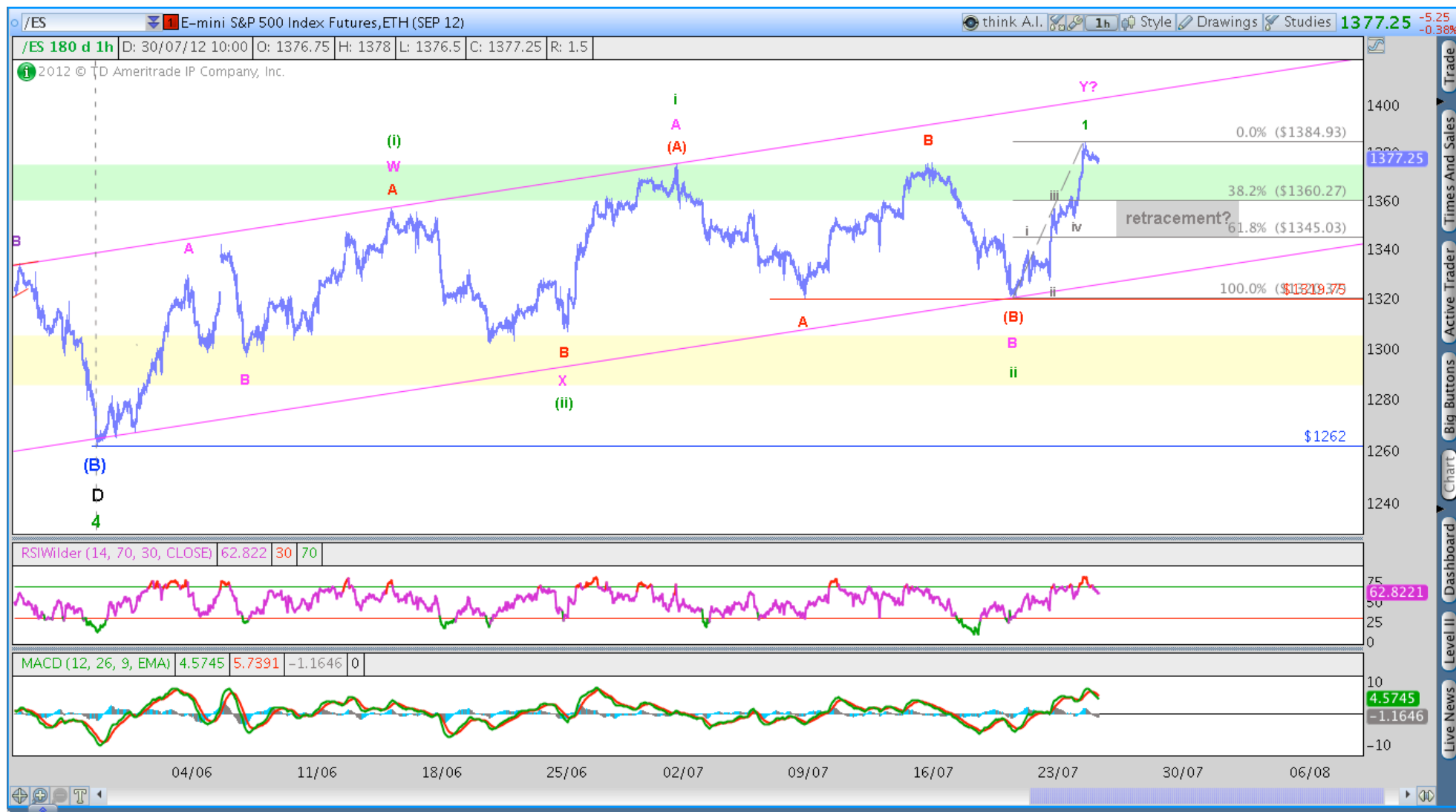


SPX (*Sept Future @ 1377.25 on Mon, 30 July 2012 1020 GMT*)

The Double Bottom at the **1319.75** low was followed by a clean **5-wave impulse**. To further strengthen the favored case for a continued, we want to see any corrective move that unfolds from here to be supported by the **1345-60** Fibonacci retracement levels. A few possible counts from the lows (in pink, red and green) are shown in the chart below.

Medium Term: We counted a Double Combination **ABC-X-ABC** down from this year's high down to **1262**. 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.* Medium-term counts maintained in **Black: 1262 = wave D**; and **Blue: 1262 = wave (B)**. Both are bullish in the medium term - as long as we trade above 1285-1305 support.



US10YR (Sept Future @ 134'250 on Mon, 30 July 2012 1030 GMT)

A sharp break below **\$134'045** puts us on high alert for a significant top. The first confirmation would be a 5-wave move to the downside (we have 3 waves so far). Trading above **\$134'315** would mean this is a false alarm and that wave 'v' of 5 of **5** will continue higher.



Medium Term: Notes may have completed their advance from **\$127'210**, along with the larger pattern that began in April 2010. It is possible that wave 'v' of 5 of **5** has completed with a sharp reversal below **\$134'137**. Note the negative divergence on the Daily RSI, as it failed to make a higher high, with price.



Gold (*August Future @ 1617.4 on Mon, 30 July 2012 1040 GMT*)

Gold has now rallied strongly from the “multi-month support” zone and has sustained above the significant **GREEN Resistance Line** that has held price down all year. The bullish case only be confirmed above **\$1642**. The reason for caution is that Gold MAY be forming a “wider” contracting Triangle as shown in the chart below. Further QE is being telegraphed through the usual sources, and an official announcement on this should propel Gold higher.

Medium Term: Gold is trading in a narrowing range and the direction of the next big move depends on whether support or resistance prevails. Key levels are **\$1547.6** & **\$1535** for a bearish decline; and trading above the **descending Green “resistance” trend-line** and key levels **\$1625.7** & **\$1642.1** for a bullish breakout.



Crude Oil (Sept Futures @ 89.55 on Fri, 27 July 2012 1140 GMT) - Unchanged

Short term: 3 waves up from the recent \$86.83 low that can be counted as wave (2) = A-B-C; OR 'i-ii-(1)-(2)' of a nascent uptrend. Now \$88.5 acts a short-term trading pivot ... bearish below \$88.5 to support the former count; and bullish above \$88.5 in a continued impulsive advance (OR more complex wave (2) to be contained below \$93.26).

Medium term: The recent rally broke out of the 2-month old declining trend-line in a spectacular "out-of-the-blue" fashion. The advance from the \$77.7 June lows can certainly be counted as an unambiguously bullish 1-2-(i)-(ii). However, is equally valid to count it as A-B-C. In the latter case, the decline from \$93.26 was EITHER a wave 'X' (with another A-B-C upward to follow); OR an impulsive wave (1) down.



EUR/USD (1.2273 on Mon, 30 July 2012 1100 GMT)

The clean 5-wave “initial rebound” into **1.23/1.245** in wave **1/A** confirms that the 5th wave of the decline from **1.2693** is complete. Now expect a 3-wave pullback into the “retrace” zone **1.215/1.226**. If the retrace is corrective, a “second rebound” towards **1.225/1.28** is virtually assured.

Medium term: A decline is underway in wave **e** of **E** towards **1.18/1.20**, or even lower (larger count not visible here). Whether this decline completed at **1.204** remains to be seen.



USD/JPY (78.22 on Mon, 30 July 1110 GMT)

The correction from the longstanding **\$80.54** pivot level achieved the target of **78.27/\$**. The rally attempt from the **\$77.9** low failed in a 3-wave advance against **\$78.68**. Now bears can use **\$78.68** as a **short-term pivot** to trade lower from here.

Medium Term: Bulls may soon attempt another rally from a higher low above **\$77.5**. Sustained trading below this support level is bearish.



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