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## Global Economic Overview

As of the beginning of this year the global stock markets have been falling due the concerns of a global slowdown, fears of a recession backed by the rising of the CDX Index (Troubled Credit Default Swap Index) since April 2015 and the plummeting oil prices.

Oil has dropped 82.31% since its peak in 2008 and 42.11% since the beginning of this year, because of large over supply, the decline in demand and the current uncertainty in the oil market as the result of the conflicting rumors and announcements regarding cuts or increases in the supply by oil exporters.

Precious Metals such as gold and silver are beginning the prime destination for investors serving as safe haven from the declining stock markets, Gold Surged 18.84% and silver gained 15.66% since the beginning of this year closing to the bull market territory.

The Japanese Yen is also serving as a safe haven because of its rising strength even with the attempts to weaken it by BOJ (Bank of Japan) after adapting negative interest rates.

The global stock market (Mainly Europe and Asia) have entered the bear market territory after around a 20% declines in their stocks values, as Shown in the following table:

Region	Index	Beginning Of The Year 2016	Since Index's Peak
United States	Dow Jones	-11.72%	-15.52%
	S&P 500	-9.92%	-15.21%
	Nasdaq	-13.74%	-17.66%
Europe	FTSE 100	-13.81%	-22.79%
	DAX	-23.78%	-29.79%
	CAC 40	-19.75%	-26.33%
Asia	Shanghai Shenzhen 300	-27.19%	-45.10%
	Hang Seng	-24.98%	-42.61%
	Nikkei 500	-18.75%	-23.27%
Worldwide	MSCI Global Index	-10.83%	-19.52%

However the US stock market is on the edge of the bear market territory and most of the investors are speculating a recession in the US economy due the low inflation rate and the strong dollar which is damaging to the exports because of the higher goods prices relative to other exporters with more competitive prices.

On the other hand the majority of US economy is based on domestic consumption supported by the growing wages and declining unemployment, although some of this number missed estimates the overall result are generally positive and still growing.

The US dollar depreciated by 2.95% since the beginning of the year and 5.25% since its peak last year, hence this may be a good signal for the US competitiveness in exporting goods.

Some technical indicator may also suggest a slight rebound or a correction in the Dow Jones Industrial Average, according to the Dow Theory the Dow Jones Transportation Average (DJTA) must uphold and precede the trend of DJIA to confirm it's trend movement, the slight channeling up in DJTA and the triple bottom pattern in the DJIA combined with the weaker dollar, low unemployment, growing wages and domestic spending may be a sign for a minor.





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In general investors are moving toward more stable assets such as precious metals and strong currencies over the pessimism and uncertainty in global markets caused by the hawkish tone of the central bank in respect to the increasing risk and instability in the capital markets and the easing policies that they might take, While the Volatility Index is standing at 28 points near the 30 points level of high volatility market meaning that any fundamental news, event or announcement may have significant effect on the financial markets.

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