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

This is a Markets Now Seminar
November 28th 2016

By David Fuller
fullertreacymoney.com

The Caledonian Club – 9 Halkin Street
London SW1Y 4LH, UK



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

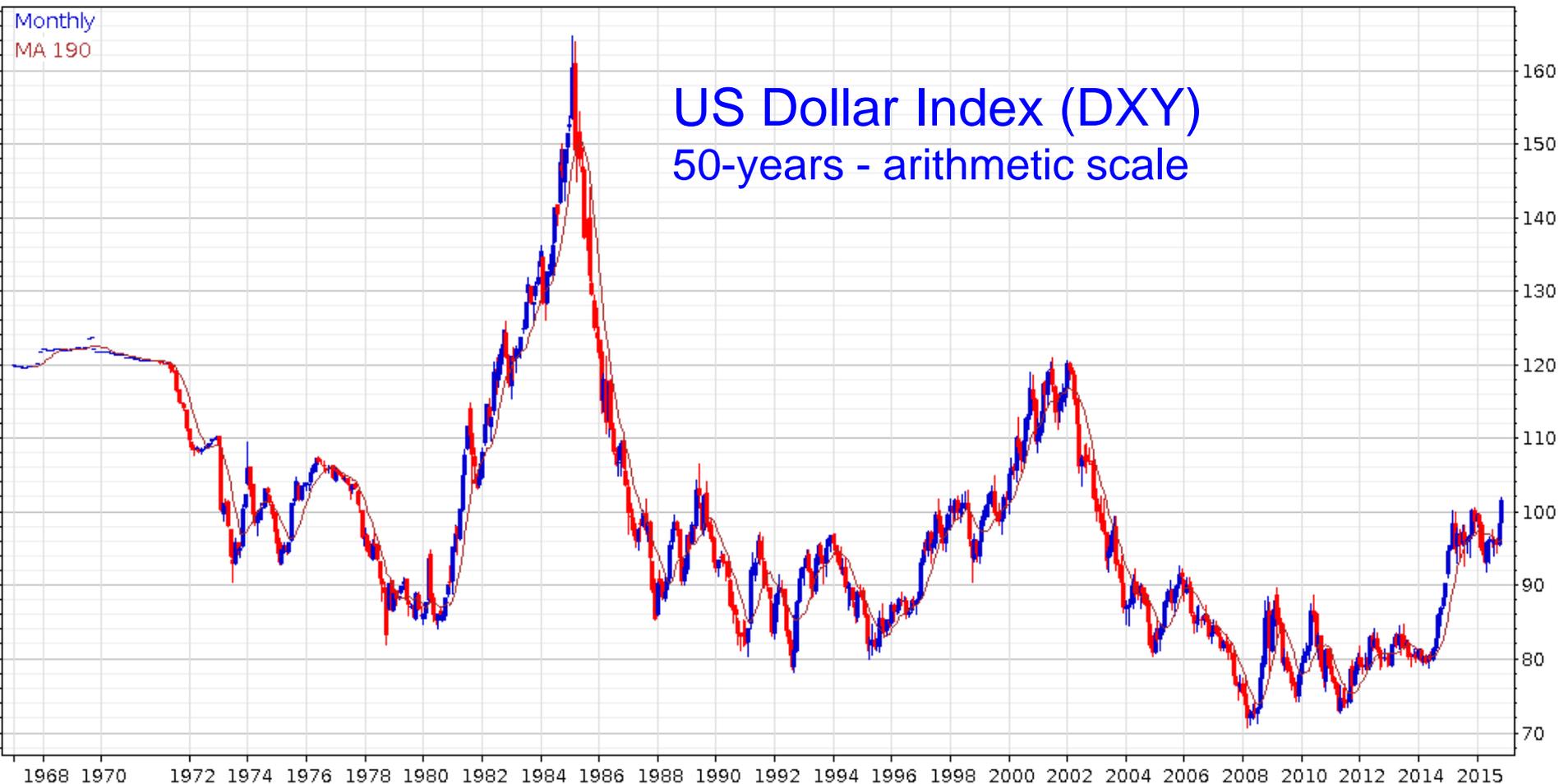


Dollar Index (DXY INDEX) 101.67 3.31

2016-11-24

Monthly
MA 190

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





Dollar Index (DXY INDEX) 101.67 0.33

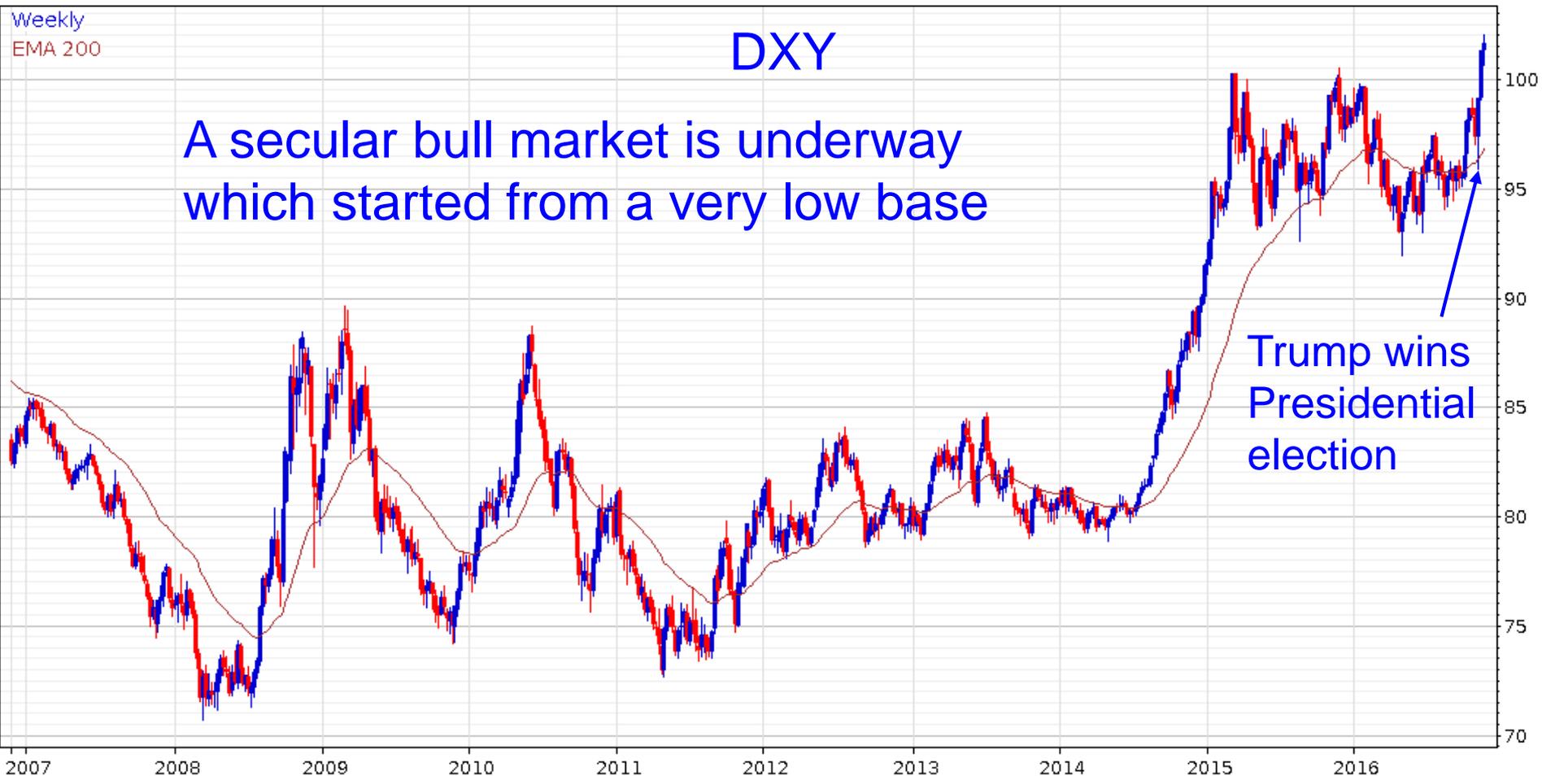
2016-11-24

Weekly
EMA 200

DXY

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

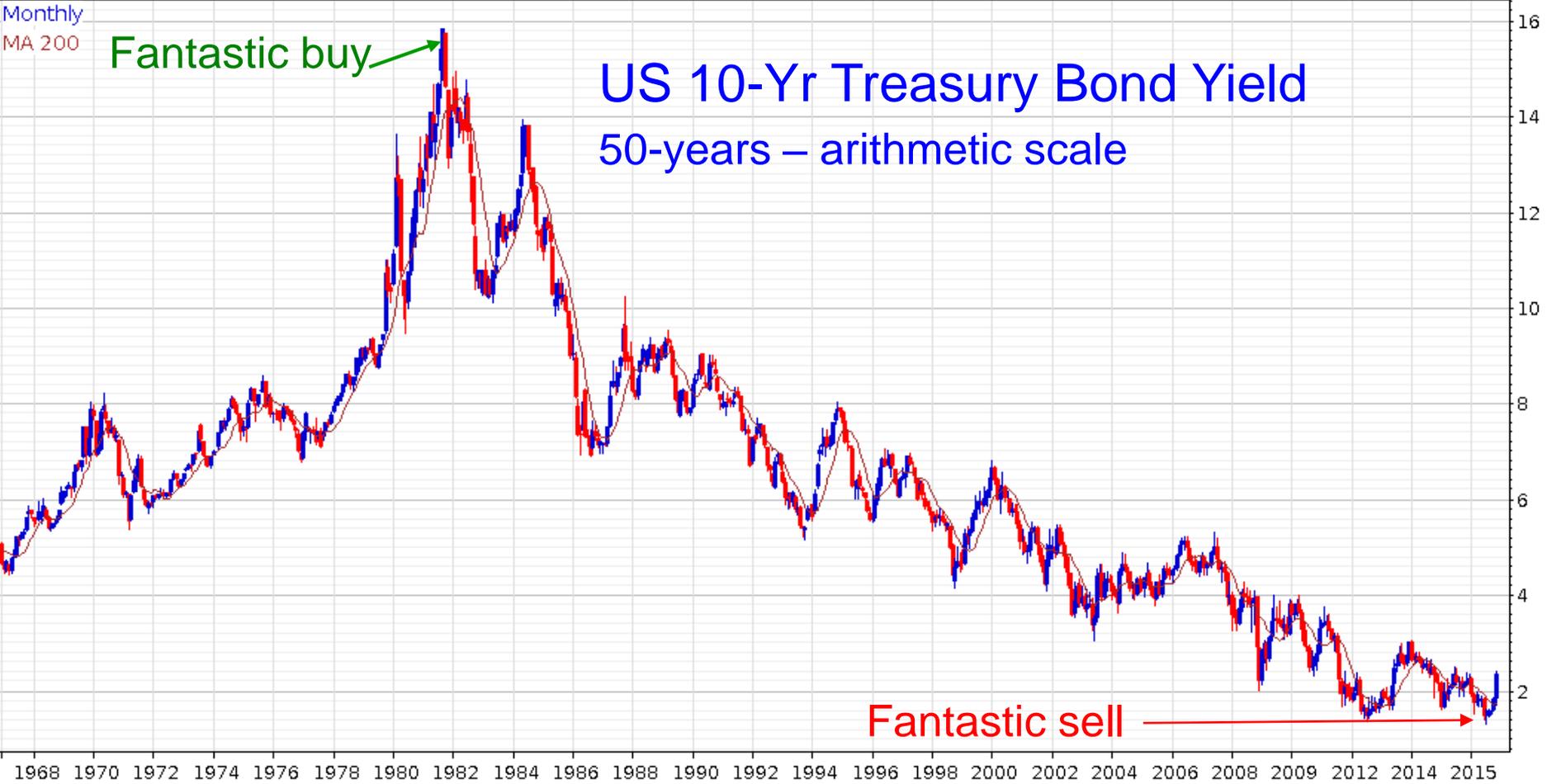
Trump wins
Presidential
election





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

2016-11-24





US 10yr Treasury Bond Yield (USGG10YR INDEX) 2.3498 -0.0

US 10-Yr Treasury Bond Yield

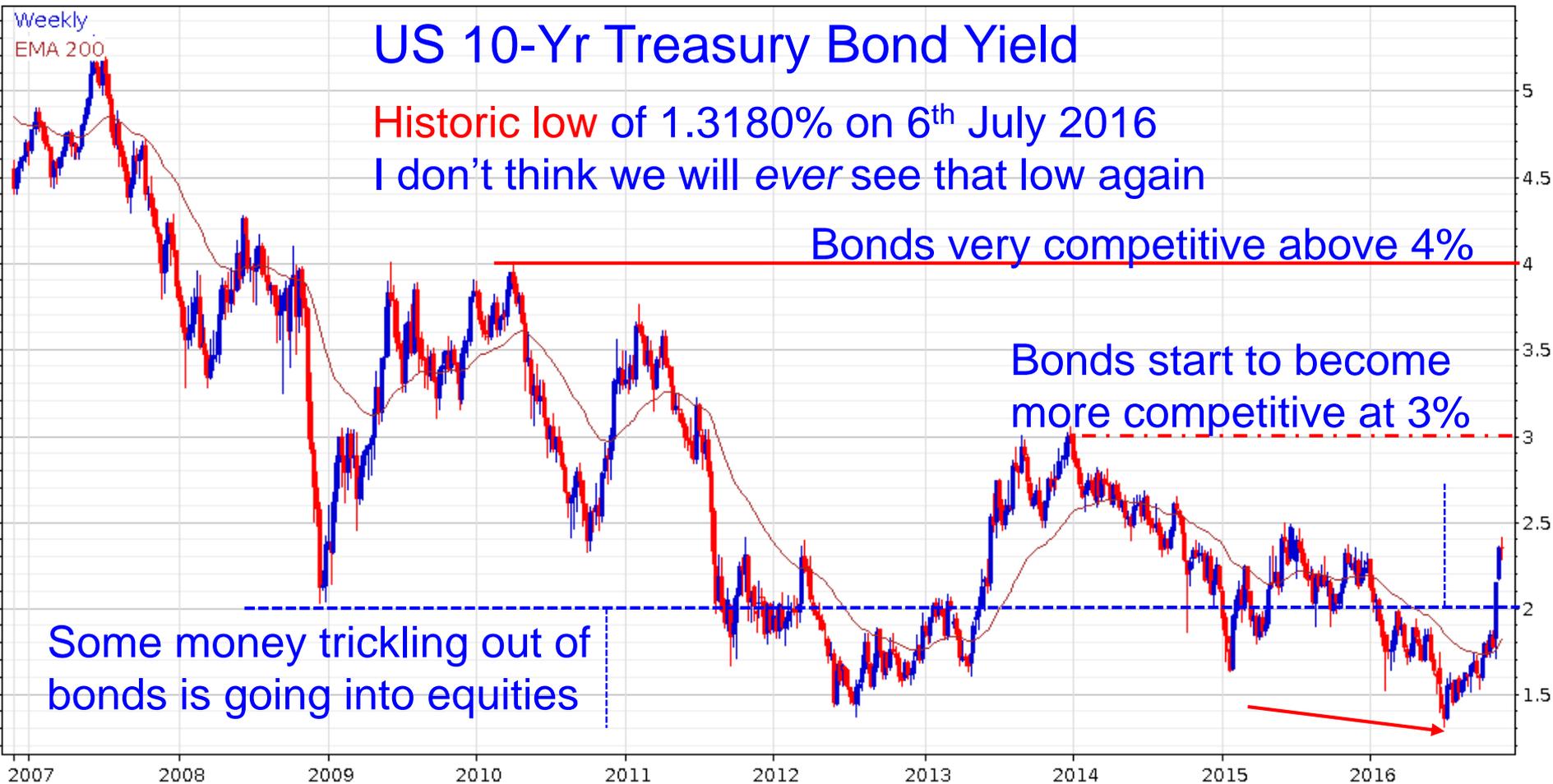
Historic low of 1.3180% on 6th July 2016

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





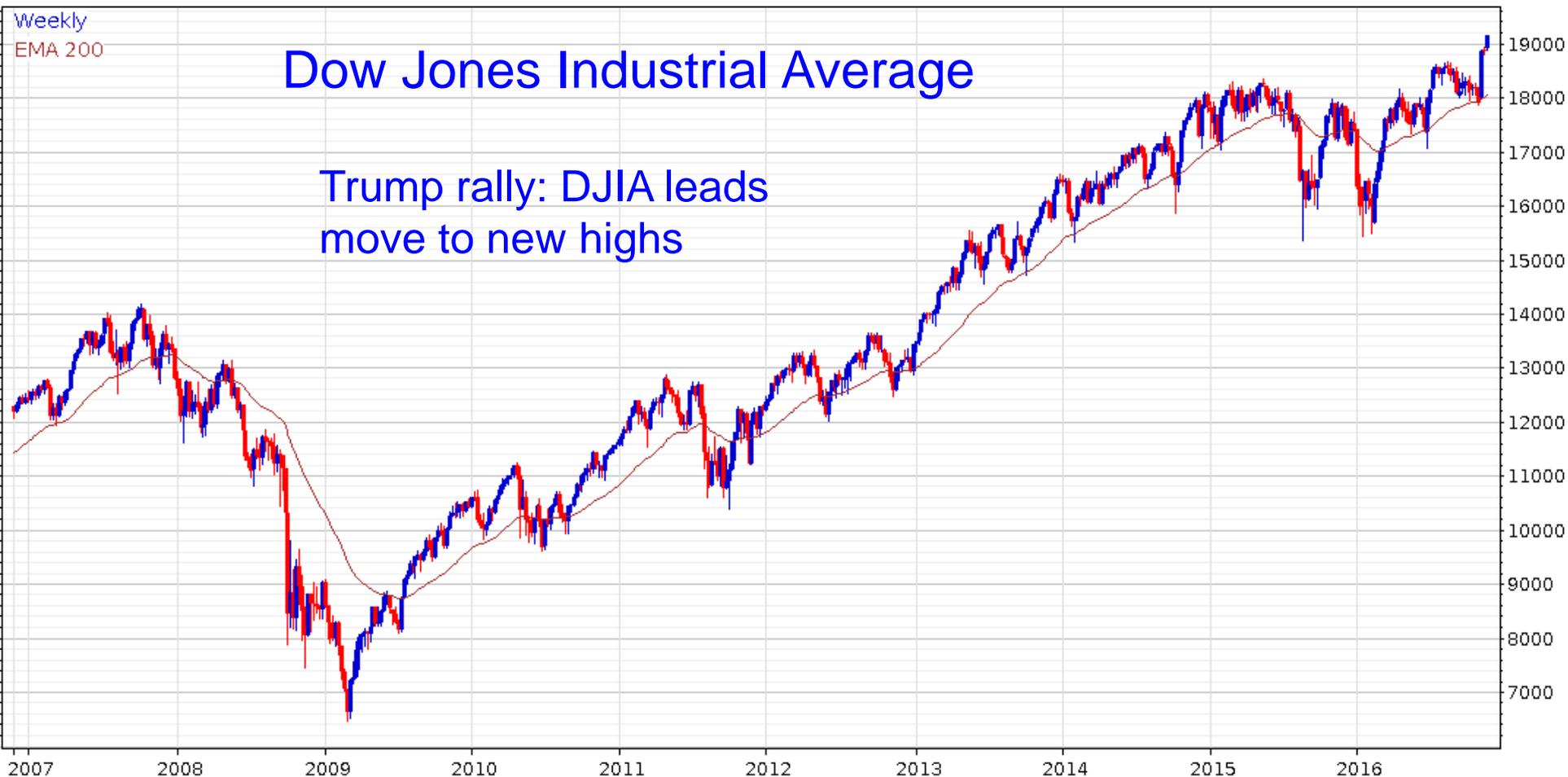
Dow Jones Industrials Average (INDU INDEX) 19152.14 284.21

2016-11-25

Weekly
EMA 200

Dow Jones Industrial Average

Trump rally: DJIA leads
move to new highs

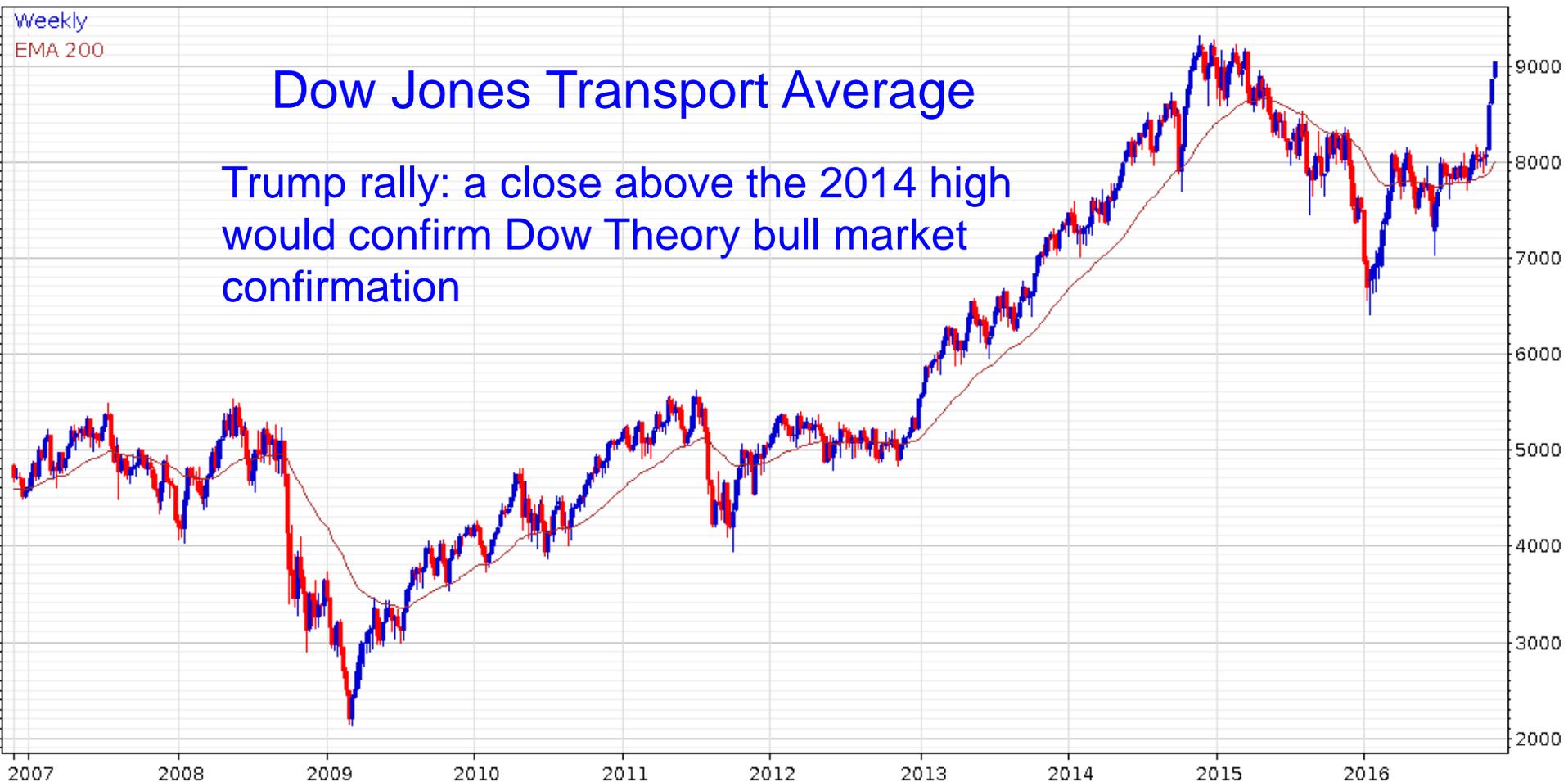




Weekly
EMA 200

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

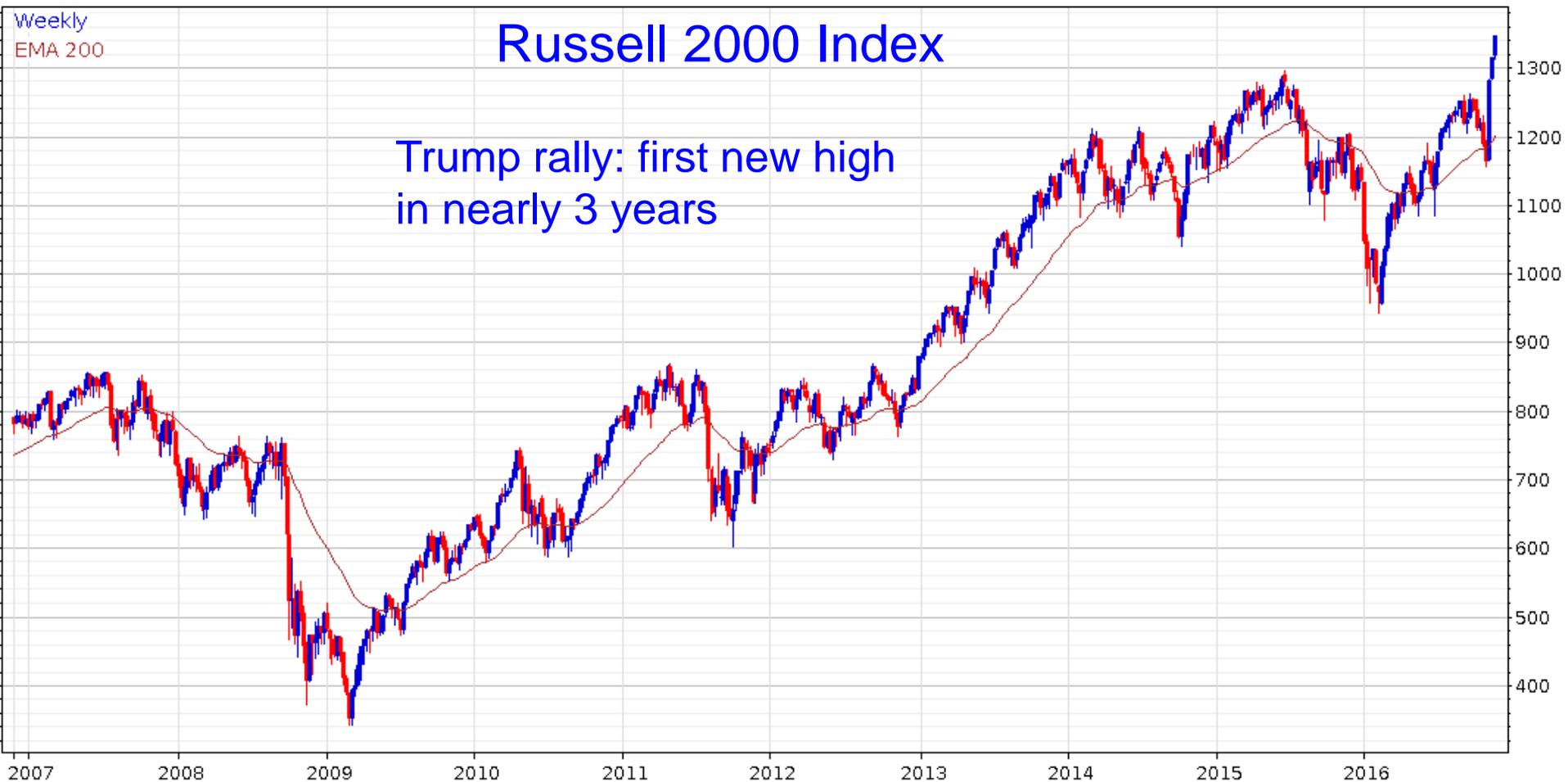
2016-11-25

Weekly

EMA 200

Russell 2000 Index

Trump rally: first new high
in nearly 3 years





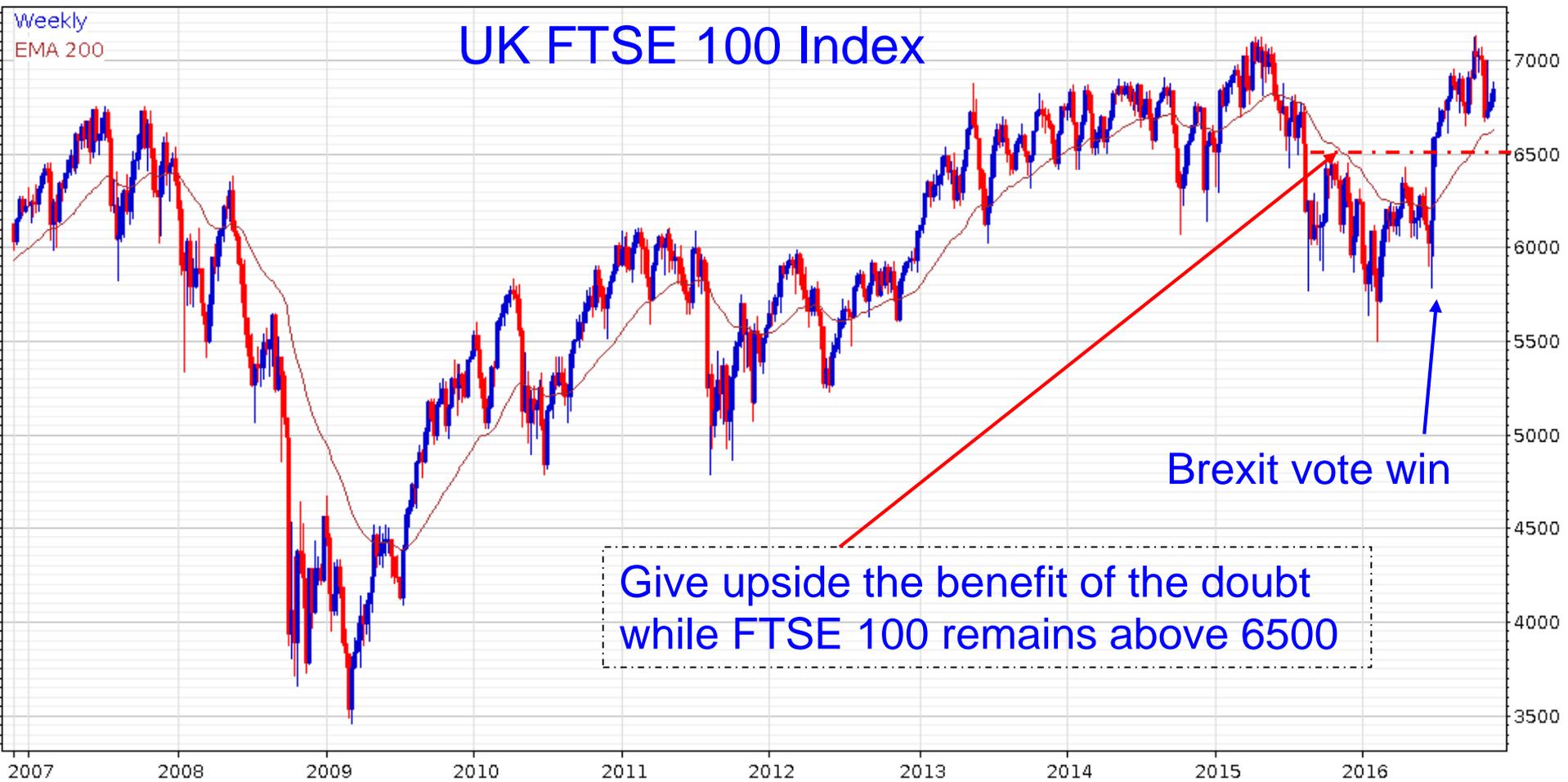
FTSE100 (UKX INDEX) 6840.75 64.98

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



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





Australia S&P ASX Industrials

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





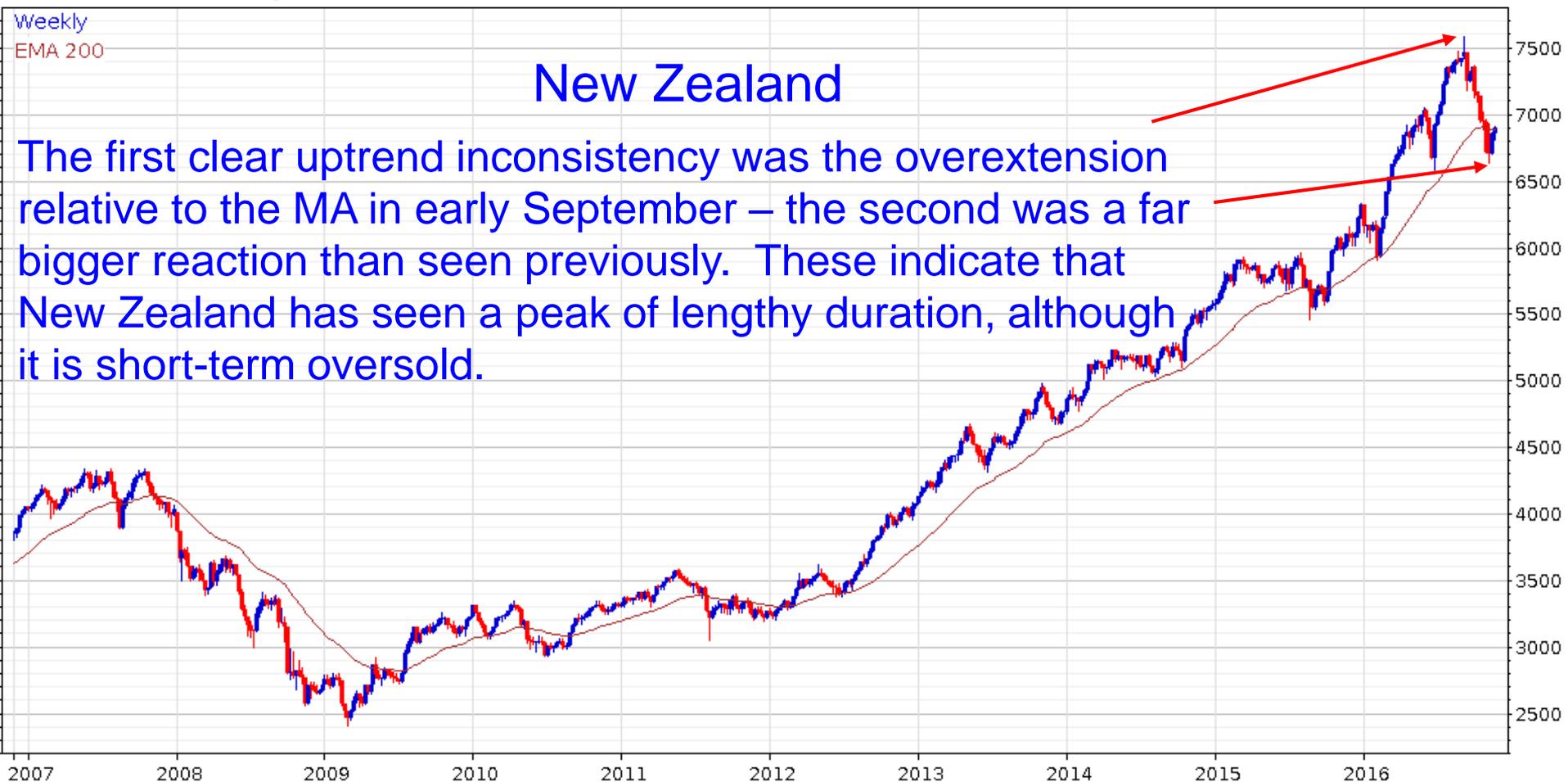


Weekly

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

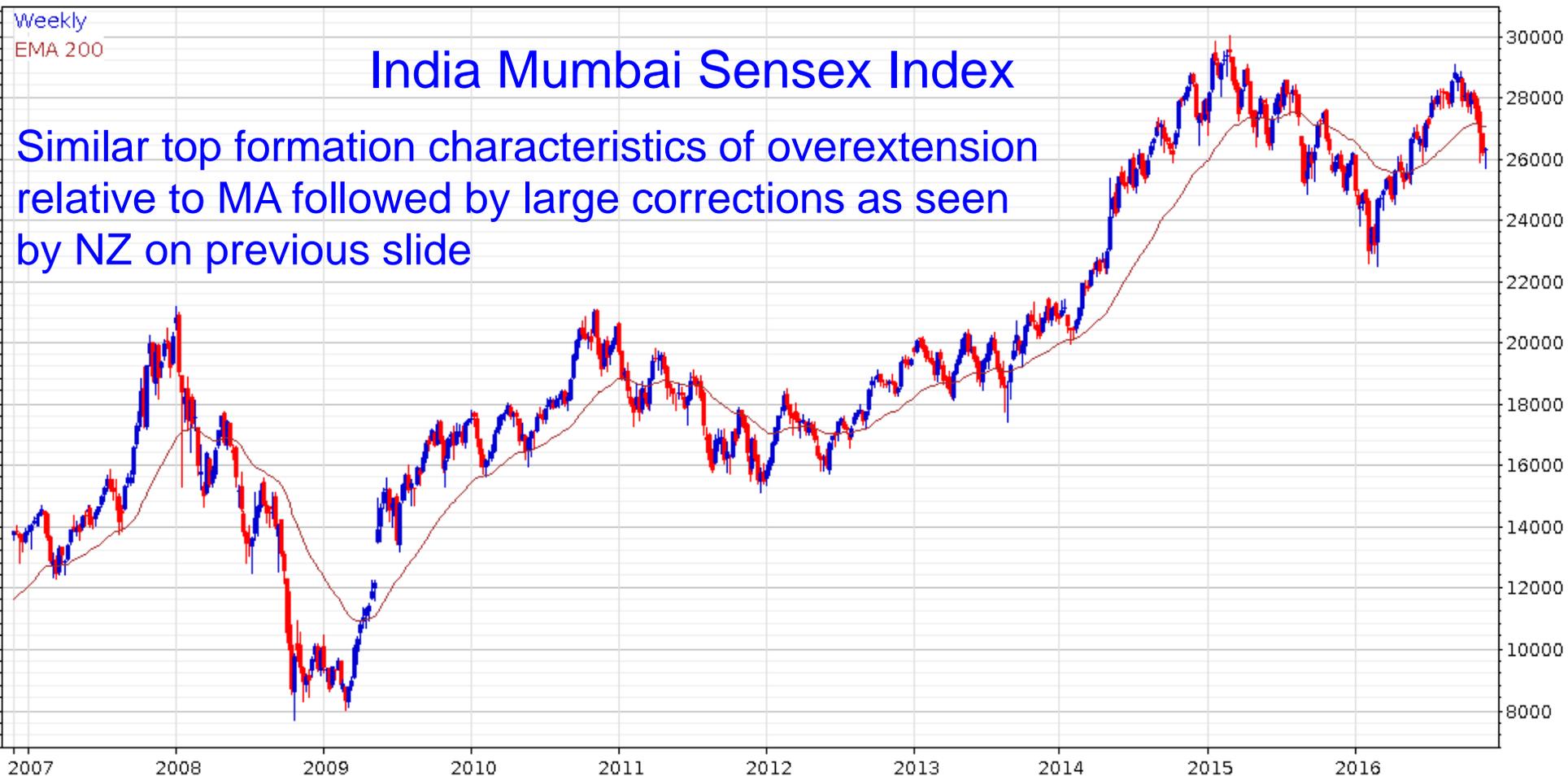
2016-11-25

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 World ex US



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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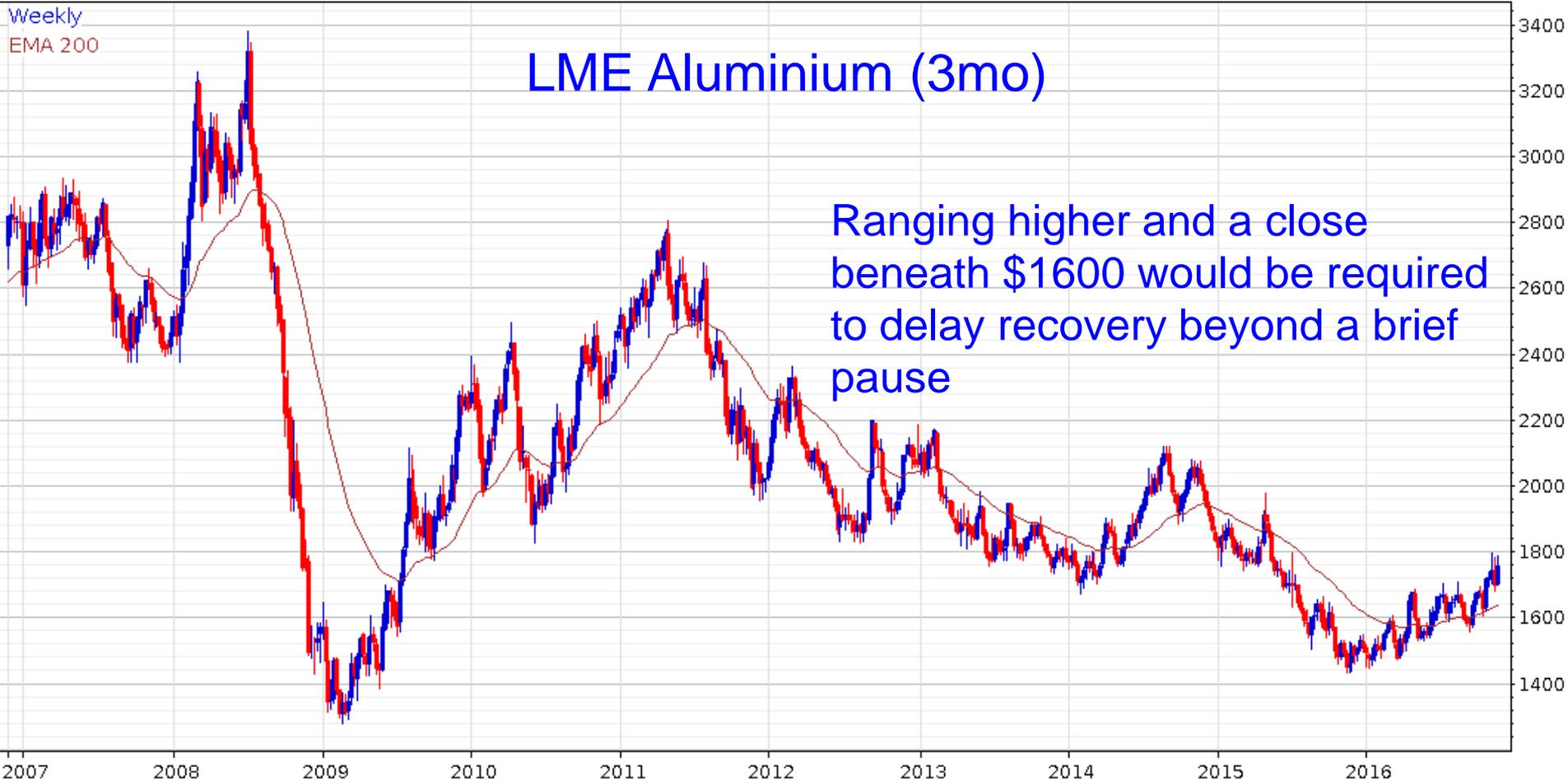
Industrial metals remain in favour

Biggest risk is a surging USD



LME Aluminium 3mth (LMAHDS03 LME COMDTY) 1757.00 63.0

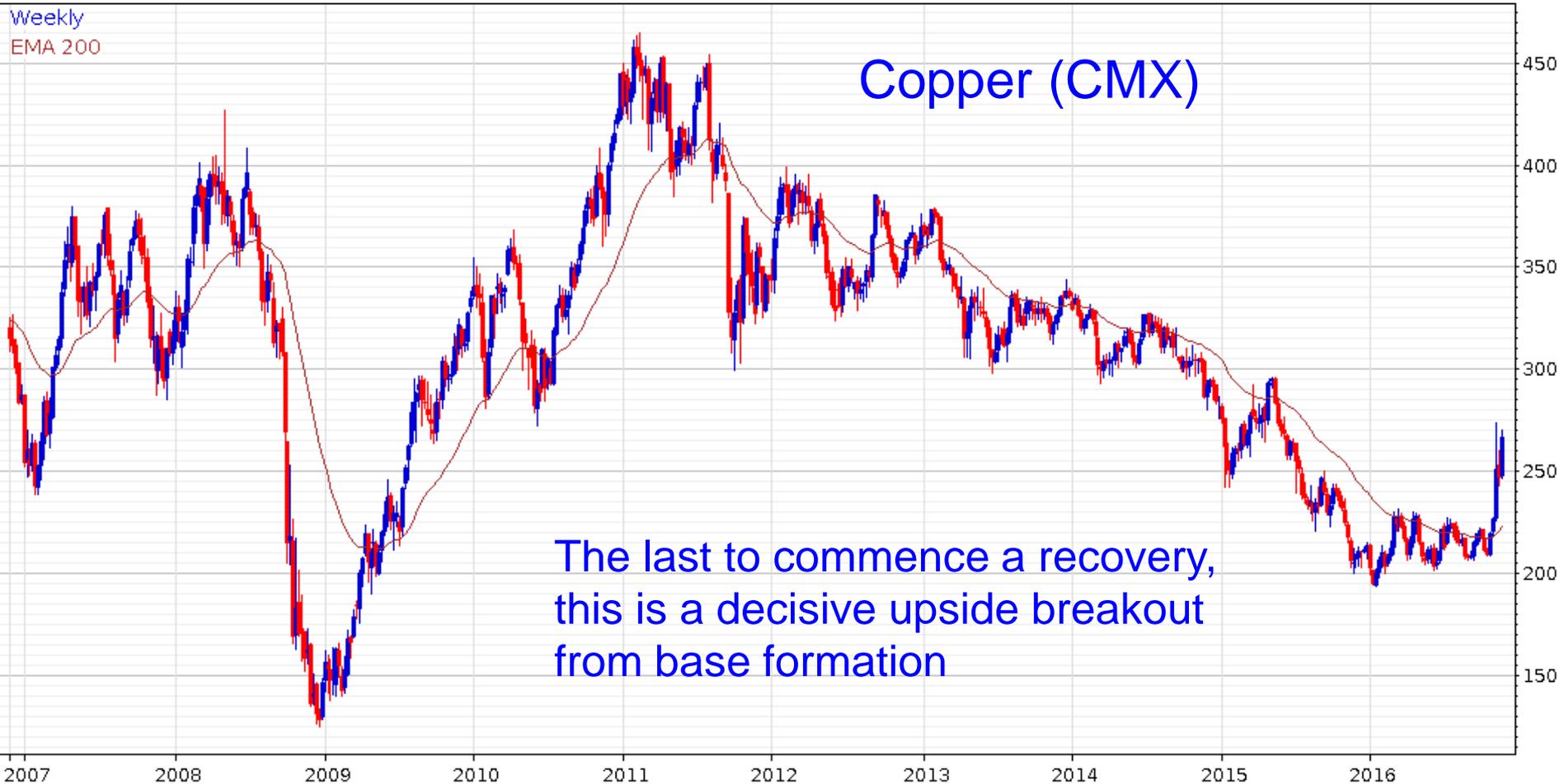
2016-11-25





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





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



Arguably oversold but appreciating
USD remains a strong headwind



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

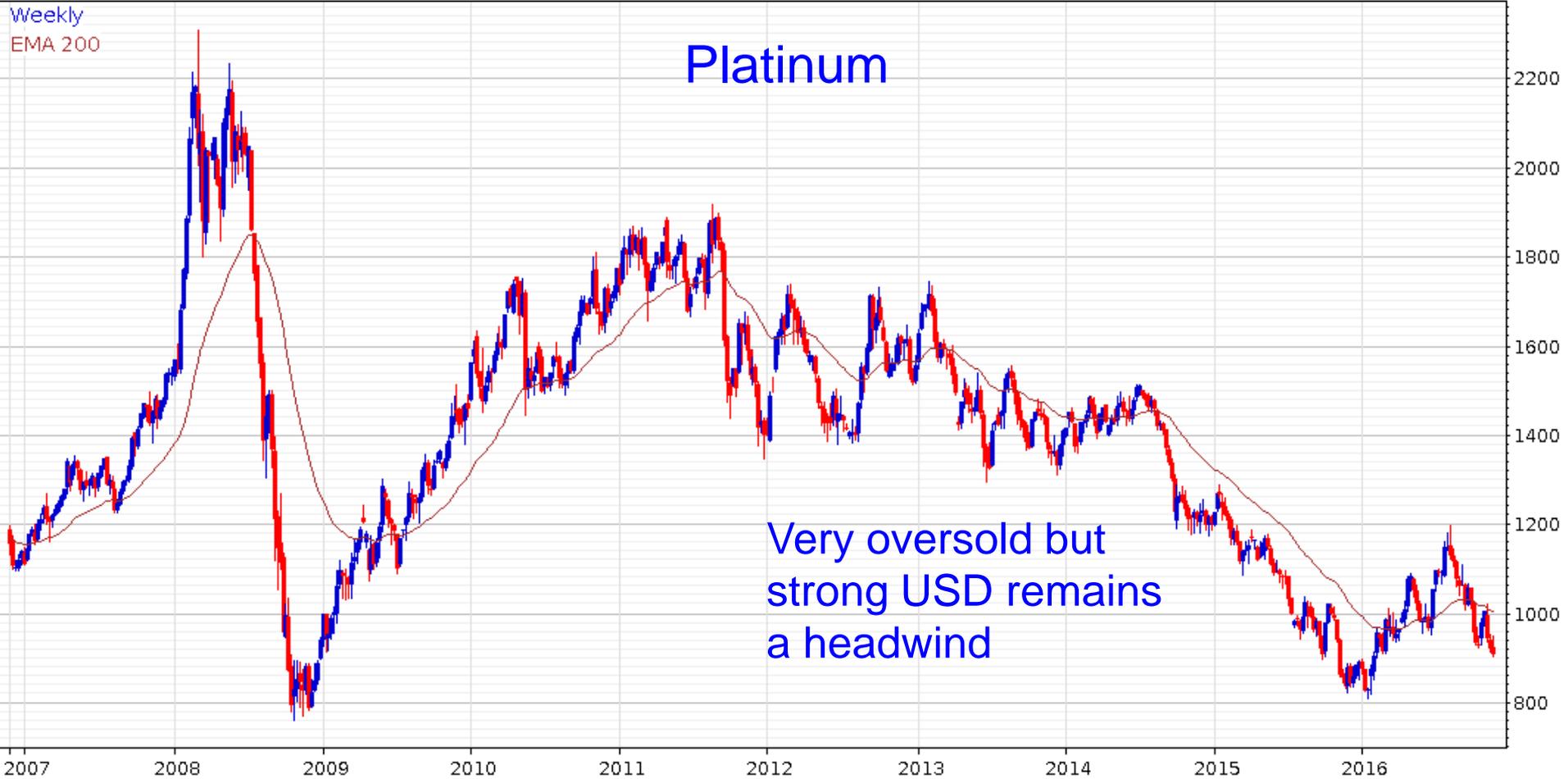
2016-11-25





Platinum NYME 1st Month Continuation (PL1 COMB COMDTY) 908.30 -13.7

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

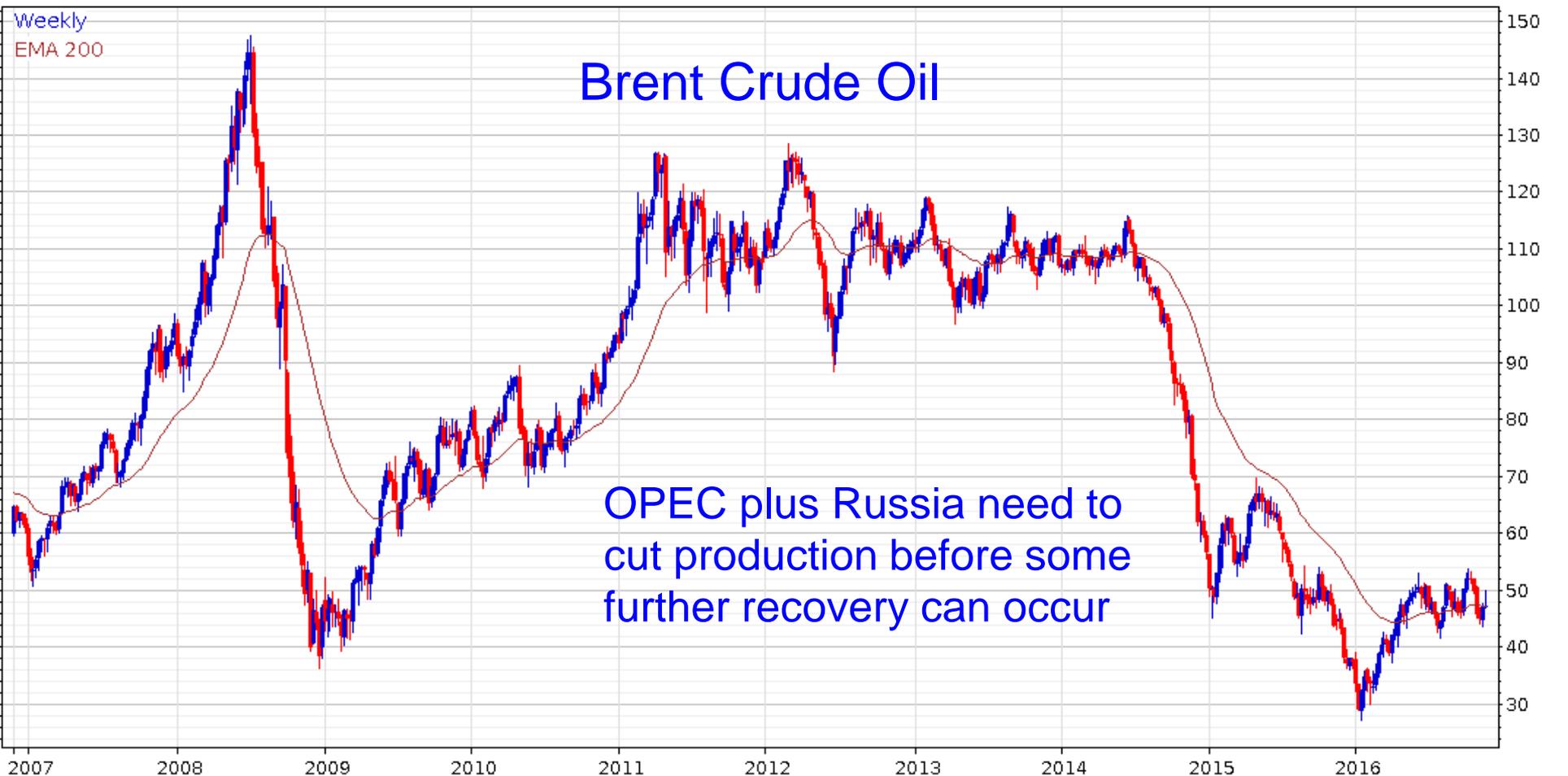
2016-11-25

Weekly

EMA 200

Brent Crude Oil

OPEC plus Russia need to
cut production before some
further recovery can occur





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Many thanks for your interest!
Any questions?

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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