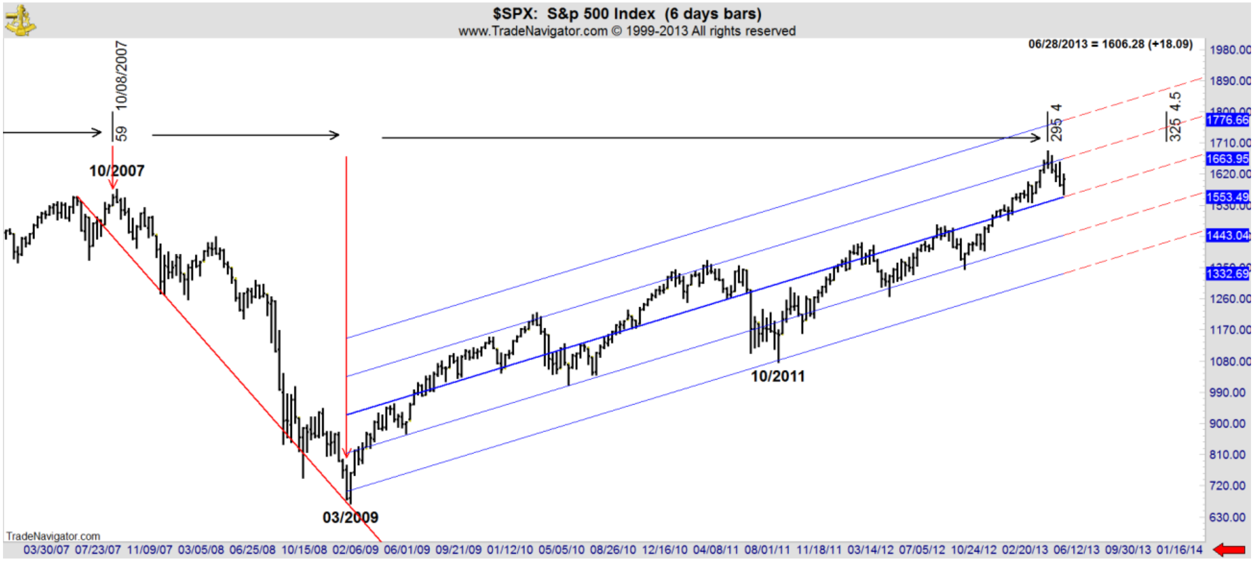
Long Term Trend Charts-30 June 2013

S&P

On the 6 day chart the trend is UP, but now with 2 conditional Sell signals
On the 12 day chart the trend is UP
On the 24 day chart the trend is UP



This is the Danielcode 6 day timing chart which shows this market strictly observing its DC trading channel as it has since 03/2009 and turning on 05/24/2013 just as the 4th Seal forecast. We knew about that high probability turn back at the beginning of May and there is so much to talk about that I have done a short video called “S&P-Timing the May 2013 Turn” which Terry will have posted for you in the next day or so.

Without wishing to give offence I have to say that I am astonished at the level of ignorance displayed and accepted by the financial community on market analysis and forecasting. Whole forests of newsprint and their electronic equivalent have been utilised to explain that the current pullback was caused by something that Bernanke mumbled. All of that from glorified commentators is wrong. All of it.

This market and the other US Equity markets and their cousin the German DAX turned because the Danielcode ratios of time and price were squared in the 6 day period ended 05/24/2013 and we knew that this turn was coming as early as 05/05/2013.

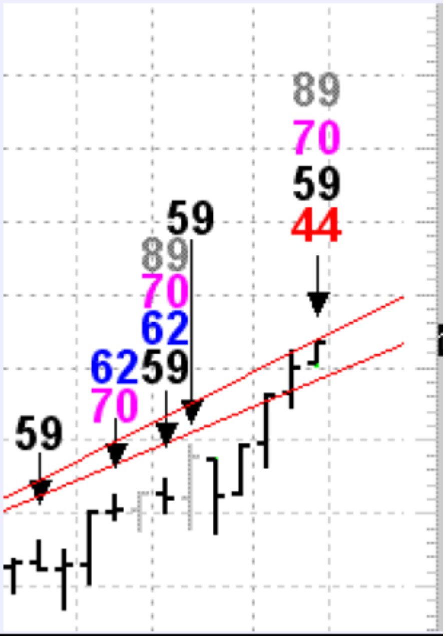
We always require a daily DC signal to pull us into the trade and here it is:

There is an interesting argument in this market between the price target which has not been reached and the time targets which did something extraordinary by having all of the DC time cycles from 29 to 89 expiring in conjunction at the May high. This from Frank in Forum:

frank (Subscriber)	Jun 22, 2013 - 2:00pm GMT 7 days ago
On May 24th 2013 something unusual happened. On the 24 day chart the S&P hit almost exact 4th seal resistance right at the expiration of a major 59 cycle. What is unusual is that at that moment in this time frame every fractal of the Danielcode binomial vibrated. That means we had all the time cycles from 29.7 to 89 expiring when the high was made at the 4th seal. I hope you don't think that was just a coincidence.	

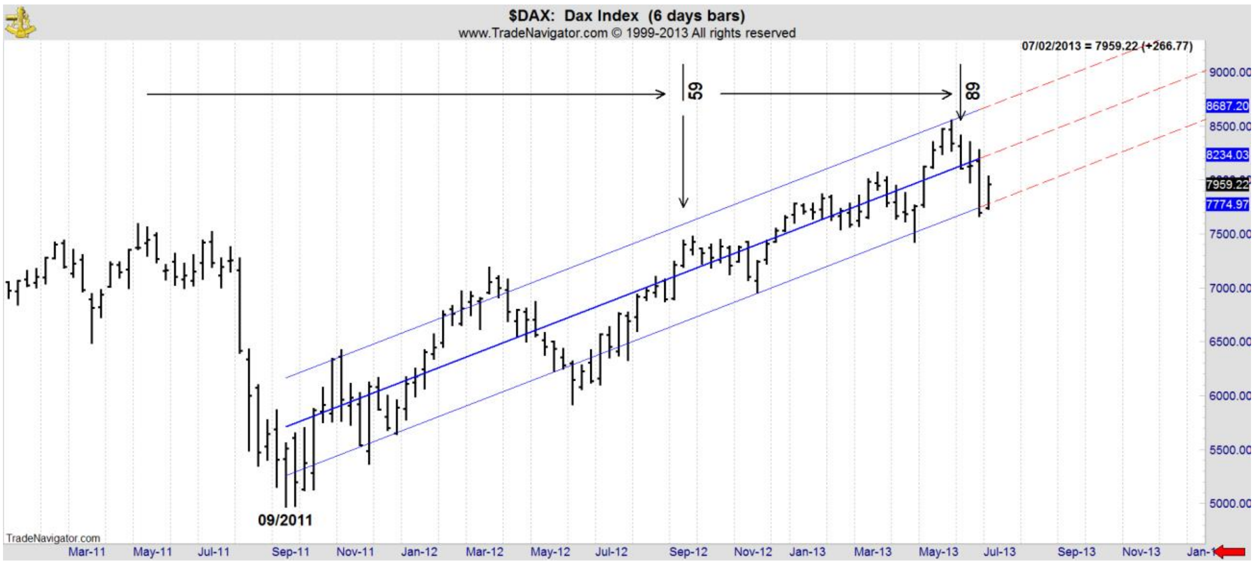
The longer term charts are more powerful than the shorter term charts so I explore this question for you in detail in the new video.

So far this first leg down has been choppy and interrupted by contract rollover in the futures contract. I will analyse future price action for you also in the S&P video.

Contract	S/R	Levels	Chart
$SPX (S&P index) (6day chart)	RESISTANCE	04/22/13 : **1633.134** 05/30/13 : **1641.859** 05/08/13 : **1650.583** 05/16/13 : **1659.308** 05/24/13 : **1668.032** 06/04/13 : **1676.757** 06/12/13 : **1685.481** 06/20/13 : **1694.206** 06/28/13 : **1702.930**	

Next to the $DAX the $S&P is also pointing towards a top in the making. On this chart we are at 4th seal resistance and have a basket of cycles expiring ending on 05/24 +- 1 DC week. On the 12 day chart the 59 cycle from the momentum high stretches till next week which suggests it could hold up for another week but remember that the first opportunity for a high comes from a 59 cycle that originates from the closing high which was a week sooner and which expires now. As we are getting into the latter part of the time frame for the $DAX to top we should see the top in the S&P sooner rather than later.

And here’s the German DAX which is being almost as well controlled by the Danielcode.



We knew about the looming top in DAX from the 05/05/13 update of the 4th Seal which showed the 24 day chart and the 12 day chart and the 6 day chart all at 4th Seal resistance and with expiring DC time cycles. Fabulous!!

Below is the 24 day chart from the 05/05 update:

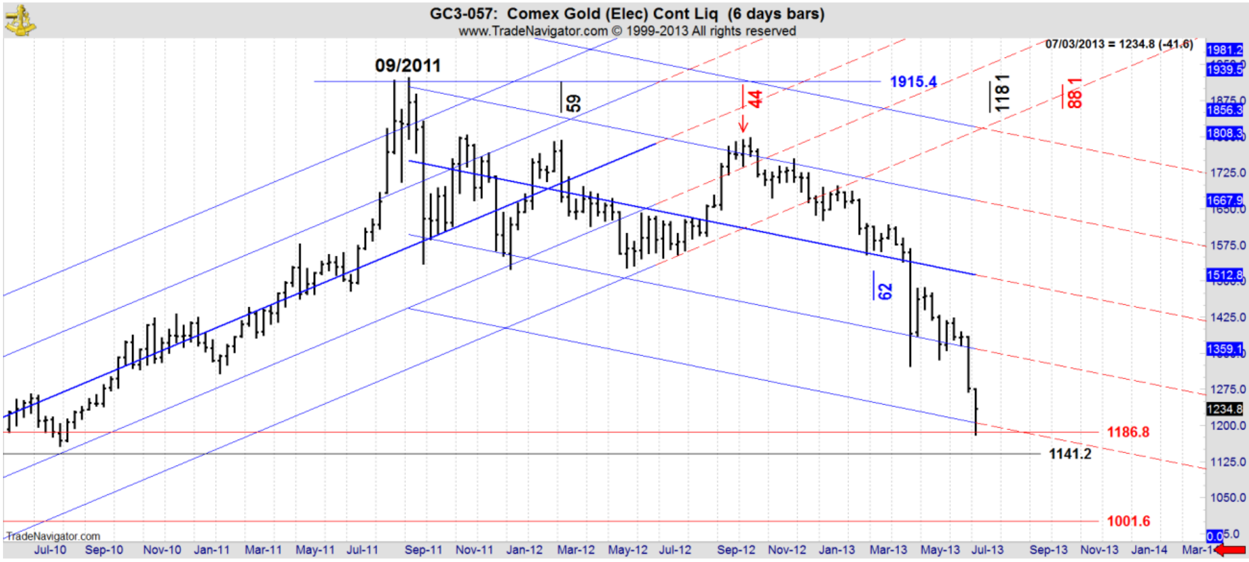
Contract	S/R	Levels	Chart
$DAX (DAX index) (24day chart)	RESISTANCE	01/10/13 : **8037.341** 02/13/13 : **8074.825** 03/19/13 : **8112.310** 04/22/13 : **8149.794** 05/24/13 : **8187.279** 06/27/13 : **8224.763** 07/31/13 : **8262.248** 09/03/13 : **8299.732** 10/07/13 : **8337.217**	
The DC monthly chart of the German DAX index has entered a major inflection period right in the middle of the active bar. This bar started on 04/26 and is ending on 05/29. 2 cycles namely the 59 and the 70 cycle (70 cycles are regurarely seen in the euro			

GOLD

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

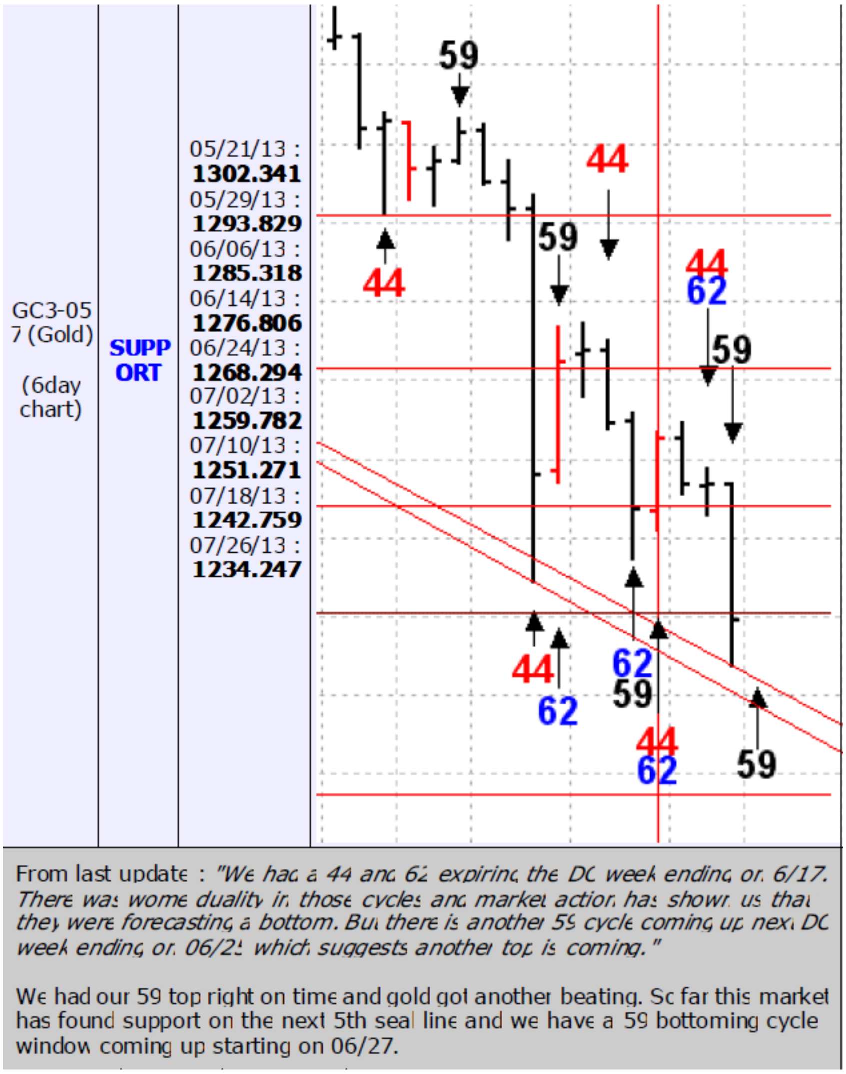
This is the 24 day chart of Comex Gold Futures. The 09/2011 top came right at the "two times and an half" Danielcode cycle from the 2001momentum (closing) low. The red line count which in this case is the DC timing cycle for Gold shows 1.5 but that is because it doesn't count the first cycle. Gold's timing cycle is 44 and although it uses other DC time cycles, 44 is its own cycle. To find out why, read "Master Class II-Timing Gold" at
http://www.financialsensearchive.com/fsu/editorials/danielcode/2009/0605.html

The chart above is log scale to account for the long period of review and you can see that it has not even retraced 50% of the last swing. If we get rid of the log scale the retracement is 59% and both of these charts argue that the dominant trend in Gold on the 24 day chart is still up. Remember that trend is a function of time and there are usually different trends on different time frames. If we look at the 6 day chart below, the trend is definitely not up!!



But we are now at the 2SD line of the DC trading channel, and at DC retracement support. A rally is likely soon.

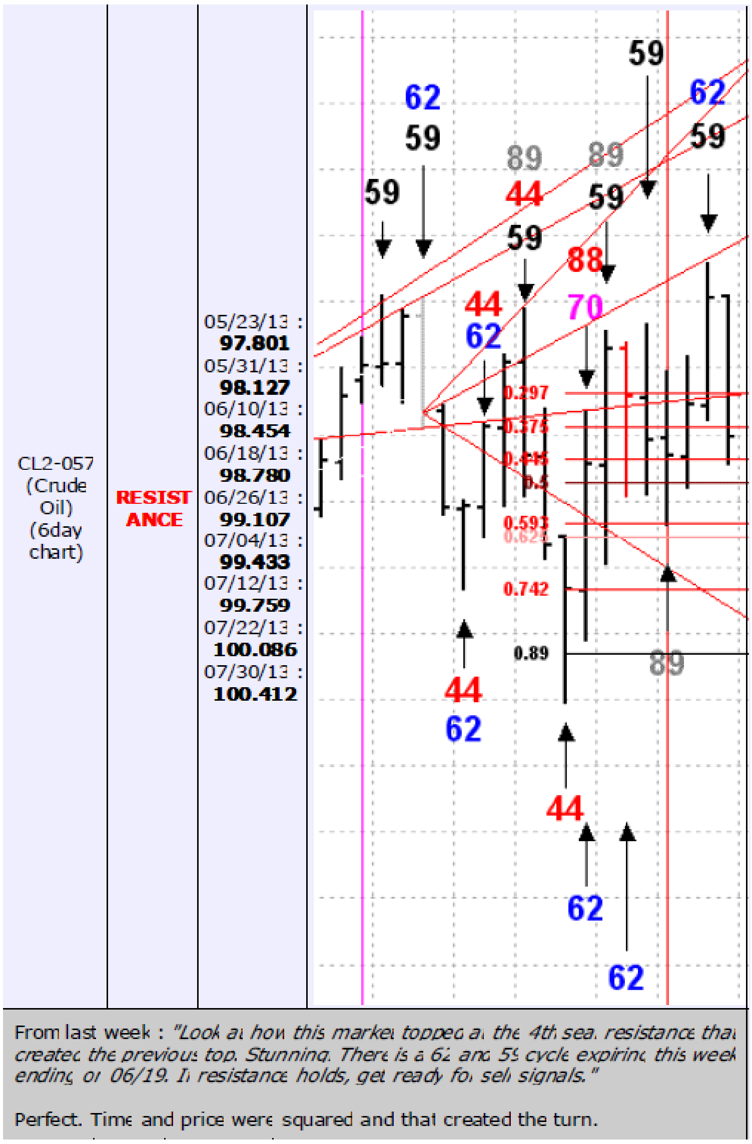
Below is last week's 4th Seal anlysis:



Crude Oil

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

Oil has been consolidating since late 2012 but there have been great trading opportunities as it continues to turn, run and turn again as forecast by the 4th Seal. Here is last week's update:

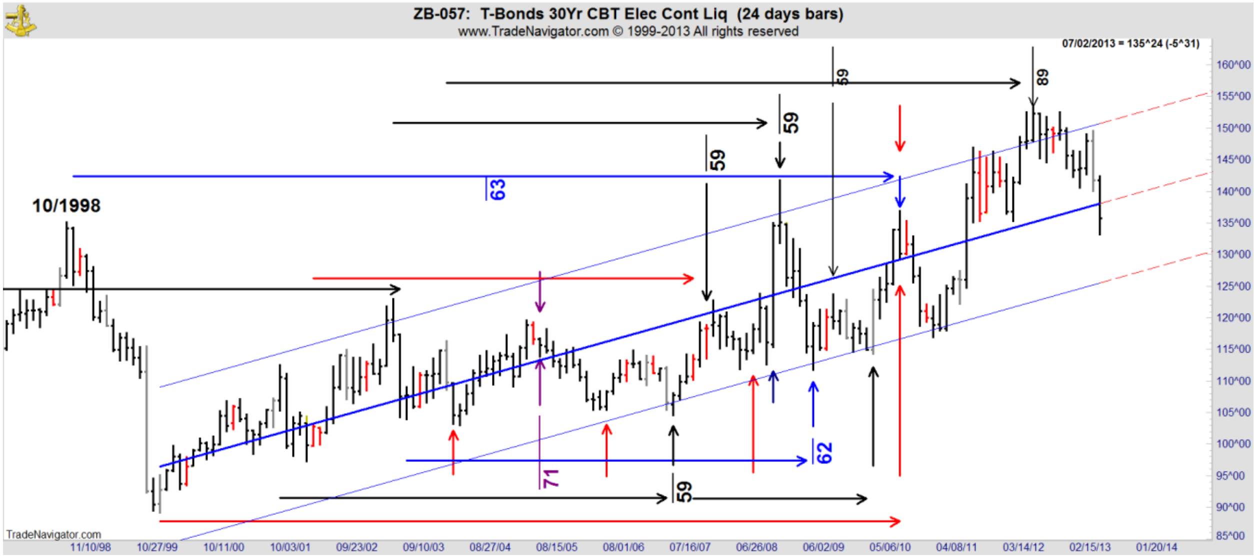


US T Bonds

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

On our 24 day chart of T Bonds below, you will see that the DC 89 time cycle effectively ended the madcap rally from the 03/2011 low. We often see that the famous DC Black line which is an 89% retracement in price is the final arbiter of market moves on all time frames and although we do not see it often on timing charts it has the same dominant effect. The DC Black line whether in time or in price is the last level of support/resistance. The 89 cycle that terminated the rally in 07/12 runs from the momentum (closing) high in 03/2004. Amazing stuff:

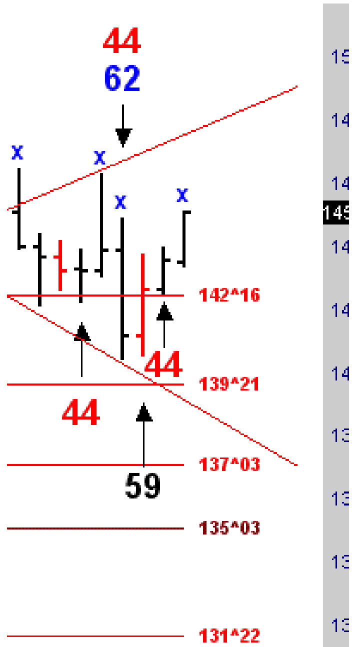
Most of you have seen this chart periodically over the years. It still amazes.



Note that markets find it hard to close above the 1SD of their DC trading channel particularly on this time frame, and when they do we can expect the ensuing correction to go to the minus 1SD so this downtrend still has a way to go.

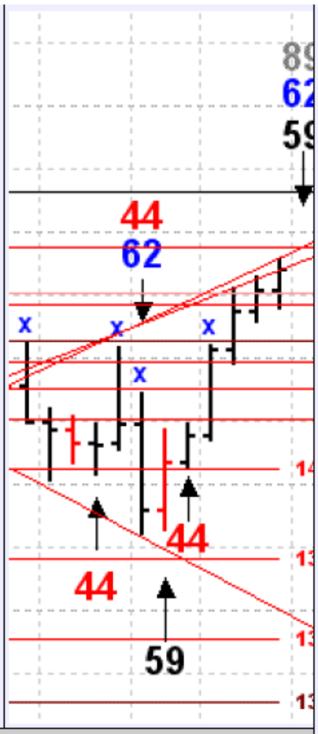
Bernie Cornfeld was a scallywag who popularised Mutual Funds in the 60s. He had a turbulent career where much of the money finished up in Bernie's pockets but was never convicted of a securities offence. Bernie's strength was his ability to motivate the 300 salesmen at his company IOS and he did this with a simple theme. He asked his salesmen who asked the punters "Do you sincerely want to be rich". And the answer then and now is "Of course", so to wrap up this offering I am going to show you how this one Bond trade should have made you seriously rich.

We started the 4th Seal coverage of T Bonds on 04/02/13 which showed T Bonds starting to rally from its 4S low and another 44 cycle to boost it:



One of our members who is a very smart guy wrote to say that he had doubled his trading account in 3 months by biasing his trades in the direction of the 4th Seal trend, that is taking a bit more risk with trades in the direction of the 4S trend. So from the chart above you could have been taking perhaps a bit more upside risk from 04/02 in T Bonds.

From there we move on to the 04/28 update from 4S:

ZB-057 (TBonds) (6day chart)	**RESISTANCE**	04/01/13 : **160^04** 04/09/13 : **160^13** 04/17/13 : **160^23** 04/25/13 : **161^00** 05/03/13 : **161^09** 05/13/13 : **161^18** 05/21/13 : **161^27** 05/29/13 : **162^04** 06/06/13 : **162^13**	

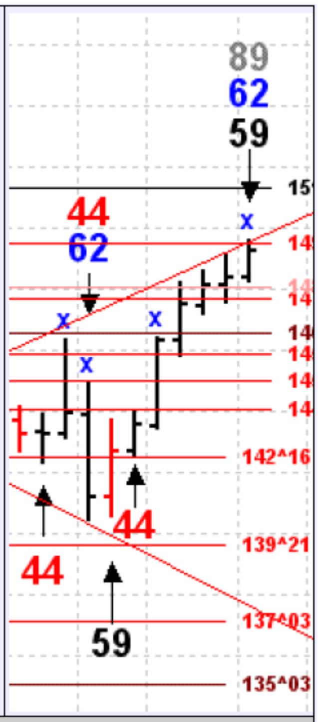
From 3 weeks ago: *"This market was at 4th seal support last DC week and cycles suggest we could start rallying this DC week which ends on 03/18 where a 59 cycle is expiring. 59 cycles usually give us support in bonds."*

2 week's ago update: *"What more is there to say. There is another 44 bottom cycle expiring this DC week."*

Nothing to add and still on track. This market is tracking 4th seal resistance and has no significant cycles for the next DC week until a 59, 62 and 89 expiring this week ending on 05/08. This leaves bonds more time to rally into that possible top. Look at the precision of the 4th seal on a momentum and on a closing basis. Stunning!

Still long and strong. Next came the 05/01/13 update below which said "***This sets up Bonds for a possible top***". Market was tracking 4th Seal resistance at the red line perfectly and had no less than 3 DC time cycles expiring between 05/01 and 05/08. The 4th Seal page cautions that we always need a valid DC trade signal to trigger the trade into the new trend as the 6 day charts have a variance of +/-1 period caused by the way they are constructed.

And here is the update from 05/01:

ZB-057 (TBonds) (6day chart)	**RESISTANCE**	04/01/13 : **160^04** 04/09/13 : **160^13** 04/17/13 : **160^23** 04/25/13 : **161^00** 05/03/13 : **161^09** 05/13/13 : **161^18** 05/21/13 : **161^27** 05/29/13 : **162^04** 06/06/13 : **162^13**	

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Nothing to add and still on track. This market is tracking 4th seal resistance and has cycles (59, 62 and 89) for this DC week expiring on 05/08. This sets up bonds for a possible top. Look at the precision of the 4th seal on a momentum and on a closing basis. Stunning!

The 05/05 4S update showed the turn in all of its glory!! A thing of great beauty indeed:

ZB-057 (TBonds) (6day chart)	**RESISTANCE**	04/09/13 : **160^13** 04/17/13 : **160^23** 04/25/13 : **161^00** 05/03/13 : **161^09** 05/13/13 : **161^18** 05/21/13 : **161^27** 05/29/13 : **162^04** 06/06/13 : **162^13** 06/14/13 : **162^22**	

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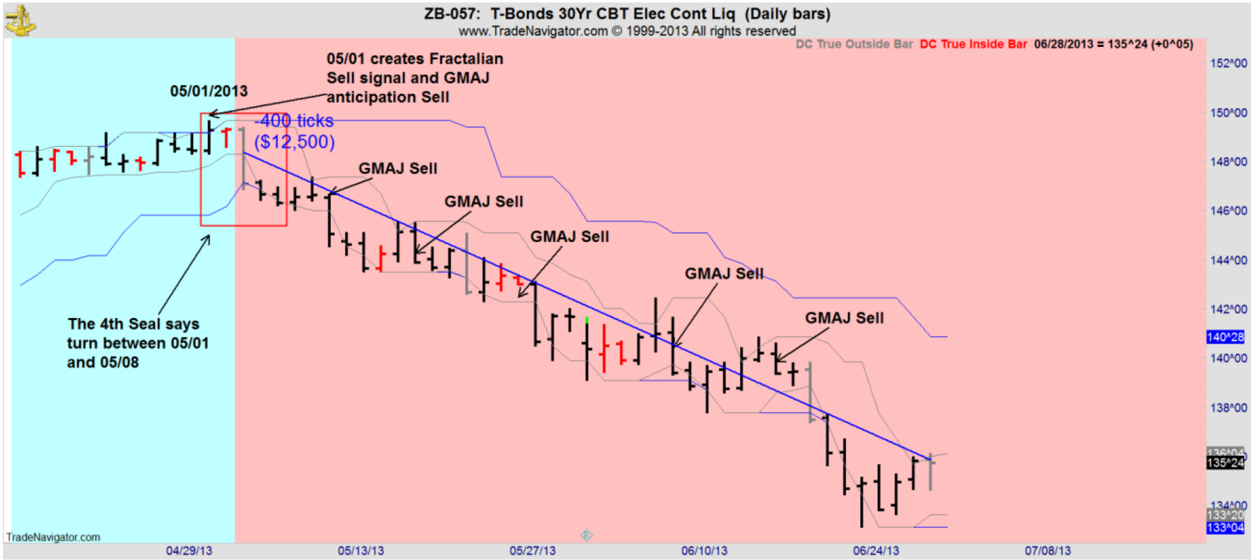
2 week's ago update: *"What more is there to say. There is another 44 bottom cycle expiring this DC week."*

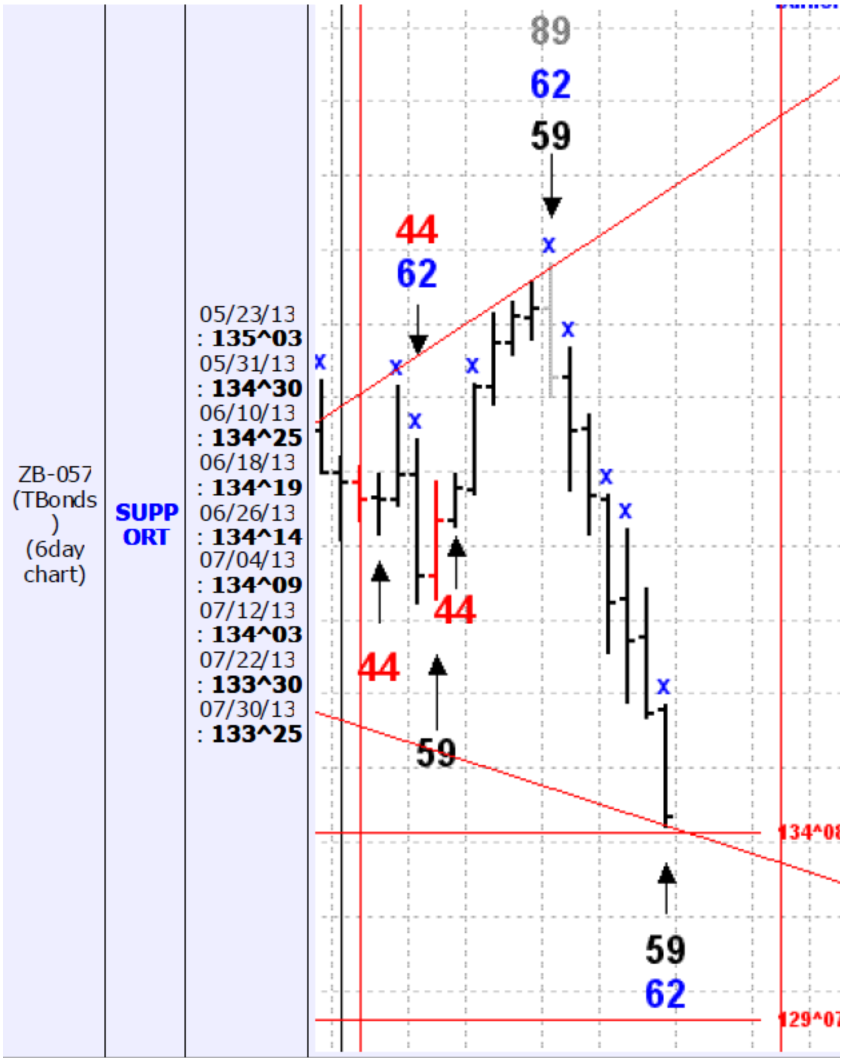
Last week : *"Nothing to add and still on track. This market is tracking 4th seal resistance and has cycles (59, 62 and 89) for this DC week expiring on 05/08. This sets up bonds for a possible top. Look at the precision of the 4th seal on a momentum and on a closing basis. Stunning!"*

A beaty to watch. Another 44 cycle bottom coming up next DC week ending on 05/16.

And here's how we entered the trade:



Bernie asked the right question. The 4th Seal certainly gave the right answer. Finally, here is last week's update. If you subscribed to or trialed 4S you were short all the way on the 6 day chart for better than $12,000 per 1 contract:



I have left off the commentary from the 06/23 update. If you seriously want to be rich you should be following the 4th Seal like a bunch of hawks. The question is do you?

Really?

Email Terry at support@thedanielcode.com to find out how. John Needham, Gold Coast, Australia