

And The All New Market Analysis

The Ord Oracle

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For 30 to 90 days horizons: Short SPX on 5/13/09 at 883.92.

Monitoring purposes GOLD: Gold ETF - Long GLD at 110.24 on 12-14-09

Long Term Trend monitor purposes: Flat

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There are several intermediate term signs on the chart above that suggest an intermediate term decline is being. They are the intermediate term bearish "Rising Wedge"; the Percent Volume indicator is showing a major negative divergence similar but opposite just like at the March low (positive divergence) which now is forecasting

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a major decline; the NYSE McClellan Summation index has drawn a Bearish “Triple Top” as well as the Bullish Percent index has had a bearish crossover. Also the Volume increase on the current decline suggests energy has switched to pushing down. However for short term there are several indicators that are anticipating a bounce in the market and with last Thursday’s high ARMS index close at 3.42 it helps to support that case. ARMS index close near 3.00 and higher have appeared near short term bottoms. Also bullish for the short term is that the McClellan Oscillator hit oversold near -100 and is now showing a bullish divergence and the Money Flow indicator is at levels that previous short term lows have formed. The week before option expiration week (this week) normally setup up the rally for options expiration week and this week may show backing and filling. Possible upside targets are near the 111.50 range on the SPY which is where a gap lies and is nears the 61.8% retracement level. This potential bounce should also pull the gold indexes up as well. Once the bounce is completed the next leg down should pick up energy. We remain bearish.



Above is Goldman Sachs (GS) which is 6.08% of the XLF financial sector. Not a huge percentage but enough to make a difference. In January GS, broke the Neckline of the Head and Shoulder top that had starting forming in August 09. The Neckline was broke with a “Sign of Weakness” (SOW) which confirmed the Head and Shoulders top. This H&D give a down side target to 125 range which is the minimum downside target but could fall much further then that. The “Cause” is the time the pattern took to form and the longer the time in “Cause” the longer the time the market declines. The Head and Shoulder Top took 6 months to form and in general then the decline can last around 6 months which takes us out to July for the next potential low to form. Also notice that the

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Bullish Percent index for the Financials had a bearish crossover. Resistance lies near 161-2 range. We are short XLF at 14.30.



Above is the daily chart of GDX. GDX drew a bullish Head and Shoulders Bottom and broken the Necklines with a "Sign of Strength" and confirmed the bullish pattern. The Necklines now become major support. For GDX the Neckline was tested last week near the 40 range and also the daily RSI; Chaikin Osc.; Money flow and OBV indicators giving bullish signs (identified with blue arrows) and suggests there is a bottom here. Seasonality doesn't turn bullish again until July and GDX may trade up and down until then creating a trading range. Therefore, we will keep our core positions but trade out of GDXJ on the next rally and buy it back again later at the bottom of the trading range. We will watch the 27 level on GDXJ closely for a possible resistance area. Gold's Neckline comes in near 1000 equates to 98 on GLD and is strong support. **Long GDXJ at 24.08 on 1/22/10.** We will hold GLD as our core position as well as NXG, CDE and KGC because in the longer term view these issues will head much higher. Long GLD on 12/14/09 at 110.24. Holding CDE (average long at 27.7. Long KRY at 1.82 on 2/5/08. We doubled our positions in KGC on (7/30/04) at 5.26 and we now have average price at 6.07. Long NXG average of 2.26. For examples in how "Ord-Volume" works, visit www.ord-oracle.com.



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