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# The Wall Street Sun and Storm Report™

**Your daily warning system whether markets turn UP or DOWN!**

## **Market Update as of 08-27-10: The Bernanke Bounce**

**You'll note that the newsletter has become simultaneously shorter and longer**, but in good ways. First, I am going to limit the amount of information that is left in the top table. At the base of the newsletter I will have the older comments so they can be easily referred to. Let's see how this works, and I would appreciate any feedback on the changes you may have.

**Please note (as noted in comment under first chart):** Commas separate distinct values as in **"S @ 42.34, May low."** This nomenclature indicates that both 42.34 AND the May low are support levels.

Realize as usual the support levels cited do not represent numbers that you have to or even should necessarily use as stops. You may be able to afford a wider stop because of where you bought the given index for example. You may be buying a breakout and may then use the breakout point as your stop should the price close below it. In other words, use your judgment as usual for both buying and selling.

Buying points vary in their reward: risk setup as I've discussed several times. You should attempt to judge how far away resistance is to your buying point and how far below support is. The reward should always be double or more than the risk when you set up your stop in advance. If not, find something else to invest in! Do not force an investment or trade to work when it doesn't.

The VIX collapsed nicely allowing for more of a rally. The market must prove itself now, which should result in falling volatility. The market has an opportunity to bounce given all the support levels reached and bounced from. There are exceptions such as banking and it's important that the BKX close above the mid-July low very soon.

The rest is in the MTT below.

**All the best!**

**David**

<http://www.SunAndStormInvesting.com/>

See the Market Trend Table (MTT) below for further details.

**Potential Bearish Targets for S&P 500 from 8-20-10 close of 1071.69: these are just theoretical targets at this point. I want you to be aware of the possible risks, even though many of these seem extreme.**

Mid-July low: 1056.88, -1.38%

Flash Crash Early May low: 1040.78, -2.88%

Early July low: 1027.37, - 4.135%

50% retracement: 943.29, -11.98%

3<sup>rd</sup> wave down: 892.57, - 16.7% (remember if there is a 3<sup>rd</sup> wave the 5<sup>th</sup> wave can take you lower than the end of the 3<sup>rd</sup> wave down)

61.8% retracement: 878.04, - 18.1% lower

100% retracement: 666.89, -37.8%

**CURRENT INTRADAY COMMENTS PAGE PASSWORD: mt**

## MARKET TREND TABLE

Eight Stage Market Ranking System		4 Stages each BULL-BEAR	B/S/H	COMMENTS
<b>MAJOR INDICES</b>				<b>R = Resistance S= Support Dates in Month/Year format</b>
Dow Jones Industrials		Bull 1	<b>BUY-C</b>	8-27 Reversed above the July low. That was a waffle (definition below). My sense on 8-26 was correct. Now we see if it can keep the momentum. 8-26 Could reverse up through the band of consolidation in the am with the GDP news or w Ch. Bernanke's speech. R @ 10278, June, July, and Aug. highs. S @ 9937, May, June, early July lows. BUY close over: Move was trading buy, but R is not far so Reward: Risk is not great. SELL close below Aug. low.
S&P 500 (SPX)		<b>Bull 1 from Bear 4</b>	<b>BUY-C</b>	8-26 May low was successfully tested, but the danger is that the market continues to drip down one step at a time. Breaking the July lows would mean significantly more damage R @ 1084.26, 1100, 1105.67, 1130-1131 S @ July low (retesting Aug low is NOT an option I do not believe. Not at this point. BUY close over: Already a BUY-C due to close over range of prior 4 days and surviving the Flash Crash low as stated intraday on the Twitter system. SELL close below: 1056.88.
NASDAQ 100	NDX	<b>Bull 1 from Bear 4</b>	<b>HOLD</b>	8-26 Although there may be a Bernanke bounce tomorrow, it's a SELL-C tonight having closed back below the July low. R @ 1801, 1836, 1874, 1919. S @ May, June, July, Aug. lows.

				BUY close over 1802 SELL close below 1767.85
NASDAQ		<b>Bull 1 from Bear 4</b>	<b>HOLD</b>	8-26 Below May-June support. R @ 2154.32, 2160, 2214, May, June, July, and Aug highs. S @ 2118.69, 2099.29, July low. BUY close over 2154.32 (close!) SELL close below 2118.69
S&P Midcap 400		Bull 1	HOLD	8-25 Survived mid-July low so far. R @ 744.67, 755-756, May through Aug. tops. S @ May through Aug. lows. BUY Close over Tough buy due to numerous R points. Reversal from June low was place to buy. Could buy with stop though close below 718.25 SELL close below 718.25
Russell 2000		Bull 1	<b>BUY-C</b>	8-25 Buy close back up through the mid-August low of 604.83 if you did not buy the reversal from the July low today. R @ 630, 633, 644, May through Aug. highs. S @ July, Aug. lows. BUY close over If you did not buy as noted on 8-25, BUY close over 633 (is overhead R though) SELL close below July low
Russell 2000 Growth	IWO	Bull 1	HOLD	8-24 Tested early July low and bounced. MUST see reversals now. Buy strength only. Sell close below July low. There are points in charts that indicate the potential for a bounce is greater than further sell-off, so if you do sell, be prepared to re-buy higher. R @ 68.78, 69.11, 70.28, May to July highs. S @ July, Aug lows. BUY close over 69.11 is next buy if you missed the July low. SELL close below 64.10
Russell 2000 Value	IWN	Bull 1	HOLD	8-24 Tested early July low and bounced. MUST see reversals now. Buy strength only. Sell close below July low. There are points in charts that indicate the potential for a bounce is greater than further sell-off, so if you do sell, be prepared to re-buy higher. R @ 58.89, 59.14, 60.16, May to Aug highs S @ July, Aug lows. BUY close over 59.14 SELL close below 54.60
<b>BONDS</b>				
10 year Treas. Note		Bull 4	HOLD	8-27 Sold off hard, since stretched. 8-24 MASSIVELY stretched. S @ 2.464% yield held today and that may be it for a while. If not, stocks will be doing more downside work! Yield R @ 2.883, 2.893

				<p>Yield S @ 2.419, 20.38  BUY close above: stand clear. Very stretched and falling in value.  SELL close below: Trading SELL now, but you know the risk, which is panic in the financial markets. Hard to gauge, so it may be best to stand clear of this market. It IS ALSO a place to lighten up on Treasuries if you are overweight them.</p>
30 year Treas. Bond		Bull 4	HOLD	<p>8-27 Same sell off back to at least trend line as 10 year.  8-24 MASSIVELY stretched.  Yield R @ 3.826, 3.898, 3.941.  Yield S @ 3.627, 3.462  BUY close above: Too stretched still.  SELL close below: Same advice as 10 yr.</p>
Corporate Bonds	LQD	Bull 4	<b>HOLD</b>	<p><b>8-27 Could fall back to trend. Lighten up on your bond positions if you are out of balance in your portfolio.</b> 8-16 Stretched went to much more stretched. Risk higher now.  R @ 2003-2004 levels  S @ 109.24, May high  BUY close over Too stretched.  SELL close below Would average OUT here.</p>
Junk Bonds	HYG	Bull 3	<b>BUY-C</b>	<p>8-24 NOTE: Junk bonds will not do well if the sell-off becomes very deep. See my Twits from today.  R @ two Aug highs.  S @ 86.69  BUY close over Buy here near S  SELL close below 86.69</p>
				Check premium/discount of ETFs before buying
<b>SECTORS</b>				
Amex Biotech	BTK	<b>Bull 2 from Bull 1</b>	HOLD	<p><b>8-27 The close took it over the trading range over the prior 3 days which was positive.</b>  R @ prior small highs such as 1089.51, 1109.54, and May, June and July highs.  S @ base of last 4 days, May June July minor lows around 1002.  BUY close over 1122.36.  SELL close below 1037.99. That should not be breached in near future or would be very negative.</p>
Amex Pharma	DRG	<b>Bull 2 from Bull 1</b>	<b>BUY-C</b>	<p><b>8-27 Waffled back up; as I said on 8-26! High to get over was 286.83. Landed at 286.84. Back above up trend line though.</b>  8-26 Waffled back down. Does not mean much yet.  R @ 290, 292, 296.  S @ 281.17, July lows.  BUY: It's just moving into the channel so it's a buy here as long as you use a stop.  SELL close below 281.17.</p>

Amex Gold Bugs	HUI	Bull 4	<b>BUY-C</b>	<p><b>8-27-10 R is not far so risk is high on this entry point. Dec. high is quite a ways up, so waiting to buy over there seems "late" though. A breakout above there would be very bullish if it were to "hold."</b> 8-26 Less than a point above our stop, so no thank you. Wait one day.  R @ Dec. May June tops  S @ 459ish then July lows.  BUY close over We have bought.  SELL close below 473.82</p>
Amex Oil	XOI	<b>Bull 1 from Bear 4</b>	<b>HOLD</b>	<p>R @ 959, May, June and mid-July highs, then Aug high.  S @ 915.17  BUY close over  SELL close below 8-26 Tricky sell, since oil was perking up a bit today with the dollar weakness. This may reverse. But we have to call it a SELL-C.</p>
Natural Gas	XNG	Bear 4	<b>BUY-C</b>	<p>8-25 Could hold the July low.  R @ 510, 517, 528, 530.  S @ May, July, Aug. lows.  BUY close over: Trading BUY-C here.  SELL close below 485.48</p>
Oil Service (Philly)	OSX	Bear 4	SELL-C	<p>8-26 Said on 8-24 Sell on close below July support, so the SELL-C is NOT new.  R @ 177.60, 183.96, 186.16, Aug. high  S @ 168.68, June and July lows.  BUY close over 183.96  SELL close below 168.68</p>
DJ Transports	DJT	Bull 1	HOLD	<p><b>8-27 Held the July low.</b> 8-24 Held the July low despite the fact that it sliced through it fairly aggressively. It's a save so far and a HOLD still.  R @ 4255, 4350, June - July highs  S @ Aug and July lows  BUY close over 4350.12  SELL close below 4082.51</p>
Utility Index (Philly)	UTY	Bull 3	HOLD	<p>8-18 Next buy is close over 429.89.  R @ Dec. and July highs  S @ 404.05, 399.56, major lows from Nov - July  BUY close over 421.74, w R at Dec. high though.  SELL close below 404.05 for trading positions. Has been swinging UP and DOWN over and over.</p>
<b>BANKING/REAL ESTATE</b>				
BKX (KBW Banking)	BKX	Bear 4	<b>HOLD</b>	<p>8-26 We must see the banking sector (BKX) reverse back above the early-July low or the rest of the market is likely to follow in time. The key level is 44.39.  R @ 44.39, 45.76, 46.04, 47.48  S @ 42.70  BUY close over 44.39</p>

				SELL close below 42.70
MSCI US REIT		<b>Bull 3 from Bull 2</b>	HOLD	8-26 Buy close over 689.65. Had a nice rally in am that fizzled after it went through the down trend line formed by the Aug. highs. That was a negative reversal, possibly not fatal, but now we need strength to buy. R @ 689.65 (right beneath it!) S @ 658.73 BUY close over 689.65 SELL close below 658.73 (or use wider stop if you prefer)
US Housing (Philly)	HGX	Bull 1	HOLD	8-25 Buy close over 97.68, but be observant at the July high for a reversal. R @ 94.38, 94.57, 95.45, S @ 87.57, July low. BUY close over 97.68. More aggressive would be buy over 95.47 due to close R above. SELL close below July low if you have not sold.

<b>FOREIGN MARKETS</b>				<b>R = Resistance S= Support Dates in Month/Year format</b>
Australia	AORD	<b>Bull 1 from Bear 4</b>	HOLD	8-26 Closed back above the mid-July low. 8-25 May reverse the signal change in overnight. Closed below the mid-July low. R @ 4460, 4524, May through June major highs S @ 4350, May, June, July lows. BUY close over 4524 SELL close below 4350.80
Canada	TSX	<b>Bull 3 from Bull 2</b>	HOLD	<b>8-27 Buy next close over 11878.36 – make sure it looks qualitatively as if it “made progress.” If it’s only up a point, wait another day.</b> 8-26 Barely a signal change. Looks like noise over the past 1.5 mo. R @ April - June tops. S @ numerous lows from May to Aug. BUY close over 11878.36 SELL close below 11580.30
China	FXI	Bear 3	SELL-C	8-26 Could hold above July low, so set your stop where you like. It has broken the Aug. low and the down trend line before that. R @ 40.26, 40.57, 41.13, 41.51, 42.07 S @ 39.03, May to July lows. BUY close over up trend line connecting May and July lows SELL close below 38.74
Europe	VGK	Bull 1	HOLD	8-25 Held mid-July low. 8-23 Sell close below 43.60. Buy close over 46.04

				R @ 44.66, 45.05, 46.04 (it looks like minor R but is close to BUY point), 46.34, April and July highs S @ 42.76 BUY close over 46.04 SELL close below 43.41
Hang Seng	HSI	Bull 1	<b>HOLD</b>	<b>8-27 Hold until we see follow through in overnight.</b> 8-25 Drop was not huge, so reversal is possible if US markets bounce. Check overnight action. 8-20 Buy close over 21298. R @ 20782, 21298, Aug. high. S @ 20513 BUY close over 20958 SELL close below 20512.
India	PIN	Bull 2	HOLD	8-11 Sell close below 21.98. R @ massive top spanning Oct through Aug. S @ 21.99 BUY close over 23.16 (new high) SELL close below 21.98
Nikkei 225	Nikkei	Bear 4	<b>HOLD</b>	<b>8-27 Check overnight. Buy EWJ over 9.89 with Nikkei close as below.</b> 8-25 Check for overnight reversal. 8-24 EWJ will be punished when the yen finally reverses, so don't be deceived. It's being held up by the currency, not the Japanese stock market itself. 8-23 Wait for bounce to sell and use a tight stop if you have bought. Sell breach of 9005.94. We don't follow the EWJ directly but sell that below 9.40. It is doing better due to yen strength. R @ Aug, July lows, 9456 (is serious R) S @ No support until distant 2009 lows believe it or not! BUY close over 9092; risk due to fact that down trend is among the "sickest" in the world. SELL close below 8845.39
Emerging Markets	VWO	<b>Bull 3 from Bull 2</b>	HOLD	8-26 Barely a signal change. There were two massive after hours trades at 40.68, so we will wait until tomorrow to sell. If you want to lower your risk prior to GDP in the pre-market and use the closing price of 40.39, that is your choice. 8-24 We modified this stop before the close to 40.61, so we'll stick to that. On support right now. R @ 41.52, 42.30, Aug high S @ 40.06 BUY close over 42.26 SELL close below 40.06
<b>US DOLLAR INDEX</b>		Bull 2	HOLD	8-26 Pulled back from R supporting gold and commodities. Gold was being sold. See the link from today on the website (top one on GLD). 8-25 Stuck at R. 8-24 Back to 83.14 testing above the breakout area of 83.02. Can pivot either way. Buy move/close over

				<p>83.56. 8-20 Too close for BUY. Closed at 83.05 and R is @ 83.47, so there is not much of a set-up here. Would sell close below 82.42, but give it a little slack to say 82.35. If it reverses the gains from Friday, it's likely to fail right here. Just checked the overnight trade and it's at 82.93, which would be a reversal if it continues. That would support stocks.  R @ 83.17, 83.56  S @ 82.62, 81.91, Aug. low  BUY close over 83.56 (strong BUY signal)  SELL close below 82.62</p>
				<p>R = Resistance S= Support  Dates in Month/Year format</p>
<b>COMMODITIES</b>				
<b>Except GLD based on near month futures prices</b>				
CRB Index		<b>Bull 2 from Bull 1</b>	<b>HOLD</b>	<p>8-26 Came back up to the up trend line, but still a bit below. Buy close above 268.08. 8-24 Oil is at July low intraday support which COULD hold but may not - the nature of falling markets. If oil bounces, the CRB is likely to bounce as well as it is a major component. 8-23 the slip today is still OK as it's above the closing high in June of 265.61. Sell close below 265.33 which is VERY close.  R @ 268.08, 270.98, 280.69  S @ 260.22 (weak support), May - July lows.  BUY close over 268.08  SELL close below 265</p>
Gold	GLD	Bull 3	HOLD	<p>8-25 another little breakout above that "rounding off" I talked about today over the Twitter system. Approaching R at last tops of course. 8-24 GLD almost "lost it" under the trend line and then recovered. Gold sells off with stock markets due to relative valuation of assets. Stocks worth less means gold is worth less. The only scenario in which gold flies is inflation and currency collapse with carries hyperinflation along with it. It is not in the current picture. Buy close over 120.99 only. Sell close below 119.13  R @ May - Aug highs  S @ 120.42 but would not expect it to hold, so call it weak support, 118.40 is somewhat better support, but also is suspect if gold does not finally make an UPSIDE move.  BUY close over 123.56 (if you are willing to sell on sharp reversal which could happen at those levels.)  SELL close below 119.13</p>
Light Sweet Crude Oil		Bull 1	BUY-C	<p>8-26 Oil up and oil stocks down which is unusual. It will not continue long either. 8-25 Held July low today despite lousy data on supply. Trading buy with RISK on close over 73.05. 8-24 Testing July low. Next SELL is close below there.  R @ up trend line @ 76.71, 78, June and Aug. highs.</p>

				S @ 70.76, May low. BUY close over: We bought near the low. SELL close below: Aug low.
				<b>R = Resistance S= Support</b> <b>Dates in Month/Year format</b>

**Check premium/discount of ETFs before buying**

R = Resistance S= Support

BUY-C = Conditional BUY. Check comments for correct set-up for BUY.

SELL-C = Conditional SELL. Check comments for correct set-up for SELL.

Low or high: refer to intraday low or intraday high, respectively, unless otherwise specified.

Waffle: Price moving back and forth between two signals at least once.

Commas separate distinct values as in “S @ 42.34, May low.” Both 42.34 AND May low = support levels.

**NOTE:**

It's important to always check the premium/discount of a fund from net asset value prior to buying. Some funds may be priced as much as 60% above their value. It would greatly increase your risk to buy at such a premium as the fund could return to the value of its assets over a period of time. Remember that just because a market is listed as a BUY, SELL, or HOLD does not mean that you should take that action. Your plan may be to buy on the way down for example despite of the trend. Please make your own decisions. Also realize that signals may reverse 1 or 2 days following their occurrence. Breakouts and apparent breakdowns may reverse course even after 3 days above/below the break point, so remain alert! Consider scaling in and out of markets rather than selling or buying an entire position on one day. Realize that ETFs that are supposed to mimic the indices may sometimes anticipate a market move ahead of the index, so you may want to check to see if the ETF is over the same resistance or has closed below the same support on the chart as the index itself before buying or selling, respectively. The “flash crash” lows of May 6, 2010 showed how far an ETF can deviate from an index over a short period of time. Finally, **SPX** is not a stock/ETF symbol; it's an abbreviation normally used with S&P 500 index options. Due to its ability to be typed quickly, I'll be using “SPX” often as a shorthand to the cumbersome S&P 500!

**Standard Disclaimer:** It's your money and your decision as to how to invest it. The contents of the website, the newsletter (including all reports and emails sent pre-market, intraday, and those following the close) and the Market Trend Table are our opinion only and should not be taken as investment advice. Given your personal investment plan, it may be better for you to buy when others are selling or sell when others are buying. The information we provide should not be construed as telling you what to do or what to believe. You are invited to make up your own mind. The ETFs discussed in the newsletter text and noted in the MTT are just used to follow a given index and are not the vehicles that you should necessarily use to trade or invest in the given market. They are used simply to track a given market's behavior, so pick the best ETF or mutual fund yourself as your chosen vehicle or consult an advisor. We may buy or sell an index based on the previous recommendations in the Market Trend Table comments or newsletter text before the market closes, or we may act based on an intraday email prior to a close, the latter being far less common, in compliance with government rules. We do not recommend ETFs with low trading volume to avoid movement of the market from the recommendations of this newsletter, but we cannot guarantee this won't happen if a major investor reads this newsletter, so never chase an ETF as you may sustain rapid losses in share value on a pullback after the buying is exhausted. The same is true of sudden high selling volume in any ETF. When the selling is exhausted, the ETF may rebound strongly. The data may not be accurate, although it is our intention to be accurate. We may send intraday emails to alert you of certain market information when possible, but this is a daily newsletter, so do not expect comments before the market close as a rule, as we may not be able to provide alerts on a pre-market or intra-market day basis. We may have overlooked important issues in our analysis, although we would not plan on doing so, and you and/or your investment advisor should check all facts, numbers, symbols, and strategies prior to investing. In the end, we all must take responsibility for our investment decisions regardless of how helpful an outside source may be. This newsletter may help give you an independent view to test against your own opinions about how to invest, but cannot guarantee any particular results. Past results do not guarantee future results. We are not certified financial advisers, planners, or brokers, so you should consult one if you feel you need to prior to making any investments, and in any case take 100% responsibility for your investment decisions. By agreeing to receive this e-newsletter, emails, and/or by using the website SunandStormInvesting.com, you are in full acceptance of this disclaimer in its entirety. If you no longer wish to receive this newsletter, please notify us by email. Your receipt of this newsletter does not imply any right to receive it in the future. We reserve the right to cancel this newsletter without notice or cause with a prorated refund of any remaining paid subscription value. We also reserve the right to raise the price of the subscription or change the terms with prior notification of you, although this is not anticipated. If we miss updates due to technical or other matters beyond our

control, we will update you as soon as possible and give you a prorated credit against your next billing period if two or more days are missed, for the second and successive days issues that are missed. This policy is based on what appears to be the industry standard. We wish you the best with all of your investments! Thank you.

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**REFERENCE ISSUE:**

**MARKET TREND TABLE**

Eight Stage Market Ranking System		4 Stages each BULL-BEAR	B/S/H	COMMENTS
<b>MAJOR INDICES</b>				<b>R = Resistance S= Support Dates in Month/Year format</b>
Dow Jones Industrials				8-26 Could reverse up through the band of consolidation in the am with the GDP news or w Ch. Bernanke's speech. 8-25 At a point where the "trading range of the past sev. months could take hold; that would mean a rally. If we go up to around 10295 and fail, that would be negative. Trading the Dow here is rolling the dice, because we are in the middle of the range. The small caps off the early July low were a much better set-up. Reward: Risk much better. Would not touch Dow until it rose above the Aug. high unless it forms a great base here in the "middle." 8-24 Held the July low so we'll hold off selling a day. If that low had not held it would be a sell. You could sell intraday in scale out mode if you feel like lightning up. 8-23 SELL-C below 10147.44. 8-20 Slightly above 8-16 low. For now a possible bounce, but risk is clearly to the mid-July low in this move. 8-19 for now bounced a bit off 8-16 support. 8-18 Buy close over 10472, but not if gets stuck below June high; in that case, wait until 10720 close. Stuck back at the June high resistance. Some are pointing out a possible head and shoulders formation. It's there, but there is also a higher low that was just put in so there are some conflicting technical patterns. In the meantime, the trend is still up. 8-17 Hit some R @ June high. Buy close over Aug high (w R just above @ May high. The positive thing is that the low yesterday created a higher low. 8-12 Held first S. 8-11 Selling late is not easy as described today on the website. Selling at the June high was easier. Clearer.
S&P 500 (SPX)				8-26 May low was successfully tested, but the danger is that the market continues to drip down one step at a time. Breaking the July lows would mean significantly more damage. 8-25 Just below the mid-July low. Could pivot up or down. If small caps are indicative, the pivot will be up, but we need follow through on today's late day rally. 8-24 Near the May-June support levels. You can either sell before we breach the those lows and

			<p>rebuy close back up through the mid-July low or wait to see if May low of 1040.78 holds. 8-23 Broke support so we'll call it a SELL-C only after a close below the mid-July low of 1056.88. In truth, selling right here after a 2 point break of the Aug. low would be a very sloppy place to sell, because of the S @ the July low which is quite close. 8-20 Retested the Aug. low. Mid-July low is next level down then early July low. 8-19 Tested Aug. low; now we see if it holds. 8-17 Should go back to Aug high from here at least. Of course there is once again R @ 1100, but I believe we'll go through it. 8-11 If the S&amp;P 500 does not find support right at the closing price (unlikely given response to Cisco after hours), it will likely fall to around 1068 (-1.97% from here) or 1056 (-3.07% from here), the mid-July intraday low. The latter would result in a 50% retracement of the current rally from the July low (not from the March 2009 low). That will suffice in this move. Then we go up again I believe. 8-10 Waffled back down. Seventh trading day within spitting distance of June high. Sell close below 1107 or 1088 depending on how tight a stop you want. Buy close over June high. (Remember we use intraday highs unless otherwise specified.) 8-9 The last pullback was a waffle, but we are not yet through the June high. 8-6 Held up on retest of up trend line so far. Problem is that it has yet to make it over the June high. 8-5 Hung up at R. Ready for pivot UP or DOWN. 8-2 Close was above June closing high but NOT intraday high. Buy close over Intraday high of 1131.23. 7-28: Pulled off of R and could fail right here. That is not my feeling about it but again, we must be aware of the possibilities. S @ 1076-1082, 1057, 1040, 1011. 7-27: Buy again on close over or through June high. May high is next target to upside. Otherwise we retest the July high at least to the downside.</p>
NASDAQ 100	NDX		<p>8-26 Although there may be a Bernanke bounce tomorrow, it's a SELL-C tonight having closed back below the July low. 8-25 Possible trading buy here. Yes, it can collapse to the early July low tomorrow. Bounced above May, June, mid-July support. May be re-entering trading range of last few months. Could rise back to the gap of 1882 and fail again. 8-24 BUT is at the early June low. This would be an odd place to sell, but read the NASDAQ note tonight. We cannot tell this in advance, because the closes are unknown. If you have sold, you may need to rebuy a break back up through the mid-July low, even intraday if you are willing to take that risk. OR wait for a close above the low for 8-23 which was 1808.31. Sell close below 1756.63 if you have not sold or on a failed bounce if we get one. 8-20 There has been some waffling back and forth, which is not essential. Holding the August low is the first essential. Otherwise the mid-July then early July lows come into play.</p>

NASDAQ			<p>8-26 Below May-June support. 8-25 Above May-June support. Could be trading buy but risk is that it retests and fails at the early July low. 8-24 The NASDAQ close was the worst of the bunch. Closed below the May-June support and is now headed back to the July 1 low. Tech now leading the way down? Not positive. The fall was so severe that a bounce would not be a shock, so you can see where the market opens. 8-20 Same position as NDX. 8-19 Tested Aug. low today. 8-17 Buy close over 2237. R @ July and June highs. 8-11 Same set-up as NDX. Sell close below 2139.46. 8-10 Could be a signal waffle. Looks like it could still get to June high, but it's at the base of the up channel and cannot break the lower trend line of that channel. Sell close below 2253 or 2218. 8-9 Buy close over 2341.11. R @ May and April highs. 8-6 Big broad top forming below June high. 8-5 Another waffle back down. 8-4 Waffle back above R. Buy close over 2307.60. 7-27: Just UNDER R @ 2296, so slid a bit. There is some danger of forming a head and shoulders with the early June high and this high as shoulders, and mid-June high as head. That could send us as far as the early June low. More @ June high. 7-26: Very close to R at June high. At a bit of R here and June high R is next. Next buy on move or close above June high</p>
S&P Midcap 400			<p>8-25 Survived mid-July low so far. 8-24 Tested May-June lows. Cut through mid-July low. Close below 710.71 is next logical selling point. 8-20 Held mid-August support so far. 8-19 Buy close over 756. 8-18 Same risk as for small caps (see below). July R is overhead and close. 8-17 Right @ first R, next R @ 763. 8-11 Sell close below 720.06. It will turn into a Bear 3 below there. 8-10 Sell close below 746.67. 8-6 Looks tired here and in topping formation. June high was point of failure in July. 8-2 Close to R. 7-28: S @ 755.92, 746-747, 735, 720. 7-27: Failed at overhead R. 7-26: Zoomed up 1.83% today. Now near June high R. Do not chase indices that are now at a decision point. Next buy is move through or close over 785.02. 7-23: Late May or June high is next R and next target for Bulls.</p>
Russell 2000			<p>8-25 Buy close back up through the mid-August low of 604.83 if you did not buy the reversal from the July low today. 8-24 Tested July low and bounced. MUST see reversals now. Buy strength only. Sell close below July low. 8-23 Back testing the low of mid-July 8-20 A save at the mid-July low so far. Retested completely. 8-19 Weak today. Back testing near the Aug. low. 8-18 Should have been labeled BUY-C along with IWN and IWO yesterday when they were upgraded. Holding the bounce off support. I realize there is danger of a double top with the mid-July high, and overhead R after that despite the BUY-C. It was a better trading buy frankly as</p>

			<p>reported intraday than it is here due to the distance from support. 8-17 Off support w/ bounce. R @ 637, 655, and June high. 8-16 Held support, but rally did not take it above high from 8-13, so it was not as strong as we would have liked. More or less sideways for 3 days. 8-13 See 8-11 comment update. 8-12 Tested fairly close to early June and mid-July lows. 8-11 Sell close below 602.64. If you wish, you can use the July low as your stop, but we will exit on close below 602.64 unless it brings us to the July low. Then we're forced to use the July low as our stop. 8-6 First break would be of 639. Next S is 633 which is the up trend line coming up from July lows. The pullback is not lethal yet. 8-2 Buy close over June high. 7-28: Failed even more. S @ 640 now. 7-27: Failed at overhead R. 7-26: Not in good buying position as it is very close to overhead June R. Next buy is intraday move or close above mid June high.</p>
Russell 2000 Growth	IWO		<p>8-24 Tested early July low and bounced. MUST see reversals now. Buy strength only. Sell close below July low. There are points in charts that indicate the potential for a bounce is greater than further sell-off, so if you do sell, be prepared to re-buy higher. 8-20 Full retest of July low. Survived so far. 8-19 Weak today. Back testing near the Aug. low. 8-17 Bounce off of support. 8-12 Tested July and June lows today. 8-11 Second selling point is close below 65.71 if you have not sold yet. 8-10 Waffled back down. Sell close below 69.36 or below 68.41 which is the up trend line if you prefer a wider stop. Would have been better to sell June high, but there are alternatives! 8-9 Could be waffle. Buy close over June high only @ 73.64. 7-28: Failed at June high. Below initial support. S @ 69.51, 65.91, 64.60. 7-27: Failed at overhead R. For now. Must go through soon though.</p>
Russell 2000 Value	IWN		<p>8-24 Tested early July low and bounced. MUST see reversals now. Buy strength only. Sell close below July low. There are points in charts that indicate the potential for a bounce is greater than further sell-off, so if you do sell, be prepared to re-buy higher. 8-20 Full retest of July low. Survived so far. 8-19 Weak today. Back testing near the Aug. low. 8-17 Bounce off of support. 8-12 Tested June low today. 8-11 Next selling point is close below 56.0. 8-10 Sell close below 59.71. 8-5 Waffled back down. In danger of breaking Bear wedge to downside. 8-4 Waffled back up. 7-29: S @ 59.92 and mid-July low. 7-28: Failed @ initial R. 7-27: Weaker than IWO. Buy new high over R at June high at this point. 7-26: R @ May and June highs.</p>
<b>BONDS</b>			
10 year Treas. Note			<p>8-24 MASSIVELY stretched. S @ 2.464% yield held today and that may be it for a while. If not, stocks will be doing more downside work! 8-17 Looks stretched as</p>

				<p>said today via Twitter systems. As I said, traders could trade a possible bounce in bond YIELDS (UP) with a defined stop. 8-6 Breakout and ominous for stock market. 7-30: Reversed and is testing recent lows in yield again. 7-27: Sell close above 3.124% yield. 7-23: Slipping a bit. Formed a double bottom in yield and is coming off that. (That means a double top in bond price) 7-21: At new closing but not intraday low today. 7-15: Sell new low only and buy new high (bond price, not yield!). 7-13: 3.285% yield is S. 7-8: Correcting a bit. Trading SELL. 7-2: SELL on close above 3.098% yield. 6-28: Broke to new highs over R. 30 year is lagging and should follow if this breakout is real.</p>
30 year Treas. Bond				<p>8-24 MASSIVELY stretched. 8-19 That could be it for this up move in bond prices. Hit the downtrend line and bounced slightly. That would have been a better place to trade against bonds by the way. 8-18 There was a fake-out move intraday that took the 30 yr. to a new low with a gap at the open. It recovered enough by the end of the day that there is still a chance that the "short bond" trade will work out. I'll continue to follow it for traders, but I decided to close it out intraday. It's a matter of opinion as to how much you let these things run before you exit. You have to do what you feel is comfortable for you. 8-17 Looks stretched as said today via Twitter systems. As I said, traders could trade a possible bounce in bond YIELDS (UP) with a defined stop. 8-13 Watch 3.826% low in yield. Breakout point.</p>
Corporate Bonds	LQD			<p>8-16 Stretched went to much more stretched. Risk higher now. 7-19: Careful. Stretched now. 7-14: Made a new high. Stretched and stretching more. 7-8: Looks stretched to upside now.</p>
Junk Bonds	HYG			<p>8-24 NOTE: Junk bonds will not do well if the sell-off becomes very deep. See my Twits from today. 8-18 Buy close over 88.75. 8-11 Fell back below the buy point. You may want to lighten up here or wait for a close below 85.65 or 84.4 depending on how tight you want your stop to be. 7-20: Just below our BUY point. 7-16: Sell and buy new high over 87.90. Remember that you must look at dividend adjusted values for bond funds. The latest values are post dividend and do not require adjustment, but those prior to the dividends do. 7-9: Watch the way it behaves at the last high which was 90.33 intraday on a close on 4-20 (corrected for dividends).</p>
				Check premium/discount of ETFs before buying
<b>SECTORS</b>				
Amex Biotech	BTK			<p>8-25 Buy close over 1122.36. Trading buy only from here and use a tight stop. There is risk! IT could as easily go up tomorrow as fall to 1015 support. 8-24 See text for various strategies should EVERYTHING bounce</p>

			<p>tomorrow a.m. 8-19 Could be a trading buy here because it survived support, but we'll call it a BUY or BUY-C when it's over 1110 where it will be above the lower part of the up channel. 8-18 Fell out of up channel, but is just above some support. Sell close below 1054. 8-12 Back up in up channel. This seems very positive. You could wait for a new closing high if you want, but we'll call it a BUY here. 8-11 Not a sell due to the fact that it closed too close (just below the trend line.) Sell close below 1042.84. If you have sold, rebuy only on close above August high. When the market stops very close to a support level, even though it's slightly below it, we need to use our common sense. 8-10 Closed BELOW May and June highs, so for now it's a false breakout. This could be a retest below the breakout. You could sell and rebuy higher or use a wider stop. It will be labeled a sell on a close below 1089.51, the July high. Note that it could fall all the way to 1074 and still stay in an upward channel. 8-9 Above the May and June highs. Next R @ 1196 and 1189 BUT that is a ways up! Was a successful (so far) retest of the breakout. 8-6 Back up above the June high by a bit. So far that counts as a passed retest. 8-5 Pulled back below June high by a bit; could be retest or point of failure. Risk just went up. 8-4 Closed over June high, but remember it is Day 1 only. 8-3 Buy close over 1089.51. 7-29: The two July lows are next if breaks first S @ 1048.50.</p>
Amex Pharma	DRG		<p>8-26 Waffled back down. Does not mean much yet. SELL close below 281.17. 8-25 Waffled back up. Back above the trend line a bit. Buy close over 296.02. If you buy lower, you must have a tight stop. R @ July high and @ 292. 8-24 We will wait ONE day only. You could sell intraday if it does not hold today's low. It is just too close to our stop. 8-23 Held up and rose a bit in up channel. It could be a trading BUY-C, but overall market MUST move with it. Pharma runs with the market usually despite temporary periods of inverse correlation. 8-20 Very close to S here. Could drop to about 282.57 and still find good support. Sell close below the up trend line at about 283. It is the line coming up from early June and July 30<sup>th</sup> lows. A bounce from that trend line will be a BUY-C. 8-19 Went to top of channel and now backing down toward base of channel. Could buy support at 282-284 or wait for strength on close or move over 291.96. 8-16 In middle of channel, so not the best buying point, but you could put a stop below the mid-Aug. lows. 8-13 In middle of up channel. 8-11 It failed breakout through the upward channel line (top line of channel coming up from June-July). It got ahead of the market and paid for it. S @ 282, 277.18. 8-10 Must be looking for a recession. Drugs are moving up while the rest of the market is moving down. At least so far. If there is big time selling, all boats will fall as a general rule.</p>

Amex Gold Bugs	HUI			<p>8-26 Less than a point above our stop, so no thank you. Wait one day. 8-25 Ignore the signal for now, because it waffled. Stick to prior BUY point. 8-24 SELL-C close below 448.59. 8-20 Still below July breakout. BUY-C close over 478.19 where it will be at a new Aug. high. 8-19 Testing July breakout. Risk has increased of failure. Move above 8-19 high would be positive. 8-17 Closed above recent consolidation. July high is next resistance; then it goes up to the May/June highs. Remember to watch gold too. 8-16 Waffling back and forth. When a market waffles once, the signal is invalidated basically. You have to demand more strength or more weakness to generate a valid signal. That is why you will sometimes see written in the comments something to the effect of "ignore the signals for now and follow the numbers." The fact that gold stocks have not been lit on fire during this mini-gold rally makes the whole move suspicious, but we will follow the numbers. 8-13 Still no buy signal. 8-12 Waffled back up. Don't buy unless closes over JULY high and then there is overhead R. 8-6 R nearby @ 471. 8-3 Buy close over 454.99</p>
Amex Oil	XOI			<p>8-26 Tricky sell, since oil was perking up a bit today with the dollar weakness. This may reverse. But we have to call it a SELL-C. 8-24 At July support. Sell close below 927.35, but realize it could stop at 908.88 or so OR the July low. 8-20 We sold the close below 1005.87 (see below) but now we are approaching July support. If that fails and you have not sold, you may want to sell a close below there. 8-18 Moved down in consolidation band. No break though yet. Buy close over 975. 8-17 At least bouncing, with R @ June high, then August high. 8-13 BUT NOW oil is at a support level, so a bounce is possible. Buy the bounce if you like. 8-11 Looks like a good place for oil stocks to "roll over." Broke up trend line AND June high. Could be a retest of the breakout though, because it is still above the closing high of June. S @ 956, 927. 8-10 Once there is one waffle around a signal, you will often see more than one. You have to stand back and use nearby support and resistance as the guide at that point and that is what I do. The shift down today is within the recent band of consolidation, so it has little meaning. Sell close below 1005.87.</p>
Natural Gas	XNG			<p>8-25 Could hold the July low. 8-24 Held May support for now but it's not much to bank on. See text above. 8-23 Weak in that it closed below the closing lows of mid-July, but NOT the intraday lows yet. Early July low comes into play if it does not hold HERE. Sell close below 493.37. 8-20 Tested the mid-July low and survived so far. 8-18 Testing August low. 8-17 Buy close over 516. 8-16 Drifted down to S near early May and mid-July lows.</p>

Oil Service (Philly)	OSX		<p>8-26 Said on 8-24 Sell on close below July support, so the SELL-C is NOT new. 8-24 Right on July support. Sell close below there. 8-20 Could survive here. 8-19 Testing 8-12 low. 8-17 Held support so far and bounced. 8-11 Near support at 176.40. Sell close below 172.30. 8-10 Sell close below 185.30. Below June intraday high and above closing high for June. 8-6 R @ 194. 56. 8-2 Above June high. 7-29: Stopped shy of June high which = R. 7-22: Buy close over 186.16. R @ 195.23. 7-21: Right at a bit of S. See below for other S. 7-20: Buy close over June high at 186.16.</p>
DJ Transports	DJT		<p>8-24 Held the July low despite the fact that it sliced through it fairly aggressively. It's a save so far and a HOLD still. 8-23 SELL close below 4158.51, which is about 2 points away. 8-19 Buy close over 4350, but with overhead R @ June and Aug. highs. 8-17 Buy-C to June-Aug. highs. 8-11 S @ July lows and 200 day moving average @ about 4217. 8-10 Sell break of up trend line formed by July lows if you did not sell the high. 8-9 Just barely over June high, but it IS over that high. 7-29: Double topped and pulled back. 7-28: Double top with June high with initial failure. Is this the end of the move or do we get to the May high? 7-27: Negative today. Attempted breakout above June high failed for now. It's your choice whether to sell at the R or wait and use a lower stop.</p>
Utility Index (Philly)	UTY		<p>8-18 Next buy is close over 429.89. 8-11 Sell close below 405.63. 8-9: Buy close over 421.45. 8-6 Has been retesting 5-3-10 breakout for several days now and has survived thus far. 7-29: Sold off hard and now has recorded a failed breakout. Sell and wait for new high or lower prices. The way it has been trading, it could return back to the lows again. 7-27: Looks OK to Dec. high. A vote for safety and finally some more recovery for the chart. But I think there is another message and that is that it's a vote for economic recovery. Utilities have been dead for a year and now they are reviving. 7-26: Retop at 5-3-10 high. 7-23: Held up near the April high. Utilities never participated in the Bull really. So yes, already back to April levels which few indices can boast. May not go anywhere from here though. May simply go back down one more time as it has for months and months. 7-22: Made it to a new high but there is more overhead resistance. 7-21: Failed a breakout to new highs. Could trade all the way back in the range that It has been stuck in. 7-17: Moved up to overhead R today. May be better bet to sell R, but utilities are running up while the SPX is moving down. Is this a Bull market in safety emerging in a double dip economy? Here is the key: Utilities may out perform or under perform the SPX for a while but invariably move back in synch with the overall market.</p>

<b>BANKING/REAL ESTATE</b>				
BKX (KBW Banking)	BKX			<p>8-26 We must see the banking sector (BKX) reverse back above the early-July low or the rest of the market is likely to follow in time. The key level is 44.39. 8-24 Failed support, although there is nearby support. We can only buy a recovery close or move above the breakdown point of 44.39. This is a nasty overall blow to the market. We must see BKX recovery tomorrow for the market to bounce. 8-23 Right at support. Must hold. 8-20 Has given up almost entire rally of 2010. Tested important low and survived for now. Risk is to somewhere between 41.42 and 42.69. Below there would be massive sell-off. 8-19 Nearly full retest of low in July. It must survive there or the S&amp;P 500 will follow. 8-17 Trailing the market and has to kick it up a notch tomorrow! Will be buy on breakout of 46.59 intraday. It is a good set-up. 45.57 is get out point intraday too. The banks are moving 3% commonly in one day. - 5.71% on July 16<sup>th</sup>. So risk with bank trade is definitely higher. 8-13 Testing 7-21 low. 8-11 At this point, selling would be too late most likely. Your choice. May stop at 7-21 or 7-2 low. 8-10 Sell close below up trend line now @ about 47.44.</p>
MSCI US REIT				<p>8-26 Buy close over 689.65. Had a nice rally in am that fizzled after it went through the down trend line formed by the Aug. highs. That was a negative reversal, possibly not fatal, but now we need strength to buy. 8-25 Got to 669.28, but we had lowered our stop before the close to 664.11. Buy close over down trend line formed by Aug. lower highs which is now about 687.60. Check it tomorrow. 8-21 You could use a slightly lower stop if you like which would be the low of 669.93. It closed above the low for Friday, so you could use that low as a stop. Because the trend has been slowly down for 3 days, it's a SELL-C for now. Next S is 661-664. 8-20 Held on so far. Close to our stop. 8-19 Could survive right here. SELL-C close below 674.74. 8-17 Bounced nicely from support. Overhead R at June/July highs. 8-16 Sitting on support right now. Next S @ 662. 8-13 Still above down trend line. S @ 673-675, 661, 644, and July low 637.30. 8-11 S @ 676, 661. Sell close below 685.83. 8-10 Back below June intraday high but still above June closing high. Sell close below 696.30 if you are willing to rebuy lower OR higher. 8-9 Back above June high w/ R at May and April highs. 8-5 Pulled back slightly below June high. For now, it's a failed breakout, but could be a retest. 8-4 May as well wait for new high above April high at this point. Reward: risk is not good at this point. 8-3 Retested the breakout and survived so far. 8-2 Broke above June high. May and April highs are next R. 7-29: Sell and rebuy new high if needed. You can take your chances on a wider stop if you wish. S@ 667, 655, 647. then mid-July low. 7-28: Still hitting</p>

				June high R, but may yet get through. Use a stop. S @ 677.12, 666, 654, 637.30. 7-27: Repelled from June high, so you could sell and buy higher if you like. We will wait to see if it can go through. It does not look finished with the rally yet. 7-26: Very close to R at June high. Buy only on move through June high intraday or on close. Must use stop.
US Housing (Philly)	HGX			8-25 Buy close over 97.68, but be observant at the July high for a reversal. 8-24 Caught between rock and hard place as they say. Below mid-July support but ABOVE on a bounce the early July low. Sell without hesitation on close below because no support until around 72. 8-20 Retesting support. 8-17 Housing set-up is not too bad. Use the Aug low as a stop. Trading BUY-C. 8-13 Testing the mid-July low now. Is below the closes of mid-July but above the intraday lows. 8-11 Because housing has somewhat of a base, I'm revising it back to a Bull 1. It changes nothing. It has broken trend line support and may find S @ 90.44. I would rather you sell below there, but it is your money. 8-10 Could be a waffle BUT it was repelled by the down trend line. Sell close below 95.44. 8-9 Stopped at down trend line R. Sell close below up trend line now at about 94.92. Next R @ July high then 106. 8-3 Could be a waffle vs. true failure. 8-2 Buy close over 103.99. 7-28: Selling now is much harder than selling at the June high.

FOREIGN MARKETS				R = Resistance S= Support Dates in Month/Year format
Australia	AORD			8-26 Closed back above the mid-July low. 8-25 May reverse the signal change in overnight. Closed below the mid-July low. 8-20 Lost some strength having closed below the mid-July high. 8-17 Bounce from support. 8-16 And back down as discussed above for another index. Follow the numbers. 8-13 Waffled back up a bit. 8-11 Just above July high. Sell close below 4360.50. We are allowing a 61.8% pullback of the rally since the July low here. 8-10 Pulled down off of June high. Sell close below 4559 or 4464. 8-9 R @ June high and 4661. 7-23: Close to buy; check overnight. 7-22: Buy close over 4477.30. 7-20: Below R. 7-17: Clear sell. Looks like the SPX on 7-16. 7-16: Re-buy close over 4477.30. S @ June and July lows.
Canada	TSX			8-26 Barely a signal change. Looks like noise over the past 1.5 mo. 8-25 Held the mid-Aug. low. 8-18 R @ 11822. 8-17 Buy close over August high. 8-11 Sell close below 11446. 8-10 Don't buy again until closes above the down trend line at about 11878.36. 8-9 At R @ down trend line formed by April and June highs. 8-6 R @ 11873. 7-28: S @ 11675, 11580. 7-27: Failed at

			overhead R @ about 11757. 7-26: At R here. 7-23: R @ 11741-57, 11799, and June high. Buy close over 11765. But realize there is close overhead resistance just above there. 7-22: Buy close over 11763.60.
China	FXI		8-26 Could hold above July low, so set your stop where you like. It has broken the Aug. low and the down trend line before that. 8-25 Attempting to hold just below the mid-Aug. low. 8-24 Broke the up trend line. Is just 0.01 below the low of 8-12-10 which could be a bounce point, but it's not much support. 8-23 Was barely below, so we'll sell close below 39.95, the low for today. 8-20 Sell close below up trend line connecting May and August lows. 8-19 Signal change is not critical here. Sell close below 39.59. Did hold up at up trend line today which is positive. FXI is very volatile though and can break down in a flash. If you want a tighter stop, use the up trend line, which is now @ about 40.02. (It will be slightly higher tomorrow.) China is in a big triangle and how it resolves, UP or DOWN is important. A break down through the base of the triangle would likely result in significant damage. But the last move we are STILL in is UP NOT DOWN. Buy close over 42.53. If you see the US markets bounce, China will probably be safe to buy as well, but we'll use that number for now. 8-18 Looks OK to buy here with a stop. 8-16 Follow the numbers. Signals are less important here. 8-13 On support in big triangle formation. Near bottom trend line of triangle. This could be used as a trading buy point, but with a tight stop. FXI is volatile. Sell close below 39.59.
Europe	VGK		8-25 Held mid-July low. 8-23 Sell close below 43.60. Buy close over 46.04. 8-11 Concern is over Euro weakness in owning this in dollar terms. 8-10 Sell close below 46.64. It has already broken its steep up trend line. Buy new high only. 8-9 Next R @ 48.19 down trend line. 8-3 We are past our buy point, but R is near. 7-28: Buy close over 46.41. Hesitating just above resistance. S @ 45.60, 45.28, 44.11, 43.16. 7-23: Right @ R. Buy close over 45.80.
Hang Seng	HSI		8-25 Drop was not huge, so reversal is possible if US markets bounce. Check overnight action. 8-24 Day 1. Broke support. There is a bit of support left where it stopped. Check overnight. If it breaks further it verifies tonight's sell signal. 8-23 Sell breach of up trend line from May and July lows. 8-20 Buy close over 21298. 8-19 Hang Seng and China are still leading us UP not DOWN. Buy close over 21806. 8-10 Sell close below 21409. Buy new high only. R @ April high. 8-9 R @ 22389, 22620, 22672. 7-26: Very close to R at June high. Repelled from it initially, so could fail here. That would not be positive for other world markets. 7-23: Near R @ 20938. Buy close over there. Check

			overnight.
India	PIN		8-11 Sell close below 21.98. 8-9 May be waffle. 8-6 Buy close over 23.62. 8-5 Could be reversal of breakout. Closed back slightly below 22.91. 8-2 Breakout to new recent high. 7-29: Moving sideways. 7-23: India has held up remarkably, but has gone no where since last October by the way. No where but up and down. 7-22: Buy close over 22.91. R @ 23.35-23.627-21: There is a very strange floor on this stock as if some institution is buying it over and over at the same level. 7-20: Sell close below 21.86.
Nikkei 225	Nikkei		8-25 Check for overnight reversal. 8-24 EWJ will be punished when the yen finally reverses, so don't be deceived. It's being held up by the currency, not the Japanese stock market itself. 8-23 Wait for bounce to sell and use a tight stop if you have bought. Sell breach of 9005.94. We don't follow the EWJ directly but sell that below 9.40. it is doing better due to yen strength. 8-20 Still weak and retesting lows. Japan's market has been through the ringer for decades! Could still be a good buying point being at support. Use a tight stop though. 8-19 Buy only with stop. 8-13 So far still above July low. 8-12 Survived the low. BUY-C. Set a stop though. 8-11 Sell close below 9091.70. This has been one of the world's sickest indices for years! 8-10 Sell close below 9474/EWJ below 9.71. 8-9 Waffle back down a bit. 8-2 EWJ broke out but Nikkei did not. Wait for confirmation through close of Nikkei over 9807.36. Otherwise you are just buying a currency breakout. 7-20 Sell close below 9378. 7-29: If you have not bought you may want to wait for close over 9.81 in EWJ.
Emerging Markets	VVO		8-26 Barely a signal change. There were two massive after hours trades at 40.68, so we will wait until tomorrow to sell. If you want to lower your risk prior to GDP in the pre-market and use the closing price of 40.39, that is your choice. 8-24 We modified this stop before the close to 40.61, so we'll stick to that. On support right now. 8-20 Sell close below 41.30. 8-19 Buy close over 42.30, but w overhead R. Could fall to 40.72 support, but held up on a trend line. 8-18 Just past the 41.95 number. 8-13 Looks like it could fill gap at 41.95, then we see. 8-12 Held above July high. 8-11 Sell close below 40.51 OR 39.32. I know that is quite a spread. But there is S @ 40.43 and 40.21. 8-10 Sell close below 42.20 or 41.30. 8-9 42.97 is next R. 8-6 Buy new high only over 43.98. If it cannot do that, it's not worth buying. 8-2 Going up to rechallenge the April highs. 7-29: Leading the developed world higher. This is one good sign. Jan and April highs could be next. 7-28: Tested the breakout from the triangle it was in and survived for now. S @ 41.31, 41.22, 7-27: Should get back to Jan. or April high. 7-23: R @ 42.97 and April

				high. 7-22: Buy close over 41.32. Close was just 0.01 above our target, so we're calling that "not good enough." You do not want to buy when they are playing with your number, because of the risk that it's really just been treated as a R point. It is positive that it is higher, but it needed to clear 41.31, and that just does not cut it.
				8-26 Pulled back from R supporting gold and commodities. Gold was being sold. See the link from today on the website (top one on GLD). 8-25 Stuck at R. 8-24 Back to 83.14 testing above the breakout area of 83.02. Can pivot either way. Buy move/close over 83.56. 8-20 Too close for BUY. Closed at 83.05 and R is @ 83.47, so there is not much of a set-up here. Would sell close below 82.42, but give it a little slack to say 82.35. If it reverses the gains from Friday, it's likely to fail right here. Just checked the overnight trade and it's at 82.93, which would be a reversal if it continues. That would support stocks. 8-19 The dollar has been going sideways, which is fine for gold by the way. Sideways to down works. Close below 81.91 is SELL and close over 83.02 is a BUY. 8-18 This is a pivot point. Follow the market. Slipping within consolidation, so breakout down is not out of question either. No edge here. 8-17 May be waffle (signal change). Dollar rally may not be over. Had chance to break today and did not. 8-16 No trading edge at this juncture. Close below 82.11 is a SELL. Close above 83.02 is another BUY point. 8-13 Euro is headed toward up trend line support test at about 126.19 on FXE. Dollar is above down trend line and could still make it to around 84ish though. 8-11 Should make it to 84.16 at least. The dollar is the main sticking point for the market. The SPX cannot rally significantly with a dollar that is too strong. At least it has not for a long time. Bill Clinton was the only President since Bush the First to get them to go up together. 8-10 The Euro could easily fall to 126 from here. Sell close below 80.08 and buy close above 81.13.
<b>US DOLLAR INDEX</b>				
<b>COMMODITIES</b>				R = Resistance S= Support Dates in Month/Year format
<b>Except GLD based on near month futures prices</b>				
CRB Index				8-26 Came back up to the up trend line, but still a bit below. Buy close above 268.08. 8-24 Oil is at July low intraday support which COULD hold but may not - the nature of falling markets. If oil bounces, the CRB is likely to bounce as well as it is a major component. 8-23 the slip today is still OK as it's above the closing high in June of 265.61. Sell close below 265.33 which is VERY close. 8-20 Commodities were apparently listening to what I wrote on Friday, because I felt that the June

			<p>breakout was support and that number was 267.02. Where did they close? At 267.04. Now that does not mean the drop is over, because next support is between 264-265.21. 266 is also the CLOSING high in June which could be the target for traders. I believe they will find support between right here and 265.21. Below that up trend line, the CRB is a sell.</p> <p>8-19 A little sloppy by cutting just below the up trend line, but the lows of the recent consolidation were respected, so it was an OK showing. The one stickler for the index especially is OIL, because it has broken the up trend line. We need it to recover soon. Buy close over 270.98. Sell close below 267.02, the June high. 8-18 Recovered from pullback in am. 8-17 CRB has held a support level and is moving up slightly. The risk is a fall to 264 though. The risk is that we get what we did in Feb. A bounce from this spot and then a failure. BUT there is something important about the support level as it represents the prior breakout above the May and June highs. Will buy here and sell close under 267.20, which is the low from the current consolidation. That is a 1.1% loss. The upside for the trade alone is 277 or 2.52%. I like that set-up, but it's a bit thin on the profit side, so we'll make it a BUY-C. It will be a BUY at 293.75 but a BUY-C now. If it runs up too much before your entry, stand aside and wait for the breakout at 293.75. My number is 293.75 as discussed in today's issue text. It will be a point to scale in. 8-10 Sell break of up trend line. .</p>
Gold	GLD		<p>8-25 another little breakout above that "rounding off" I talked about today over the Twitter system. Approaching R at last tops of course. 8-24 GLD almost "lost it" under the trend line and then recovered. Gold sells off with stock markets due to relative valuation of assets. Stocks worth less means gold is worth less. The only scenario in which gold flies is inflation and currency collapse with carries hyperinflation along with it. It is not in the current picture. Buy close over 120.99 only. Sell close below 119.13. 8-20 Still within up channel despite some negative divergences developing. 8-18 Successful retest of 119.13. 8-17 Price gap is suspect. GLD often fills its gaps on daily charts. 8-16 Technically a buy (although breakout volume was low) on a trading basis, but some risk as discussed in comments today. Need to have more endogenous buying for a sustained rally vs. a trade for a few points. Sell any reversal below the breakout on a close below 119.13. Set a stop, because it could move several percent in a day. 8-13 Looks like could fail again. BUT BUY close over 119.13. 8-9 Pulled back from R and could drift back down to around 114ish. A close above 119.13 would create a trading buy signal. 8-6 118.49 is next R then 119.13. 8-4 Hit 117.50 target mentioned on tweet and pulled back. The reversal is NOT positive. 8-3 Just barely below up trend line and slightly above</p>

			<p>down trend line. Must low close above former. 8-2 Closed barely over 7-29 close and just barely over down trend line; so little that it is a weak close. Buy close above down trend line if does not look too stretched. 7-29: Could trade up to 118.40. Reward: Risk from HERE is not good enough. If you bought at 113, hold and see if we move higher. Selling of gold around the world is a big negative for intermediate term despite short term bounce. 7-29: Did hold the 113 support again, but it's a bit tentative. Could still break up, could still break down. So I'm standing aside on the trade. There is net selling of gold and the strength in gold is due to the dollar falling. Of course, if the dollar really starts to fall, gold buying may finally kick in worldwide, not just in the US. Show me the money. We need another day of strength. 7-28: Will likely go where the dollar goes. 7-21: Broke back down through consolidation area. Headed to about 113.13 next.</p>
Light Sweet Crude Oil			<p>8-26 Oil up and oil stocks down which is unusual. It will not continue long either. 8-25 Held July low today despite lousy data on supply. Trading buy with RISK on close over 73.05. 8-24 Testing July low. Next SELL is close below there. 8-20 Is no support until July low. 8-19 Has slipped below the up trend line. Must promptly recover tomorrow most likely or will endure more damage at least down to July low. Interestingly oil tried to recover above the up trend line and failed by the close. 8-16 ON SUPPORT! 8-13 Hit the trend line and stopped. Buy bounce from this line Monday for a trade. 8-12 Trend line @ 75.11. If you have not sold yet, that may be a reasonable stop. 8-11 S nearby at 76.82. Sell close below 75.90 if you have not sold. If you sold, re-buy close over 83. 8-10 Sell close below 79.94.</p>
			<p><b>R = Resistance S= Support</b>  <b>Dates in Month/Year format</b></p>

**Check premium/discount of ETFs before buying**

R = Resistance S= Support

BUY-C = Conditional BUY. Check comments for correct set-up for BUY.

SELL-C = Conditional SELL. Check comments for correct set-up for SELL.

Low or high: refer to intraday low or intraday high, respectively, unless otherwise specified.

Waffle: Price moving back and forth between two signals at least once.

**NOTE:**

It's important to always check the premium/discount of a fund from net asset value prior to buying. Some funds may be priced as much as 60% above their value. It would greatly increase your risk to buy at such a premium as the fund could return to the value of its assets over a period of time. Remember that just because a market is listed as a BUY, SELL, or HOLD does not mean that you should take that action. Your plan may be to buy on the way down for example despite of the trend. Please make your own decisions. Also realize that signals may reverse 1 or 2 days following their occurrence. Breakouts and apparent breakdowns may reverse course even after 3 days above/below the break point, so remain alert! Consider scaling in and out of markets rather than selling or buying an entire position on one day. Realize that ETFs that are supposed to mimic the indices may sometimes anticipate a market move ahead of the index, so you may want to check to see if the ETF is over the same resistance or has closed below the same support on the chart as the index itself before buying or selling, respectively. The "flash crash" lows of May 6, 2010

showed how far an ETF can deviate from an index over a short period of time. Finally, **SPX** is not a stock/ETF symbol; it's an abbreviation normally used with S&P 500 index options. Due to its ability to be typed quickly, I'll be using "SPX" often as a shorthand to the cumbersome S&P 500!

**Standard Disclaimer:** It's your money and your decision as to how to invest it. The contents of the website, the newsletter (including all reports and emails sent pre-market, intraday, and those following the close) and the Market Trend Table are our opinion only and should not be taken as investment advice. Given your personal investment plan, it may be better for you to buy when others are selling or sell when others are buying. The information we provide should not be construed as telling you what to do or what to believe. You are invited to make up your own mind. The ETFs discussed in the newsletter text and noted in the MTT are just used to follow a given index and are not the vehicles that you should necessarily use to trade or invest in the given market. They are used simply to track a given market's behavior, so pick the best ETF or mutual fund yourself as your chosen vehicle or consult an advisor. We may buy or sell an index based on the previous recommendations in the Market Trend Table comments or newsletter text before the market closes, or we may act based on an intraday email prior to a close, the latter being far less common, in compliance with government rules. We do not recommend ETFs with low trading volume to avoid movement of the market from the recommendations of this newsletter, but we cannot guarantee this won't happen if a major investor reads this newsletter, so never chase an ETF as you may sustain rapid losses in share value on a pullback after the buying is exhausted. The same is true of sudden high selling volume in any ETF. When the selling is exhausted, the ETF may rebound strongly. The data may not be accurate, although it is our intention to be accurate. We may send intraday emails to alert you of certain market information when possible, but this is a daily newsletter, so do not expect comments before the market close as a rule, as we may not be able to provide alerts on a pre-market or intra-market day basis. We may have overlooked important issues in our analysis, although we would not plan on doing so, and you and/or your investment advisor should check all facts, numbers, symbols, and strategies prior to investing. In the end, we all must take responsibility for our investment decisions regardless of how helpful an outside source may be. This newsletter may help give you an independent view to test against your own opinions about how to invest, but cannot guarantee any particular results. Past results do not guarantee future results. We are not certified financial advisers, planners, or brokers, so you should consult one if you feel you need to prior to making any investments, and in any case take 100% responsibility for your investment decisions. By agreeing to receive this e-newsletter, emails, and/or by using the website SunandStormInvesting.com, you are in full acceptance of this disclaimer in its entirety. If you no longer wish to receive this newsletter, please notify us by email. Your receipt of this newsletter does not imply any right to receive it in the future. We reserve the right to cancel this newsletter without notice or cause with a prorated refund of any remaining paid subscription value. We also reserve the right to raise the price of the subscription or change the terms with prior notification of you, although this is not anticipated. If we miss updates due to technical or other matters beyond our control, we will update you as soon as possible and give you a prorated credit against your next billing period if two or more days are missed, for the second and successive days issues that are missed. This policy is based on what appears to be the industry standard. We wish you the best with all of your investments! Thank you.

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