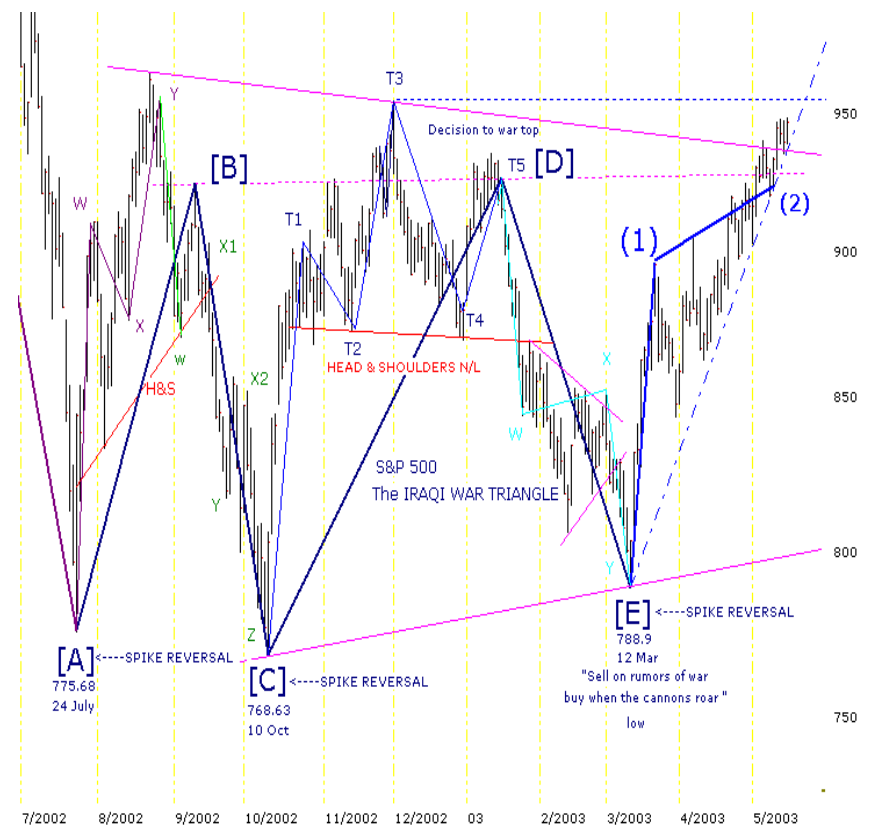


# EWP on the S&P 500 index 16 May 2003



This again is the BULLISH case. As can be seen both the bullish and bearish case can be put to the S&P. To confirm the BULLISH case the S&P needs to break above the middle high-wave [D] in the pattern to the right. The BULLISH count above is already there and just needs confirmation. In the BULLISH break, the RISING WEDGE above is a RUNNING WAVE 2 and very BULLISH. In the BEARISH case, the RISING WEDGE is the second segment of a ZIGZAG and very BEARISH. Other indicators, such as the VIX and the general extreme BULLISHNESS suggest that the BEARISH alternative is more likely. The loss of SPI premium in the Australian market and its Elliott patterns suggest by their action a bearish outcome. Either way not much time will be required for the resolution of the S&P's two alternatives. Since the Australian market is one of the most reactive to U.S. action and a more commercially controlled market, it is a reasonable indicator to U.S. outcomes. The resolution of the IRAQI WAR TRIANGLE was always going to be around the midpoint of its development or alternatively with a false break of its upper containing per line.



960  
940  
920  
900  
880  
860  
840  
950  
900  
850  
800  
750

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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.

Zoran