



## *Global Market Technical Report*

This issue of the *Global Market Technical Report* is composed of:

- Pages 2– 4 *Global Market Trend Analyzer* - intermediate and long term global trends - **17 Potential Trend Changes**
- Pages 5– 8 *Short Term Perspectives & Market Comments* on **24 markets**
- Pages 9 *Global Market Chart* - focus market chart of **silver**
- Pages 10-11 *Global Market Index Definitions* - clarification of twenty two market indices

The purpose of the *Global Market Technical Report* is to

- Provide uncompromised , objective, and understandable global market analysis
- Enhance decision making for those impacted by global markets
- Ultimately, strive to positively impact a client's goal achievement

The *Global Market Technical Report* is based upon:

- The science of technical analysis and its body of knowledge
- Three basic principles articulated by market pioneer John Magee
  1. Stock prices tend to move in trends
  2. Volume goes with the trend
  3. Once established, trends tend to continue
- A belief that trends are created by price moves that are the result of mass psychology which swing from being positive to negative and back
- Over 40 years experience as a participant and student of the markets

**Next scheduled issue is on or around 10 April 2011**

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## Global Market Technical Trend Analyzer

- The trends exhibited in the *Global Market Technical Trend Analyzer* are high probability trends believed to be accurate on the date of the publication. \* Indicates Potential Trend Change; # Trend Change since last publication
- The Analyzer provides an efficient and understandable technical perspective of **global market direction, potential trend changes and intermarket relationships.**
- The trends represents our analysis of **four to eight charts over different time periods, employing bar, candle-**

* Attention - <u>Potential</u> Trend Change # Trend <u>Change</u> Since last Publication	Intermediate Trend (Months to Years) Trend Start Date	Long Term Trend (Years) Trend Start Date
<b>US Equity</b>		
S&P 500 Index	 03-2009 *	 10-2007
DJIA Index	 03-2009 *	 10-2007
NASDAQ 100 Index	 11-2008 *	 03-2000
<b>Currency</b>		
US Dollar Index—DXY	 06-2010 *	 11-2009
EUROs per US Dollar	 06-2010 *	 07-2008
Yen per US Dollar	 05-2010 *	 06-2007 *
British Pounds US Dollar	 05-2010 *	 11-2007
Swiss Francs per US Dollar	 06-2010 *	 07-2001 *
Canadian Dollars per US Dollars	 03-2009 *	 11-2007
Swedish Kronas per US Dollar	 03-2009 *	 07-2001
Australian Dollars per US Dollar	 06-2010 *	 10-2008
Brazilian Reals per US Dollars	 05-2010 *	 12-2008
<b>US Debt</b>		
US 30 Yr. Treasury Bond	 08-2010 *	 09-1981
US 30 Yr. Treasury Bond Yield	 08-2010 *	 09-1981

## Global Market Technical Trend Analyzer

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<b>European Equity</b>		
France - CAC Index	 03-2009 *	 06-2007
Germany - DAX Index	 03-2009 *	 07-2007
Italy - FTSE MIB Index	 10-2009	 05-2007
Spain-IBEX 35 Index	 01-2010	 06-2007
Switzerland - SMI Index	 04-2010	 06-2007
United Kingdom - FTSE 100 Index	 03-2009 *	 06-2007
<b>South American Equity</b>		
Brazil - Bovespa Index	 01-2011	 05-2008
<b>Asian Equity</b>		
Australia All Ordinaries Index	 03-2009 *	 10-2007
China - Hong Kong - Hang Seng Index	 10-2008	 10-2007
China - Shanghai Composite Index	 10-2008	 10-2007
China - Shenzhen Composite Index	 11-2008	 01-2008
Korea - KOSPI Index	 10-2008	 03-2003
India - SENSEX Index	 10-2008	 04-2003
Japan - NIKKEI 225 Index	 10-2008	 07-2007
Singapore - FTSE Straight Times	 03-2009 *	 10-2007
Taiwan Weighted Index	 11-2008	 11-2008



## Global Market Technical Trend Analyzer

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<b>Commodities</b>		
Gold	 10-2008	 09-1999
Silver	 10-2008	 11-2001
Crude Oil - NYMEX	 01-2009	 07-2008
Crude Oil - Brent	 12-2008	 07-2008
Natural Gas - NYMEX	 07-2008	 12-2005
Corn	 12-2008	 06-2008
Soybeans	 12-2008	 07-2005
Copper	 06 - 2010	 12 - 2008
TR/J CRB Index-Commodity Research Bureau	 06-2010	 07-2008
CCI Index - Continuous Commodity Index	 06-2010	 12-2008
<b>Global Economy</b>		
Kondratieff Wave (Econ Long Wave Cycle)	 03-2000	 09-1981



## Global Market Comments & Short Term Perspectives

### US EQUITY

#### S&P 500 Index - Potential trend change DOWN

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed.
- For conservative market participants, the trend remains up until the trend change down is confirmed
- If a top is in, expect a short term upward correction before resuming the decline
- A preliminary confirmation would be a break of 1294 and then 1275 with downside follow through
- Conservatives would seek a close under 1173 and its 200 day SMA , as well as bearish internal structure to confirm
- A move over the February high of 1344.03 would negate the preferred scenario of intermediate trend change

#### DJIA Index - Potential trend change DOWN

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed
- For conservative market participants, the trend remains up until the trend change down is confirmed
- If a top is in, expect a short term upward correction before resuming the decline
- A preliminary confirmation would be a break of 11,983 and the 50 day simple moving average
- Conservatives would seek a close under 10,292 its 200 day SMA and a bearish internal structure to confirm
- A move over 12,391.29 would negate the preferred scenario of intermediate trend change

#### NASDAQ 100 Index - Potential trend change DOWN

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed
- For conservative market participants, the trend remains up until the trend change down is confirmed
- If a top is in, expect a short term upward correction before resuming the decline
- A preliminary confirmation would be a break of 2284 and then 2258
- Conservatives would seek a close under 2085 and its 200 day SMA as well as a bearish internal structure to confirm
- A move over 2403.52 would negate the preferred scenario of an intermediate trend change

### CURRENCY

#### US Dollar Index - DXY - Potential trend change UP

- The internal structure presents several scenarios but the preferred is that the intermediate trend is up
- This scenario suggests the dollar has been in a short term corrective pattern (less than ideal) since November 2010
- However, price must remain above the November 2010 low of 75.63 to retain the this scenario

#### EUROs per US Dollar - Potential trend change UP

- The current intermediate scenario, EURO is strengthening against the Dollar
- This scenario suggests the Euro has been in a corrective pattern against the Dollar since June 2010
- Market action must remain below of .745 to retain the this EURO outlook

#### Yen per US Dollar- Potential trend change UP

- Long term the Dollar is seeking a major low against the yen under the preferred scenario
- Intermediately , a stronger or sideways dollar should be underway before the dollar rolls over to new lows
- A close under 80.26 would suggest the intermediate upward correction is over and resumption of the down trend

#### British Pounds per US Dollars - Potential trend change UP

- Not very clear from the internals and not an ideal structure but Pound still strengthening against the dollar
- Looking for indication of a weakening British Pound and trend change
- It would take a move above .652 to consider a trend change favoring the Dollar



## *Global Market Comments & Short Term Perspectives*

### CURRENCY—continued

#### Swiss Francs per US Dollar - **Potential trend change UP**

- US Dollar is seeking a long term major low and bottom against the Swiss Franc under the preferred scenario
- Intermediately, there is potential that the US Dollar is in the process of strengthening
- However, until there is an intermediate trend change confirmation, assume a weaker dollar

#### Canadian Dollars per US Dollar - **Potential trend change UP**

- US Dollar is seeking an end to a weaker US Dollar that began in March 2009
- It is currently oversold with little downside momentum
- However, until an intermediate trend change is confirmed, assume a weaker dollar

#### Swedish Kronas per US Dollar - **Potential trend change UP**

- US Dollar is seeking an end to a correction that began March 2009
- Dollar is currently consolidating while expressing bullish divergence
- However, until an intermediate trend change is confirmed, assume a weaker dollar

#### Australian Dollars per US Dollar - **Potential trend change UP**

- US Dollar is seeking to change the intermediate trend to a stronger US Dollar
- Currently there is little price direction but nearing an oversold condition for the US Dollar
- Until the intermediate trend change is confirmed, assume a weaker dollar

#### Brazilian Reals per US Dollar- **Potential trend change UP**

- US Dollar is seeking at least an intermediate bottom but no sign of trend reversal as of date
- There has been a slightly weaker dollar since January 2011
- Momentum has been virtually non-existent with little technical revelations
- Until the intermediate trend change is confirmed, assume a weaker dollar

### US DEBT

#### US 30 Yr. Treasury Bond - **Potential trend change UP**

- Currently, price appears to be ratcheting up as rates decline, most likely a short term correction
- Once upward correction is complete, preferred scenario expects a resumption in decline in bonds & higher rates
- Intermediate term, T-Bond is seeking a low at or above its lower trend line which began in 1981
- Upon a confirmed bottom, preferred scenario expects a intermediate trend change to higher bonds & lower rates

### EUROPEAN EQUITY

#### France - CAC Index - **Potential trend change - DOWN**

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed
- For conservative market participants, the trend remains up until the trend change down is confirmed
- If a top is in, expect a short term upward correction before resuming the decline
- A preliminary confirmation would be a break of 3984.36 and then 3953
- Conservatives would seek a close under 3790.96 and 200 day SMA as well as internal structure to confirm
- A move over 4169.87 would negate the preferred scenario of an intermediate trend change



## Global Market Comments & Short Term Perspectives

### EUROPEAN EQUITY - CONTINUED

#### Germany - DAX Index - **Potential trend change DOWN**

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed
- For conservative market participants, the trend remains up until the trend change down is confirmed
- If a top is in, expect short term upward correction before resuming the decline
- A preliminary confirmation would be a break of 3599.35 and then 3478.5
- Conservatives would seek a close under 3382 and its 200 day SMA as well as internal structure to confirm
- A move over 3775.97 would negate the preferred scenario of an intermediate trend change

#### United Kingdom - FTSE 100 Index - **Potential trend change DOWN**

- Internal price structure and technical indicators suggest a major top has been struck but is not confirmed
- For conservative market participants, the trend remains up until a trend change down is confirmed
- If a top is in, short term expect upward correction before resuming the decline
- A preliminary confirmation would be a break of 5860.95 and then 5815.49
- Conservatives would seek a close under 5519.19 and 200 day SMA as well as internal structure to confirm
- A move over 6105.77 would negate the preferred scenario of an intermediate trend change

### South American Equity

#### Brazil - Bovespa Index

- Bovespa broke down out of a 10 month contracting triangle in January 2011, thus intermediate trend is down
- It is currently trading under its 50 and 200 Day SMA
- Currently in a short term correction up

### Asian Equity

#### Australian All Ordinaries Index - **Potential trend change DOWN**

- The index has been in a diagonal triangle since June 2010 and currently under its 50 day SMA, above the 200 day
- Ideally, price moves above 5021 before rolling over to the downside
- Its close below the triangle's lower trend line and the 50 day SMA is an early indication but not confirmation of a trend change but await confirmation.

#### Korea - KOSPI Index - **Potentially sizeable shorter term DOWN correction in progress**

- Currently, KOSPI is most likely correcting the move up from October 2008, reducing bullish sentiment
- Most common retracement down would be 1550 or so as price ratchets up and down in a downward bias
- The preferred scenario is for the upward intermediate trend to resume once the correction has completed

#### India—SENSEX - **Potentially sizeable shorter term DOWN correction in progress**

- SENSEX is most likely correcting its price move up from October 2008, reducing bullish sentiment
- Most common retracement down would be 1600 or so as price ratchets up and down in a short term downward bias
- The preferred scenario is for the upward intermediate trend to resume once the correction has completed

#### Singapore - FTSE Straight Times Index - **Potential trend change DOWN**

- A possible intermediate trend change to down may be in process per internal structure and technicals
- Index is trading under its 50 and 200 day SMA with overbought conditions but strong downward momentum
- Once current short term move down has bottomed, expect an upward correction
- Until a more precise assessment can be concluded, a close under 2648 would confirm a new trend down



## *Global Market Comments & Short Term Perspectives*

### COMMODITIES

#### CCI Index - Continuous Commodity Index - **Blow off potential**

- Commodities in general are in a speculative rally of major proportions, common to commodity blow offs
- The CCI technicals are suggesting that at least a short term correction or consolidation is on the horizon
- The Index is extremely over extended with negative divergence and decreasing momentum
- However, the CCI index is not exhibiting any tendency on the chart to correct or move lower
- Look to the dollar for the commodity trend, a meaningful trend up in the dollar would bring lower commodities





# Global Market Chart

A chart to consider.....SILVER



## Monthly Silver Arithmetic Bar Chart

- Bar chart - January 1963 to March 2011
- For the last 100 years, commodities in the aggregate tend to crest approximately every 30 years
- Presented is a price blow off of silver in 1980 and the look, feel and count of another probable blow off in 2011
- Where silver tops is an unknown, however, the current crests are 31 years apart!
- What happened after the 1980 blow off top.....a dramatic and emotionally charged decline!
- Will it be different this time?



## *Global Market Index Definitions*

### S&P 500 Index

The S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States

### DJIA Index

The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 actively traded blue chip stocks, representing between 15 percent and 20 percent of the market value of all NYSE stocks.

### NASDAQ 100 Index

The NASDAQ 100 Index tracks the 100 largest stocks listed by the Nasdaq Composite Index

### DXY – US Dollar index

The US Dollar index (DXY) measures the value of the U.S. dollar relative to a basket of top 6 currencies: European EURO, Japanese Yen, British Pound, Swiss Franc, Canadian Dollar and Swedish Krona

### CAC Index

The CAC Index is a French stock market index that tracks the 40 largest French stocks based on market capitalization on the Paris stock exchange.

### DAX Index

The DAX Index is a stock market index that represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange

### MIB Index

The FTSE MIB (the S&P/MIB prior to June 2009) is the benchmark stock market index for the Italian national stock exchange, which superseded the MIB-30 in September 2004. The index consists of the 40 most-traded stock classes on the exchange

### IBEX 35 Index

The IBEX 35 is the benchmark stock market index of the Bolsa de Madrid, Spain's primary stock exchange. It is a market capitalization weighted index comprising the 35 most liquid Spanish stocks traded in the Madrid Stock Exchange General Index.

### SMI Index

The Swiss Market Index (SMI) is Switzerland's blue-chip stock market index, which makes it the most important in the country. It is made up of twenty of the largest and most liquid SMI large and mid-cap stock

### FTSE 100 Index

The FTSE 100 Index is a share index of the 100 most highly capitalized UK companies listed on the London Stock Exchange

### Bovespa Index

The Bovespa Index is an accumulation index of about 50 stocks that are traded on the São Paulo Stock, Mercantile & Futures Exchange in Brazil.

### All Ordinaries Index

Established in January 1980, the All Ordinaries is the oldest index of shares in Australia, so called because it contains nearly all ordinary (or common) shares listed on the Australian Securities Exchange.

### Hang Sang Index

The Hang Seng Index is a free float-adjusted market capitalization-weighted stock market index in Hong Kong, China. It is used to record and monitor daily changes of the 45 largest companies of the Hong Kong stock market and is the main indicator of the overall market performance in Hong Kong.

### Shanghai (SSE) Composite Index

The SSE Composite Index is an index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange (SSE) in China.



## *Global Market Index Definitions*

### Shenzhen (SZSE) Composite Index

The SZSE Component Index is an index of 40 stocks that are traded at the Shenzhen Stock Exchange (SZSE) in China.

### KOSPI Index

The Korea Composite Stock Price Index or KOSPI, the representative stock market index, is the index of all common stocks traded on the Stock Market Division (previously, Korea Stock Exchange) of the Korea Exchange. It's the representative stock market index of Korea.

### SENSEX Index

The BSE (Bombay Stock Exchange) SENSEX is a value-weighted index composed of 30 of the largest and most actively traded stocks.

### NIKKEI Index

The Nikkei 225 is a stock market index for the Tokyo Stock Exchange (TSE), a Yen price-weighted average.

### FTSE Straight Times

The Straits Times Index (STI) is a market value-weighted stock market index based on the stocks of 30 representative companies listed on the Singapore Exchange.

### Taiwan Weighted Index

Taiwan Capitalization Weighted Stock Index (Taiwan Stock Exchange Capitalization Weighted Stock Index - "TAIEX") is a stock market index for companies traded on the Taiwan Stock Exchange (TWSE) and covers all of the listed stocks excluding preferred stocks, full-delivery stocks and newly listed stocks, which are listed for less than one calendar month.

### TR/J CRB Index

The Thomson Reuters/Jefferies CRB Index (TR/J CRB) is a global commodity price index, currently made up of 19 commodity futures which are: Aluminum, Cocoa, Coffee, Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil, Lean Hogs, Live Cattle, Natural Gas, Nickel, Orange Juice, Silver, Soybeans, Sugar, Unleaded Gas and Wheat. The index is weighted by a 4-tiered grouping system designed to reflect the significance of each commodity: Energy: 39%, Agriculture: 41%, Precious Metals: 7%, Base/Industrial Metals: 13%.

### CCI Index

The Thomson Reuters Equal Weight Continuous Commodity Index is a global commodity price index comprised of 17 equally weighted commodity futures that are continuously rebalanced: Cocoa, Coffee 'C', Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil, Live Cattle, Live Hogs, Natural Gas, Orange Juice, Platinum, Silver, Soybeans, Sugar No. 11, and Wheat. The CCI components are equally weighted, distributed evenly into the major sectors: Energy 17.65%, Metals 23.53%, Softs 29.41% and Agriculture 29.41%.

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