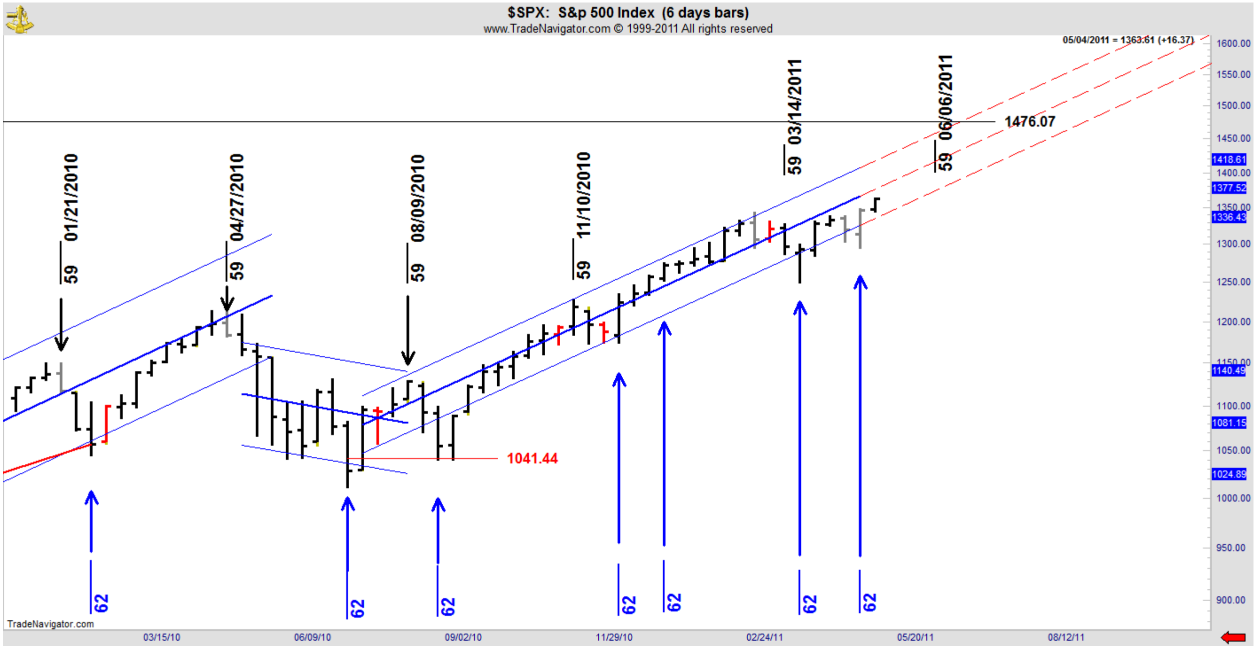
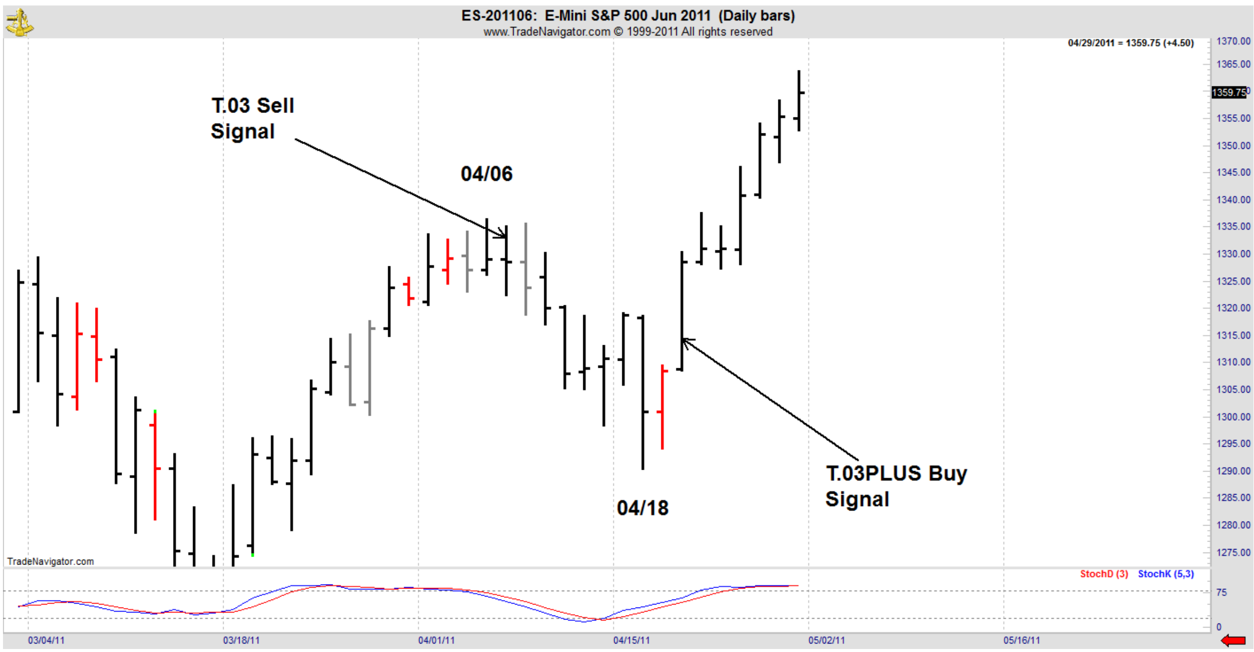
1 May 2011-Long Term Trend Charts-Major Markets

S&P

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

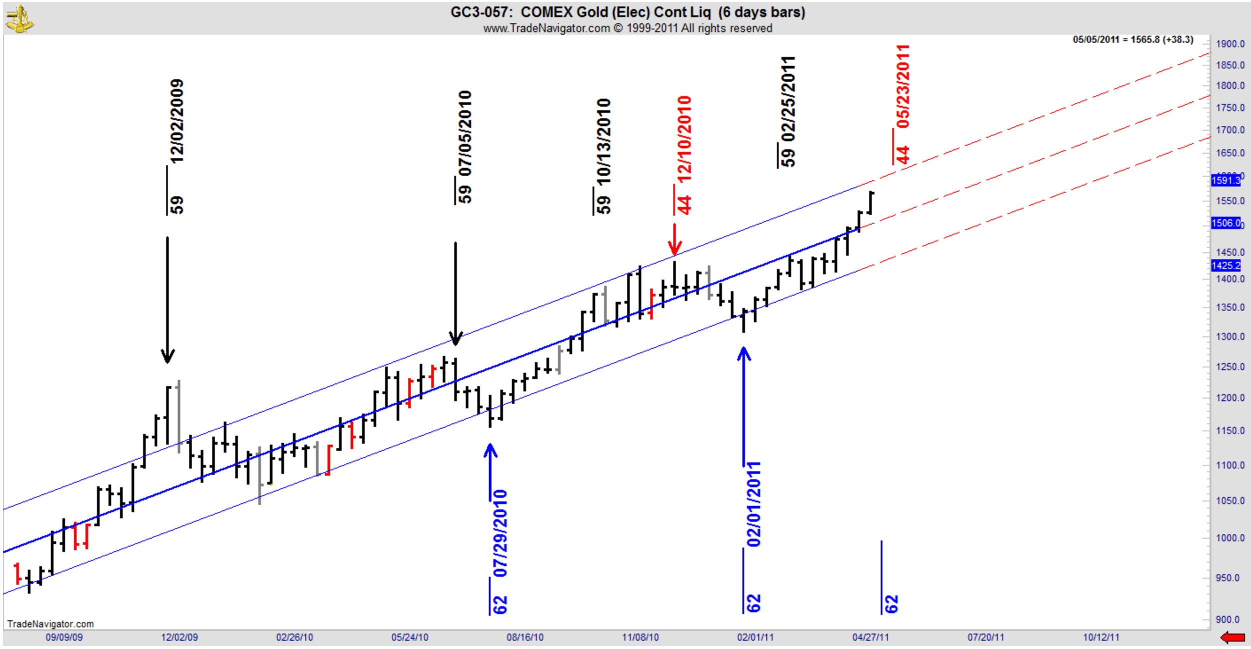


S&P has regained its primary Danielcode trading channel, as it needed to do for the uptrend to continue. Our latest 62 DC time cycle for support was valid from 04/15 to 04/26 and this gave us a great lead in to the 04/18 low on the daily chart below.



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

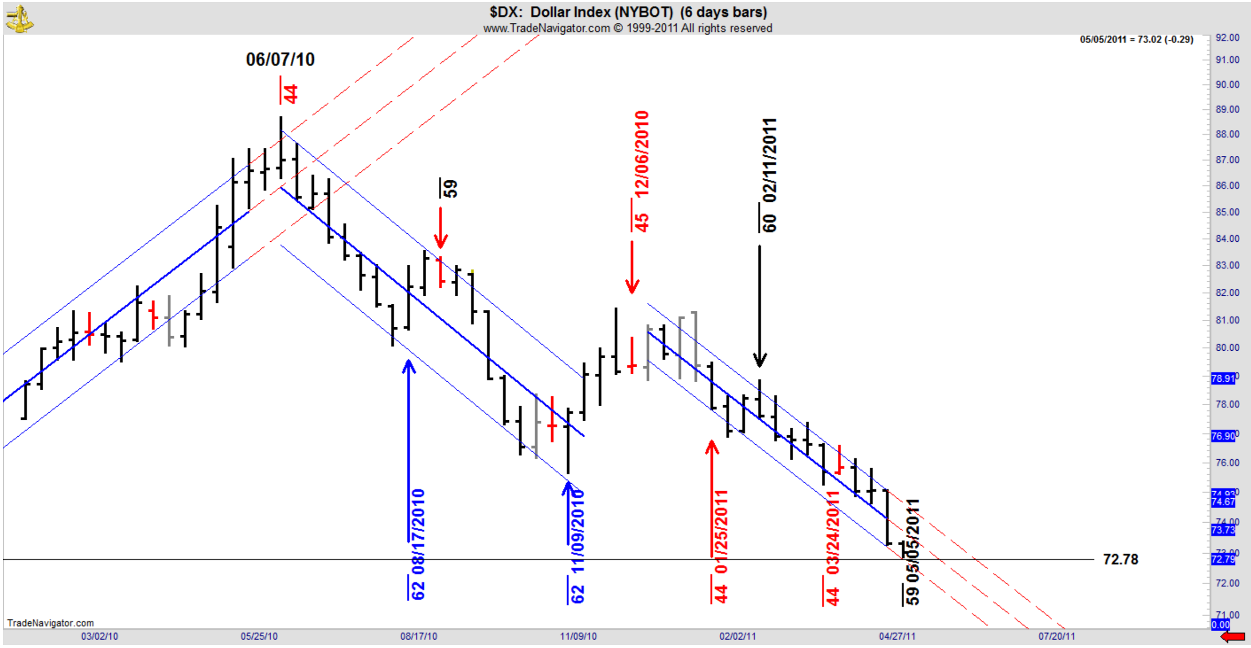


Gold continues upwards and onwards and is firmly fixed on the Buy side of all indicators. On the shorter term charts this move looks parabolic but on this time series it is just a continuation of the strong recovery out of the last 62 support cycle. Big trends in commodities often end with a blow off move, so watch for an acceleration out of the DC trading channel.

As always, the fate of Gold is largely tied to price movements in DX so watch that inverse correlation also.

US Dollar Index (DX)

On 6 Day Regression Channel, Trend is: DOWN
On 12 Day Regression Channel, Trend is: DOWN
On 24 Day Regression Channel, Trend is: DOWN

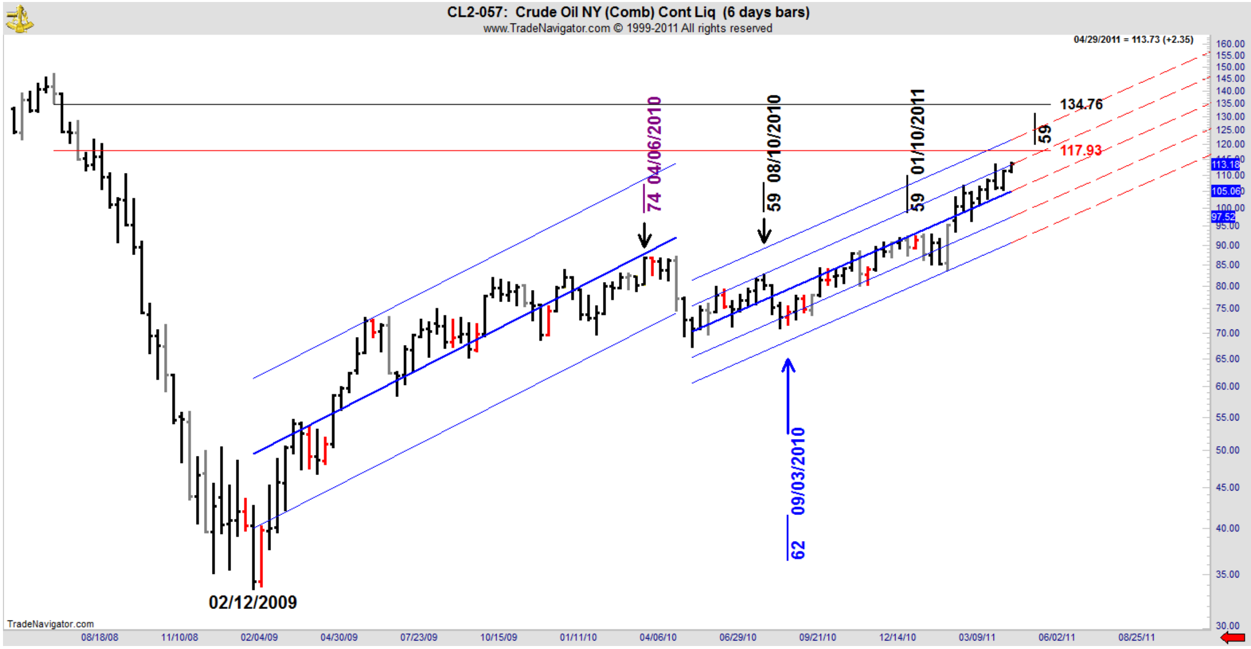


Downtrend accelerated last week with the break of the old support at 75.77. Now we have this market testing the last level of internal support at 72.78 and with an expiring DC time cycle to boot. This sets this market up nicely for at least a significant rally. If not, then it's a question of ticking off the old lows as you will see more simply in the following chart.

US Treasurer Tim Geithner calls this his "Strong Dollar Policy"!

OIL

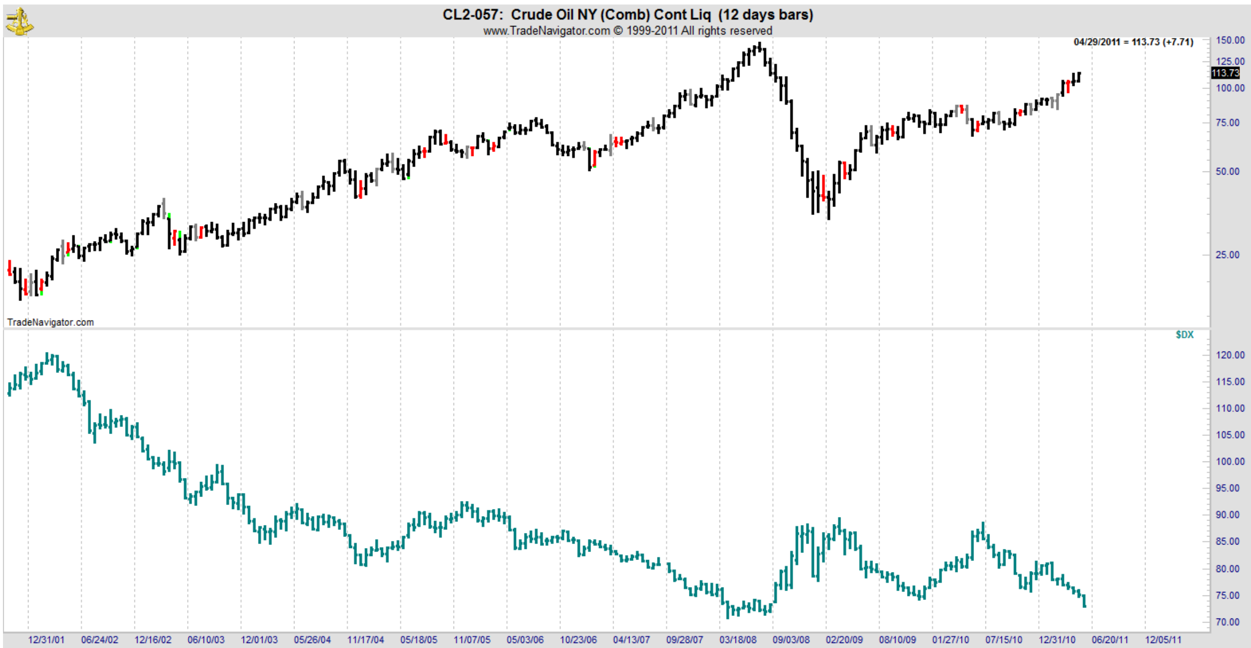
On 6 Day Regression Channel, Trend is: UP
On 12 Day Regression Channel, Trend is: UP
On 24 Day Regression Channel, Trend is: UP



Middle East protestors must be reading these charts. From **02/19 charts: "*Expect volatility as these time cycles unfold*."** Looking positively prophetic now.

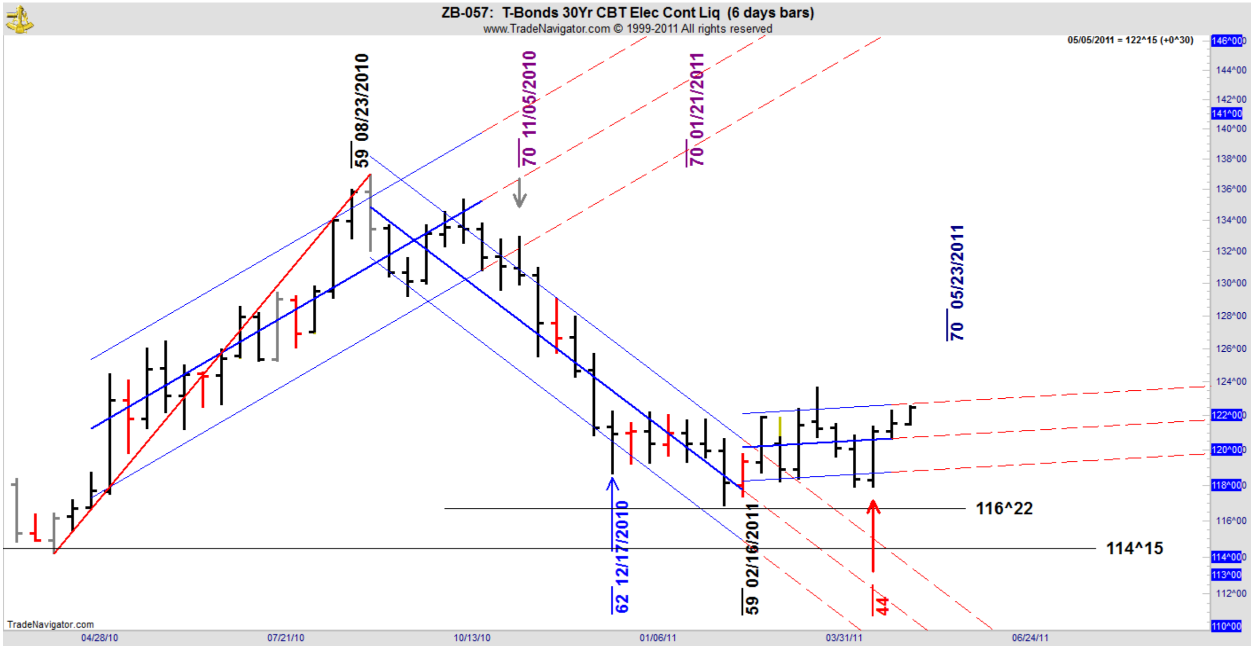
In last week's webinar we had a chuckle over comments by Messrs O'Reilly and Dobbs on Fox News, that "The rise in Oil prices is the result of actions by speculators", and similar undesirables, whose actions were thoroughly reprehensible and worthy of an urgent enquiry, and likely immediate flogging if not hanging when unmasked. The very next day, no less of a trading luminary than the President of the US adopted this suggestion wholesale with the immediate appointment of a formal enquiry. As I pointed out in the webinar, the cost of Oil has for the last decade at least, been in inverse proportion to the value of the US Dollar. This would mean that the real culprits for $4 gas in US (you guys have it easy; it's over $8 Down Under AND the Aussie is worth 7% more than USD), would be the President's appointees, Bernanke at Fed and Geithner at Treasury.

See for yourselves!!



US T Bonds

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



An interesting point that I have not previously highlighted was the appearance of a 44 DC cycle on this chart as the last support. We can also find the same cycle on the Oil chart at the 02/21 low. 44 DC weeks is the time cycle for Gold. Its appearance as support in Oil and T-Bonds is both novel and unexpected. Gold is locked tight in its usual inverse correlation with DX, that being ruled by the 59 cycle, so I can only surmise that this unusual event highlights that all asset classes are now correlated to greater or lesser extent with USD.

Given what the US Fed is doing with serial QEs in one form or another (America's base money supply, the bedrock of the world's reserve currency, has doubled in little more than two years), this is an entirely plausible explanation.

EUR-USD

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