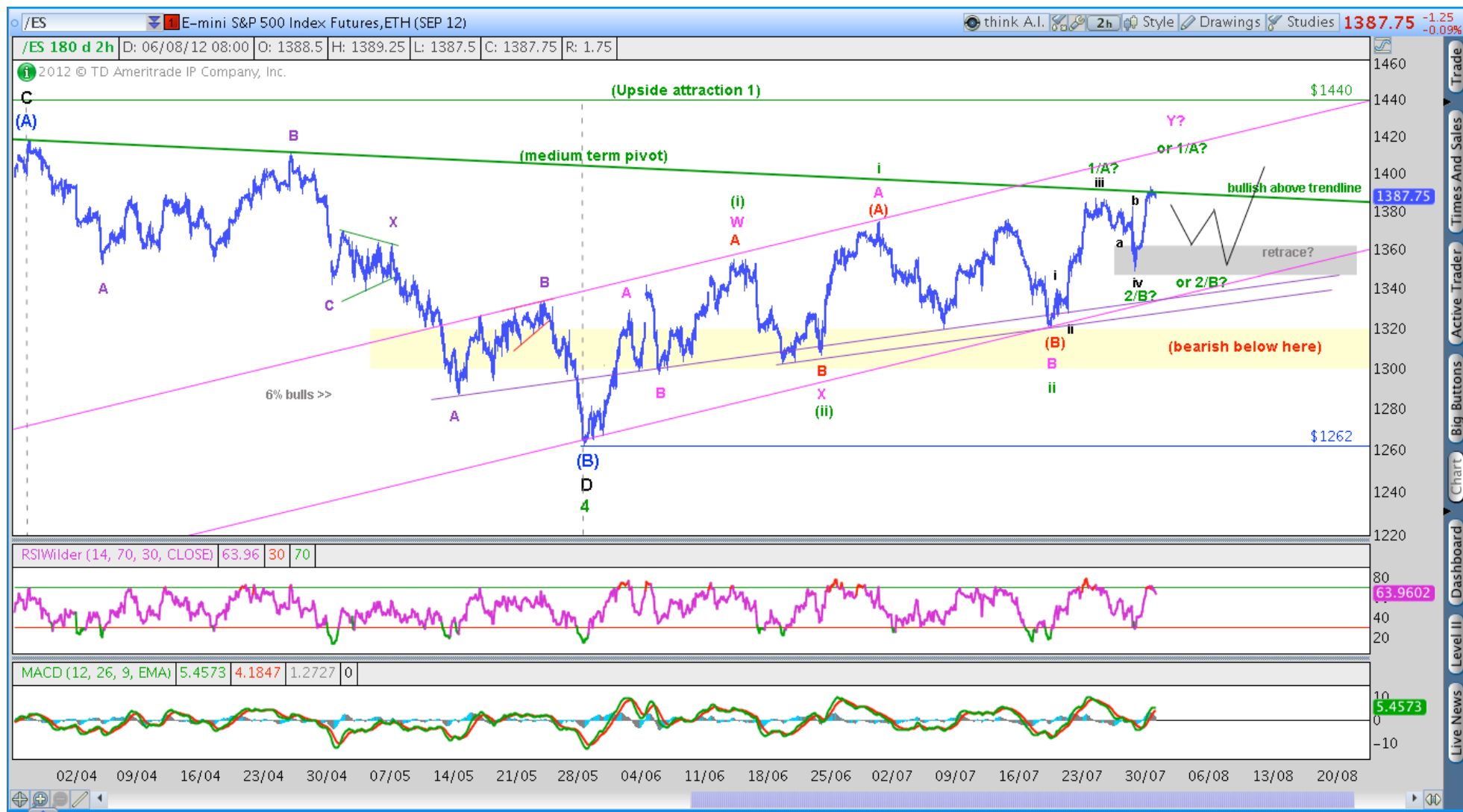


SPX (Sept Future @ 1387.75 on Mon, 6 Aug 2012 0900 GMT)

**Trend: Up (choppy)**

SPX Future remain at the risk of a sell-off to the 1350 area while under the **falling Green trend-line** that has so far contained it in 2012. Sustained trading above targets 2012 highs at 1420. A few possible counts from the lows (in pink, red and green) are shown in the chart below. Medium-term support moves up to **1300-1320**.

**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 1300-1320 support.



**US10YR** (Sept Future @ 134'030 on Mon, 6 Aug 2012 0915 GMT)

**Trend: Up (Topping?)**

Today we should see one more low to complete 5 sub-waves down from \$134'297 (see chart). The marginal low on Friday gives us a potential 5-wave move from the \$135'155 top. However, the **outsized wave (iv)** in this count means we have to seriously consider the alternate **a-b-c** count to complete wave II (wrong below \$133'040). In either case a rally should follow from another low. The structure of this rally should give us clues to the future.

**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 5 has completed with a sharp reversal below \$134'137. There is negative divergence on the Daily RSI, as it failed to make a higher high, with price. Confirmation below \$132'180.



**Gold (August Future @ 1604.5 on Mon, 6 Aug 2012 0930 GMT)**

**Trend: Range-bound**

While the **\$1580-90**-support area holds a rally can continue the advance from recent lows beyond **\$1642.1** (see Gray count on the chart). A break below **\$1580** would suggest that a "wider" contracting Triangle is forming (as shown in the chart below).

*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 key levels **\$1625.7 & \$1642.1** for a bullish breakout.

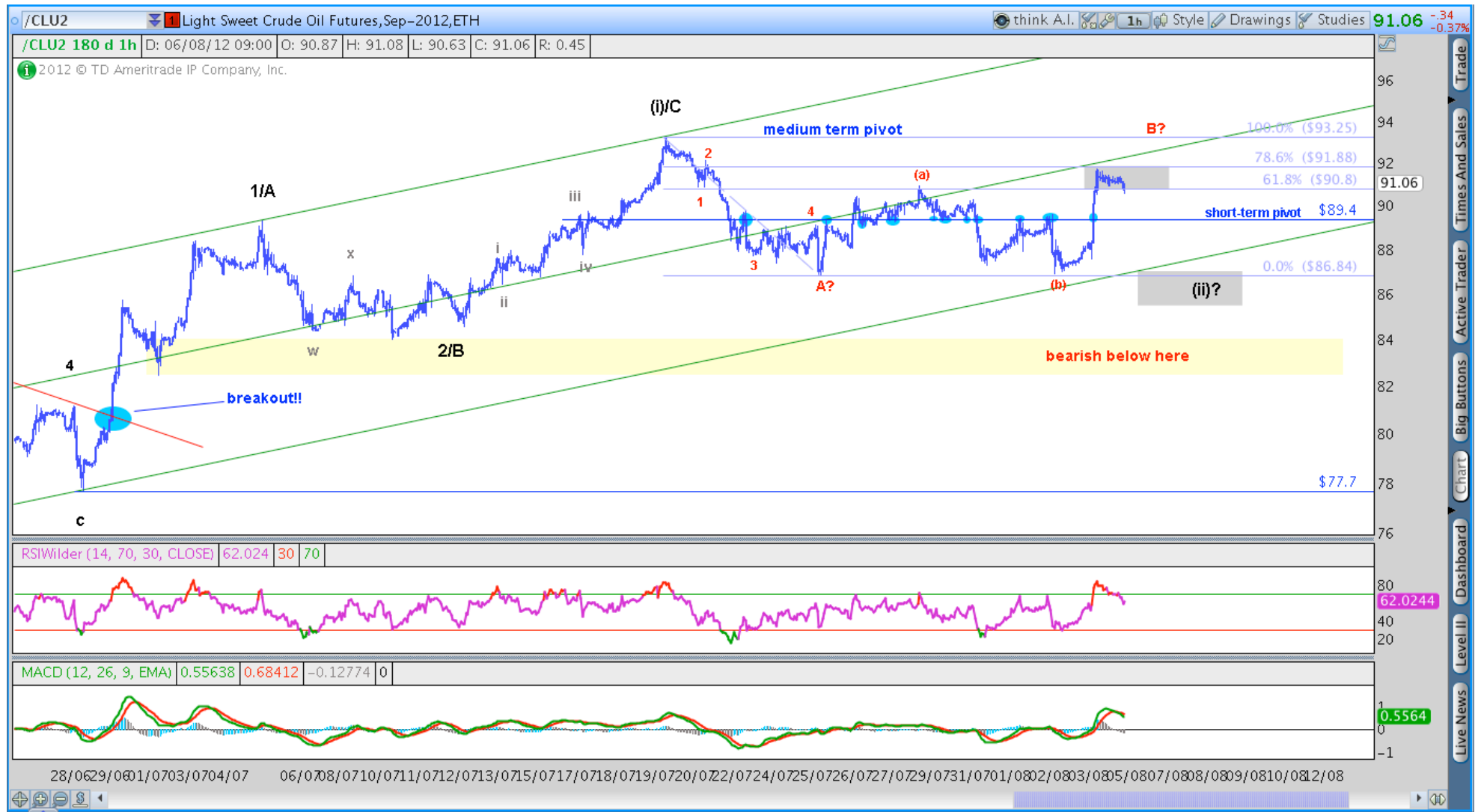


**Crude Oil (Sept Futures @ 91.06 on Mon, 6 Aug 2012 0940 GMT)**

**Trend: Up (consolidating)**

**Short term:** On Friday bears were warned that trading above the **\$89.4/\$89.5** pivot could trigger a sharp rally in wave **(c) of B** to **\$92-\$93**. The bulk of this sharp move is behind us but we still allow for another marginal high in the **\$92-\$93.25** range. After this we may see a wave C sell-off targets **\$85.5-\$87**.

**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 a bullish **1-2-(i)-(ii)** or **A-B-C**. Trading below the **\$82.5-\$84** support area will support the latter (bearish) interpretation.



EUR/USD (1.2368 on Mon, 6 Aug 2012 0950 GMT)

**Trend: Up**

A "second rebound" towards **1.245/1.28** is underway. Previously a clean 5-wave "initial rebound" to **1.2389** confirmed that the 5<sup>th</sup> wave of the decline from **1.2693** is complete. The expected pullback into the "retrace" zone **1.215/1.226** appears to have completed at the **1.2174** target.

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 (78.35 on Mon, 6 Aug 0955 GMT)

**Trend: Down (bottoming?)**

Bears can continue to use **\$78.68** as a **short-term pivot** to sell 3-wave rallies. Previously the correction from the longstanding **\$80.54** pivot level achieved the initial target of **78.27/\$**. Two corrective rally attempts from the **\$77.9** low have failed in 3-wave advances against **\$78.68**. While this level remains resistance we should soon see a breach of **\$77.9** support, targeting **\$77.5**.

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



## CONTACT

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