



# Market Maps

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All values in U.S. dollars and priced as of April 30, 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  
30-Apr-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 trend is still firmly bullish for the 4X13-month moving average market momentum indicator, with the trading range of the past few months causing the lines to move closer to each other, which is a normal occurrence within the longer-term trend. The market had become extended on the upside, with the moving averages moving far apart, so a period of consolidation that would be similar to past periods on the chart is expected.

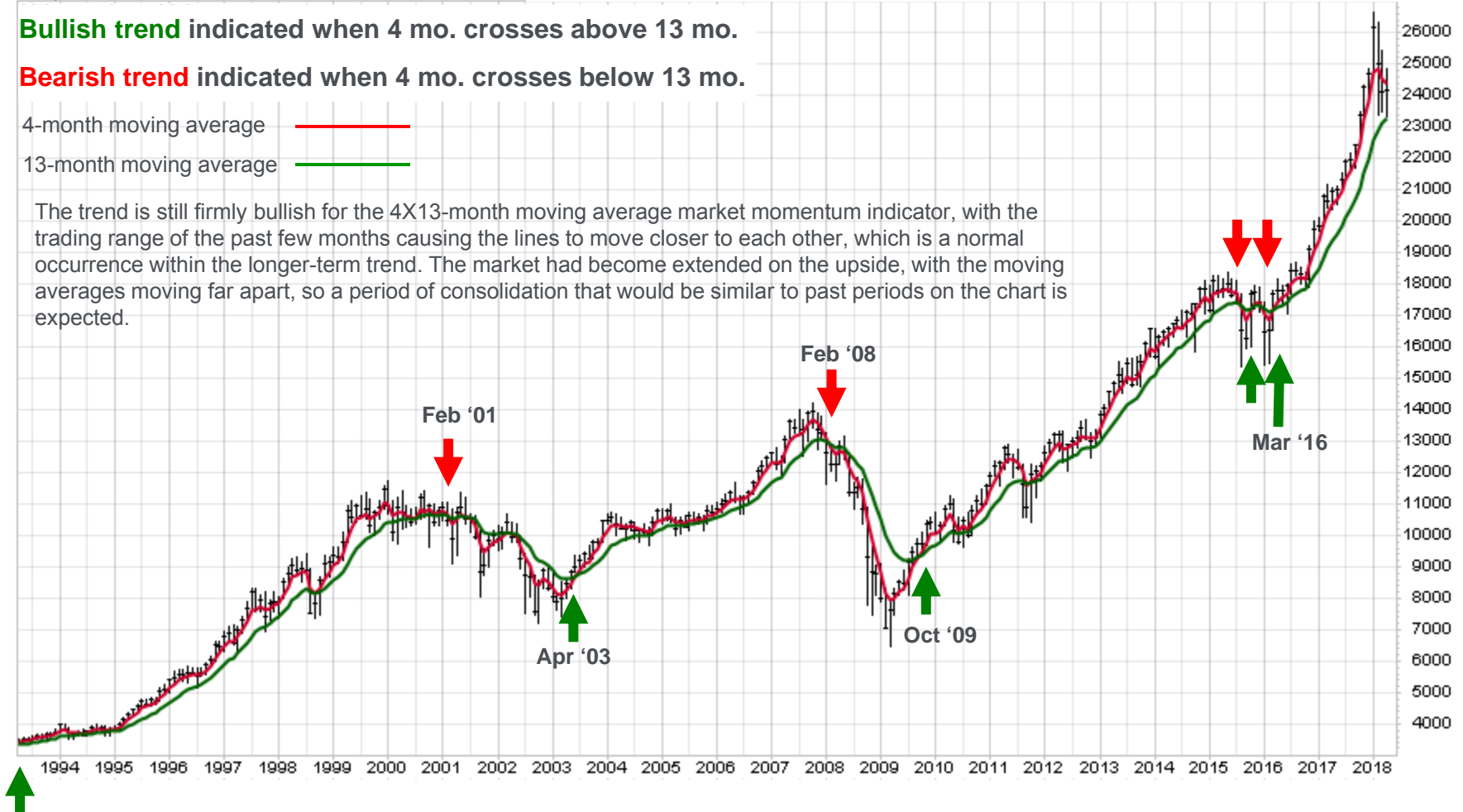


Chart courtesy of StockCharts.com and RBC Wealth Management



# Long-term market cycles 1925–2018

**\$SPX** S&P 500 Large Cap Index: INDX  
30-Apr-2018

© StockCharts.com

The S&P appears to be in the early part of a long-term secular bull market that could still have 10–15 years of further upside potential, in our opinion. These long-term rising periods do not go straight up, but often have corrections along the way to provide attractive general entry points. The bull markets also tend to advance until the economic and business cycles are at a long-term peak, in addition to the improving sentiment that can eventually reach that euphoric and topy stage.

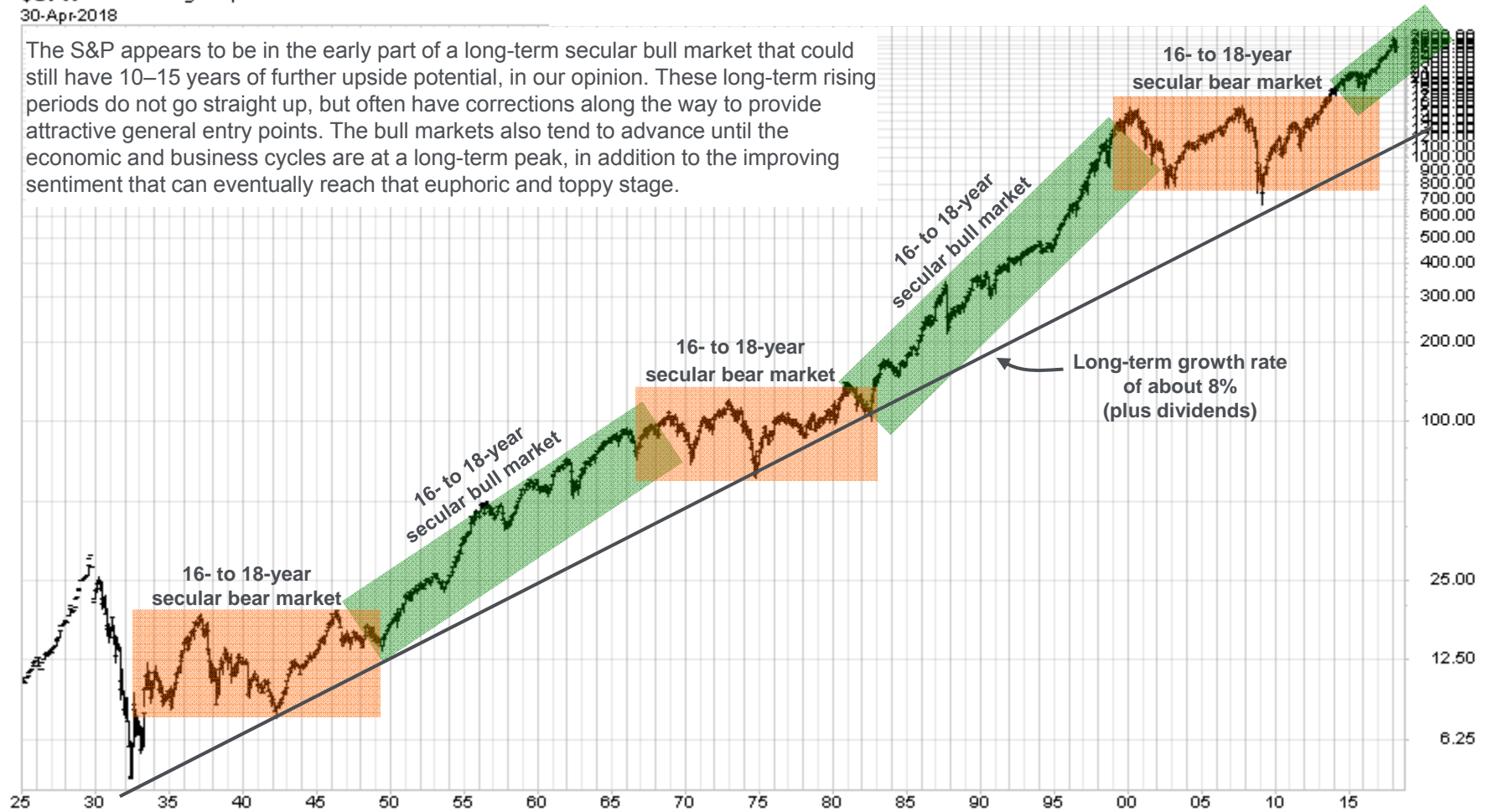


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



# Short-term market: S&P 500 – 10 years

**\$SPX** S&P 500 Large Cap Index INDX  
30-Apr-2018

© StockCharts.com

The S&P has been in a consolidating trading range for this year, which is a normal pattern after the previous two years of strong growth. The daily volatility may be much higher this year, but the current short-term trend is neutral with the possibility of some additional pullback risk this year in a somewhat similar pattern to what we have seen during other cycles within the overall uptrend. We suspect that a neutral range could hold the major averages for the next year or so while the fundamental valuations catch-up to the currently higher stock prices.



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  
30-Apr-2018

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The TSX has been in a consolidating range of mostly 15,000–16,000 for the past year and could continue in this same range for several more months. The longer-term trend remains potentially constructive for an eventual breakout as long as the 15,000 support level holds on any further pullbacks.

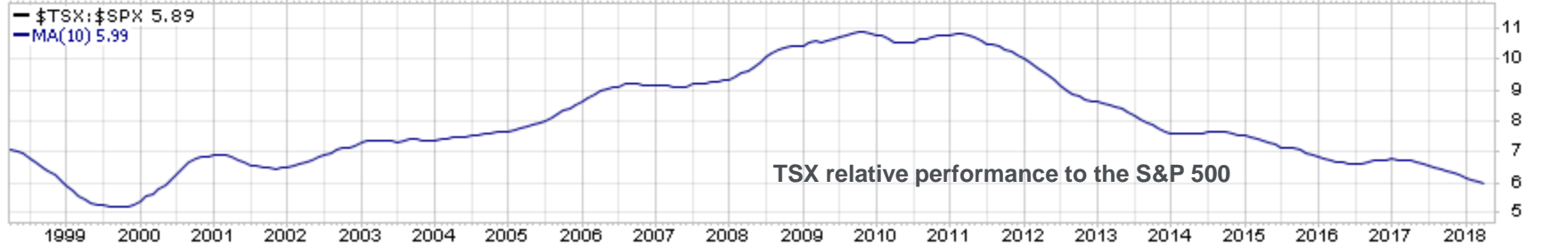
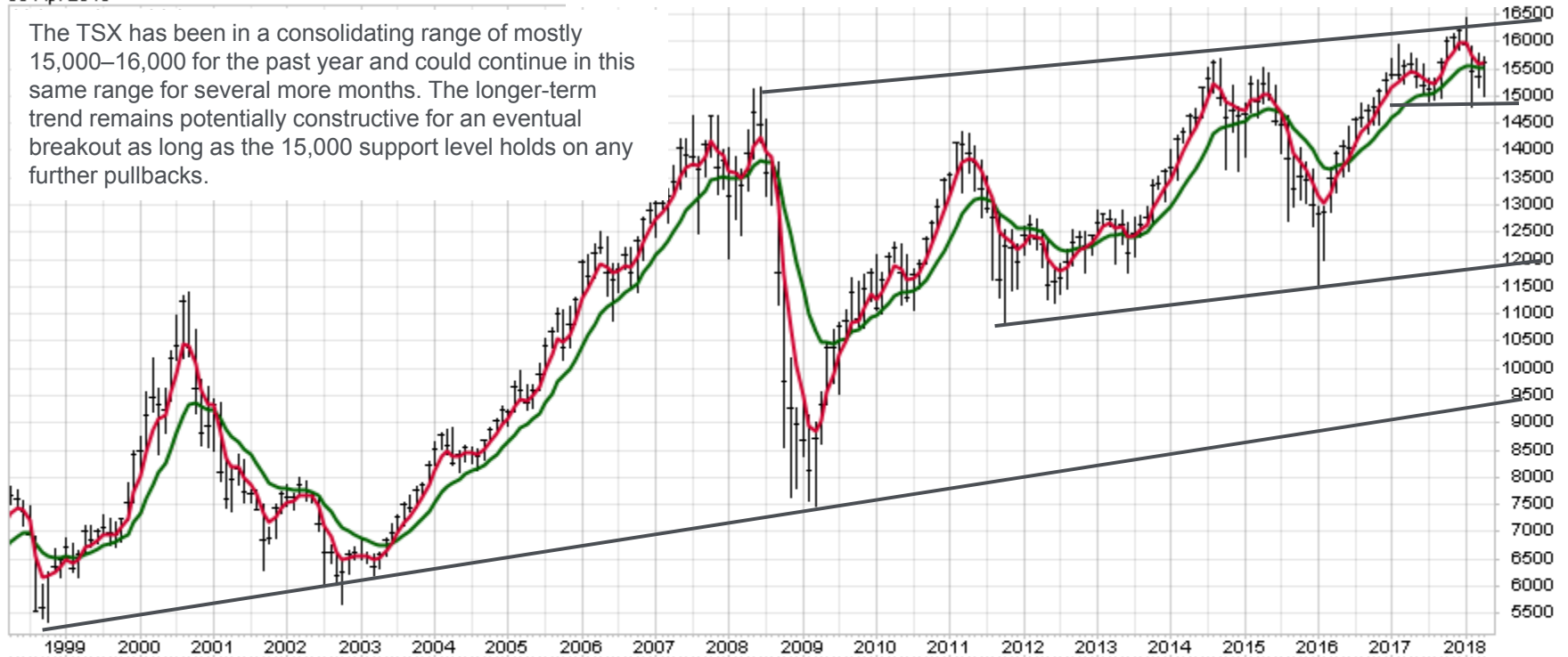


Chart courtesy of StockCharts.com and RBC Wealth Management



# Currencies – 15-year trends

**\$USD** US Dollar Index

30-Apr-2018

↑↓ \$USD (Monthly) 91.63

© StockCharts.com



**\$CAD** Canadian Dollar - Continuous Cont

30-Apr-2018

↑↓ \$CAD (Monthly) 0.78

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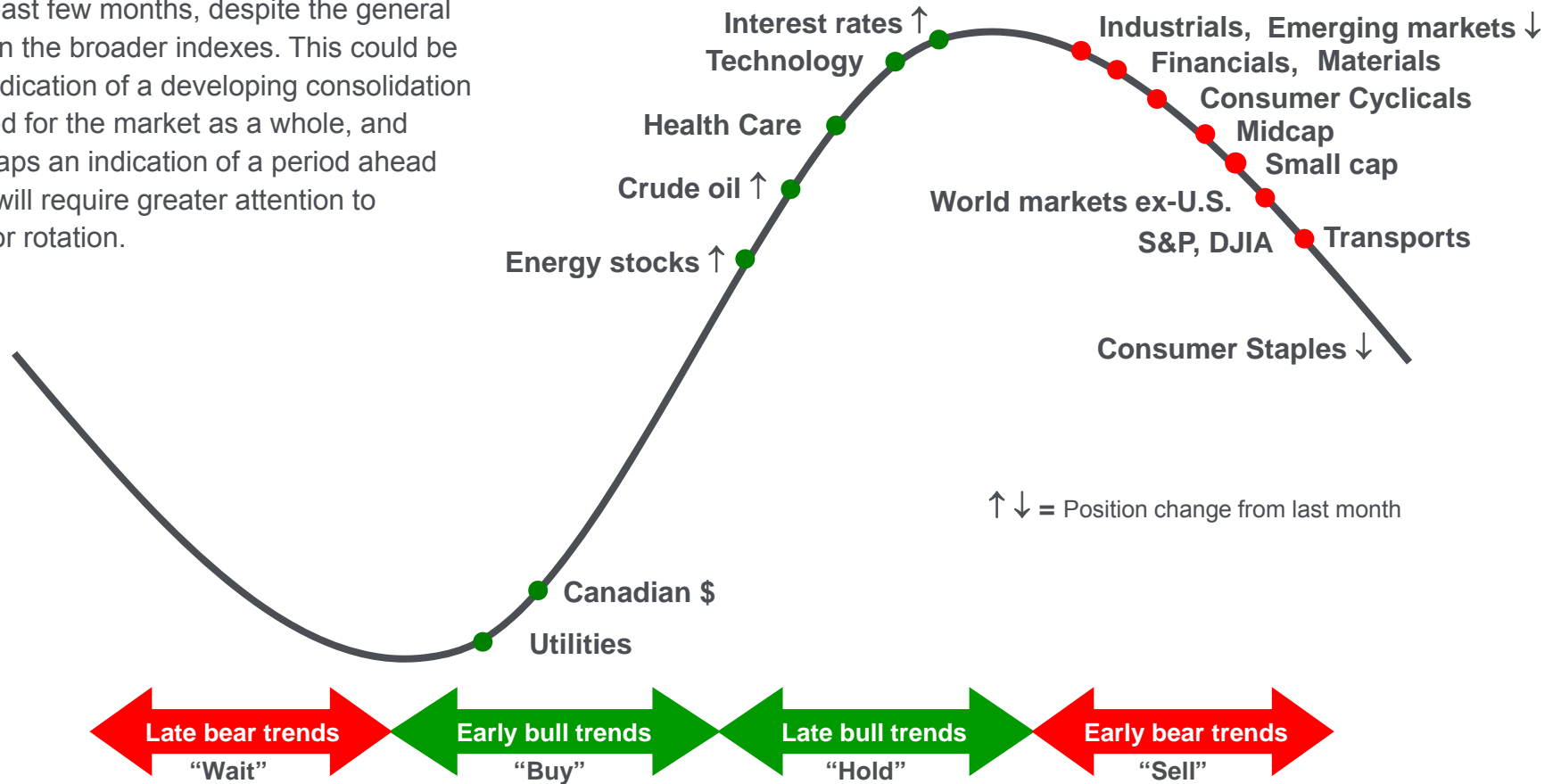
Chart courtesy of StockCharts.com and RBC Wealth Management



# 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 an indication of a period ahead that will require greater attention to sector rotation.

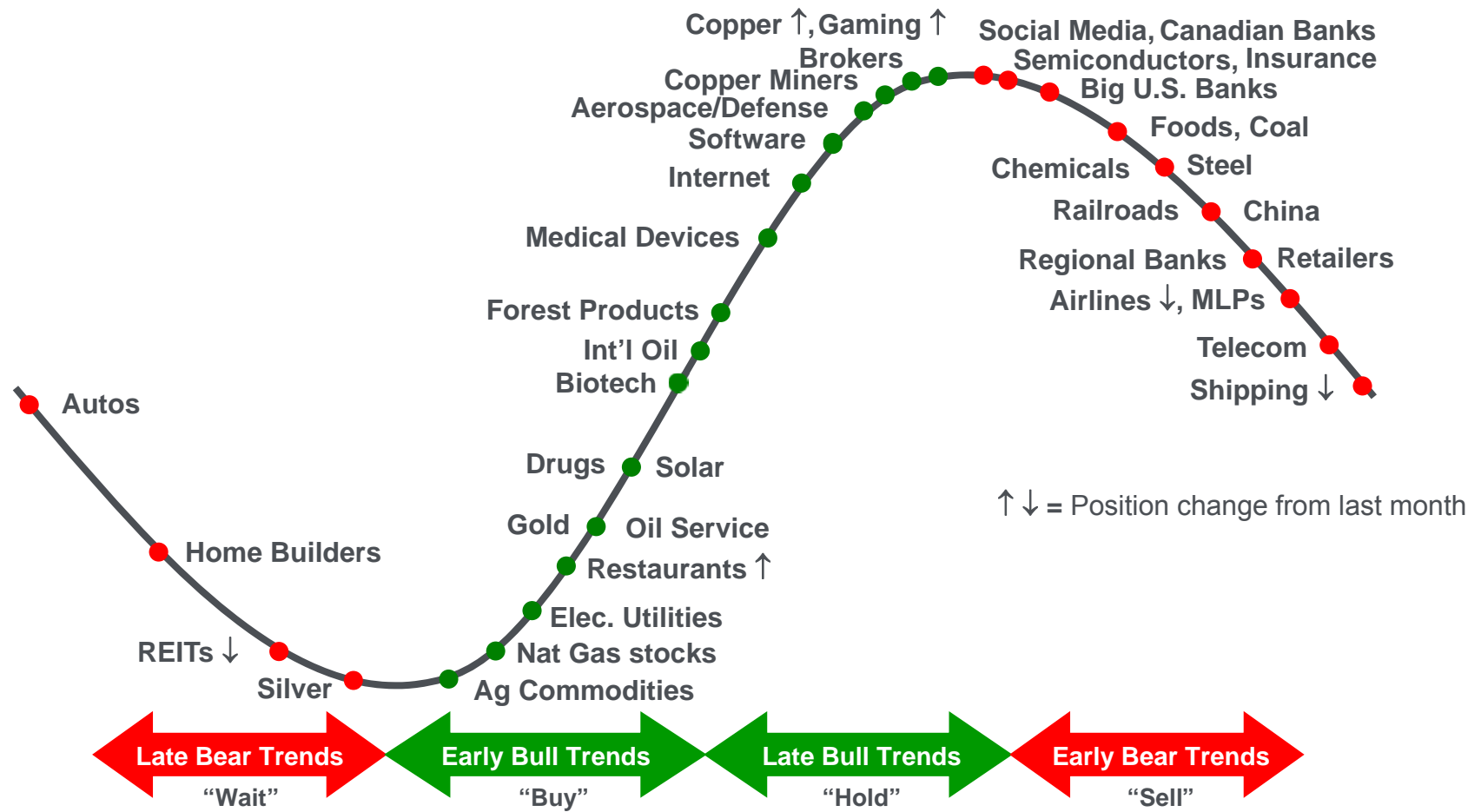


Source - RBC Wealth Management



# 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

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30-Apr-2018

↑↓ \$GOLD (Weekly) 1319.20



Chart courtesy of StockCharts.com and RBC Wealth Management



# Oil – Eight years



Chart courtesy of StockCharts.com and RBC Wealth Management

# Stocks vs. commodities – 60 years

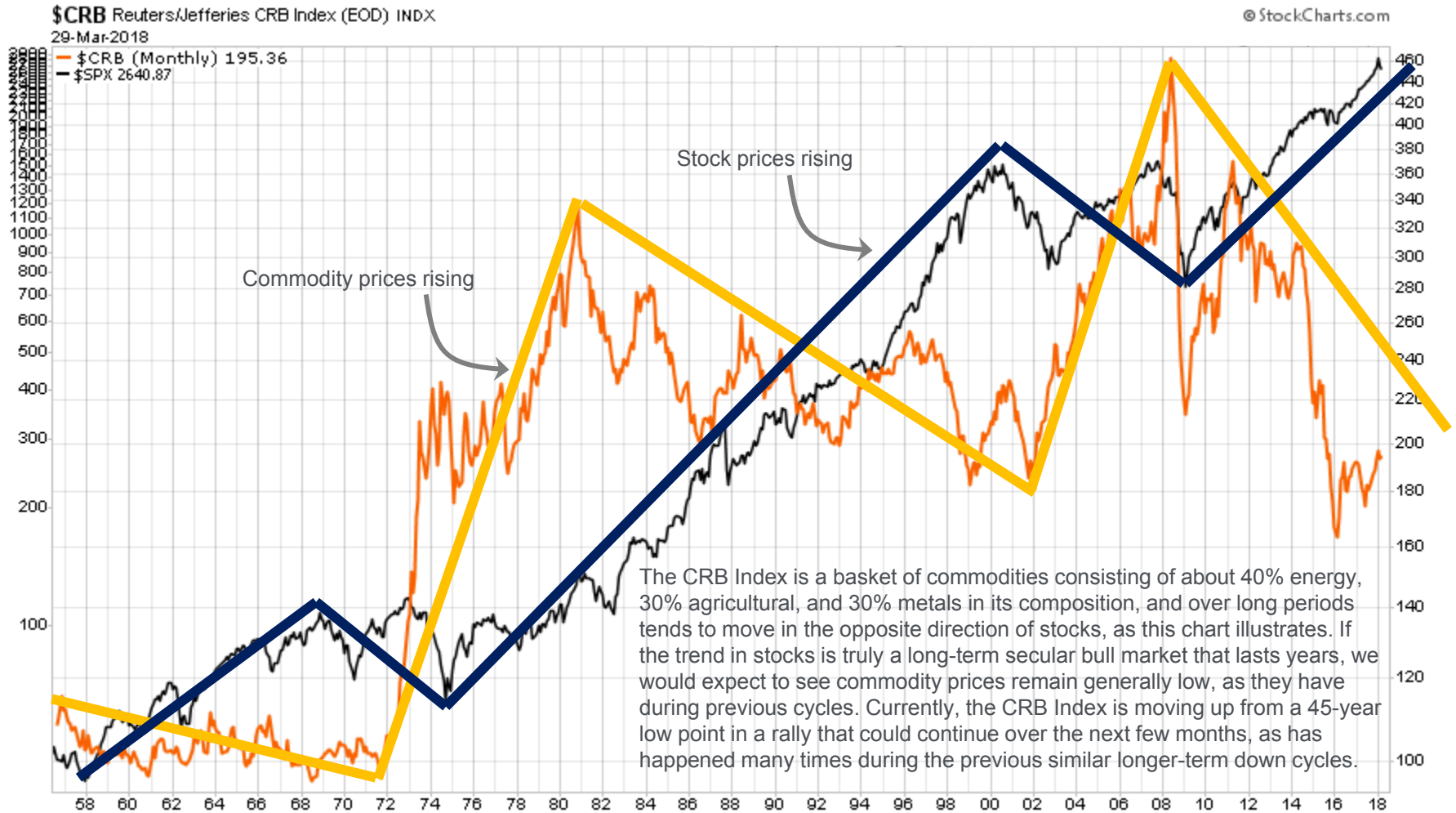


Chart courtesy of StockCharts.com and RBC Wealth Management

# 10-year Treasury bond yield for 140 years

The yield on the 10-year Treasury bond has moved up to the resistance area around 3.0% where it could stall after the recent uptrend and possibly move back down to the support around 2.5%. It would be normal for the yield to go into a range for the next several months or more, which is how long-term “bottoms” have developed during previous cycles. The breakout level on the upside for the long-term downward trend is 3.5%, which we do not expect to see on the current rise.



Chart courtesy of MultPL.com and RBC Wealth Management

# Disclosures

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