

Market Technical Analysis REPORT

using *Integrated Pitchfork Analysis*



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The traders must progressively monitor the conditions of the market movements that validate or invalidate the recommended forecasts. The market forecasts of this study have a very high probability, but they might not be exact. An astute trader, always trades the market behaviour, not only the forecasts. *Go with the market, let it be your guide and never impose anything on its behaviour.*

Our research strongly suggests a “top-down” market analysis rather than other procedure. In our opinion, the performed studies with *Cash Index* data are more illustrative than those with *Futures Index* data. However, due to our *Futures* trading preference, we will use every time, the best available data and the most adequate, for that specific traded vehicle.

1. Dow Jones Industrial Average Cash Index – DJIA



Monthly Chart – As the traders use to say “the Dow is the maker of the World Markets”. I couldn’t more agree with it, due to his ubiquitous influence. The market flow is in a healthy up-sloping trend. Even if we had only four trading days this months, the price has already covered almost 25% of the last month huge bar’s size. The ergonomic pitchfork, optimally describes the up-trending market having an almost 45° slope.

Weekly Chart – W. D. Gann always said that the weekly chart, especially the 2-week swing chart, is the *best indicator of the trend*. With the straight 5 green bars, in a row, the market flow confirms its strength. The Fibonacci Momentum count forecasts a probable momentum reversal when the total number of bars is one of the Fibonacci numbers: 5, 8, 13, etc.



Daily Chart – The up-sloping trend is cruising vigorously towards the upper-median line of the major pitchfork. The minor pitchfork has the merit to perfectly describe the local market flow and assists the trader to identify one of the possible confluence zones, which will pinpoint a reversal.

240min Chart – The double ascending channel did not help yet the market to reach the common value of wave 3 ($W3=1.618*W1$) towards 13345 level. The RSI manifests its convergence, in spite of the last day slight divergence.



120min Chart – The Elliott Wave channels efficiently show the up-sloping pathway of the contextual market. The next target would be in the 13320-25 level zones. If these levels are exceeded, the trader should expect the market price to jump all the way to 13626 level.

2. S&P 500 Cash Index

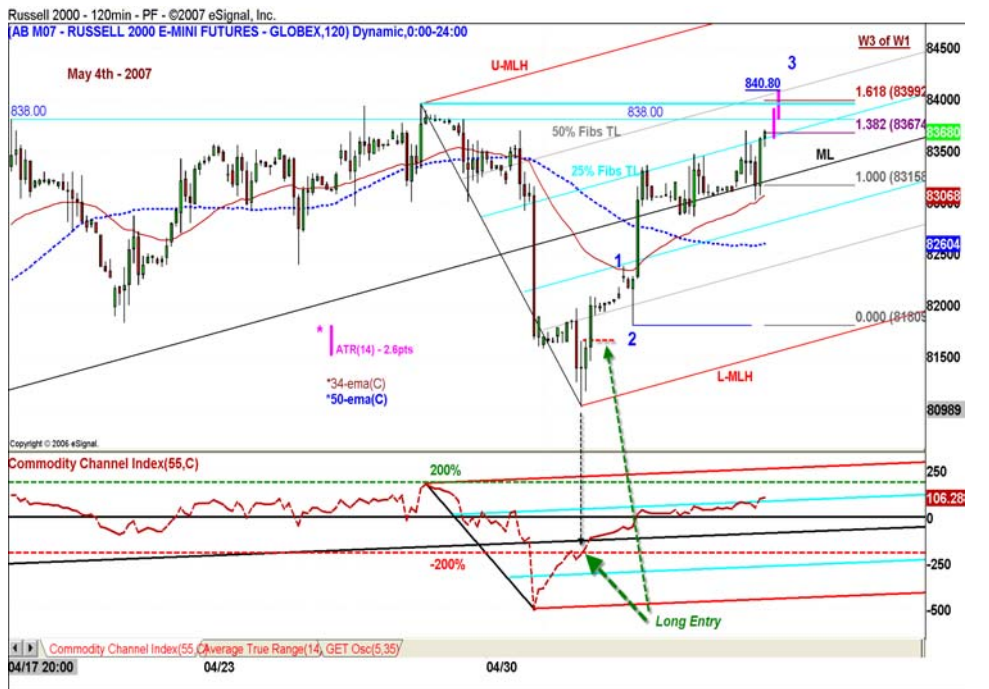
Weekly Chart – The strong up-sloping is strictly guided by the 60% slope channel, formed by the un-orthodox trend line-01 and -02. The slant Fibonacci technique shows the development of the wave 5, step-by-step. The 88.6% correction level of the prior trend has been exceeded, so we can expect the attainment of the 100% thread at **1552.87** level.



Daily Chart – One of the most appreciated tools, that we really enjoy using is the *rectangle*. Even if the rectangle n°0, the *birthing pattern*, was formed in the last days of 2006, it still has a primordial role in establishing the limits of the local market flow, almost 5 months later. Its 550% extension, clearly identifies the highest high at **1552.87** level. It is very probable that on the *Futures* market the immediate target will be **1526** level, followed by the **1565** level.

3. Russell 2000 e-mini Futures

120min Chart – The up-sloping trend mimics the tendency of the other US markets. The use of the Average True Range - ATR(14) is here advantageous because it reveals the most probable location of the market price in its race to the confluence zone (*the intersection of the upper 50% Fibs lines and the price bar*).



120min Chart – As we mentioned above, the pile-up of ATR(14) bars gives us the 840.80 level. It could be used for a pre-arranged partial or complete exit. As one can observe, the settings of the CCI are not the usual 20, but rather 55 and the extremes are settled at +/- 200%, instead of the common +/- 100%. This will create an efficient *trade decision set-up*. In the above case, there are six steps: *pre-signal phase* (doji bar & CCI testing of -200% level), *signal phase* (penetration above -200% level), *confirmation phase* (the open & close of the bar following the doji were above its open & close levels), the *entry phase* (level above the doji's high), the *stop loss phase* (2 ticks below doji's low) and the *target phase* (first on the ML and second on the U-MLH penetration levels).

4. Euro/Usd Futures - Major Currency

Daily Chart – The market flow is correcting the last wave (W3). If the retracement is complete at 23.6%, as of now, it means that the trend is very eager & anguishing to re-take its up-momentum. Then, there is a high probability that the wave 5 has already begun, and that it will exceed the 50% of W1-3 distance. The strong up-sloping momentum might bring back upwards the Eur/Usd currency to **1.3646** or even to **1.3740** levels.



5. FTSE 100 Cash Index



120min Chart – The horizontal triangle, also called *Elliott's Triangle*, announced a final virulent up-move, as high as 6682 level, once it exceeds the 88.6% thread level. On the *Futures FTSE 100* chart, the first target would be **6723**, followed by **6903** levels.

6. German Dax 30 Futures Index

Weekly Chart – The up-sloping market flow is still strong, approaching the 100% limit at **7577** level where wave C is equal to wave A. The 7 momentum bars might indicate that the up-move could be terminated, at the end of this week (*8 being a Fibonacci number*). Another strong target would be the **7667** level ($C=1.5*B$).



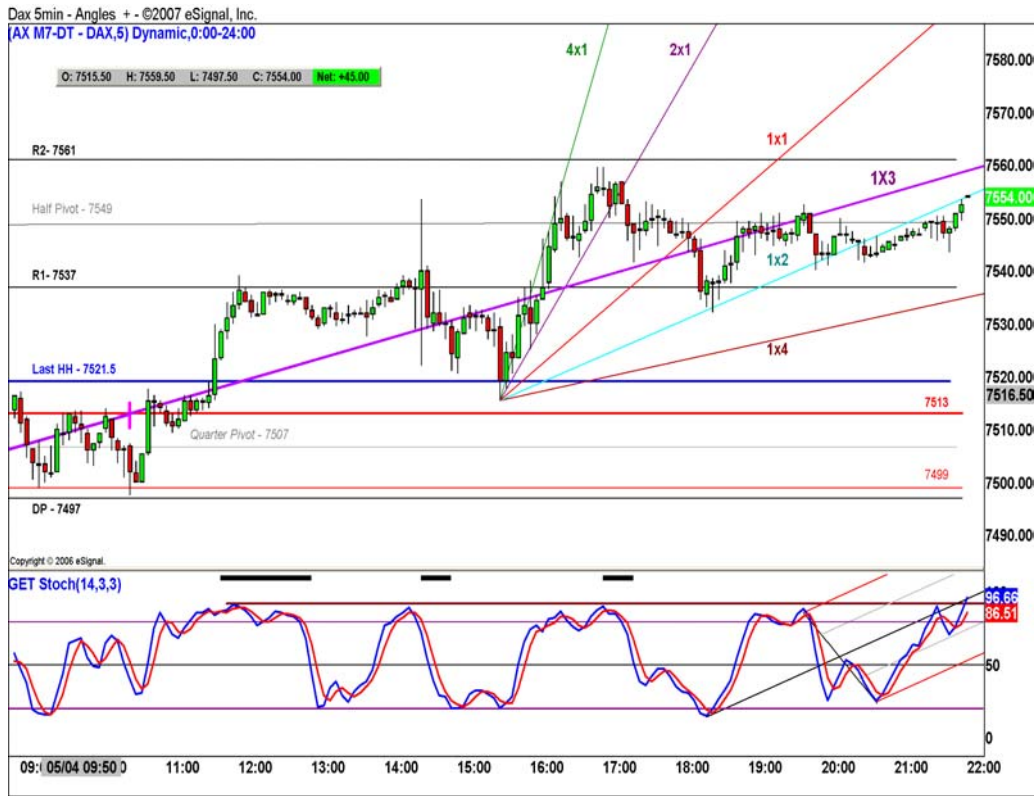
Daily Chart – This daily chart efficiently illustrates the intricacy of the major and minor pitchforks in their process of optimally describing the contextual and also the local market flows. The first up-target could be the confluence at **7655** level, with a second target right above it at **7683** level.

120min Chart – The up-trending market flow, describes a very probable ending diagonal triangle, which announces an imminent reversal. The wave e forms an over-throw pattern. The nearness of the ML complicates even further the situation.



60min Chart – The beauty of trading rectangles is here obvious. The market price stumble on every level of the pattern.: 100%, 150%, 200%. The 250% promptly halted the trend. But the RSI's ascending pitchfork shows that there is more to come...

5min Chart – This low time frame chart is frequently used for entries & exits. The synergy between the pitchfork on RSI, with the chart’s Gann angles and floor pivots really pinpoints the profitable trade decisions.



Floor Pivots - Use prior bar level values

	DAILY	Weekly	MONTHLY
High	7 560	7 560	7 475
Low	7 498	7 396	6 944
Close	7 554	7 554	7 452
Day's Range			
R5	7 701	7 937	8 700
Mid R4/R5	7 681	7 884	8 526
R4	7 661	7 830	8 353
Mid R3/R4	7 650	7 802	8 261
R3	7 639	7 774	8 168
Mid R2/R3	7 619	7 720	7 995
R2	7 599	7 667	7 822
Mid R1/R2	7 588	7 639	7 729
R1	7 577	7 610	7 637
Mid P/R1	7 557	7 557	7 463
Close - 7554			
*** **	Main Piv 7 537	7 503	7 290
Mid P/S1	7 526	7 475	7 198
S1	7 515	7 447	7 105
Mid S1/S2	7 495	7 393	6 932
S2	7 475	7 340	6 759
Mid S2/S3	7 464	7 312	6 666
S3	7 453	7 283	6 574
Mid S3/S4	7 433	7 230	6 400
S4	7 413	7 176	6 227
Mid S4/S5	7 402	7 148	6 135
S5	7 391	7 120	6 042

Multiple Time Frame Floor Pivots TABLE - These key levels are calculated ahead of the market opening, and they really place the trader farther away from the Crowd. It not only illustrates the key levels but also the probable trading range for the incoming day.