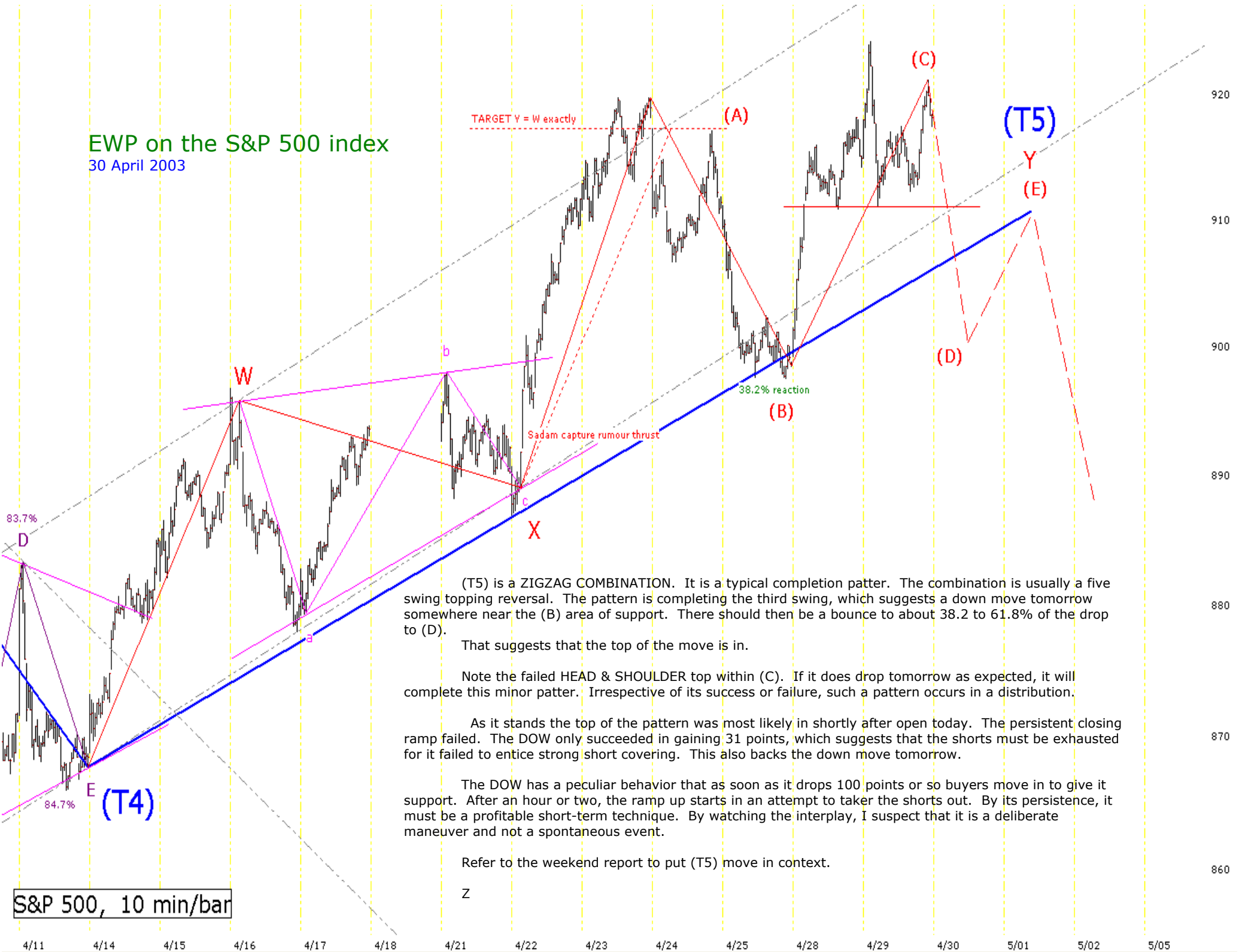


EWP on the S&P 500 index
30 April 2003



(T5) is a ZIGZAG COMBINATION. It is a typical completion patten. The combination is usually a five swing topping reversal. The pattern is completing the third swing, which suggests a down move tomorrow somewhere near the (B) area of support. There should then be a bounce to about 38.2 to 61.8% of the drop to (D).

That suggests that the top of the move is in.

Note the failed HEAD & SHOULDER top within (C). If it does drop tomorrow as expected, it will complete this minor patten. Irrespective of its success or failure, such a pattern occurs in a distribution.

As it stands the top of the pattern was most likely in shortly after open today. The persistent closing ramp failed. The DOW only succeeded in gaining 31 points, which suggests that the shorts must be exhausted for it failed to entice strong short covering. This also backs the down move tomorrow.

The DOW has a peculiar behavior that as soon as it drops 100 points or so buyers move in to give it support. After an hour or two, the ramp up starts in an attempt to taker the shorts out. By its persistence, it must be a profitable short-term technique. By watching the interplay, I suspect that it is a deliberate maneuver and not a spontaneous event.

Refer to the weekend report to put (T5) move in context.

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S&P 500, 10 min/bar

DISCLAIMER

This information is intended for educational and discussion purposes only. Please direct any discussion to the site where you have obtained the update and not to me personally. I trade for a living. I do not have time to answer all queries. Directing your discussion to the posting site will allow others to participate in the discussions and resolve some of the issues independently. It will also give me the opportunity to learn from the comments.

This update does not suggest nor recommend that any trading position be taken. **This is NOT financial trading advice.** If you trade, and need assistance or advice, it is suggested that you seek a qualified financial advisor in accordance to the rules and regulations in your country.