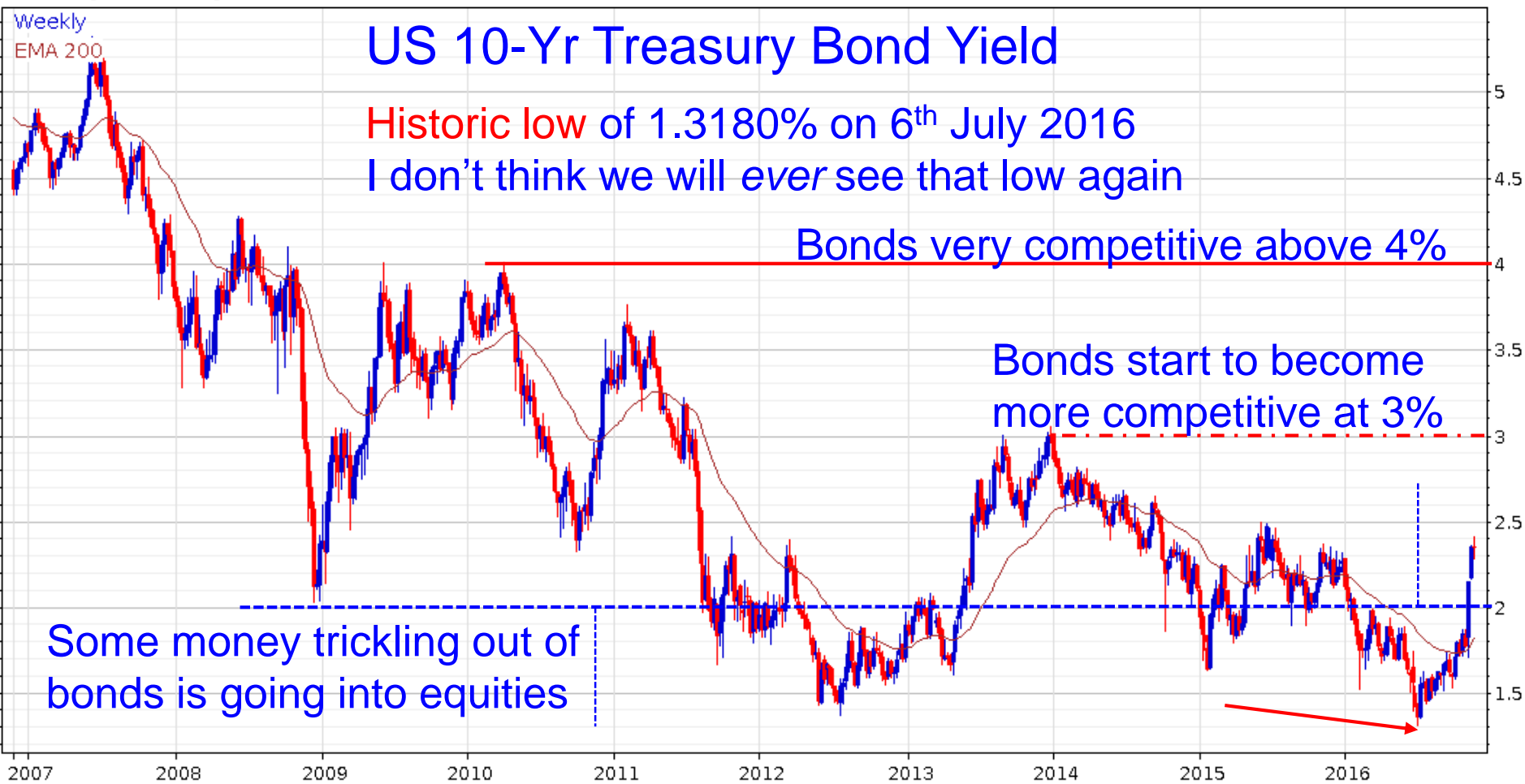
Historic low of 1.3180% on 6<sup>th</sup> July 2016

I don't think we will ever see that low again

Bonds very competitive above 4%

Bonds start to become more competitive at 3%

Some money trickling out of bonds is going into equities





PROPHECY...

“AS DEMOCRACY IS PERFECTED,  
THE OFFICE OF THE PRESIDENT  
REPRESENTS, MORE AND MORE  
CLOSELY, THE INNER SOUL OF  
THE PEOPLE. ON SOME GREAT  
AND GLORIOUS DAY, THE PLAIN  
FOLKS OF THE LAND WILL REACH  
THEIR HEART'S DESIRE AT LAST,  
AND THE WHITE HOUSE WILL BE  
OCCUPIED BY A DOWNRIGHT  
FOOL AND COMPLETE  
NARCISSISTIC MORON.”

—H.L. MENCKEN

THE BALTIMORE EVENING SUN  
JULY 26, 1920



HORSEY  
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LOS ANGELES TIMES



S&P 500 (SPX INDEX) 2213.35 31.45

2016-11-25

Weekly

EMA 200

## S&P 500 Index

Trump rally: give upside the benefit of the doubt, while higher reaction lows hold







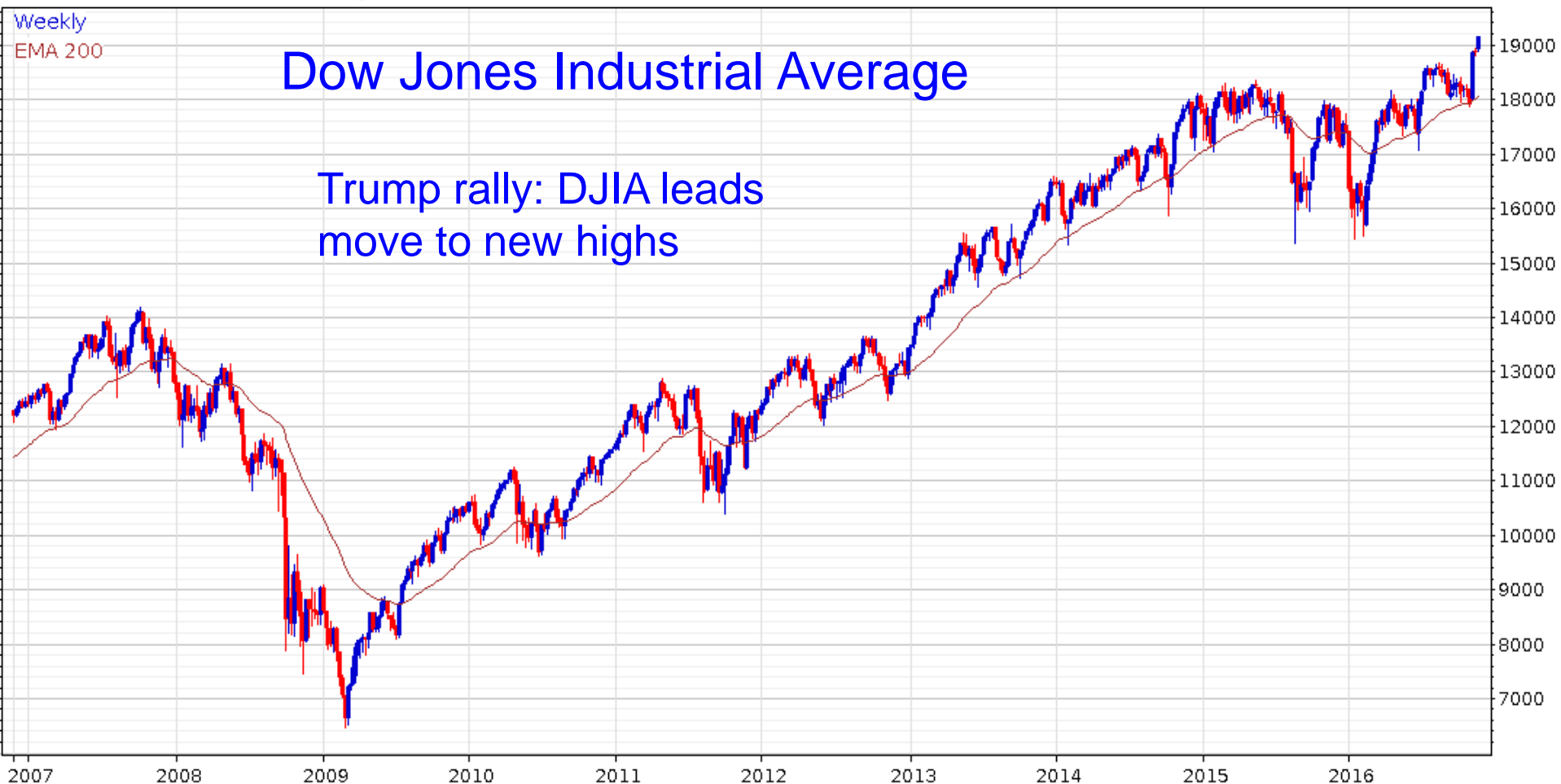
Dow Jones Industrials Average (INDU INDEX) 19152.14 284.21

2016-11-25

Weekly  
EMA 200

## Dow Jones Industrial Average

Trump rally: DJIA leads  
move to new highs





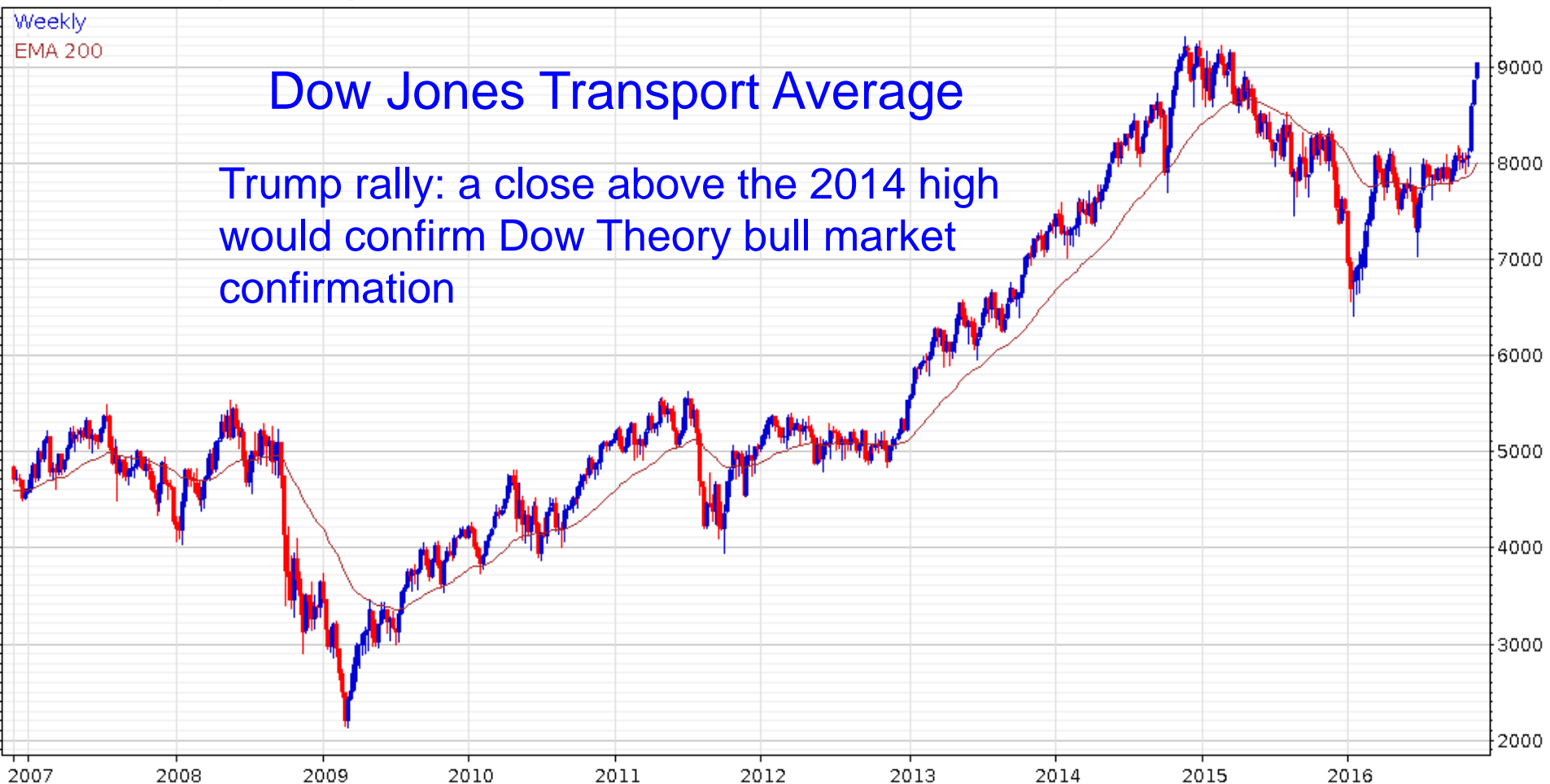
Dow Jones Transport Average (TRAN INDEX) 9044.21 187.74

2016-11-25

Weekly  
EMA 200

## Dow Jones Transport Average

Trump rally: a close above the 2014 high would confirm Dow Theory bull market confirmation





Russell 2000 (RTY INDEX) 1347.203 31.56

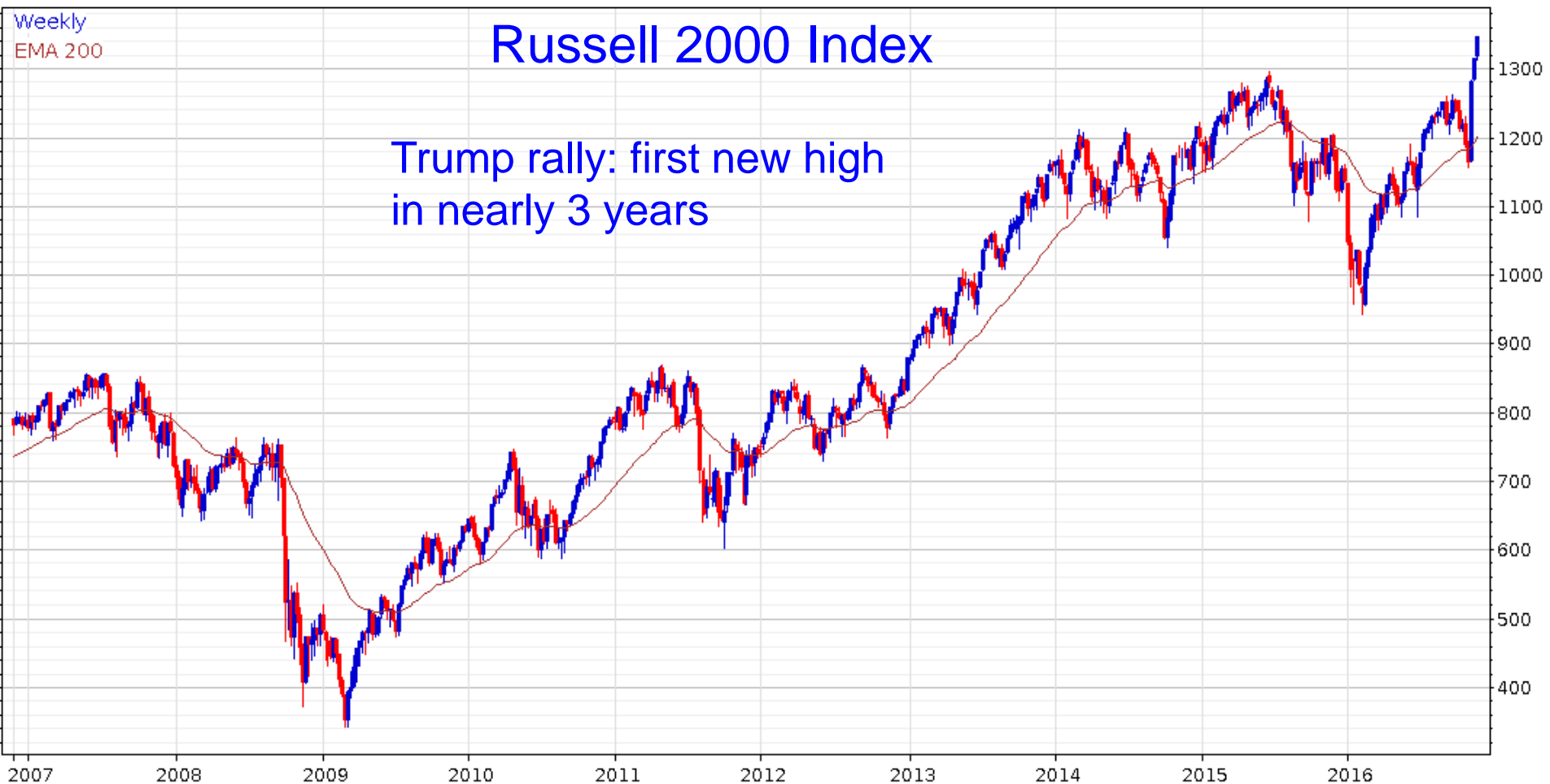
2016-11-25

Weekly

EMA 200

## Russell 2000 Index

Trump rally: first new high  
in nearly 3 years





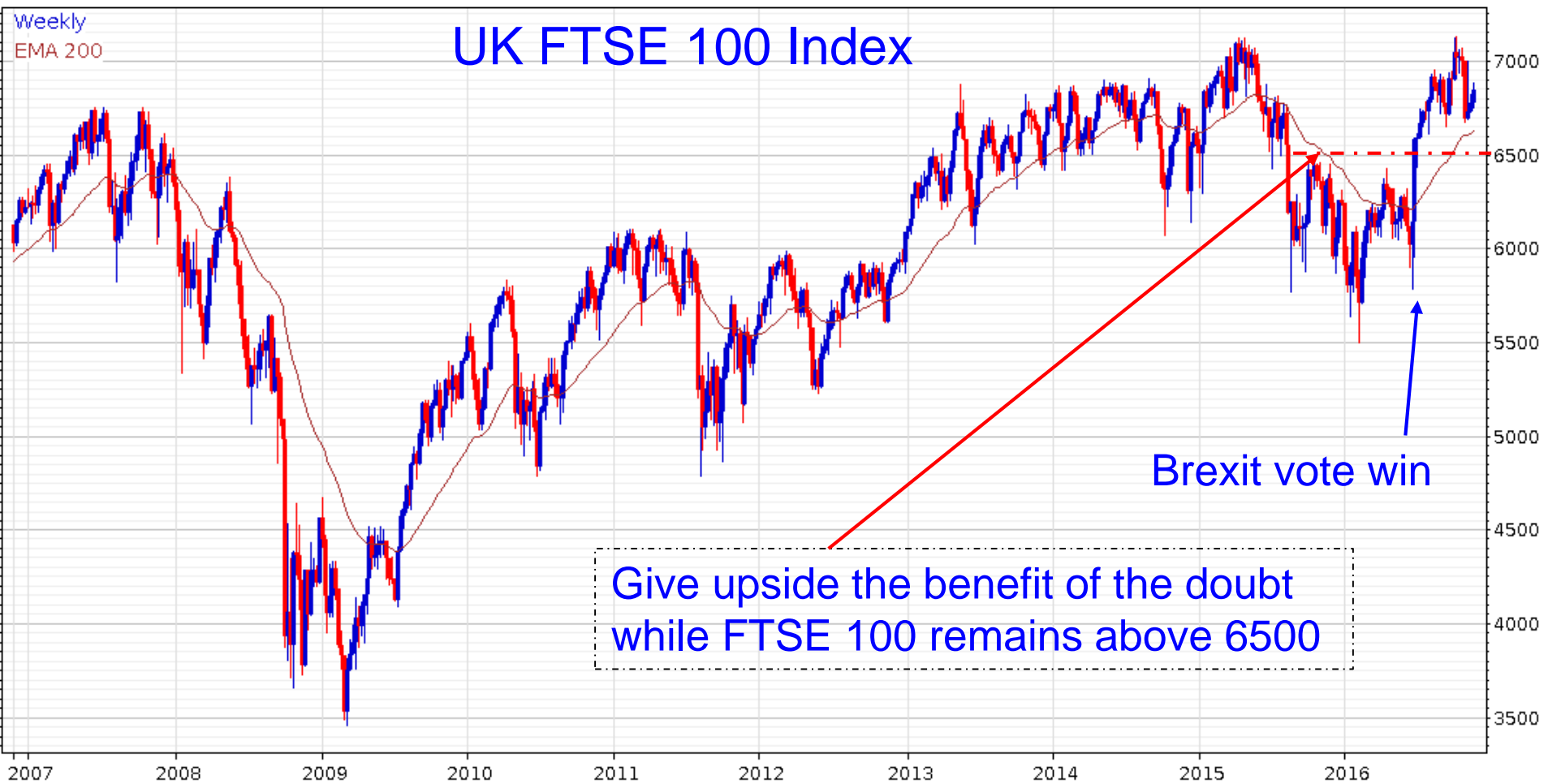
FTSE100 (UKX INDEX) 6840.75 64.98

2016-11-25

Weekly

EMA 200

# UK FTSE 100 Index



Give upside the benefit of the doubt  
while FTSE 100 remains above 6500

Brexit vote win



Ireland (ISEQ INDEX) 6279.69 -14.52

2016-11-25



## Ireland ISEQ Index

Demand regaining  
the upper hand



Germany (DAX INDEX) 10699.27 34.71

2016-11-25

Weekly  
EMA 200

## Germany DAX Index



Helped by soft  
Euro but needs  
to hold above  
10,000



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Italy (SPMIB INDEX) 16515.11 249.21

2016-11-25

## Italy SPMIB Index

Is Italy an even bigger problem for the EU than Brexit? Yes, Italy will most likely exit the Euro within the next year or two.







Japan Nikkei 225 Index (NKY INDEX) 18381.22 413.81

2016-11-25

Weekly  
EMA 200

## Japan Nikkei 225 Index



Trump elected  
Dollar rises  
Yen weakens



## Australia S&P ASX Industrials

Still in a gradual overall uptrend but  
the next chart is more interesting







New Zealand 50 Fully Gross Index (NZX50) (NZSE50FG INDEX) 6899.615 41.77

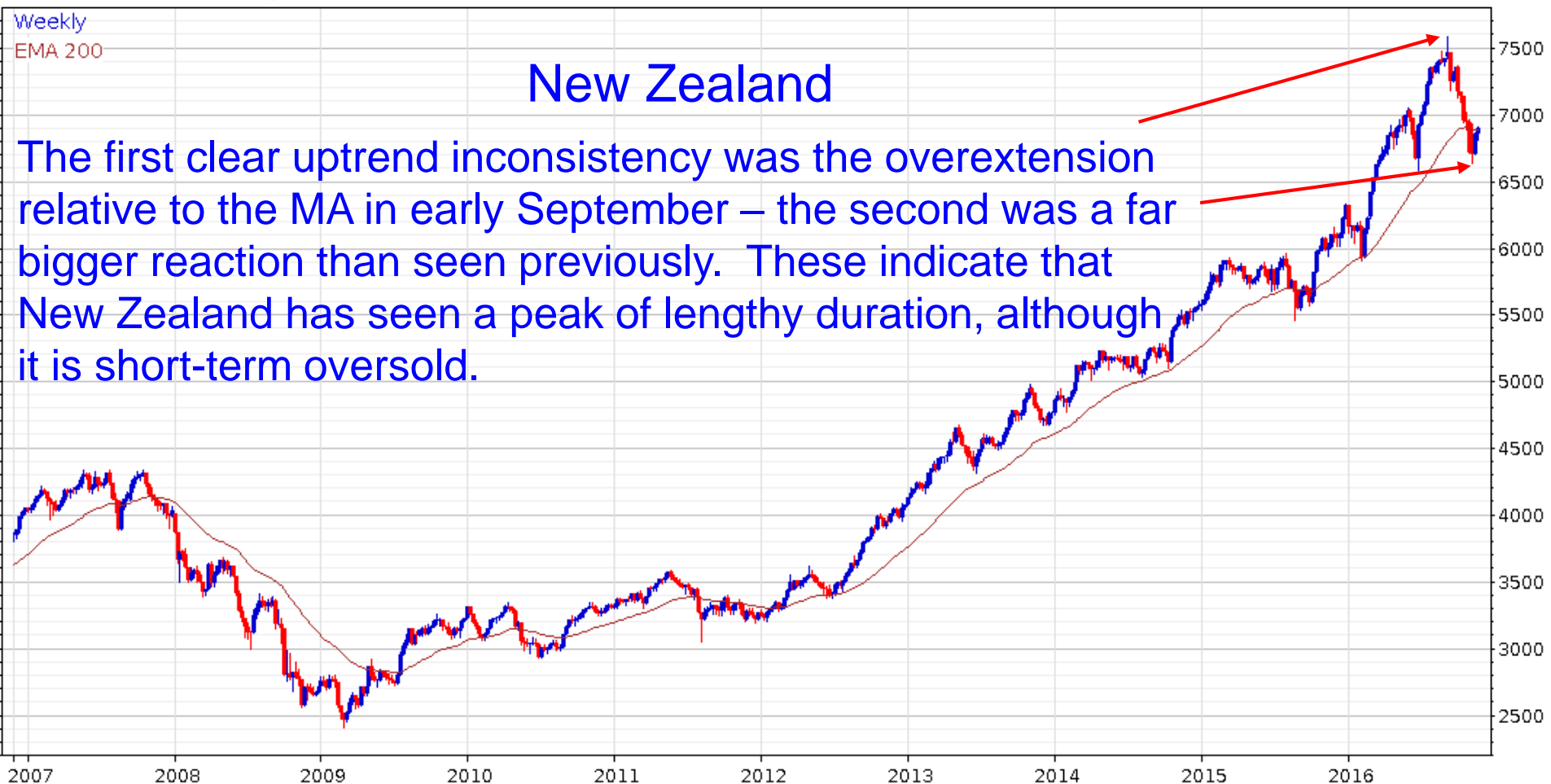
2016-11-25

Weekly

EMA 200

## New Zealand

The first clear uptrend inconsistency was the overextension relative to the MA in early September – the second was a far bigger reaction than seen previously. These indicate that New Zealand has seen a peak of lengthy duration, although it is short-term oversold.





India Mumbai (SENSEX INDEX) 26316.34 166.1

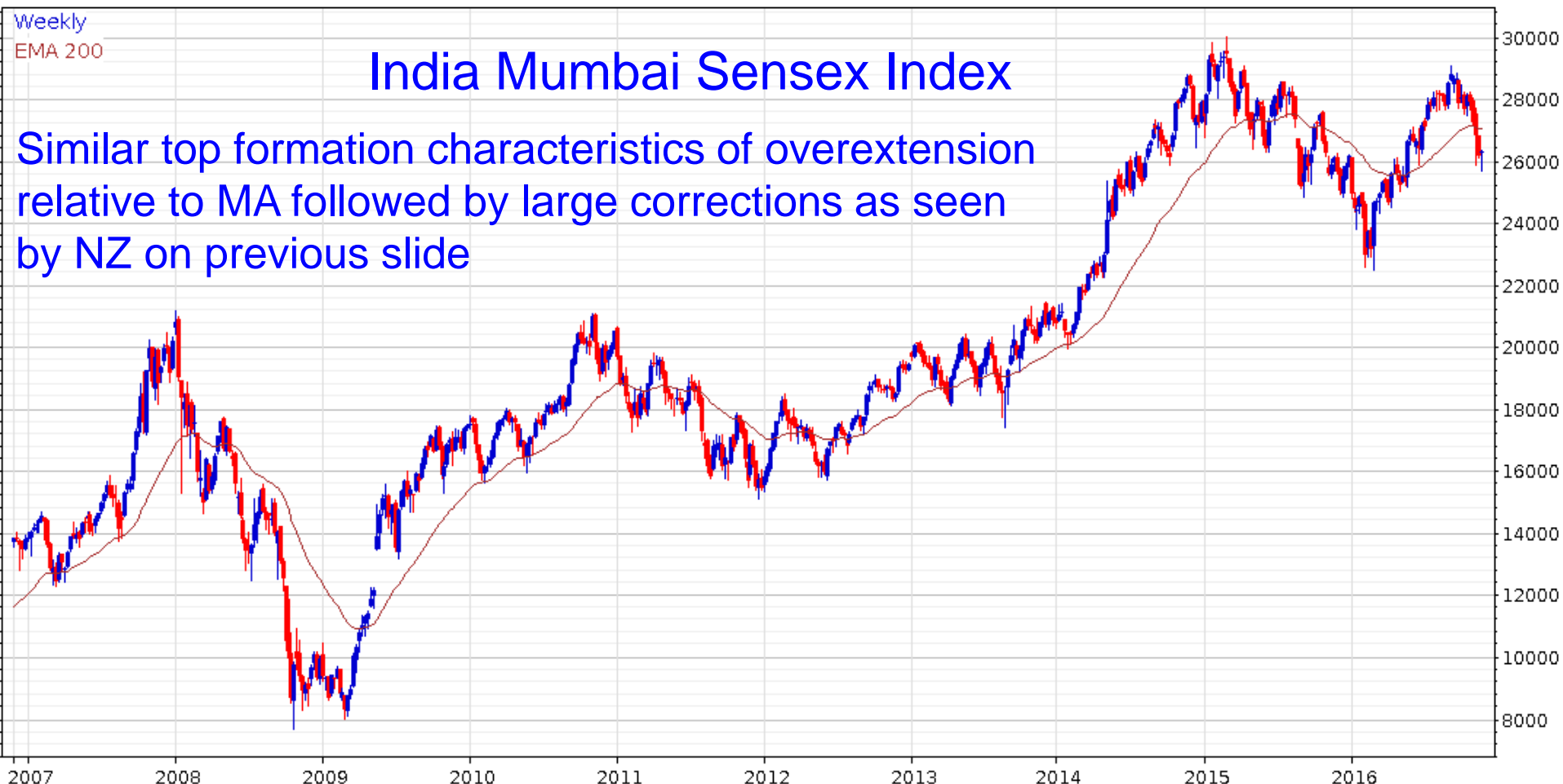
2016-11-25

Weekly

EMA 200

## India Mumbai Sensex Index

Similar top formation characteristics of overextension relative to MA followed by large corrections as seen by NZ on previous slide





## China Shanghai Composite Index

Give upside the benefit of the doubt  
while this year's progression of higher  
reaction lows is maintained





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The rest of the world's stock markets are struggling, particularly when quoted in US Dollars



MSCI World ex US (MXWDU INDEX) 239.38 1.91

2016-11-24







MSCI Emerging Markets (MXEF INDEX) 855.92 11.39

2016-11-23





MSCI AC Asia Pacific ex Japan Small Cap Index (MXAPJSC INDEX) 841.81 0.68

2016-11-24





MSCI Latin America (MXLA INDEX) 2299.20 32.35

2016-11-24





MSCI Emerging Europe (MXMU INDEX) 272.47 -3.55

2016-11-24

Monthly

# MSCI Frontier Market Index





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Arguably, these underperforming markets in the MSCI indices are interesting on a buy-low, sell-high basis but it might be best to wait until we have seen a sharp sell-off on Wall Street.



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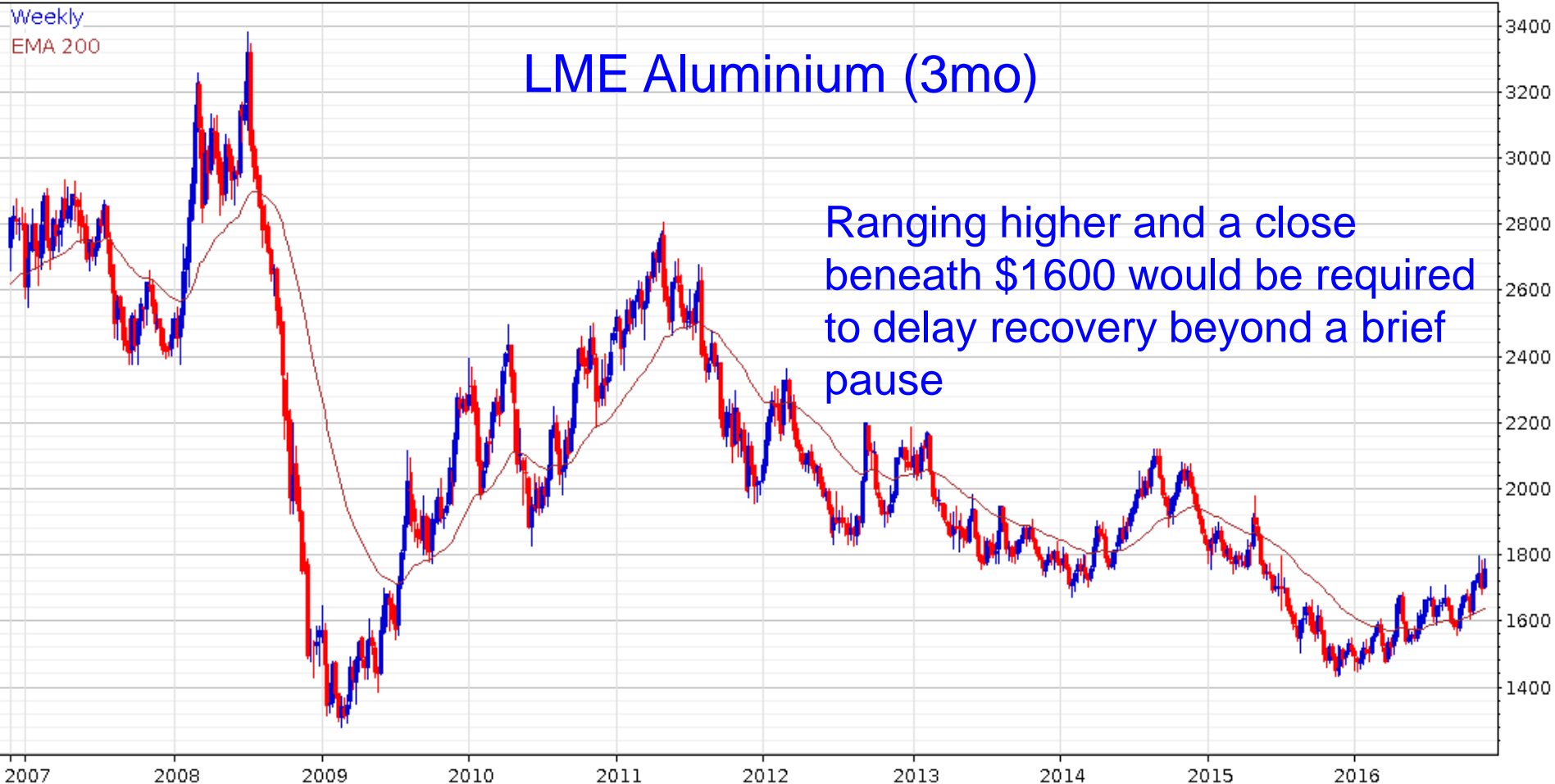
Industrial metals remain in favour

Biggest risk is a surging USD



LME Aluminium 3mth (LMAHDS03 LME COMDTY) 1757.00 63.0

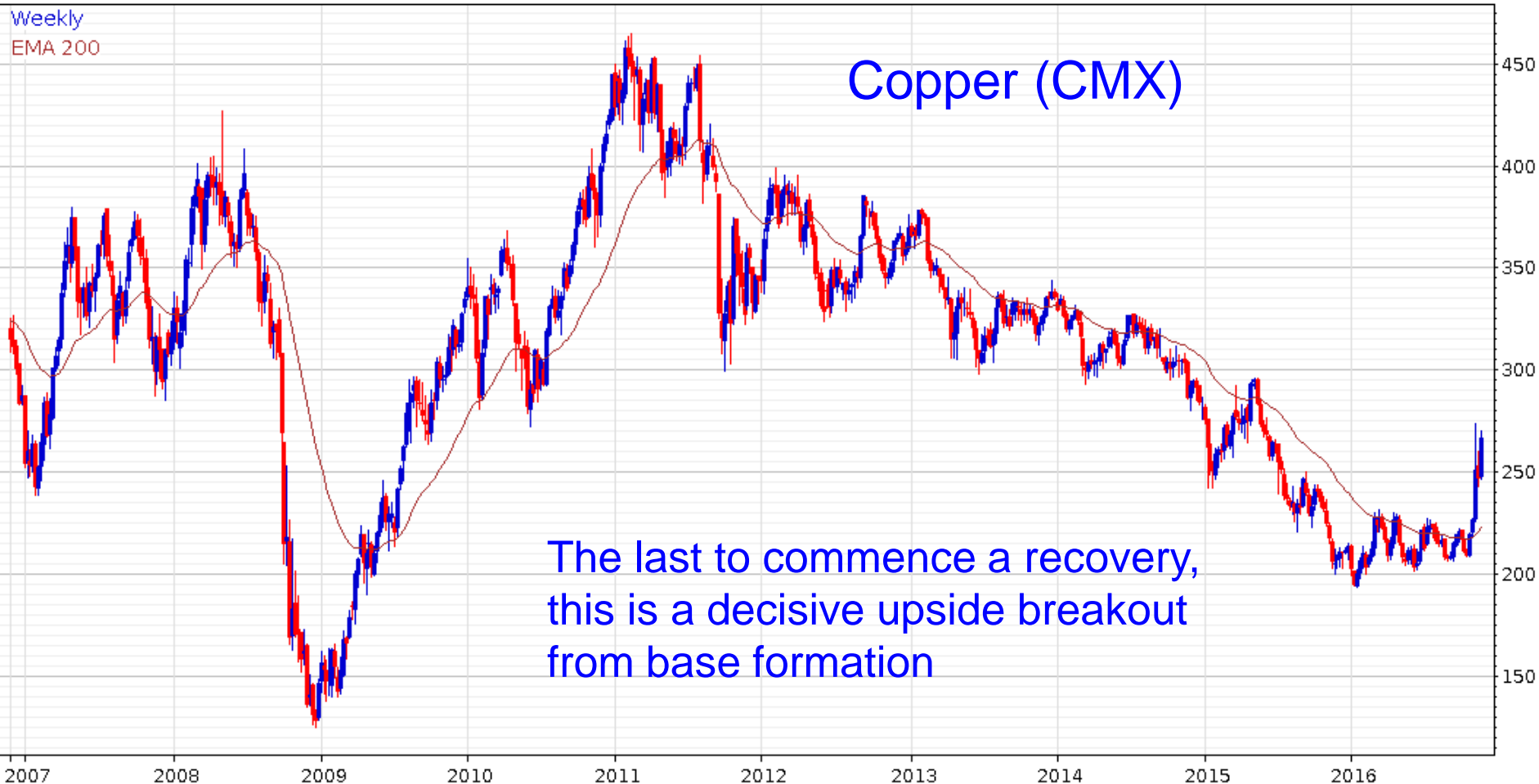
2016-11-25





Copper (CMX) (HG1 COMB COMDTY) 266.80 20.05

2016-11-25







LME Lead 3 months (LMPBDS03 COMDTY) 2391.50 251.5

2016-11-25

Weekly  
EMA 200

## LME Lead (3m)

Temporarily overextended but break  
in sequence of higher reaction lows  
would be required to indicate more  
than another consolidation





LME Nickel 3mth (LMNIDS03 COMDTY) 11560.00 715.0

2016-11-25





LME Tin HG 3 Months (LMSNDS03 COMDTY) 20925.00 725.0

2016-11-25

Weekly  
EMA 200

## LME Tin (3m)

Temporarily overextended and  
some loss of momentum,  
suggesting longer consolidation





LME Zinc Special HG 3 Months (LMZSDS03 COMDTY) 2819.00 279.0

2016-11-25





London Spot Gold (GOLDS COMDTY) 1183.90 -24.03

2016-11-25

Weekly

EMA 200

## London Spot Gold





Silver 1st mth (SI1 COMB COMDTY) 16.47 -0.15

2016-11-25







Palladium (1st mth) (PA1 COMB COMDTY) 741.05 13.25

2016-11-25

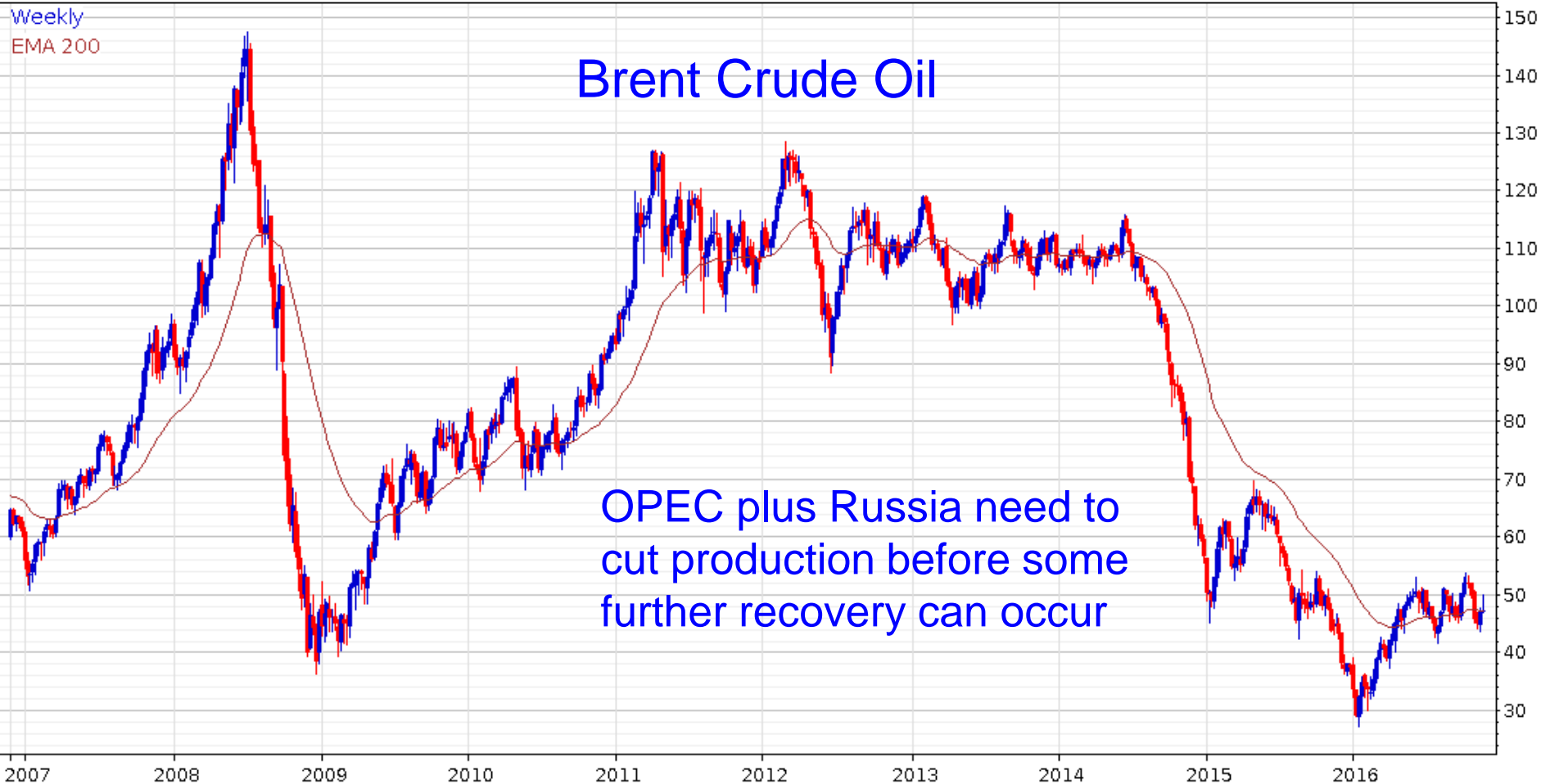






Brent Crude Oil (CO1 COMB COMDTY) 47.24 0.38

2016-11-25





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**Many thanks for your interest!**  
**Any questions?**

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**[www.fullertreacymoney.com](http://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