

SPX (Sept Future @ 1407.5 on Fri, 4 Sep 2012 0900 GMT)

Trend: Up (correcting)

So far the decline from the 2012 high is corrective. The contracting trading range between 1395 & 1418 could break either way. Bulls can count the 2012 highs as wave **3** (wrong below **1387.5**), OR wave **iii** (wrong below **1375**). Support for wave **iv/4** runs from 1387.5 to 1375.

Bears can count see the advance from **1320** as wave **C** (confirmation under **1387.5**). This puts us in wave **X** while above 1357; OR corrective wave **D** if we get overlap with wave **A** @ 1357. All counts support higher prices while the Sept Future stays 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 (possible wave **4**). Other medium-term counts are maintained in **Black: 1262 = wave D** and **Blue: 1262 = wave (B)**. Below **1340/50** a large "Flat" correction from the March 2012 top is possible (target 1260).*

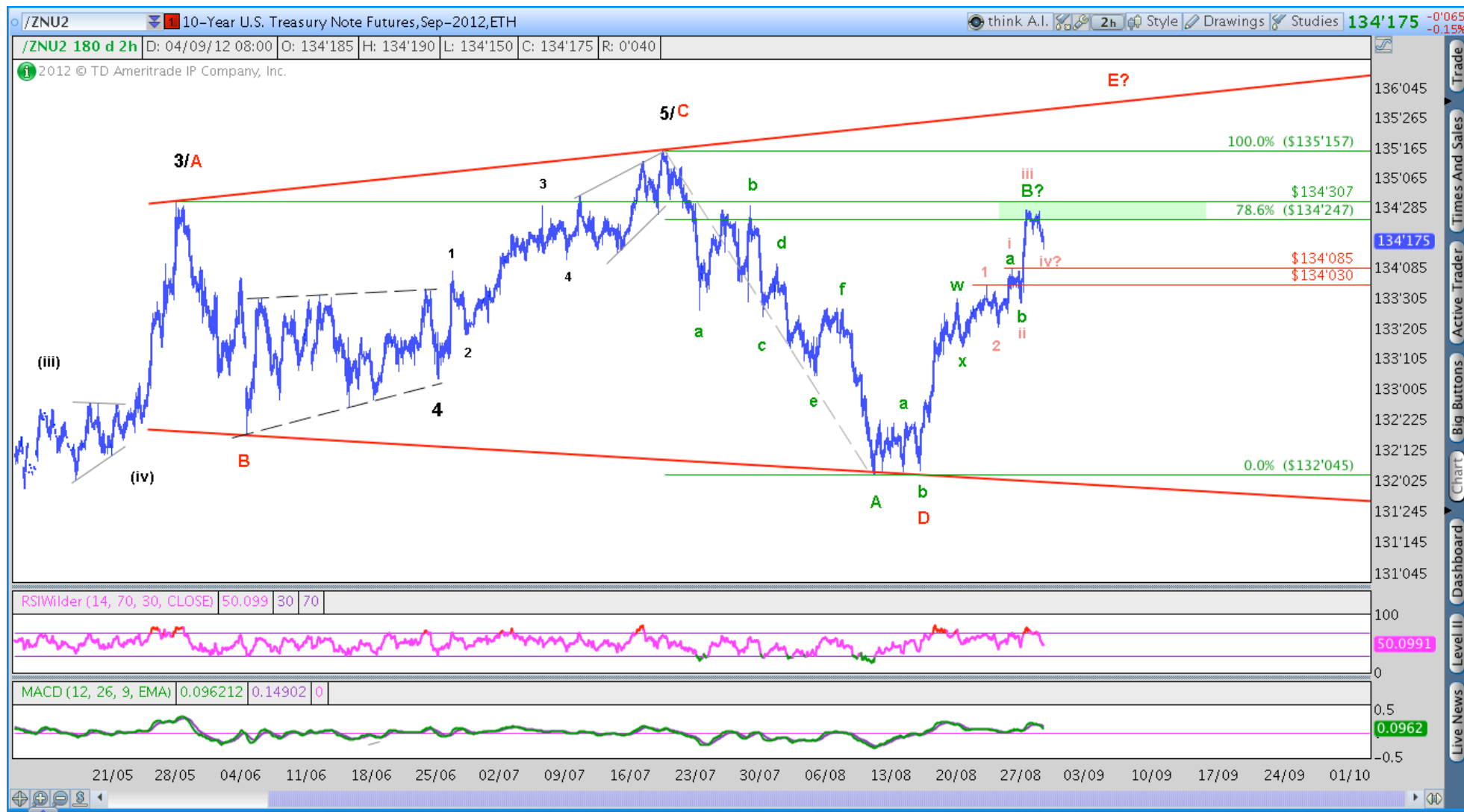


US10YR (Sept Future @ 134'175 on Tue, 4 Sep 2012 0920 GMT)

Trend: Down (correcting upwards)

Wave **B** has retraced deep into the top end of our target zone. While price remains capped by \$137'307 (May's "spike high"), a complete **w-x-y** correction can be counted. The sharpness of the advance means that an impulsive count can no longer be ruled out (wrong if overlap below \$134'085 and \$134'030). In one scenario, a break to new highs could turn into a nasty bull trap if the market reverses violently after new highs in a megaphone-shaped Expanding Triangle pattern (Red count).

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 @ 1695.7 on Tue, 4 Sep 2012 0935 GMT*)

Trend: Neutral (at a pivot area)

Gold has broken-out of the year-old bear channel/bull-flag/consolidation. Bulls now want to see continuation of the impulsive rise with short, corrective pullbacks. A bullish wave-count is shown in **Black**. A wave (4) consolidation from last year's blow-off top is marked as complete. A wave 1 impulsive advance from there is either complete or completing. Short-term support for a corrective wave 2 is from 1647 down to 1625.

The last technical hurdle for the bulls is the 1700 level, the 61.8% retracement of the decline from 1800. A sharp failure here can activate bearish counts in **Blue/Red** targeting new lows that range anywhere from 1460/90 down to the 1300s. A rapid decline below 1600/10 is needed to have any confidence in the bearish counts.

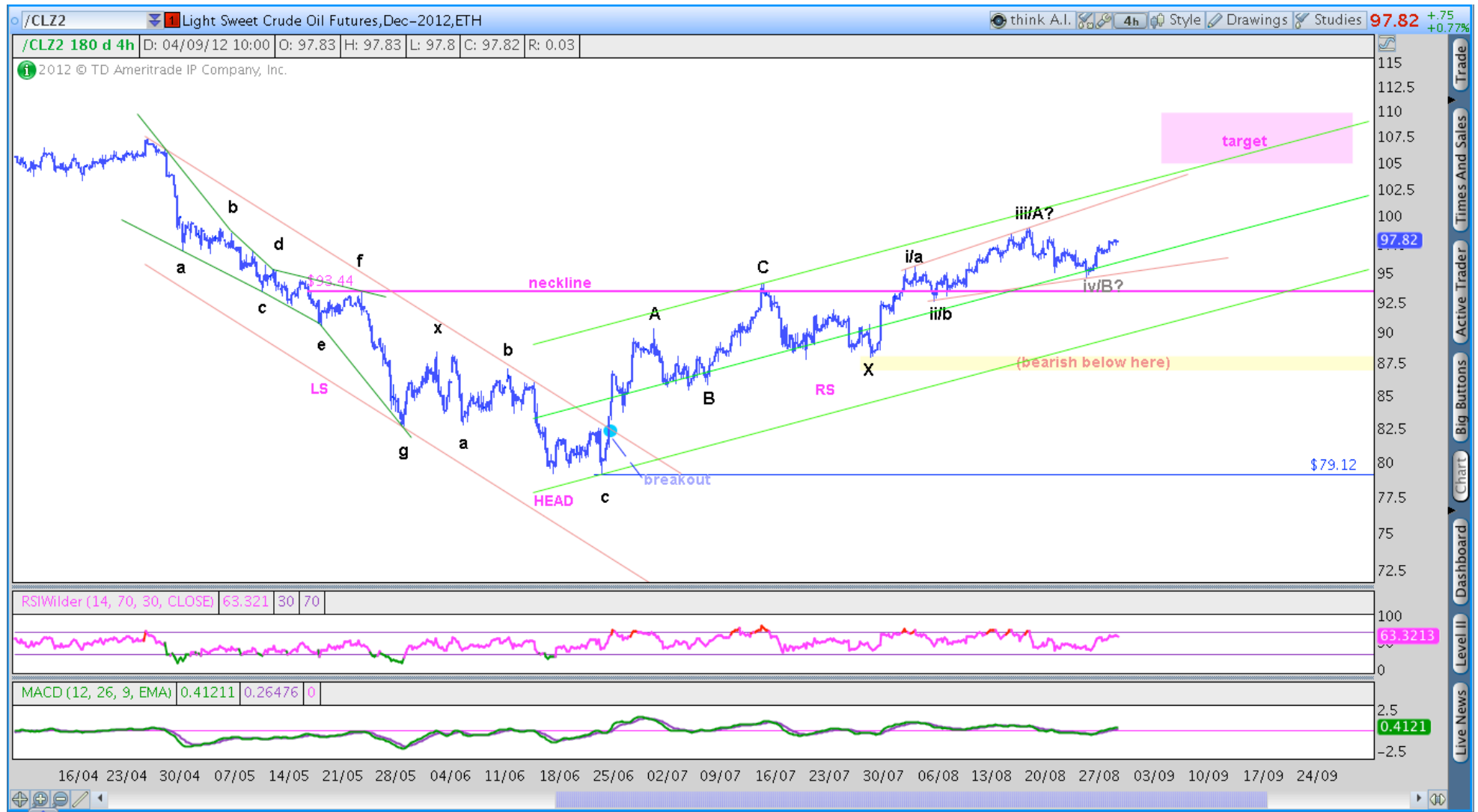


Crude Oil (December Future @ 97.84 on Tue, 4 Sep 2012 100 GMT)

Trend: Up

Short term: Dec Future continues to target **\$105-\$110** in an **"Inverted Head & Shoulders"** pattern from the **\$93.44** neckline. Reassess below **\$92.66 - \$93.44**. The recent short-term correction may have bottomed (confirmation above \$99.1).

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 (1.2602 on Tue, 4 Sep 2012 1035 GMT)

Trend: Down (correcting upwards)

The target of **1.245/1.28** is achieved. Advise paring down positions/taking profits to await a resumption of the decline below **1.2464** or strength above **1.28**.

Medium term: A decline is underway in wave **e** of **E** towards 1.18/1.20, or even lower. Whether wave **E** decline completed at **1.204** remains to be seen.



USD/JPY (78.43 on Tue, 4 Sep 2012 1100 GMT)

Trend: Down

[Unchanged] The corrective rally from the low at **\$77.9** (wave 'c/i') failed as expected. The 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.



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