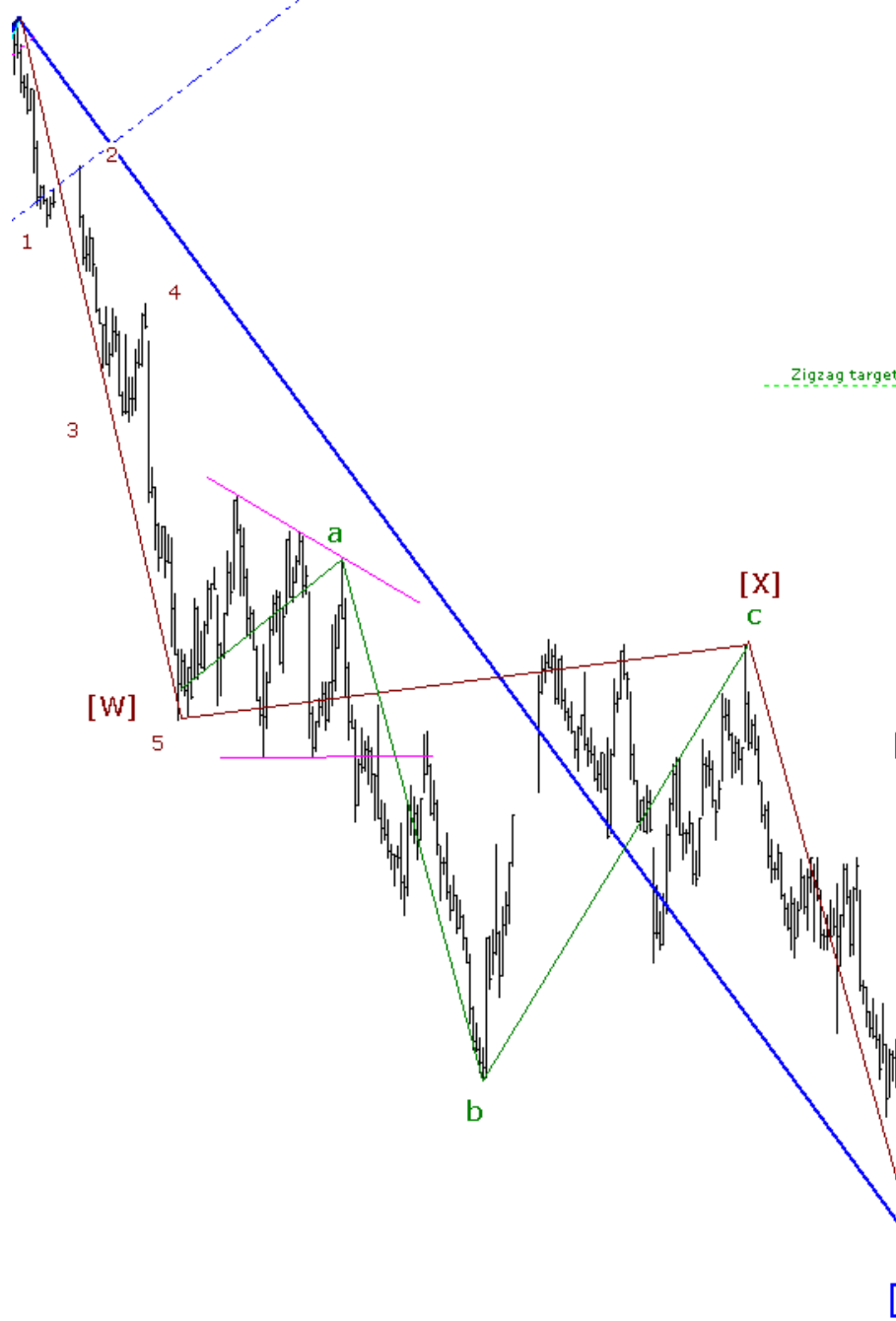


[C] ←---Completion of upmove from 10 Oct 2002  
↓ T5

### EWP on the S&P 500 index 17 April 2003



The S&P has picked the 61.8% ratio almost exactly and then fallen off. **The bifurcation point is in.** In trading and Elliott this is the most important position for the rest of the analysis hangs on it.

It is now sitting on the red dotted line of the projection. RECTANGLE. Once through, it will be an additional piece of action suggesting that this may be the **[E] wave**, and the top may be in at **GREEN (C)**. This is based on the principle that the high momentum move is the directional move and that the slower move is the corrective move. Once below the red dotted line [E] wave is slower than [D] wave.

The Final confirmation is when price drops through 61.8% of **[E]**. This principle is based that in impulse move wave two seldom corrects more than 61.8%

What is suggested is that **[E] wave** is complete and the S&P is beginning its next major down move. Interestingly the bifurcation point again was of very high optimism and a difficult sell.

Zoran