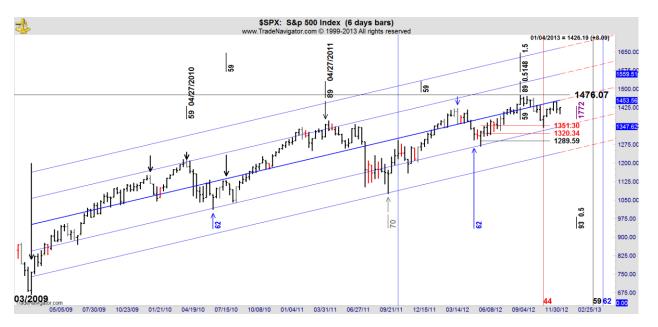
New Year greetings to you all. For 2013 the Long Term Trend Charts that I know so many of you enjoy will be issued twice and sometimes three times a month. They will continue to be free, but from early in the New Year we are going to ask you to register with the Danielcode if you wish to continue viewing them. Registration is *free* and merely requires you to register a username and password at <u>www.thedanielcode.com</u>

S&P

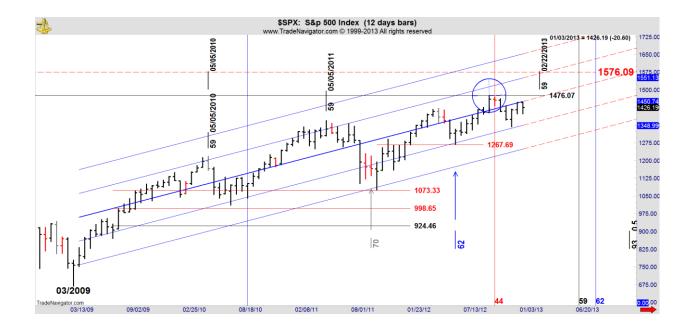
On the 6 day chart the trend is DOWN On the 12 day chart the trend is DOWN On the 24 day chart the trend is UP

The DC Black line at 1476.07 has been on these charts since February 2011. I said in a webinar shortly after that S&P would be at that number on 19 September 2012, the trading gods willing and the floods don't rise. And that idea has turned out to be prescient with the 6 day chart making its recent high at 1474.51 in the DC 6 day week ending 09/19/12, so about 1.5 points variance over a 17 month period. Nice enough.



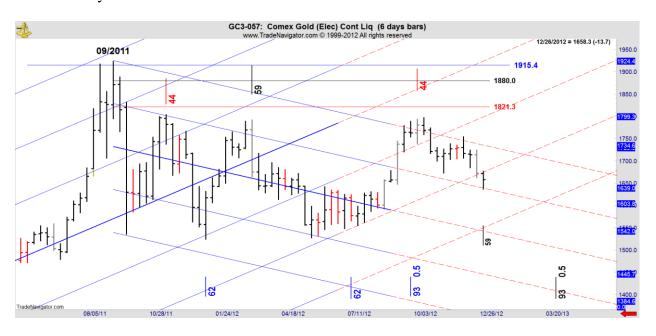
Below is the 12 day chart of S&P Index (\$SPX):

The 12 day chart has been our best outlook indicator all year. S&Ps next target to continue the rally is the old highs at 1576, and from the 12 day timing chart, the earliest that can happen within the existing DC trading channel which has been controlling it since the 2009 lows is around early March and the high probability trend is more likely to arrive at that target late next year. Those probabilities mean that we are likely to see more sideways action with complex corrections in Q1 2013.



GOLD

On the 6 day chart the trend is DOWN On the 12 day chart the trend is UP but now with a conditional Sell signal On the 24 day chart the trend is DOWN



And here is an alternate view of the DC trading channel which is also valid and shows the large consolidation that Gold is making, which has been running since its September 2011 highs.

We should also be aware that both \$HUI the index for major unhedged Gold miners and the Silver charts are considerably weaker than Gold. Silver is running above the major DC retracement at 59% of its major swing and \$HUI dropped to the 50% retracement before staging a 7 DC week rally and then weakening for the past month.

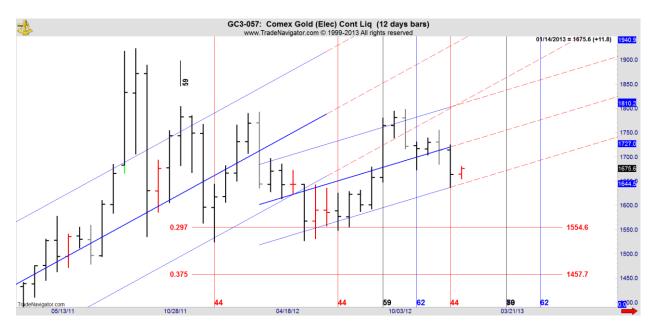
In comparison, Gold has held stubornly above its smallest retracement possible on this time scale, the 1st iteration of the Danielcode retracements at 29.7%. Chartists would assume that Gold would recouple with the other markets, but that's to discount the passion that Gold bugs bring with their unbridled love for this precious metal. Alternate 6 day Gold chart is below:



And here is the 12 day \$HUI chart:

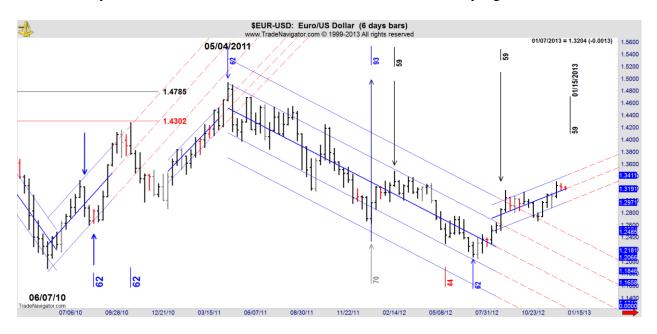


DC Member RJH has asked for the 12 day chart in Gold:



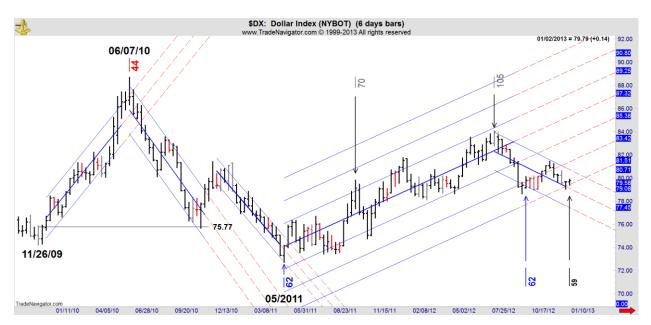
EUR-USD

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 but now with a conditional Buy signal.



DX-US Dollar Index

On the 6 day chart the trend is UP On the 12 day chart the trend is DOWN On the 24 day chart the trend is UP but now with 1 conditional Sell signal.



This market scared itself by closing below the 2nd SD 11 weeks ago and then fought like a fiend to cling precariously to that rising support. Last low came a period early, often a sign of strength, but not so at the moment as \$DX drifts lower in a downward sloping channel which is not yet a valid DC channel. If a rally takes hold, minimum target is around 84+. Another down leg will target 74. Watch the DC Members weekly charts.

AUD-USD

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



Natural Gas

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



Please read our new products doc under the banner above. There is much new and exciting for 2013. I trust you enjoyed the break for the festive season. I certainly did!!