

13 June 2010

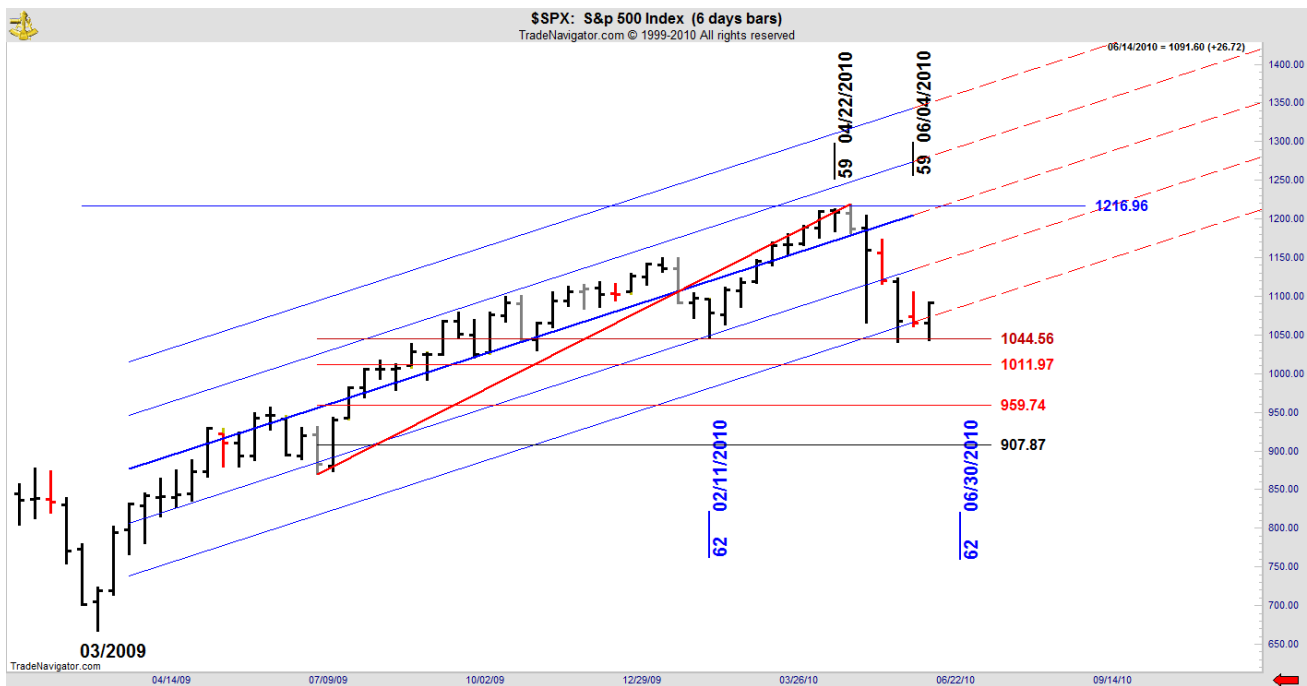
## Long Term Trend Charts-Major Markets-S&P, Gold, DX, Oil, US T Bonds & EUR-USD

### S&P

On 6 Day Regression Channel, trend is: DOWN.

On 12 Day Regression Channel, Trend is: UP with a conditional Sell signal created

On 24 Day Regression Channel, Trend is: UP



This week SPX held support at the 50% retracement of the penultimate swing and responded to Tuesday's T.03 Buy signal in a moderate fashion. That means that so far all we are seeing in US Equity markets is a normal correction. If there is any drama, it is yet to come.

This from the Members Forum on Wednesday:

“Looks like we found the Equities turn with the usual Danielcode precision. Let's review the time line and signals:

The tale starts on Sunday when the latest LTTCs were posted. They showed a DC 59 time cycle expiring last week with +/- 1 period variance. That was the "Heads Up".

**For Tuesday we had T.03 Sell signals in DX and T Bonds, and T.03 BUY signals in S&P and Russell, which means all of the US Equities and DAX due to our correlation rules.**

Tuesday gave us DC target recognition with reversal bars in the US markets and also target recognition in the DAX.

**To reinforce the signals, the DC Trade Program issued another Sell signal in T Bonds for Wednesday and BUY signals in DAX, QQQQ and Russell.**

All the signals were elected on Tuesday or Wednesday, but most looked nasty at Wednesday's close. That's the markets way of shaking out the weak hands which it likely did quite effectively.

On Wednesday I made this "Inflection Point" post in Forum to ensure that all understood what was happening:

*"Equity markets are at an important inflection point. We had a 59 week time cycle in S&P expire last week with a 1 period variance. That cycle gave us the March 2009 low and is supporting US Equity markets for now. These markets have been trying to punch out a bottom at the 3rd channel on the LTTCs (look under Trading Reports tab at left) and at the 1040.9 DC number from the S&P futures weekly chart for members.*

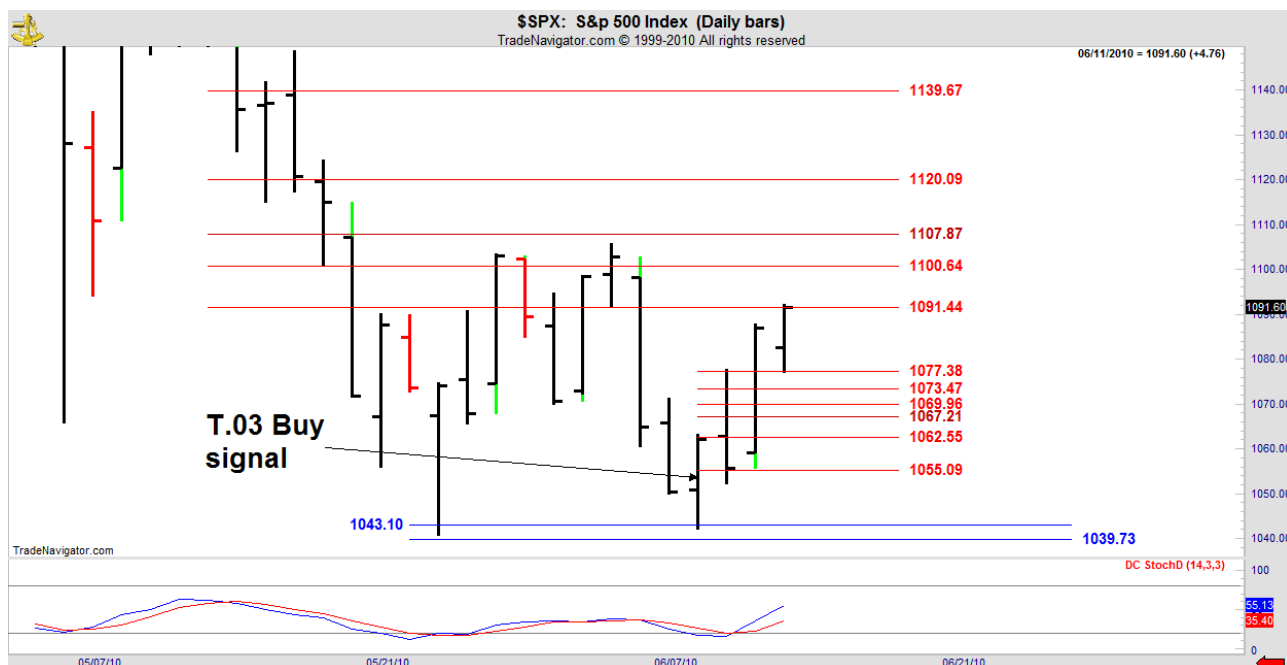
*If this is just a normal correction, this is the primo time and price for an intermediate low to hold. Technically this correction has done all that is required culminating in breaking the 02/05 low on the weekly charts."*

So the Danielcode has been signalling this turn in detailed and specific ways since Sunday.

Tuesday's Buy in Beans was nice and Wednesday's SELL signal in GOLD is returning about \$1600 per 1 contract so far. Tuesday's DX SELL is great as is the short T Bonds trade.

Those that take the time and effort to read my articles will recall the number of times that I have said contract rollovers are prime candidates for trend changes in Equities. And that was the final clue to this week's price action. Dow is up 273 and S&P is up 31 points on our usual close-to-close basis at Thursday's close. BIG TRADES."

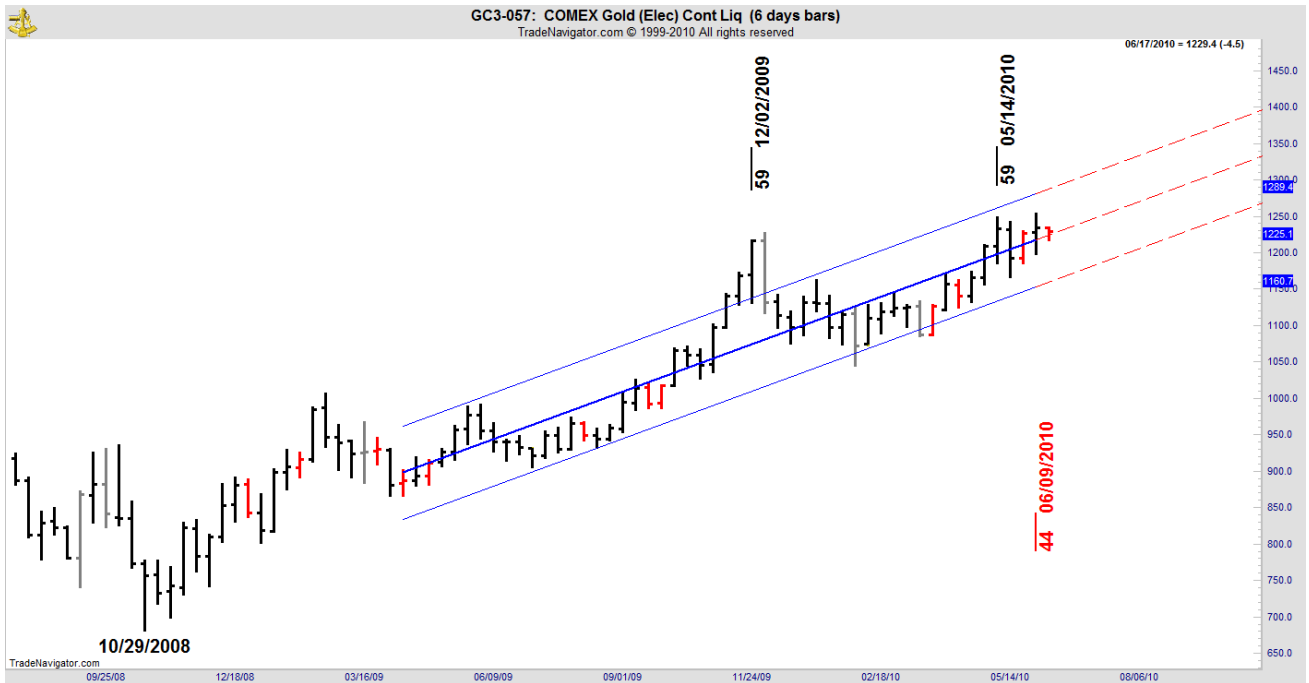
On time and on target. Perfectly perfect. We had the turn with precision in all of the Equities.



# Gold

On 6 Day Regression Channel, trend is: UP  
On 12 Day Regression Channel, Trend is: UP  
On 24 Day Regression Channel, Trend is: UP

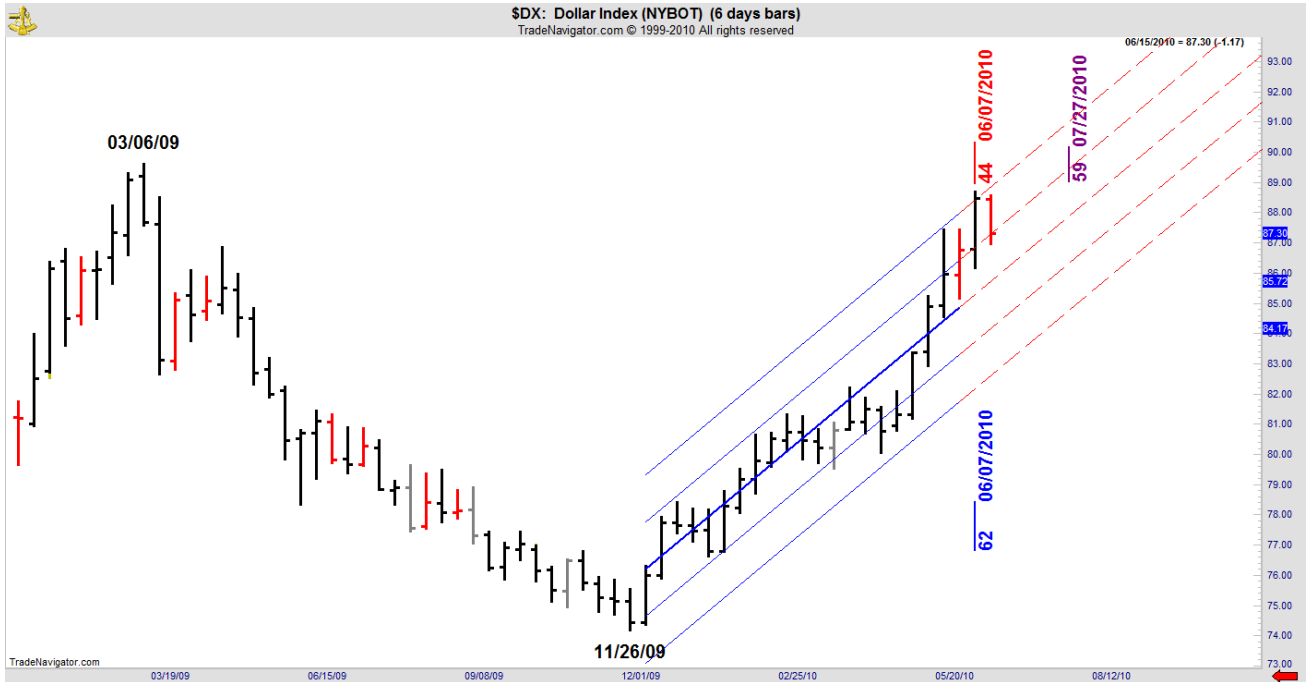
The dominant DC vibration in Gold is 44. The recent assertion of the 59 week DC cycle in this market is because of Gold's relationship with DX. 59 is the DC number for DX and sometimes that sequence can become dominant on the Gold chart.



# US Dollar Index (DX)

On 6 Day Regression Channel, trend is: UP.  
On 12 Day Regression Channel, Trend is: UP  
On 24 Day Regression Channel, Trend is: UP.

We picked this trend change in December 2009 and confirmed the Buy signal in January. That's what I call a decent swing trade!!



Last week we noted this market was at overhead resistance from its upper regression channel.

# OIL

On 6 Day Regression Channel, trend is: DOWN

On 12 Day Regression Channel, Trend is: UP, but with a conditional Sell signal

On 24 Day Regression Channel, Trend is: UP

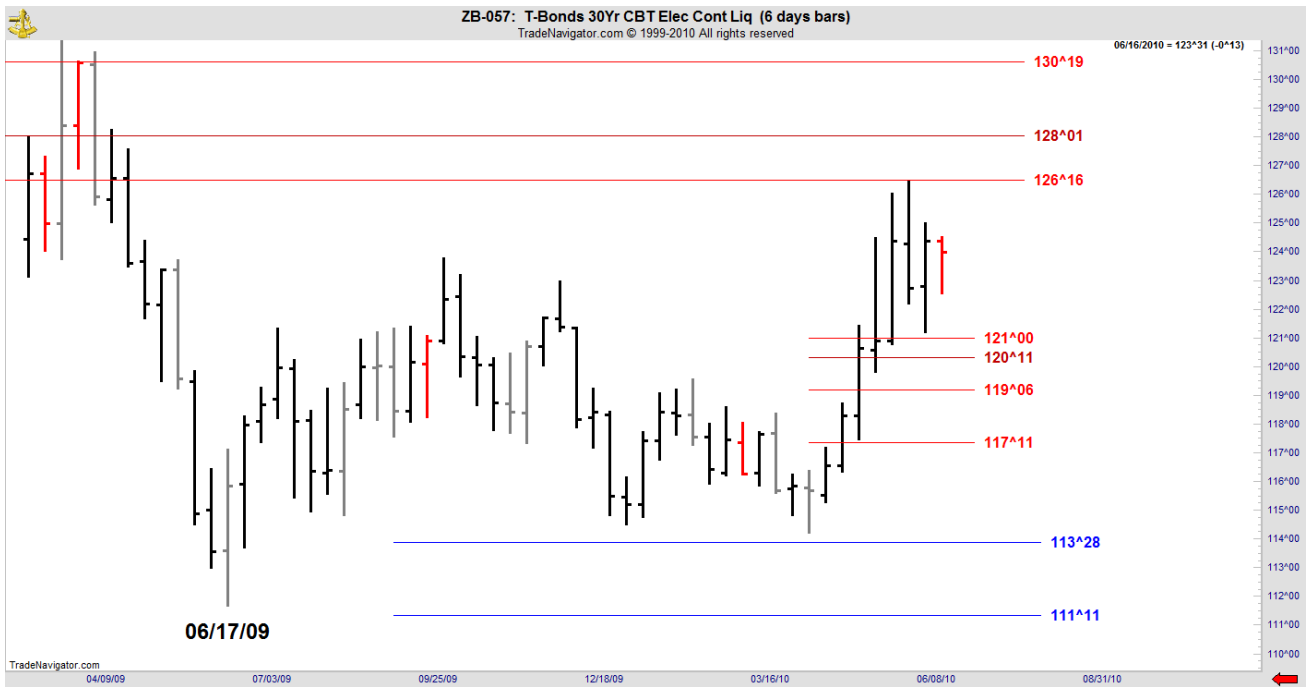


I have moved the regression channel back one period on this chart, which more nicely defines the 02/12 low and current support at the 2<sup>nd</sup> iteration of the current regression channel. All of these charts, like the DC “Time” charts have a +/- variance of one period.

# US T Bonds

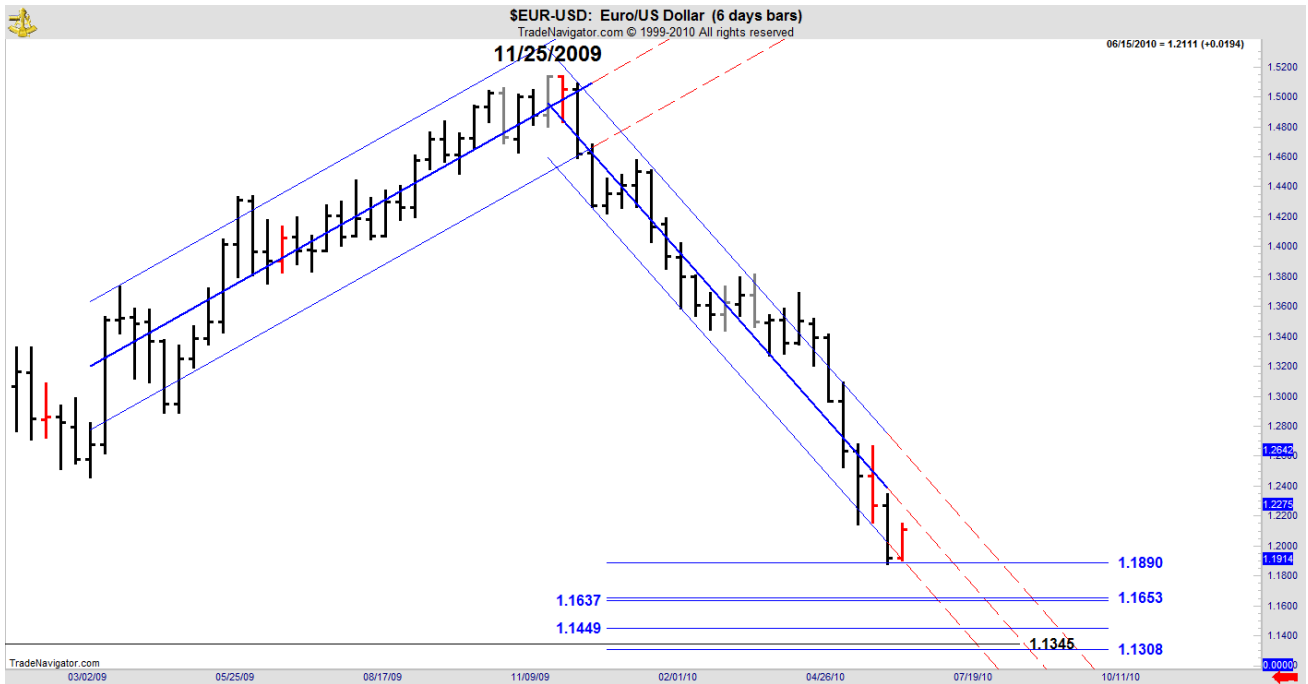
On 6 Day Regression Channel, trend is: UP  
On 12 Day Regression Channel, Trend is: UP  
On 24 Day Regression Channel, Trend is: UP

This market is now tracking the Danielcode retracement numbers, and is correcting the major swing.



# EUR-USD

Here's a nice chart of the Euro falling out of its DC Regression Channel as it capitulated into the next DC Blue line target at 1.1890. Trend is DOWN on all time series.



The long term chart below, puts the Euro's correction in perspective.

