

26May08 Index Analysis

Price action of the indices is suggesting that lower prices are still to come. The Dow has reached its 50% Fibonacci level, which may represent a buying opportunity, but the other indices are far from their 50% Fibonacci levels.

Overall we remain bearish on equities.

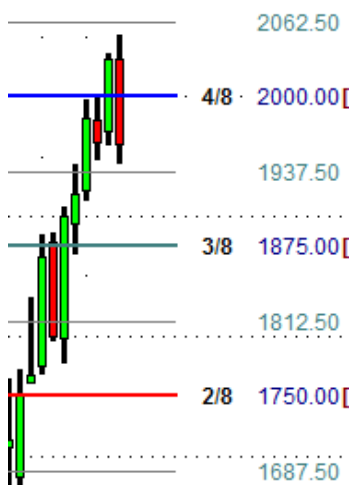
Inter-market analysis is suggesting a possible bounce in the equities markets with the U.S. dollar looking to strengthen commodities overbought, and interest rates ranging.

Market Internals are pointing to a lower Equities markets.



Instrument: \$INDU
View: Bullish (only if 2day support holds at key level)
Key Levels: 13125, 12500, 11875
Strategy: Buy limit @ 12500, Target = 12812.50

Screen clipping taken: 27/05/2008, 6:54 PM



Instrument: NDX - Nasdaq 100
View: Bearish (more down movement to come)
Key Levels: 2062.50, 1875
Strategy: Sell limit @ 2062, Target = 1875

NDX



Instrument: \$SPX
View: Bearish
Key Levels: 1437, 1406, 1375, 1343
Strategy: Sell limit @ 1406, Target = 1343

SPX



Instrument: RUT
View: Bearish
Key Levels: 750, 718.75, 678.5
Strategy: Sell limit @ 750, Target = 687.50

RUT