

The U.S. Dollar

Despite everything the Fed has thrown at it...



...the dollar is still rising versus most global currencies.

The U.S. Dollar

The Dollar traded in a big range since we last spoke.

It tested 95 to the downside bringing the dollar bears out in droves...



...but it quickly reversed to 4 year high of 103, bringing the Central Banks out in droves.

Sovereign Yields

While U.S. Treasury yields continue to fall, they are still the highest of the major Sovereigns.
And when allocating capital...

91) Bonds		92) Spreads		93) Curves			
Maturity		10 Year					
Region	RMI	Security		Price	Chg	Yld	
1) Americas							
10) United States	☐☐	T 1 ½ 02/30	☾	107-22+	+ 00	0.683	
11) Canada	☐☐	CAN1 ¾ 06/30	☾	106.563c	-0.328	0.577	
12) Brazil (USD)	☐☐	BRAZIL4 ½ 29	☾	100.686c	+0.915	4.405	
13) Mexico (USD)	☐☐	MEX4 ½ 04/29	☾	104.389c	+1.234	3.913	
2) EMEA							
19) United Kingdom	☐☐	UKT4 ¾ 12/30	☾	147.188c		0.230	
20) France	☐☐	FRTR 0 11/29	☾	100.377c	+0.074	-0.039	
21) Germany	☐☐	DBR0 02/15/30	☾	105.439c	-0.085	-0.541	
22) Italy	☐☐	BTPS 1.35 30	☾	95.678c	+0.655	1.838	
23) Spain	☐☐	SPGB 0 ½ 30	☾	97.270c	+0.244	0.786	
24) Portugal	☐☐	PGB 0.475 30	☾	95.662c	+0.217	0.913	
25) Sweden	☐☐	SGB0 ¾ 11/29	☾	108.271c	-0.471	-0.115	
26) Netherlands	☐☐	NETHER0 07/30	☾	102.784c	-0.014	-0.269	
27) Switzerland	☐☐	SWISS 0 ½ 30	☾	111.249c	-0.243	-0.584	
28) Greece	☐☐	GGB3 ¾ 03/29	☾	113.870c	-0.025	2.135	
3) Asia/Pacific							
29) Japan	☐☐	JGB 0.1 03/30	☾	101.045	+0.000	-0.005	
30) Australia	☐☐	ACGB 2 ½ 30	☾	114.836	-0.634	0.945	
31) New Zealand	☐☐	NZGB 1 ½ 31	☾	108.477	-0.206	0.698	
32) South Korea	☐☐	KTB1 ¾ 12/29	☾	100.381	+0.000	1.397	
33) China	☐☐	CGB3.13 11/29	☾	104.456	+0.000	2.599	

...it's a relative world.

S&P 500

I thought equities might fall all the way to the 10-year support line.
It actually did. But then dropped another 10% for 2 days (March 20 & 23) before quickly rebounding.



I think it is likely we will retest this 10-year support line.

Gold

Since Gold broke out last summer...

I have been calling for it to pull back to at least \$1,400.



It got close at \$1,450. That may have been it. We'll see....

Gold Miners (Majors)

Since Gold broke out last summer...

I have been calling for the miners to pull back to their break-out level.



That not only happened but traded below last summer's levels.

Gold Miners (Juniors)

Since Gold broke out last summer...

I have been calling for the jr miners to pull back to their break-out level.



That not only happened but traded below last summer's levels.

Gold

Since we last spoke, gold rallied \$100 to test the \$1,700 level.
But then sold off hard to \$1,450 during the market liquidation.



It has since had a very strong rally back to \$1,700 (17% from the lows).

Gold vs SPX

Once the squeeze for dollars was over, Gold rebounded very strongly.



Source: trade-futures.com

But equities rebounded twice as much.

Gold vs Dollar

In the short-term battle for liquidity...



...the dollar was the clear winner.



SANTIAGO
CAPITAL

Gold Miners

Gold miners offer leverage to the underlying safe-haven.

But as has happened many times before, they became a source of funds & liquidity...



...but have since rallied back with a vengeance.

Gold

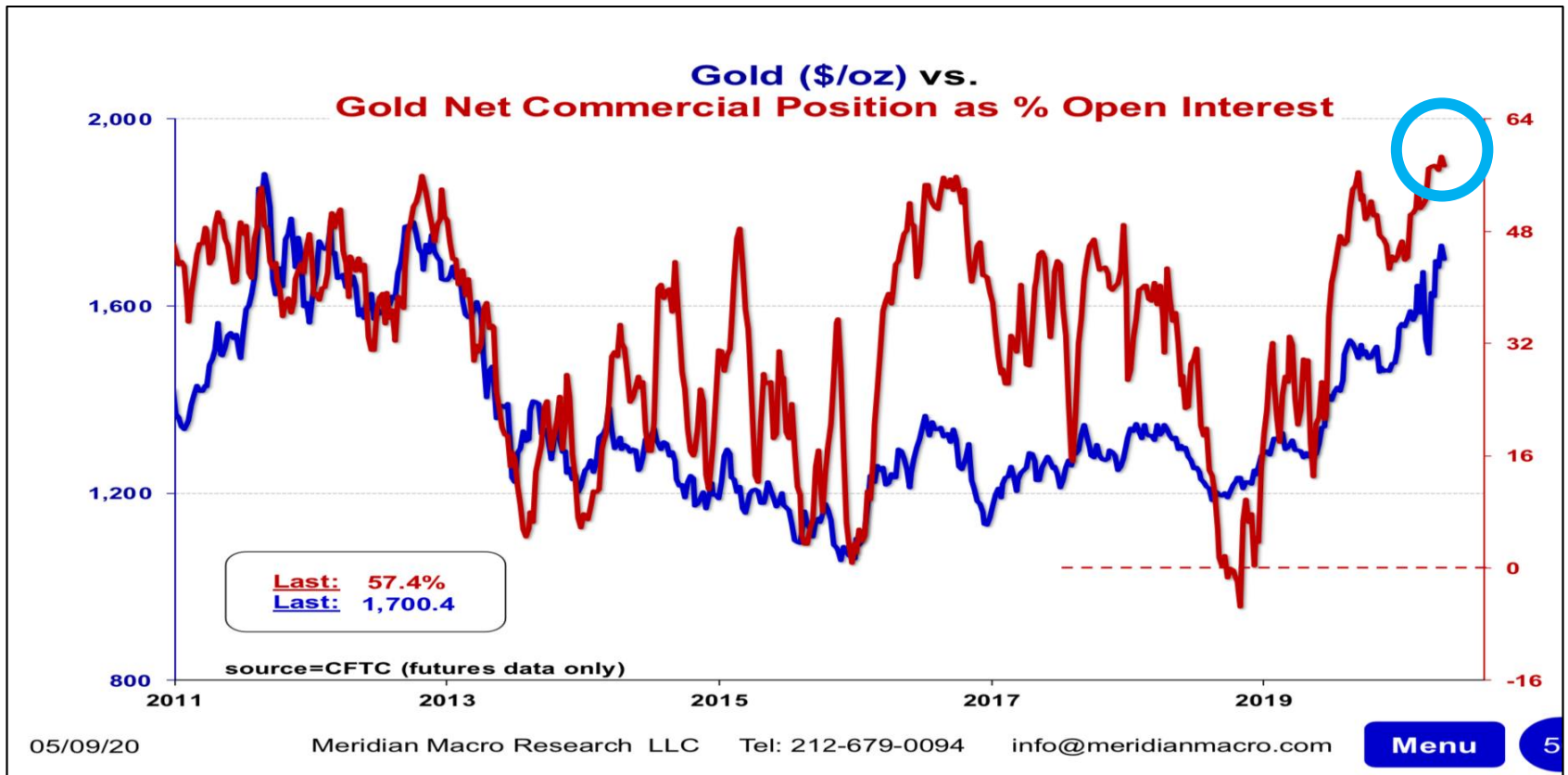
It may be the most important asset in your portfolio...



...but it is no longer a contrarian trade.

Gold

The overall Commercial Short position on the COT has decreased in size...



...but as a percent of Open Interest it has never been higher.

Commodities

As a general rule, Dollar strength is not good for commodities.
And no matter how you look at it...



...this is not a bullish chart.