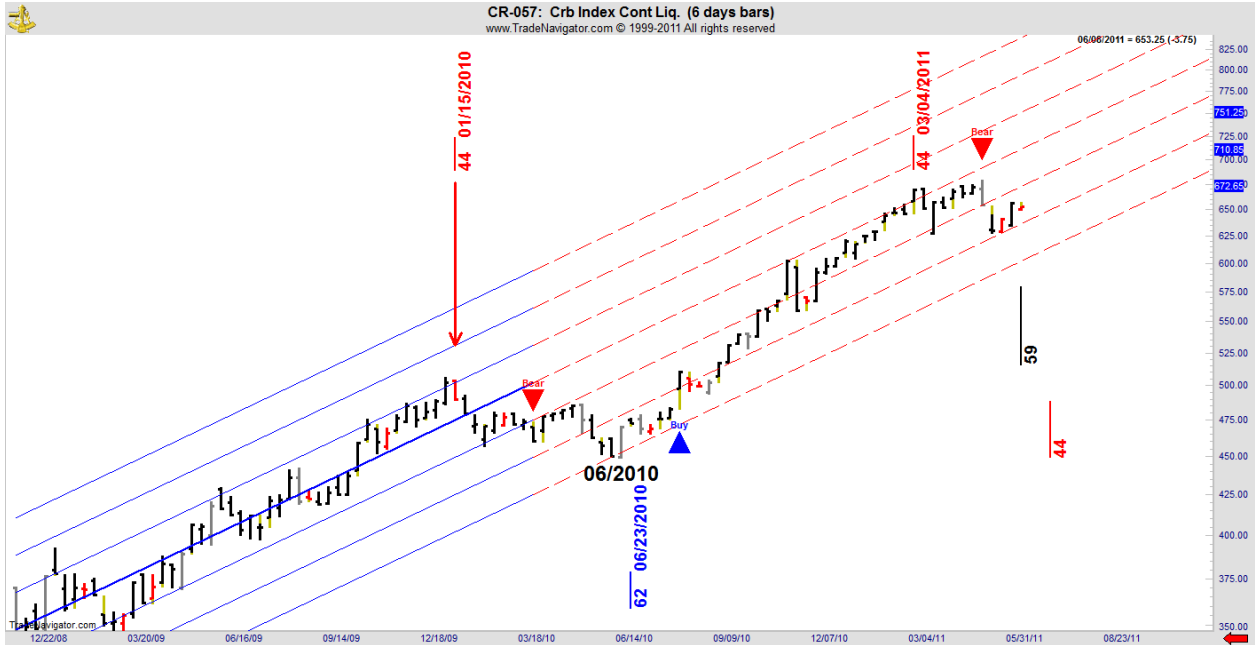# 8 June 2011-Long Term Trend Charts-Major Markets

CRB Index

Here is the Long Term Trend Chart from the Danielcode:

CRB Index remains on its Sell signal for this time series and has been fighting to hold the 2nd iteration of its DC trade channel. We have a 59 DC cycle current and a 44 cycle expiring 07/04.

S&P

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
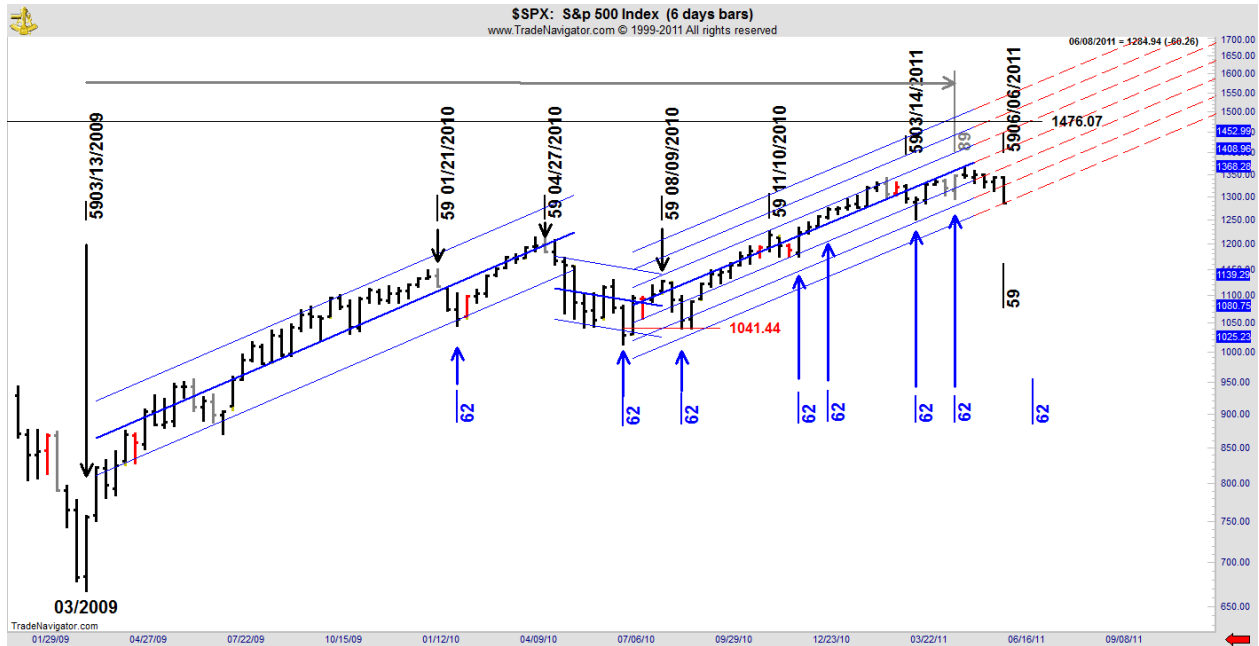
S&P is now down to the 3rd iteration of its present narrow trading channel. On a seriously long term chart running from 1974 below, you can see that the bottom of the old trading channel was overhead resistance for the past few weeks.

Here is a closer view. You should be amazed how orderly and rational markets really are:

This characteristic of markets observing their long term DC trading channels has been going on in perpetuity. If I wind back the trading channel to 2002, you will see the Dot.Com low being forced in exactly the same way as the 2009 low. Here it is:
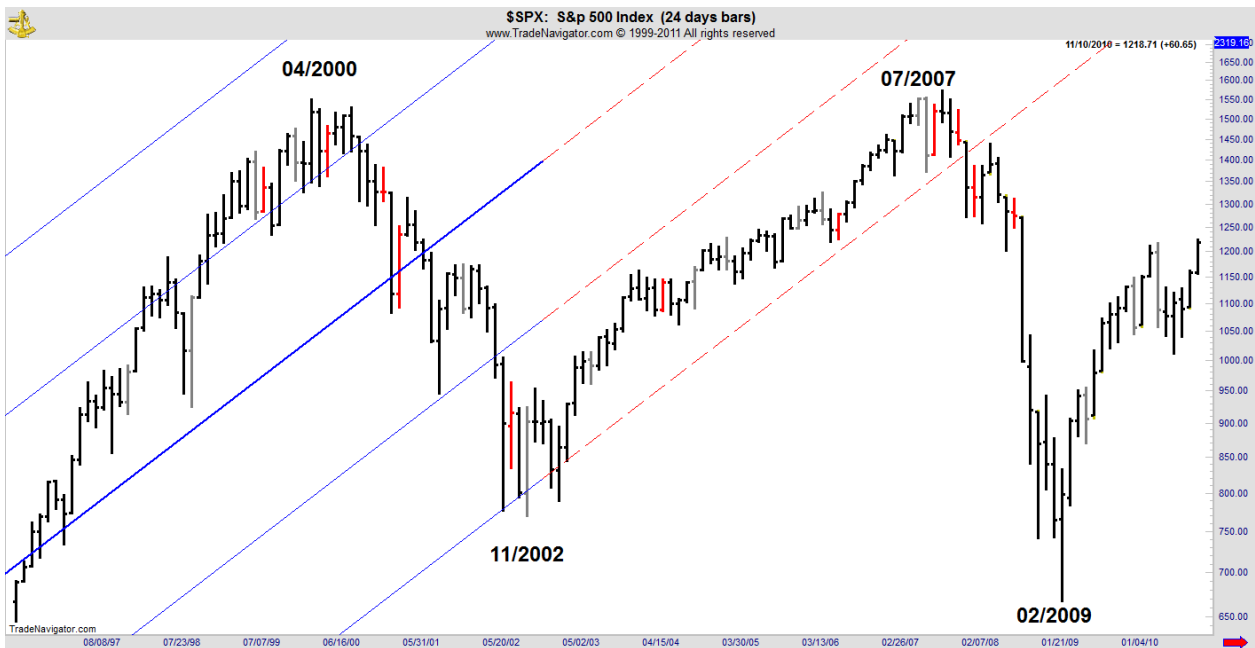

These really long term charts are on semi log scale which is a technique that we use to give added weight to long ago moves.

And to add the WOW factor, take a look at the same chart with its DC trade channel running from the 1974 low, but this time without the semi log scale. As the above chart nicely identified the 2002 low for us, so the non semi log chart called the 2000 high, the 2002 low, the 2007 high and the 2009 low. You can make it better still by looking at close only charts bearing in mind that Danielcode target recognition can complete on either a bar high/low or the close.

Leaving the 4th Degree to return to the more mundane world of linearity, we can see that the ongoing rally from the 2009 low made at least a temporary high near the DC red retracement.
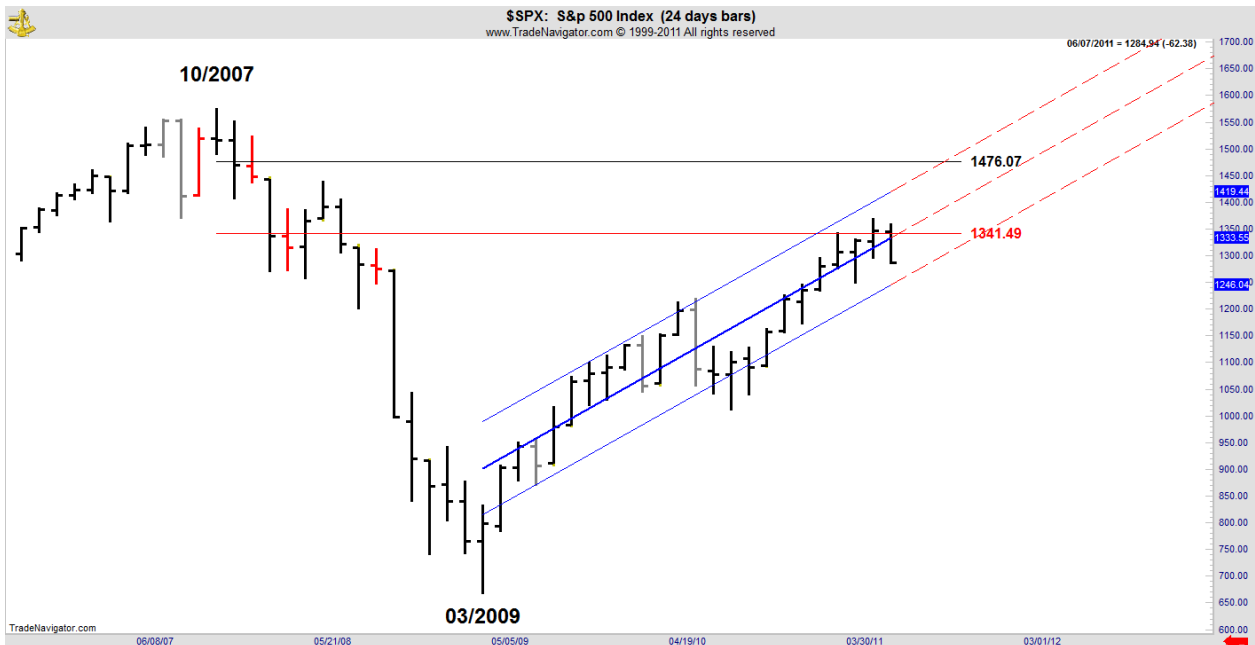

If you think that is a mere approximation or happenstance, use your DC retracement tool on the close only chart shown below. It made its May closing high less than 4 points from the DC retracement. Just 4 points variance over 46 months. Close enough?
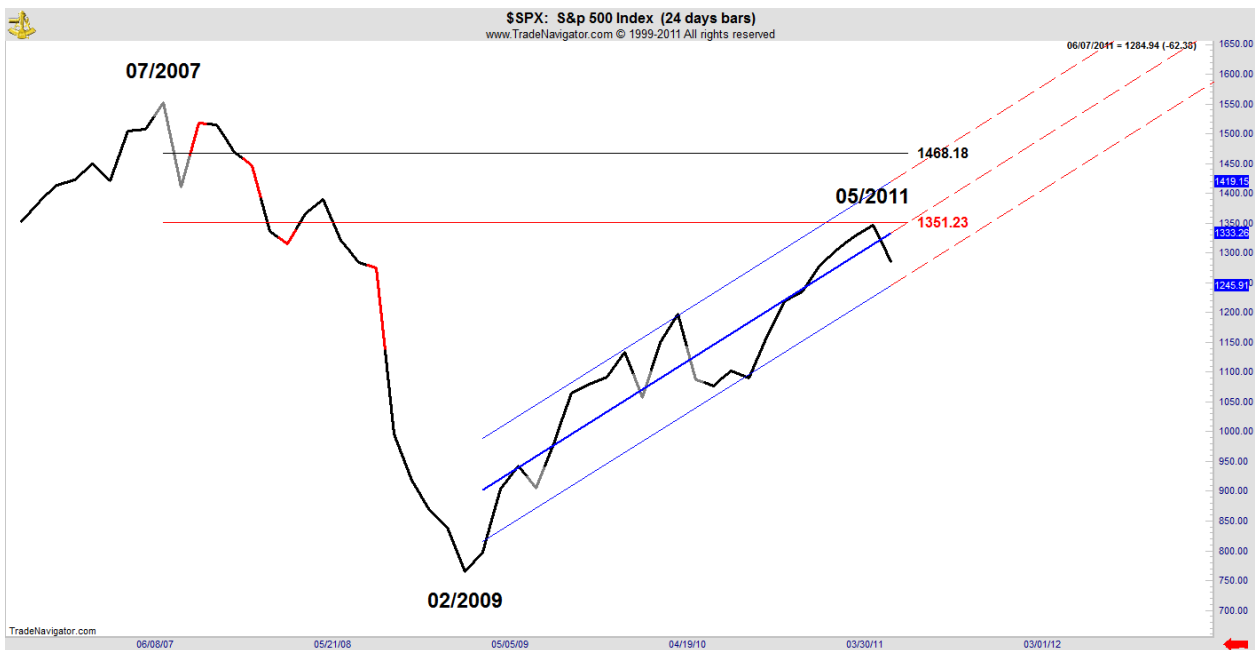
I doubt that the May high is terminal. We expect more volatility at important highs and lows. But all things are possible, and as usual, I urge you to stay close to the daily trade signals to lead you into the bigger moves.

And here they are to make the point. All of the Danielcode signals to keep you on the right side of this market. Of nine S&P and correlated market signals since April 18, , just one was a failure. Gotta love it!!
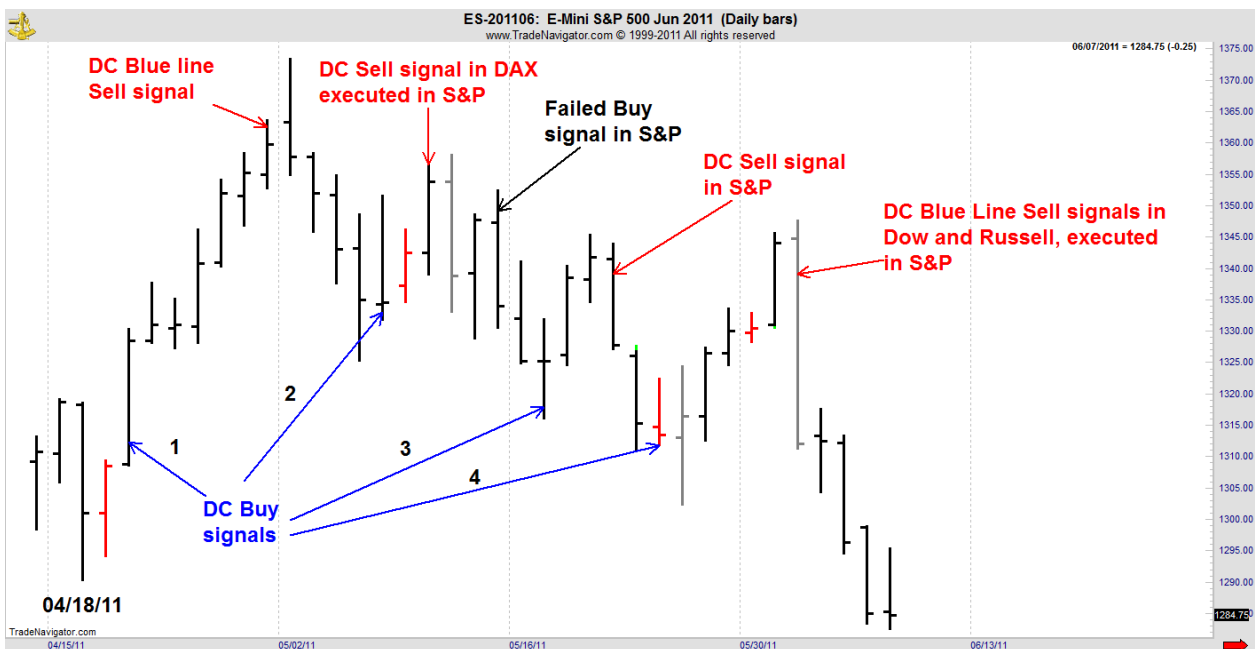
For those not familiar with Danielcode trading protocols, trade signals in highly correlated markets such as US Equities and Germany's DAX can be execute in any other of the correlated markets. HUI, Gold and Silver form a similar group.
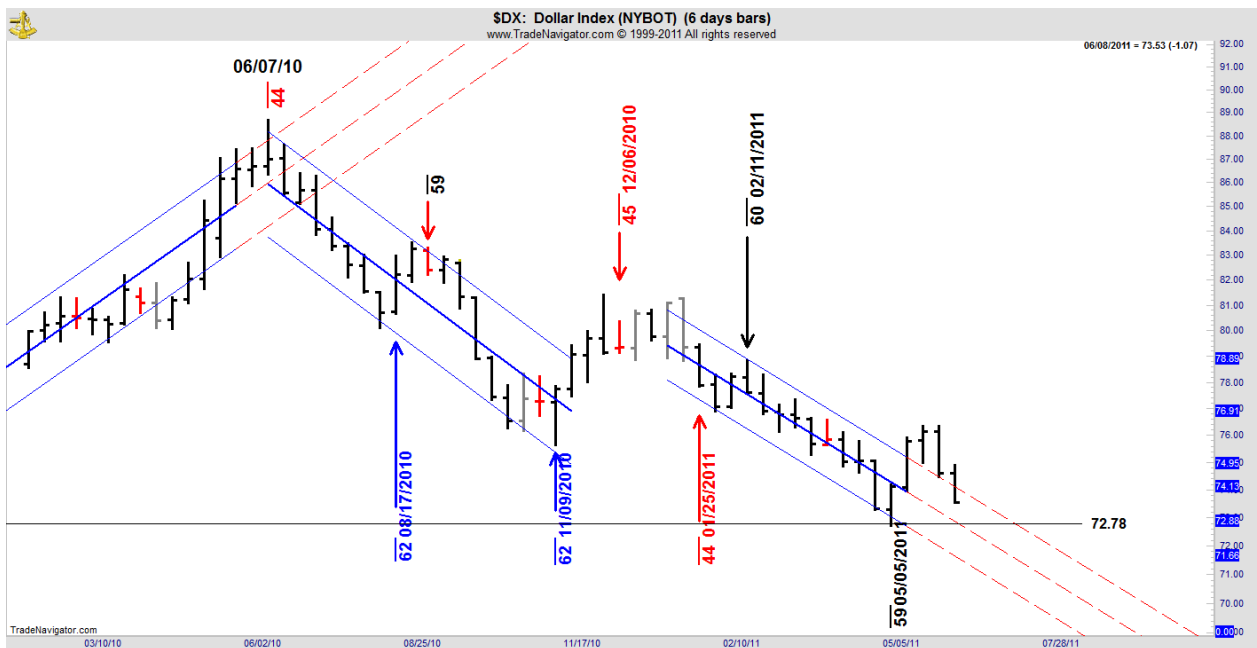
Gold

On 6 Day Regression Channel, Trend is: UP
On 12 Day Regression Channel, Trend is: UP
On 24 Day Regression Channel, Trend is: UP
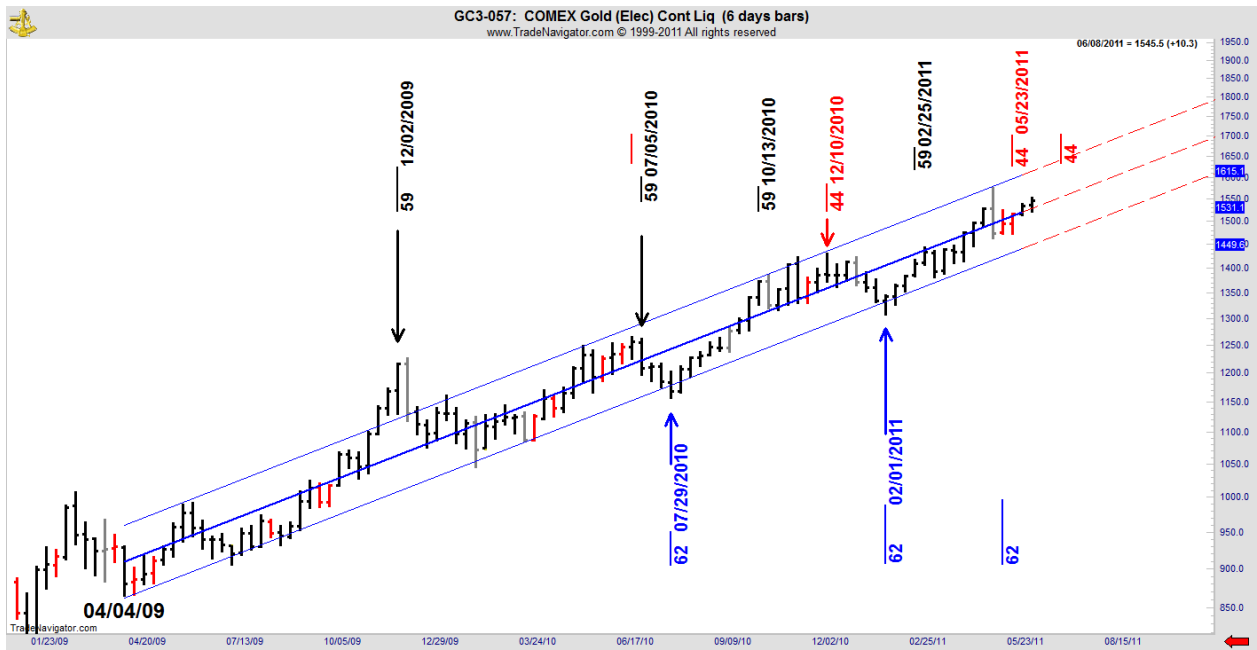
US Dollar Index (DX)

On 6 Day Regression Channel, Trend is: DOWN, but now with a conditional Buy signal.
On 12 Day Regression Channel, Trend is: DOWN
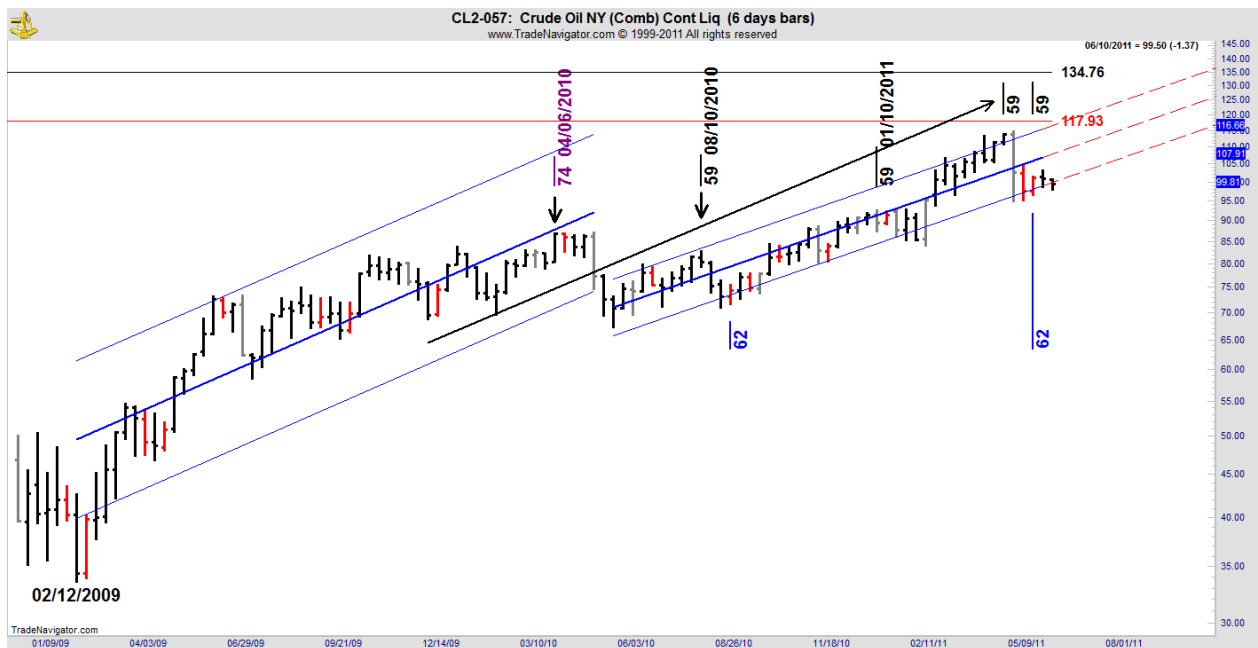On 24 Day Regression Channel, Trend is: DOWN

We got a 3 week rally from the time and price squaring at the last 59 week cycle. Now it needs to stick or things are going to get even more ugly.

OIL

On 6 Day Regression Channel, Trend is: UP but now with 3 conditional Sell signals
On 12 Day Regression Channel, Trend is: UP
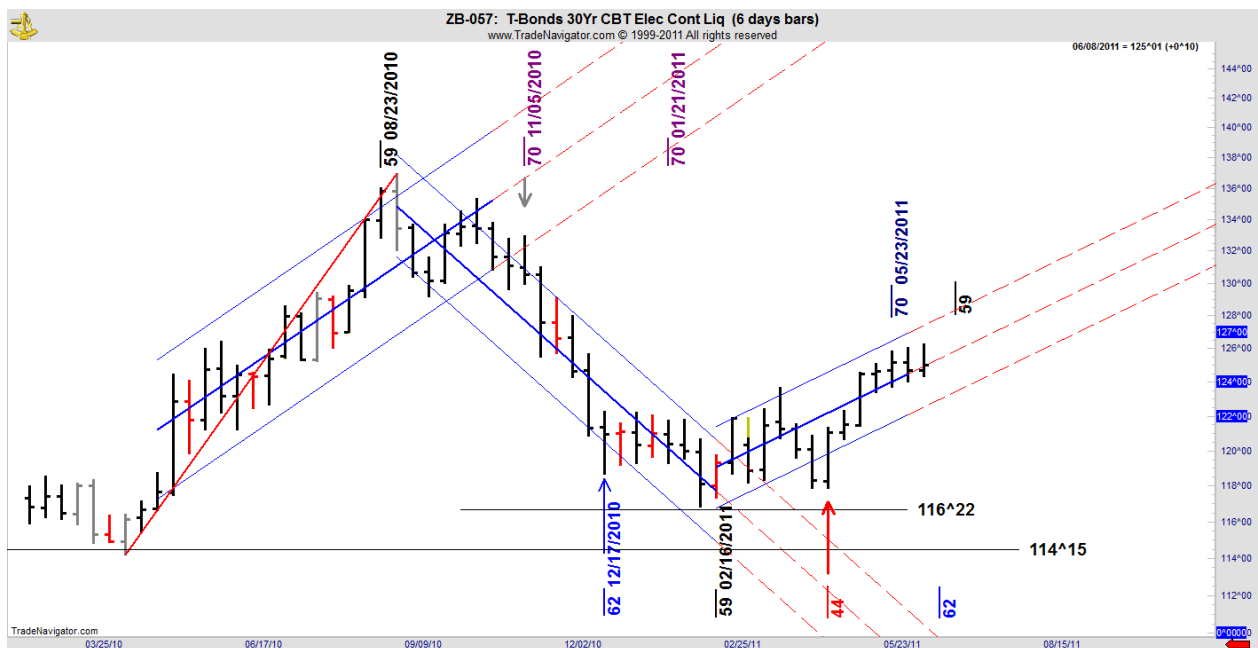On 24 Day Regression Channel, Trend is: UP

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: DOWN but now with a conditional Buy signal
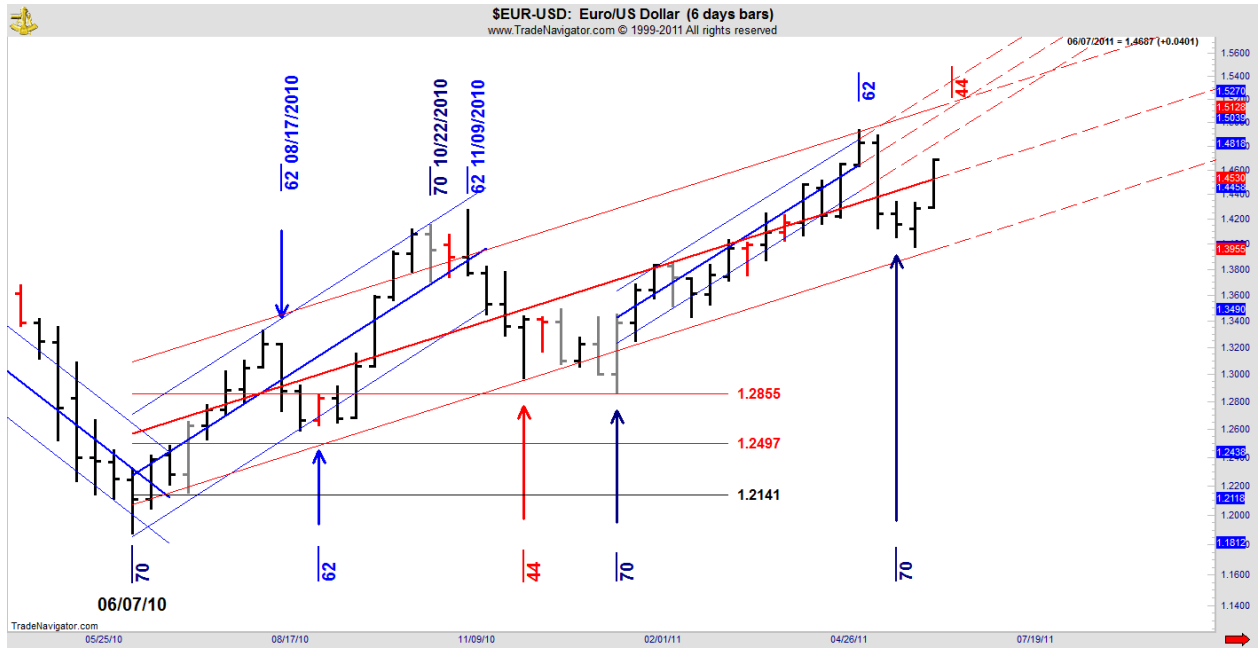
EUR-USD

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

Got a nice push up from the DC 70 heathen cycle. Trying to regain the old trading channel.