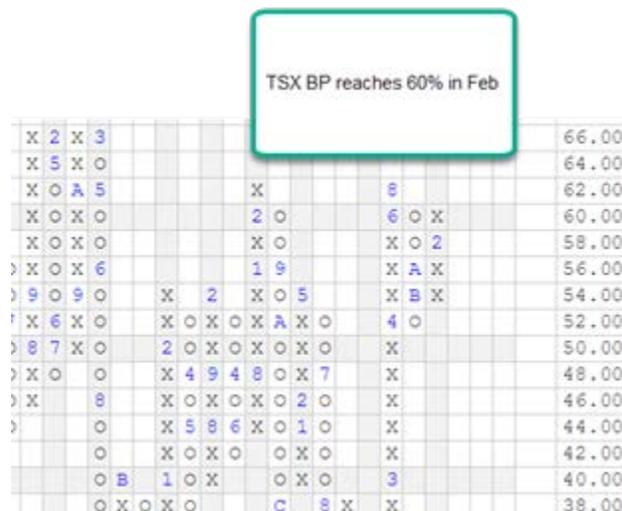


The Global Stock Market Advance Continues

Since the US Presidential election in early November, global stock markets have continued to improve and move ahead which is contrary to what one may have expected. US President Donald Trump has continued to talk about trade tariffs and imposing taxes on some of their trading nations. Many have questioned the impact of this potential action.

However, when we look at the action of the various stock markets around the world, we see the US stock market continues to set new record highs and the Canadian TSX reached its old high. In fact the Bullish Percent Indicator (BP) for the TSX moved up in February from the 52% level to the current 60% level. This indicator means that 60% of the stocks that make up the Toronto Composite Index are on a Point & Figure buy signal. Remember, when 6% of the stocks that are in this Toronto index go on a buy signal then this indicator reverses up. As the market becomes stronger, we see more stocks on buy signals – a positive market signal. It will be interesting to see if this indicator reaches 64% and beyond – a level not seen since 2011 but was reached many times during the commodity boom of 2003 – 2008.



Point & Figure Charts provided by Dorsey Wright & Associates

As we look at the World Bullish Percent (BP), it also broke out to new highs in January at the 54% level. This indicator tracks more than 25,000 global stocks around the world to see if they are on Point & Figure buy signal. The prior high was in June 2009 when it reached 66%. It will be interesting to see how long this medium term indicator continues to advance until it reverses in O's. When it does reverse, one will have to monitor the magnitude to see how fast risk increases and whether the stock market leaders lose their strength.

