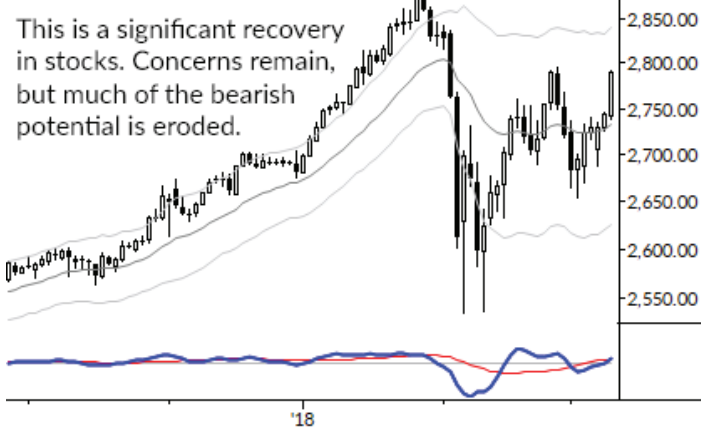


- Stocks were unexpectedly strong last week, as the bears failed to seize control at every turn.
- This week, longer-term traders could look to buy following a minor decline or pause in major indexes.
- Currencies show very conflicted price action, driven by individual uncertainty in both the USD and the EUR. Currency swing traders should be very selective in taking trades—there will be better trading environments in the future.
- Crude oil and distillates are still set to trade lower, but are now at a critical inflection: a rally would erase bearish potential, but a minor selloff could see quick acceleration.
- Bond futures have rolled over to the downside and now have likely established a longer-term downtrend.

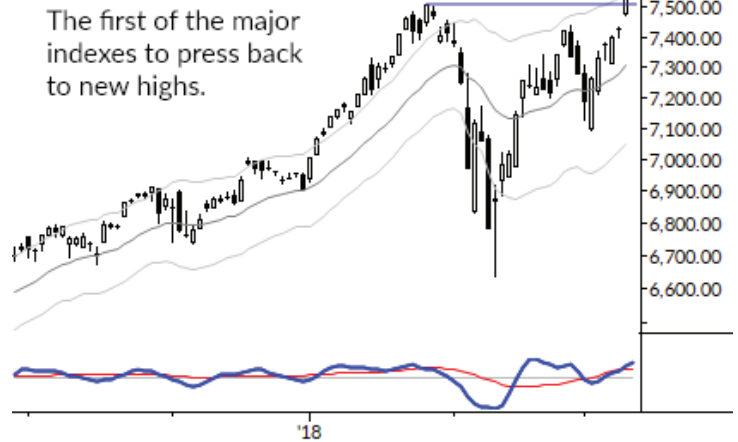
## Stock Market Analysis & Outlook

**@ES - Daily E-mini S&P 500 Continuous Contract [Jun18]**

This is a significant recovery in stocks. Concerns remain, but much of the bearish potential is eroded.


**\$COMPX - Daily Nasdaq Composite Index**

The first of the major indexes to press back to new highs.



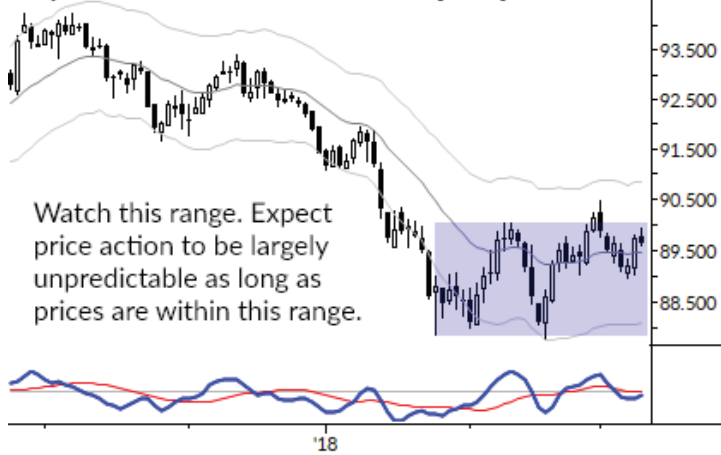
### Global Stocks

	1-Wk Return	Kpos	ER Trend	Volatility	S/T Bias	I/T Bias
S&P500	3.6% [1.7σ]	82	61	Normal		Up
Russell 2000	4.3% [2.2σ]	91	63	Volatile		Up
Nasdaq Cmp	4.3% [1.8σ]	97	75	Normal		Up
DJIA	3.3% [1.4σ]	66	54	Normal		Up
Europe	2.4% [1.1σ]	55	46	Normal		Up
UK	2.0% [0.9σ]	49	42	Normal		Up
Russia	1.0% [0.3σ]	64	69	Volatile	Leading	Up
Japan	1.1% [0.5σ]	46	49	Normal	Caution	Up
China	3.7% [0.9σ]	63	43	Normal		
Hong Kong	2.0% [0.9σ]	82	58	Volatile		Up
Australia	2.5% [1.1σ]	70	57	Normal		Up
India	0.0% [0.0σ]	36	24	Normal	Caution	
South Korea	5.4% [1.6σ]	82	51	Volatile		
Taiwan	3.1% [1.2σ]	83	57	Normal		Up
Singapore	1.2% [0.5σ]	63	56	Volatile		Up

### US Stock Market Sector

Sector	Short Term	Int. Term
Energy	Weaker	Lag
Industrial		Lead
Technology	Lead	Lead
Materials		
Cons Disc		
Financials		Lead
Cons Staples	Weaker	Lag
HealthCare		
Utilities	Weaker	Lag
Mtls & Mining		Down
REITs		Down
Homebuilders		Up
Semis		Up

### FX Market Analysis

**Daily U.S. Dollar Index Continuous Contract [Jun18]**

**@CL - Daily Crude Oil Continuous Contract [Apr18]**


### Currencies

	1-Wk Return	Kpos	ER Trend	Volatility	S/T Bias	I/T Bias
EURUSD	-0.1% [-0.1σ]	45	42	Normal		Up
GBPUSD	0.4% [0.3σ]	42	32	Quiet		Up
USDCAD	-0.6% [-0.6σ]	63	82	Normal	Watch	
USDJPY	1.0% [0.9σ]	45	22	Normal		Down
AUDUSD	1.1% [0.9σ]	54	28	Normal		
NZDUSD	0.6% [0.4σ]	50	46	Normal		Up
USDCHF	1.4% [1.3σ]	78	56	Normal		Down
EURGBP	-0.5% [-0.7σ]	54	71	Quiet		
EURJPY	0.9% [0.9σ]	42	18	Quiet	Down	
GBPCHF	1.8% [2.7σ]	71	35	Quiet		
EURAUD	-1.2% [-1.2σ]	40	75	Quiet	b/o failed	
AUDJPY	2.1% [1.7σ]	50	19	Normal		Down
EURTRY	0.0% [0.0σ]	54	51	Normal		
USDZAR	-0.9% [-0.4σ]	48	29	Quiet	Down	Down
Crude Oil	1.3% [0.4σ]	52	46	Normal		Up
Gold	0.0% [0.0σ]	45	37	Normal		Up

### Important Events This Week

- Earnings season is trickling off, with less than 200 names reporting this week.
- Monday: None
- Tuesday: CPI
- Wednesday: PPI-FD, Retail Sales, EIA Petroleum
- Thursday: Jobless Claims, Philly Fed
- Friday: Housing Starts, Ind. Prod, JOLTS

### Global Relative Strength Rankings

US Mkt Cap Indexes	Now	Chg	VRat	US Sectors (SP1500)	Now	Chg	VRat	International	Now	Chg	VRat
US Growth	1	0	0.6	Information Tech	1	0	0.5	S Africa	1	2	1.0
Russell MicroCap Index	2	0	0.6	Financials	2	1	0.8	Brazil	2	0	0.9
S&P SmallCap 600 Index	3	0	0.6	Consumer Discretionary	3	-1	0.8	Russia (NDQ OMX 15)	3	-2	0.8
Russell 2000 Index	4	1	0.6	Industrials	4	1	0.7	Finland	4	6	0.4
S&P 500 Index	5	-1	0.7	Materials	5	1	0.8	S Korea	5	3	1.1
DJ Wilshire 5000 Comp	6	0	0.6	Health Care	6	-2	0.5	S&P 500 Index	6	7	0.7
S&P 100 Index	7	0	0.7	Energy	7	0	0.8	Singapore	7	-3	1.2
US Value	8	0	0.7	Telcom Svcs	8	1	0.3	Greece	8	-2	1.2
US Industry Groups	Now	Chg	VRat	Consumer Staples	9	-1	0.8	Nthrlands	9	7	0.6
Semis & Semis Equip	1	1	0.6	Utilities	10	0	1.2	Israel	10	-1	0.4
Retailing	2	-1	0.9	Futures	Now	Chg	VRat	France	11	4	0.2
Software & Svcs	3	0	0.6	Cocoa	1	0	1.6	Hong Kong	12	-5	1.8
Diversified Financials	4	2	0.8	Crude Oil	2	0	1.8	Taiwan	13	-1	0.7
Banks	5	0	0.8	Cotton	3	0	2.0	Germany	14	7	0.6
Tech Hardware & Equip	6	-2	0.6	RBOB Gasoline	4	3	1.4	Sweden	15	9	0.6
Health Care Equip & Svcs	7	0	0.5	Wheat	5	-1	1.1	Japan	16	-5	0.9
Capital Goods	8	2	0.7	Corn	6	0	1.5	UK	17	3	0.4
Commercial & Prof Svcs	9	0	0.7	Live Cattle	7	2	0.8	Australia	18	1	1.5
Transportation	10	1	0.9	Heating Oil	8	0	1.0	Indonesia	19	-14	1.4
Materials	11	1	0.8	Copper	9	2	1.2	Switzerland	20	2	1.0
Consumer Svcs	12	1	0.7	Gold	10	0	1.0	India	21	-7	0.7
Insurance	13	2	1.0	Soybeans	11	-6	1.5	Mexico	22	4	0.9
Cons Durables & Apparel	14	-6	0.6	Natural Gas	12	5	0.4	Canada	23	2	1.0
Pharma, Biotech & Life Sci	15	-1	0.5	Euro Bobl	13	-1	1.0	China	24	-1	0.7
Energy	16	1	0.8	Euro Bund	14	-1	1.0	Philippines	25	-7	0.6
Media	17	2	0.7	Silver	15	4	1.3	Arabia Titans 50	26	-9	0.5
Food Beverage & Tobacco	18	0	0.9	5 Yr U.S.Treasury Notes	16	-1	0.4				
Telcom Svcs	19	1	0.3	10 Yr U.S. Treasury Notes	17	-1	0.4				
Automobiles & Compnts	20	2	0.5	Rough Rice	18	-4	0.4				
Food & Staples Retailing	21	-5	1.0	30 Yr U.S.Treasury Bonds	19	-1	0.5				
Real Estate	22	1	0.3	Coffee	20	0	0.3				
Household & Prsnl Prod	23	-2	0.7	Sugar No. 11	21	0	1.3				

#### Currencies

	Now	Chg	VRat		Now	Chg	VRat		Now	Chg	VRat
EURCAD	1	0	1.6	NZDUSD	8	-1	1.0	NZDJPY	15	2	0.9
EURUSD	2	1	1.0	USDCAD	9	-4	1.3	CHFJPY	16	-2	1.1
GBPUSD	3	1	0.8	Aussie	10	1	1.1	AUDJPY	17	2	1.2
EURAUD	4	-2	1.0	EURJPY	11	1	1.0	Dollar Index Futs	18	-3	1.0
EURCHF	5	3	0.9	GBPJPY	12	1	0.9	USDJPY	19	-1	0.7
GBPCHF	6	4	0.4	EURGBP	13	-4	0.6	CADJPY	20	1	1.0
EURNZD	7	-1	0.9	USDCHF	14	2	0.7	USDZAR	21	-1	0.7



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#### Legend for tables:

**1-Wk return:** the one-week percent return and volatility-adjusted return, expressed as a standard deviation of the prior twenty trading days ("sigma spike").

**Kpos:** "Keltner Position." The position within a Keltner Channel set around a 20 period EMA, expressed as 0 = bottom band, 50 = the EMA, and 100 = the top band. Note that this measure can be < 0 and > 100, indicating the market is outside the bands.

**ER Trend:** An efficiency ratio measure of short-term trend strength. This measure ranges from 0 (indicating a very strong downtrend) to 100 (indicating a very strong uptrend.)

**Volatility:** The statistical (also called "historical") volatility of the market relative to its range of volatility over a two year lookback.

**Bias:** When present, an overall read on the market combining both quantitative and subjective tools. S/T Bias is short-term (a few days to 2 months), and I/T Bias is intermediate-term (a few months to a year).

**Now and Chg (in RS table):** Now is the relative strength ranking (based on a multiple period front-weighted measure) within the group. Chg is the change in position over the past 5 trading days. For instance, something showing 1, 5 for these fields would be the current strongest in the group, and would have moved up 5 slots in the ranking over the past week.

**Vrat (in RS table) "Volatility Ratio":** The ratio of short-term to longer-term historical volatility. A reading of less than 1.0 indicates that the market is less volatile than the longer-term average; a reading of greater than 1.0 indicates it is relatively more volatile than its own longer-term average.

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