

CURRENT OUTLOOK

May 11, 2009 (Monday's Close)

-Gregory J. Troccoli – Director of Technical Research



CME - S&P 500 INDEX (June) - Daily

Near Term Trend: Positive

Monday's Pre-Close: 912.00 (- 12.70)

UPDATE: Two weeks ago, I reiterated the fact investors should *chase* the market on a close above 872.00 (keeping in mind, we originally recommended buying into the market on March 6).

As of Friday, May 1, we went long, and remained that way until this past Friday's opening – as we recommended booking profits off of the opening bell.

Based on Friday's opening of 916'00, we made a profit of \$22,500, per each contract. The market moved roughly 7 percent within six trading sessions.

At this juncture, the market is somewhat overbought, based on the position of price to the region of the 21-day Moving Average line.

Resistance at 937.00 still presents a challenge heading into the week ahead.

NYMEX - CRUDE OIL - (Weekly)

Intermediate Trend (3 Months): Positive

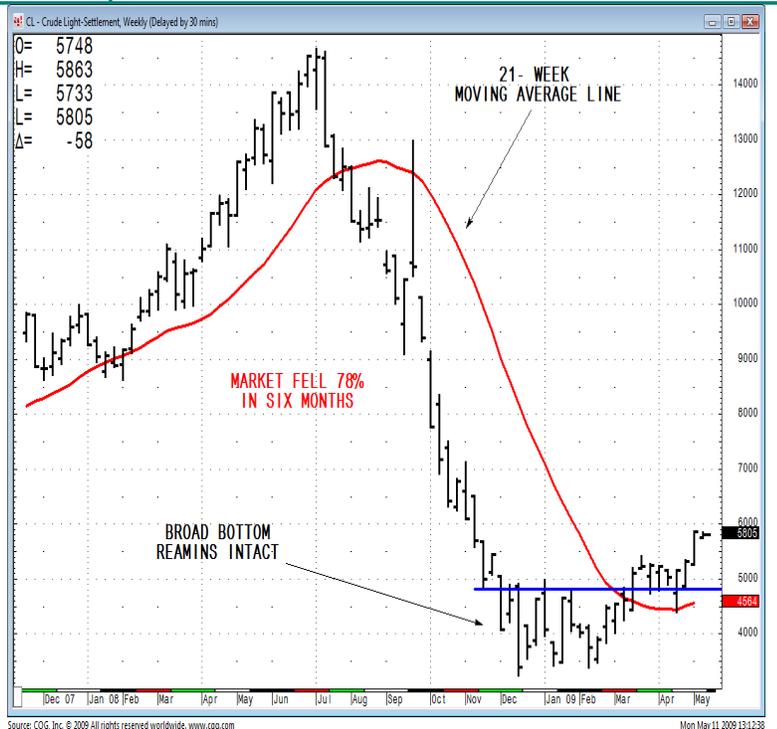
Monday's Pre-Close: \$58.05 (- \$.58)

UPDATE: Ever since booking a *very decent profit* against our long position, on Tuesday, April 21, **we left some profits on the table.**

Our readers are aware, ever since going long at \$41.70, we had been stating, **"Crude would rally on the heels of a rally in Equities, and the commodity would trade to \$60.00 if it settled above our internal blue trend line"**. As of this past Friday, Crude Oil came within \$1.31 of our objective.

Consider we were looking for \$60.00/ barrel when Crude was trading in the \$38.00 region over three months ago.

As can be viewed, the moving average line turned slightly north (two weeks ago) - for the first time since August 25, 2008. In light of this- I don't think Crude trades higher than \$62.50 without some degree of price retracement.



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NYMEX - GOLD (June) – Daily

Near Term Trend: Positive

Monday's Pre-Close: \$ 913.30 (- \$ 1.60)

UPDATE: Last Monday, Gold rallied enough to shift the near term trend toward a positive light.

Overall, we still believe Gold is forming a long term top, but as we have said for the last three weeks, near term price action could be choppy.

The slope of the 21- day M.A. line has now shifted positive for the first time since March 13, as the market came within \$9.00 of our key resistance point of \$934.00.

At this juncture, as long as the market maintains a daily settlement above **\$895.00**, even dips may be attractive from the long side.

CBT - U.S. Ten Year Note (JUNE) - Daily

Near Term Trend: Negative

Monday's Pre- Close: 121'020 (+ 22.5) Yield: 3.19%

UPDATE: Well over two weeks ago, as the market was trading 122'130, we stated, "Odds now favor a break lower – but a daily close below 121'24 confirms it".

As of Friday's settlement (April 23), we had confirmation. As a result, the market eventually backed off to the 119'230 as of last Friday (broke lower as a result of the Bear Flag formation we highlighted last Monday). At this juncture, the market is testing current resistance at the triangle.

****As we stated a week ago, 119'140 represents near term support.**



CME – AUSSIE \$ vs. U.S. Dollar - Weekly

Intermediate Trend (3 Months): Positive

Monday's Pre- Close: 7595 (- 80)

UPDATE: Six weeks ago, as the market was trading 6875, we stated, "We believe a weekly settlement above 7090 could bring a swift move higher, toward the gap at 7365- 7700 (see chart)".

As of Friday, the market traded up to a high of 7689- ONLY 11 ticks from closing the gap (see chart).

Expect resistance near the 7700 region.

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CBT- WHEAT (July) - Daily

Near Term Trend: Positive

Monday's Pre- Close: \$5.88Bid (- 3 cents)

UPDATE: Slightly over a week ago the market rallied to its largest one day gain since October 29, 2008. In doing so, it came within 6 cents of the highest point the market has traded within the last 2 ½ months.

Based on this, in our report on Thursday evening, we recommended, "At this juncture, I would buy wheat with a stop at \$5.46".

As of Friday's opening, we went long at \$5.77. Based on the slight profit at the end of the day, raise the stop to \$5.62 on Monday.



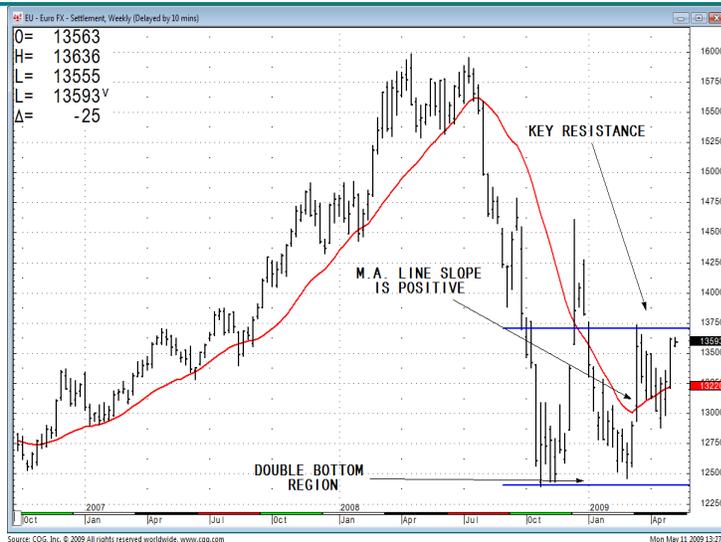
CME- NIKKEI – (Cash) Weekly
Intermediate Trend (3 Months): Positive
Monday's Pre- Close: 9,350 (- 190)

UPDATE: As of last week, the market finally broke above the near term congestion pattern, formed during the prior four weeks. In doing so the market has established a broad support base dating back to last October. Two months ago, we anticipated, "A weekly settlement (Friday close) above 7,470 would be considered a key upside weekly reversal. Subsequently, a week later, the market did in fact settle above 7,470, which confirmed the **key weekly upside reversal** (see chart). The market has not looked back.



CME- EURO vs. U.S. DOLLAR (CASH) - Weekly
Intermediate Trend (3 months): Positive
Monday's Pre- Close: 135'93 (- 25)

UPDATE: Critical support at 130'92 was violated three weeks ago. At the time, we asked the question "Could this be a dip to buy, sometime in the next week- even though we believe the double bottom (lows from Nov '08 & March '09) was solidified eight weeks ago (as the market rallied from the 125'00 region up to 137'50)? We felt the dip was close to an inflection point.....either the market is headed to test the lows, or a buying opportunity may be upon us, as the market approaches the 127'20 region. Subsequently, the market traded as low as 128'82 three weeks ago, and then proceeded to rally up to 136'18 last week. Concluding, thus far, it has been a dip to buy. **NOTE: KEY RESISTANCE AT 137'09.**



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