

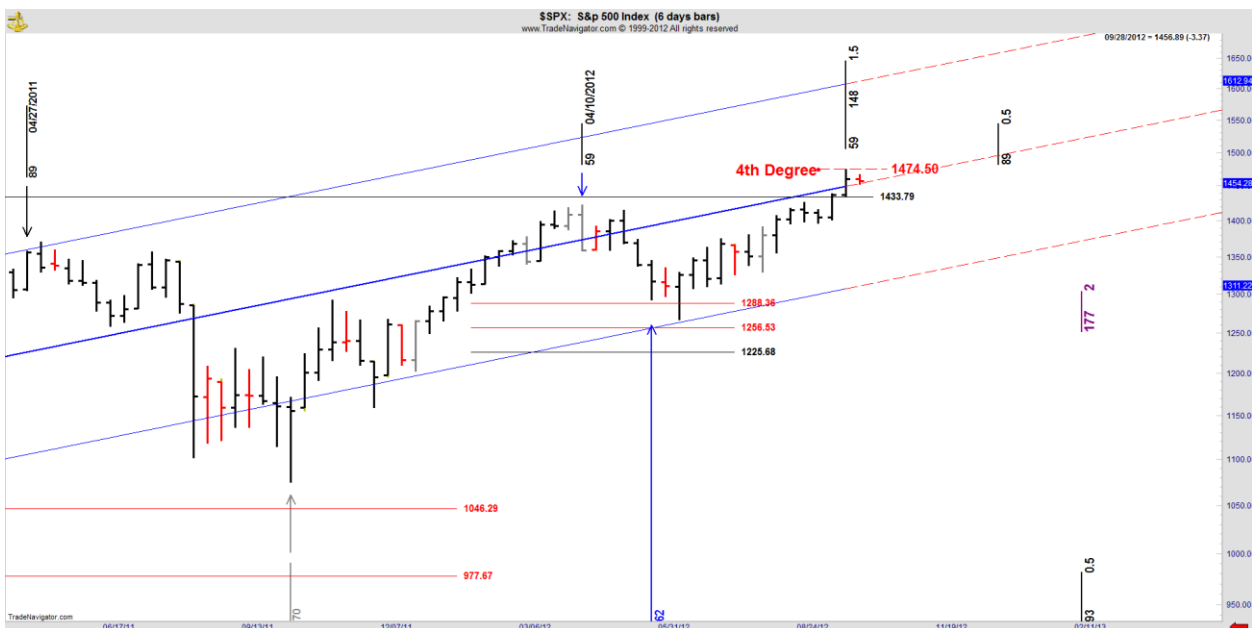
S&P

On the 6 day chart the trend is UP
 On the 12 day chart the trend is UP
 On the 24 day chart the trend is UP



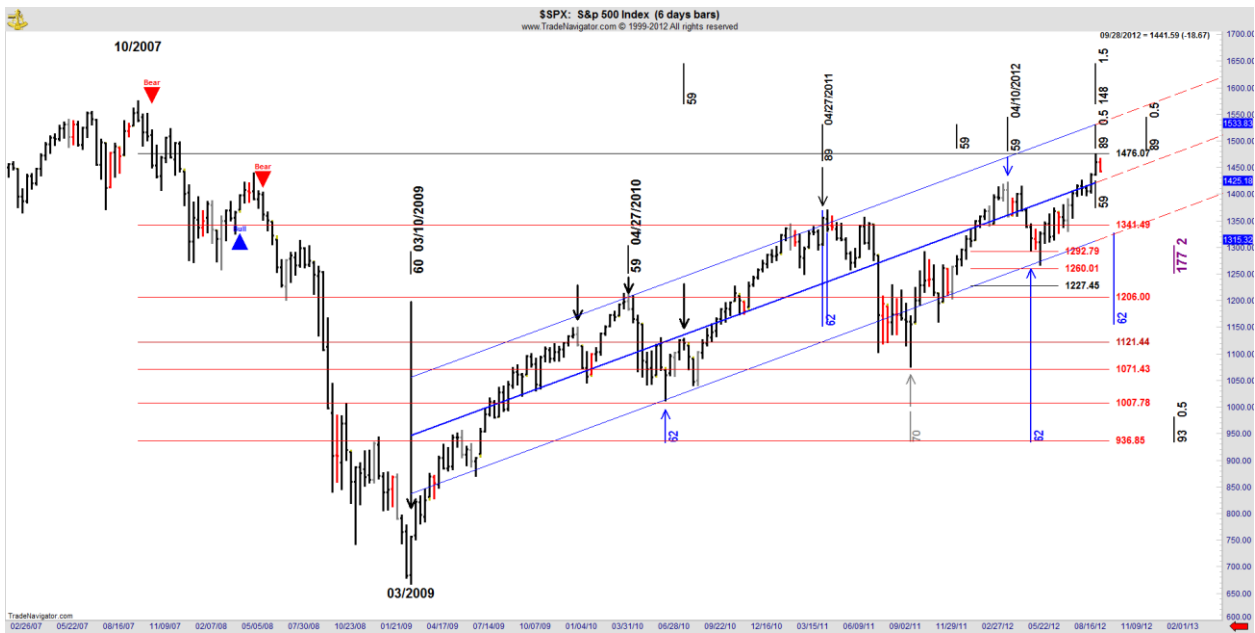
Let's zoom in on the above chart to see where it is now: We have a close above the DC Black line on this 6 day chart, and 2 expiring 59 DC time cycles and price almost exactly at the 4th Degree which generally forecasts market turns of at least an intermediate nature. The close above the DC Black line puts the odds strongly in the camp of new highs for this market. And that makes 1576.09, the October 2007 top the next upside target.

In the interim this market needs to deal with its 4th Degree resistance so best guess is a correction into w/e 10/08 or 10/24, both of which have DC 62 week support time frames expiring.



You need to be aware of the difference between standard and Semi-log scales on long term charts. There is a complex discussion on Wiki and elsewhere but basically semi-log uses an algorithm to adjust one axis whilst retaining the linear scale for the other. It is very useful in longer term charts.

The above charts use semi-log on the DC rets and below is the same chart without semi-log:



This chart is better still with the recent highs stalling at the DC Black line and the 4th Degree. With 3 or more DC time cycles expiring the odds of at least an intermediate correction are high. Semi-log on the price scale is often revealing on very long term charts. Play with the DC trading channel and see the differences between the charts. Remember if you switch on semi-log to switch it off when you have finished your analysis, otherwise you will have a Mea Culpa as I have above!!

Below is the 12 day chart of S&P Index (\$SPX):



I first showed you this chart in February 2011, and said that market was likely to be at 1476 on 09/2012, just in time to set up a victory for Obama's 2nd term effort, and so it was with a high of 1474.51 for the week ending 09/20. Amazing!! But this time chart too is at Black line resistance and a 4th Degree line, both of which require considerable momentum to be overcome. A close above the DC Black line on this chart implies that the 2007 high will be taken out and swings the odds even further in favour of Obama for the next Presidency of USA.

Regardless of whether you take an interest in US politics, we can say at the least that we have kept you on the right side of the market and you have hopefully avoided the doom sayers.

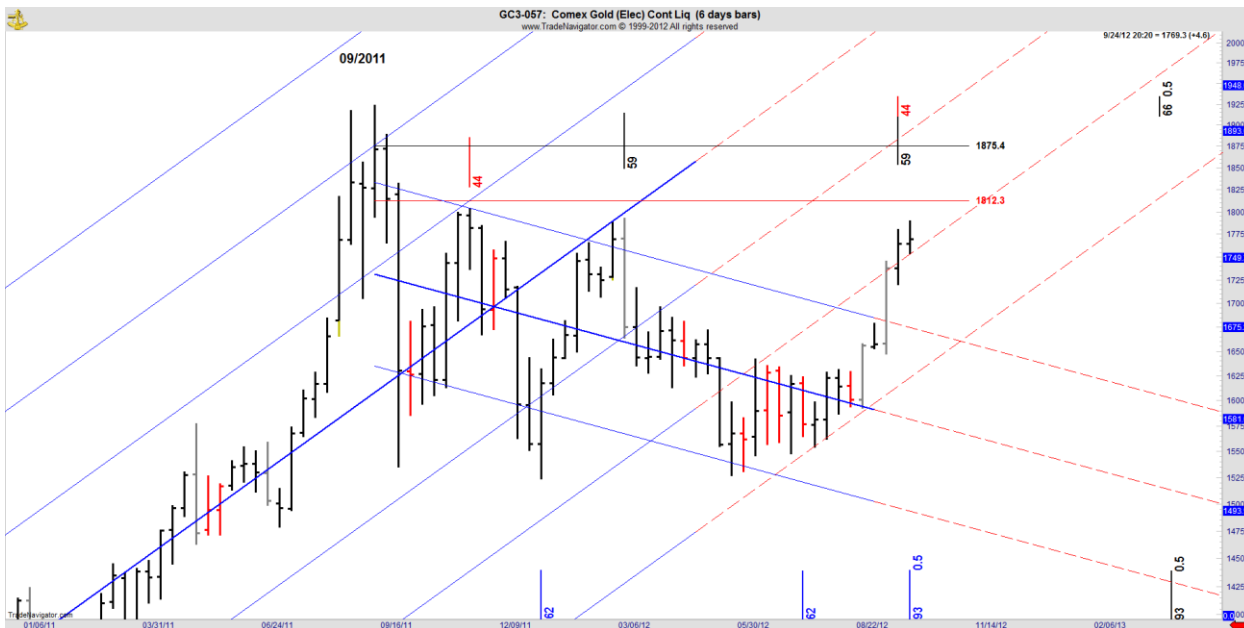
Our 24 day long term chart has the market exactly at its 4th Degree resistance and at the median of its DC trading channel, both of which are resistance.

GOLD

On the 6 day chart the trend is UP

On the 12 day chart the trend is UP

On the 24 day chart the trend is DOWN



Gold has broken out of its downward sloping DC trading channel, but faces 2 different DC time cycles which expired on 09/17, but due to our allowable +/- 1 period variance, they are still active until 09/25

EUR-USD

On the 6 day chart the trend is UP

On the 12 day chart the trend is DOWN but now with 2 conditional Buy signals

On the 24 day chart the trend is DOWN

