

NEXPOINT

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Monday Market Minute

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Important Last Week

US Dollar:

- Now testing critical support
- Weak US\$ should help
 - Emerging Markets
 - Commodities
 - Commodity miners

ASHR:

- Continue to hold important support
- 'Key canary' for equities globally
- Confirming weakness in US\$

NEM:

- Has clearly moved out of consolidation
- 'Should' be strong with easy monetary policy
- 'Should' be strong with geopolitical instability
- As above, *confirming* weakness in DXY



Big Picture

Commodities / US\$:

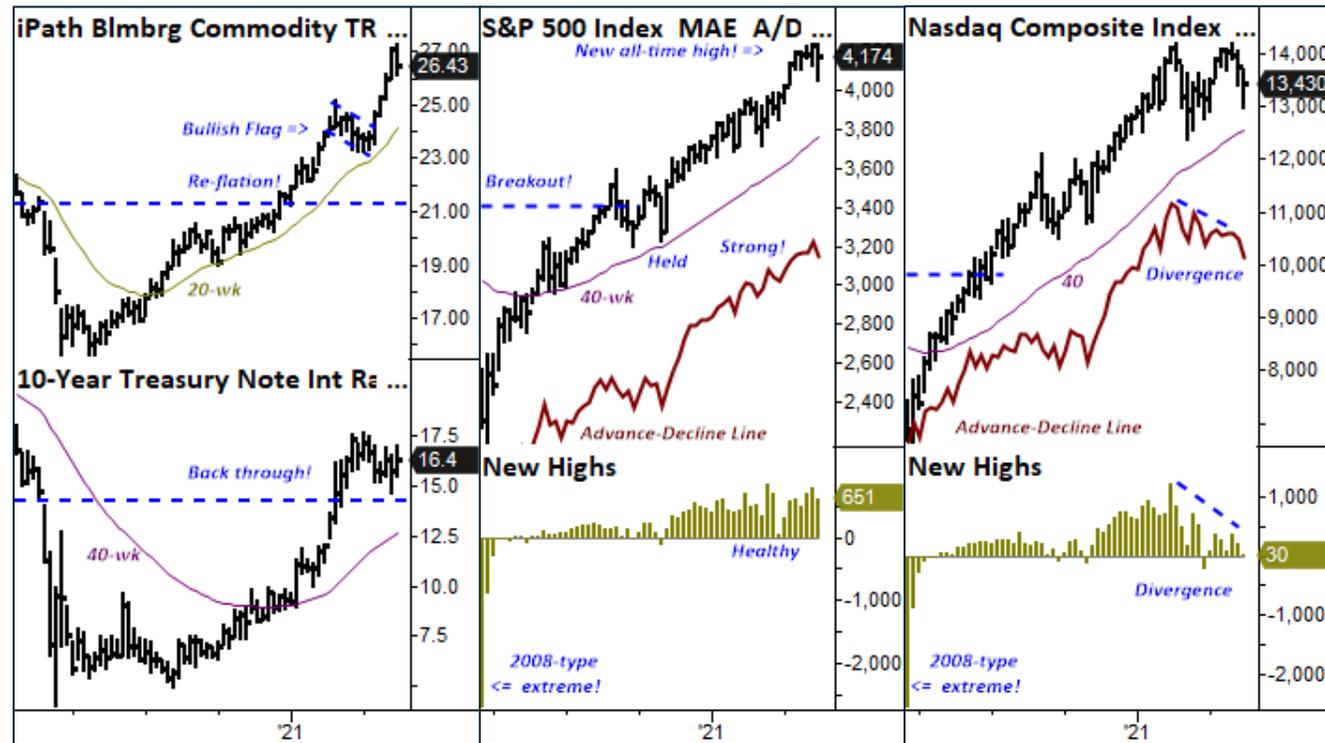
- BCOM in strong up trend
- **Extended over short term**
- Reflation conversation moving to an inflation conversation

Yields / Credit:

- 10-yr. back through 1.40%
- Pullback holding 1.50% area
- Confirms strong growth globally

Stocks:

- Continues to look like strong cyclical bull market
- Extended over short term
- NASDAQ diverging – suggests consolidation may be near
- Avg. bull market lasts 35 mos.
- Sentiment & calendar also risks



Trends	LT	ST	Notes
Commodities	▲	■	Clearly seeing 'reflation', which suggests healthy economic activity globally.
Bonds	▼	---	Confirming 'reflation', as higher long-term rates are a result of inflationary pressures.
Stocks	▲	---	Enjoying a broad, strong, healthy, cyclical advance – potentially setting up for pullback.



About Mike

Mike Hurley, CMT serves as Chief Market Strategist and Portfolio Manager and for Nexpoint. He joined the firm in 2011 as a sub-advisor and prior to that served as a Portfolio Manager of the Fusion Global Long/Short Fund (FGLSX) from its inception in September 2007 to November 2008. That fund posted a positive return in 2008 and won the Lipper Performance Achievement Award in the Long/Short category (ranked #1 of 90). Prior to launching FGLSX he served as Chief Technical Strategist for several boutique research firms, including: M.S. Howells & Co., SoundView Technology Group and E*Offering (The Investment Bank of E*TRADE). From 1986 to 1994 he served as a commissioned officer in the United States Navy, where he flew over 50 combat missions during Operation Desert Storm, earning two Air Medals. Mr. Hurley is a graduate of the University of California, Santa Barbara where he received B.A. degrees in both Business Economics and Chemistry. He is Series 7 & 63 licensed and is a Chartered Market Technician (CMT).

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