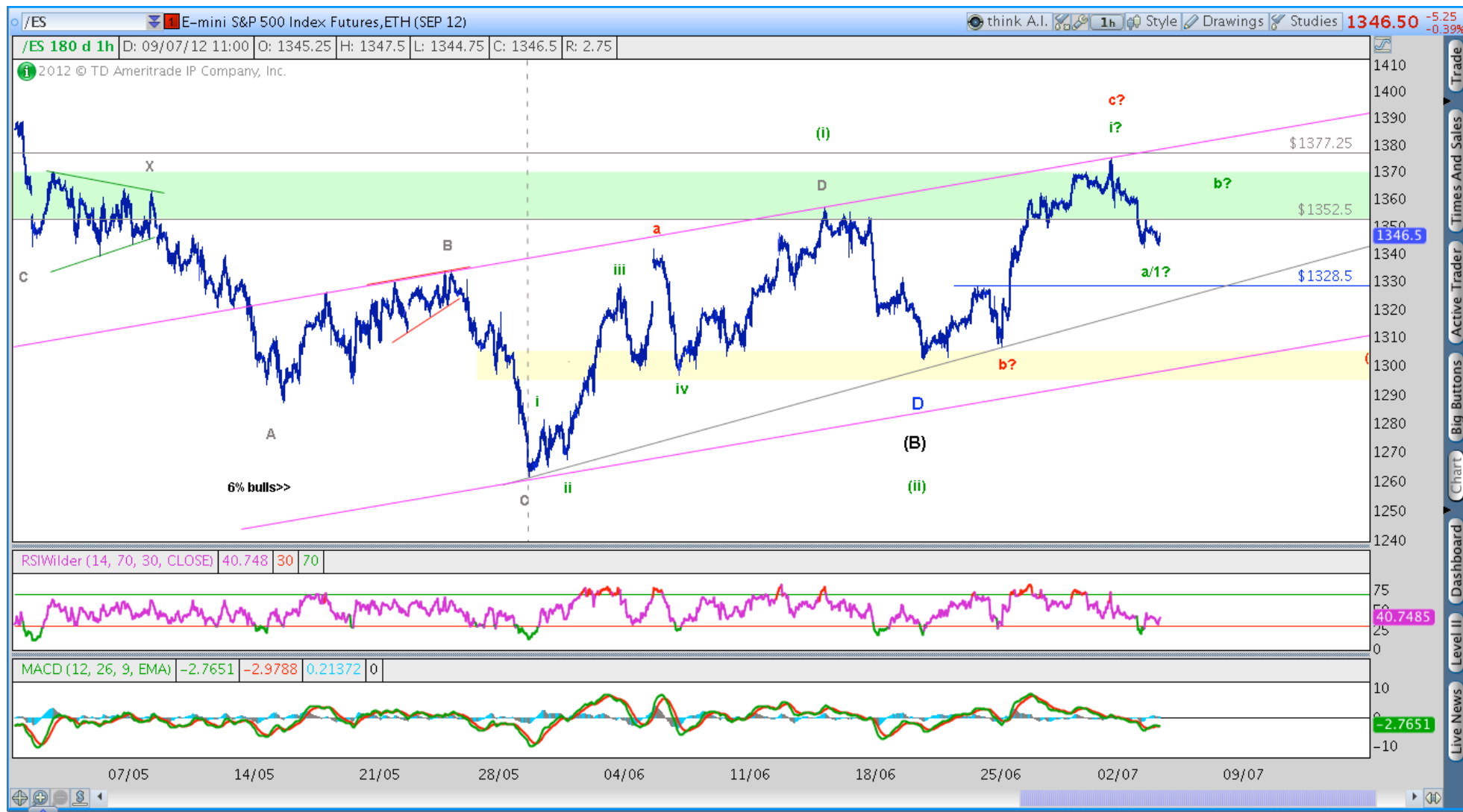


**SPX (August Future @ 1346.5 on Mon, 9 July 2012 1140 GMT)**

The correction reaction from the **rising pink trend-line** shown on the chart has either completed its first leg, or needs one more marginal low. From here a counter-trend bounce should ensure over the next couple of days, with another leg down to follow.

**IF the counts shown below are incorrect, and we are in for a larger decline, then this is the most likely point-of-failure. For now we have higher highs and higher lows, but trading below 1290-1300 would turn the wave structure bearish.**

We count a Double Combination **ABCXABC(DE?)** down from this year's high. It took 61.8% of the time taken by the Dec'11-Mar'12 rally. SPX did not trade below the suspected **wave 1** high at 1266.73 so it is technically possible that the decline was **wave 4**. Alternate medium-term counts are maintained in Black (D) and Blue - (B). All are bullish in the short term.

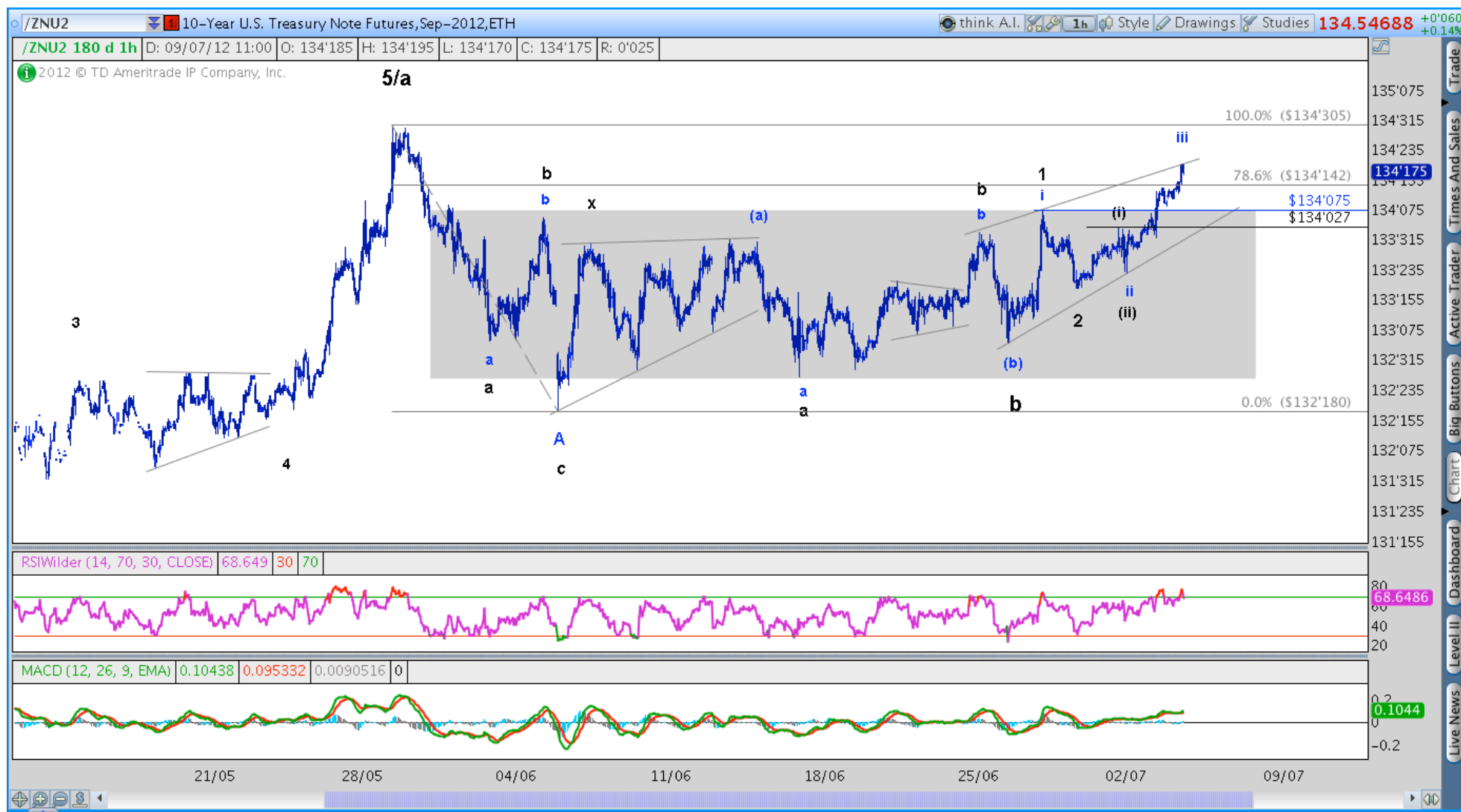


**US10YR** (*Sept Future @ 134'175 on Mon, 9 July 2012 1130 GMT*)

Notes have retraced more than 78.6% of their decline from **134'305**. The deep retracement of the initial decline suggests that the correction from **134'305** is EITHER in the form of an **ABC FLAT**; OR is complete and that we are on our way to make new highs.

The latter (immediately bullish) view would be suspect if the August Future trades below **\$134'027** (see BLACK wave-count on the chart below).

The **ABC FLAT** count has wave (c) of **B** trading out an Ending Diagonal. Ideally wave **iv** of this Ending Diagonal should dip below the wave **i** high at **\$134'075** before making a marginal new high in wave **v**. This would be followed by a sharp reversal.



**Gold** (*August Future @ 1585.2 on Mon, 9 Jul 2012 1145 GMT*)

The **descending Green trend-line** resistance has contained Gold all year, sending it back towards the multi-month support zone. Earlier, the **multi-month support zone (1525-55)** and “sliding parallel” had sent prices back into the ascending channel. Now we watch for support in the 1560-75 area as the August Future continues to trade between the support and resistance trend-lines in a narrowing range.

*Gold has found support at or above the “multi month support zone” (\$1525-\$1555) six times in the past 2 months. Earlier in June we saw 5 waves up into \$1642.4. That was followed a sharp 3 or 5 wave move down for a 78.6% retracement. This was followed by a choppy, corrective rally that failed in the \$1631-42 resistance.*



**Crude Oil** (*August Futures @ 85.06 on Mon, 9 June 2012 1150 GMT*)

The recent rally finally broke out of the 2-month old declining channel in a spectacular “out-of-the-blue” fashion. A shallow Fibonacci 38.2% correction followed (wave 2/B). Crude Oil prices then continued to advance impulsively. Over the couple of weeks - as long as we stay above **\$82.1** - this advance should have enough to carry it to **\$92.52**, which remains a medium-term pivot. For now it appears to be in a correction of unknown depth.



**EUR/USD** (1.2298 on Mon, 9 July 2012 1200 GMT)

The rally coming out of the EU summit broke the momentum of what had appeared to be an impulsive decline. Now it appears that was in fact a 3-wave (corrective) structure. A sharp decline followed and made new lows. I expect a minor correction here, which could go as far as 1.25 to retest the broken trend-line show below.

*Medium term: A decline is underway in wave e of E towards 1.18/1.20.*



**USD/JPY** (79.54 on Mon, 9 July 1205 GMT)

**Unchanged.** The pink trend-lines continue to offer support – after the long-standing pivot at **80.54/\$** rejected the recent USD/JPY advance. If the **abc-x-abcde** count from December 2011 high is correct, the bulls may soon attempt another rally from a higher low. Breaking below the trend-lines will likely lead to a sharp move back down to **78.27/\$**.



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