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Global Market Insights

Research Note – Intermediate Update

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We have picked up charts that has some distinct characteristics and values : SPX, NYSE-AD, DOW, Sector Analysis, $USD.

SPX – Closed @ 1120

SPX – "Our Current Signals & Projections"

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- ***On 15th July*** ***– POM 14 was achieved at 1090***
- ***On 19th July*** ***– POM 13 was triggered at 1060 (Neutral signal – Short Term) –*** *Although this signal was not announced prior to price shift, its reviewed on back testing (Due to our absentee during this time)*
- *Since overall, We have the weekly close **below 1130**, and Intermediate term market should remain below this on any rally bounces. Any move higher should be computed for detail Bearish analysis.*
- ***Therefore , that has remains our price target for to get the Re – Run of POM 14 .*** *We would like to see the test of 1131 fail or decisive close below 1090 on weekly would be another way to look at it.*
- *On completion of the bounce, we should get a next leg down.* We do expect to see a return to that secular bearish trend at some point.

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The best conformation is when the volatile Government market moving data such as BLS Employment (Which has history of tripped digit moves) comes out at the end of the price confluences of projections. It allows us to evaluate the quality of force on price move to burst through the level either on false break or real break .

We're seeing the **geomagnetic storm continuing**, That storm is scheduled to end on Thursday and the Fed study (released , see attached their report from past), even Fed keeps eye on this without admitting out in open publicly. The end of a geomagnetic storm precipitate selling which lasts for up to a week. We also have Time Ratio Highs due either Thursday or Friday and with the market rallying into those projected top dates, it's very likely that we will see a top here and the beginning of a decline soon.

Giving the timing, it's very likely that the Employment Report from the government to be released Friday morning will get the blame for the selloff, but in truth, the report is basically already discounted in market action. The market, is, in fact already primed to sell off no matter what the report says. The tendency sometimes is to lift first to get every one in.

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SPX

Sell Signal Imminent, We hit a high of 1128, 3 points shy of our 1131. Pretty close

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AD LINE - Oscillator

A short term T constructed on the Advance-Decline Oscillator also projects that the uptrend should run out of steam right now.

New highs and New lows measured by Oscillator is also diverging.

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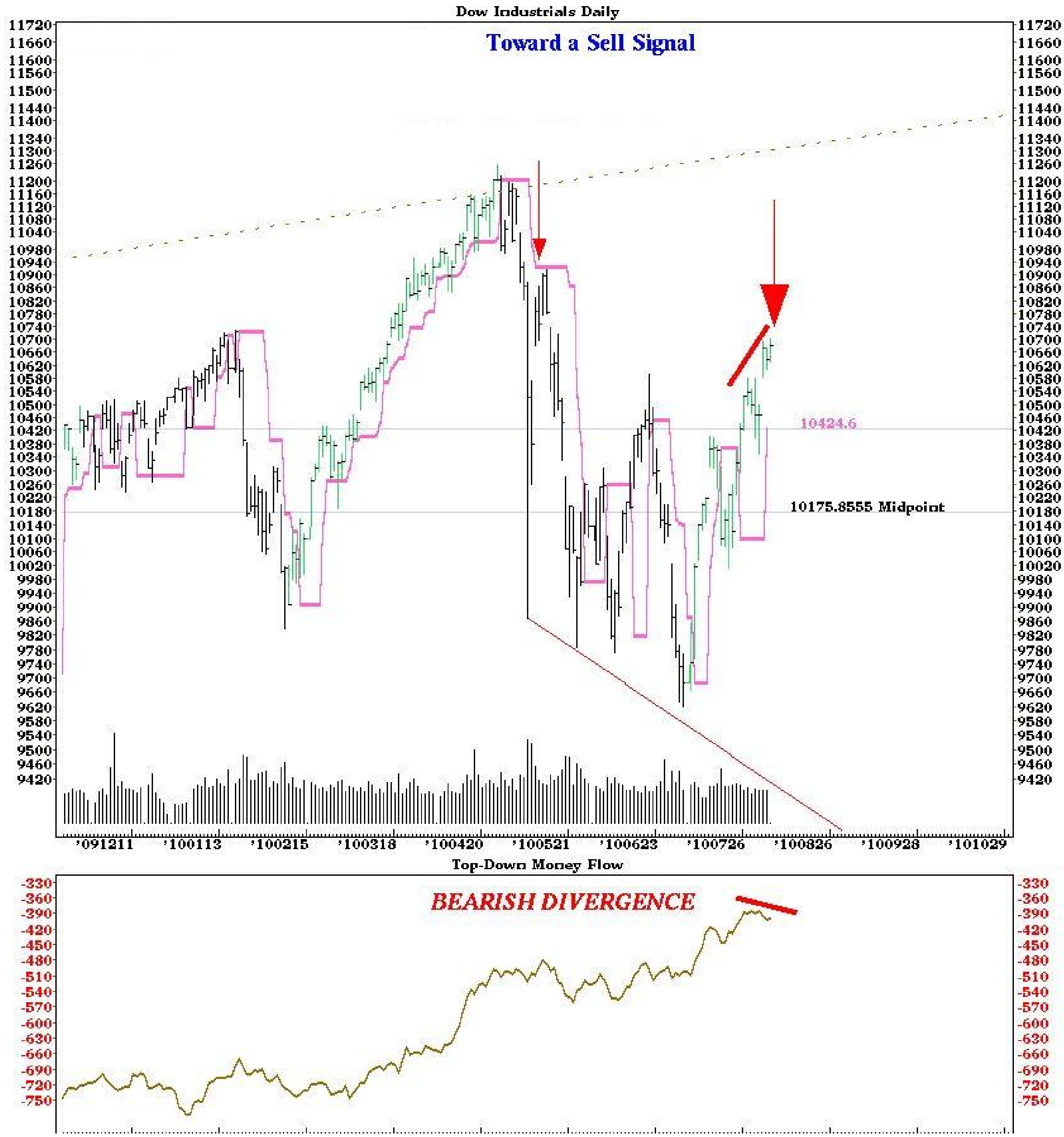
<u>DOW</u> - Gives a great picture on money flow, and warning when Dow money flow is diverging. Hence critical for our use



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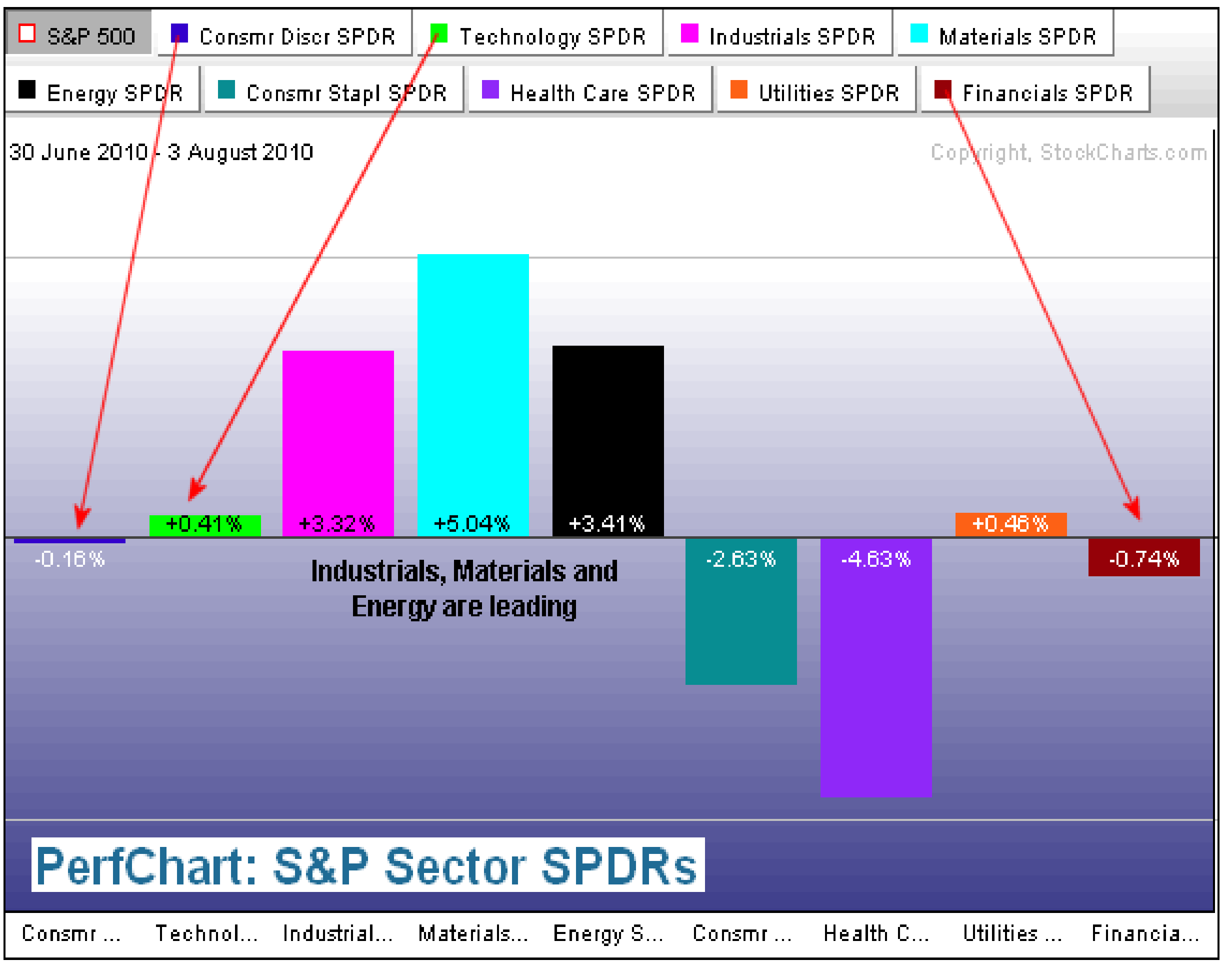
SECTOR Analysis

Since the bottom on 1st July to current, here is the relative strength of the sectors v/s SPX.

MATERIALS, ENERGY AND INDUSTRIALS LEAD MARKET and outperforming. Consumer staples, healthcare and finance are underperforming because they have the largest negative performance. This is **not the ideal leadership picture** for a broad market rally. Ideally, consumer discretionary, technology and finance would show upside leadership. Relative weakness in these three key groups is a concern.

This should be Ideal to measure against the Setup 2 Index , sector wise during the weak sectors on market fall in next decline



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USD - Intermediate term

DOLLAR ETF HITS LONG-TERM SUPPORT ZONE... The Dollar has been in a sharp decline the last nine weeks. USD entered a **support zone around 80 - 81**. This zone stems from the February-March consolidation and a 50-62% retracement of the entire advance. Chart below shows weekly Chart

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USD - Short term

Chart below shows daily prices to focus on the current decline, which formed a channel. This chart also highlights support from the February-April lows.. A move above 82 is needed to break the upper trendline. The indicator window shows the Commodity Channel Index (CCI) **oscillating around -100 (oversold) since mid June**. This is a classic case of becoming oversold and remaining oversold. A break into positive territory is needed to turn momentum bullish again, that should happen soon on first rally attempt and pull back..

It is also worth noting that the rising 200-day moving average is around 80.5.

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