

EWP on the S&P 500 index 14 April 2003

910

900

890

880

870

860

850

[Y] = [W] exactly ---->

HEAD and SHOULDERS

[W]

[X]

83.7%

B

<-BIF. [X]

[W]

84.7%

C

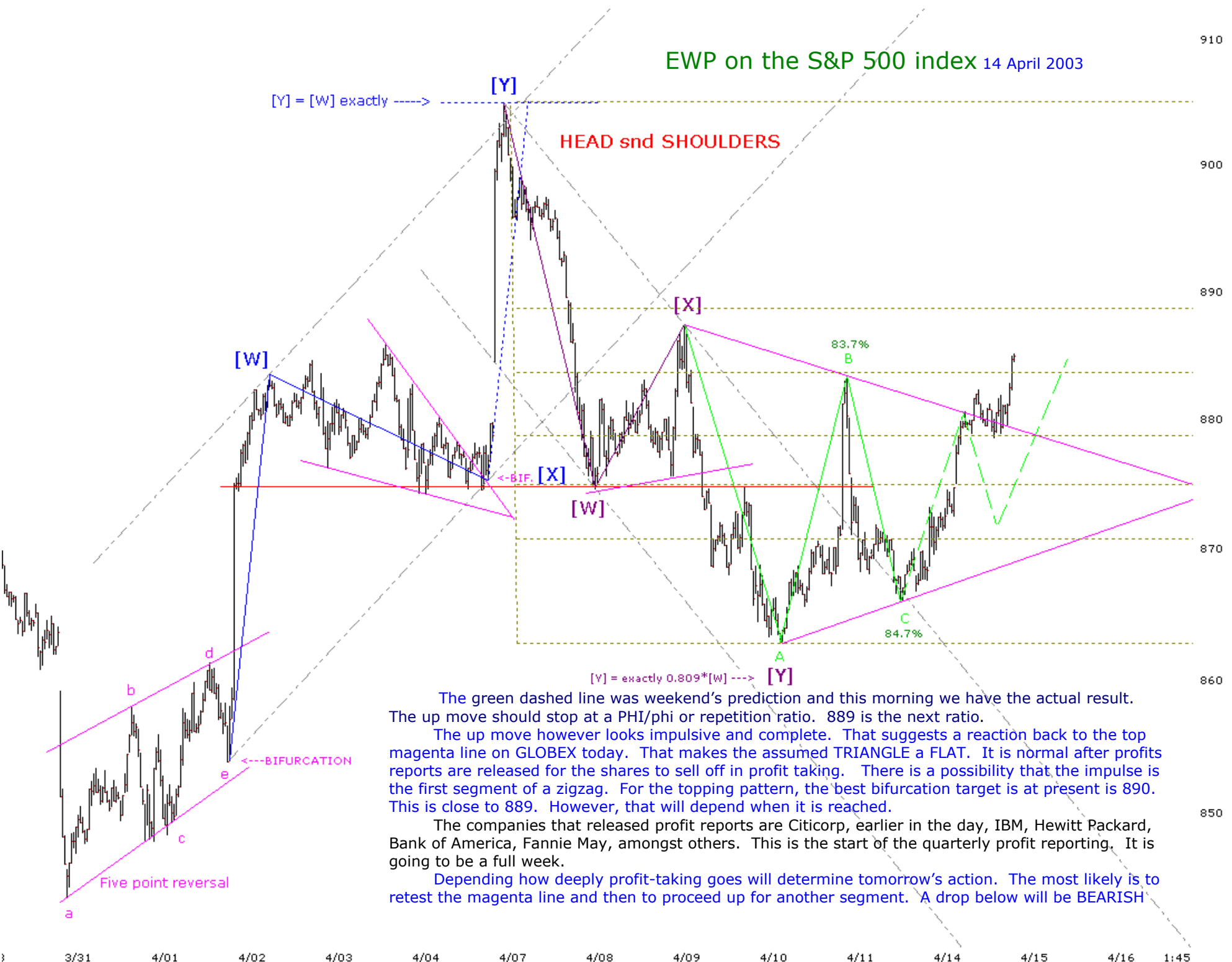
[Y] = exactly 0.809*[W] ----> [Y]

The green dashed line was weekend's prediction and this morning we have the actual result. The up move should stop at a PHI/phi or repetition ratio. 889 is the next ratio.

The up move however looks impulsive and complete. That suggests a reaction back to the top magenta line on GLOBEX today. That makes the assumed TRIANGLE a FLAT. It is normal after profits reports are released for the shares to sell off in profit taking. There is a possibility that the impulse is the first segment of a zigzag. For the topping pattern, the best bifurcation target is at present is 890. This is close to 889. However, that will depend when it is reached.

The companies that released profit reports are Citicorp, earlier in the day, IBM, Hewitt Packard, Bank of America, Fannie May, amongst others. This is the start of the quarterly profit reporting. It is going to be a full week.

Depending how deeply profit-taking goes will determine tomorrow's action. The most likely is to retest the magenta line and then to proceed up for another segment. A drop below will be BEARISH



Five point reversal

<---BIFURCATION

a

b

d

e

4/01

4/02

4/03

4/04

4/07

4/08

4/09

4/10

4/11

4/14

4/15

4/16

1:45

3/31

