



Market Maps

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RBC Capital Markets, LLC / Portfolio Advisory Group

All values in U.S. dollars and priced as of March 29, 2018, unless otherwise noted

For Disclosures, see slide 14



**Wealth
Management**

DJIA with 4-month and 13-month moving averages

\$INDU Dow Jones Industrial Average INDEX
29-Mar-2018

Bullish trend indicated when 4 mo. crosses above 13 mo.

Bearish trend indicated when 4 mo. crosses below 13 mo.

4-month moving average ————

13-month moving average ————

The 4X13-month market momentum indicator continues to indicate a strong bullish trend, with a wide separation between the moving averages, which can allow for much market movement and short-term volatility while maintaining the overall bullish trend. The market could consolidate within a range for several months within the overall uptrend, which is what we expect to see develop during the rest of 2018.

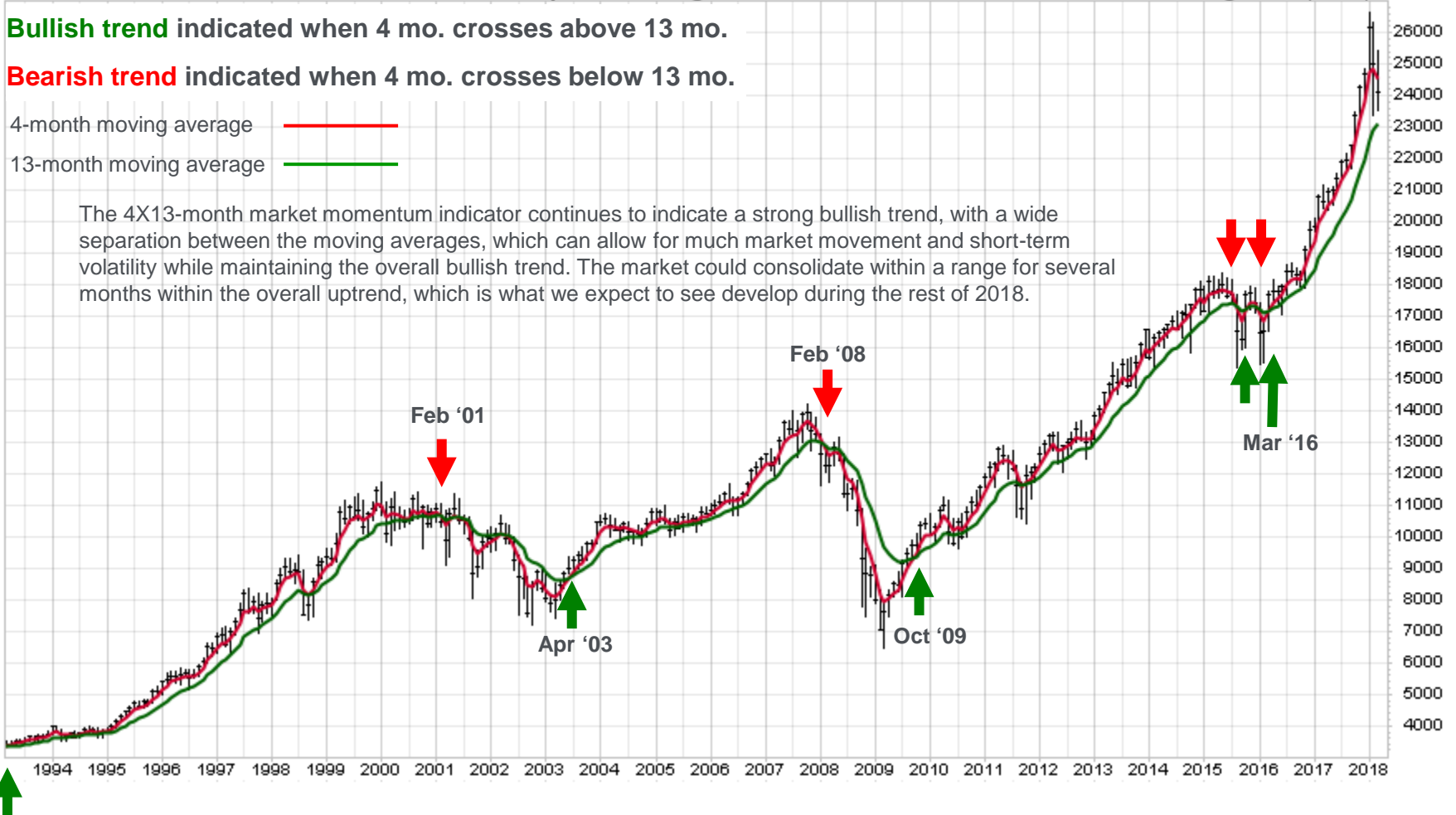


Chart courtesy of StockCharts.com and RBC Wealth Management

Long-term market cycles 1925–2018

\$SPX S&P 500 Large Cap Index INDXX
29-Mar-2018

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We believe that the stock market is still in the early stages of a longer-term secular bullish trend that has strong upside potential for the next 10–12 years. As in past long-term bull trends, shorter-term pullbacks and corrections are possible and even likely, and to us would represent some timely general buying opportunities. These market corrections often come after a one- to three-year period of strength, as can be seen on many occasions on the chart during previous bullish trends. The current positioning suggests to us that a normal pullback could take place throughout this year.

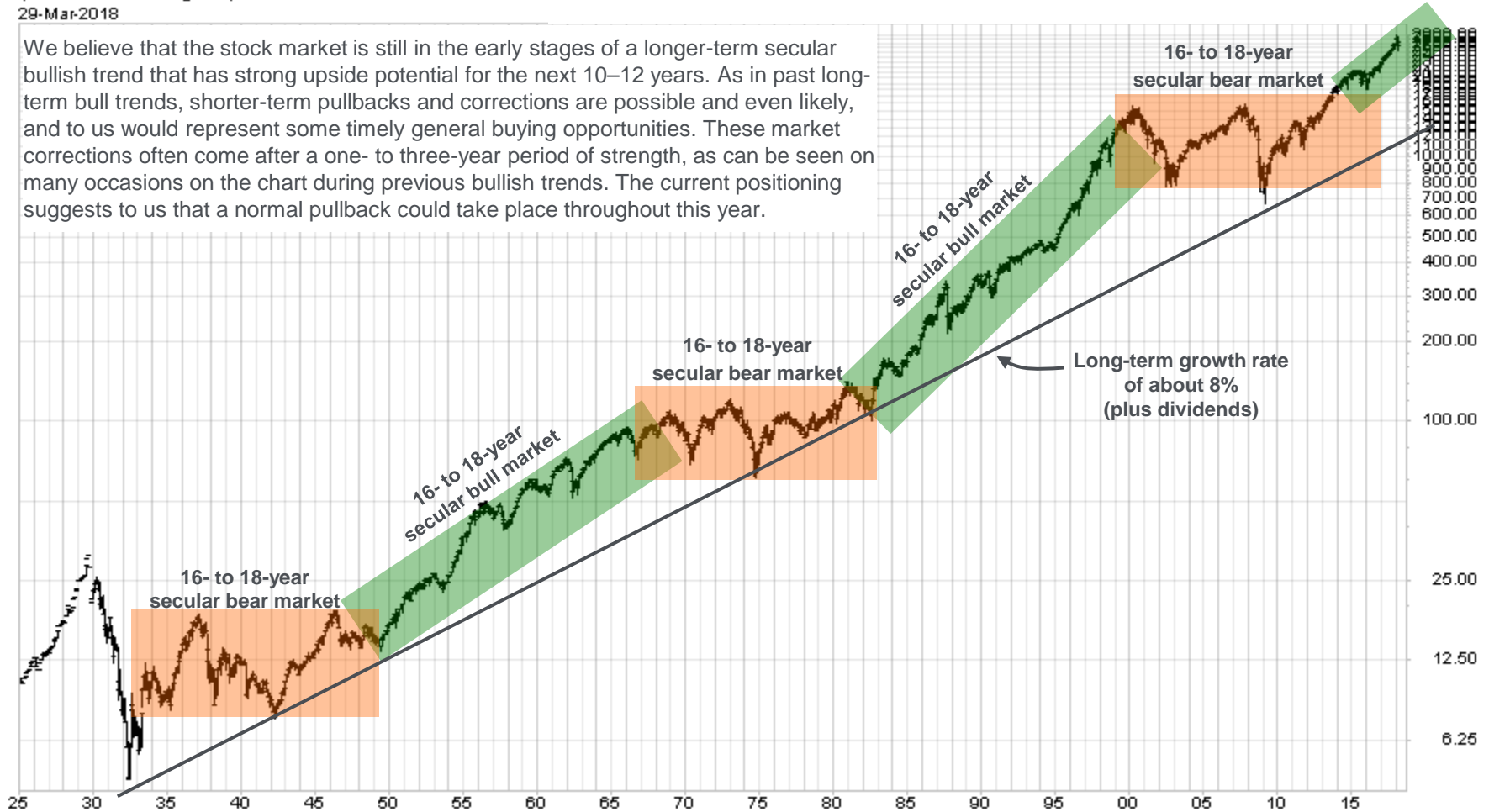


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



Short-term market: S&P 500 – 10 years

\$SPX S&P 500 Large Cap Index INDX
29-Mar-2018

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The S&P is pulling back from the high end of the nine-year rising channel after becoming extended above the higher channel line. This implies that the indexes could be in a period of pullback and consolidation that could last for a year or more, such as we saw in the 2010–2011 and 2015–2016 time periods. A fairly long trading range would be a normal pattern within the longer-term bullish trend, but the bottom end of the range could still be lower than the recent low points.



Chart courtesy of StockCharts.com and RBC Wealth Management



Investor sentiment – 30 years



Chart courtesy of StockCharts.com and RBC Wealth Management

TSX Composite – 20 years

\$TSX TSX Composite Index TSE
29-Mar-2018

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The TSX failed to clearly break out on its most recent rally attempt and appears to be settling back into a 15,000–16,000 range that could hold it for the next several months. The overall trend remains technically bullish as long as the 15,000 area holds on any additional pullbacks.

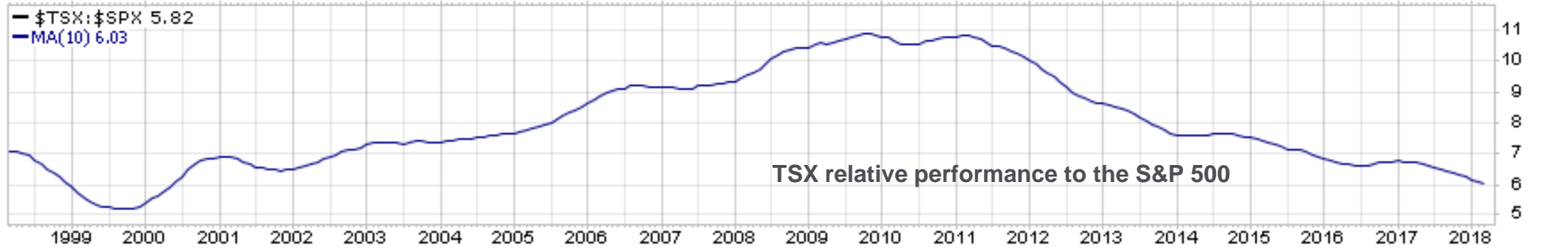


Chart courtesy of StockCharts.com and RBC Wealth Management

Currencies – 15-year trends

\$USD US Dollar Index

29-Mar-2018

↑↓ \$USD (Monthly) 89.81

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\$CAD Canadian Dollar - Continuous Cont

29-Mar-2018

↑↓ \$CAD (Monthly) 0.78

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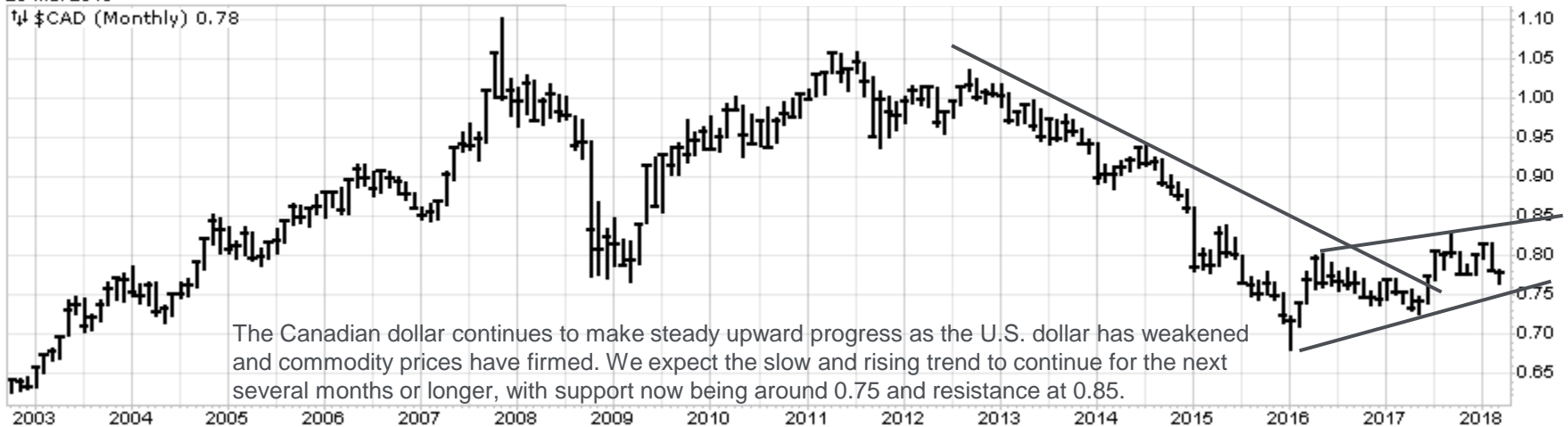


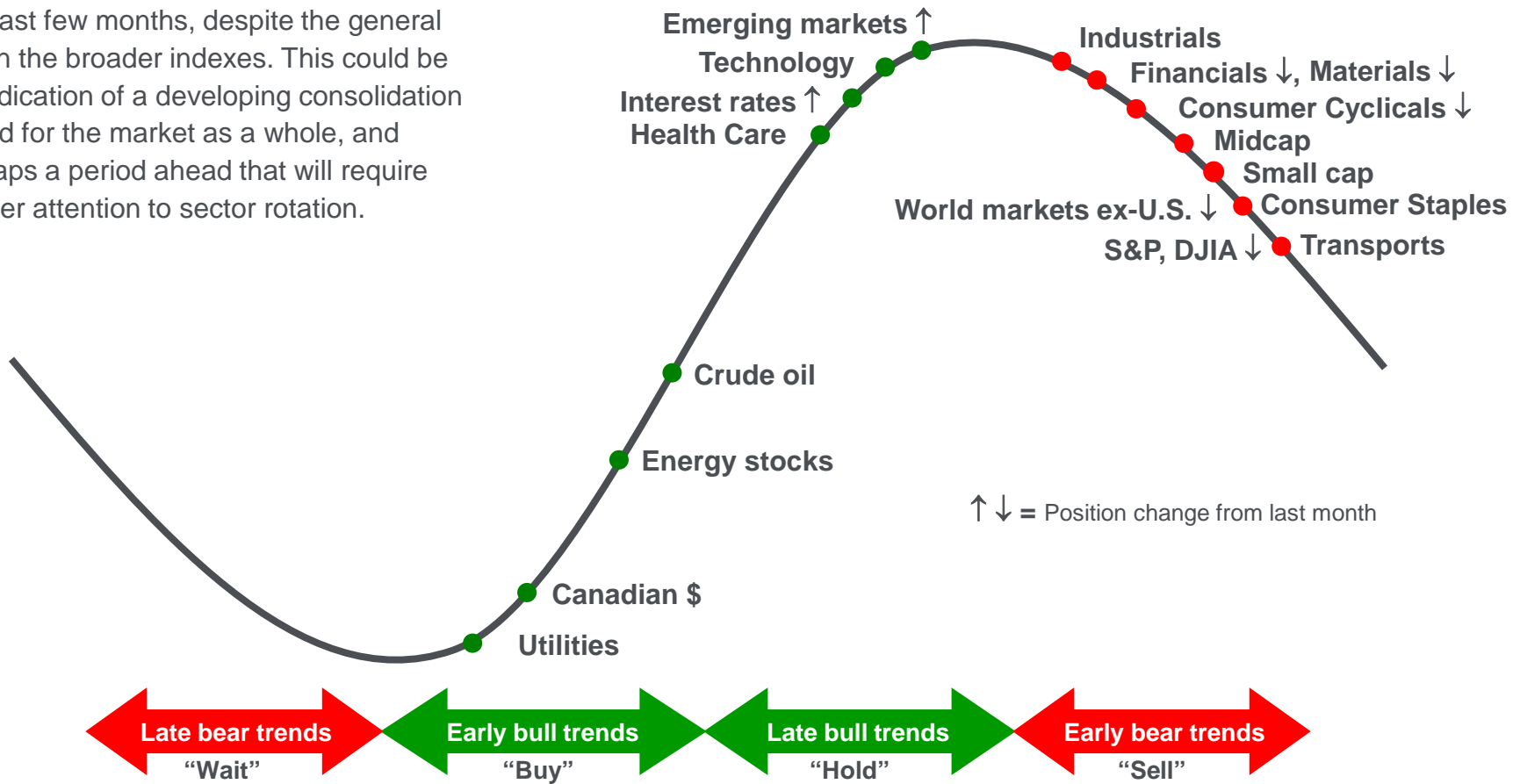
Chart courtesy of StockCharts.com and RBC Wealth Management



S&P sectors & market indices cycle positions

Relative positioning of major sectors within their individual cycles

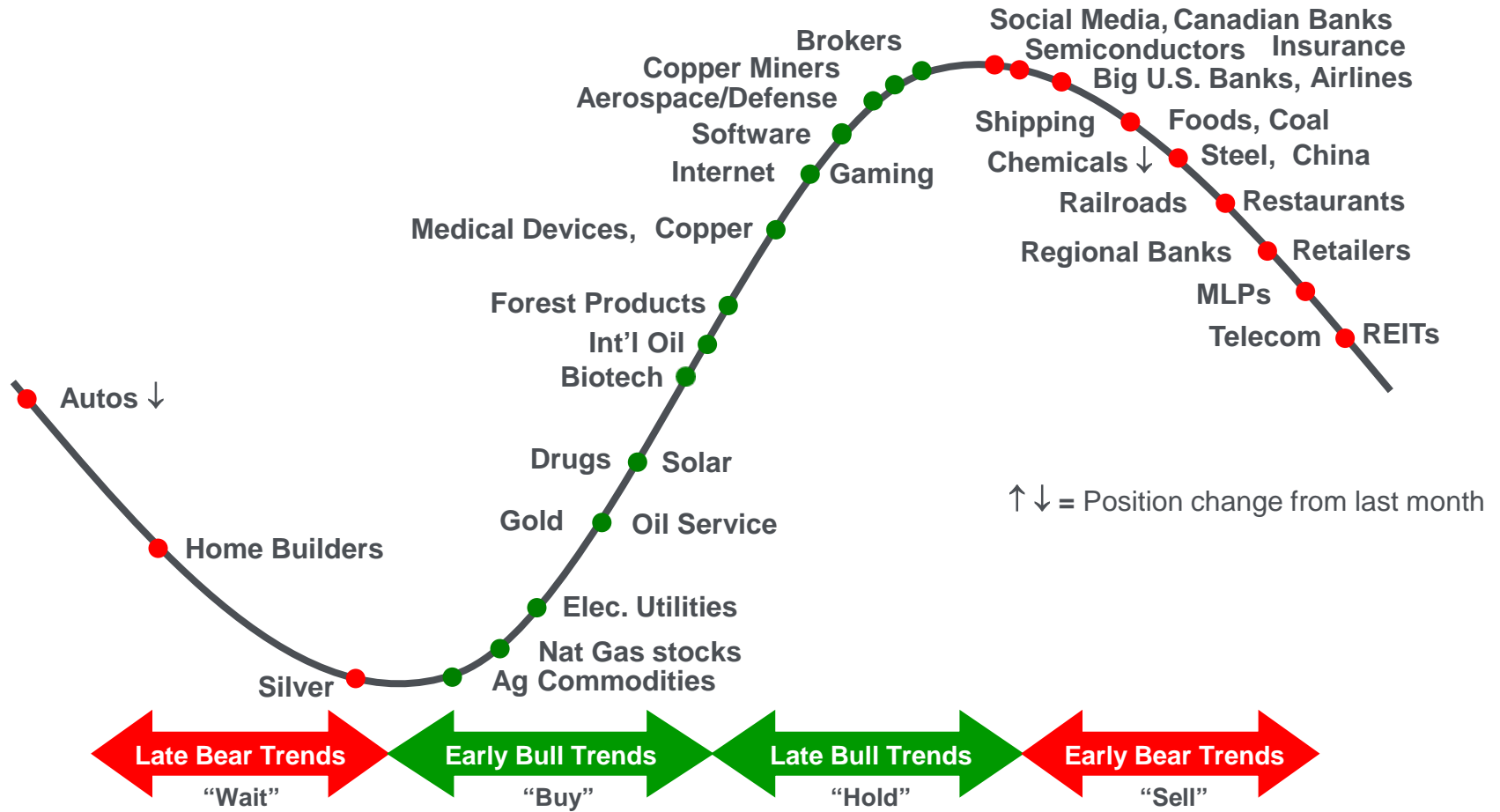
The stock sectors have become much more diverse in their performance over the past few months, despite the general rise in the broader indexes. This could be an indication of a developing consolidation period for the market as a whole, and perhaps a period ahead that will require greater attention to sector rotation.



Source - RBC Wealth Management

Select groups cycle positions

Our relative positioning of groups of interest within their individual bull and bear cycles



Source - RBC Wealth Management

Gold – 10 years

\$GOLD Gold - Continuous Contract (EOD) CME

29-Mar-2018

↑↓ \$GOLD (Weekly) 1327.30

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Chart courtesy of StockCharts.com and RBC Wealth Management

Oil – Eight years

\$WTIC Light Crude Oil - I
29-Mar-2018

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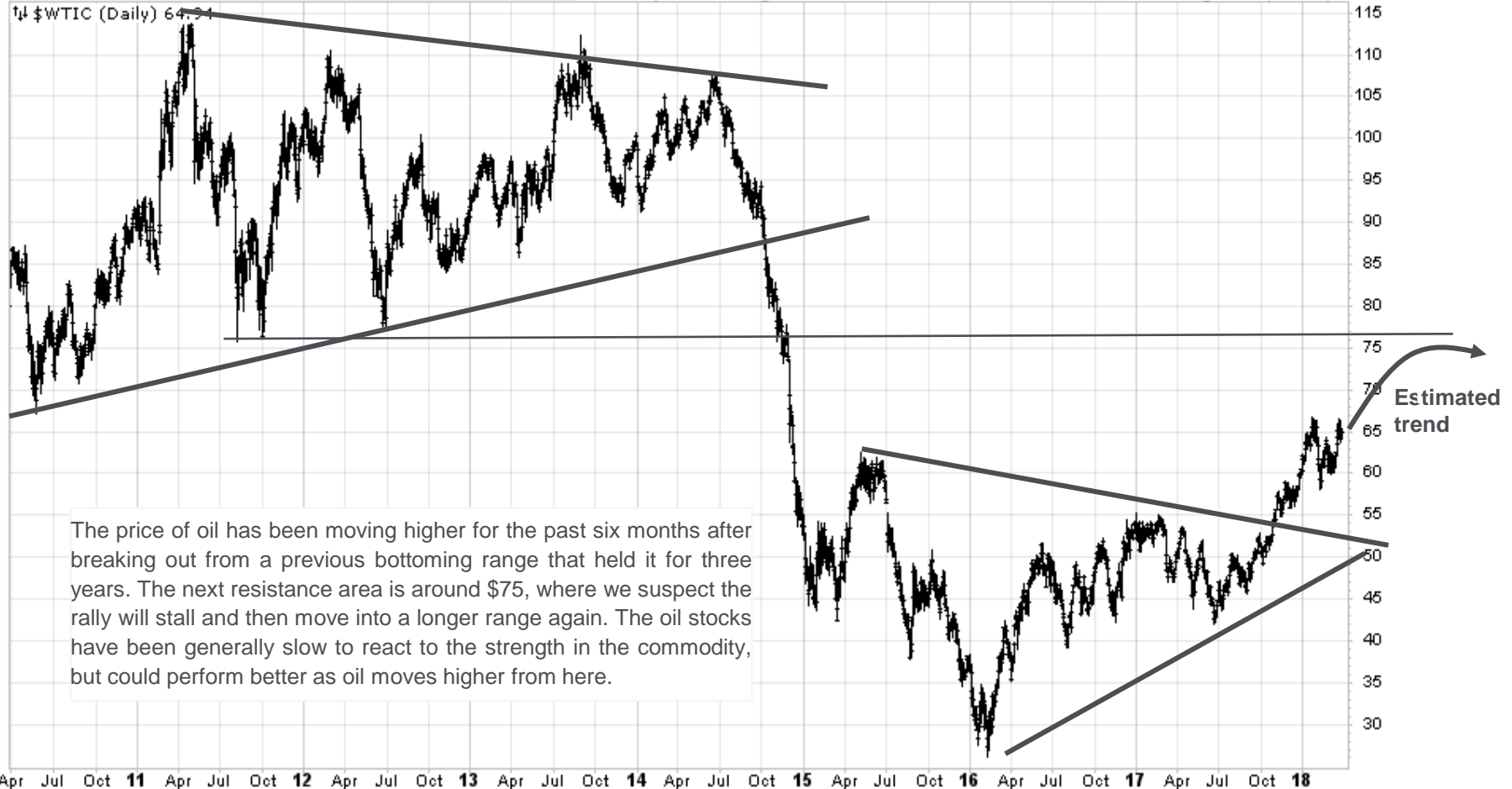


Chart courtesy of StockCharts.com and RBC Wealth Management

Stocks vs. commodities – 60 years

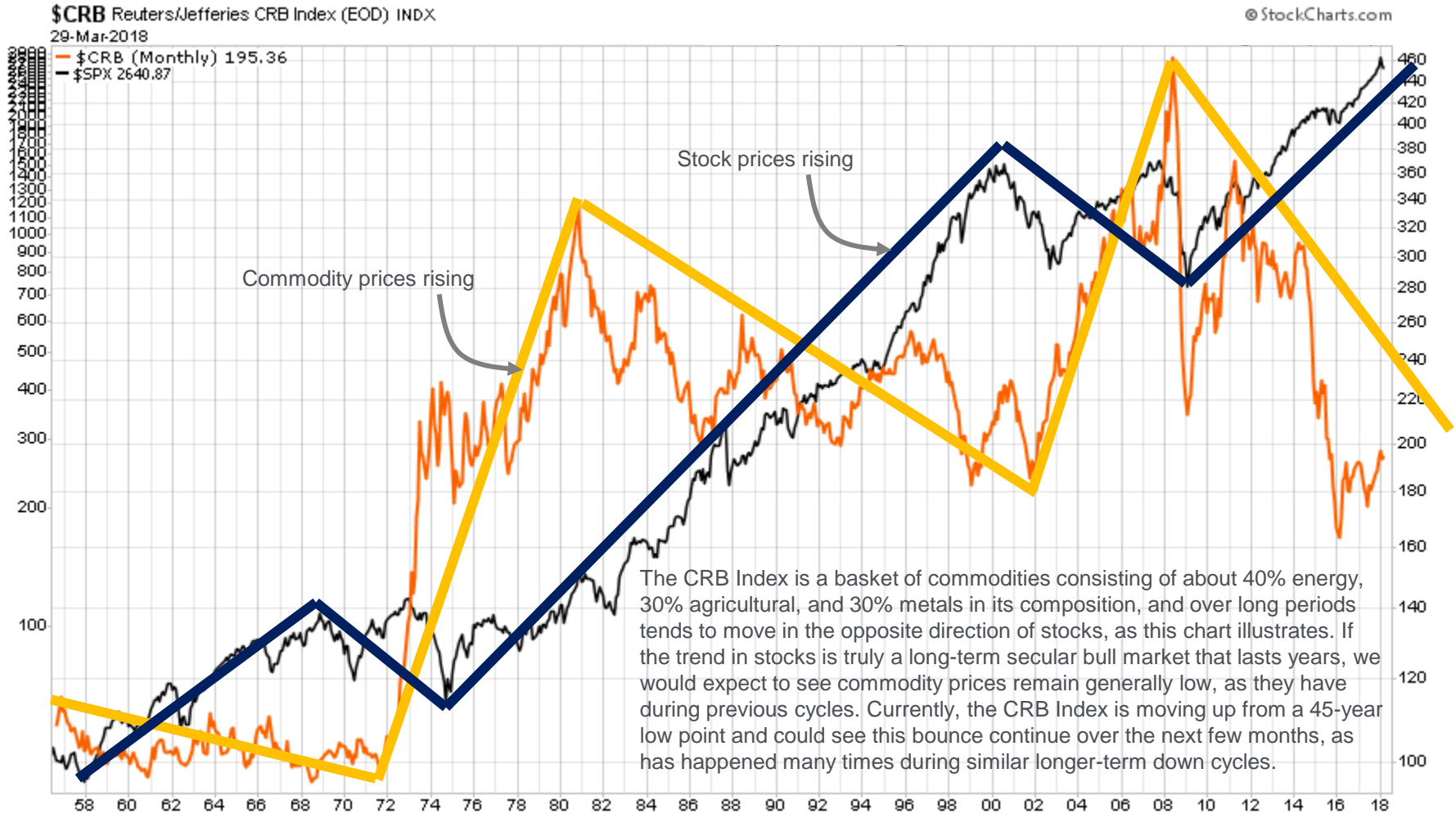


Chart courtesy of StockCharts.com and RBC Wealth Management

10-year Treasury bond yield for 140 years

16 The yield on the 10-year Treasury bond has been trending lower for the past 30-plus years, and
 15 has recently moved up to the higher end of the longer-term declining channel. The overhead
 14 resistance is around 3.0%, where the recent move up in rates appears to have stalled. A return
 to the 2.5% area is possible, and we suspect that the yield will find a range of mostly 2.5% to 3.0%
 for the next several months or longer.



Chart courtesy of MultPL.com and RBC Wealth Management

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