Management Joint Trust S.A.

Equities Markets could resume their bounce during July

Executive Summary

- Over the next week of so, the S&P500 and the Eurostoxx 50 Indexes could start to resume their uptrend, probably into mid/late Summer and towards their February highs.

- In the initial stages of this new leg up, Cyclical assets, such as US Small Caps could outperform, probably into early/mid August as the rally could be accompanied by a new bounce in US long term yields.

Note: brief methodology tutorial on the last page of this document

For more information on our services and methodology:

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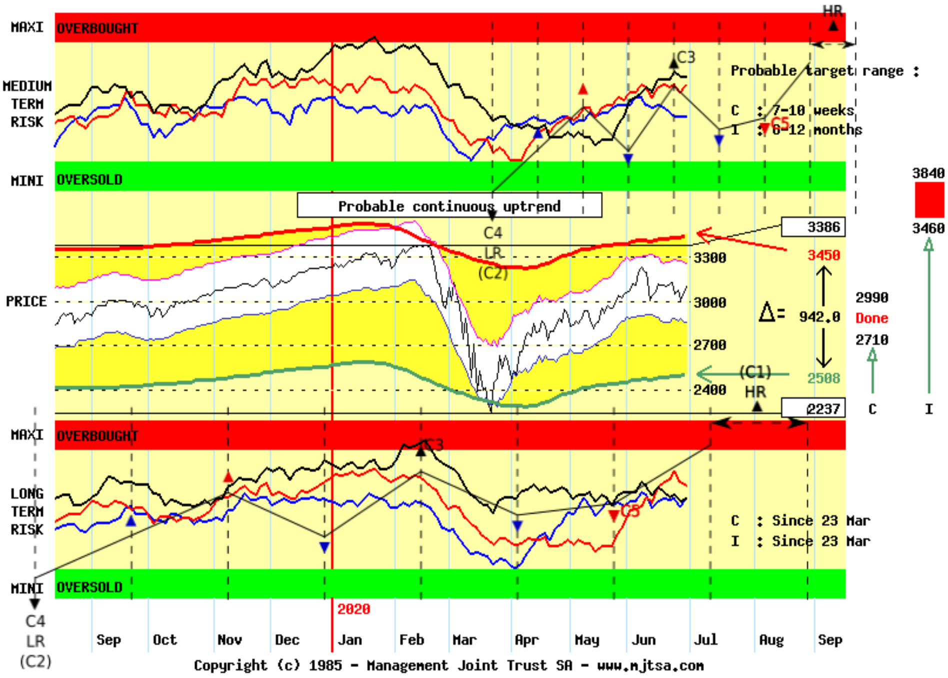
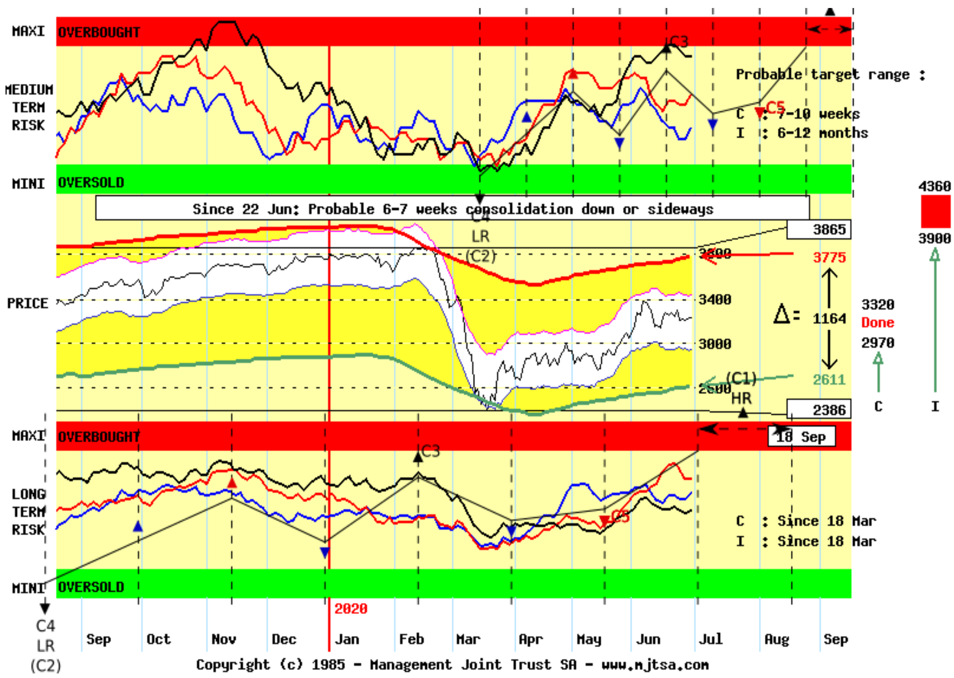
S&P500
Daily graph or the perspective over the next 2 to 3 months



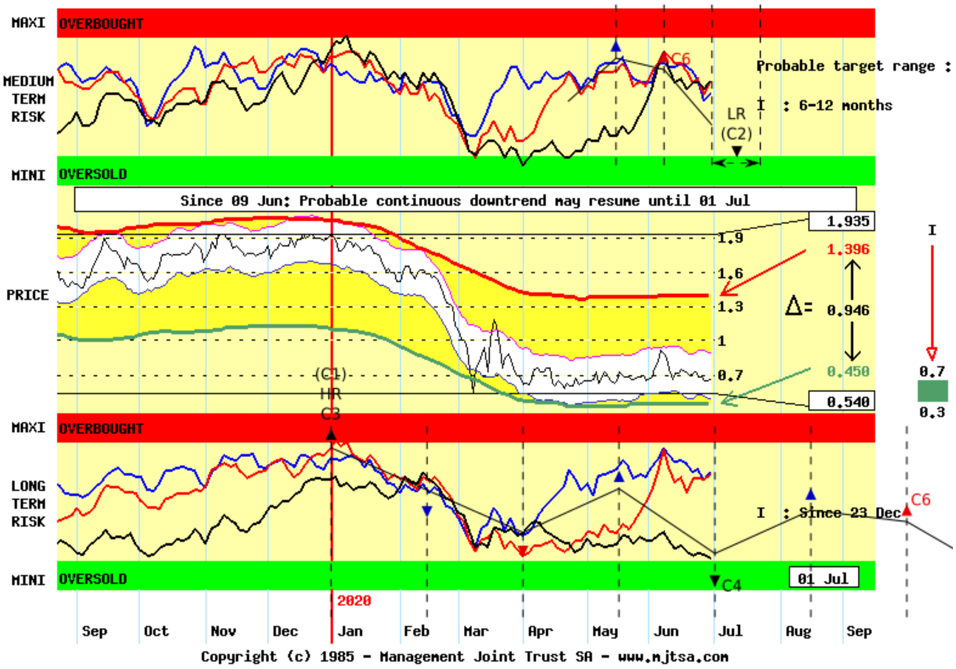
On this Daily graph of the S&P500 Index, **the recovery since March is still underway**. Our long term oscillators (lower rectangle) remain in a resume uptrend situation, which probably extends well into August. On our medium term oscillators (upper rectangle), an intermediate top was recently made. **The current downside / flat consolidation may extend another week or so (downside risk towards the mid/low 2'900s), but we would then expect a new leg Up, probably into late August, perhaps even September.** On the price target front, the S&P500 has broken above the resistance of our C Corrective targets to the **upside (i.e. above 2'990, right-hand scale), and is probably eyeing our I Impulsive targets to the upside between 3'460 and 3'840 (new all-time highs) over the next few months** (i.e. potentially towards late Summer).

EuroStoxx 50
Daily graph or the perspective over the next 2 to 3 months



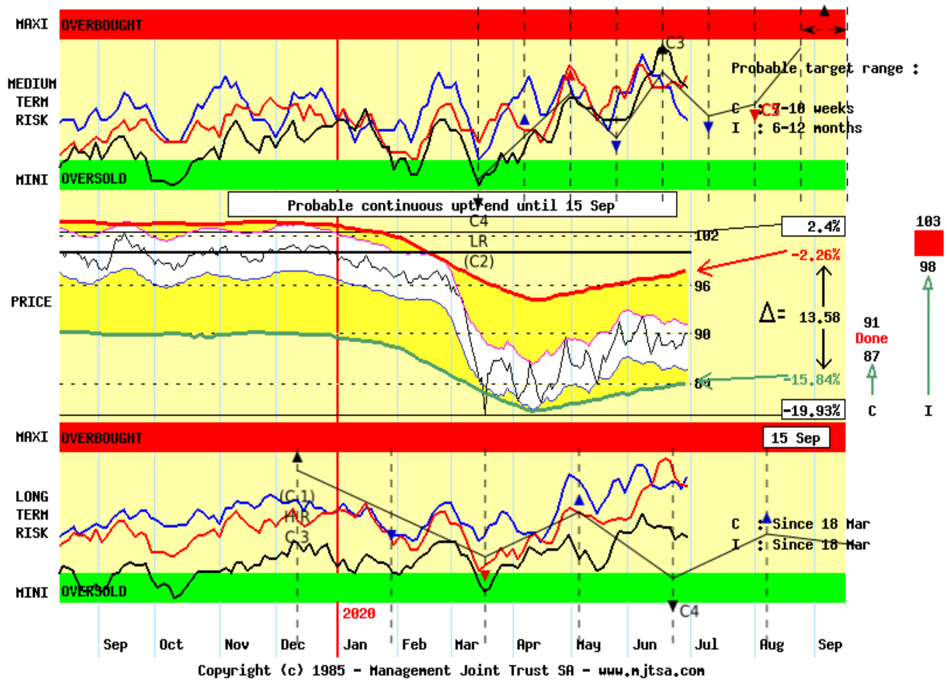
In Europe, the EuroStoxx 50 is also in a resume uptrend situation on our long term oscillators (lower rectangle), which we believe will probably last well into August. Our medium oscillators (upper rectangle) made **an intermediate top a couple of weeks ago, and could still retrace / consolidate over the next week or so (downside risk towards 3'100 -3'000). Following that, the EuroStoxx 50 Index probably resumes its uptrend into late August**, perhaps September. Targets-wise, the EuroStoxx 50 made it above the resistance of our C Corrective targets to the upside above 3'320 (right-hand scale), and then retraced. We expect it to break above these levels once again in July and potentially **reach our I Impulsive targets to the upside in the 3'900 -4'360 range over the next few months.**

US10Y Treasury yield
Daily graph or the perspective over the next 2 to 3 months



Long term Benchmark Bond yields in the US may also see another bounce, which will probably accompany the initial stages of the Summer rally we expect on equities and risk assets. **It may start over the next week or so**, probably following a few more days of downside retesting into the March lows (lower and upper rectangles), **and then potentially last into early/ mid August.** Targets-wise we expect **this bounce to be rather limited, probably reaching up in the range of its previous March and June rebounds (between 0.9% and 1.2%), not more. From mid August, we would then expect long term US yields to resume their downtrend towards the Fall and new lows.**

Russell 2000 vs S&P500
Daily graph or the perspective over the next 2 to 3 months



Over the last few days, the Russell 2000 has been outperforming both the S&P500 and Growth themes. **Such Cyclical assets such as US Small Caps should benefit from the short term bounce we expect in long term yields over the next month or so, as outlined above. The relative ratio we show (i.e. the Russell 2000 Index vs the S&P500 Index) may still consolidate a few more days** as suggested by our medium term oscillators (upper rectangle). Yet, our long term ones (lower rectangle) are probably confirming a base, and both our oscillator series (lower and upper rectangles) would then point to **further outperformance into early / mid August at least.** On the target front (right-hand side), the ratio briefly broke above the resistance of our C Corrective targets to the upside early June. It may now continue higher towards mid, perhaps late Summer and our I Impulsive targets to the upside in the 98% to 103% range, or **8 to 13% higher than today in terms of relative performance.**

Concluding remarks :

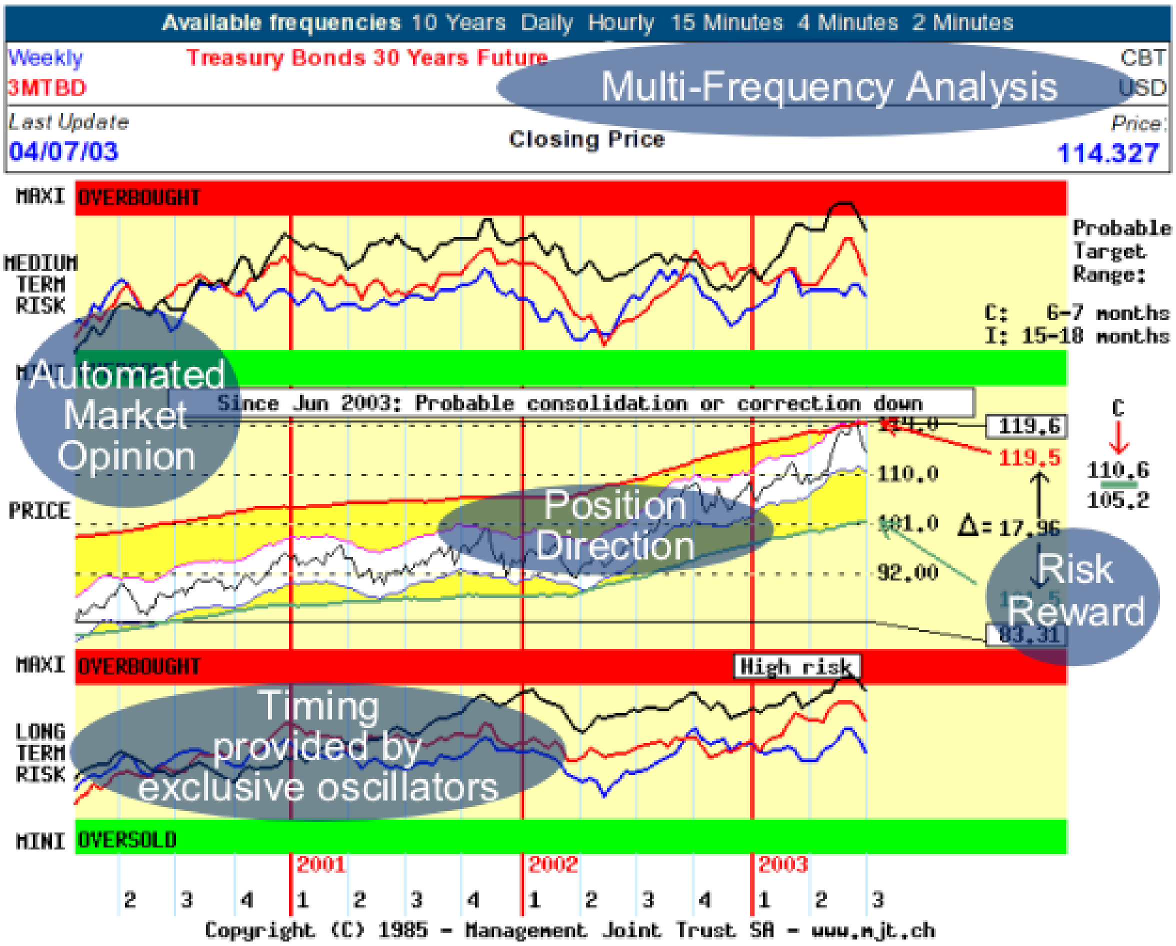
Both the S&P500 and the EuroStoxx 50 indexes could initiate a second leg up into mid/late Summer. The move may start over the next week or so, following a few more days of consolidation to the downside, or flat (downside risk towards the mid/low 2’900s on the S&P500, towards the 3’100 – 3’000 range on the EuroStoxx 50). Upside potential for both indexes into August, perhaps September is quite compelling, probably towards new year-to-date highs on the EuroStoxx 50, potentially to new all-time highs on the S&P500 Index.

Structurally, we believe cyclical factors could outperform in the initial stages of this rally. Indeed, the Russell 2000 US Small Cap Index could outperform the S&P500 Index by as much as 8 to 13% from early/mid July into early/mid August. This relative move should be supported by long term US Benchmark Bond yields (US10Y), which could see another bounce in the 0.9 to 1.3% range over the same period.

Late Summer / the Fall should then see a gradual shift into Growth and then Defensive themes. Yields should gradually resume lower from mid Summer into the Fall, and potentially towards new lows. Equity markets could hold up a while longer, until late Q3, before finally retracing down into early/ mid Q4.

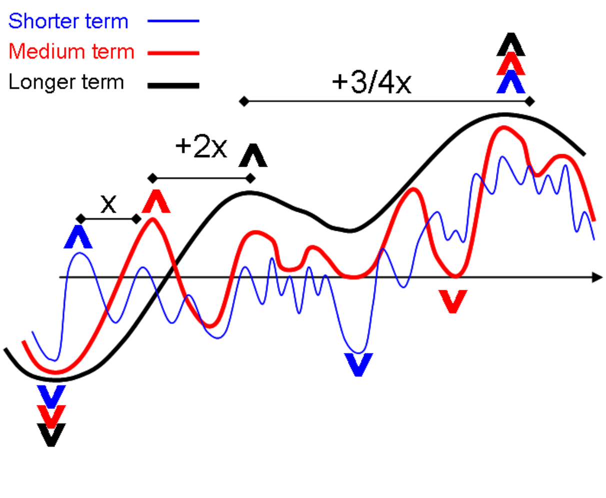
METHODOLOGY

MJT's proprietary methodology uses Timing Oscillators to help investors position themselves either in an uptrend or downtrend. It will hence allow them to anticipate and project the future sequence of events. Coverage extends over 5'000 instruments, long term to intraday, across all asset classes. Relative charts, Opportunity filters, Multi charts monitoring screens and a Portfolio Simulation tool complete the functionality set. See below a description of What's on the Chart, a Methodological brief and an outline of the ideal Uptrend/Downtrend Models (read more on www.mjtsa.com)



Timing oscillators: Different prices cycles are captured by our 3 Timing oscillators. Monitor how their relative positioning defines specific situations (Cases) to always know where you stand within the Trend (e.g. please see below the ideal Uptrend Case succession sequence)

Trend direction: the direction of the large envelope will help you decide either to apply an uptrend or a downtrend model. Contacts between the wider and thinner envelopes will help you anticipate and confirm market turning points (e.g. S&P500 bi-monthly, extracts from the 2005-2011 period).



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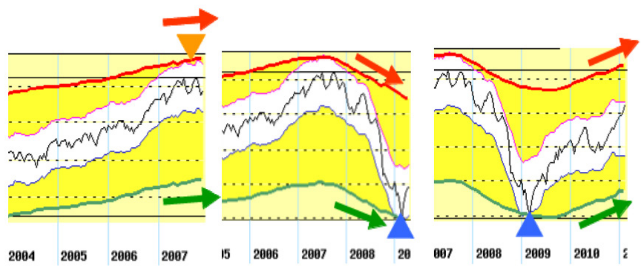
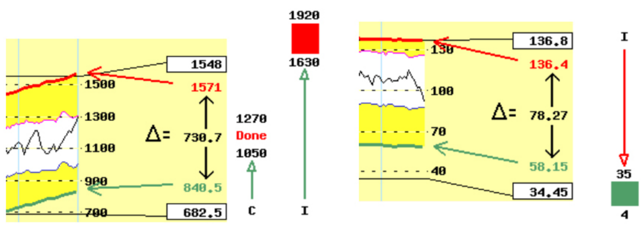
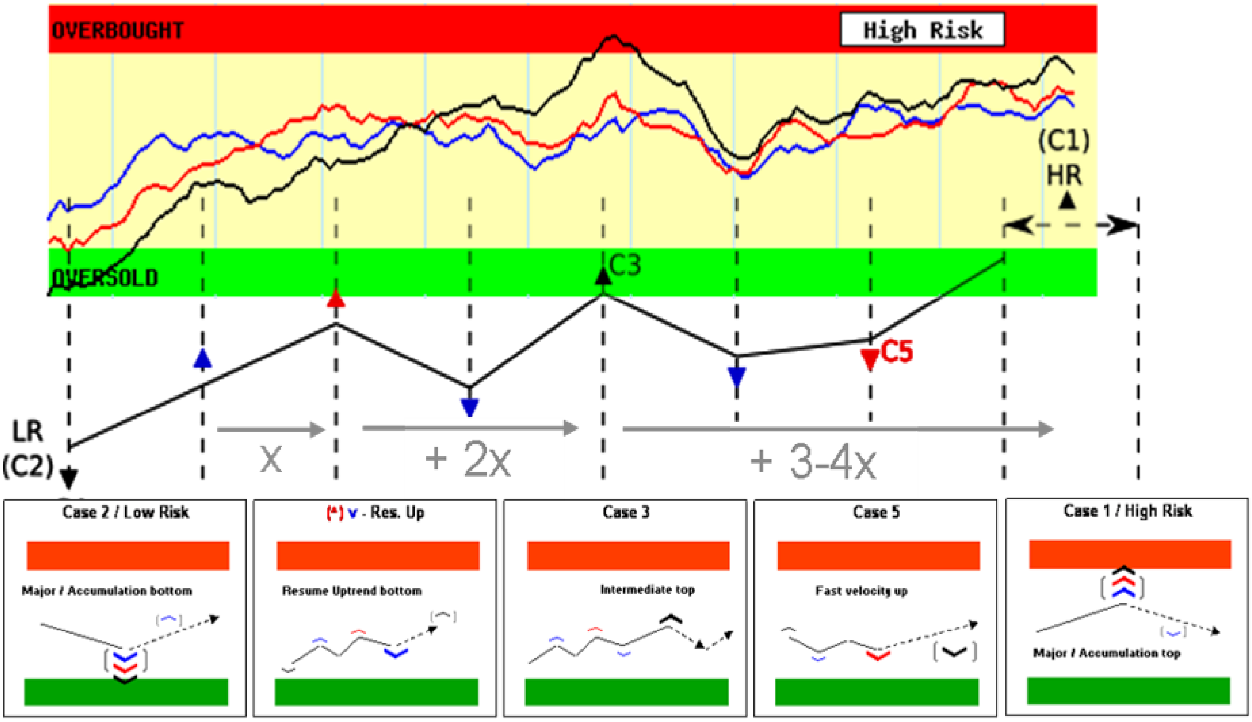


Price targets: based off historical volatility, they can highlight price potential or risk and, once achieved, define take profit or stop loss areas (e.g. below S&P500 in early 2011, Brent in October 2014).

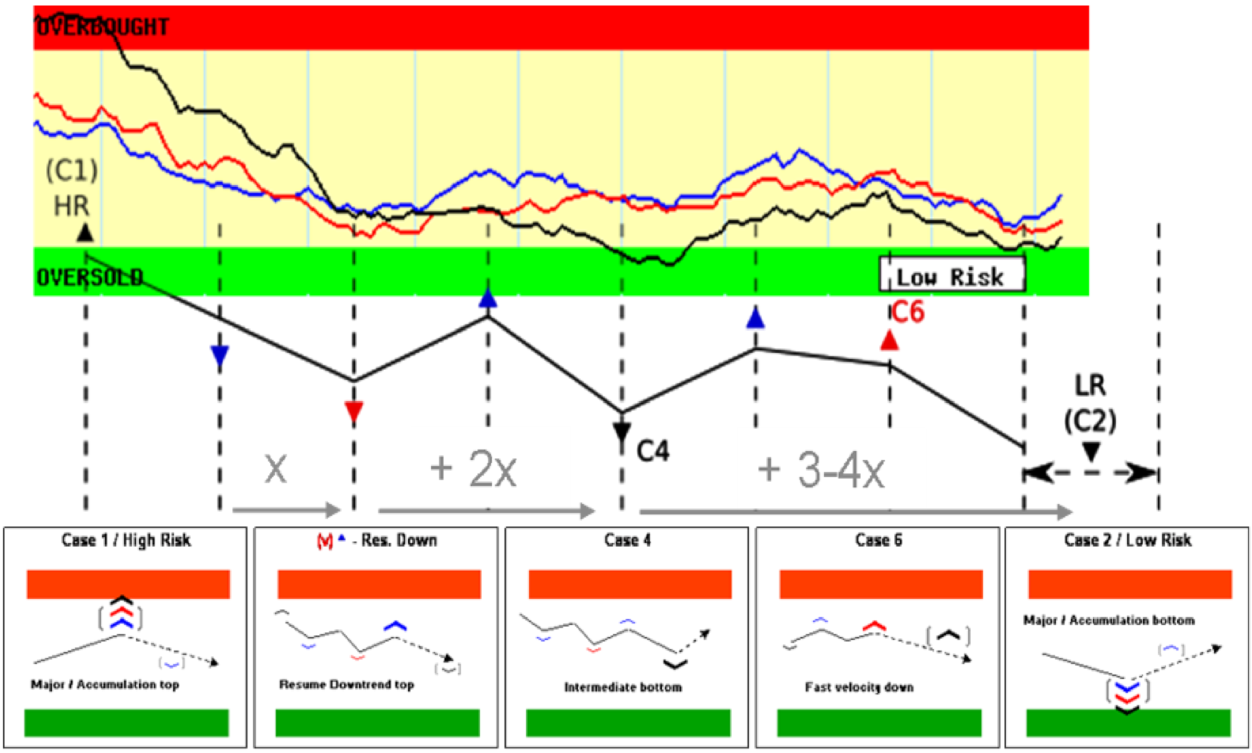


Ideal Uptrend Model



(left to right) from an oscillator black bottom (usually a Low Risk or a Case 2), the oscillators and prices will start moving up. An uptrend is confirmed once a red top can be made above a blue one. The correction down that follows delivers a buying opportunity ("Resume Uptrend") followed by an intermediate top (Case 3). A new period of consolidation down or sideways then starts, ending with a Case 5 acceleration up towards an important top (usually a High Risk or a Case 1). For each time frame, a fixed time unit separates each timing incidence, so that the distance between a blue and red top is usually X, the distance from the red to the black top is then 2X and the distance between the first and second black top is 3 to 4X.

Ideal Downtrend Model



(left to right) from an oscillator black top (usually a High Risk or a Case 1) the oscillators and prices will start moving down. A downtrend is confirmed once a red bottom can be made below a blue one. The correction up that follows delivers a selling opportunity ("Resume Downtrend") followed by an intermediate bottom (Case 4). A new period of consolidation up or sideways then starts, ending with a Case 6 acceleration down towards an important bottom (usually a Low Risk or a Case 2). For each time frame, a fixed time unit separates each timing incidence, so that the distance between a blue and red bottom is usually X, the distance from the red to the black bottom is then 2X and the distance between the first and second black bottom is 3 to 4X.