

14 August 2010

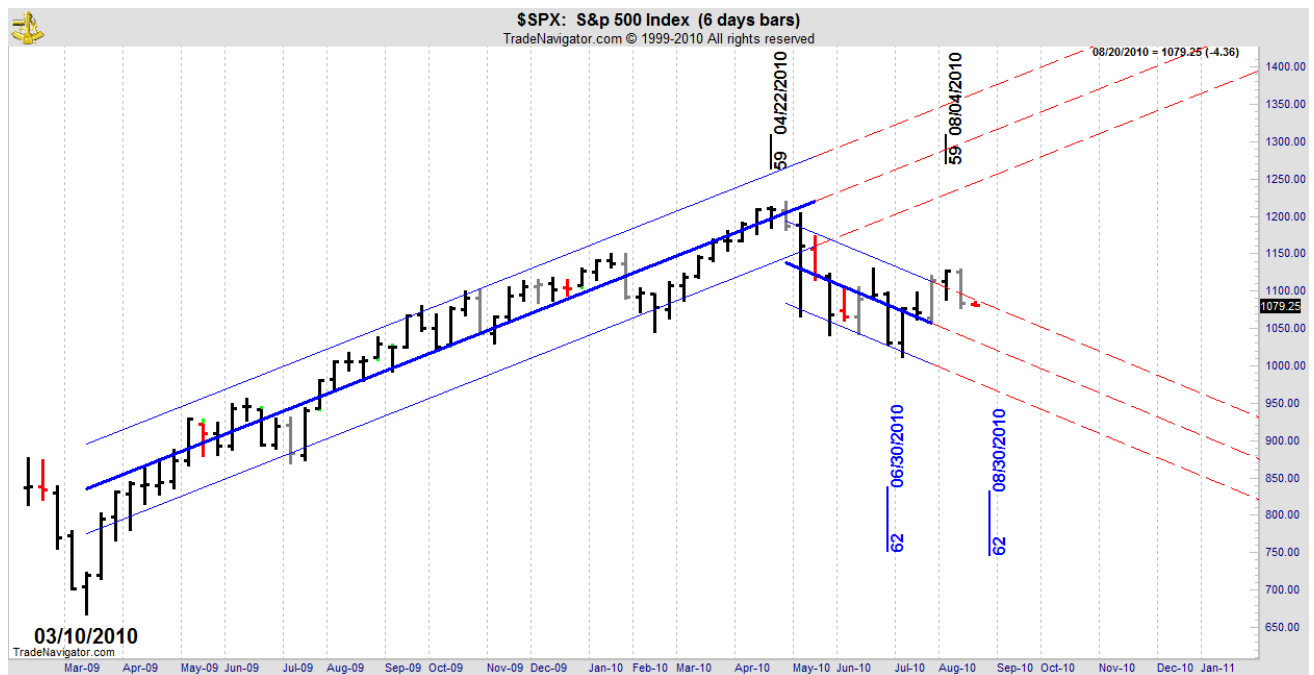
Long Term Trend Charts-Major Markets-S&P, Gold, DX, Oil, US T Bonds & EUR-USD

S&P

On 6 Day Regression Channel, trend is: UP

On 12 Day Regression Channel, Trend is: DOWN, but now with a conditional Buy signal

On 24 Day Regression Channel, Trend is: DOWN



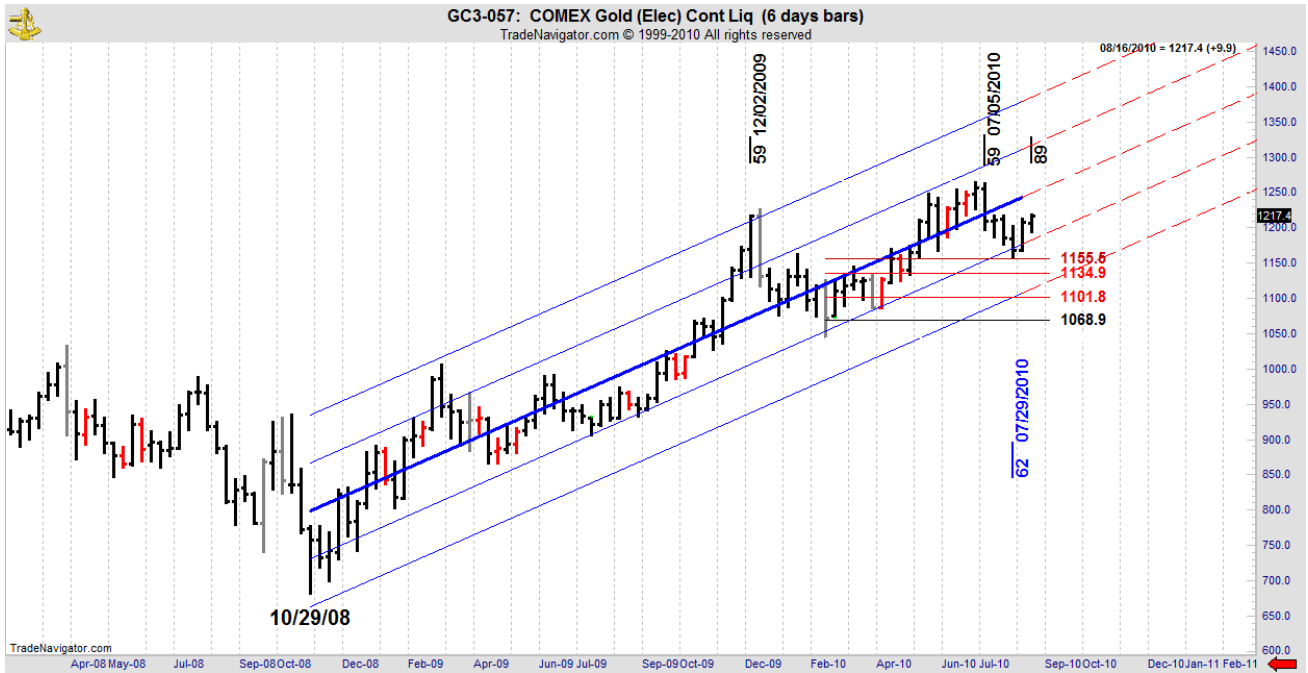
S&P rallied from its last 62 time cycle support, into the Black 59 DC week time cycle and responded to that inflection point with a down week that took it back into the downward regression channel, but it retains a strong position near the top of that channel. Dominant trend remains down.

Gold

On 6 Day Regression Channel, trend is: DOWN

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

On 24 Day Regression Channel, Trend is: UP



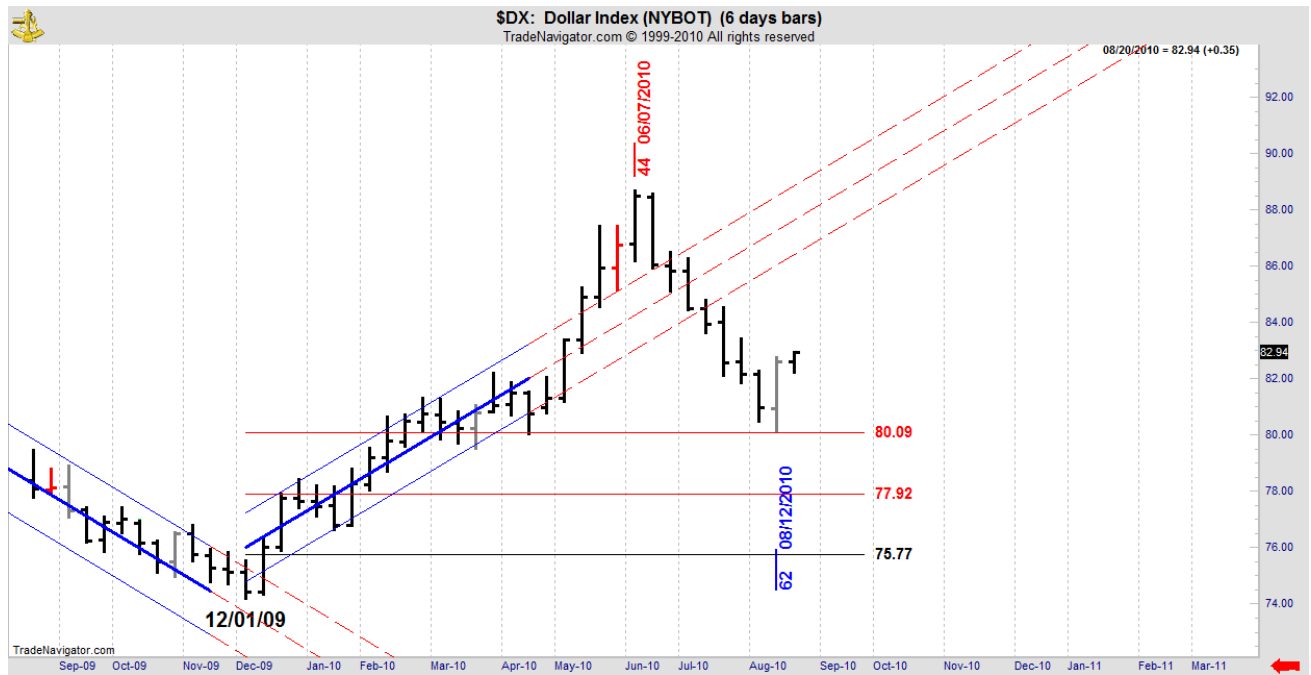
Gold has rallied off the 50% retracement after finding support at the DC 62 time cycle. A close above 1218.2 will negate the current Sell signal on this time series.

US Dollar Index (DX)

On 6 Day Regression Channel, trend is: DOWN

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

On 24 Day Regression Channel, Trend is: UP.



DX slipped through its 50% support last week and landed with just a 1 tick variance at the next DC retracement at 80.09. Precision indeed!

The chart above tells the story. DX turned 1 tick from its DC number and right in the DC 62 week time period. On target and on time. Fabulous!!

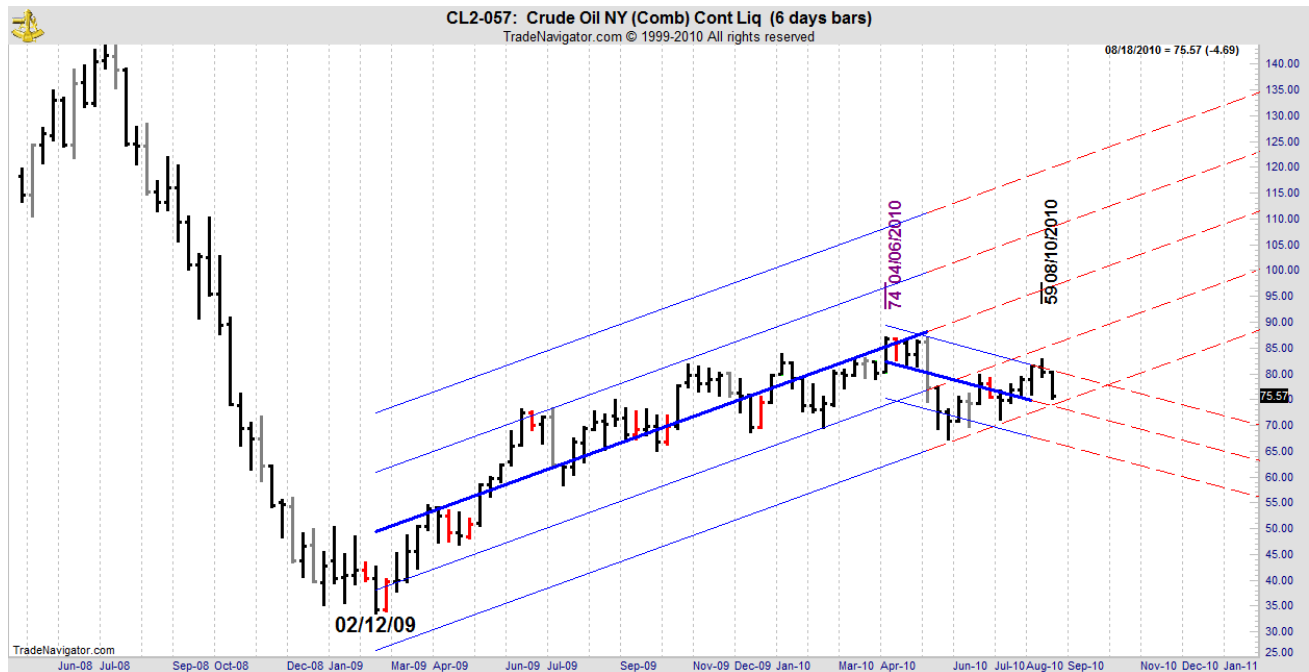
But more work needs to be done to reverse the current down trend.

OIL

On 6 Day Regression Channel, trend is: DOWN, but now with a conditional Buy signal.

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

On 24 Day Regression Channel, Trend is: UP



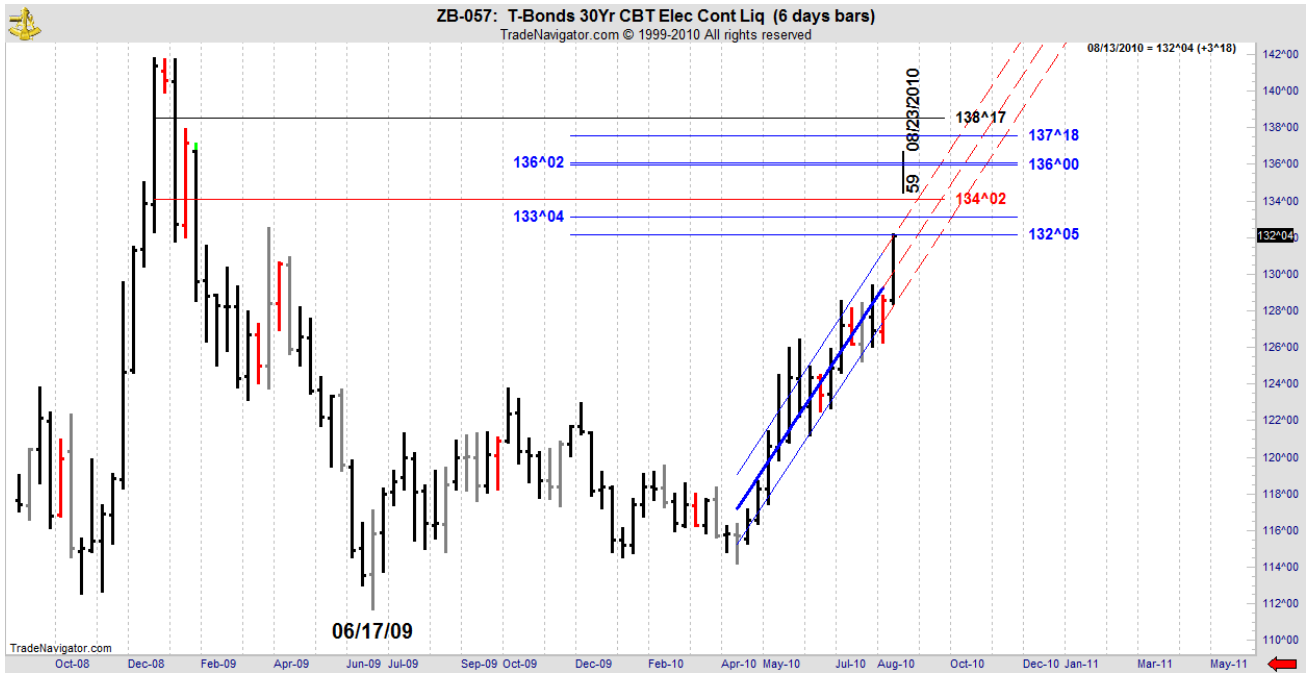
This market is now fighting to regain its main regression channel, which is an imperative if the rally from 02/09 is to continue, and is now testing the lower extension of the old upwards regression channel. The recent high came at the DC 74 week cycle expiration, a number familiar to DC members. The 2nd iteration of the upward regression channel continues to provide support.

Last week's turn back down was in response to the DC 59 week cycle which we warned about in the previous edition.

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 Blue line numbers which changes the character of the current move from a corrective rally to a new trend. Bonds are at the top of a narrow regression channel and we have a maturing DC time cycle expiring 08/23. Bonds chart is ripe for a correction shortly.

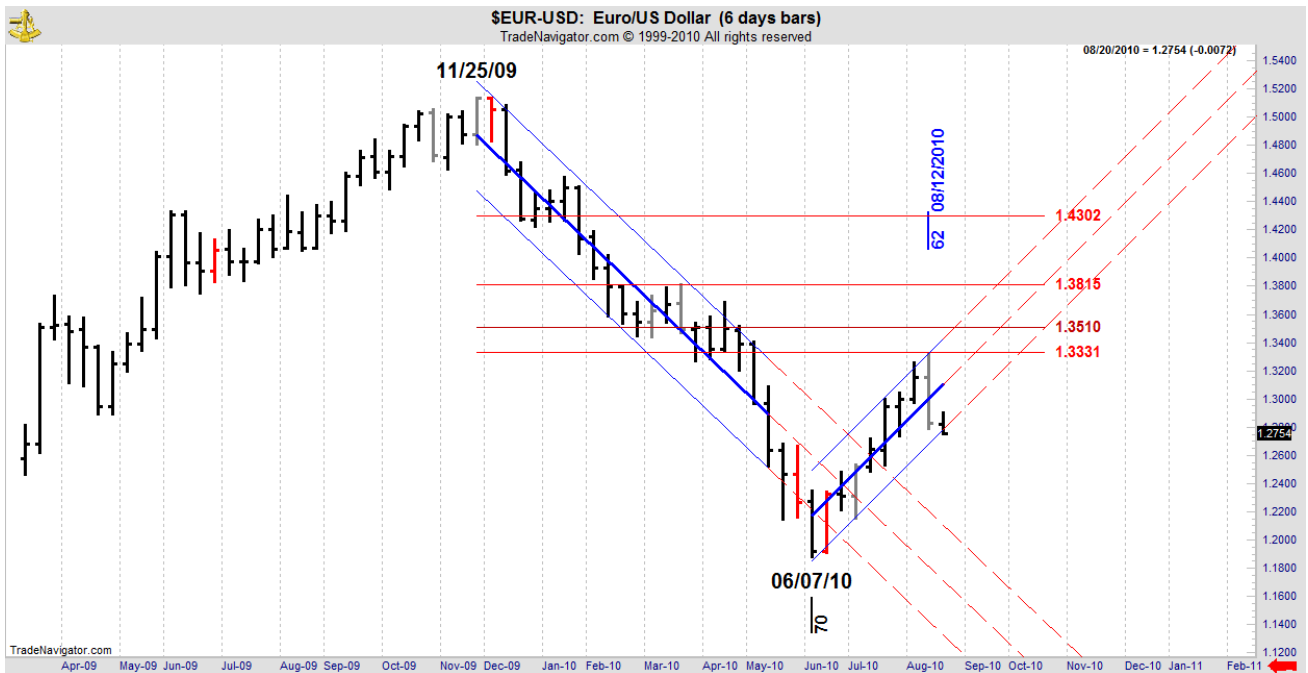


EUR-USD

On 6 Day Regression Channel, trend is: UP

On 12 Day Regression Channel, Trend is: DOWN, but now with a conditional Buy signal.

On 24 Day Regression Channel, Trend is: DOWN, but now with a conditional Buy signal.



The Danielcode retracements are extremely accurate (as are all the DC numbers). This market is telling us with a degree of precision which swing it is correcting, and hence the relative strength of the rally. It is now correcting the major swing.

EUR-USD has strong characteristics of a “Heathen” market. The dominant DC time cycles for Heathen markets are 62, 70 and 69. The 62 DC ‘Week’ cycle referred to here is not from the Binomial series that we see on other “Urbane” or compliant markets.

Last week we saw EUR-USD reacting perfectly to the DC time and price targets as it made a high just 2 ticks past its DC target and right in the high probability 62 week time zone. A great example of another major market “squaring” time and price as it turned on target and on time. All markets are ruled by the Danielcode!!