



Global Equity Perspective

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Bottom Line:

Since the May highs, it has been our view that the benchmark S&P 500 is poised to trace the most prolonged corrective pattern since the September '12 through November '12 timeframe. To this point, the index has met this expectation, and after satisfying a number of key measured counts produced during the early stages of the post-05/22 down-cycle down to a confluence of support levels in the 1600 area during the first week of June, the S&P 500 appears content in its current range ahead of this week's highly anticipated meeting.

To help put things into perspective, our [Chart of the Day](#) on Friday found that the S&P's June 6th low formed near the low-end of what is to be expected the month after a yield shock similar to what we witnessed in May. (The May 10-Yr yield rally represented the largest 1-month change vs. the standard deviation of monthly changes over the trailing twelve-month period throughout the entire post-1981 decline in yields.)

Corrections come in all forms, and with key measures of risk vs. risk aversion still not breaking down, it is entirely possible that the S&P's current corrective phase will remain shallow, with the benchmark possibly even testing the May highs in the process. Though, the large majority of this report's global benchmarks have lagged the US significantly in recent weeks.

Although we see a higher risk of the S&P 500 finally satisfying AT LEAST a 5% correction from the May 21st close before the next sustained leg higher takes hold, a continued lack of selling interest by the market below the 1600 area will offer the bearish case very little traction.

Global Insight

- Last week, 13 of this report's 14 global equity benchmarks closed lower by an average of -2.0%, compared to 13 of 14 indices finishing lower by an average of -2.98% the prior week.

- Reflective of the ongoing deterioration in global equity prices is the fact that every benchmark covered in this report now has a lower sloping 4-week moving average.

- Every equity benchmark covered in this report, with the exception of the S&P 500, now has a lower sloping 4-week moving average.

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Global Market Summary

	Current Price	52-Wk High	52-Wk Low	% from 52-Wk High	% from 52-Wk Low	1-Wk % Price Chng	YTD % Price Chng	52-Wk % Price Chng	Beta (vs S&P 500)	6-Week RSI	%B (from 10-weekMA)	4WMA % of Avg. Upslope	4WMA % of Avg. Dnslope	% Index Above 200-DMA	Currency/Stock % Diffusion	CySMoB %ile Rank	Trend Stop	Next Target Area	Bias Vs. S&P 500	
United States	1627	1687	1307	-3.6	24.5	-1.0	14.1	21.1	56.7	0.6	26	87.8	-0.62	29%	1649	1608	Lead	vs EAFE		
Canada	12187	12905	11252	-5.6	8.3	-1.5	-2.0	5.7	0.55	29.9	0.2	53	65	1.83	22%	12401	11919	Lag		
Mexico	39269	46075	36899	-14.8	6.4	-2.4	-10.2	4.1	0.52	26.2	0.0	177	40	5.71	2%	41332	38500	Lag		
Brazil	49332	63473	48746	-22.3	1.2	-4.4	-19.1	-12.1	0.90	18.6	-0.1	64	22.5	8.6	5%	52937	47793	Lag		
Germany	8128	8558	6078	-5.0	33.7	-1.5	6.8	30.5	0.91	51.4	0.5	61	73.3	-0.52	27%	8356	7900	---		
France	3805	4072	2994	-6.6	27.1	-1.7	4.5	23.2	0.95	41.6	0.4	54	77.5	1.53	27%	3890	3655	Lag		
Italy	16153	17984	12296	-10.2	31.4	-3.2	-0.7	20.6	1.13	39.4	0.3	43	72.5	3.2	40%	16768	15290	Lag		
UK	6308	6876	5415	-8.3	16.5	-1.6	7.0	15.1	0.81	35.0	0.2	63	77.2	2.84	15%	6421	6146	Lag	vs US	
Russia	1294	1638	1241	-21.0	4.2	-1.6	-15.5	-3.3	1.59	20.2	0.1	67	22	5.82	20%	1380	1223	Lag		
China	2162	2445	1949	-11.6	10.9	-2.2	-4.7	-6.3	0.63	31.8	0.1	40	47.9	3.17	34%	2277	2075	Lag		
Japan	12687	15943	8328	-20.4	52.3	-1.5	22.0	48.0	0.88	36.5	0.1	47	89.3	8.14	32%	13584	11806	Lead		
South Korea	1889	2042	1759	-7.5	7.4	-1.8	-5.4	1.7	0.69	33.1	0.1	53	56.4	7.88	14%	1935	1857	Lag		
Australia	4792	5250	3994	-8.7	20.0	1.1	3.1	18.1	0.67	33.3	0.2	115	52.5	4.16	17%	4892	4603	Lag		
India	19178	20444	16553	-6.2	15.9	-1.3	-1.3	13.1	0.61	41.1	0.4	52	40	1.47	32%	19712	18144	Lag		

Blue cells indicate a neutral range

USA enters this calendar week (avg. 10Y return = **-0.8%**) **-4%** below the 52Wk high & **24%** above the 52Wk low, with a 4WMA slope 26% < the 5-Yr avg. CySMoB is now in the 29% ile vs 63% 4 weeks ago.

Canada enters this calendar week (avg. 10Y return = **0.0%**) **-6%** below the 52Wk high & **8%** above the 52Wk low, with a 4WMA slope 101% > the 5-Yr avg. CySMoB is now in the 22% ile vs 53% 4 weeks ago.

Mexico enters this calendar week (avg. 10Y return = **-0.1%**) **-15%** below the 52Wk high & **6%** above the 52Wk low, with a 4WMA slope 177% > the 5-Yr avg. CySMoB is now in the 2% ile vs 9% 4 weeks ago.

Brazil enters this calendar week (avg. 10Y return = **-1.4%**) **-22%** below the 52Wk high & **1%** above the 52Wk low, with a 4WMA slope 64% < the 5-Yr avg. CySMoB is now in the 5% ile vs 74% 4 weeks ago.

Germany enters this calendar week (avg. 10Y return = **-0.2%**) **-5%** below the 52Wk high & **34%** above the 52Wk low, with a 4WMA slope 61% < the 5-Yr avg. CySMoB is now in the 27% ile vs 65% 4 weeks ago.

France enters this calendar week (avg. 10Y return = **0.0%**) **-7%** below the 52Wk high & **27%** above the 52Wk low, with a 4WMA slope 54% < the 5-Yr avg. CySMoB is now in the 27% ile vs 76% 4 weeks ago.

Italy enters this calendar week (avg. 10Y return = **-0.5%**) **-10%** below the 52Wk high & **31%** above the 52Wk low, with a 4WMA slope 43% < the 5-Yr avg. CySMoB is now in the 40% ile vs 70% 4 weeks ago.

UK enters this calendar week (avg. 10Y return = **-0.3%**) **-8%** below the 52Wk high & **17%** above the 52Wk low, with a 4WMA slope 63% < the 5-Yr avg. CySMoB is now in the 15% ile vs 67% 4 weeks ago.

Russia enters this calendar week (avg. 10Y return = **-0.9%**) **-21%** below the 52Wk high & **4%** above the 52Wk low, with a 4WMA slope 67% < the 5-Yr avg. CySMoB is now in the 20% ile vs 53% 4 weeks ago.

China enters this calendar week (avg. 10Y return = **0.5%**) **-12%** below the 52Wk high & **11%** above the 52Wk low, with a 4WMA slope 40% < the 5-Yr avg. CySMoB is now in the 34% ile vs 79% 4 weeks ago.

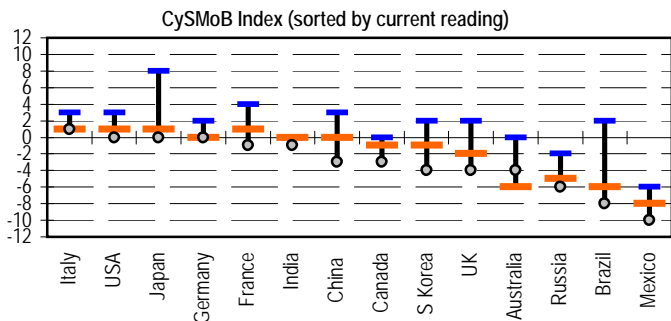
Japan enters this calendar week (avg. 10Y return = **0.9%**) **-20%** below the 52Wk high & **52%** above the 52Wk low, with a 4WMA slope 47% < the 5-Yr avg. CySMoB is now in the 32% ile vs 76% 4 weeks ago.

SKorea enters this calendar week (avg. 10Y return = **-0.1%**) **-8%** below the 52Wk high & **7%** above the 52Wk low, with a 4WMA slope 53% < the 5-Yr avg. CySMoB is now in the 14% ile vs 70% 4 weeks ago.

Australia enters this calendar week (avg. 10Y return = **-0.3%**) **-9%** below the 52Wk high & **20%** above the 52Wk low, with a 4WMA slope 115% > the 5-Yr avg. CySMoB is now in the 17% ile vs 37% 4 weeks ago.

India enters this calendar week (avg. 10Y return = **1.0%**) **-6%** at the 52Wk high & **16%** above the 52Wk low, with a 4WMA slope 52% < the 5-Yr avg. CySMoB is now in the 32% ile vs 53% 4 weeks ago.

Here, we look back 5 years in order to quantify how each country's benchmark index has performed 1, 4 and 12 weeks following occurrences when the trend and level of our proprietary CySMoB Index shown on page 2 (see page 21 for a detailed description) matched the current index setup.



	1 W	4 W	12 W
Events	9	9	8
Total Rise	6	5	6
Total Fall	3	4	2
% Rise	67%	56%	75%
% Fall	33%	44%	25%
Best Rise	5%	7%	16%
Worst Fall	-2%	-6%	-2%
Avg. Rise	2%	5%	8%
Avg. Fall	-2%	-4%	-1%

	1 W	4 W	12 W
Events	4	4	4
Total Rise	1	1	3
Total Fall	3	3	1
% Rise	25%	25%	75%
% Fall	75%	75%	25%
Best Rise	6%	12%	12%
Worst Fall	-6%	-5%	-8%
Avg. Rise	6%	12%	7%
Avg. Fall	-4%	-3%	-8%

	1 W	4 W	12 W
Events	4	4	4
Total Rise	1	2	2
Total Fall	3	2	2
% Rise	25%	50%	50%
% Fall	75%	50%	50%
Best Rise	0%	4%	10%
Worst Fall	-1%	-22%	-22%
Avg. Rise	0%	3%	9%
Avg. Fall	-1%	-17%	-21%

	1 W	4 W	12 W
Events	19	19	19
Total Rise	9	11	12
Total Fall	10	8	7
% Rise	47%	58%	63%
% Fall	53%	42%	37%
Best Rise	6%	13%	20%
Worst Fall	-5%	-11%	-12%
Avg. Rise	2%	6%	10%
Avg. Fall	-2%	-4%	-5%

	1 W	4 W	12 W
Events	13	13	11
Total Rise	10	9	8
Total Fall	3	4	3
% Rise	77%	69%	73%
% Fall	23%	31%	27%
Best Rise	6%	10%	22%
Worst Fall	-1%	-10%	-8%
Avg. Rise	2%	4%	8%
Avg. Fall	0%	-6%	-5%

	1 W	4 W	12 W
Events	13	13	13
Total Rise	5	7	8
Total Fall	8	6	5
% Rise	38%	54%	62%
% Fall	62%	46%	38%
Best Rise	8%	10%	19%
Worst Fall	-7%	-21%	-26%
Avg. Rise	3%	5%	9%
Avg. Fall	-2%	-7%	-8%

	1 W	4 W	12 W
Events	1	1	1
Total Rise	1	1	1
Total Fall	0	0	0
% Rise	100%	100%	100%
% Fall	0%	0%	0%
Best Rise	5%	4%	5%
Worst Fall	5%	4%	5%
Avg. Rise	5%	4%	5%
Avg. Fall	N/A	N/A	N/A

	1 W	4 W	12 W
Events	17	17	15
Total Rise	6	8	9
Total Fall	11	9	6
% Rise	35%	47%	60%
% Fall	65%	53%	40%
Best Rise	5%	16%	19%
Worst Fall	-5%	-14%	-19%
Avg. Rise	2%	7%	8%
Avg. Fall	-2%	-5%	-7%

	1 W	4 W	12 W
Events	6	6	6
Total Rise	1	3	2
Total Fall	5	3	4
% Rise	17%	50%	33%
% Fall	83%	50%	67%
Best Rise	6%	13%	9%
Worst Fall	-4%	-24%	-19%
Avg. Rise	6%	6%	5%
Avg. Fall	-3%	-9%	-8%

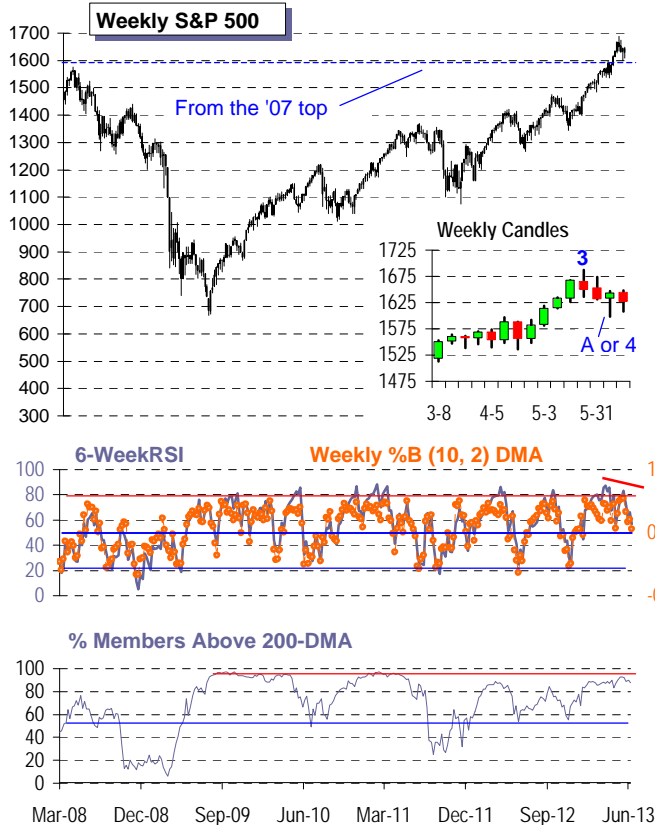
	1 W	4 W	12 W
Events	17	17	16
Total Rise	4	11	12
Total Fall	13	6	4
% Rise	24%	65%	75%
% Fall	76%	35%	25%
Best Rise	4%	9%	19%
Worst Fall	-13%	-23%	-28%
Avg. Rise	3%	4%	9%
Avg. Fall	-4%	-6%	-13%

	1 W	4 W	12 W
Events	7	7	6
Total Rise	5	7	6
Total Fall	2	0	0
% Rise	71%	100%	100%
% Fall	29%	0%	0%
Best Rise	6%	9%	22%
Worst Fall	-1%	1%	9%
Avg. Rise	4%	6%	12%
Avg. Fall	0%	N/A	N/A

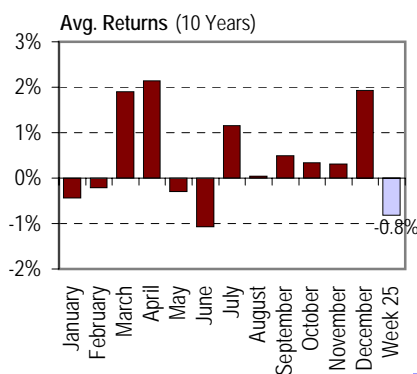
	1 W	4 W	12 W
Events	5	5	5
Total Rise	4	2	2
Total Fall	1	3	3
% Rise	80%	40%	40%
% Fall	20%	60%	60%
Best Rise	3%	9%	12%
Worst Fall	0%	-10%	-15%
Avg. Rise	2%	8%	11%
Avg. Fall	0%	-5%	-12%

	1 W	4 W	12 W
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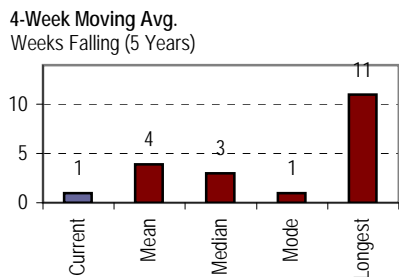
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S&P 500 Seasonality



The S&P 500 slipped into negative territory (-0.25%) for the M-T-D period on Friday, moving in line with weak seasonal characteristics of June (June is the weakest month of the past 10 Yrs, with a 10-Yr average of -1.1%).



After 7 straight weeks to the upside, the slope of the S&P 500's 4-week moving average turned lower last week.

Global Review

Global equities remained on the defensive last week, as currency gyrations weighed on risk during the market's preparations for this week's all-important FOMC meeting. On Friday, 13 of this report's 14 most widely followed global equity benchmarks closed lower by an average of -2.0%, compared to 13 of 14 indices finishing lower by an average of -2.98% the prior week. Leading the way lower were the Brazilian, Italian and Mexican benchmarks (-4.0%, -3.2% and -2.4%, respectively). Although the Australian equity market was the only benchmark index covered in this report to finish the week in the green (+1.1%), it was down as much as -1.7% at its worst intra-week levels.

Reflective of the ongoing deterioration in global equity prices is the fact that every benchmark covered in this report now has a lower sloping 4-week moving average. The S&P 500 had been the last holdout in this regard, but its 4-week line turned lower on Friday after the index slipped into negative territory for the seasonally-weak month of June. The benchmark with the longest-running downward sloping 4-week line remains Mexico's Bolsa IP (sloping for 8 straight weeks vs. the 5-Yr mean of 5 weeks).

Despite its recent swoon, the Nikkei is still up 22% for the Y-T-D period vs. the next best Y-T-D return of +14.1% by the S&P 500. At the opposite end of the spectrum, the Brazilian Bovespa's -19.1% drop leads 8 of this report's 14 indices with negative Y-T-D returns.

Even as the Nikkei's 52-week return also continues to dwindle, it still outpaces this report's closest competitor, the German DAX, which is returning +30.5% over this same period. Again, Brazil's Bovespa is leader on the negative side of things, with a 52-week return of -12.1%.

Not surprisingly, the Bovespa is also spread the farthest below its 52-week high (-22.3 below), followed closely by Russia's RTSI (21.0% below) and the Nikkei (-20.4% below). Conversely, the Nikkei is still the farthest above its 52-week low (52.3% above), with the next strongest index being the German DAX (33.7% above).

Even with the Bovespa's report-leading negative returns discussed above, Mexico's Bolsa currently possesses the most oversold condition as measured by our proprietary CySMoB indicator. (See page 3 for more details.)

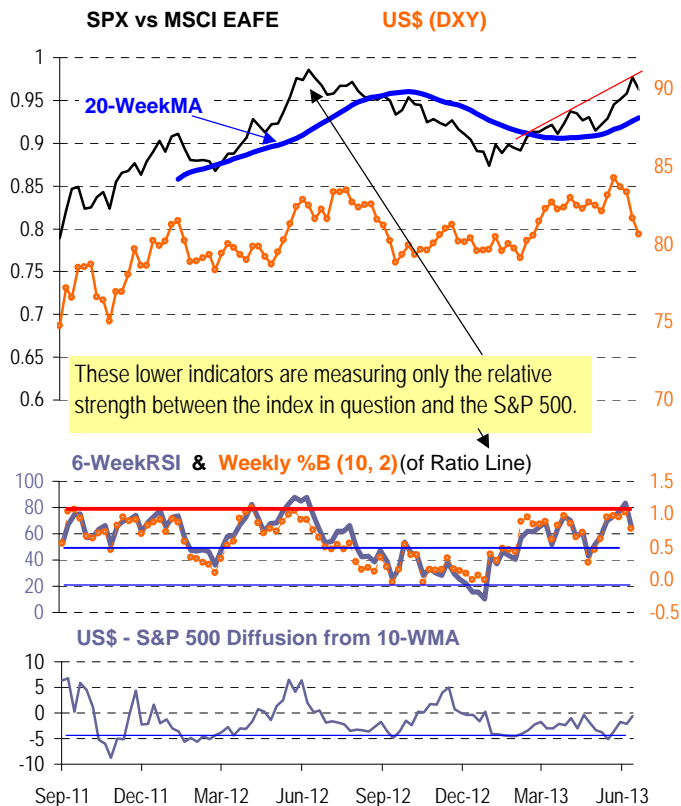
Global Outlook

Considering how divergences by oil-sensitive equity markets like Canada's TSX, Russia's RTSI, and Brazil's Bovespa tend to not bode well for oil prices, last week we suggested that the accelerated deterioration in these markets recently was hinting that oil prices are about to come under pressure. In the days following last week's report, however, the situation in Syria took a major turn, with news that the U.S. would now be arming Syrian rebels. As a result, it has become (Continue to pg. 5)

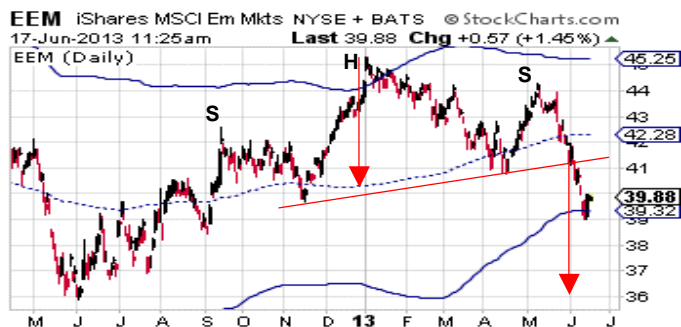
Absolute Indicators (Percentile Rankings)

	1Yr	1Yr	C	1Yr	5Yr	5Yr	5Yr
	High	Low		PR	High	Low	PR
6-WRSI	87	25	57	31%	88	5	46%
%B	1.0	0.0	0.6	23%	1.0	-0.2	40%
4WMA Weeks Up	17	0	0	0%	17	0	0%
4WMA Weeks Dn	7	0	1	93%	11	0	92%
% Abv 200-DMA	93	55	88	75%	97	6	69%

*** Above, C=Current and PR=Percentile Rank of Current



Although the emerging markets vs. S&P 500 relative strength ratio is also witnessing an extreme overshoot condition (not shown), the lack of any positive divergences in both absolute and relative



(see above) should still be bearish for this story over the longer-term.

Since the May highs, it has been our view that the benchmark S&P 500 is poised to trace the most prolonged corrective pattern since the September '12 through November '12 timeframe. To this point, the index has met this expectation, and after satisfying a number of key measured counts produced during the early stages of the post-05/22 down-cycle down to a confluence of support levels in the 1600 area during the first week of June, the S&P 500 appears content in its current range area of this week's highly anticipated meeting.

To help put things into perspective, our [Chart of the Day](#) on Friday found that the S&P's June 6th low formed near the low-end of what is to be expected the month after a yield shock similar to what we witnessed in May. (The May 10-Yr yield rally represented the largest 1-month change vs. the standard deviation of monthly changes over the trailing twelve-month period throughout the entire post-1981 decline in yields.)

Bottom Line: Corrections come in all forms, and with key measures of risk vs. risk aversion still not breaking down, it is entirely possible that the S&P's current corrective phase will remain shallow, with the benchmark possibly even testing the May highs in the process. Though, the large majority of this report's global benchmarks have lagged the US significantly in recent weeks.

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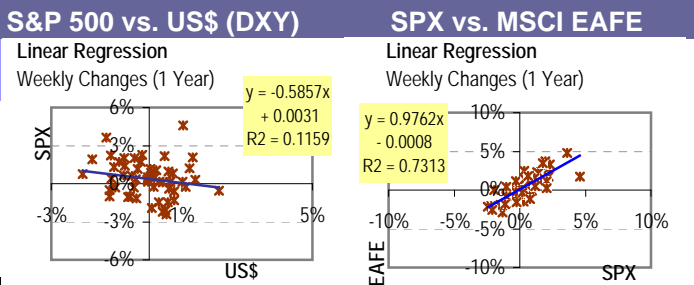
obvious that this historical tendency is no longer a factor as WTI crude oil is now working above the former neckline of a popular bottoming formation, leaving it poised for much higher prices as long as the \$96.39 area holds as support.

With the S&P 500 now being one of only 2 indices in this report to finish last week's trading above its 50-day moving average (the other being the German DAX), short-term correlations to the S&P 500 are among the weakest we've witnessed in a long time. As the correlation matrix on page 6 shows, the strongest trailing 2-week correlation coefficient at this time only a moderate reading of 0.50 between the German DAX and S&P 500.

For the first time in several weeks, the emerging markets ETF (EEM) flashed some constructive signs last Thursday, as it traced a bullish engulfing candle in the vicinity of 2 standard deviations below the 200-day line, after generating the most oversold condition since the May '12 bottom.

Relative Indicators (Percentile Rankings)	1Yr		C	1Yr		5Yr		PR
	High	Low		High	Low	High	Low	
	6-WRSI	84	10	66	83%	88	10	72%
%B	1.0	0.0	0.8	77%	1.2	-0.1	69%	
4WMA Weeks Up	11	1	6	63%	1	0	72%	
4WMA Weeks Dn	8	1	0	0%	12	1	0%	
Currency Diffusion	5	-5	-0.6	73%	28	-14	58%	

*** Above, C=Current and PR=Percentile Rank of Current



Note: On the table below, data points at the intersection of each column and row represent the correlation coefficient between the 2 corresponding markets over trailing 1-Month (right) and 1-Year (left) periods. 0.75 to 1.0 = Strong to very strong correlation, 0.5 to 0.74 = Moderate to high correlation, 0.25 to 0.49 = Weak to low correlation, 0.0 to 0.24 = Little to no correlation. At the opposite end of the spectrum, the closer each pair grows to -1 the more negative the correlation becomes (i.e., -1 is a perfect negative correlation).

Below, only correlations from 0.75 to 1 and 0.75 to -1 are highlighted.

	2 Weeks	S&P 500	US10Y YLD	CRB Index	EURUSD	USDJPY	USDGBP	AUDUSD	USDCAD	TSX	Mexbol	DAX	CAC	FSTE 100	IBOV	NIKKEI	FTSE MIB	KOSPI	SENSEX	ASX 200	SHCOMP	RTSI\$
S&P 500	1.0	0.0	0.3	-0.2	0.4	-0.4	0.3	-0.9	0.4	0.4	0.5	0.5	0.3	0.2	0.0	0.2	0.1	0.1	0.1	0.3	0.3	
US10Y YLD	0.6	1.0	0.2	-0.4	0.6	-0.6	-0.6	-0.1	-0.4	0.0	0.7	0.5	0.4	-0.5	0.6	0.0	-0.1	0.1	-0.3	0.2	0.3	
CRB Index	0.5	0.3	1.0	-0.8	0.3	-0.7	0.0	-0.2	0.2	0.0	0.4	0.7	0.6	0.1	-0.1	0.7	-0.2	0.5	0.1	-0.1	0.9	
EURUSD	0.5	0.3	0.4	1.0	-0.3	0.9	0.5	0.1	0.0	-0.1	-0.7	-0.8	-0.7	0.2	-0.2	-0.7	0.0	-0.7	-0.2	-0.2	-0.9	
USDJPY	0.3	0.4	0.1	0.0	1.0	-0.6	-0.1	-0.1	0.4	0.8	0.6	0.6	0.5	0.3	0.4	0.3	0.1	0.3	-0.4	-0.1	0.4	
USDGBP	0.3	0.1	0.3	0.6	-0.2	1.0	0.5	0.2	-0.1	-0.4	-0.9	-0.9	-0.9	0.1	-0.4	-0.7	0.0	-0.6	0.0	-0.1	-0.8	
AUDUSD	0.5	0.2	0.5	0.5	-0.1	0.5	1.0	-0.1	0.6	0.2	-0.6	-0.3	-0.3	0.8	-0.7	-0.1	-0.2	-0.4	-0.4	-0.6	-0.3	
USDCAD	-0.6	-0.3	-0.5	-0.5	0.1	-0.5	-0.7	1.0	-0.5	0.0	-0.5	-0.6	-0.7	-0.2	0.5	-0.7	0.8	0.4	0.5	0.9	-0.2	
TSX	0.7	0.5	0.6	0.4	0.2	0.3	0.5	-0.4	1.0	0.7	0.1	0.4	0.4	0.9	-0.4	0.6	-0.2	-0.1	-0.4	-0.7	0.1	
Mexbol	0.5	0.4	0.3	0.2	0.2	0.1	0.3	-0.2	0.4	1.0	0.3	0.3	0.3	0.4	0.1	0.3	0.2	0.4	-0.1	0.0	0.1	
DAX	0.6	0.5	0.5	0.3	0.2	0.2	0.4	-0.3	0.6	0.3	1.0	0.9	0.9	-0.2	0.4	0.7	-0.2	0.4	-0.1	-0.1	0.6	
CAC	0.6	0.5	0.5	0.4	0.2	0.1	0.4	-0.3	0.6	0.3	-0.2	1.0	1.0	0.1	0.0	0.9	-0.4	0.3	-0.3	-0.4	0.8	
FSTE 100	0.6	0.5	0.4	0.2	0.3	0.0	0.3	-0.2	0.5	0.3	0.8	0.9	1.0	0.1	0.0	0.9	-0.4	0.3	-0.2	-0.4	0.7	
IBOV	0.6	0.3	0.4	0.3	0.1	0.3	0.5	-0.4	0.6	0.6	0.4	0.4	0.5	1.0	-0.5	0.3	0.0	-0.1	-0.3	-0.5	-0.1	
NIKKEI	0.0	0.2	0.0	0.0	0.3	-0.1	-0.1	0.1	0.1	0.4	0.2	0.1	0.2	0.0	1.0	-0.2	0.7	0.6	0.4	0.8	0.1	
FTSE MIB	0.6	0.5	0.4	0.4	0.2	0.2	0.3	-0.3	0.5	0.3	0.8	0.9	0.7	0.4	0.2	1.0	-0.3	0.3	0.0	-0.5	0.7	
KOSPI	0.2	0.3	0.2	0.1	0.1	0.1	0.2	-0.1	0.3	0.4	0.3	0.3	0.3	0.2	0.4	-0.3	1.0	0.6	0.6	0.8	-0.1	
SENSEX	0.2	0.2	0.2	0.1	0.1	0.1	0.1	-0.1	0.2	0.1	0.4	0.3	0.4	0.1	0.2	0.4	0.3	1.0	0.7	0.5	0.7	
ASX 200	0.2	0.2	0.2	0.1	0.1	-0.1	0.1	0.0	0.3	0.1	0.4	0.3	0.4	0.2	0.4	0.3	0.5	0.2	1.0	0.6	0.2	
SHCOMP	0.1	0.2	0.2	0.1	0.1	0.0	0.1	-0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.3	0.2	0.3	1.0	0.0	
RTSI\$	0.4	0.2	0.6	0.4	0.2	0.2	0.3	-0.3	0.5	0.2	0.7	0.6	0.6	0.4	0.3	0.6	0.4	0.4	0.4	0.3	1.0	

*** Index Key: DAX = Germany, CAC = France, FSTE 100 = UK, IBOV = Brazil, NIKKEI = Japan, FTSE MIB = Italy, TSX = Canada, KOSPI = S. Korea, Mexbol = Mexico, SENSEX = India, ASX = Australia, SHComp = China, RTSI\$ = Russia

Top Positive Correlations

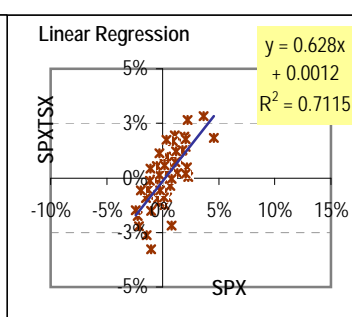
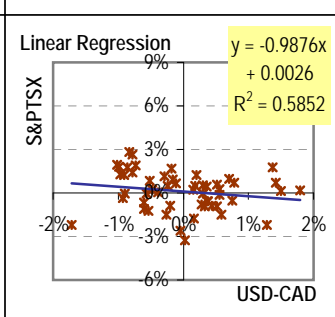
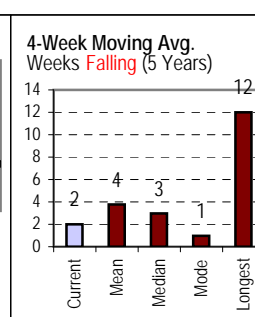
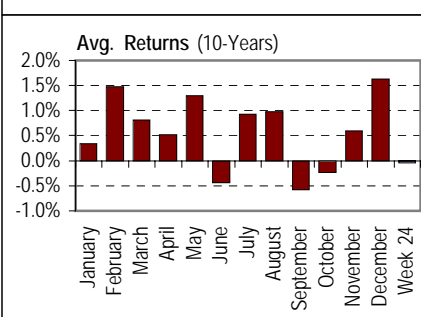
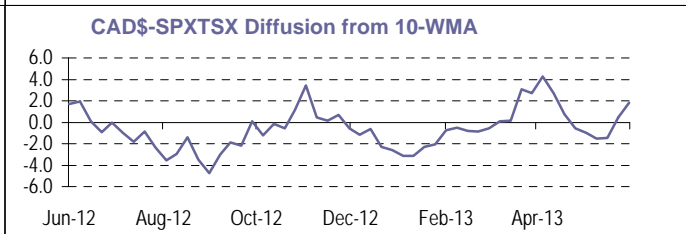
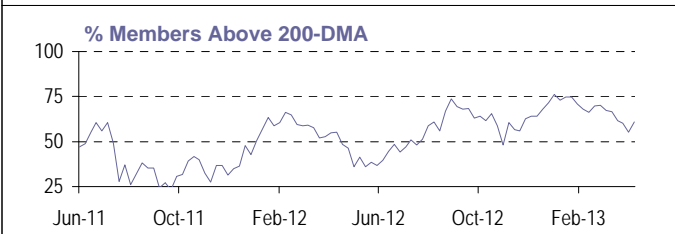
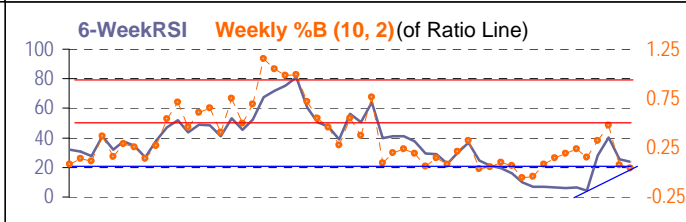
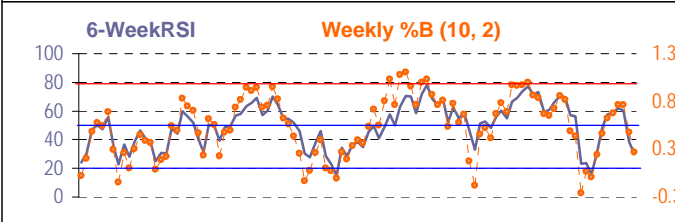
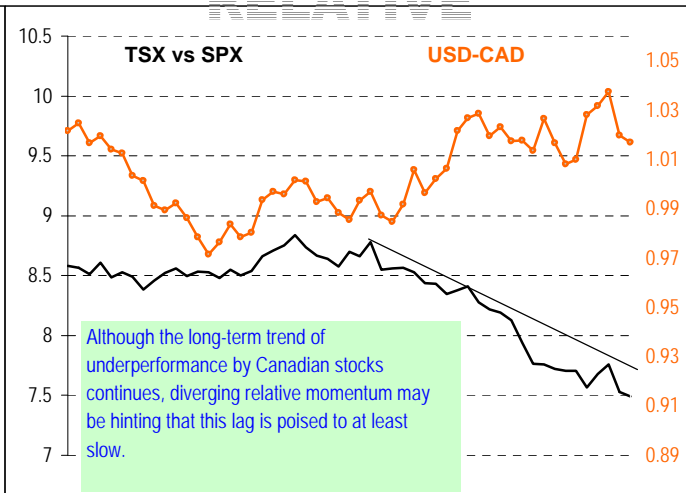
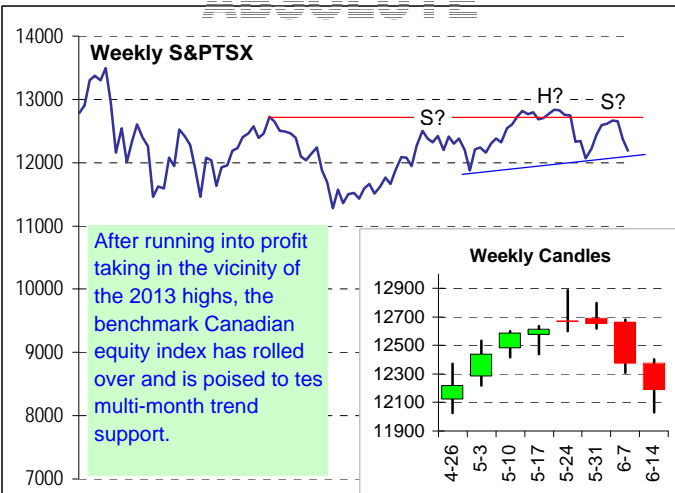
Top Negative Correlations

		4-Week Correlation	1-Year Correlation			4-Week Correlation	1-Year Correlation
FSTE 100	Vs. CAC	0.98	0.86	EURUSD	Vs. RTSI\$	-0.90	0.36
RTSI\$	Vs. CRB Index	0.93	0.55	USDCAD	Vs. S&P 500	-0.89	-0.60
USDGBP	Vs. EURUSD	0.92	0.60	CAC	Vs. USDGBP	-0.88	0.14
IBOV	Vs. SPX/TSX	0.91	0.56	DAX	Vs. USDGBP	-0.87	0.18
FTSE MIB	Vs. FSTE 100	0.90	0.74	FSTE 100	Vs. USDGBP	-0.86	-0.04
FSTE 100	Vs. DAX	0.88	0.84	EURUSD	Vs. CRB Index	-0.84	0.44
CAC	Vs. DAX	0.85	-0.21	RTSI\$	Vs. USDGBP	-0.84	0.18
FTSE MIB	Vs. CAC	0.85	0.87	CAC	Vs. EURUSD	-0.76	0.37
RTSI\$	Vs. S&P 500	0.31	0.44	FTSE MIB	Vs. USDGBP	-0.74	0.21
RTSI\$	Vs. CAC	0.82	0.64	FSTE 100	Vs. EURUSD	-0.73	0.21



ABSOLUTE

RELATIVE

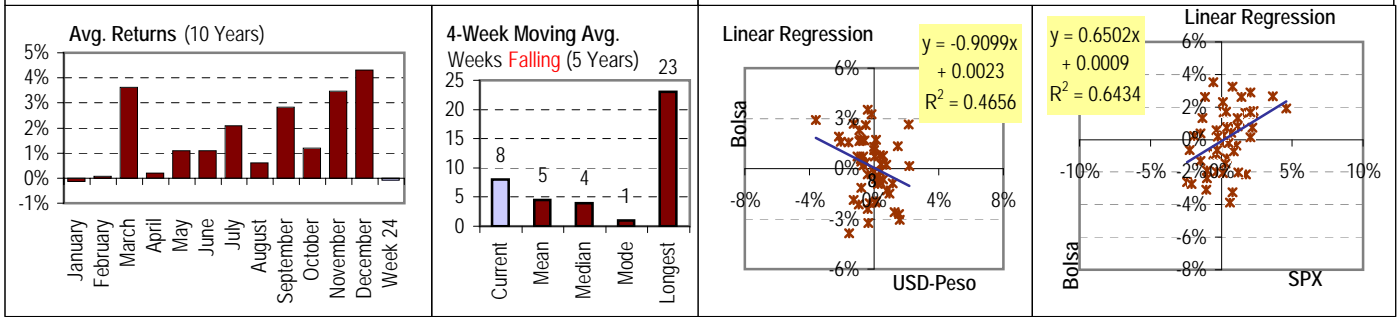
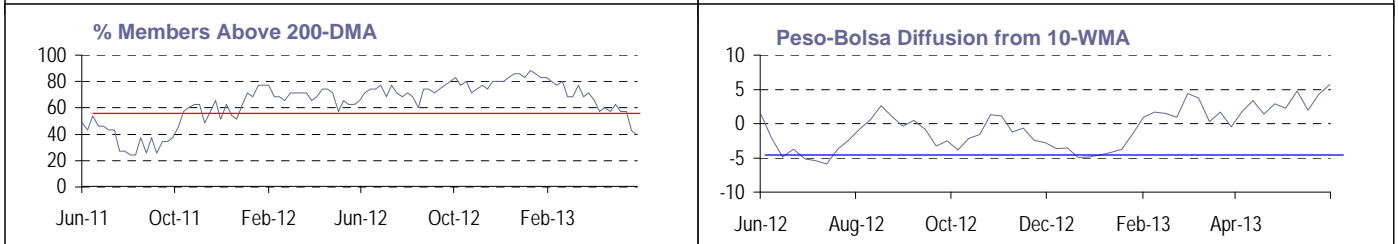
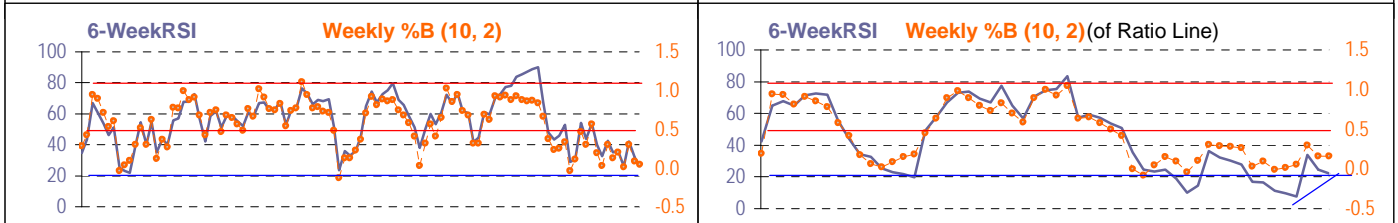
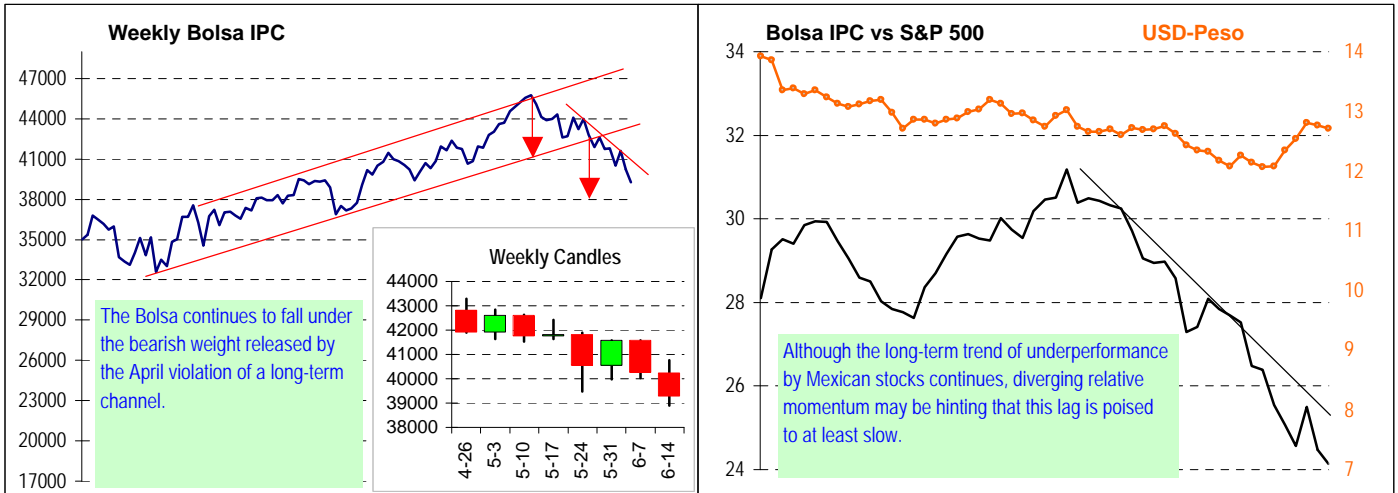


Absolute Indicators (Percentile Rankings)	1Yr		C	5Yr			
	High	Low		PR	High	Low	PR
6-WRSI	78	15	30	6%	89	8	12%
%B	1.1	-0.2	0.2	12%	1.1	-0.2	22%
4WMA Weeks Up	12	0	0	0%	22	0	0%
4WMA Weeks Dn	7	0	2	93%	12	0	93%
% Abv 200-DMA	76	37	50	32%	97	3	34%

Relative Indicators (Percentile Rankings)	1Yr		C	5Yr			
	High	Low		PR	High	Low	PR
6-WRSI	81	4	24	21%	81	4	8%
%B	1.2	-0.1	0.0	6%	1.2	-0.1	6%
4WMA Weeks Up	6	1	0	0%	13	1	0%
4WMA Weeks Dn	21	1	2	17%	22	1	25%
Currency Diffusion	4	-5	2	88%	27	-14	73%

*** Above, C=Current and PR=Percentile Rank of Current

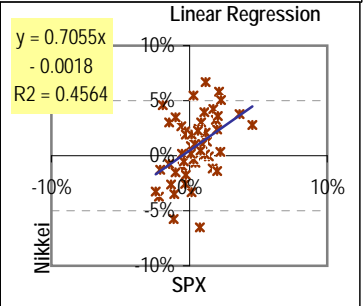
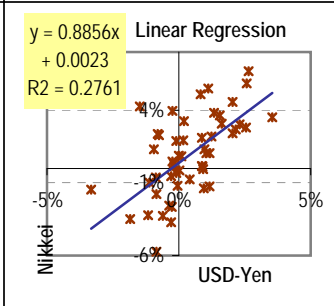
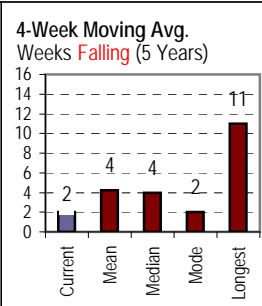
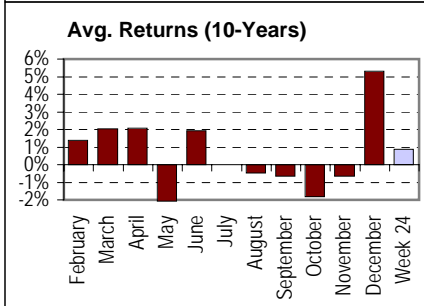
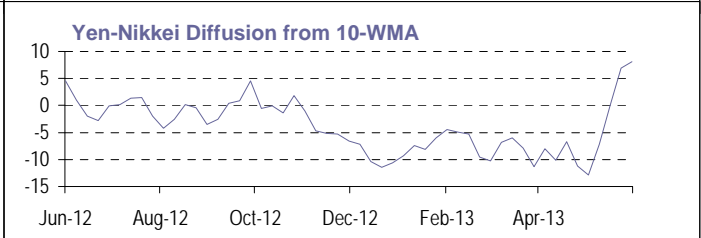
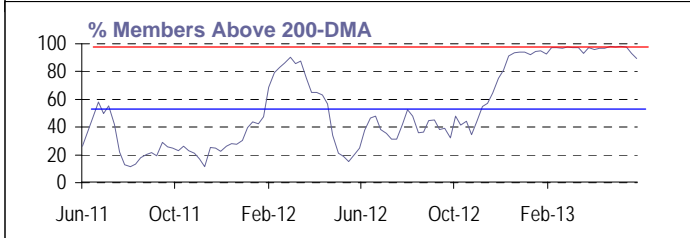
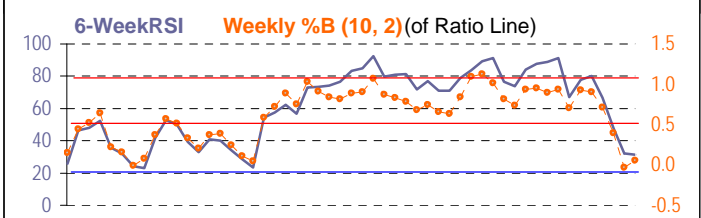
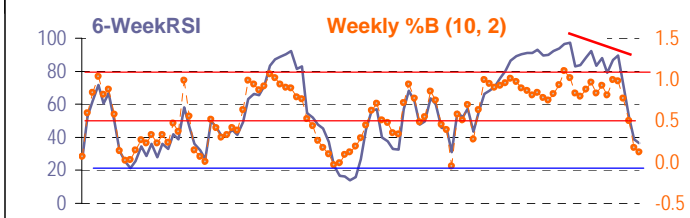
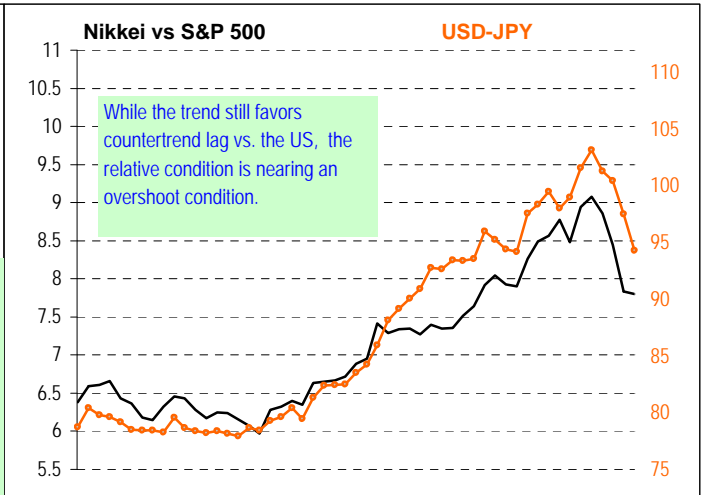
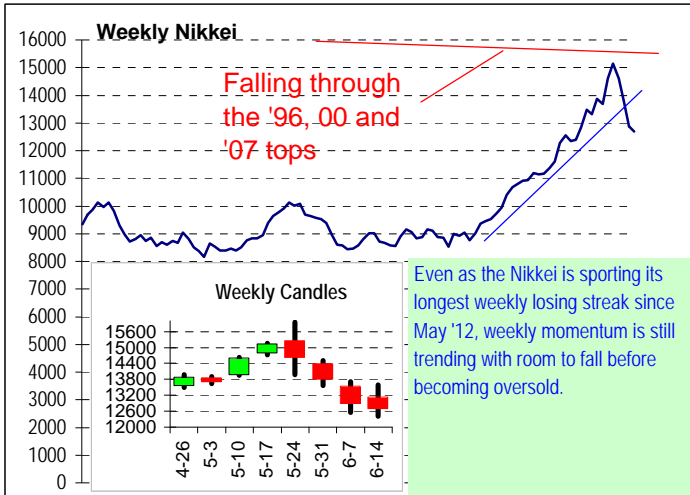
*** Above, C=Current and PR=Percentile Rank of Current



	Absolute Indicators (Percentile Rankings)							Relative Indicators (Percentile Rankings)							
	1Yr High	1Yr Low	1Yr C	1Yr PR	5Yr High	5Yr Low	5Yr PR	1Yr High	1Yr Low	1Yr C	1Yr PR	5Yr High	5Yr Low	5Yr PR	
6-WRSI	90	26	26	0%	94	4	7%	6-WRSI	83	8	22	19%	86	8	9%
%B	1.0	0.0	0.0	8%	1.1	-0.1	6%	%B	1.0	-0.1	0.2	33%	1.2	-0.1	18%
4WMA Weeks Up	12	0	0	0%	18	0	0%	4WMA Weeks Up	16	1	0	0%	16	1	0%
4WMA Weeks Dn	8	0	8	100%	23	0	99%	4WMA Weeks Dn	12	1	8	83%	12	1	90%
% Abv 200-DMA	89	40	40	0%	100	0	19%	Currency Diffusion	6	-6	6	100%	28	-16	92%

*** Above, C=Current and PR=Percentile Rank of Current

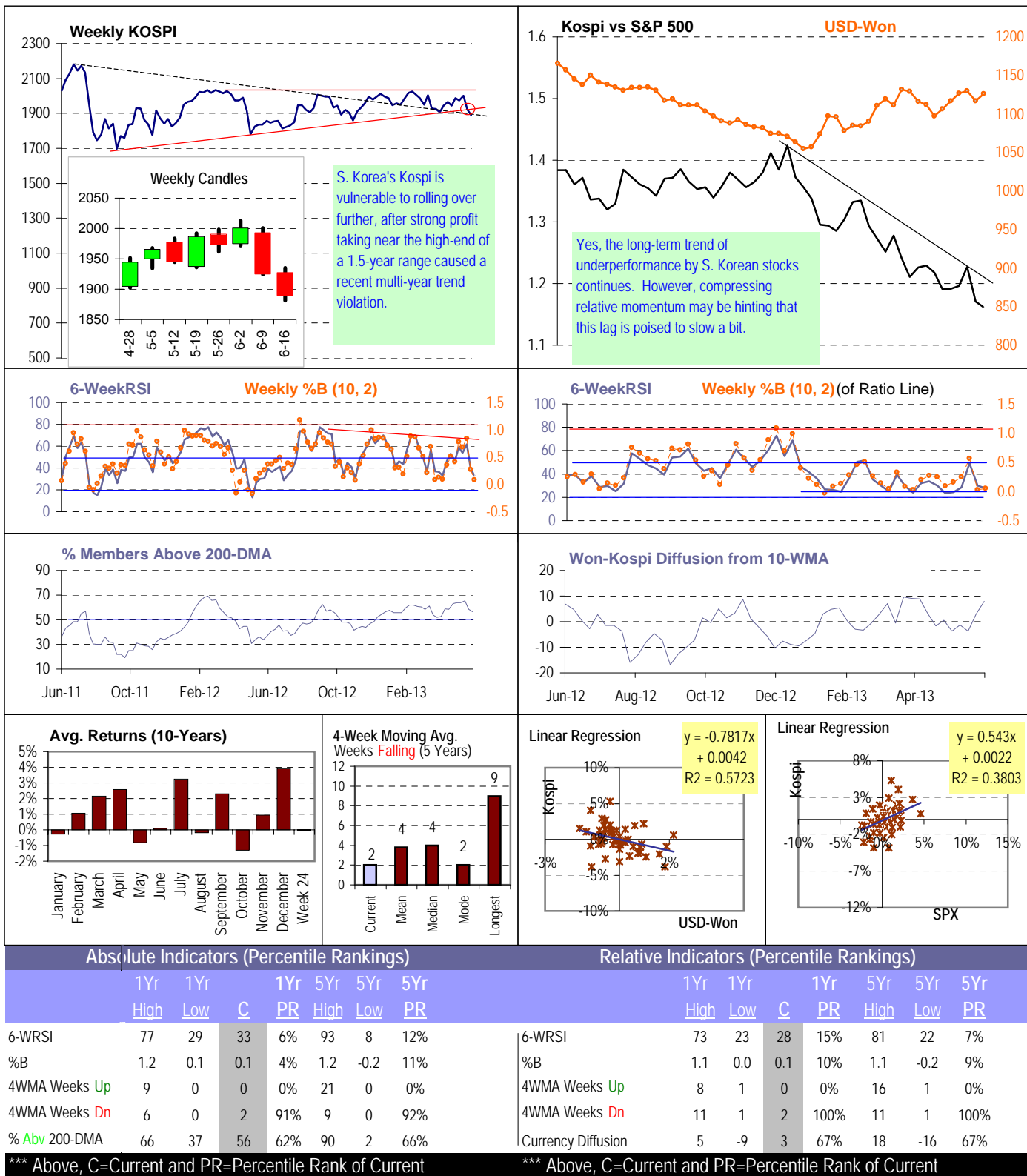
*** Above, C=Current and PR=Percentile Rank of Current

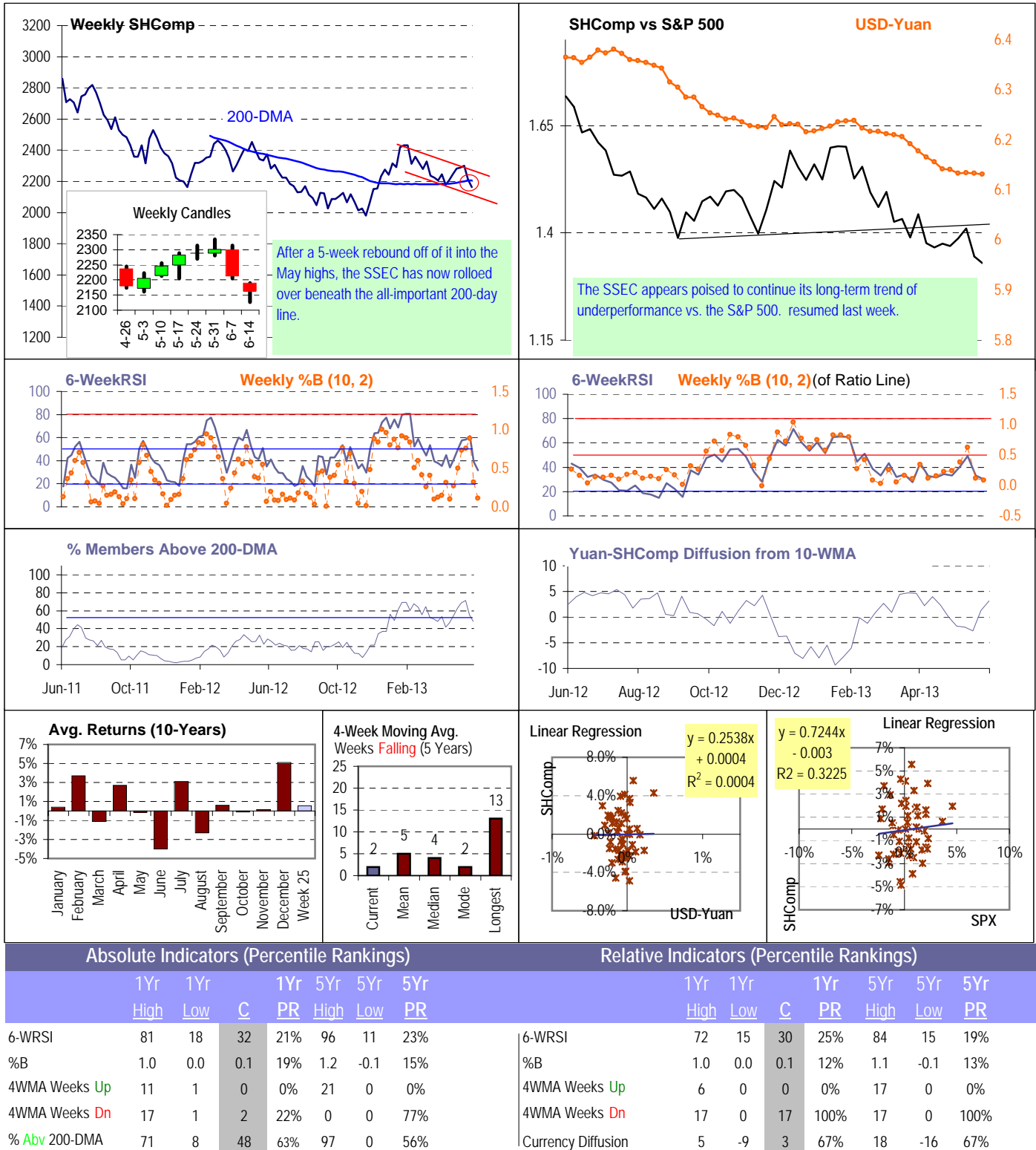


	Absolute Indicators (Percentile Rankings)								Relative Indicators (Percentile Rankings)							
	1Yr		C	1Yr		5Yr		PR	1Yr		C	1Yr		5Yr		PR
	High	Low		High	Low	High	Low		High	Low		High	Low	High	Low	
6-WRSI	97	27	36	8%	97	6	25%	6-WRSI	92	23	31	10%	92	16	17%	
%B	1.1	0.0	0.1	2%	1.1	-0.2	14%	%B	1.1	0.0	0.1	6%	1.1	-0.2	10%	
4WMA Weeks Up	32	0	0	0%	32	0	0%	4WMA Weeks Up	17	0	0	0%	17	0	0%	
4WMA Weeks Dn	11	0	2	93%	11	0	91%	4WMA Weeks Dn	11	0	3	94%	11	0	92%	
% Abv 200-DMA	98	25	89	54%	98	0	90%	Currency Diffusion	8	-13	8	100%	31	-13	94%	

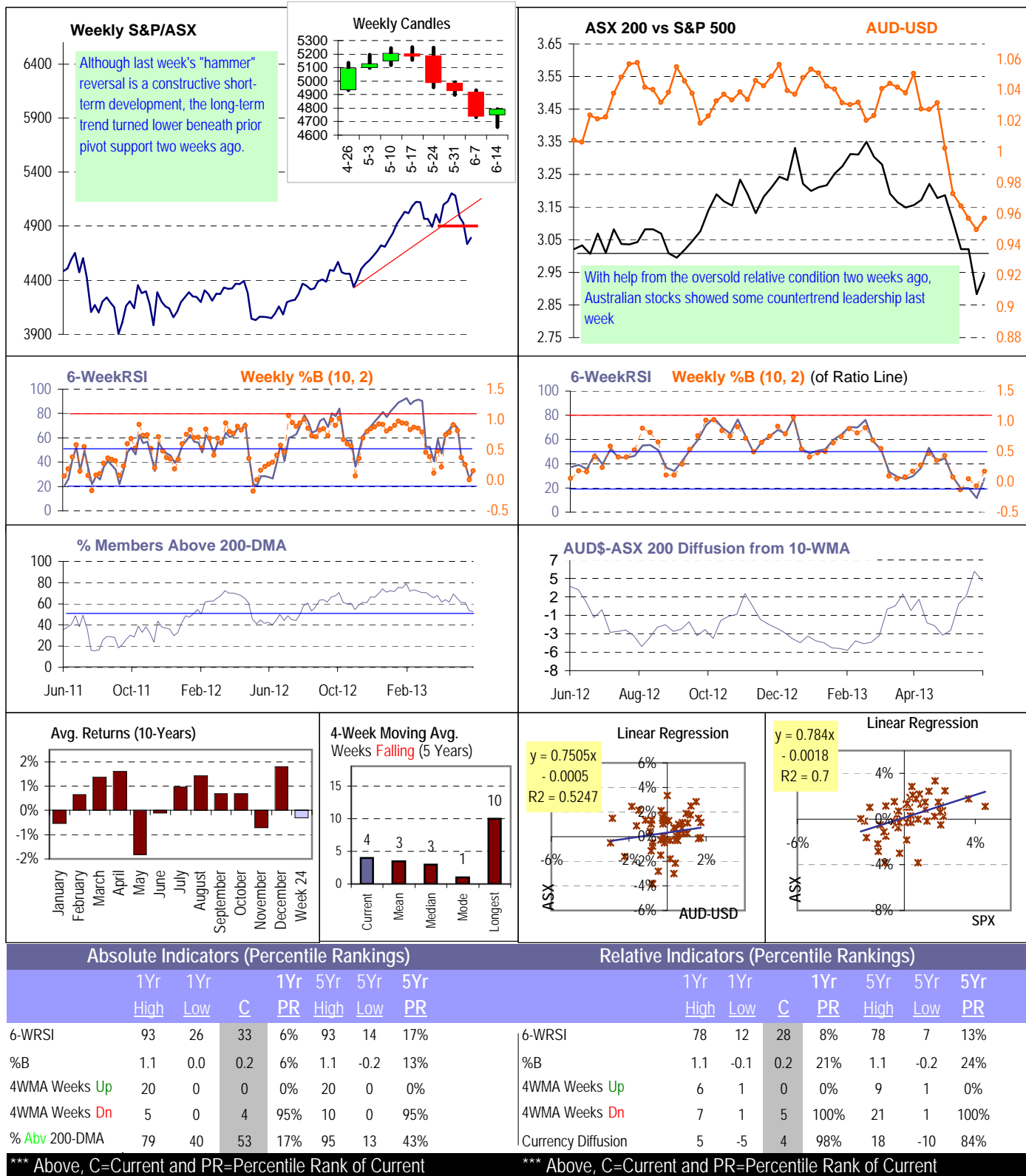
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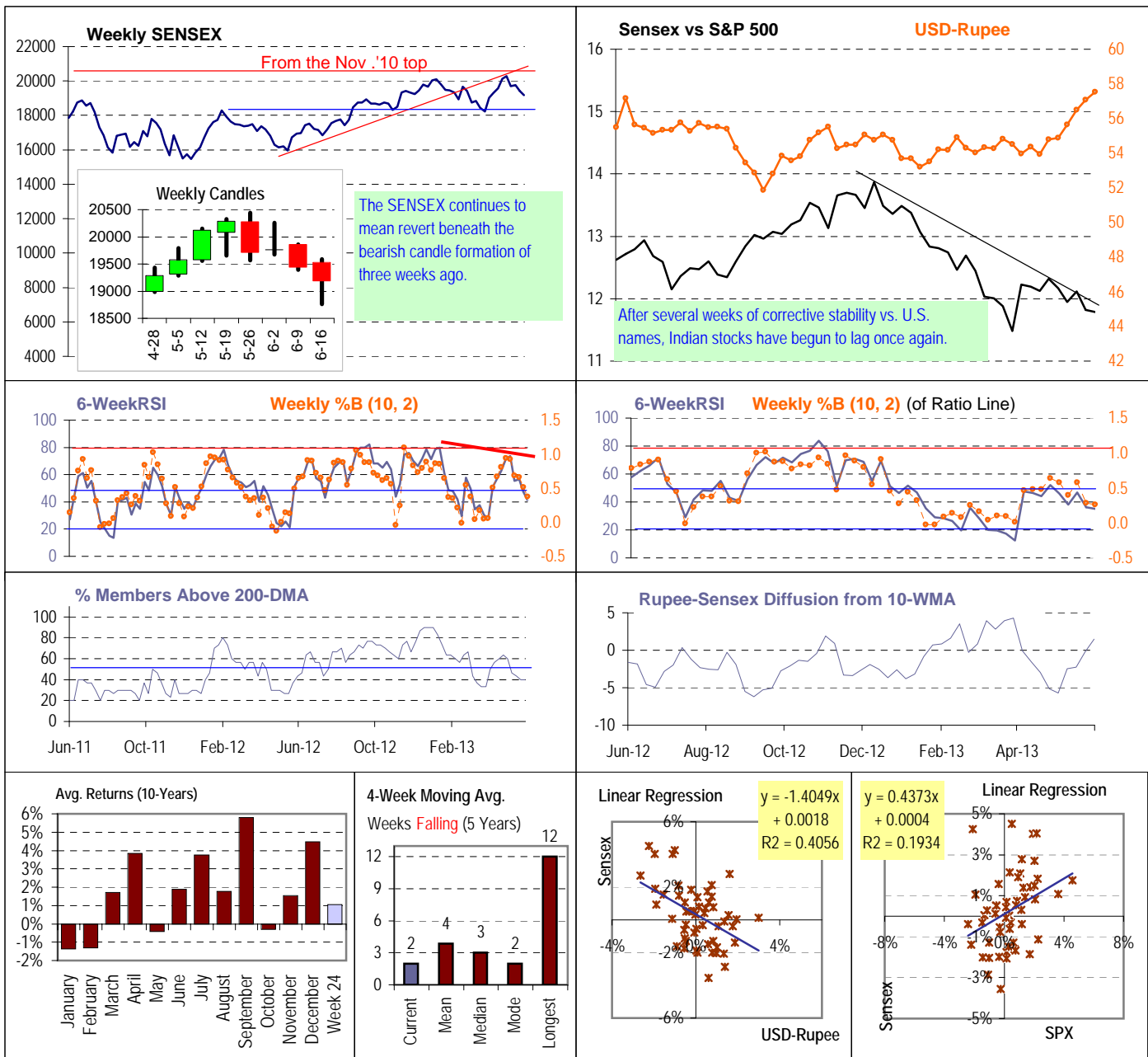
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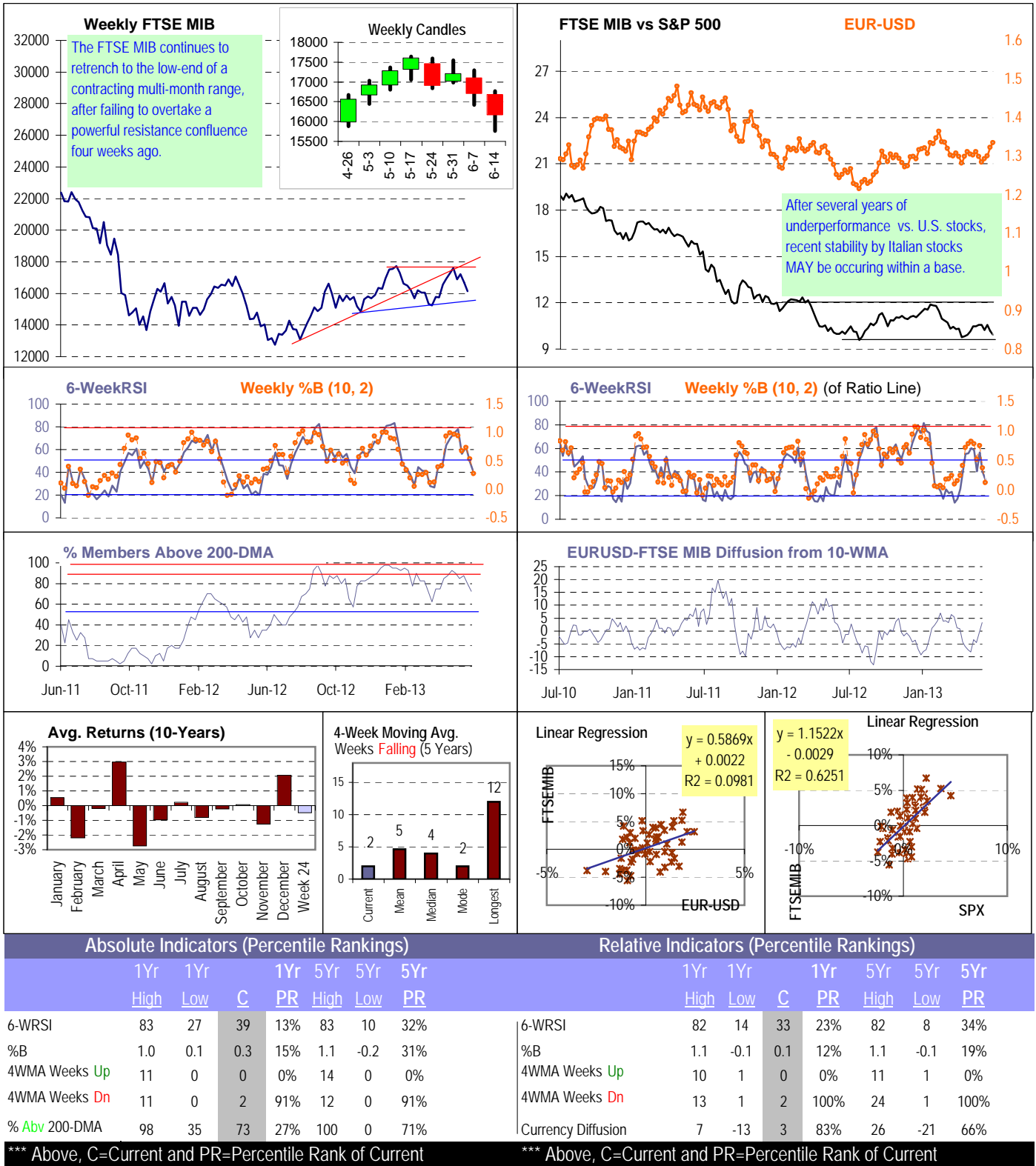


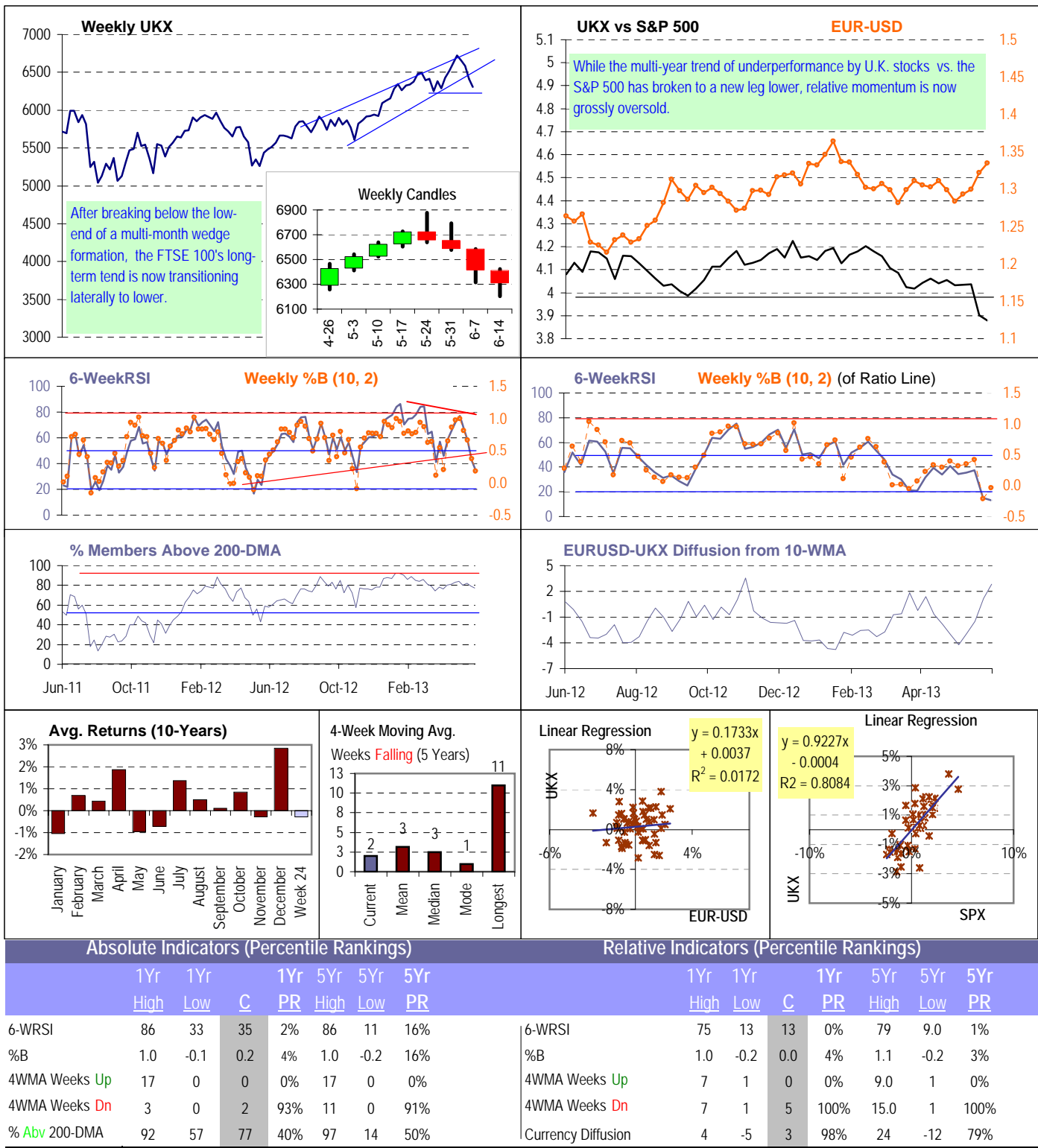


	Absolute Indicators (Percentile Rankings)								Relative Indicators (Percentile Rankings)							
	1Yr High	1Yr Low	C	1Yr PR	5Yr High	5Yr Low	5Yr PR		1Yr High	1Yr Low	C	1Yr PR	5Yr High	5Yr Low	5Yr PR	
6-WRSI	82	27	41	10%	95	6	28%		84	12	35	19%	90	12	20%	
%B	1.1	0.0	0.4	19%	1.1	-0.1	35%		1.0	0.0	0.3	25%	1.1	-0.1	27%	
4WMA Weeks Up	10	0	0	0%	21	0	0%		10	1	0	0%	16	1	0%	
4WMA Weeks Dn	5	0	2	89%	12	0	21%		12	1	5	100%	13	1	100%	
% Abv 200-DMA	90	33	40	6%	100	0	34%		4	-6	1	87%	31	-25	66%	

*** Above, C=Current and PR=Percentile Rank of Current

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Absolute Indicators (Percentile Rankings)

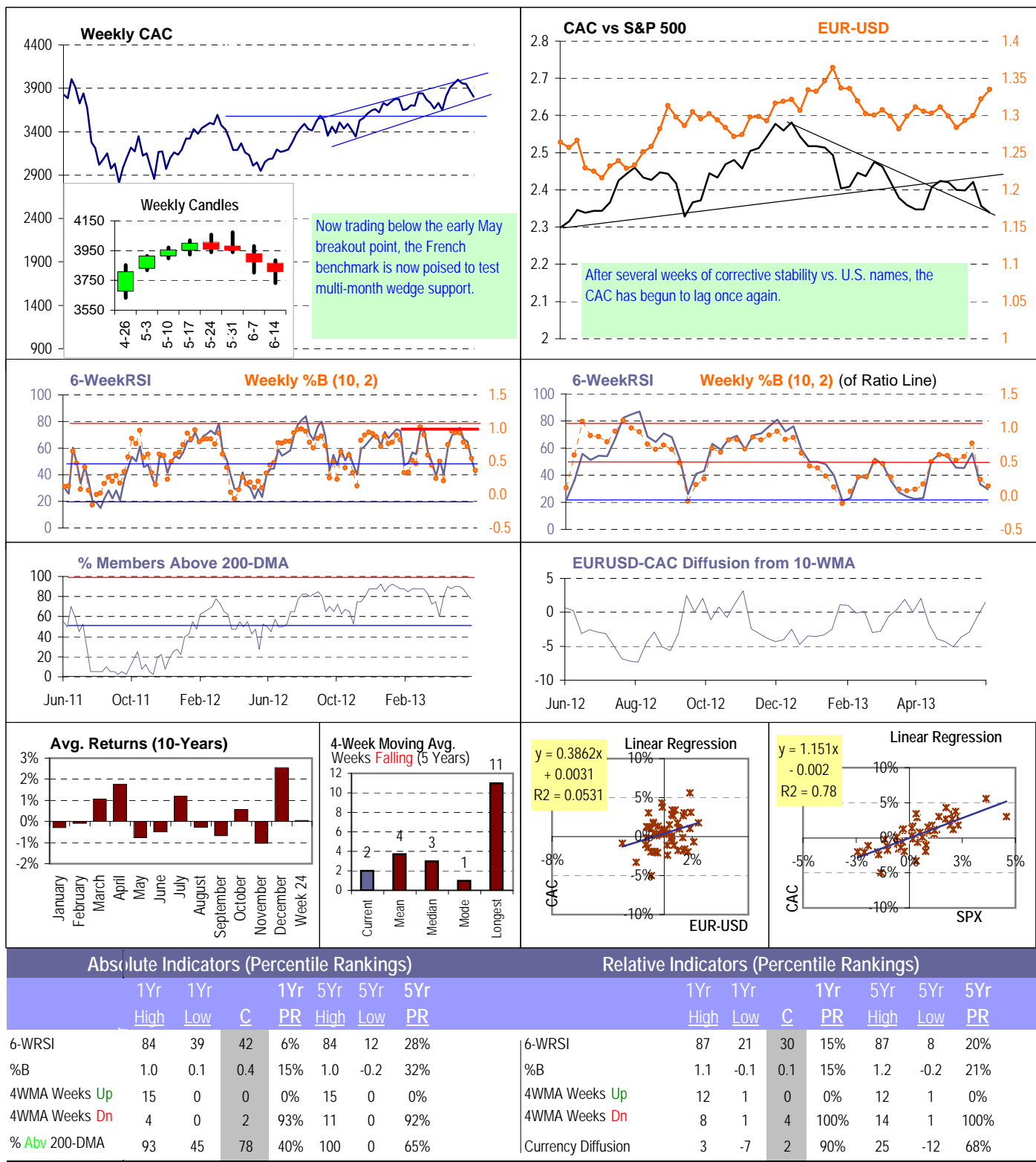
Relative Indicators (Percentile Rankings)

	1Yr		C	1Yr		5Yr		PR
	High	Low		High	Low	High	Low	
6-WRSI	88	32	51	19%	89	8	40%	
%B	1.0	-0.1	0.5	25%	1.1	-0.2	40%	
4WMA Weeks Up	15	0	0	0%	16	0	0%	
4WMA Weeks Dn	12	0	2	91%	12	0	92%	
% Abv 200-DMA	93	47	73	29%	97	0	50%	

	1Yr		C	1Yr		5Yr		PR
	High	Low		High	Low	High	Low	
6-WRSI	84	18	45	29%	85	9	34%	
%B	1.0	0.0	0.5	37%	1.1	-0.2	51%	
4WMA Weeks Up	19	1	0	0%	19	1	0%	
4WMA Weeks Dn	8	1	2	0%	8	1	0%	
Currency Diffusion	5	-7	-1	73%	25	-12	59%	

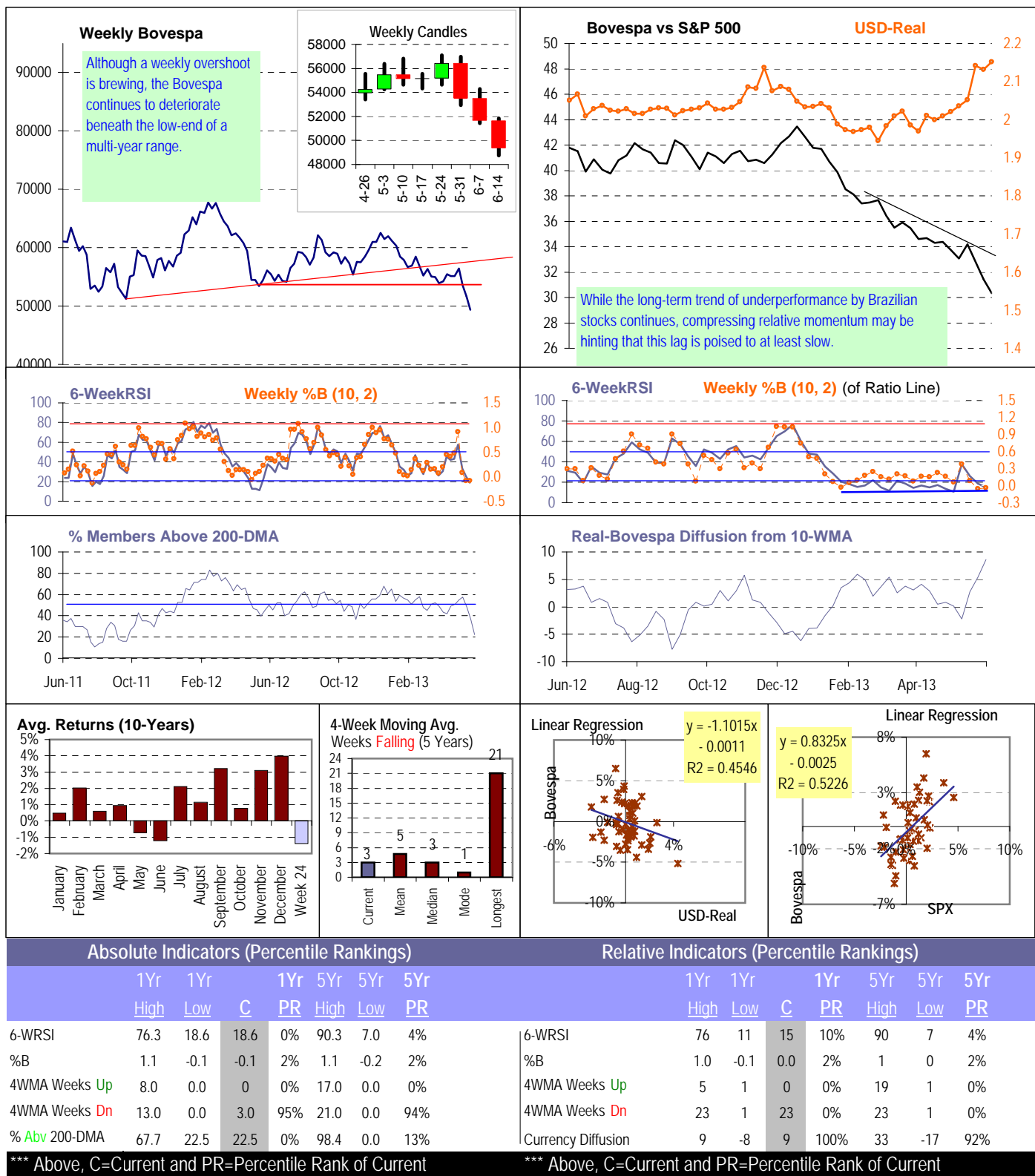
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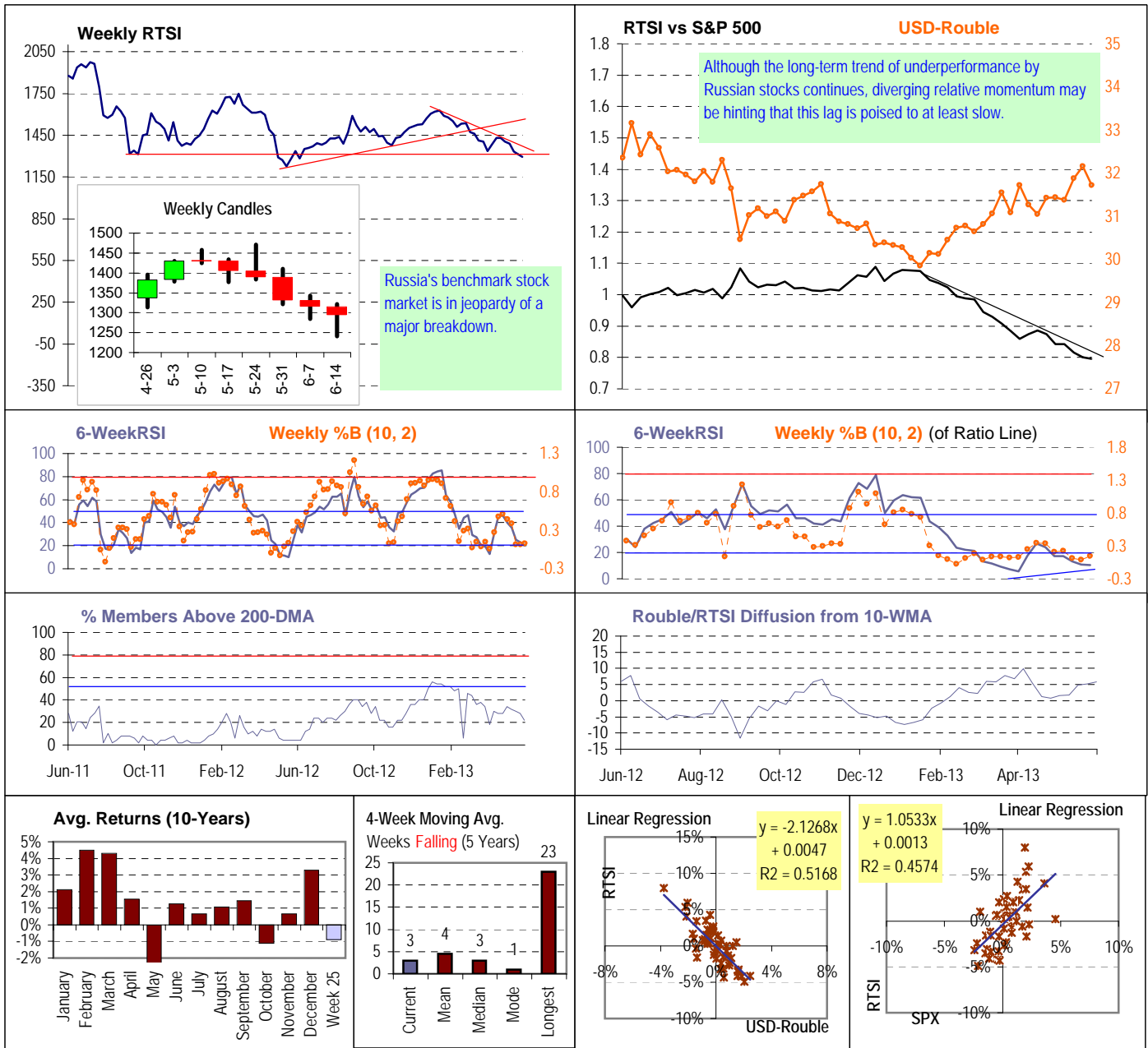
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	Absolute Indicators (Percentile Rankings)				Relative Indicators (Percentile Rankings)									
	1Yr High	1Yr Low	C	1Yr PR	5Yr High	5Yr Low	5Yr PR	1Yr High	1Yr Low	C	1Yr PR	5Yr High	5Yr Low	5Yr PR
6-WRSI	85	13	20	6%	97	2	9%	79	6	10	6%	85	6	1%
%B	1.2	0.0	0.1	12%	1.2	-0.2	11%	1.2	0.0	0.1	21%	1.2	-0.1	16%
4WMA Weeks Up	11	0	0	0%	18	0	0%	7	0	0	0%	18	0	0%
4WMA Weeks Dn	11	0	3	71%	23	0	72%	19	0	19	100%	19	0	100%
% Abv 200-DMA	84	79	81	42%	89	72	63%	10	-12	6	87%	55	-29	76%

*** Above, C=Current and PR=Percentile Rank of Current

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Definitions

Current Price	52-Wk High	52-Wk Low	% from 52-Wk High	% from 52-Wk Low	1-Wk % Price Chng	YTD % Price Chng	52-Wk % Price Chng	1 Beta (vs S&P 500)	2 6-Week RSI	3 %B (from 10-weekMMA)	4 4WMA % of Avg. Upslope	5 4WMA % of Avg. Dnslope	6 % Index Above 200-DMA	7 Currency/Equity Diffusion	8 CySMoB Percentile Rank	9 N-T Trend Stop	10 Next N-T Target Area	11 Bias vs. S&P 500
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- 1 To determine each index's beta vs. the S&P 500, we use monthly closing levels for the past 3 years.
- 2 Developed by J. Welles Wilder, the Relative Strength Index (RSI) is a momentum oscillator that measures the speed and change of price movements. Typically set at 13-weeks, when analyzing weekly data, we attempt to speed the trading signals up with a 6-week reading.
- 3 Derived from Bollinger Bands, developed by John Bollinger, %B quantifies price relative to the upper and lower Bollinger Band. We set our %B settings at 2 standard deviations above a 10-week moving average, which is like capturing the distance from the widely followed 50-DMA.
- 4 This cycle indicator shows the current uninterrupted streak of the 4-week moving average in relation to the average 5-Yr slope. (For example, 3 straight weekly gains in the 4-WMA would represent 50% of a 6-week average.)
- 5 Apply the methodology described directly above (4) to a declining 4-week moving average.
- 6 This breadth indicator shows the percentage of an index's constituents trading above their 200-DMA.
- 7 Here, we capture the % distance from a 10-week average of the spread between a country's currency and its benchmark equity index.
- 8 This represents the current percentile rank of our CySMoBS indicator (see description on page 21) for the last 5 years.
- 9 The level above or below which the near-term trend remains intact. Green shaded cells denote a bullish long-term trend, red shaded cells denote a bearish long-term trend, and blue shaded cells mean that trend is neutral.
- 10 In addition to whatever pattern-related targets we might discuss on a week-to-week basis, we highlight Fibonacci-related extensions based on prevailing cycles to determine possible checkpoints within a trend.
- 11 We apply methodology derived from our proprietary 3-Tier trend following system to relative strength ratios between global equity indices vs the S&P 500. To gauge the performance of the S&P 500 against a basket of developed markets outside of the U.S., we use the ratio between the S&P 500 and the MSCI EAFE Index. If a relative strength trend is in progress, the N-T (near-term) signal will capture whether a near-term period of mean reversion (typically several weeks) has moved far enough to first change the prevailing trend-related bias to neutral (--), before initiating a new trend bias (either Lead or Lag).

The **Absolute Indicators** table contains momentum, statistical, cyclical and breadth data pertaining to each index's absolute price action.

The **Relative Indicators** table contains momentum, statistical and cyclical data pertaining to each index vs. the S&P 500 and the index's underlying currency.

	Absolute Indicators (Percentile Rankings)							Relative Indicators (Percentile Rankings)							
	1Yr High	1Yr Low	1Yr C	5Yr PR	5Yr High	5Yr Low	5Yr PR	1Yr High	1Yr Low	1Yr C	5Yr PR	5Yr High	5Yr Low	5Yr PR	
6-WRSI	97	26	84	83%	97	2	90%	6-WRSI	81	22	45	37%	82	19	34%
%B	1.1	-0.1	1.0	90%	1.1	-0.1	94%	%B	1.0	0.0	0.5	52%	1.1	-0.1	44%
4WMA Weeks Up	12.0	1.0	2.0	18%	18.0	1.0	16%	4WMA Weeks Up	7	1	2	29%	19	1	23%
4WMA Weeks Dn	7.0	1.0	0	0%	23.0	1.0	0%	4WMA Weeks Dn	12	1	0	0%	13	1	0%
% Abv 200-DMA	88	76	77	4%	91	72	20%	Currency Diffusion	5	-4	0	21%	14	-27	34%

CySMoB Index

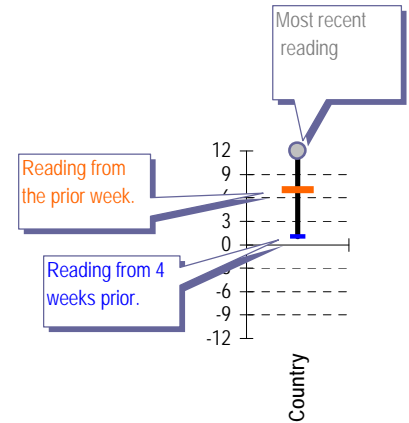
For decades, individual data points for popular studies such as RSI, developed by J. Welles Wilder, and %B, derived from John Bollinger's popular Bollinger Bands, have consistently proven to be helpful with identifying temporary overshoot conditions in markets.

In an attempt to better judge whether these overshoot signals portend of a brief period of mean reversion or a more significant interruption to an aging cycle, we've created the CySMoB Index (see details below).

CySMoB, which stands for **C**yclical, **S**tatistical, **M**omentum, **B**readth, is a proprietary index comprised by taking only readings in the top 70th-79th, 80th-89th, 90th-100th, & bottom 30th-21st, 20th-11th, 10th-1st percentile for the past 5 years of data covering the 4-week moving average slope (Cyclical), %B (Statistical), 6-Week RSI (Momentum), % Index above 200-DMA (Breadth), and weighting this data as follows:

1, 2, 3, or -1, -2, -3

These readings are then totaled to give a maximum range of 12 to -12, then presented on a scale that compares the world's major equity indices to each other.



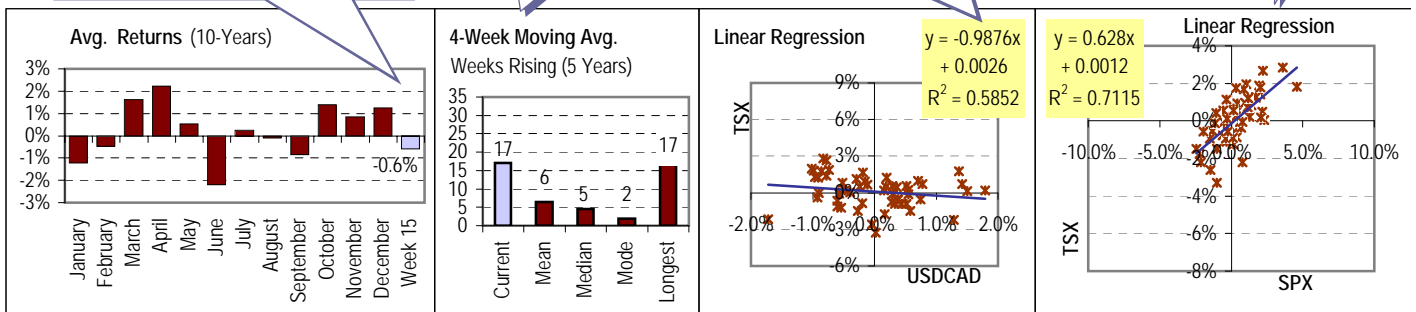
*** Note: Information provided below is for display purposes only and does NOT reflect current conditions. ***

In addition to the average monthly returns for the past 10 years, we also show the index's 10 year average for the calendar week currently in progress.

For each index, we show how the current 4-week moving average slope compares to the average, median, mode and longest slope of the past 5 years.

Here, we show each index's sensitivity to its underlying currency using weekly closing levels over the past 52 weeks.

Here, we show each index's sensitivity to the S&P 500 using weekly closing levels over the past 52 weeks.



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