

SPX (Sept Future @ 1407.75 on Tue, 28 Aug 2012 0720 GMT)

Trend: Up (correcting)

In the bullish green count new, the new 2012 highs can be counted as wave 3 (wrong below 1387.5), OR wave iii (wrong below 1376.57). In the red count, the advance from 1320 is likely complete as wave C (confirmation under 1387.5). This puts us in wave D or X while we trade above 1340/50.

Medium Term: The decline from the March 2012 highs down to 1262 took 61.8% of the time taken by the Dec'11-Mar'12 rally. SPX (cash) 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 are maintained in Black: 1262 = D and Blue: 1262 = (B). Below 1340/50 a large "Flat" correction from the March 2012 top is possible (target 1260).



US10YR (Sept Future @ 133'285 on Tue, 28 Aug 2012 0730 GMT) [Unchanged]

Trend: Down (correcting upwards)

A drop below **\$132'180** confirms a very important wave **5** top. I now think the initial decline is a complete wave **A Diametric (abcdefg)**. The market either topping in wave **B**, OR its initial rebound is topping in wave 'a' of **B**. The short-term overbought condition on the RSI suggests a portion of the advance will be retraced; OR the decline will resume in wave **C**.

Medium Term: Notes have most likely completed their advance from **\$127'210**, along with the larger pattern that began in April 2010. There was negative divergence on the Daily RSI, as it failed to make a higher high with price. A bearish daily reversal is confirmed below **\$132'180**.



Gold (*December Future @ 1670.7 on Fri, 24 Aug 2012 1110 GMT*)

Trend: Neutral (at a pivot area)

Bears want to see the upper trend-line of the year-old bear channel/bull-flag/consolidation cap Gold prices below **1675-80**. Bearish counts in **Blue** and **Red** target new lows that range anywhere from **1490** down to the **1300s**.

Bulls want to see continuation of the persistent impulsive rise with short, shallow pullbacks. A tentative bullish wave-count is shown in **Black** with wave E marking the last leg of an **ABCDE** wave (4) consolidation from last year's blow-off top (unlikely below **1592.1**). An alternate count in **Grey** requires a retest of the **1525** lows as wave 'c' of 'E' of (4).



Crude Oil (December Futures @ 96.05 on Tue, 28 Aug 2012 0745 GMT) **Note change in contract *****

Trend: Up (correcting)

Short term: Dec Future has clearly broken out in an "Inverted Head & Shoulders" pattern, targeting \$105-\$110. Reassess below \$92.66 - \$93.44.

Medium term: The recent rally broke out of the 2-month declining trend-line in an "out-of-the-blue" fashion. The advance from the \$79.12 June lows is best counted as an A-B-C-X-A (with B & C to follow). Only trading below \$87-\$89 will reverse this advance.



EUR/USD (1.2482 on Tue, 28 Aug 2012 0755 GMT)

Trend: Down (correcting upwards)

The rebound target of **1.245/1.28** is practically achieved. Advise paring down positions/taking profits to await a resumption of the decline below **1.243** or strength above **1.28**.

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 (78.52 on Tue, 28 Aug 0800 GMT)

Trend: Down

[Unchanged] The corrective rally from the higher low at **\$77.9** (wave 'c/i') has failed as expected. Our preferred scenario remains a decline targeting new lows below the wave (a) extreme at **\$77.65**. An Expanding/Contracting Terminal remains in play.

Medium Term: Bulls may soon attempt after the current Terminal structure is complete around **\$77.5**. Trading above **\$80.54** is bullish.



CONTACT

For all enquiries please email arvind@damarlaconsulting.com or call Arvind Damarla at +44 79 6049 2060

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