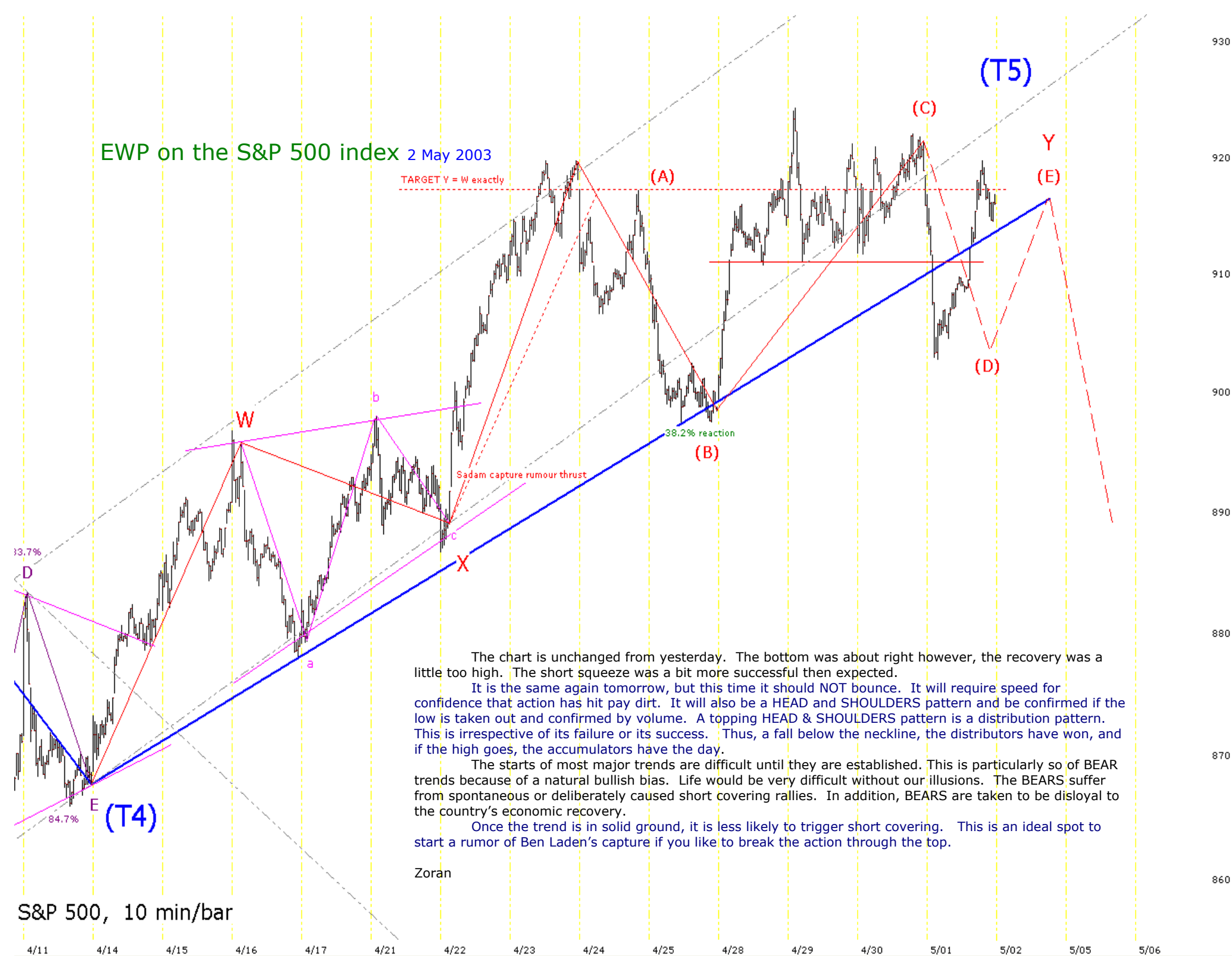


EWP on the S&P 500 index 2 May 2003



The chart is unchanged from yesterday. The bottom was about right however, the recovery was a little too high. The short squeeze was a bit more successful then expected.

It is the same again tomorrow, but this time it should NOT bounce. It will require speed for confidence that action has hit pay dirt. It will also be a HEAD and SHOULDERS pattern and be confirmed if the low is taken out and confirmed by volume. A topping HEAD & SHOULDERS pattern is a distribution pattern. This is irrespective of its failure or its success. Thus, a fall below the neckline, the distributors have won, and if the high goes, the accumulators have the day.

The starts of most major trends are difficult until they are established. This is particularly so of BEAR trends because of a natural bullish bias. Life would be very difficult without our illusions. The BEARS suffer from spontaneous or deliberately caused short covering rallies. In addition, BEARS are taken to be disloyal to the country's economic recovery.

Once the trend is in solid ground, it is less likely to trigger short covering. This is an ideal spot to start a rumor of Ben Laden's capture if you like to break the action through the top.

Zoran

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 to 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.