



Fuller Treacy Money
Global Strategy Service
Empowerment Through Knowledge

The Markets Now

“Buy on the cannons, sell on the trumpets”

Attributed to Nathan Mayer Rothschild (1777-1836) in 1810

“Buy when there’s blood in the streets, even if the blood is your own”

Attributed to Baron Rothschild, cited in *Passport to Profits*, by Mark Mobius

“Be fearful when others are greedy, and be greedy when others are fearful”

Warren Buffett

David Fuller – 28th September 2015

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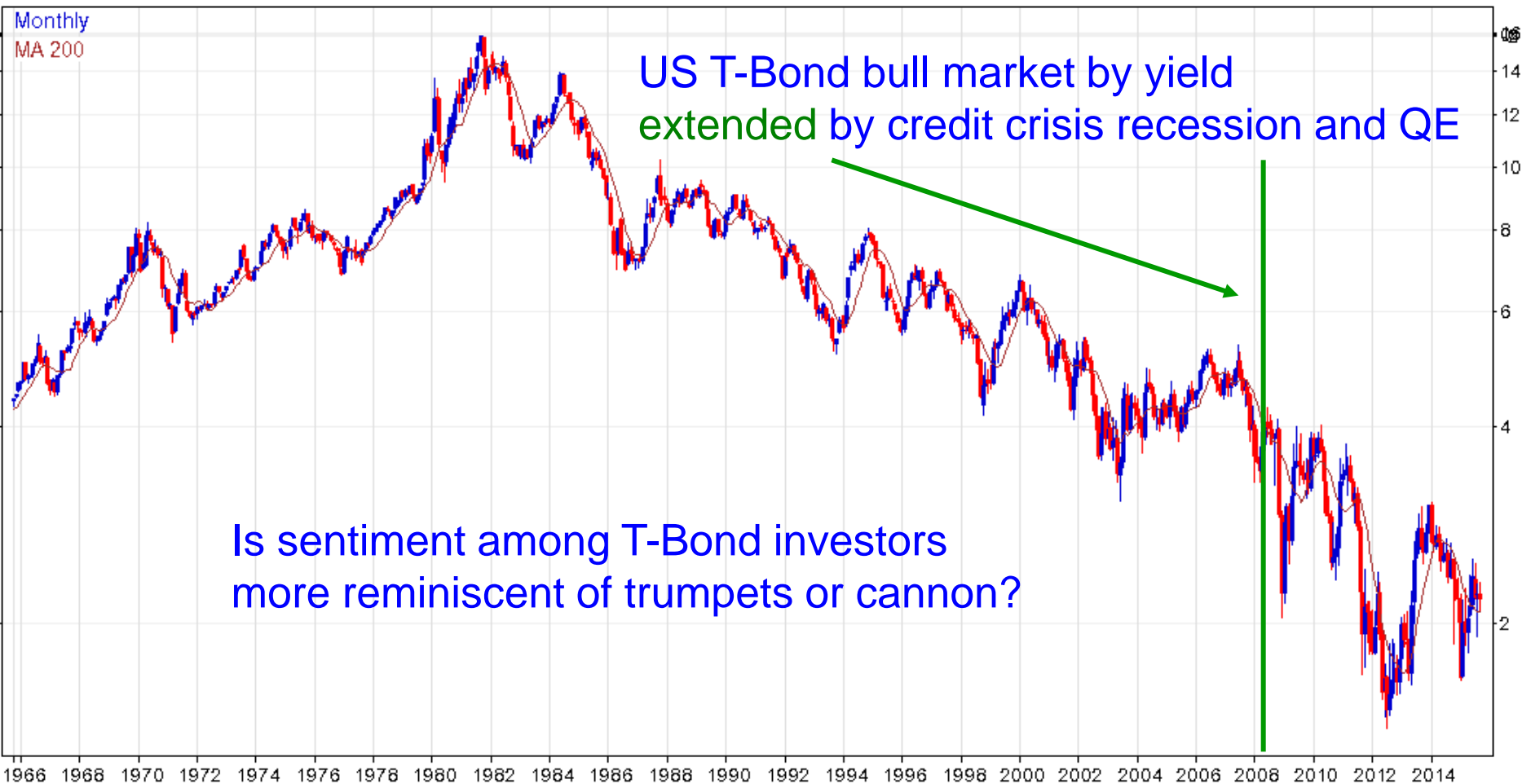
**East India Club – 16 St. James Square
London SW1Y 4LH, UK**



10-Year T-Bond

US 10yr Treasury Bond Yield (USGG10YR INDEX) 2.1623 -0.06

2015-09-25





10-Yr T-Bond over last 10 years

US 10yr Treasury Bond Yield (USGG10YR INDEX) 2.1623 0.03

2015-09-25

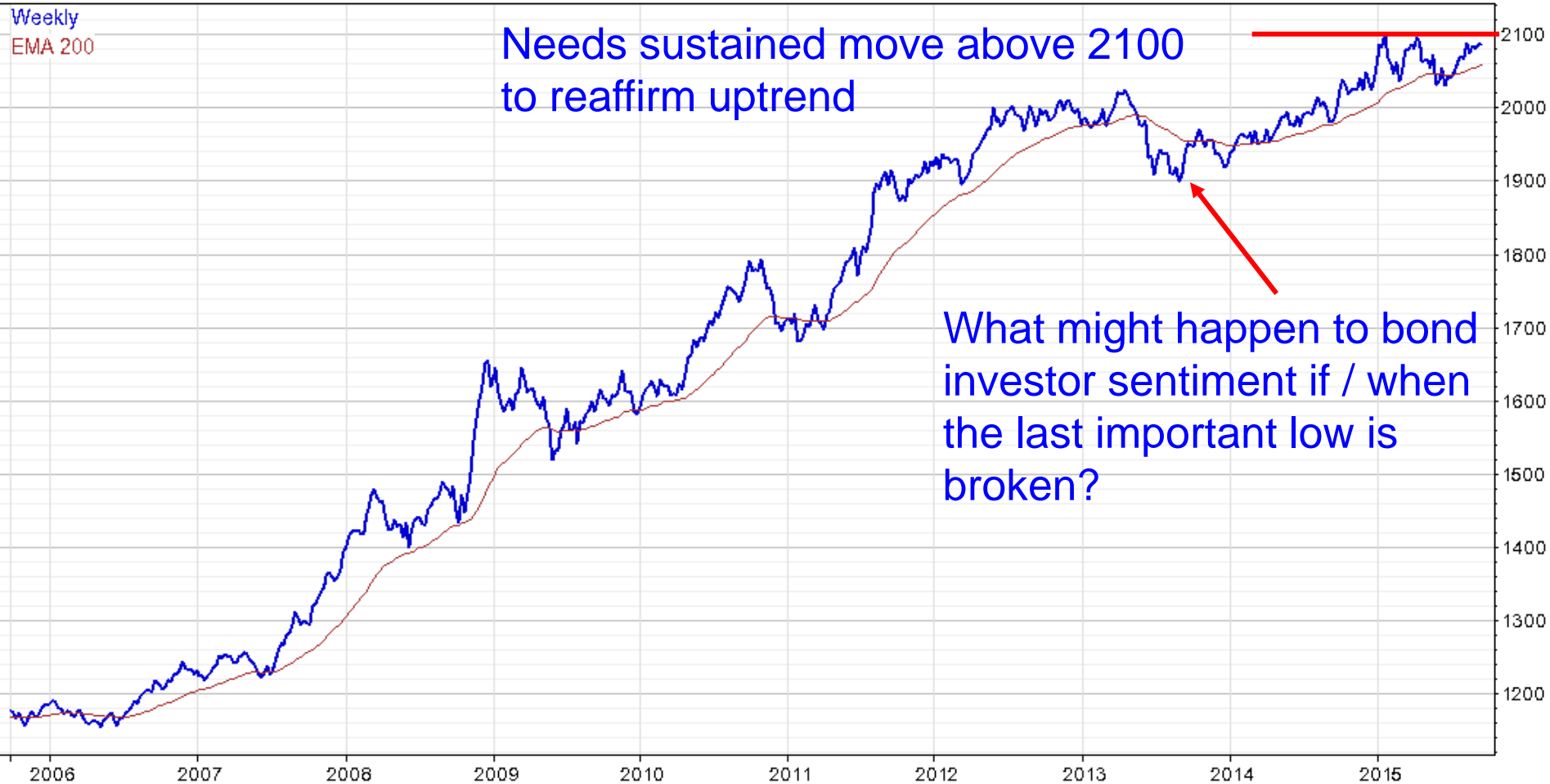




Total return

Merrill Lynch Treasury 10yr+ Future Total Return Index (MLT1US10 INDEX) 2087.30 0.04

2015-09-23





Global stock markets

- 1) Just experiencing a correction?
- 2) From a correction to cyclical bear markets?
- 3) Cyclical to significant bear markets?
- 4) The seasonal period of underperformance, on average, is between May and the end of October
- 5) US Presidential Election year usually ends on a bullish note



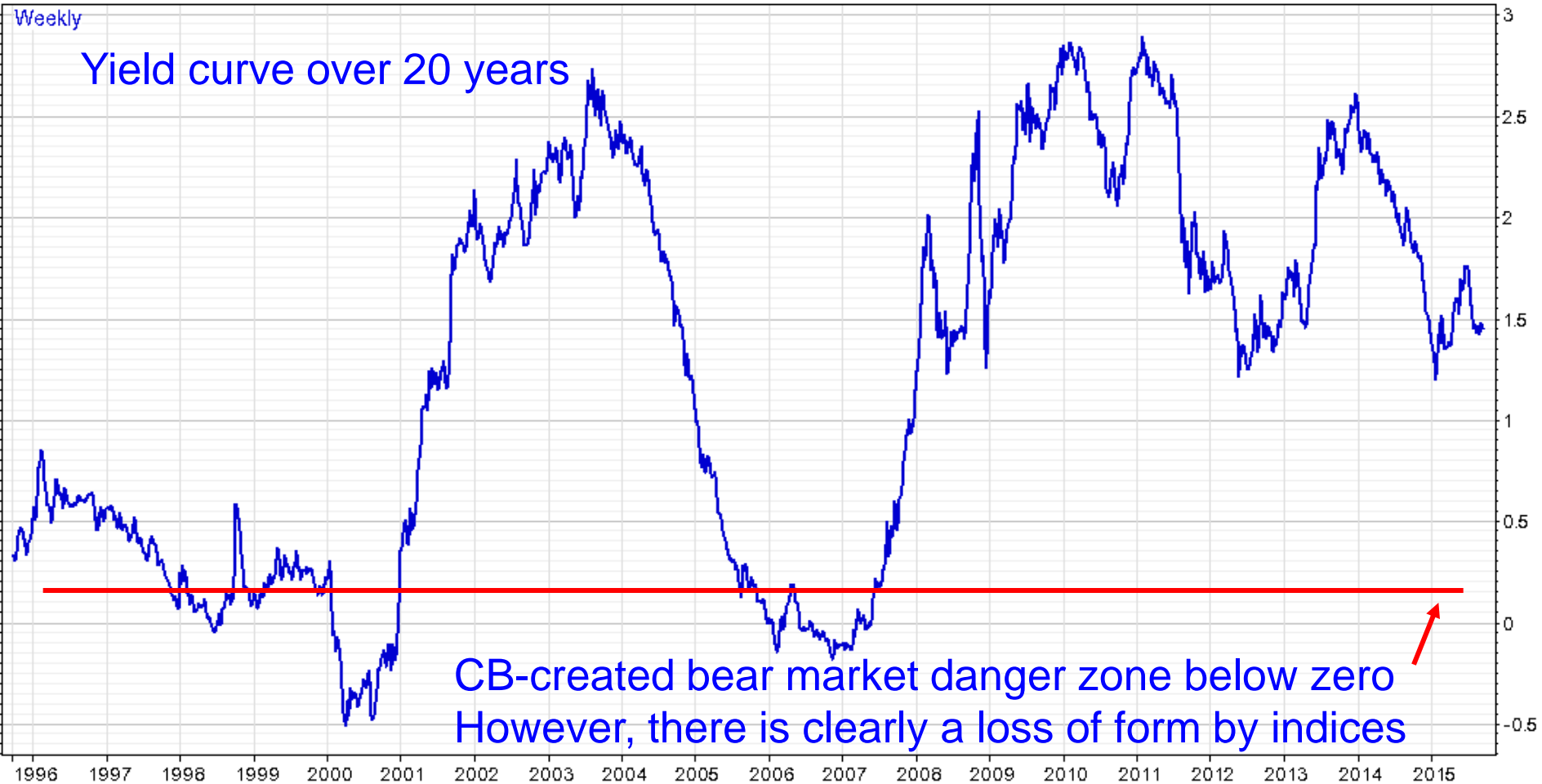
US Yield Curve

US 10yr Treasury Bond Yield (USGG10YR INDEX) - US 2yr Treasury Bond Yield (USGG2YR INDEX) 1.454 -0.0

2015-09-24

Weekly

Yield curve over 20 years



CB-created bear market danger zone below zero
However, there is clearly a loss of form by indices



Dow Jones Industrials Average (INDU INDEX) 16314.67 -69.91

2015-09-25





S&P 500 (SPX INDEX) 1931.34 -26.69

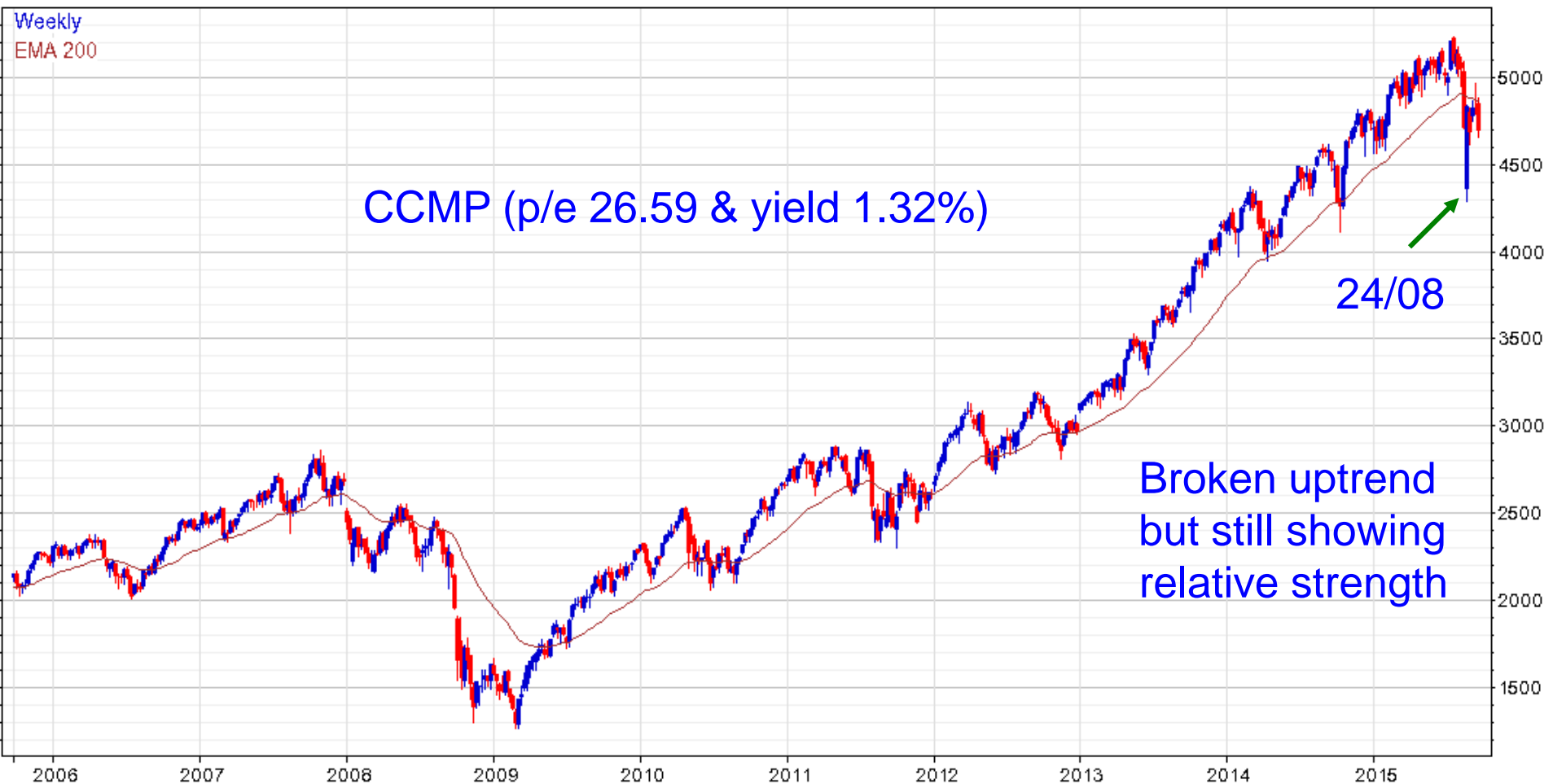
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Nasdaq Composite (CCMP INDEX) 4686.496 -140.73

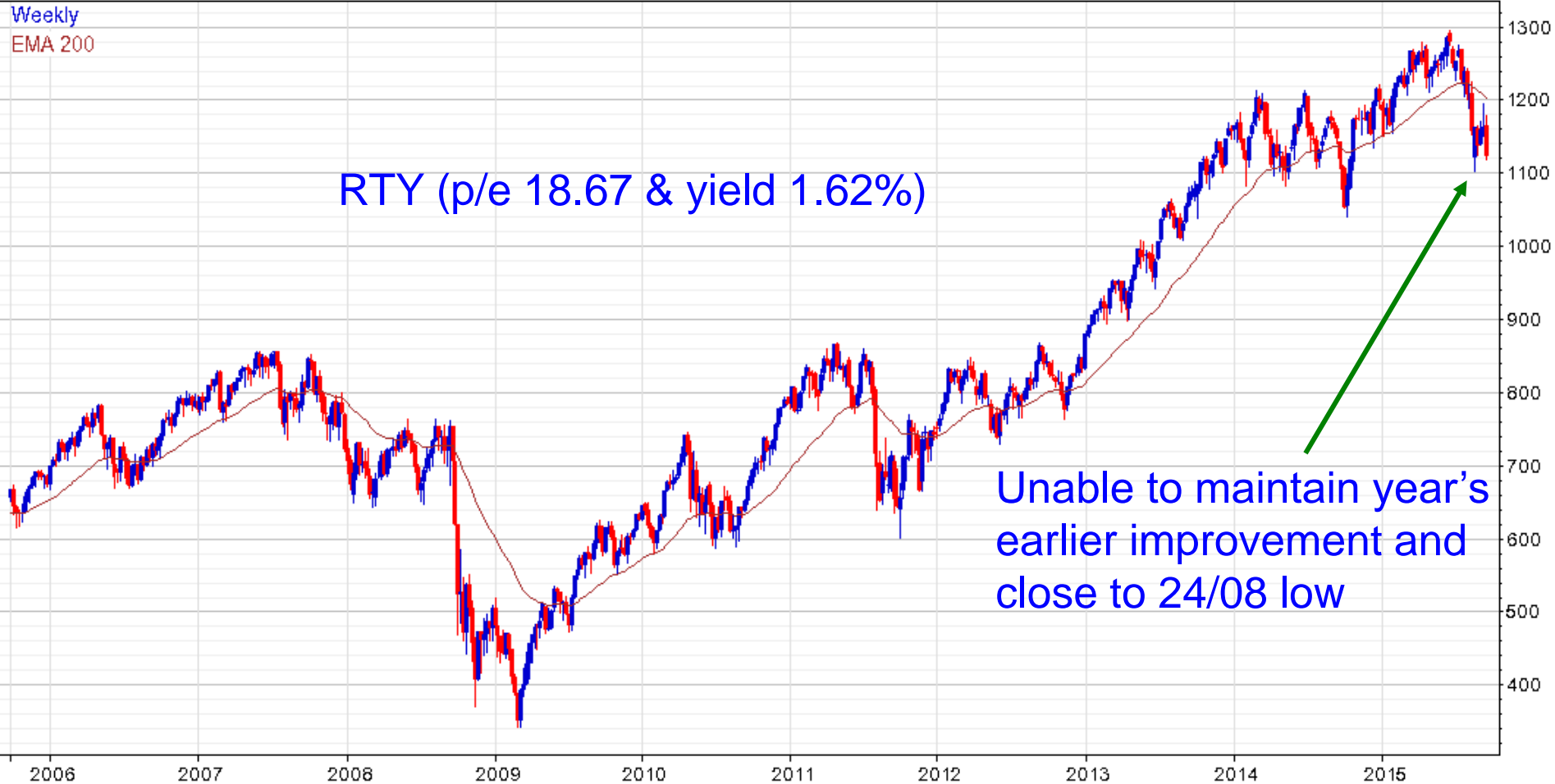
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Russell 2000 (RTY INDEX) 1122.789 -40.56

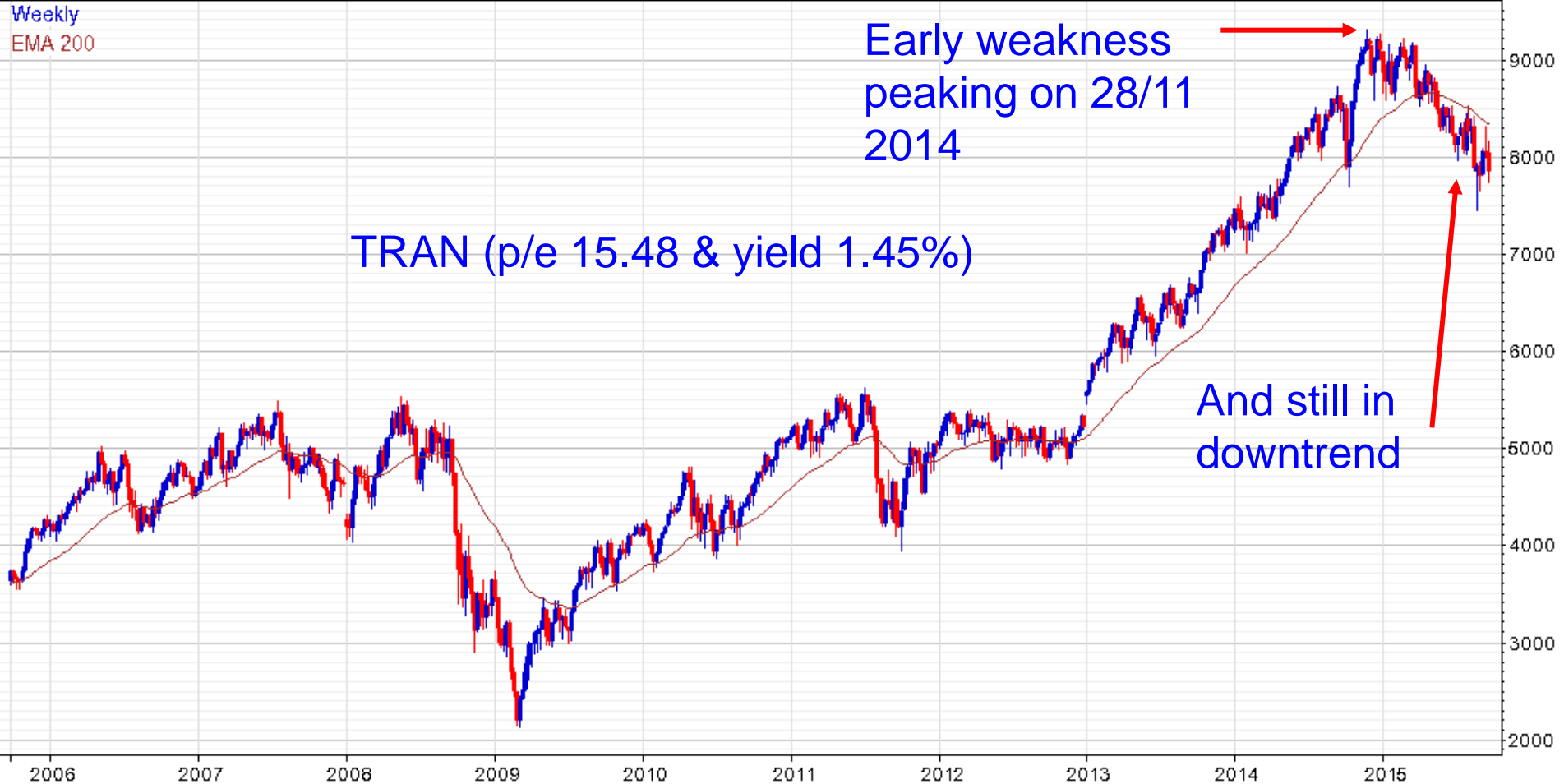
2015-09-25





Dow Jones Transport Average (TRAN INDEX) 7850.62 -185.75

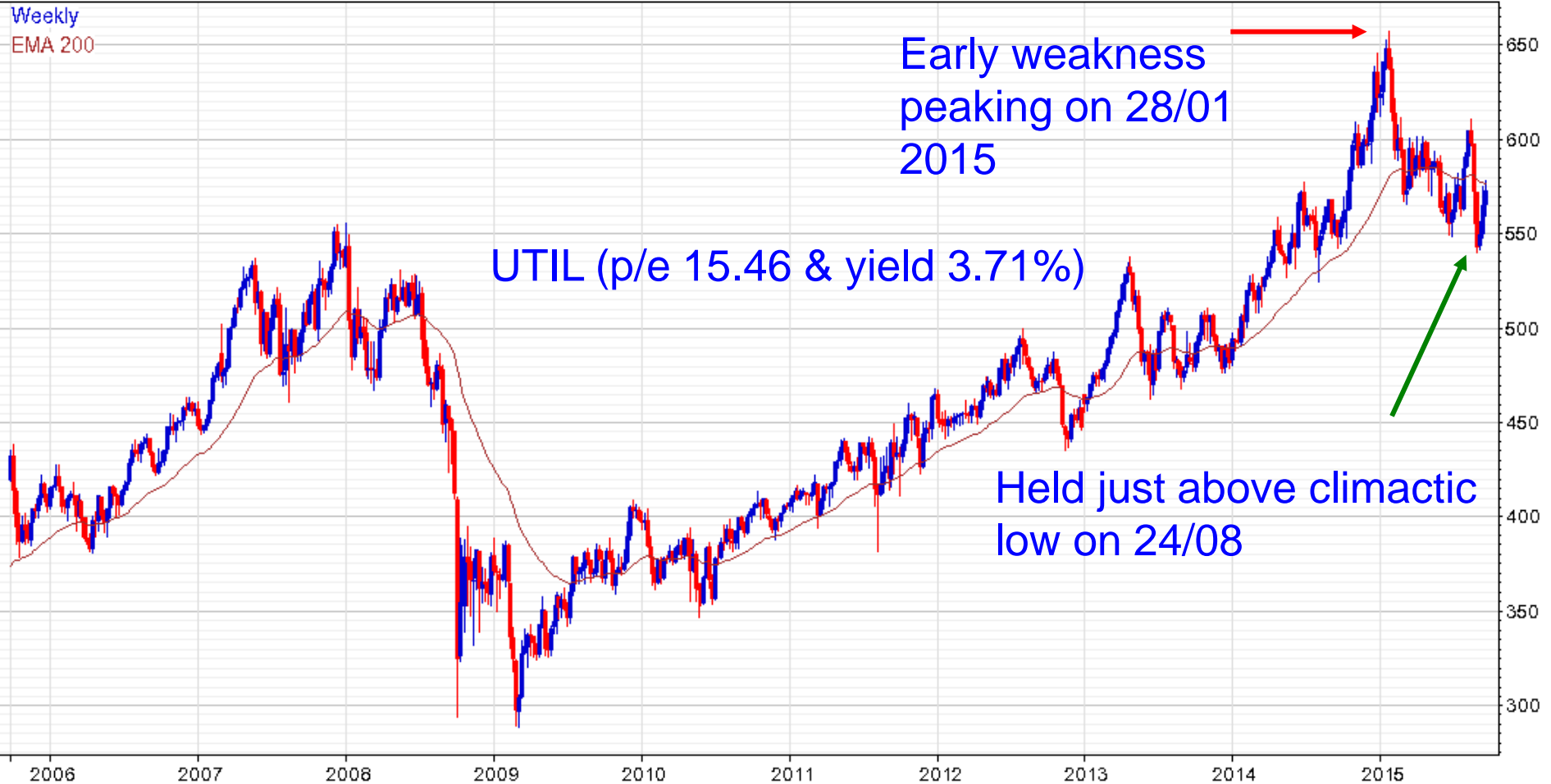
2015-09-25





Dow Jones Utilities Average (UTIL INDEX) 572.36 7.37

2015-09-25





S&P500 Banks

S&P500 Banks (S5BANKX INDEX) 222.5429 2.72

2015-09-25

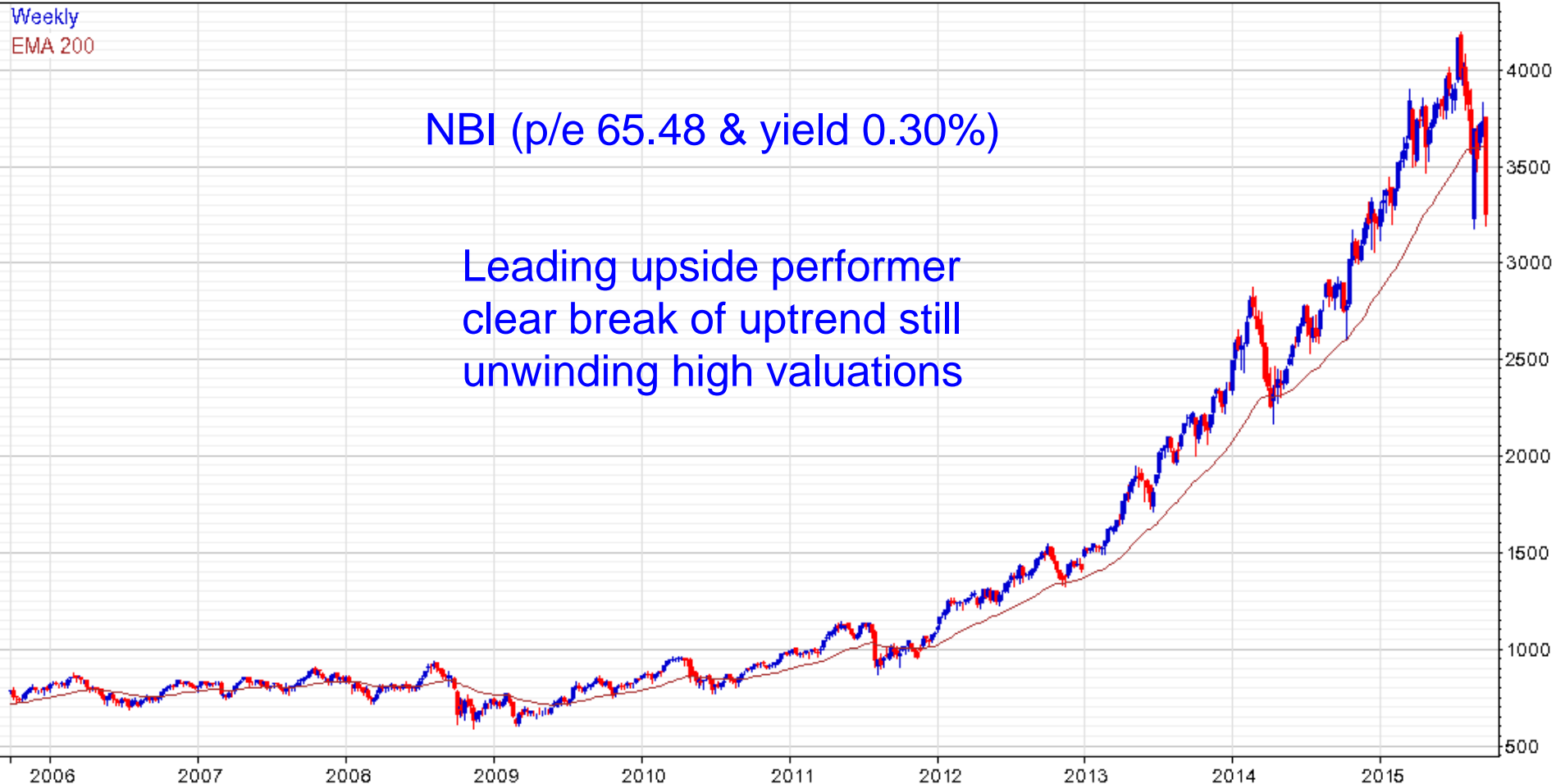




NASDAQ Biotech Index

NASDAQ Biotech Index (NBI INDEX) 3246.106 -486.57

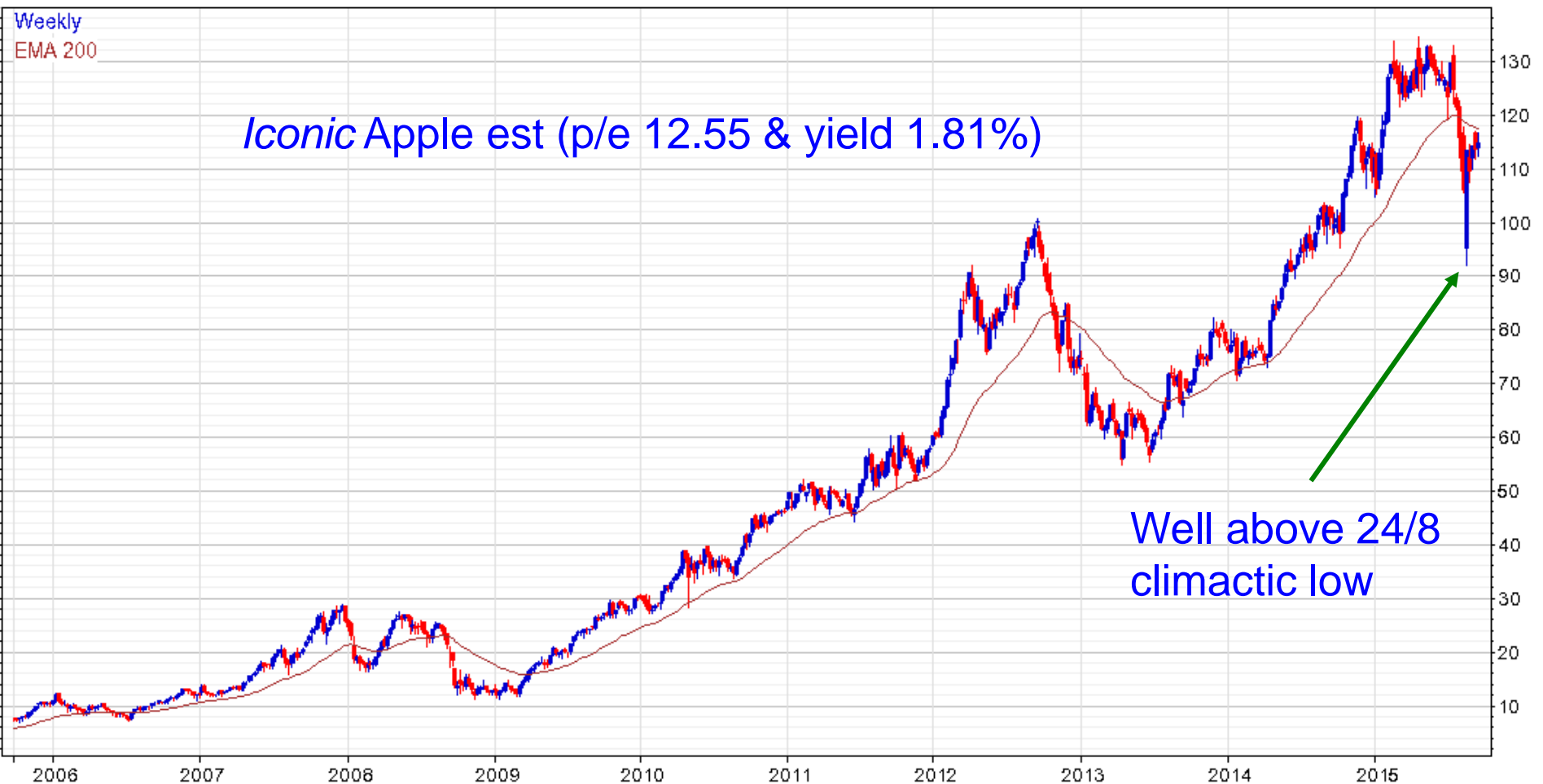
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Apple (AAPL US EQUITY) 114.71 1.26

2015-09-25





Asia Pacific

- 1) China – forever more the big elephant in the room
- 2) India – a candidate for top GDP growth while led by Narendra Modi
- 3) Most other Asian Pacific economies remain heavily dependent on exports to China



China Shanghai A-Shares (SHASHR INDEX) 3239.04 -6.07

2015-09-25





Hong Kong (HSI INDEX) 21186.32 -734.51

2015-09-25





India Mumbai (SENSEX INDEX) 25616.84 -246.66

2015-09-28





S&P/ASX 200 Index (AS51 INDEX) 5042.11 -128.39

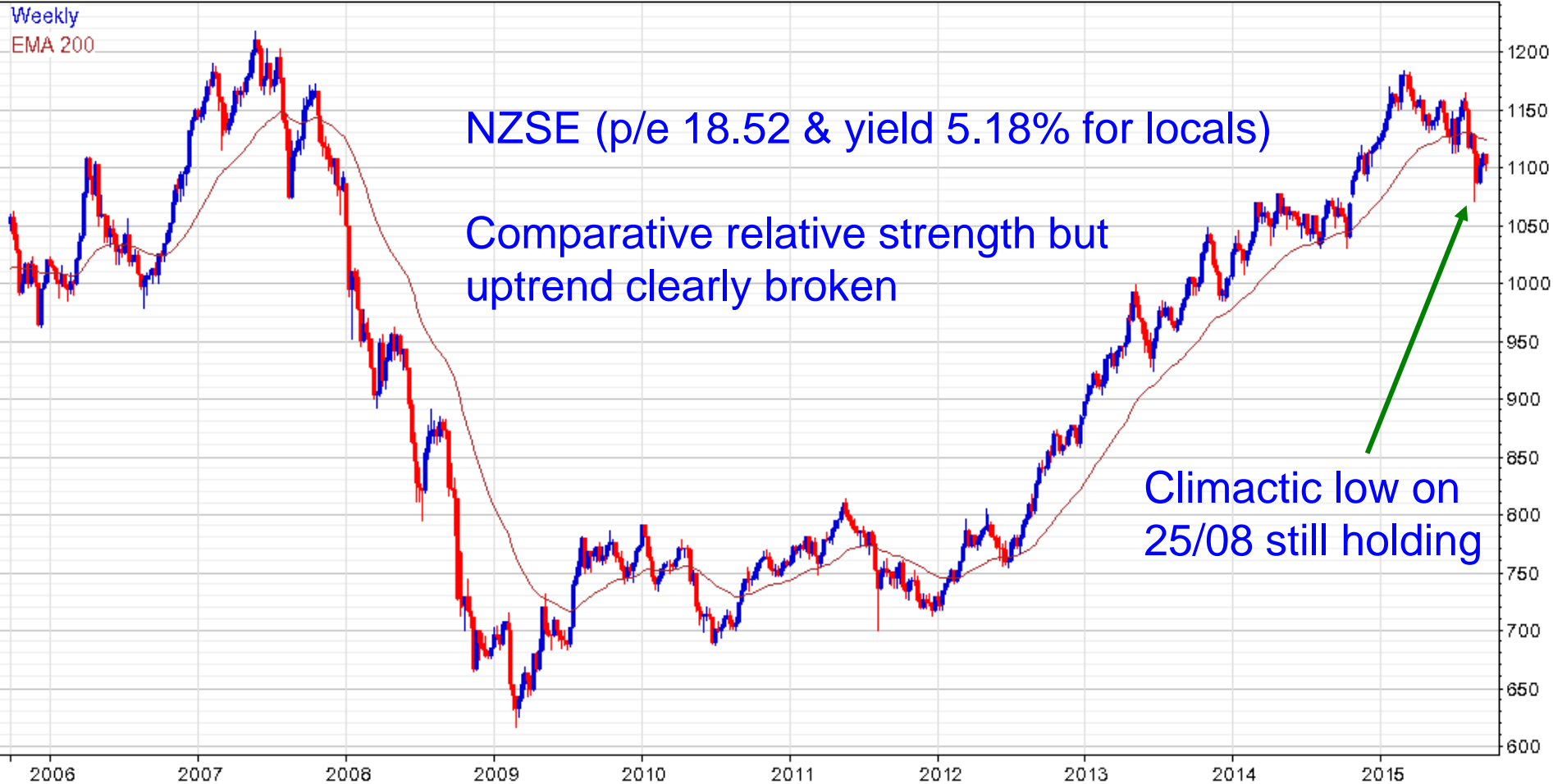
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New Zealand All Share (NZSE INDEX) 1103.223 -8.04

2015-09-25





Japan Nikkei 225 Index (NKY INDEX) 17880.51 -189.7

2015-09-25





Topix 2nd Section (TSE2 INDEX) 4538.28 -24.86

2015-09-25





European Union

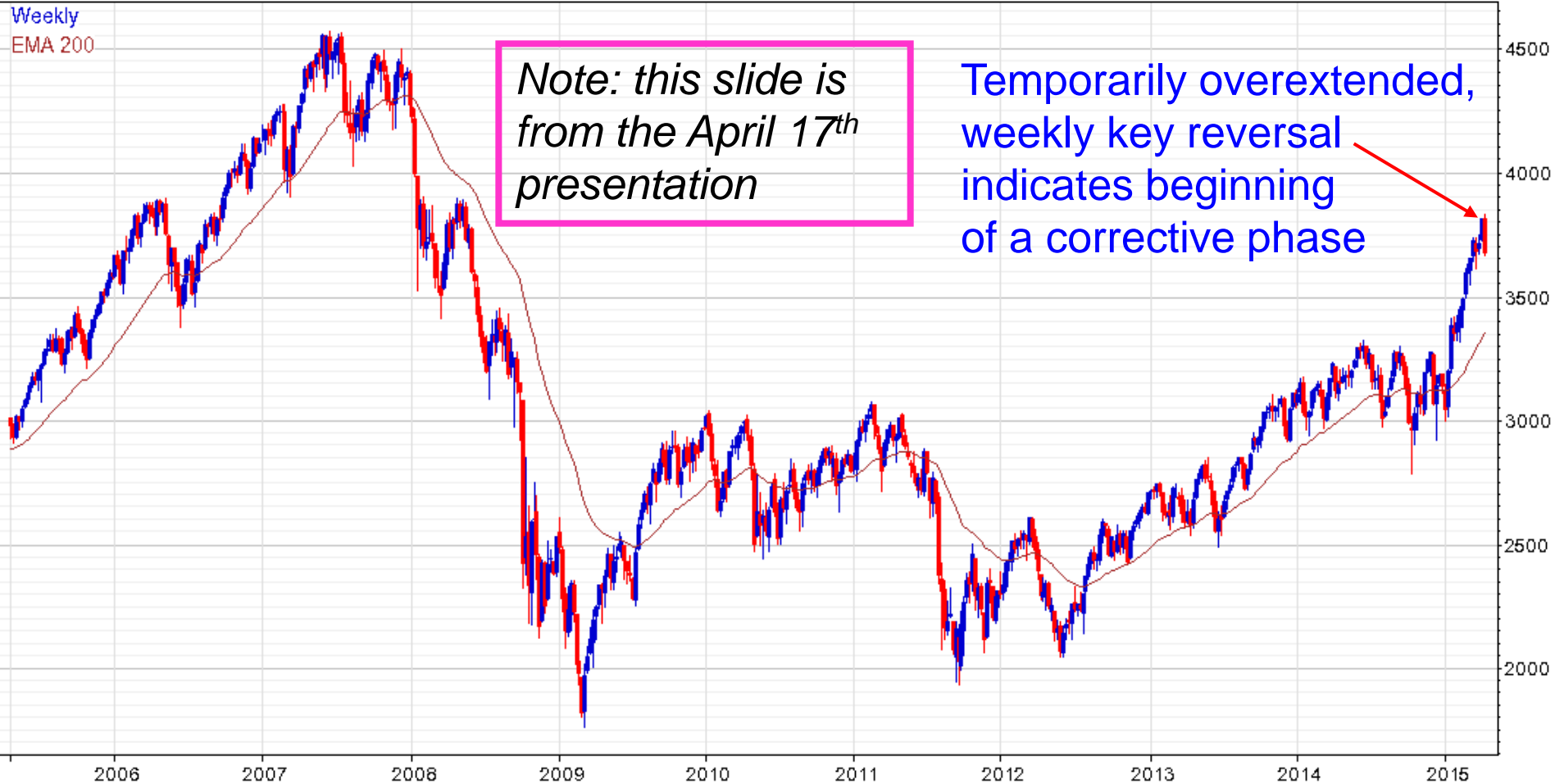
- 1) Variousy roiled by Putin, Sanctions, Grexit, Brexit, slow GDP growth, high unemployment, political dissatisfaction, rule by unelected EU commissioners, a divisive and out of control migrant crisis, and now the diesel emissions scandal
- 2) Share valuations are competitive and QE continues



Ten-year chart of SX5E

2015-04-17

DJ Euro STOXX 50 (SX5E INDEX) 3674.05 -142.71





DJ Euro STOXX 50 (SX5E INDEX) 3113.16 -44.14

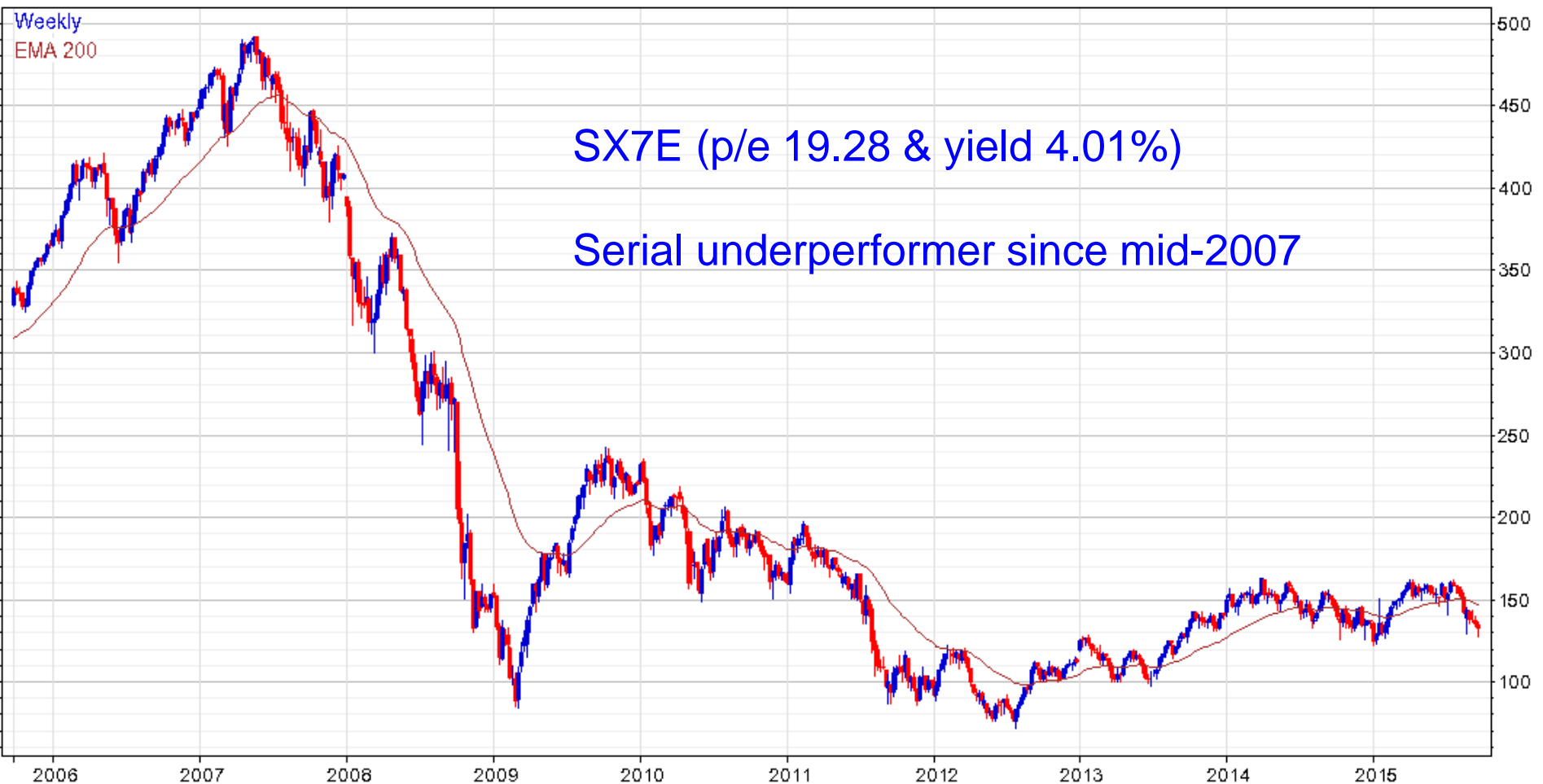
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DJ Euro Banks (SX7E INDEX) 131.84 -2.93

2015-09-25





Germany (DAX INDEX) 9688.53 -227.63

2015-09-25





FTSE100 (UKX INDEX) 6109.01 4.9

2015-09-25





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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 relative the last several trading ranges
- 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



PRESIDENTIAL CYCLE: S&P 500 Price Returns by Half

S&P 500® Average % Price Changes and Frequencies of Advance During the Eight Six-Month Periods Within the Presidential Cycle (10/31/44-9/29/14)

Pres. Cycle	Nov.-April		May-Oct.	
	Avg. %	FoA	Avg. %	FoA
Year 1	3.4	72%	3.0	67%
Year 2	4.3	56%	(1.2)	50%
→ Year 3	15.3	94%	2.1	65%
Year 4	5.3	88%	1.7	76%
All Years	7.0	77%	1.4	64%

Source: S&P Capital IQ. Indexes are unmanaged, statistical composites and it is not possible to invest directly in an index. The returns shown do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause actual and back tested performance to be lower than the performance shown. Returns exclude dividends. Past performance is no indication of future results.