

DISCRETIONARY VIEWS & KEY LEVELS

OVERVIEW: Equities continuing to push aggressively higher. Yields steady within the current range. US\$ steady on recent weakness. The S&P 500 higher again yesterday to a new all time high of 2929. Bulls remain in charge with support at 2695 on reactions lower. The DXY holding steady above the 91.75 low from Tue, resist at 92.50/93.00. The US 10-Year Yield holding steady within the 2.40%/2.50% range. EUR/USD tested back to the major swing high of 1.2090, but it continues to hold. Support at 1.2000 through 1.1960 on the draw downs. The S&P GSCI pressing 450 resist with key swing high at 460. Support at 430 on dips.

- **FX-DXY (91.99)** steady trading so far this week, holding above the 91.75 low traded on Tue. The sharp selling last week put the impetus towards the bears with further support at 91.55 through to the major swing low of 91.01. Need to trade back above 92.50, and also 93.00, to neutralize the current weakness. **EUR/USD (1.2054)** traded back to test the key swing high at 1.2090 yesterday but this continues to cap. Expect tough resist on any attempt to break clear, with further resist at 1.2360 on any break. Watch 1.2000 as initial support with further levels to 1.1960 through 1.1880 on a deeper draw down. **GBP/USD (1.3542)** becoming a little congested on the attempts to trade up for a test of the current swing high at 1.3655. Any break opens a new bull leg towards 1.3835. Pivotal level at 1.3550 with support at 1.3460 on the dips.
- **US TREASURIES-Mar 10-Year T-Notes (12319)** steady on the move lower off the test of 12330 resist last week. Focus now back on the 12313 support with any break below seeing a slide to 12300 next. Resist at 12330 through 12410 capping for now. **US 10-Year Yield (2.46%)** steady trading in a range now between 2.40% and 2.50%. Expect some further congestion but bias continues to look for a break above 2.50% in due course.
- **COMMODITIES-S&P GSCI SPOT (448)** pressure now on resist at 450 following the break clear of the 430 resist area last week. Further upside sees a push towards the major swing high at 460. Support now at 430 to hold any reactions lower. **Feb NYM Crude Oil (61.89)** continuing to press sharply higher this week with a high traded at 62.20 yesterday, watch further resist at 62.60. Support at 60.00 on reactions lower with further support at 59.10. **Feb CMX Gold (1318)** back trading into the 1320/1340 resist area but watch the overbought momentum weighting on further gains. Support at 1300 to hold any dips.
- **EQUITIES-S&P 500 (2724)** strong session again yesterday, trading another new all time high of 2729.29. These first few trading session this year have been aggressive and seeing no sign of a change in the bullish impetus. Watch for any reactions lower with support down to 2695.

NON-DISCRETIONARY – FX – RATES

WEEKLY COMPOSITE INDICATOR* READINGS

FX:	Jan-04	Reading vs. Dec-29	Implication-Exposure	Chg
DXY	Bearish	Unchanged	Prefer Short	
AUD/USD	Bullish	Strengthening	Prefer Long	+
USD/CAD	Bearish	Unchanged	Prefer Short	
EUR/JPY	Bullish	Unchanged	Prefer Long	
USD/JPY	Bullish	Strengthening	Prefer Long	+
EUR/USD	Bullish	Unchanged	Prefer Long	
GBP/USD	Bullish	Deteriorating	Prefer Long	
USD/CHF	Bearish	Unchanged	Prefer Short	
USD/CNH	Bearish	Weakening	Prefer Short	-
USD/MXN	Bullish	Unchanged	Prefer Long	

US TREASURY FUTURES:

10-Yr-T-Nt	Bearish	Unchanged	Prefer Short	
30-Yr-T-Bd	Bearish	Weakening	Prefer Short	-

COMMODITIES:

S&P GSCI	Bullish	Strengthening	Prefer Long	+
Gold	Bullish	Unchanged	Prefer Long	
Oil	Bullish	Unchanged	Prefer Long	
Wheat	Bullish	Strengthening	Prefer Long	+

COMMODITIES – EQUITIES – MODELS

WEEKLY COMPOSITE INDICATOR* READINGS

US & SECTORS:	Jan-04	Reading vs. Dec-29	Implication - Ex/C
S&P 500	Bullish	Unchanged	Prefer Long
NASDAQ 100	Bullish	Unchanged	Prefer Long
VIX	Bearish	Weakening	Prefer Short -
Basic Materials	Bullish	Deteriorating	Prefer Long
Energy	Bullish	Unchanged	Prefer Long
Financials	Bullish	Unchanged	Prefer Long
Healthcare	Bullish	Deteriorating	Prefer Long
Retailing	Bearish	Weakening	Prefer Short -
Semiconductrs	Bearish	Unchanged	Prefer Short
Tech	Bullish	Strengthening	Prefer Long +
Transports	Bullish	Unchanged	Prefer Long

INTERNATIONAL ETFs:

Brazil	Bullish	Deteriorating	Prefer Long
Canada	Bullish	Strengthening	Prefer Long +
China	Bullish	Strengthening	Prefer Long +
Germany	Bullish	Unchanged	Prefer Long
Italy	Bullish	Strengthening	Prefer Long +
Japan	Bullish	Strengthening	Prefer Long +
UK	Bullish	Deteriorating	Prefer Long

Euro Model C2* Neutral

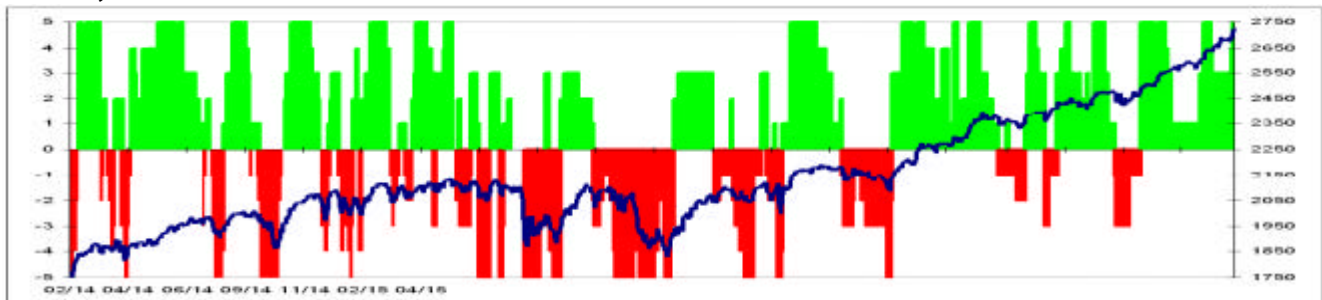
MITM (Page 2): +5 Bullish [Position change from Bearish to Bullish Sep11]. Full SSO position = 351 shares with price of \$94.95 per share. Model Account now +1.1% for 2018 vs. SPY Account = +1.7%

MULTINPUT TECHNICAL MODEL FOR STAYING ON THE RIGHT SIDE OF THE US STOCK MARKET TREND

The model (MITM) is proprietary. It is not designed to catch absolute highs and lows, but attempts to be in sync with the trend of the S&P 500 based on a summation of diverse technically-based inputs. The goal is to follow the “message of the market” regardless of shorter-term gyrations, and to minimize losses and let profits run. Thus, rather than establishing targets where the market should turn, or attempting to “tell” the market what it should do based on an assessment of the news and fundamental data, the model argues for being long, short, or neutral. Hypothetical long and short positions are scaled into in thirds for a virtual portfolio if a signal remains in force for 3 straight days. Positions are closed on signal change. Thus, it will likely perform best during periods of sustained trend. The model will likely experience difficulty in a sideways/trendless environment with sharp reversals. Deterioration or improvement may signal an impending trend change. Readings range from +5 to -5, Neutral = 0. For risk management purposes, the position is closed in the event of an intraday drawdown of 5% regardless of the preceding day’s closing signal.



At **+5**, the US STOCK MARKET TREND is **BULLISH**



Bars reflect Model Signal (left scale). Blue Line = S&P 500 closing price (right scale) (Past performance does not guarantee future performance)

[For demonstration purposes when BULLISH the model assumes the following ETF from the day of signal to reflect its hypothetical positioning bias]

LONG-SIDE	ETF	1st ENTRY DATE	AVERAGE PRICE	HET LAST	HET CHANGE	% CHANGE	Full position Shares	\$ Change
Aggressive	SSO 2x	11/09/2017	\$94.95	\$113.24	\$18.29	19.26%	351	\$6,420



HAMMERING IT HOME

FX: DXY steady trading so far this week, holding above the 91.75 low traded on Tue. The sharp selling last week put the impetus towards the bears with further support at 91.55

INTEREST RATES: US 10-Year Yield steady trading in a range now between 2.40% and 2.50%. Expect some further congestion but bias continues to look for a break above 2.50%

COMMODITIES: S&P GSCI pressure now on resist at 450 following the break clear of the 430 resist area last week. Further upside sees a push towards the major swing high at 460

EQUITIES: S&P 500 strong session again yesterday, trading another new all time high of 2729.29. These first few trading session this year have been aggressive