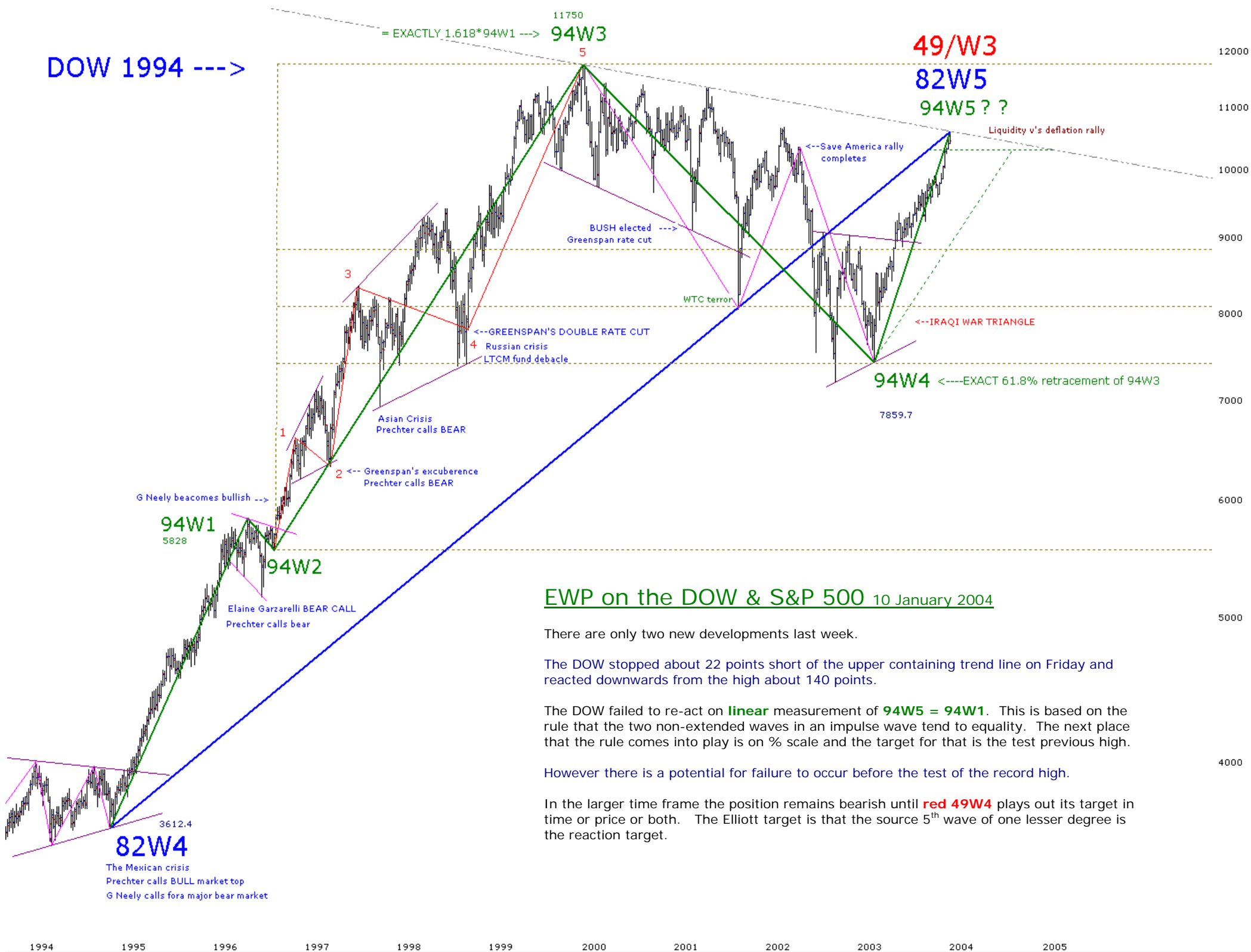


DOW 1994 --->



EWP on the DOW & S&P 500 10 January 2004

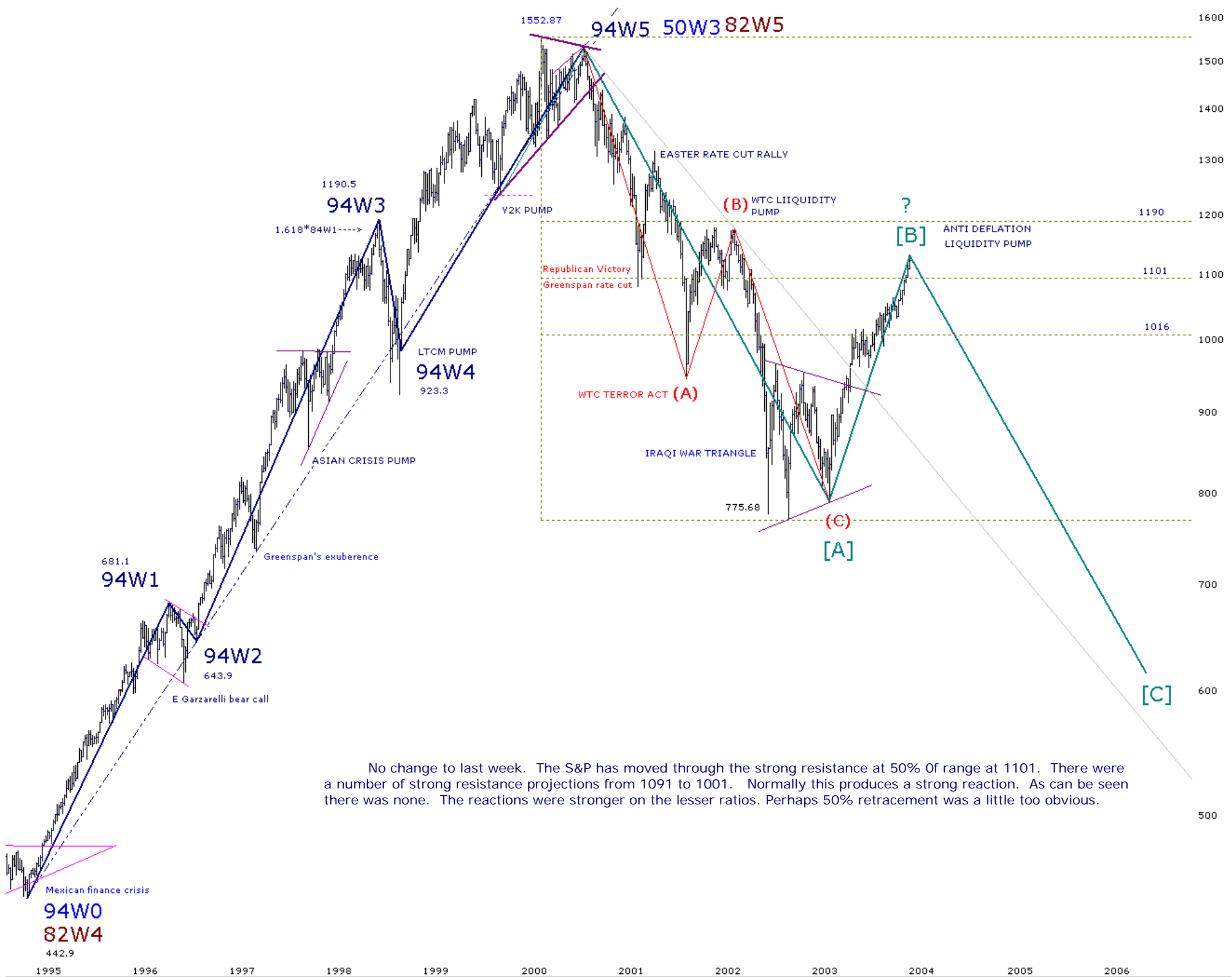
There are only two new developments last week.

The DOW stopped about 22 points short of the upper containing trend line on Friday and reacted downwards from the high about 140 points.

The DOW failed to re-act on **linear** measurement of **94W5 = 94W1**. This is based on the rule that the two non-extended waves in an impulse wave tend to equality. The next place that the rule comes into play is on % scale and the target for that is the test previous high.

However there is a potential for failure to occur before the test of the record high.

In the larger time frame the position remains bearish until **red 49W4** plays out its target in time or price or both. The Elliott target is that the source 5th wave of one lesser degree is the reaction target.



No change to last week. The S&P has moved through the strong resistance at 50% of range at 1101. There were a number of strong resistance projections from 1091 to 1001. Normally this produces a strong reaction. As can be seen there was none. The reactions were stronger on the lesser ratios. Perhaps 50% retracement was a little too obvious.

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. 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.

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