



Market Maps

December 2017

Bob Dickey, Technical Strategist, Portfolio Advisory Group

RBC Capital Markets, LLC / Portfolio Advisory Group

All values in U.S. dollars and priced as of market close, December 1, 2017, 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
1-Dec-2017

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

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

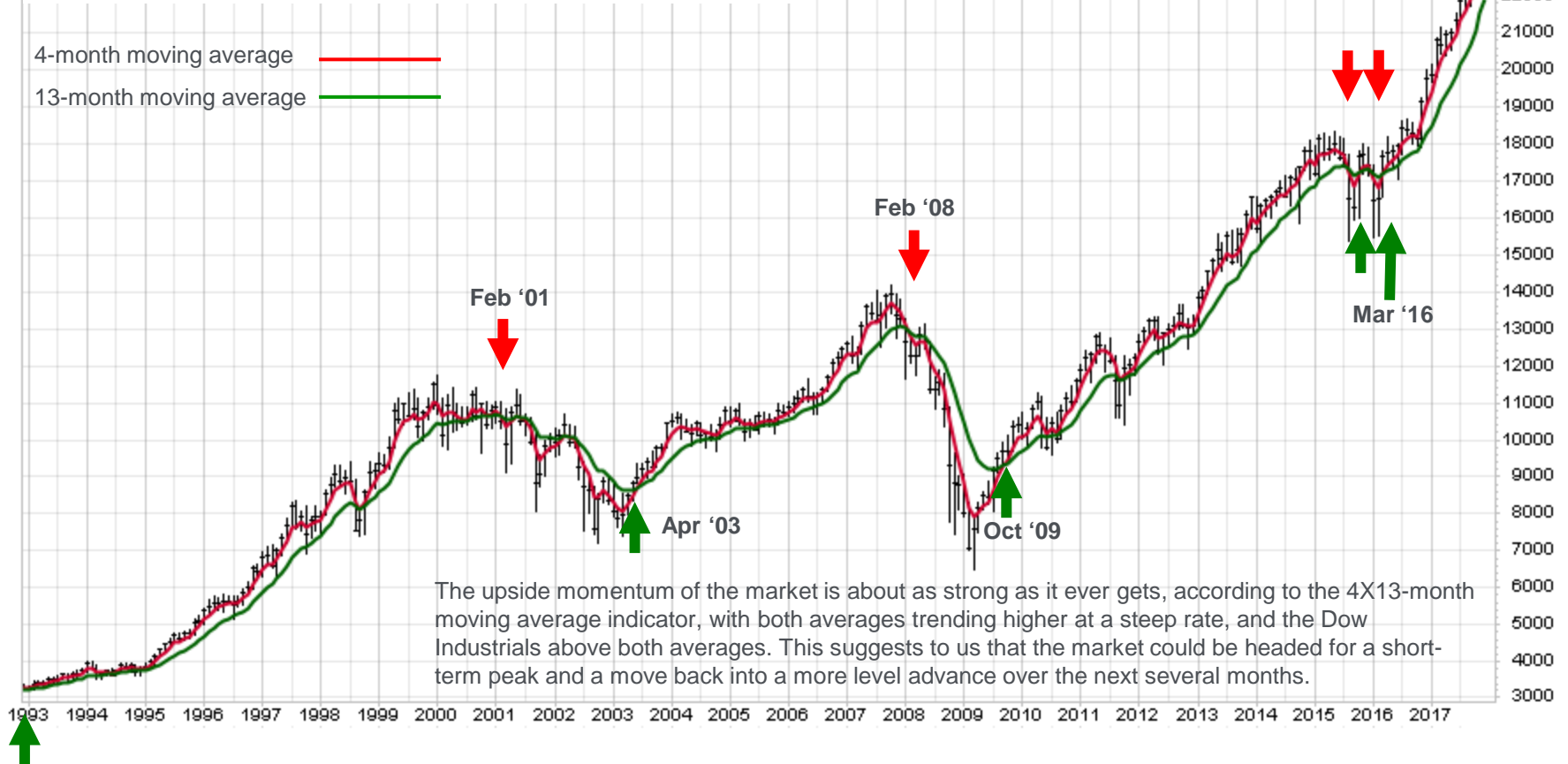


Chart courtesy of StockCharts.com and RBC Wealth Management

Long-term market cycles 1925–2017

\$SPX S&P 500 Large Cap Index INDX
1-Dec-2017

© StockCharts.com

The long-term trend of the market cycles between periods of growth and stagnation that each last about 16–18 years in a pattern that has persisted for the past 90 years and more. A combination of demographic cycles, and periods of economic expansion and contraction are likely catalysts to the pattern, along with the changes in consumer and investment sentiment that occur as the cycles play out. The current market trend appears to be in the first half of a growth phase, which, if it continues as in past expansions, could have some meaningful upside potential for years to come, in our view. However, as can be seen on the chart, even the growth periods are not without pullbacks along the way that can be timely investment opportunities within the overall trend.

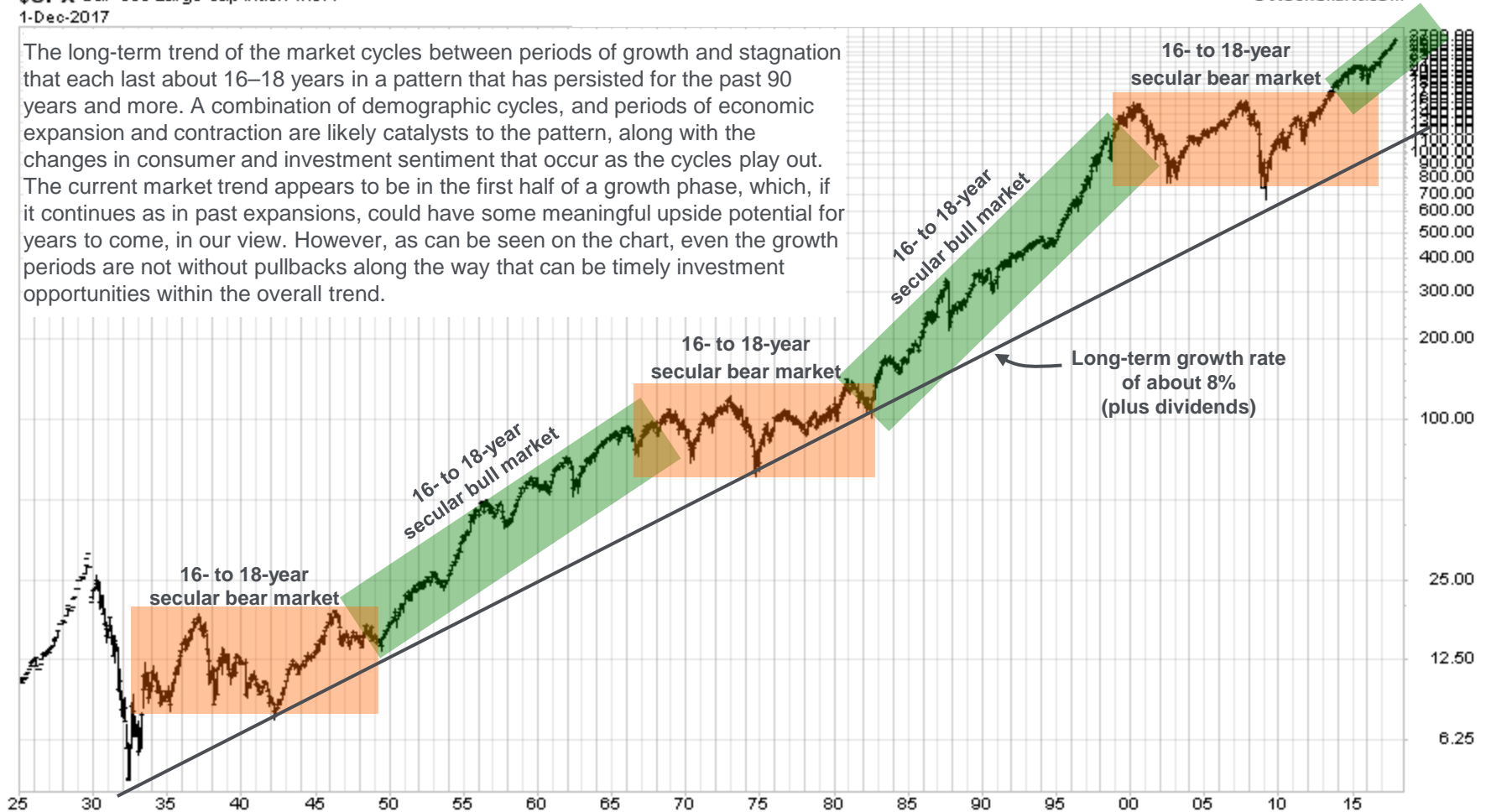


Chart courtesy of StockCharts.com and RBC Wealth Management; past performance does not guarantee future results



Short-term market: S&P 500 – Nine years

\$SPX S&P 500 Large Cap Index INDX
1-Dec-2017

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The S&P is near the high end of the nine-year rising channel where it encounters some resistance that could slow the near-term progress. The market has been to both ends of the channel several times during the bull market, and the range itself is some 20% wide, which can allow for much movement within the overall trend.



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
1-Dec-2017

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The TSX is up to a resistance area around 16,000, where it has stalled for the past three months, and would need to clearly break out in order to signal the start of another uptrend. The near-term support area on the downside is 15,000.



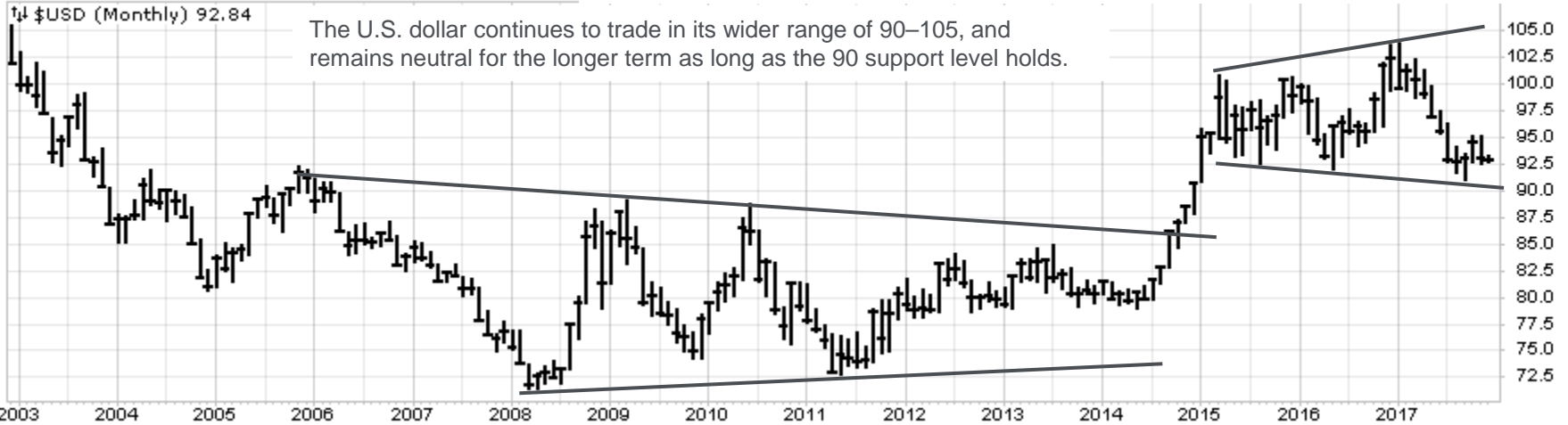
Chart courtesy of StockCharts.com and RBC Wealth Management

Currencies – 15-year trends

\$USD US Dollar Index - Cash Settle (EOD) ICE

1-Dec-2017

© StockCharts.com



\$CAD Canadian Dollar - Continuous Contract (EOD) CME

1-Dec-2017

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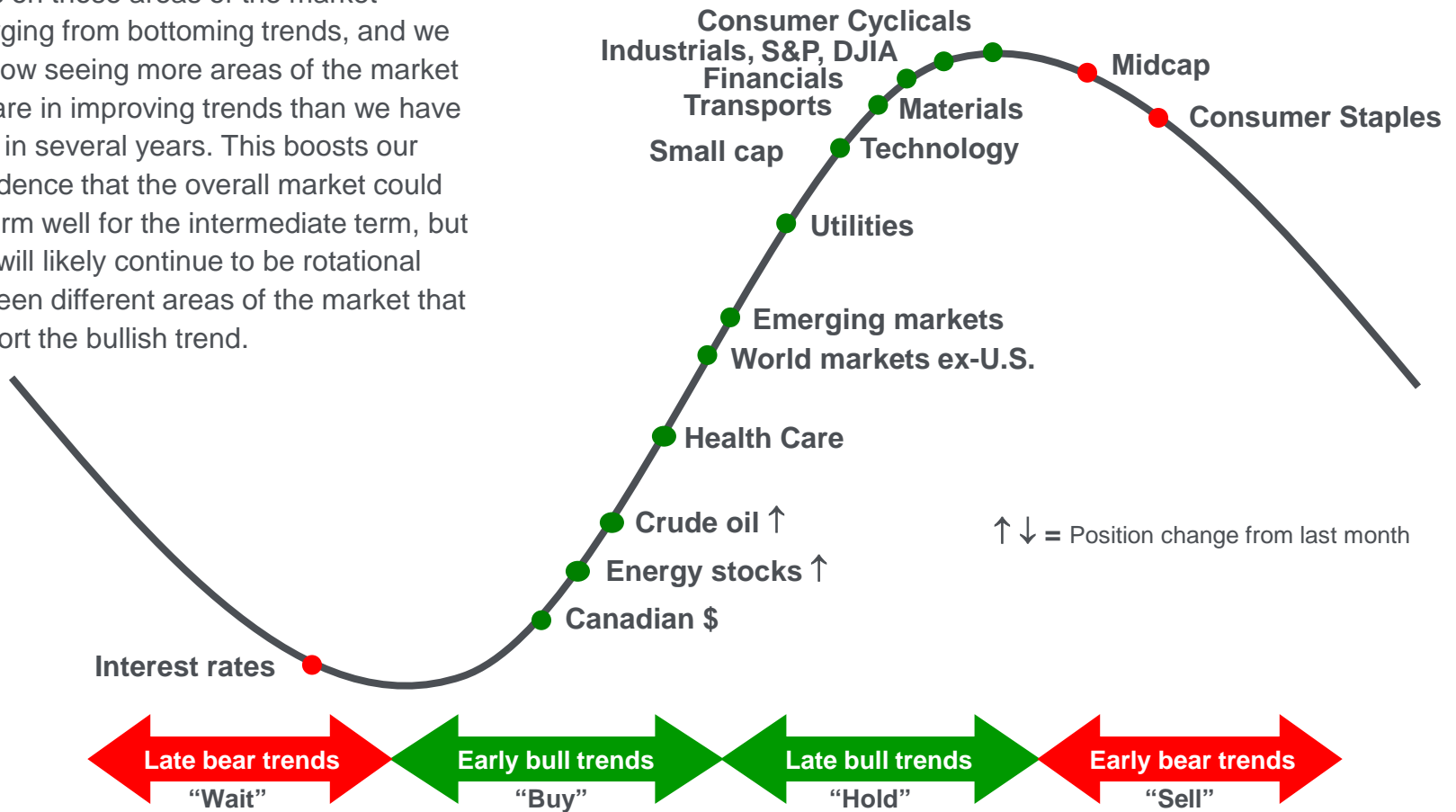


Chart courtesy of StockCharts.com and RBC Wealth Management

S&P sectors & market indices cycle positions

Relative positioning of major sectors within their individual cycles

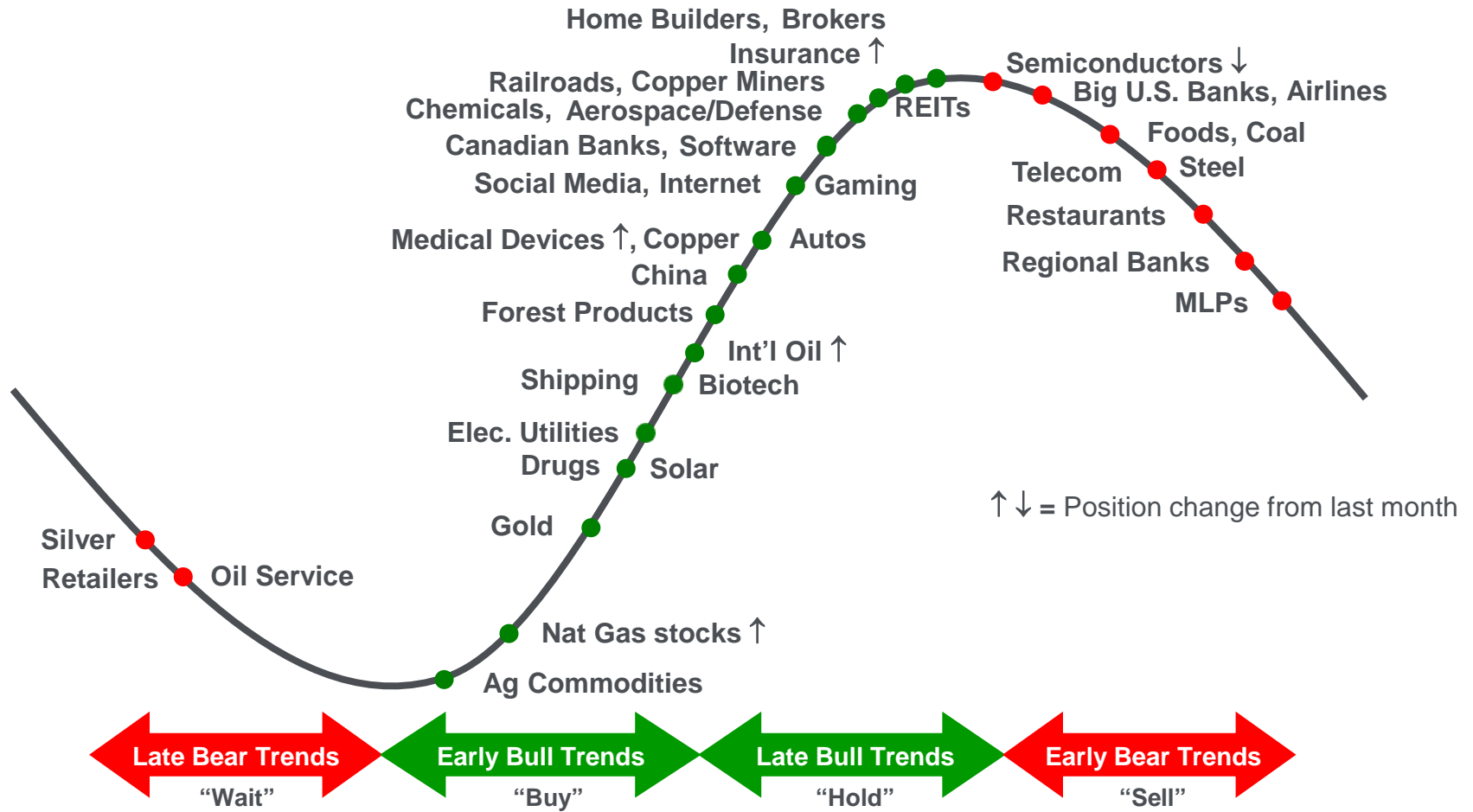
Our preference for finding new ideas is to focus on those areas of the market emerging from bottoming trends, and we are now seeing more areas of the market that are in improving trends than we have seen in several years. This boosts our confidence that the overall market could perform well for the intermediate term, but also will likely continue to be rotational between different areas of the market that support the bullish trend.



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 – Nine years

\$GOLD Gold - Continuous Contract (EOD) CME
1-Dec-2017

© StockCharts.com



Chart courtesy of StockCharts.com and RBC Wealth Management



Oil – Eight years

\$WTIC Light Crude Oil - Continuous Contract (EOD) CME
1-Dec-2017

© StockCharts.com



Chart courtesy of StockCharts.com and RBC Wealth Management

Stocks vs. commodities – 60 years

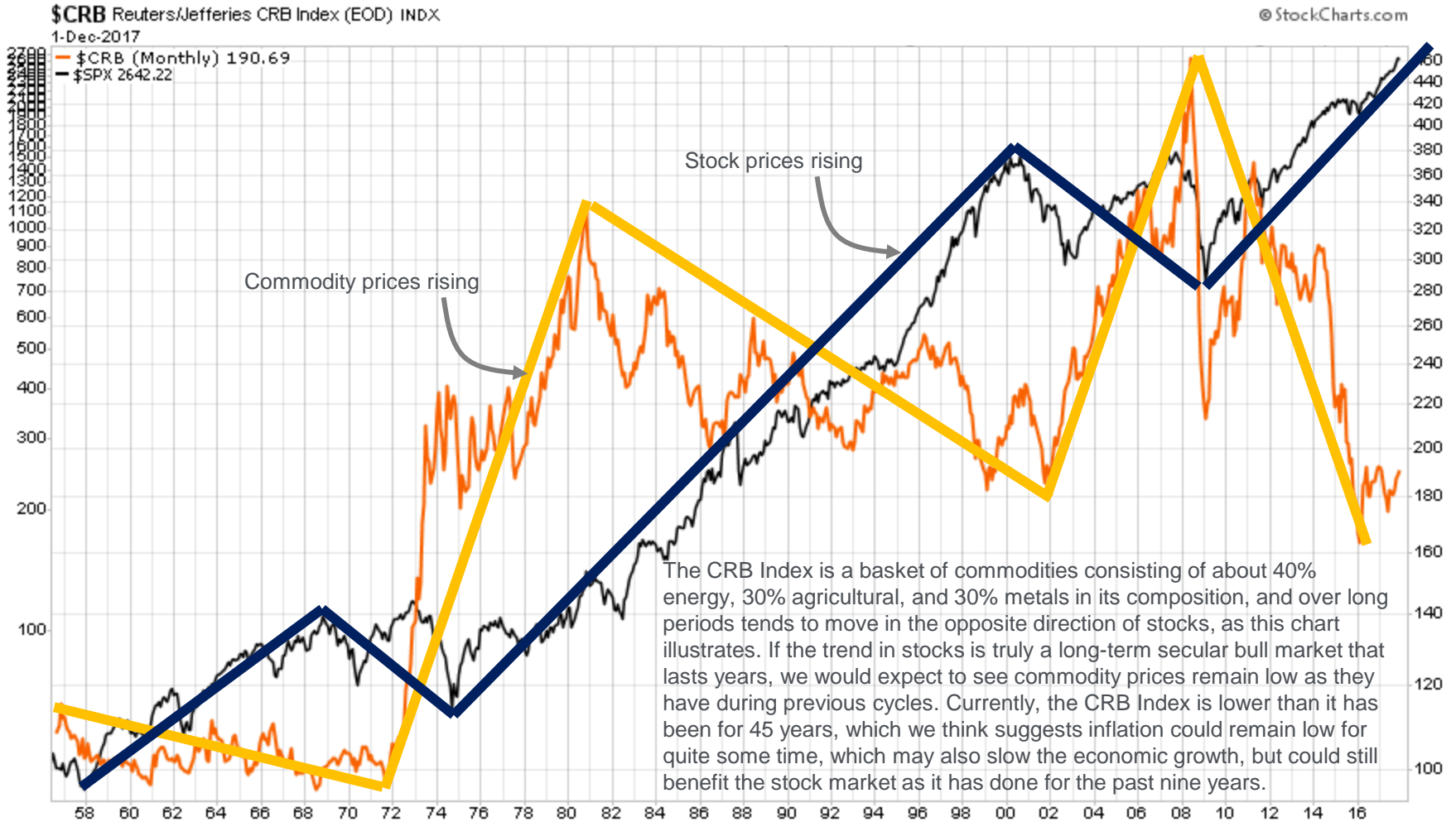


Chart courtesy of StockCharts.com and RBC Wealth Management

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 will likely remain in a long-term downtrend as long as it stays below the high end of the channel on the chart, which is around the 3.0% level. On a shorter-term basis, we see the 10-year yield as being more neutral in about a 2.0%–2.5% range for the next several months.



Chart courtesy of MultPL.com and RBC Wealth Management

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