# 22 May 2010

Long Term Trend Charts-Major Markets-S&P, Gold, DX, Oil and US T Bonds. Special coverage this week of EUR-USD

S&P

On 6 Day Regression Channel, trend is: UP, but there are now 2 conditional Sell signals on this chart. A close on Wednesday 05/26 below 1114.96 will confirm.
On 12 Day Regression Channel, Trend is: UP with a conditional Sell signal created
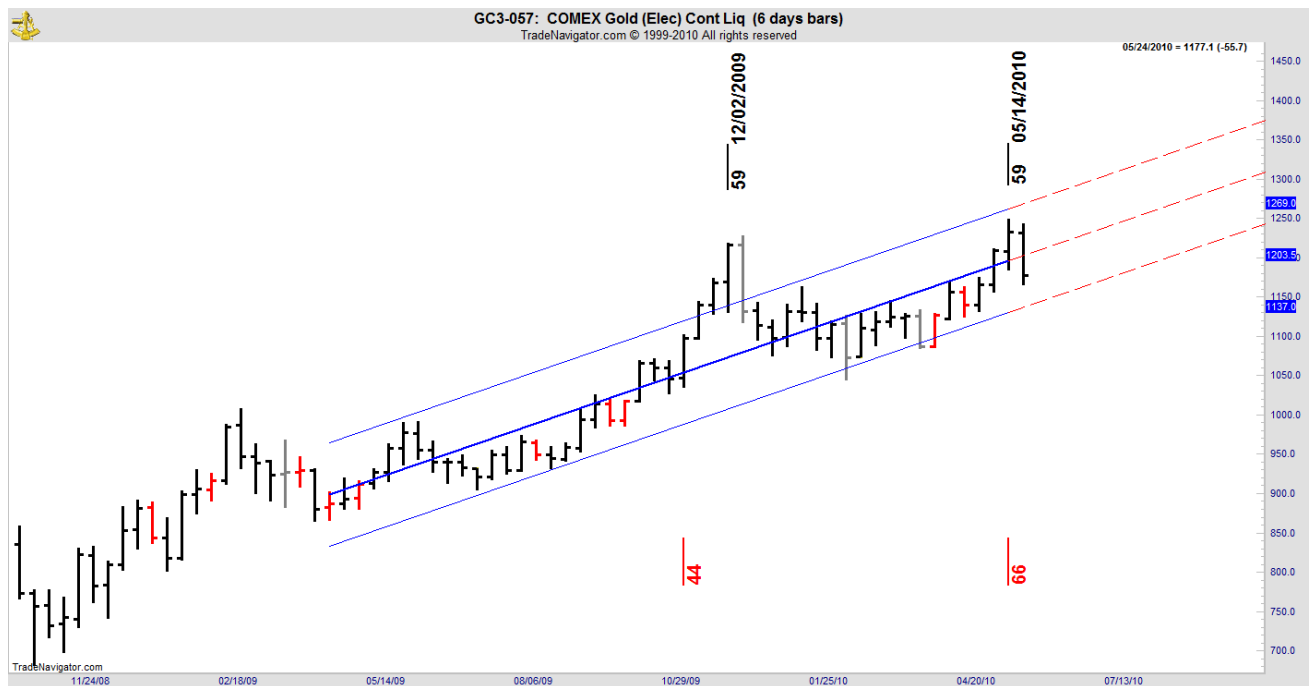On 24 Day Regression Channel, Trend is: UP
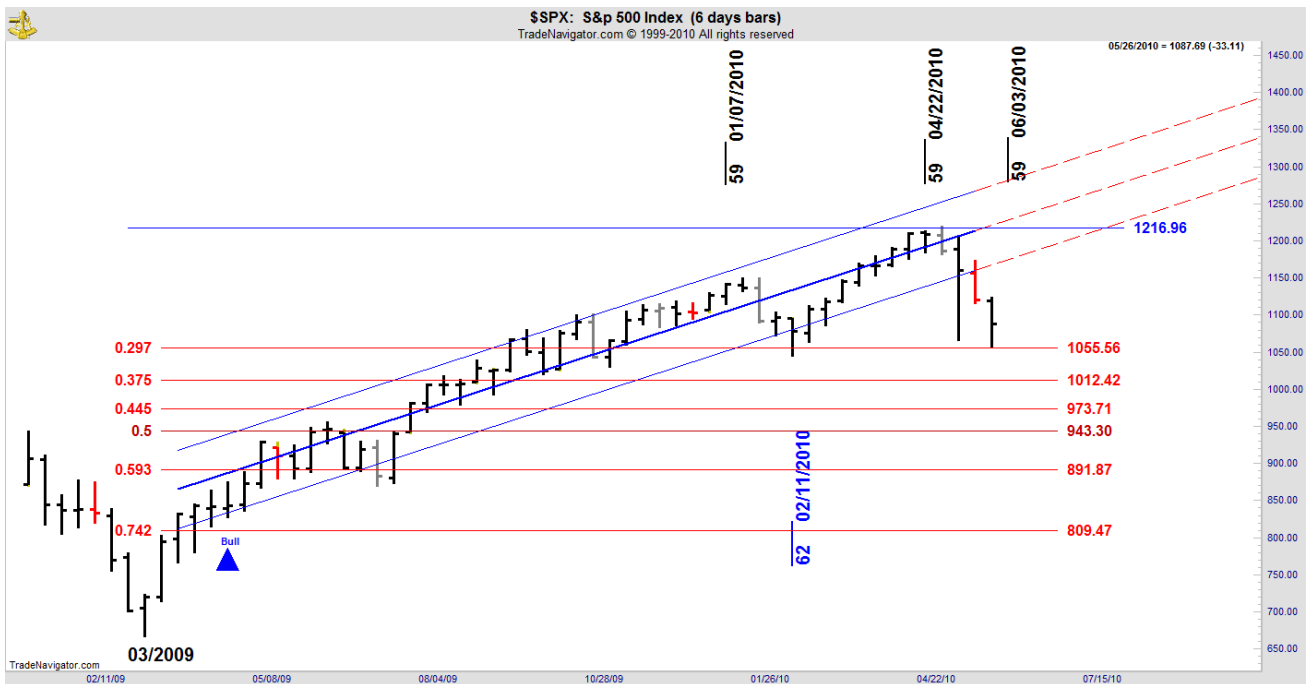
S&P is at present correcting the major swing and has just reached the 1st Danielcode retracement at 1055. We can gauge the strength of a trend by the depth of the retracements. A shallow retracement to 1055 or 1012 will maintain this market in a strong position.
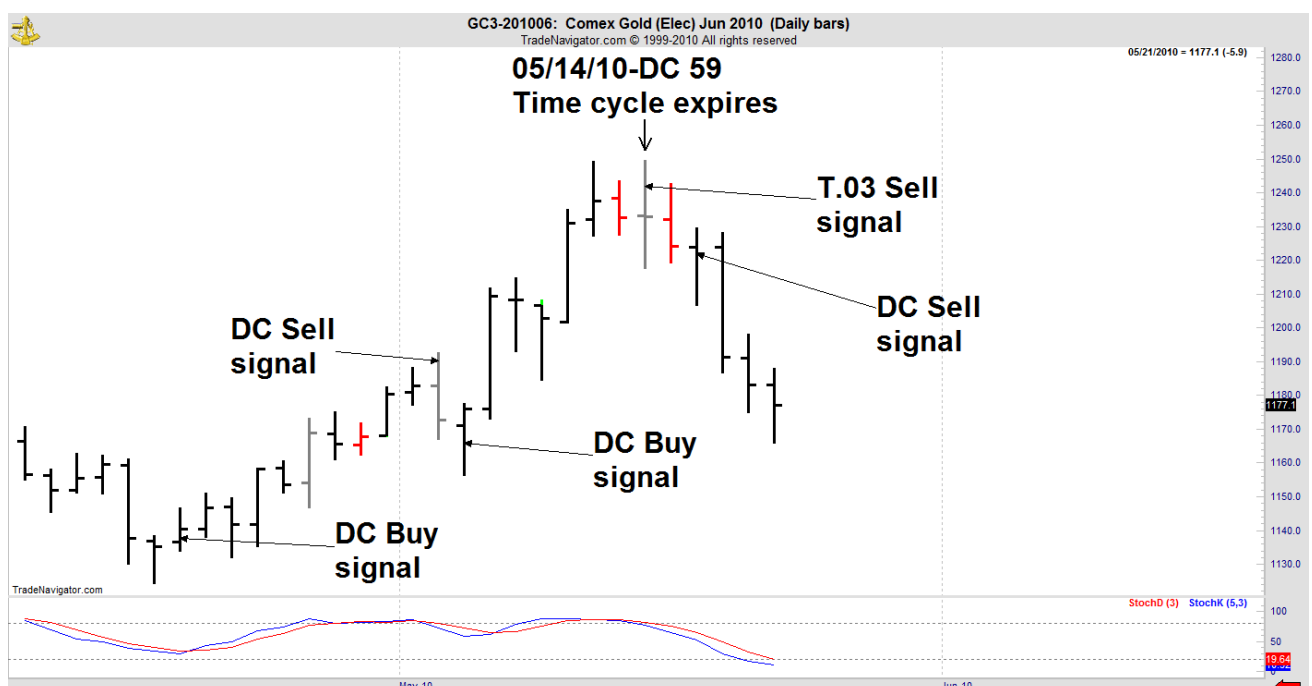
Gold

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

From the NEWS page on Friday 05/14: "*Gold has 2 DC Time cycles expiring today. Long Term Trend Charts to be posted later today will show them, but treat this as a heads up to be specially aware of the potential for a counter trend move shortly.*"

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. We got the expected reaction last week.

Below are the Members trade signals in case you didn't know. On target and on time.
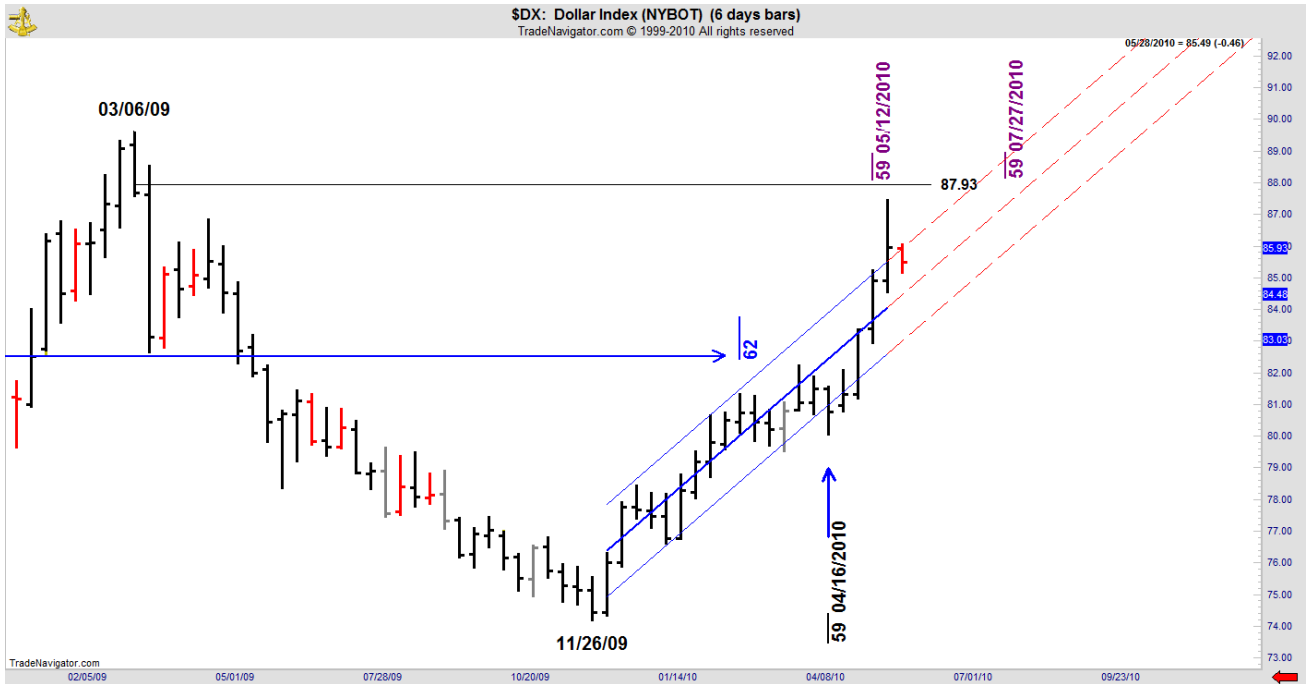
US Dollar Index (DX)

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

DX is roaring and the 24 day trend has flipped to 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!!

From last week's report: "*The last completed week on this chart ended 05/12 and closed above the upper regression channel. Markets find it hard to close outside the regression channels for more than a few periods on any time frame, so odds are that we …. get a pullback for a while.*"
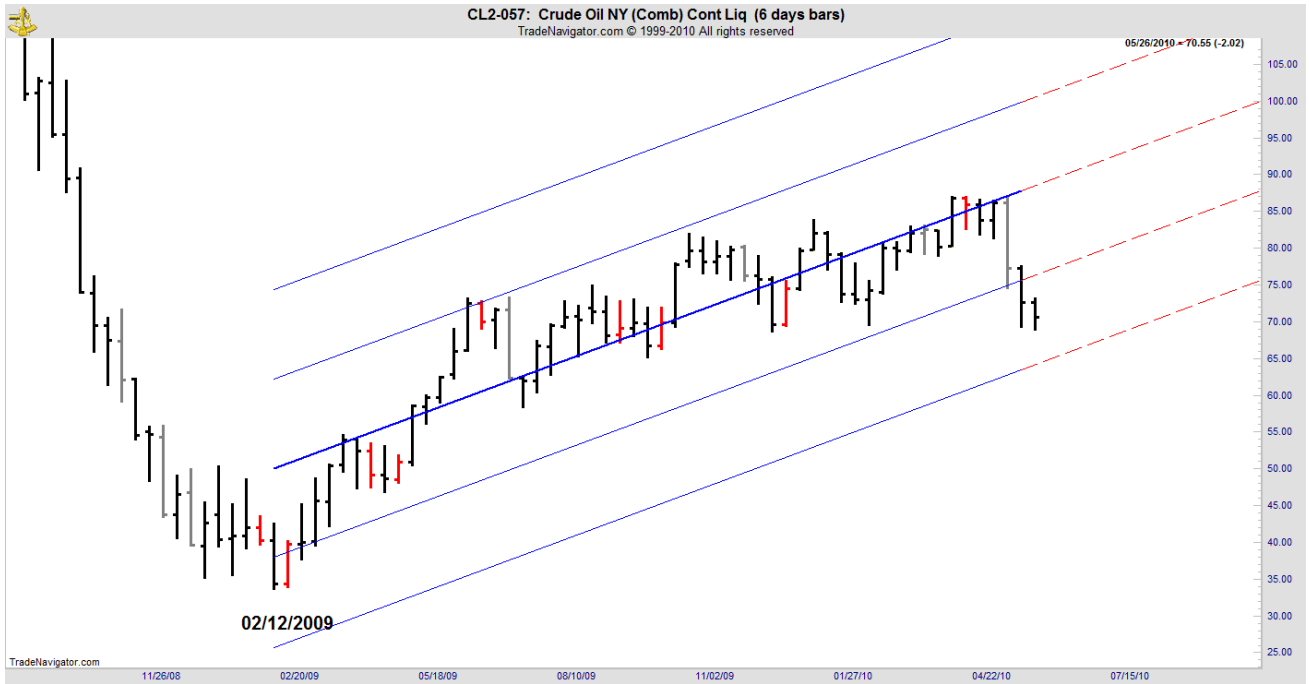
Oil

On 6 Day Regression Channel, trend is: DOWN
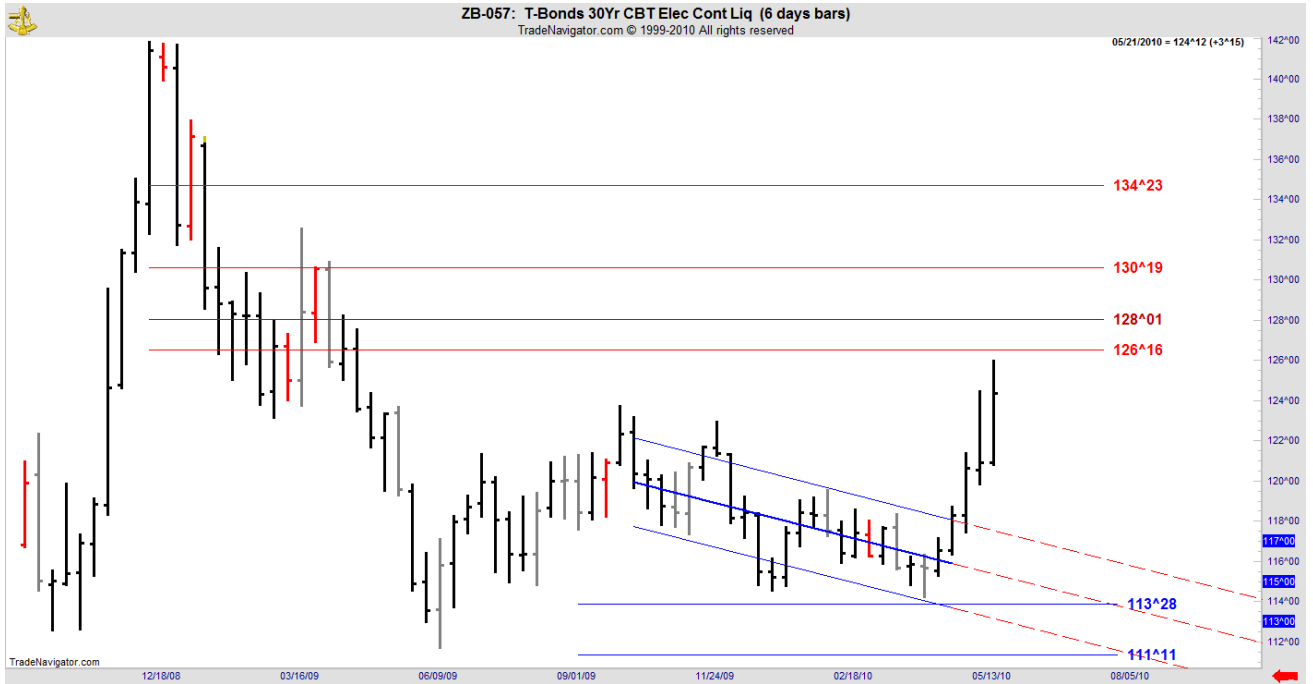On 12 Day Regression Channel, Trend is: UP, but with a conditional Sell signal
On 24 Day Regression Channel, Trend is: UP

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.
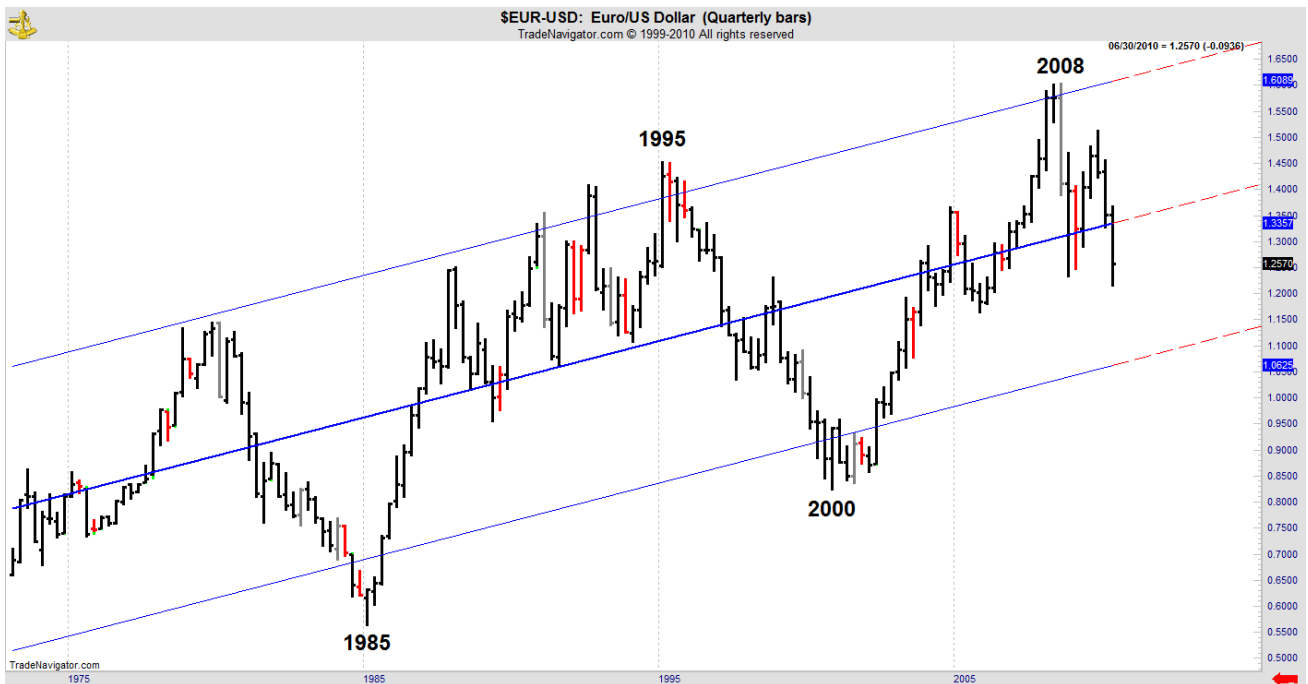
EUR-USD

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 12164.
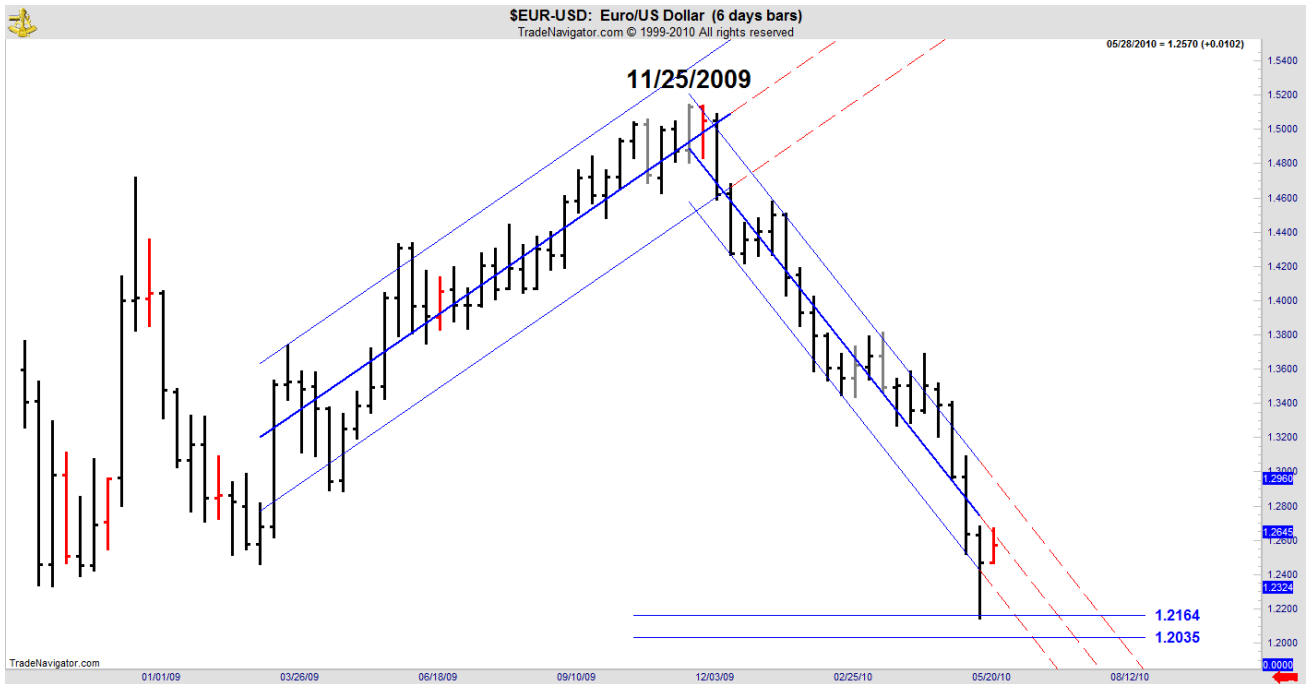
Below is the Euro chart since 1973 to put things in perspective. Euro is where it should be near the middle of its long term regression channel. What's all the fuss about?

AUD-JPY

The Aussie/Yen cross has also been the subject of the usual hyperbole "It's Crashing" etc. In fact it is right at the midpoint of its long term regression channel from 1986. From the 2008 low, it made a standard 62.5% retracement and has now pulled back 50% of that rally. Nothing unusual here. It's just the leverage that makes them squirm.