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## **Meeting of International Stock Exchange Executives Emeriti, Inc.**

Barcelona Spain  
September 13 -16, 2015



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# **Global Economies and Markets: Rendezvous with Destiny**

By

**Steven M Shelton MS, MBA, CFP®, CLU, ChFC, TEP, CIMA®, CMT**

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***“It was the best of times, it was the worst of times”***

**Charles Dickens**



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## Agenda

- Cycles Refresher
- Equity Markets
- Commodity Markets
- Currency Markets
- USA Debt Markets
- Summary & Conclusions

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# Cycles

Definition:

- An interval of time during which a characteristic, often regularly repeated event or sequence of events occurs

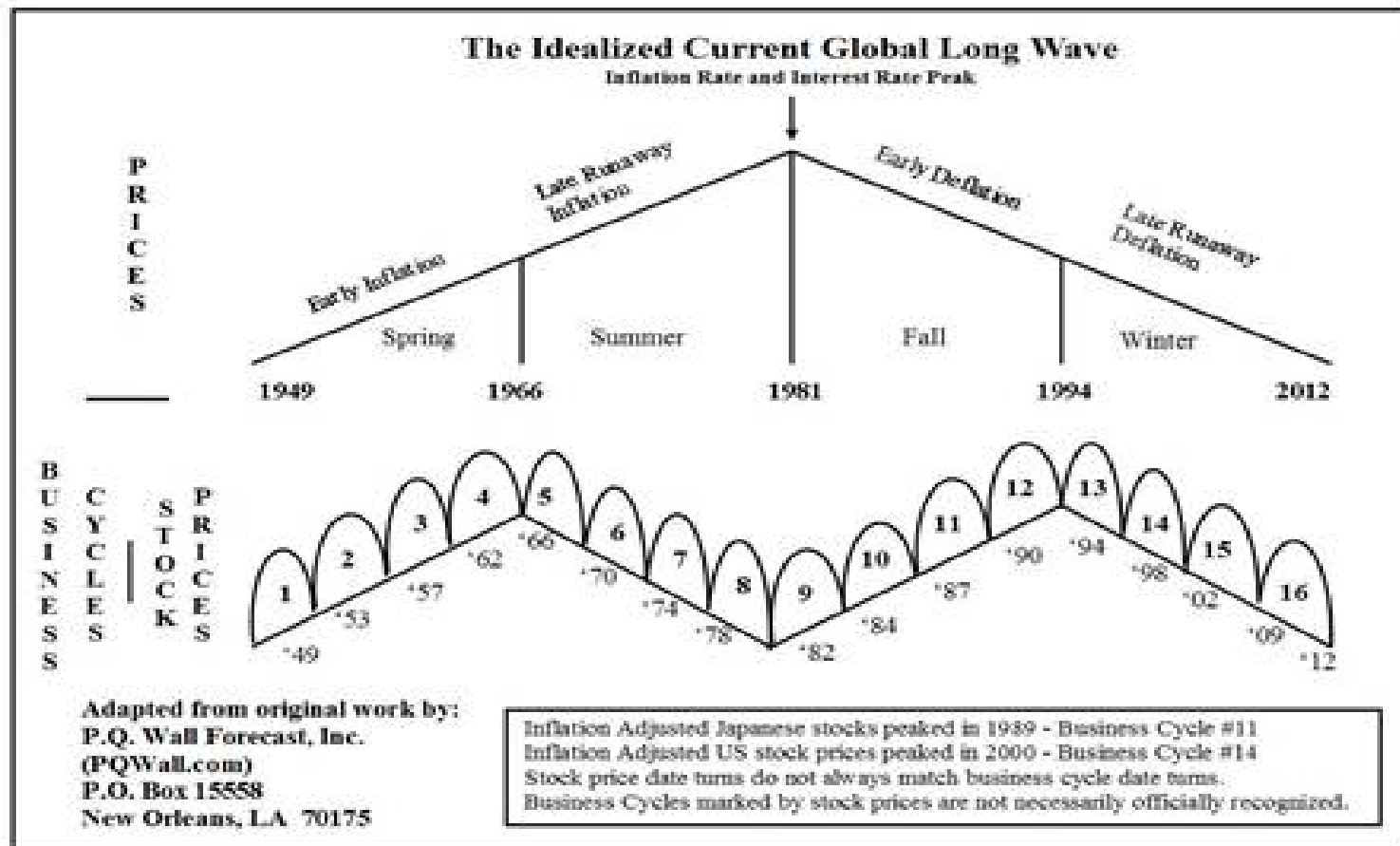
Examples of cyclic “order”; the Science of Prediction

- Tidal
- Lunar
- Economic
- Market



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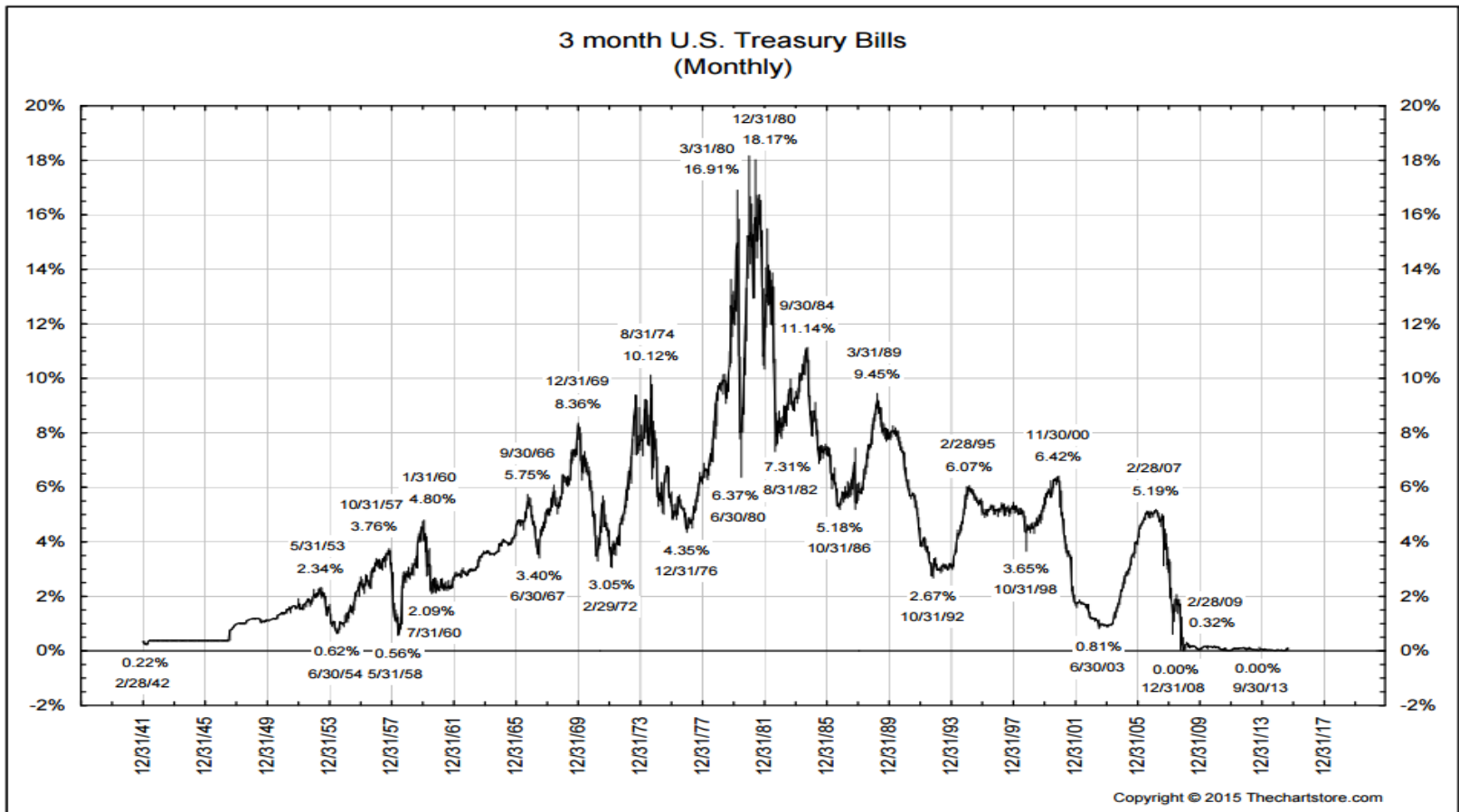
# Idealized Long Wave – K Wave – Credit Cycle





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## 3 month US T-bill Average Yields

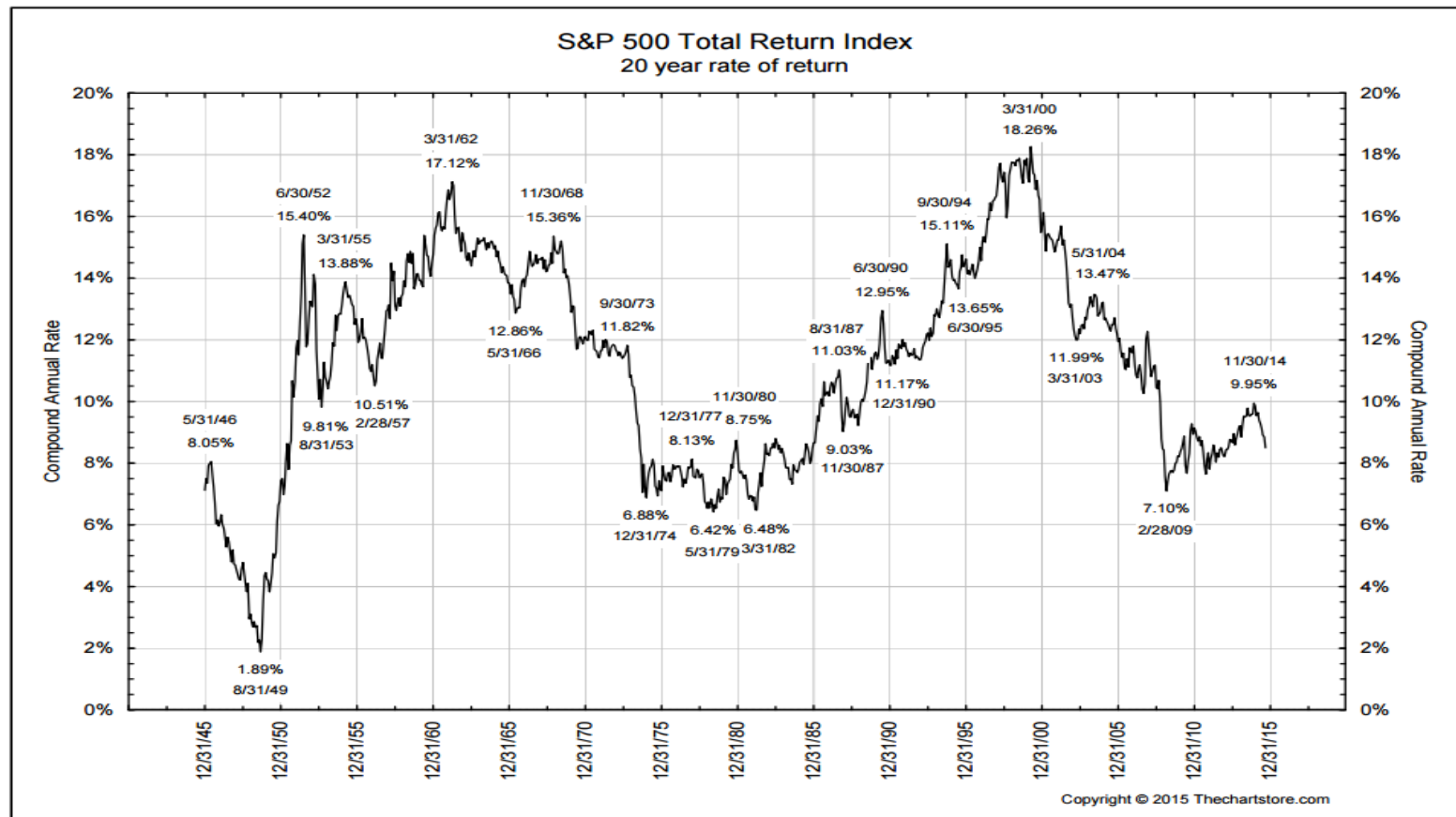




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# S&P 500 TR 1935 to 2015 – Long Wave

Data as of August 2015

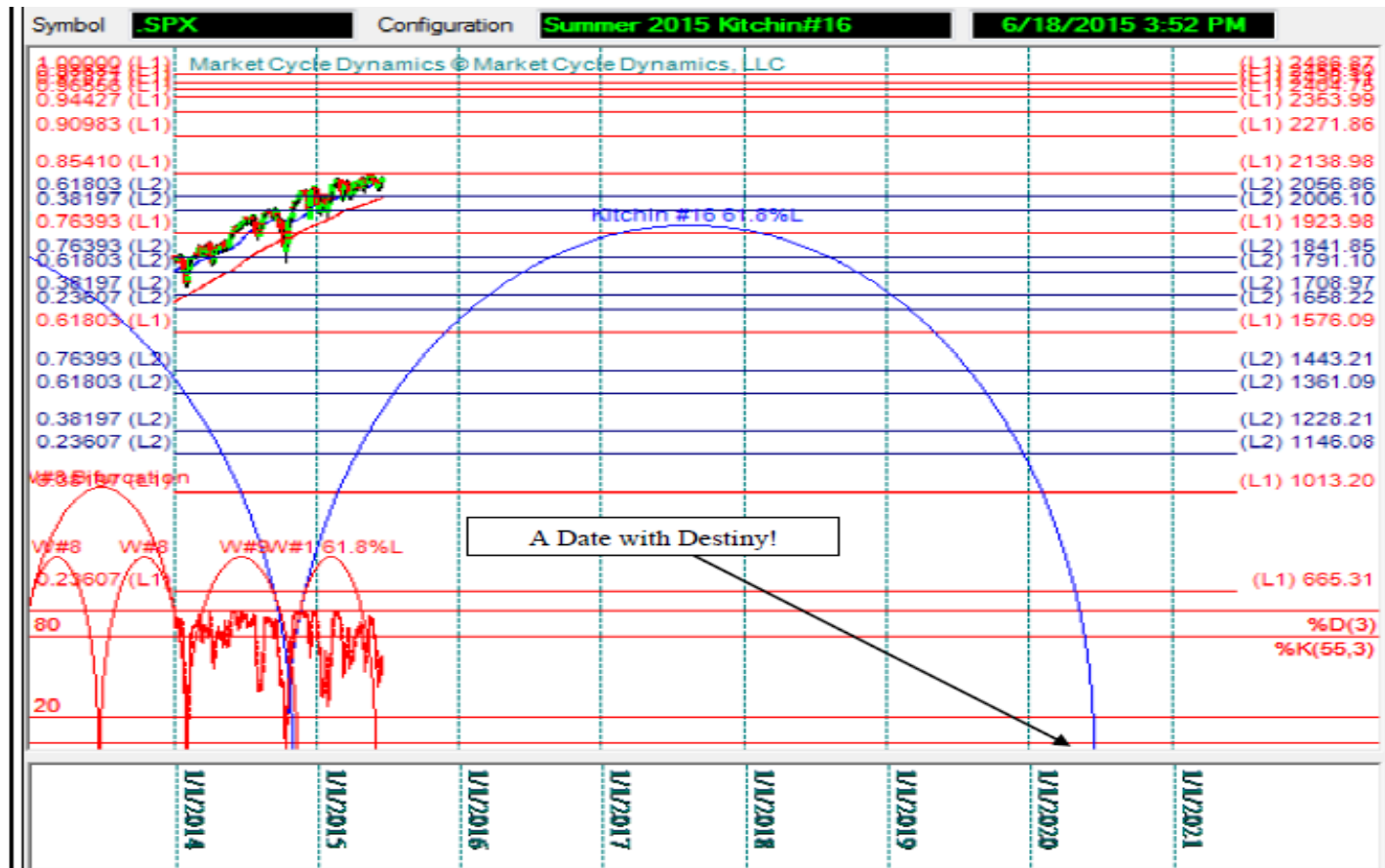






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# S&P 500 Kitchen Cycle Projections



www.marketcycledynamics.com, Summer 2015; Institutional Use Only



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## DJIA 1693 to Present

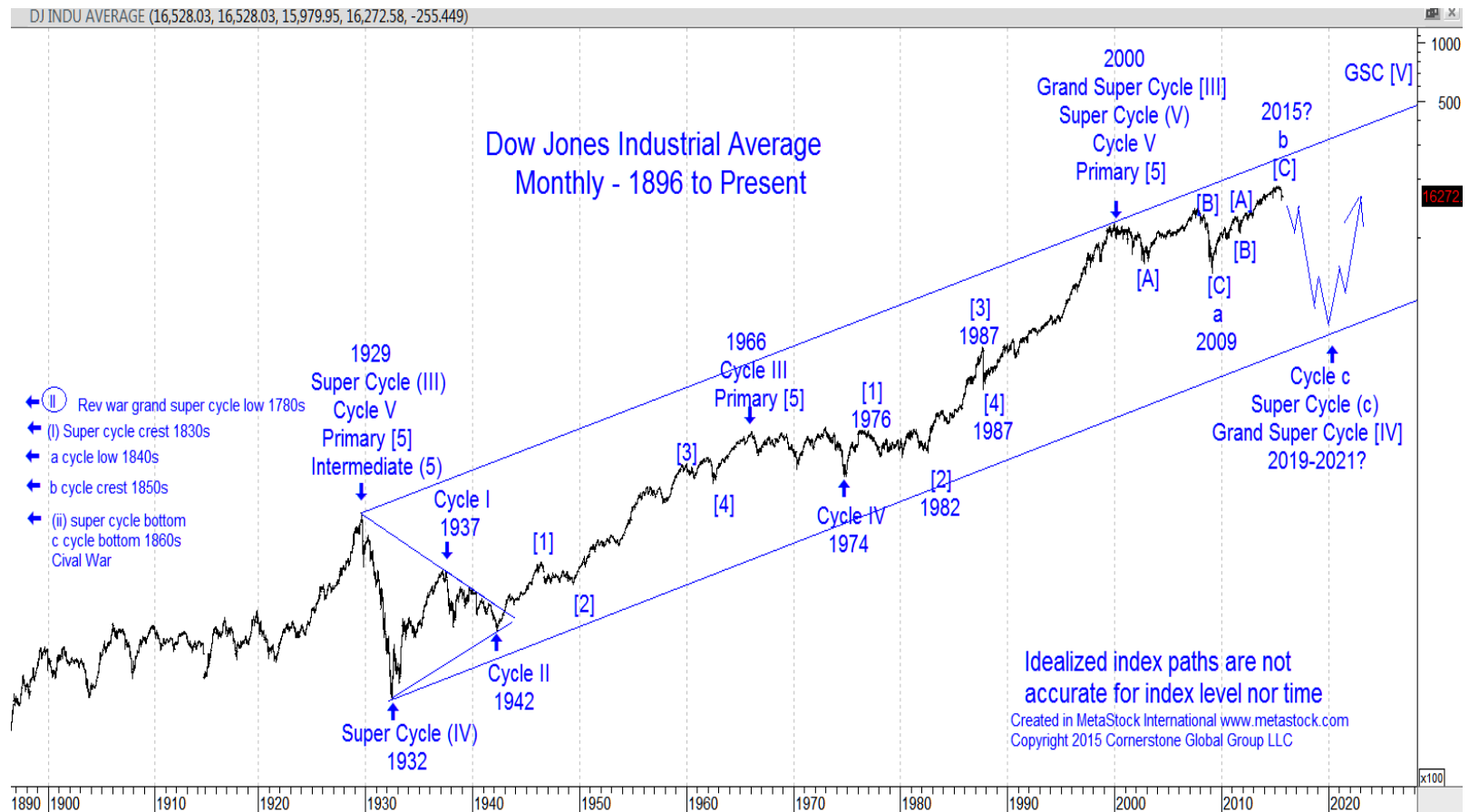


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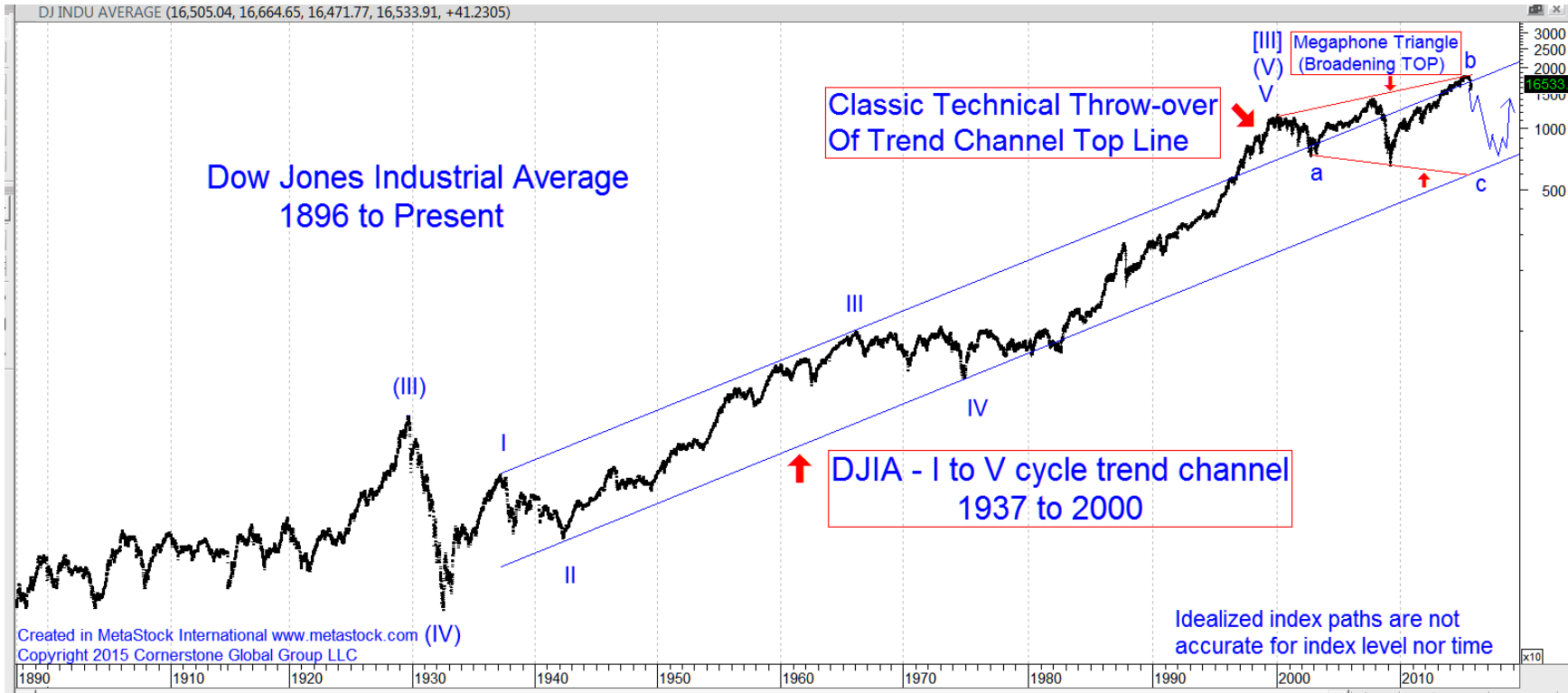
# DJIA 1896 to Present





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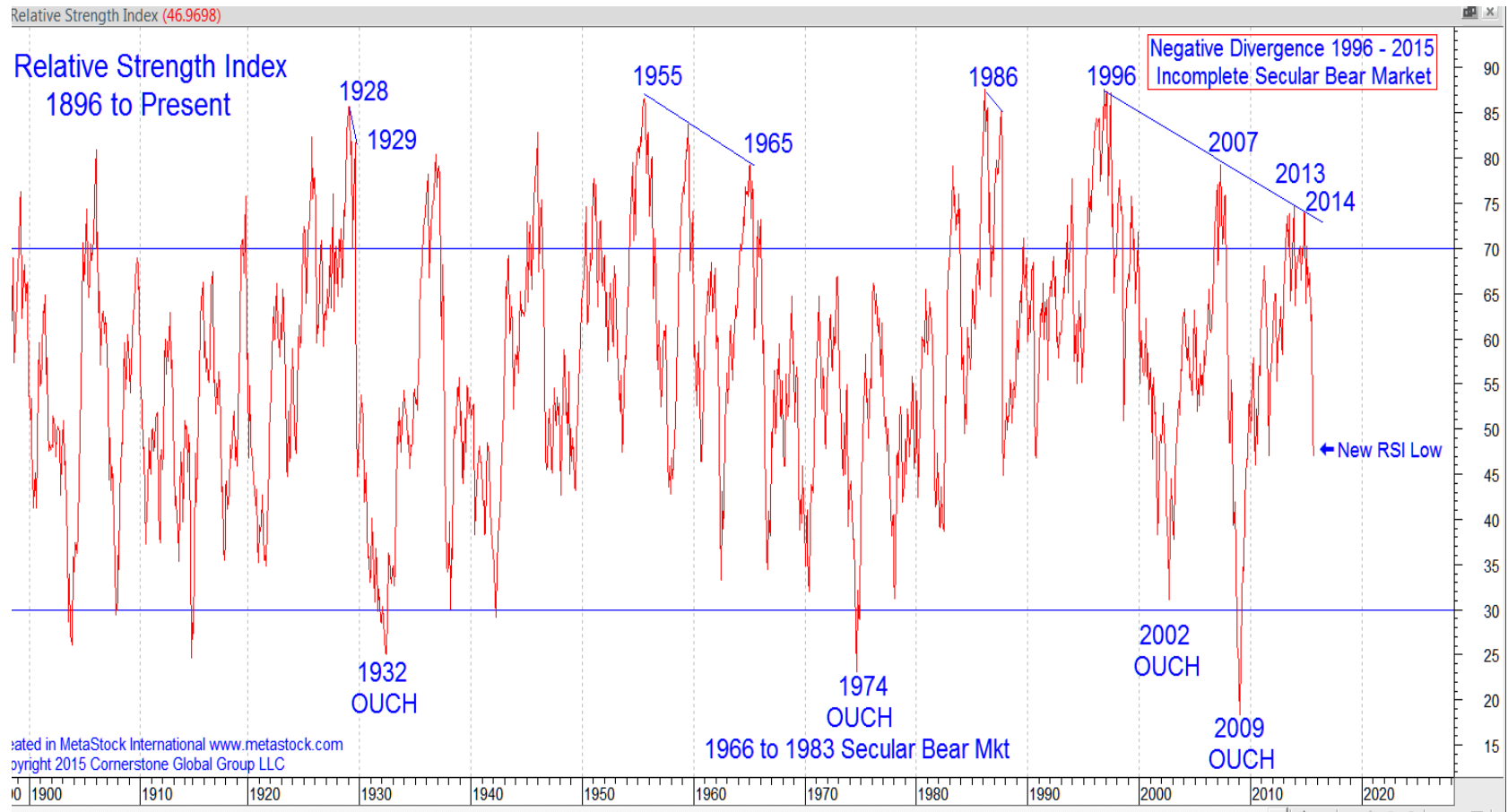
# DJIA 1937 Trend Channel





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# DJIA Relative Strength Index 1896 - Present

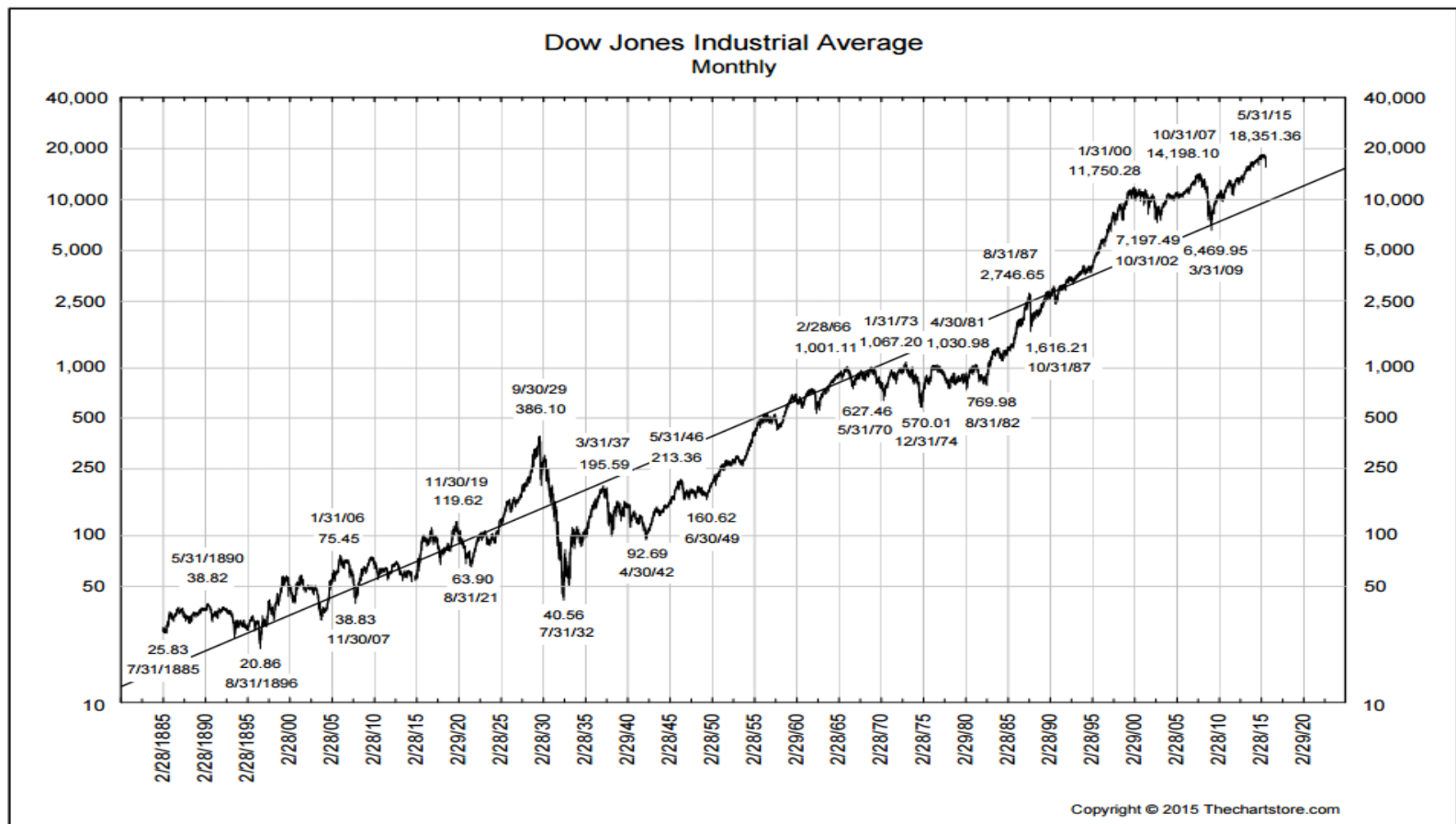




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# DJIA 1885 Reversion to the Mean Average

Data as of August 2015

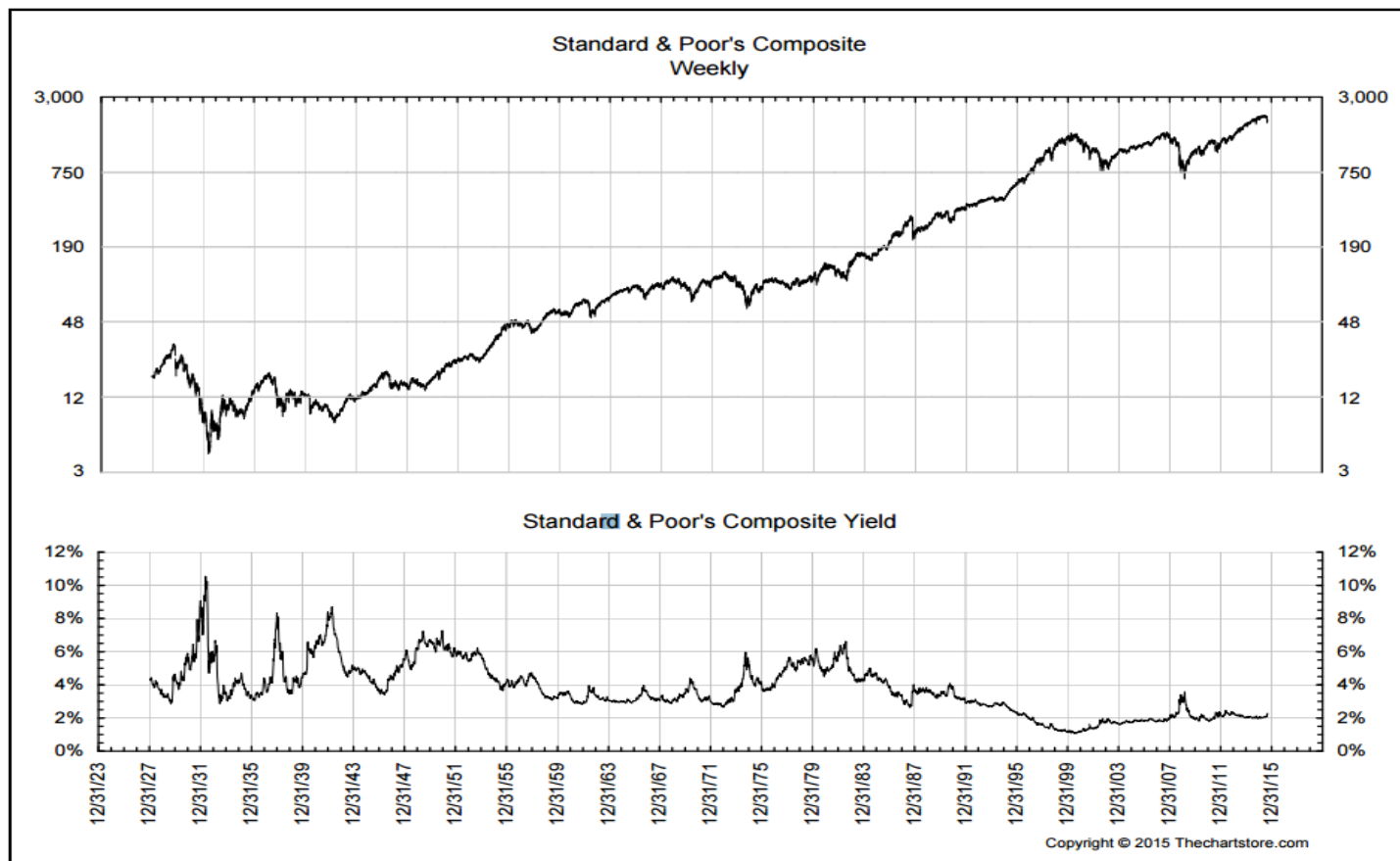




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# S&P Composite Yields 1927-2014

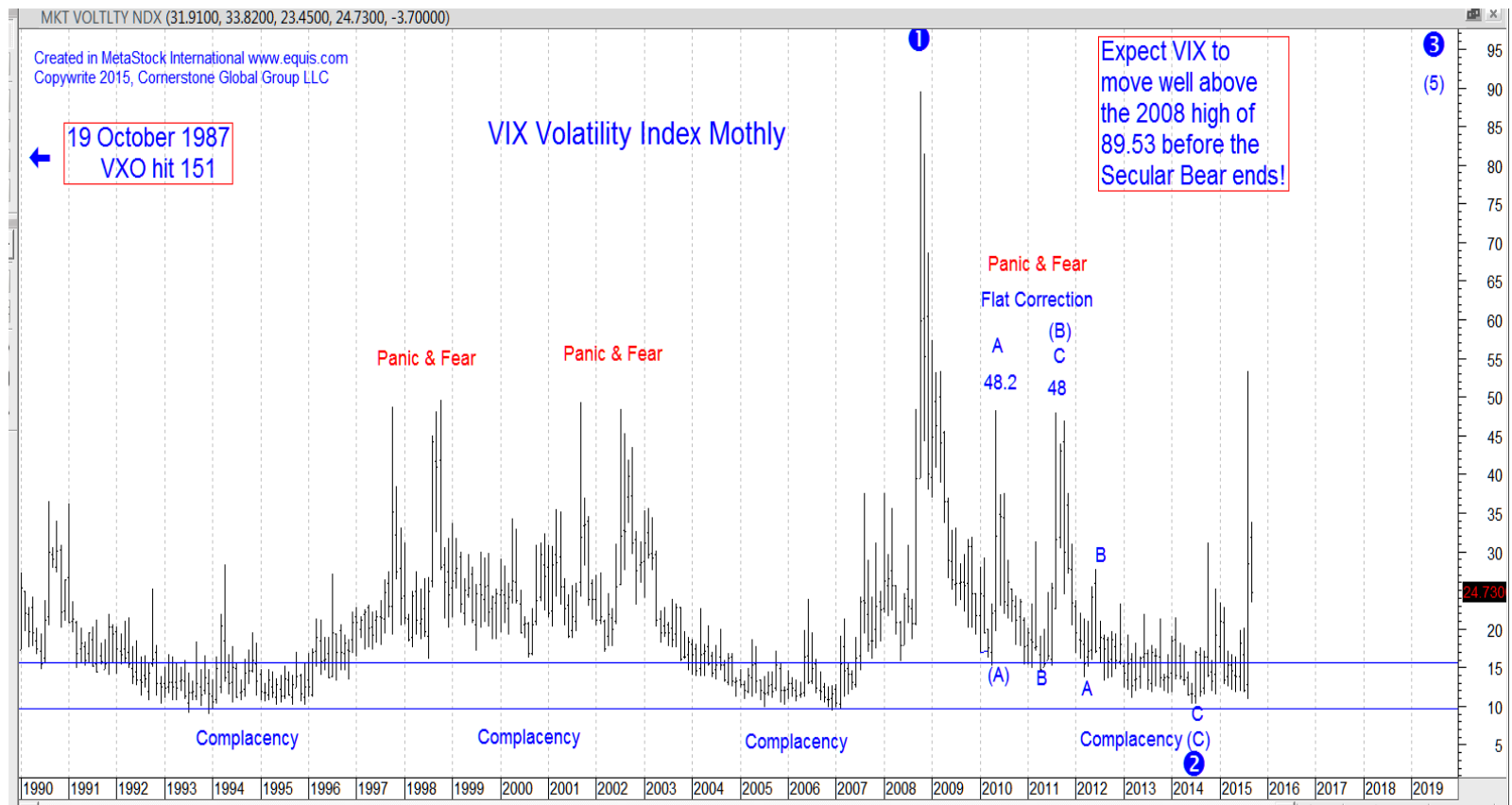
Data as of September 4, 2015





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# VIX Volatility Index Monthly

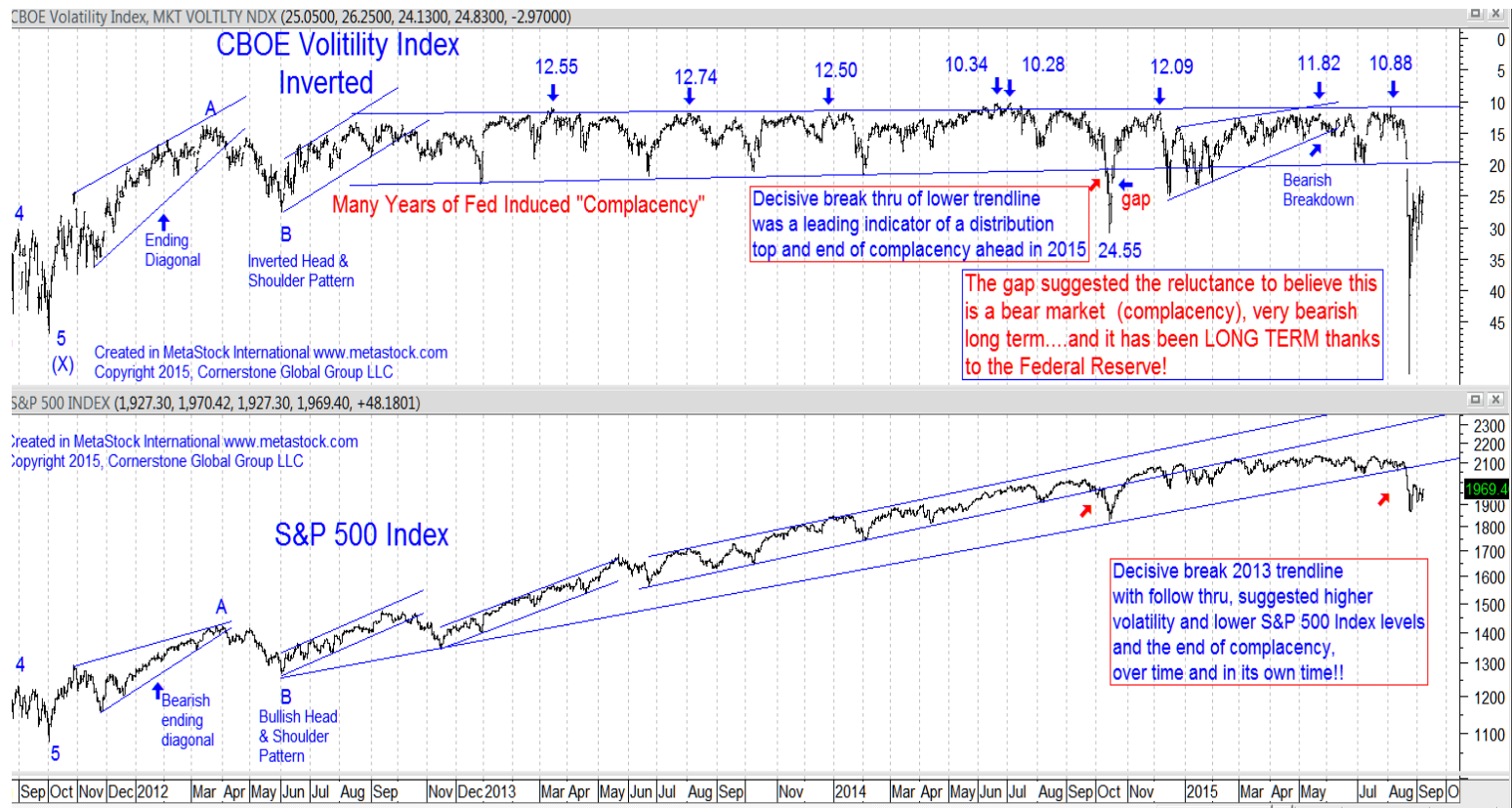






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# Confirming indicator: Inverted VIX vs S&P





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## Equity Markets

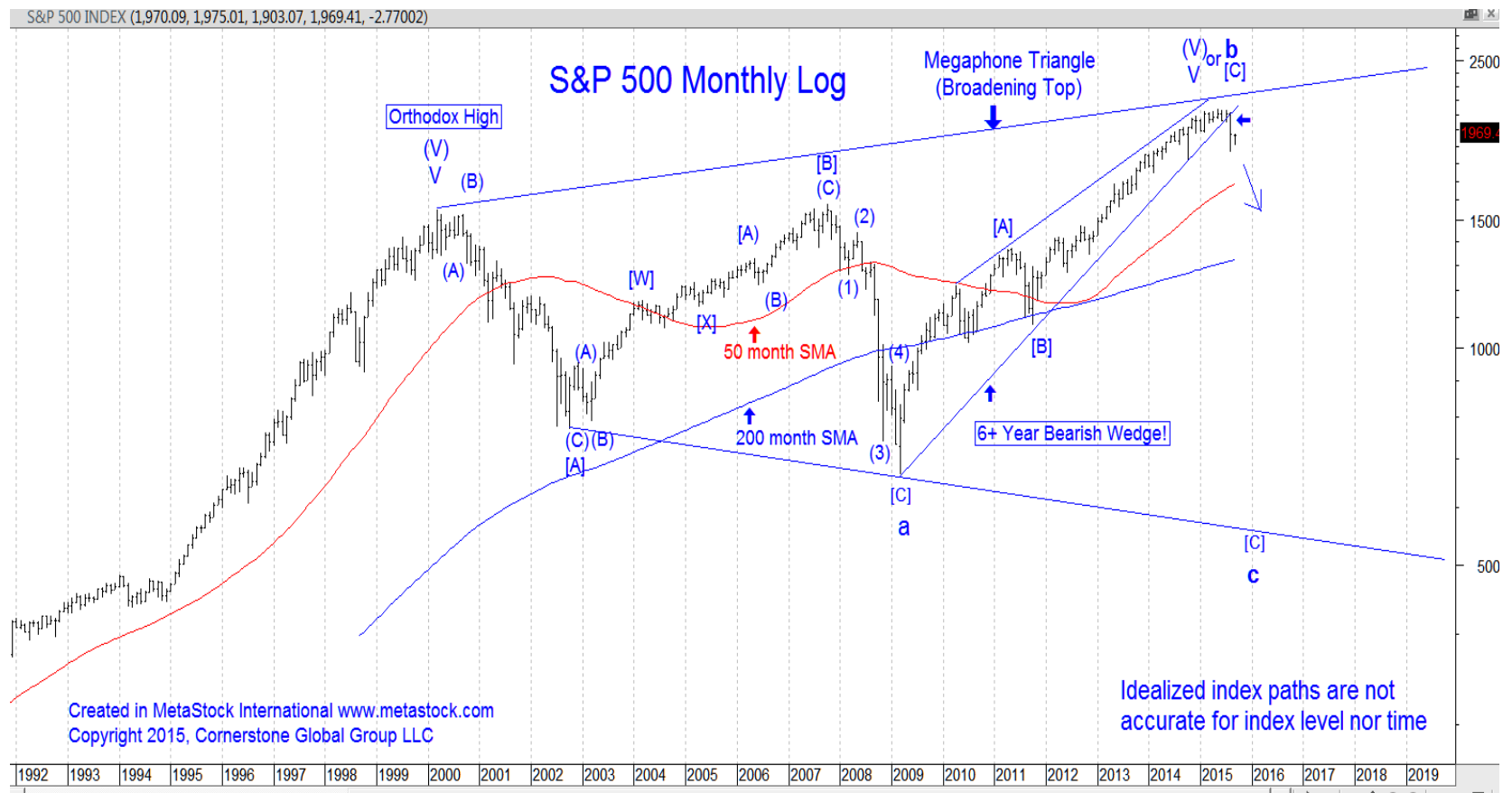
- S&P 500
- DAX
- FTSE 100
- Euro Stoxx 50
- Greece
- Russia RTS
- Australia
- Shanghai
- Bovespa

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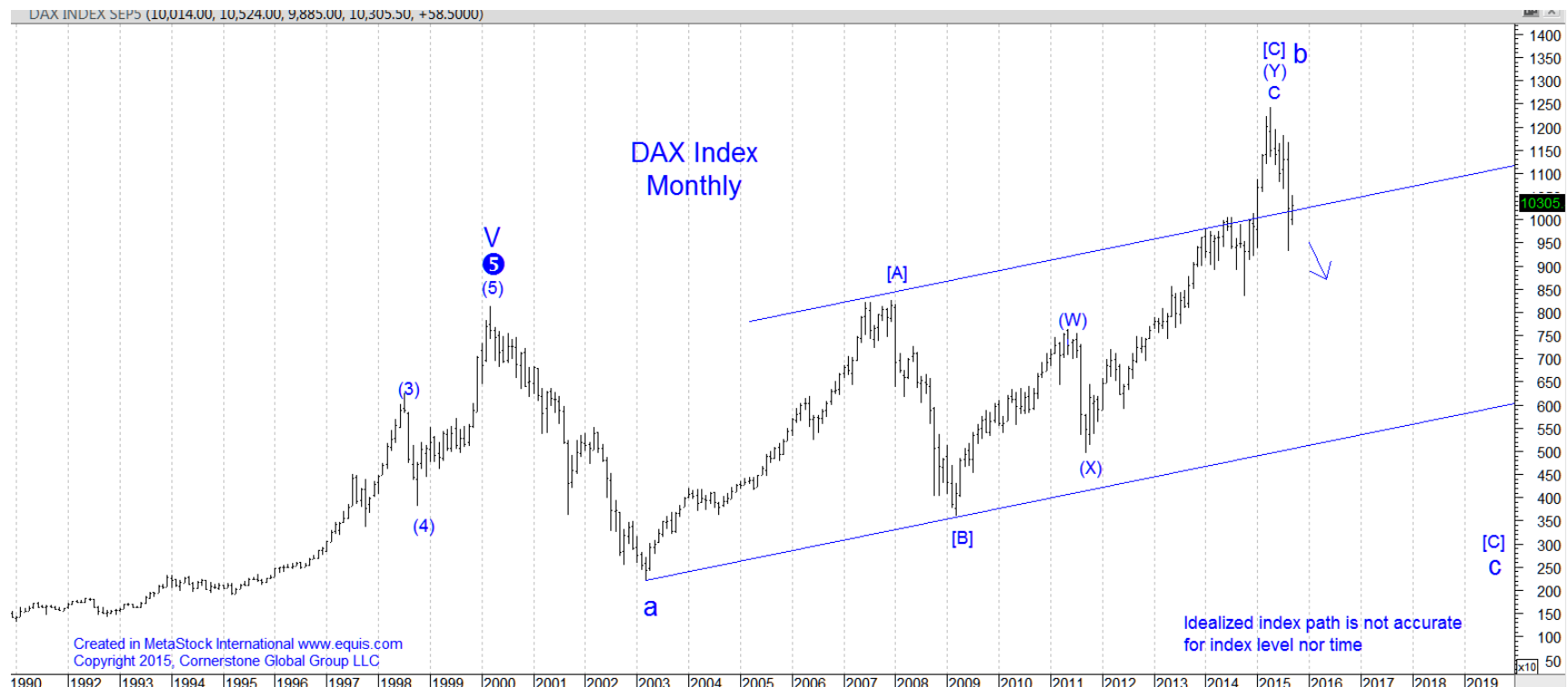
# Equity Markets – S&P 500





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# Equity Markets – DAX

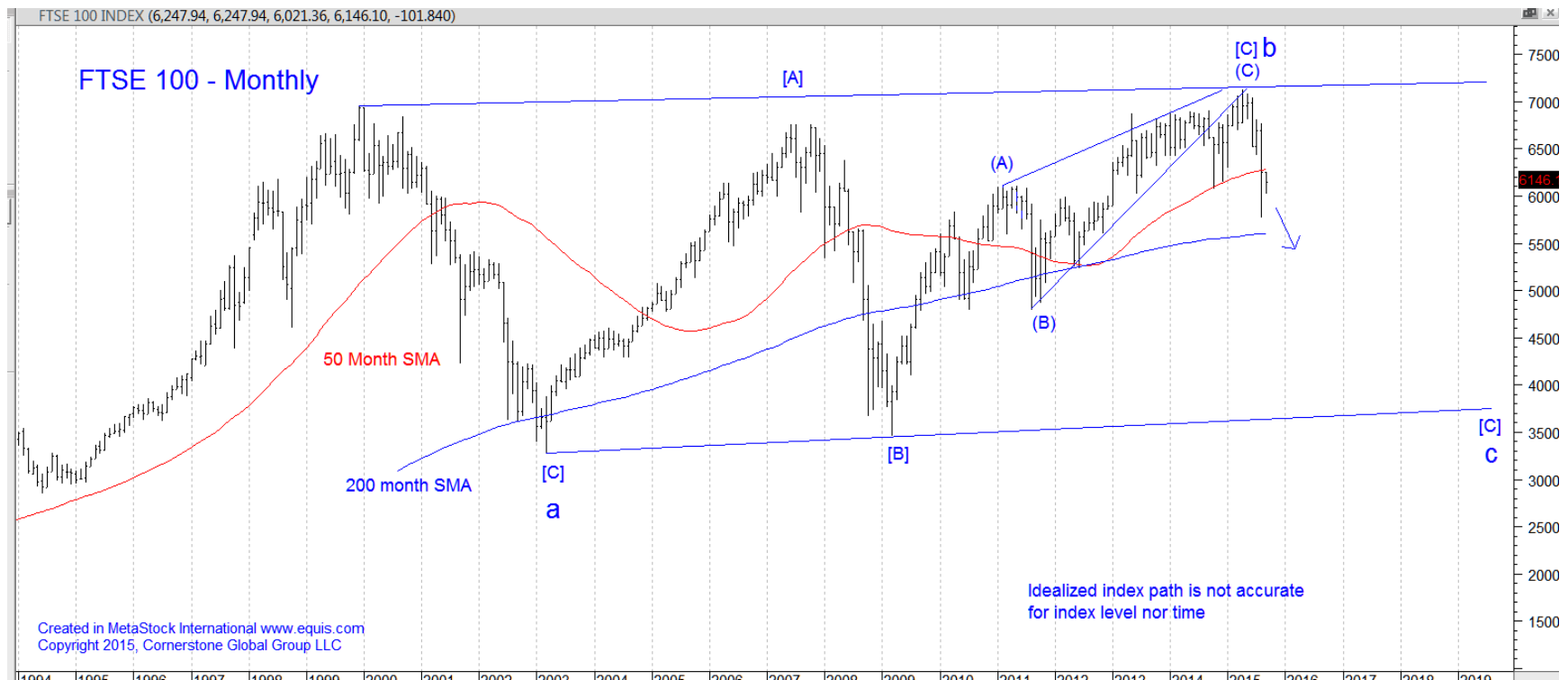


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# Equity Markets – FTSE 100

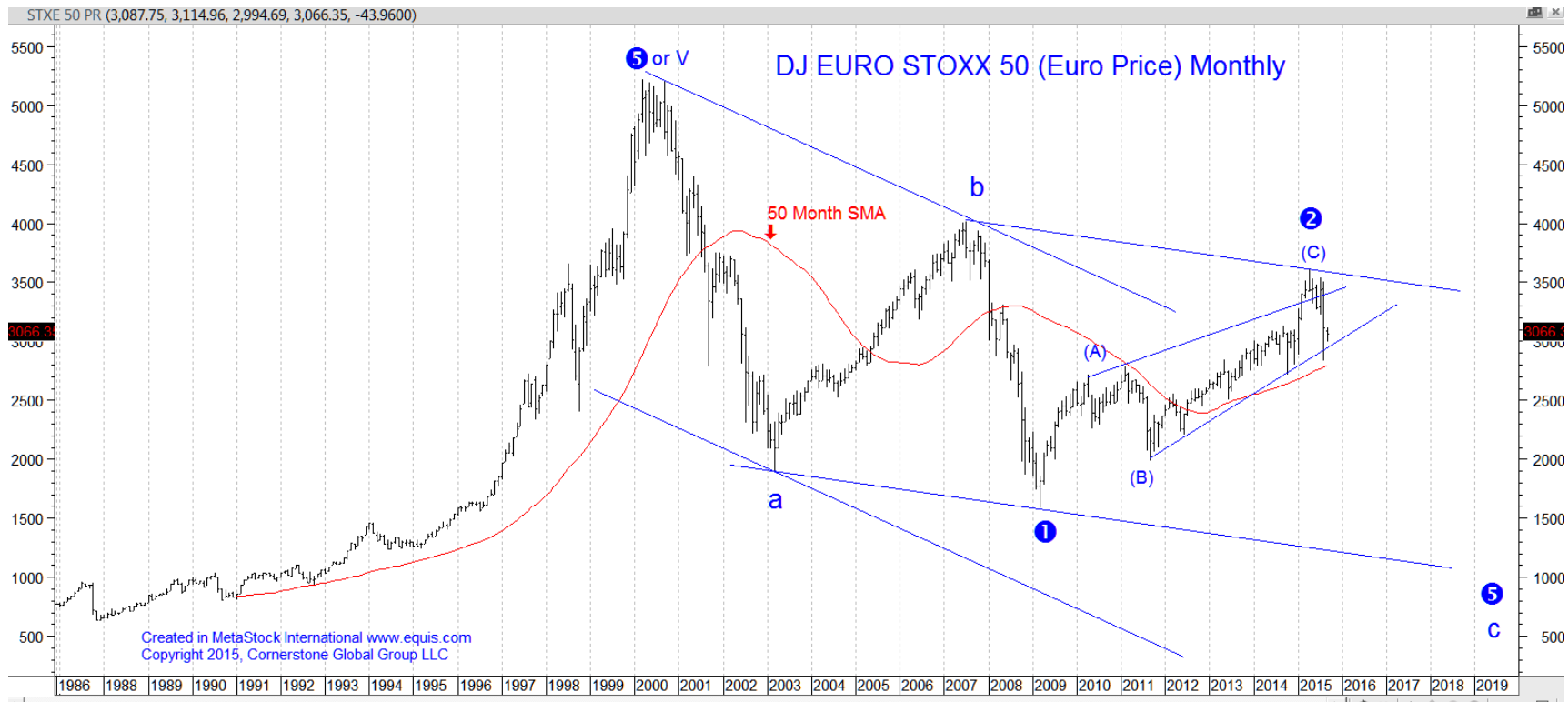


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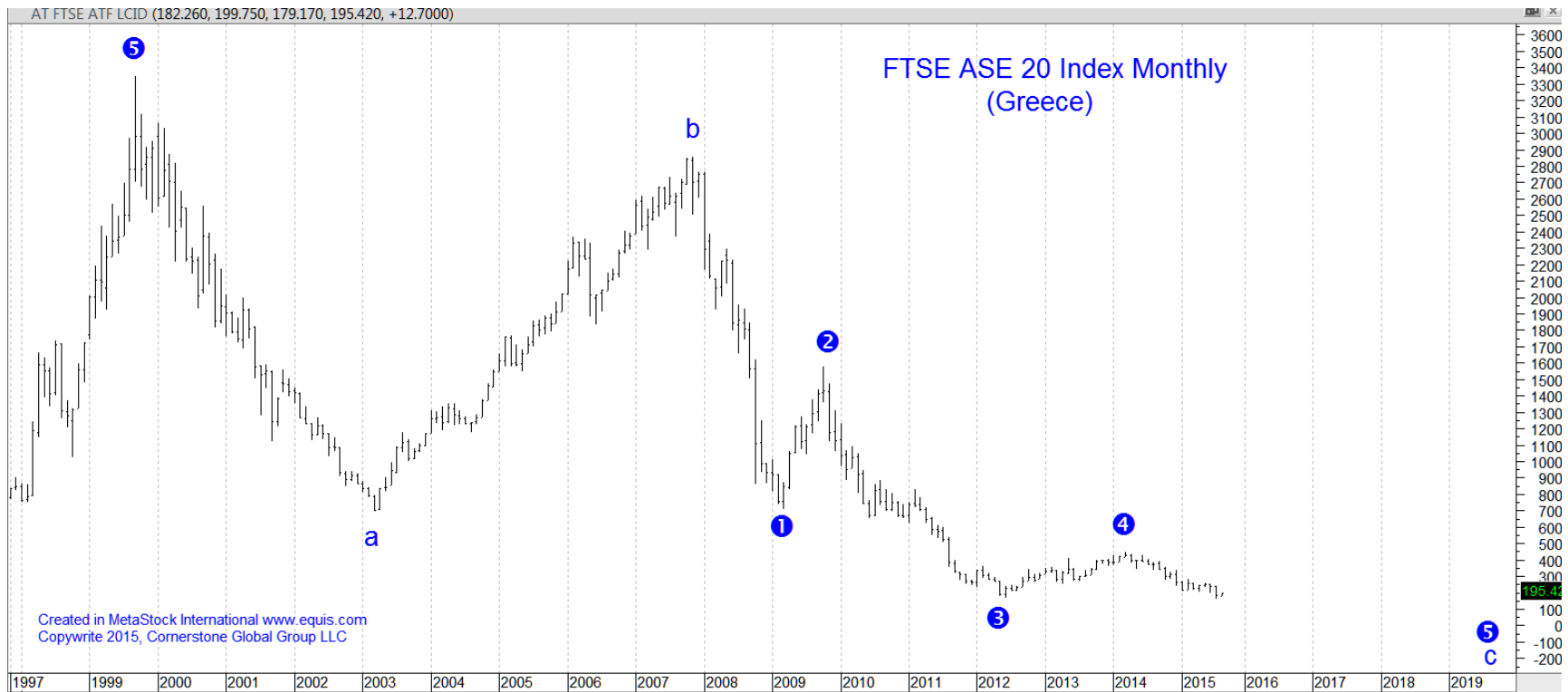
# Equity Markets – Euro Stoxx 50





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# Equity Markets – Greece

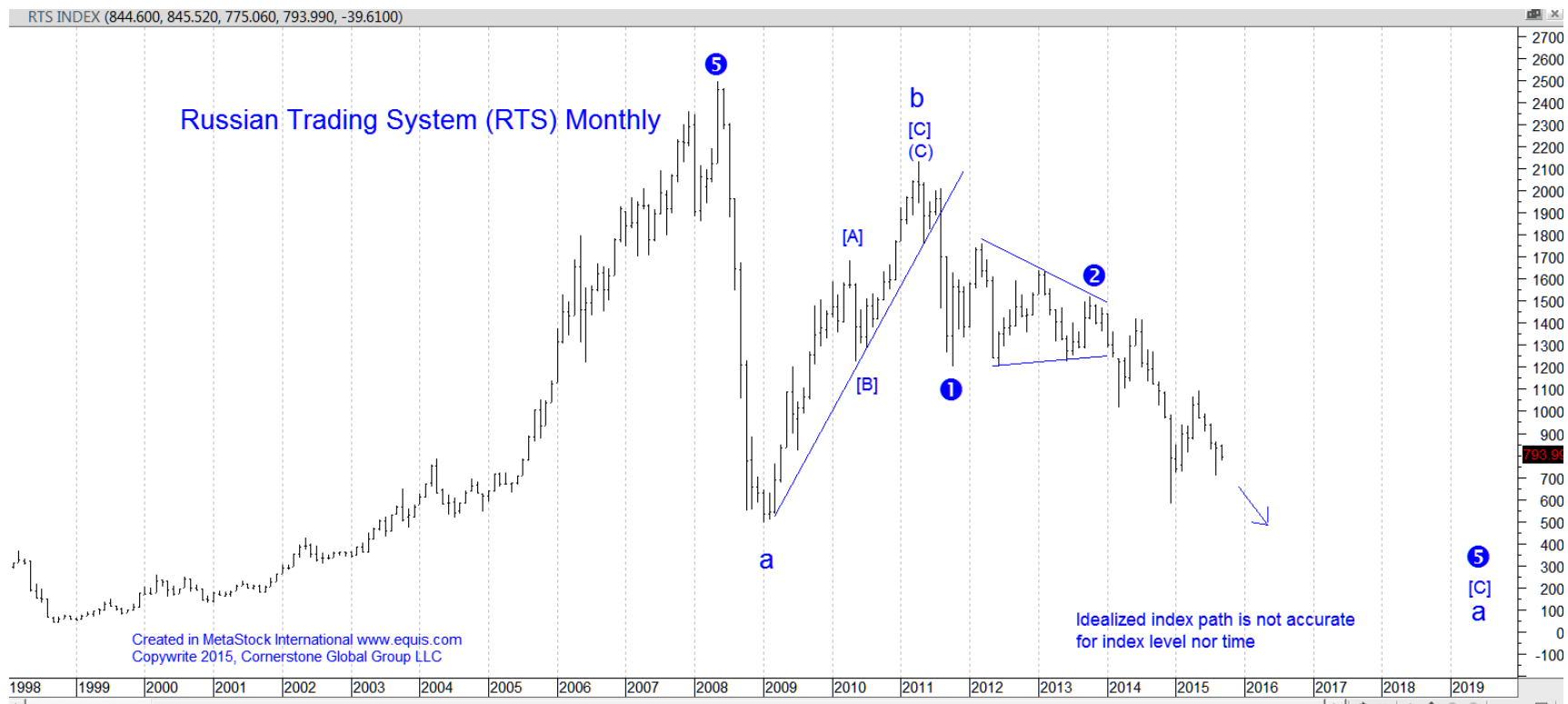


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# Equity Markets – Russia - RTS



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# Equity Markets – Shanghai

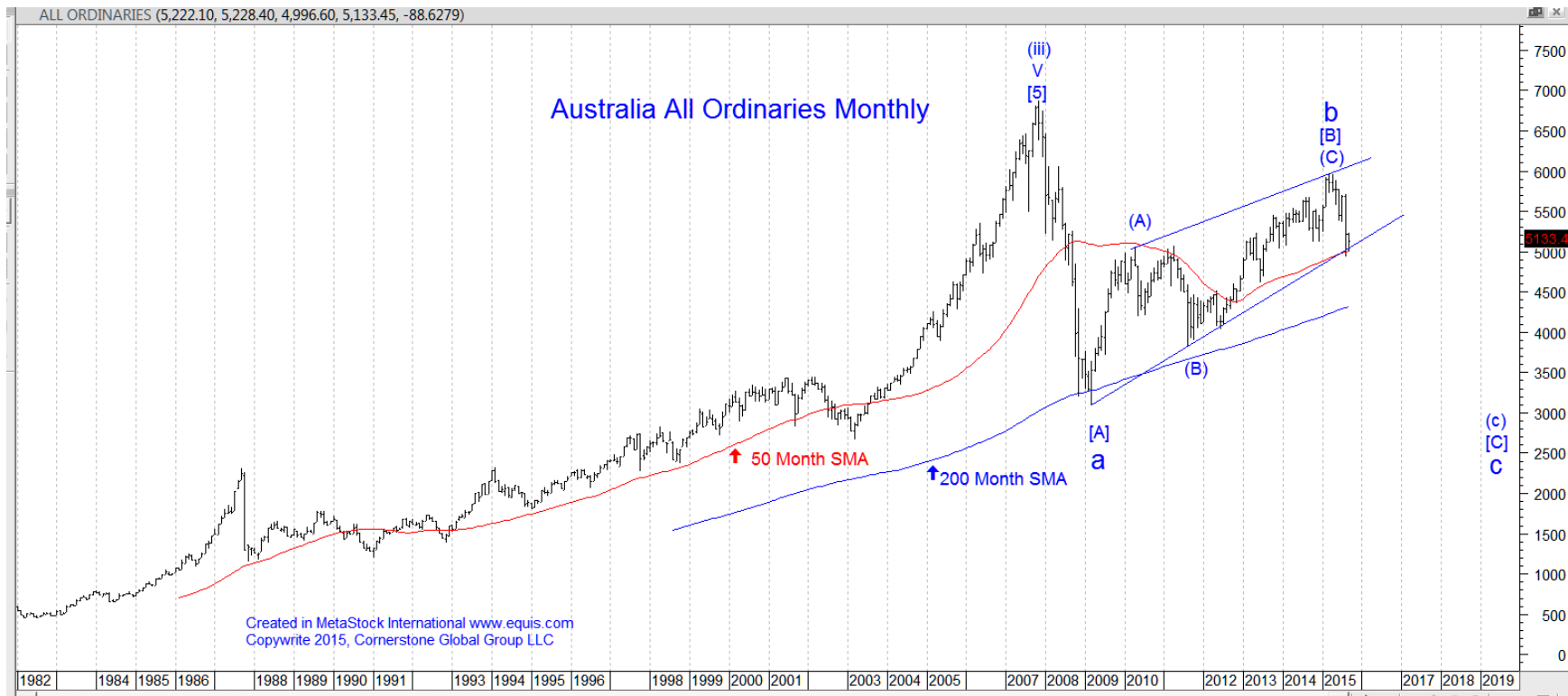


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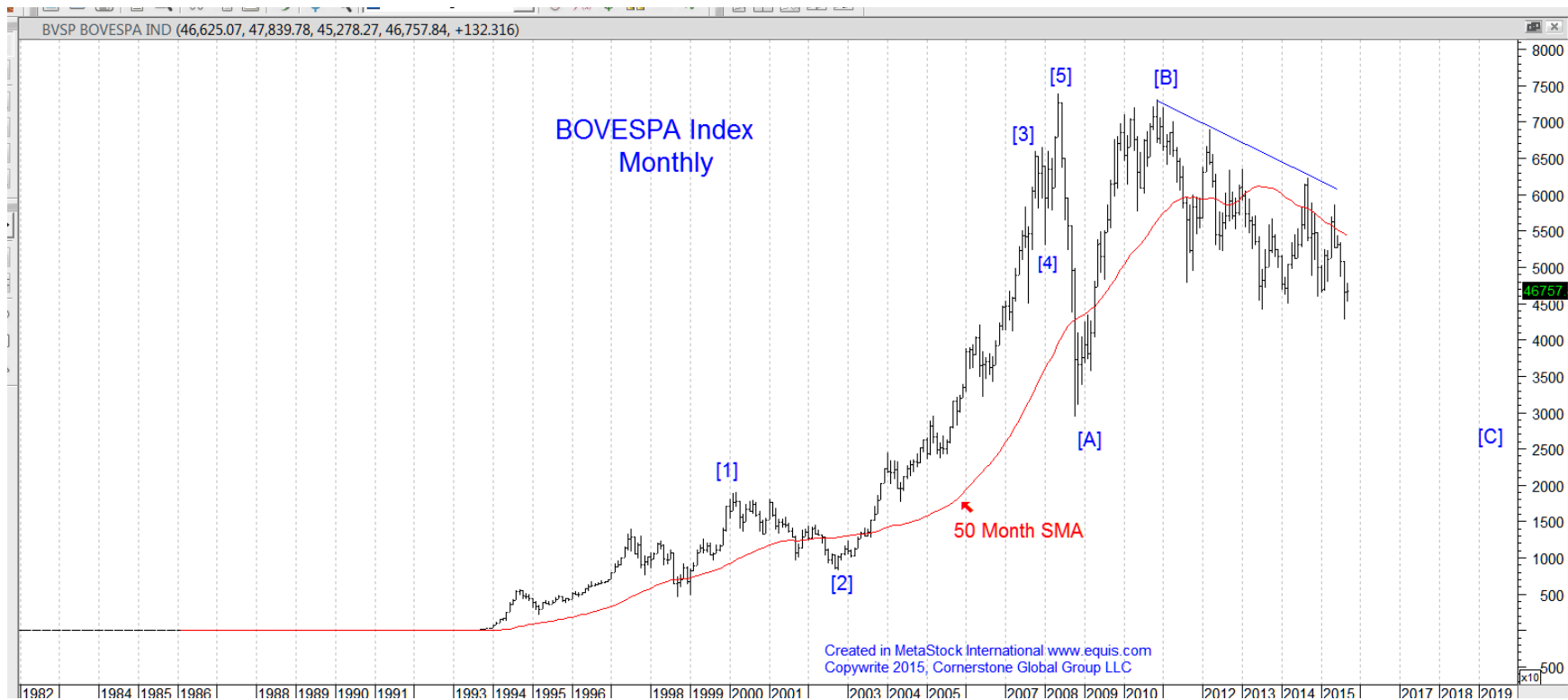
# Equity Markets – Australia





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# Equity Markets - Bovespa





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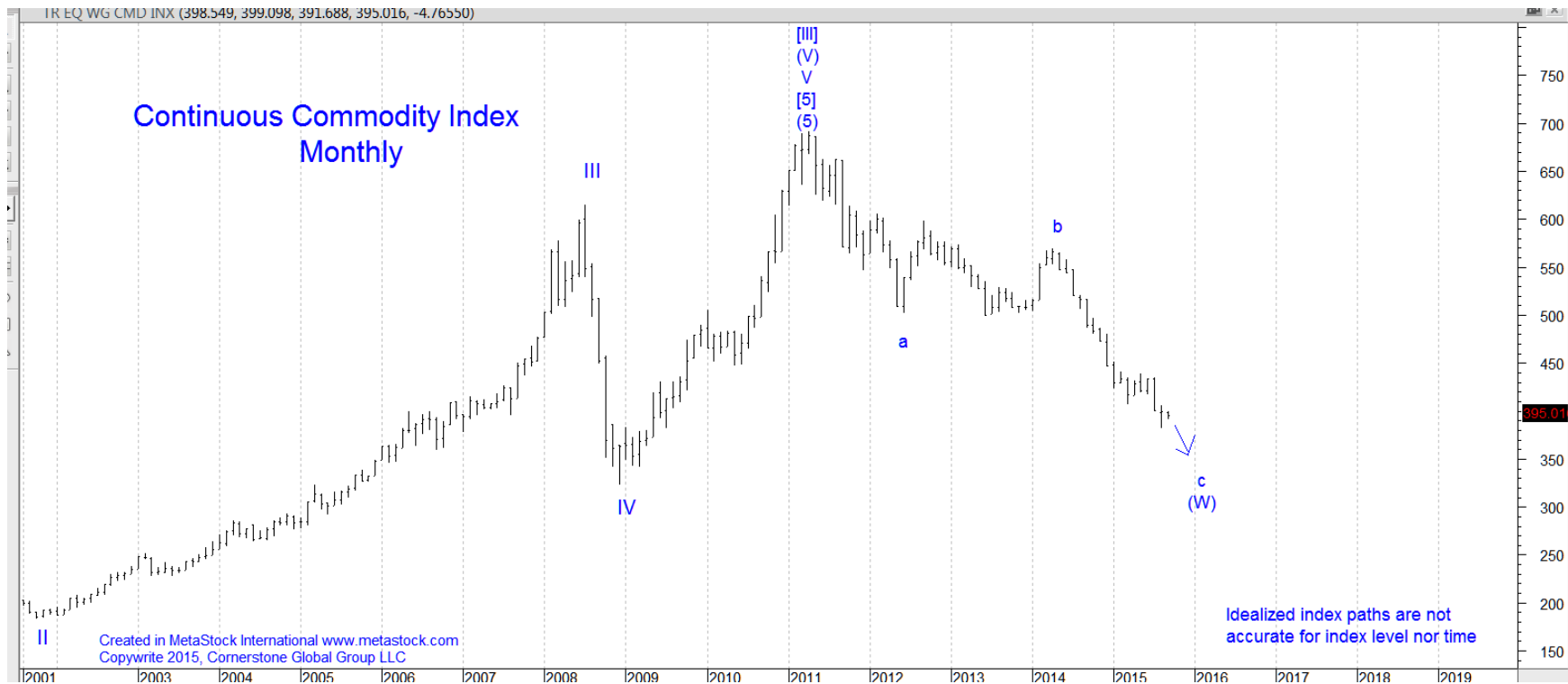
## Commodity Markets

- Continuous Commodity Index (CCI)
- West Texas Crude Oil (WTI)
- Comex Gold



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# Commodity Markets – CCI

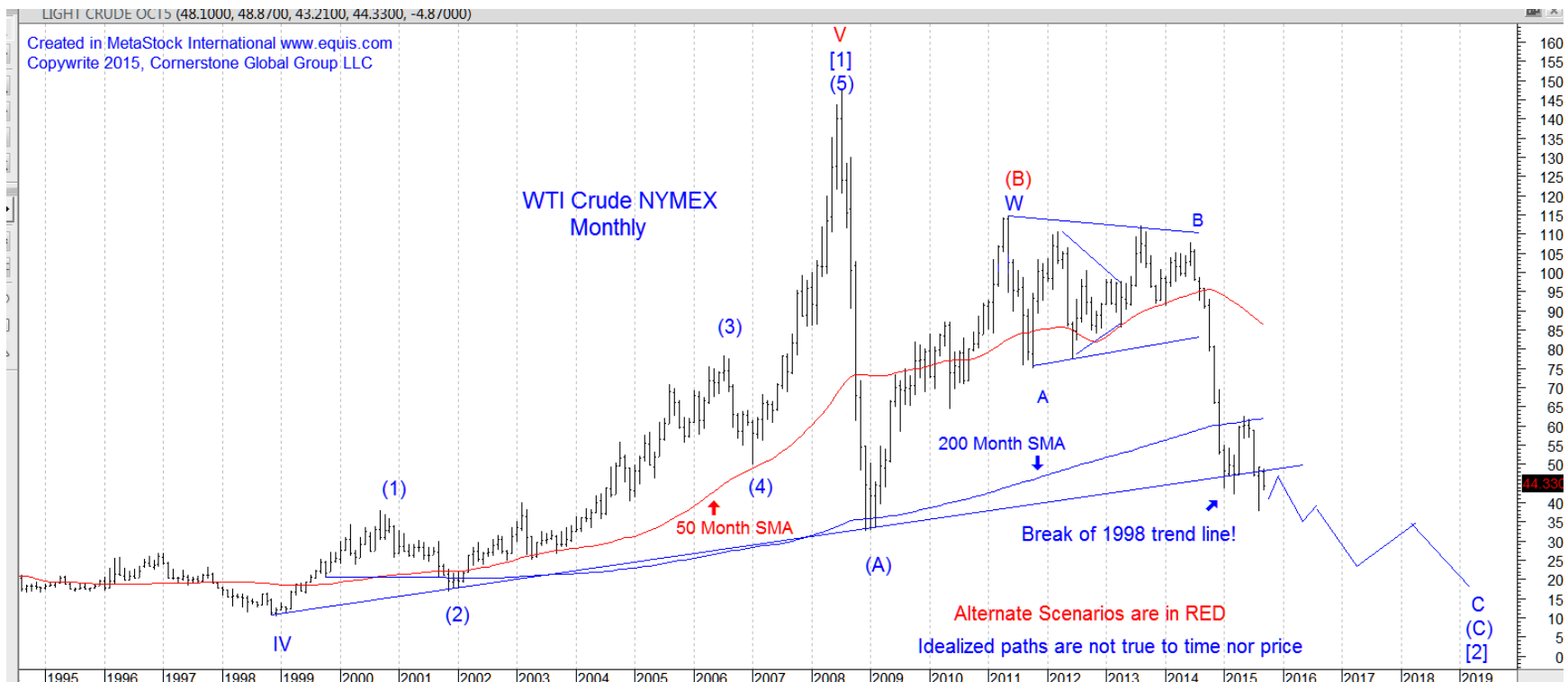


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# Commodity Markets – West Texas Crude Oil



# Commodity Markets – Comex Gold





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## Currency Markets

- US Dollar Index (DXY)
- US Dollars per Euro
- US Dollars per GBP
- Chinese Yuan per US Dollars

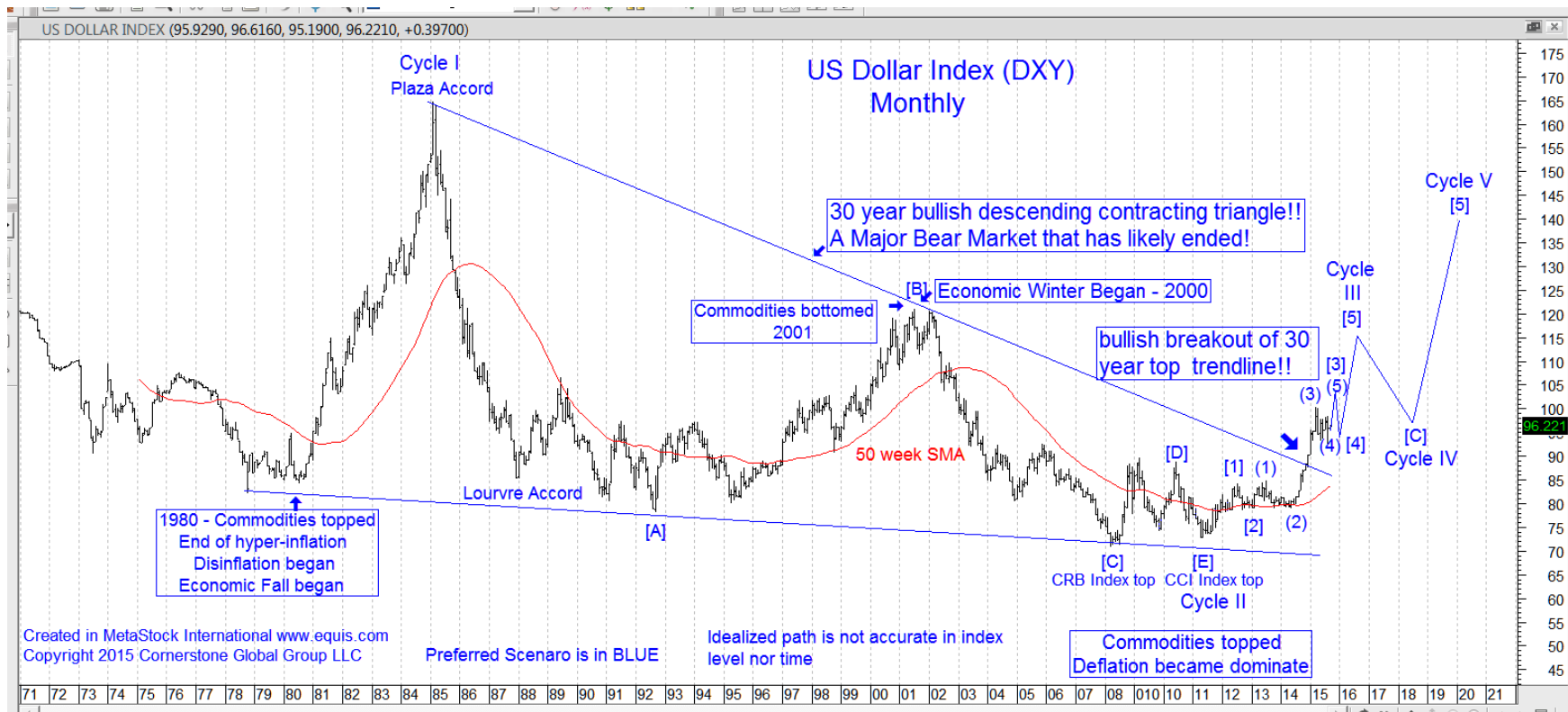
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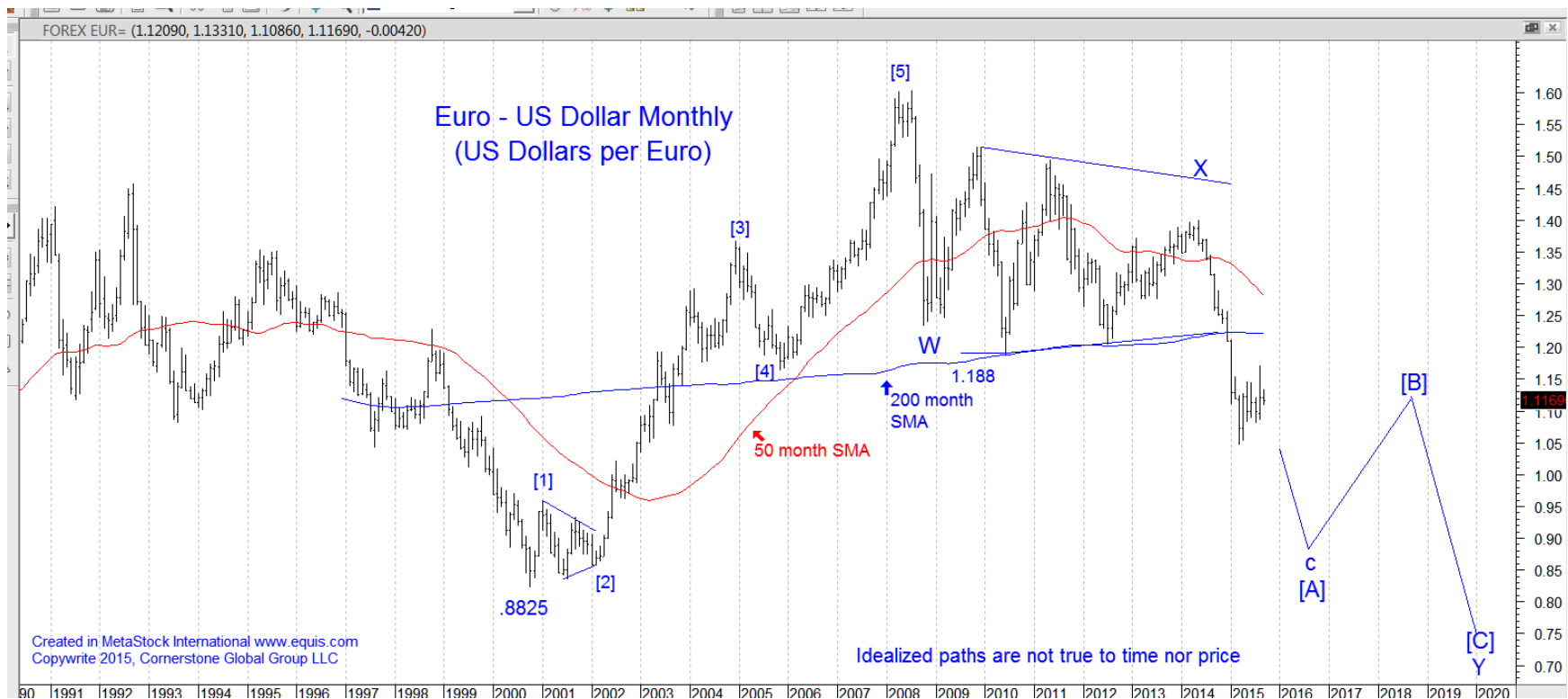
# Currency Markets – US Dollar Index (DXY)





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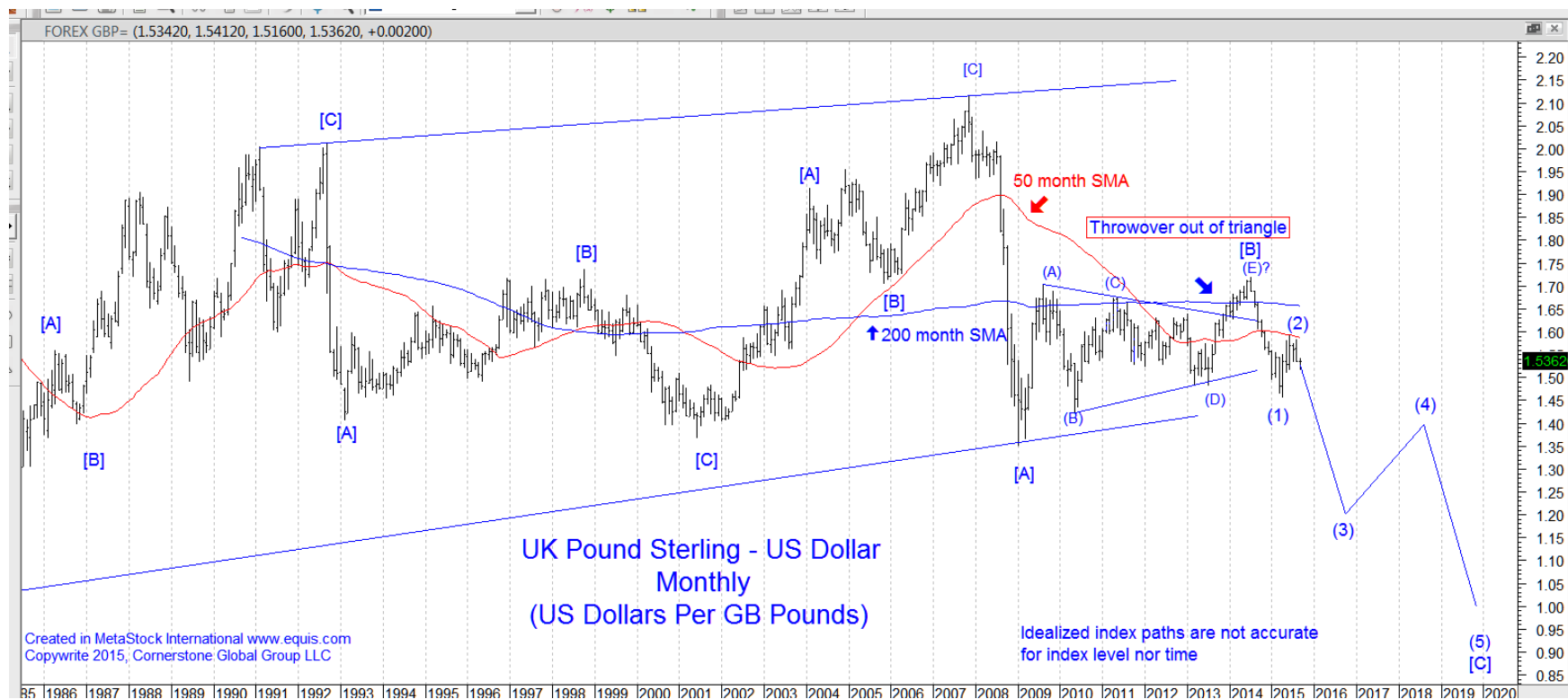
# Currency Market – USD per Euro





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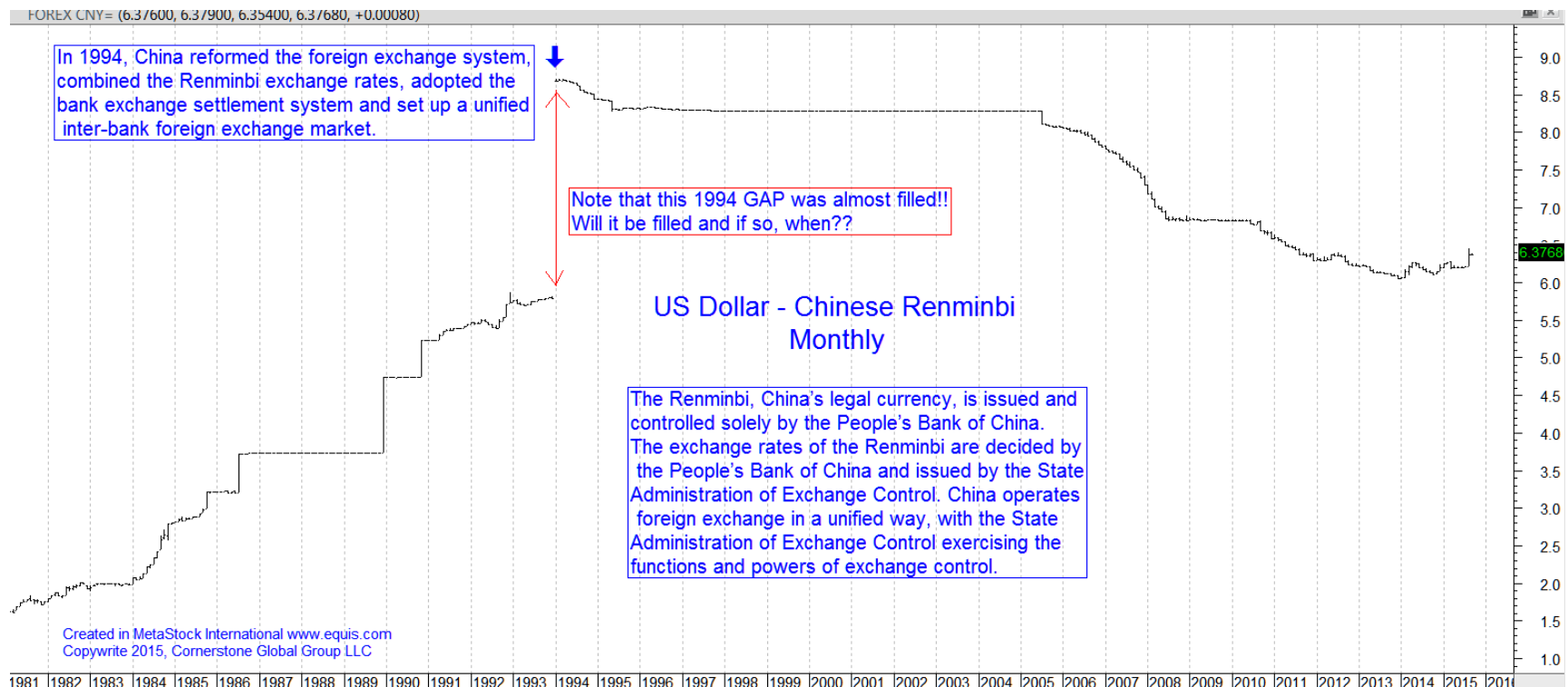
# Currency Markets – USD per GB Pounds





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# Currency Markets – Chinese Yuan per USD





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## **US Debt Market**

- US 30 Year Treasury Bond

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US 30 Year T-Bond Pit CBOT Continuous Unadjusted Monthly

Alternate Top 5

Alternate Scenario Path is RED arrow

Idealized path is not accurate for price level nor time

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200 Month SMA

50 Month SMA

Labels: a, b, c, x, 1, 2, 3, 4, 5, [A], [B], [C], [D], [E], (x)?



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## Intermarket Conclusion – Destiny Dead Ahead!

### Probability Expectations:

- Commodities indices lower
- US Dollar Index higher
- USA and European equities lower
- Weakness in many Emerging Markets
- US Bond yields bottoming after potential “shocks”
- Global economies to bottom after equities
- A great BOOM lies ahead



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## An Observation To Ponder.....

Mr. Global Market always pushes to the surface in due course and majestically reveals what he truly is. It is vain to stop or try to drive him back from his natural cyclical tendencies. He breaks through every man made obstacle, pushes onward and at last makes himself a trend that is visible to all, a testimony to the folly of all those who attempt to stop him”

Steven Shelton 14 July 2015





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## Take Away Summary

“The trend is your friend until it ends and they all end. However, the end is but the beginning of a new trend! Opportunity Abounds!”



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