



**CAPITAL  
CONSERVATOR**

[WWW.CAPITALCONSERVATOR.COM](http://WWW.CAPITALCONSERVATOR.COM)

# Weekly & Daily Markets Update

---

**Fundamental Outlook:****US Dollar is at risk for further declines versus Euro.**

The US Dollar fell against all G10 currencies except for the Japanese Yen, breaking out of its tight range against the Euro and testing its recent lows in the trade-weighted US Dollar index. A limited week of economic event risk initially left the heavily-traded currency relatively motionless, but traders eventually lost their patience and sent the Greenback considerably lower through Friday's trade. The declines were perhaps surprising given a significantly stronger-than-expected US Retail sales report on Friday morning; robust spending gave modest hope that the US consumer may prove more resilient than previously predicted. Given the dollar's sharp drops in such a short period of time, however, we suspect that a further unwinds of USD-long positioning could fuel continued EUR/USD gains. A busy week of economic event risk likewise promises considerable Greenback volatility in the days ahead.

In recent weeks we have argued that the US Dollar was likely to recover against the Euro and other key counterparts on extremely one-sided bearish positioning and sentiment. Yet the tables have clearly turned in the Dollar's favor; CFTC Commitment of Traders data shows Non-Commercials at a record net-long the US currency against the Euro. Such one-sided USD-bullish positioning has made it extremely difficult for the currency to eke out further gains. Indeed, a further unwind would almost certainly bring EURUSD rallies.

EURO FX - CHICAGO MERCANTILE EXCHANGE

Code-099741

Commitments of Traders - Futures Only, March 9, 2010

	Total	Reportable Positions						Nonreportable Positions		
		Non-Commercial			Commercial			Total		
	Open	Long	Short	Spreading	Long	Short	Long	Short	Long	Short
-----										
		(CONTRACTS OF EUR 125,000)								
All	243,524	32,589	107,140	2,236	169,613	88,988	204,438	198,364	39,086	45,160
Old	243,524	32,589	107,140	2,236	169,613	88,988	204,438	198,364	39,086	45,160
Other	0	0	0	0	0	0	0	0	0	0
-----										
		Changes in Commitments from: March 2, 2010								
	24,721	-3,305	4,476	511	34,326	22,939	31,532	27,926	-6,811	-3,205
-----										
		Percent of Open Interest Represented by Each Category of Trader								
All	100.0	13.4	44.0	0.9	69.6	36.5	83.9	81.5	16.1	18.5
Old	100.0	13.4	44.0	0.9	69.6	36.5	83.9	81.5	16.1	18.5
Other	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----										
		# Traders								
		Number of Traders in Each Category								
All	145	32	64	15	32	33	74	102		
Old	145	32	64	15	32	33	74	102		
Other	0	0	0	0	0	0	0	0		
-----										

The Japanese yen weakened broadly last week as solid economic data from China boosted investors' optimism for recovery and risk appetite. S&P 500 broke January's high of 1150 briefly before closing 1149.99. Nikkei also managed to rise 382 points to close at 10751. There were also additional pressures to yen from speculation that Bank of Japan will expand monetary easing in the week's meeting. Swiss franc was surprisingly strong after event risk of Swiss National Bank meeting past. Canadian dollar also surged towards the end of the week on solid employment data from US.

Dollar dropped broadly last week on improving risk appetite with dollar index closed below 80 levels again. The greenback is now near to a critical make or break level technically. A very close attention to 79.56 levels in dollar index and strong break there will possibly trigger much sharper selloff in the greenback. We're still anticipating dollar to bottom soon to complete recent consolidations, considering that crude oil is losing much upside momentum after breaking 80 levels while gold is also extending recent fall from 1145.8.

There were speculations that BoJ will discuss additional monetary easing in this week's two-day policy board meeting to fight against deflation. The main proposal under considering would be an expansion of the banks' funds-supply operation, which had lent close to JPY 10T by the end of February. It's believed that BoJ is considering doubling the level to JPY 20T.

SNB left the 3-month LIBOR target range unchanged at 0.00-0.75% and intended to keep the lower part of the target range at around 0.25%. The SNB also reiterated the stance to act 'decisively to prevent an excessive appreciation of the Swiss franc against the euro'. In light of recent economic recovery, the central bank also revised up its real GDP growth and inflation forecasts. Swiss franc built up momentum after the meeting gave no surprise to the markets. EUR/CHF dived to as low as 1.4559 on Friday and is set to break February's pre-intervention low of 1.4577 this week.

Canadian dollar also finally broke out of five month range against dollar on solid employment report from Canada. Job growth exceeded expectation by rising 20.9k in February while unemployment rate also dropped to 8.2%. Canadian dollar is set to march to parity against dollar.

RBNZ left the OCR unchanged at 2.5% as widely expected and reiterated the comment on starting to remove policy stimulus around the middle of 2010. However, RBNZ sounded a bit dovish by saying that growth is expected to be "subdued relative to previous recoveries," as "households are still cautious", "credit growth remaining subdued," and "business spending is weak." There were expectations that RBNZ would hike by 25bps in June and every meeting thereafter until the end of the year. But traders scaled back bets the chance of any hike earlier than June and bet that rises after that would be gradual, with one or two hikes thereafter priced out.

The coming week promises considerable volatility on a highly-anticipated US Federal Open Market Committee interest rate announcement, while later-week Consumer Price Index data may likewise shed light on key fundamental themes for the US economy. Recent improvements in economic data suggest that the Federal Reserve may soon unwind its aggressive monetary policy stimulus and raise interest rates from record-lows. The Fed has for quite some time now committed to low interest rates for an "extended period". Yet the most recent FOMC Meeting's Minutes showed Kansas City Fed President Thomas Hoenig dissenting in favor of removing this phrase from the official statement. It will certainly be interesting to watch whether the case for removing monetary policy stimulus has gained traction. More concretely, it will be critical to watch whether the official statement reiterates the Fed's desire to keep interest rates low for an "extended period" of time.

**The US Dollar is at a crossroads. On one hand, the Greenback shows considerable resilience and staged a multi-month rally against the Euro and other key counterpart and leaving momentum to the topside. In the other hand, the longer-term trend has been for US Dollar declines and there remains risk that said trend may resume. We believe that the US Dollar will not set a further low against the Euro through 2010. Yet that hardly rules out a shorter-term correction within the context of its multi-month recovery. Further pullbacks would seem increasingly likely if the Euro/US Dollar sets fresh highs through next week's trade.**

## EURUSD


**The Technical out look for the EUR/USD** Sunday, March 14th, 2010, level 1.3768

The EUR/USD consolidation from 1.3443 continued last week and rose further to as high as 1.3795 and closing above our long term trend indicator now at 1.3736(light green line on the chart) . We are also now trading above the upper band of descending channel at now 1.3702 (green line on the chart). Furthermore the day's bias is bullish and the RSI & Stochastic oscillators are in bull mode and with more room to go higher. We may target, on the upside the 100% projection of 1.3735-1.3434 measuring from 1.3537 at **1.3838** , this level is very near of **1.3866**

(38.2% retracement of 1.4579 to 1.3434). We got also a minor resistance at 1.3815. If the market gets to that point (1.3815/38/66), we must monitor for a topping action, but also beware of a possible break above. If market extend his rally, on a break 1.3866, a move toward 1.4003 (50.0% retracement of 1.4579 to 1.3434) is possible. **But in any case, if the EUR/USD break up 1.4217, It will invalidated all our bearish view and the actual congestion was a bullish soccer and the down trend form 1.6039 to 1.3434 will be over.** But we must remember, we are still in the context of congestion in a larger context of decline. As I said previously, the correlation of the EUR/USD with the DOW (see analysis below) still exist and the indexes show more potential to the upside then more potential for an up move for the EUR/USD. The last factor for the continuation of the correction is the CFTC Commitment of Traders data shows Non-Commercials hold a record notional net-short position in the Euro against the US Dollar, leaving relatively little room for further selling (see the table above).

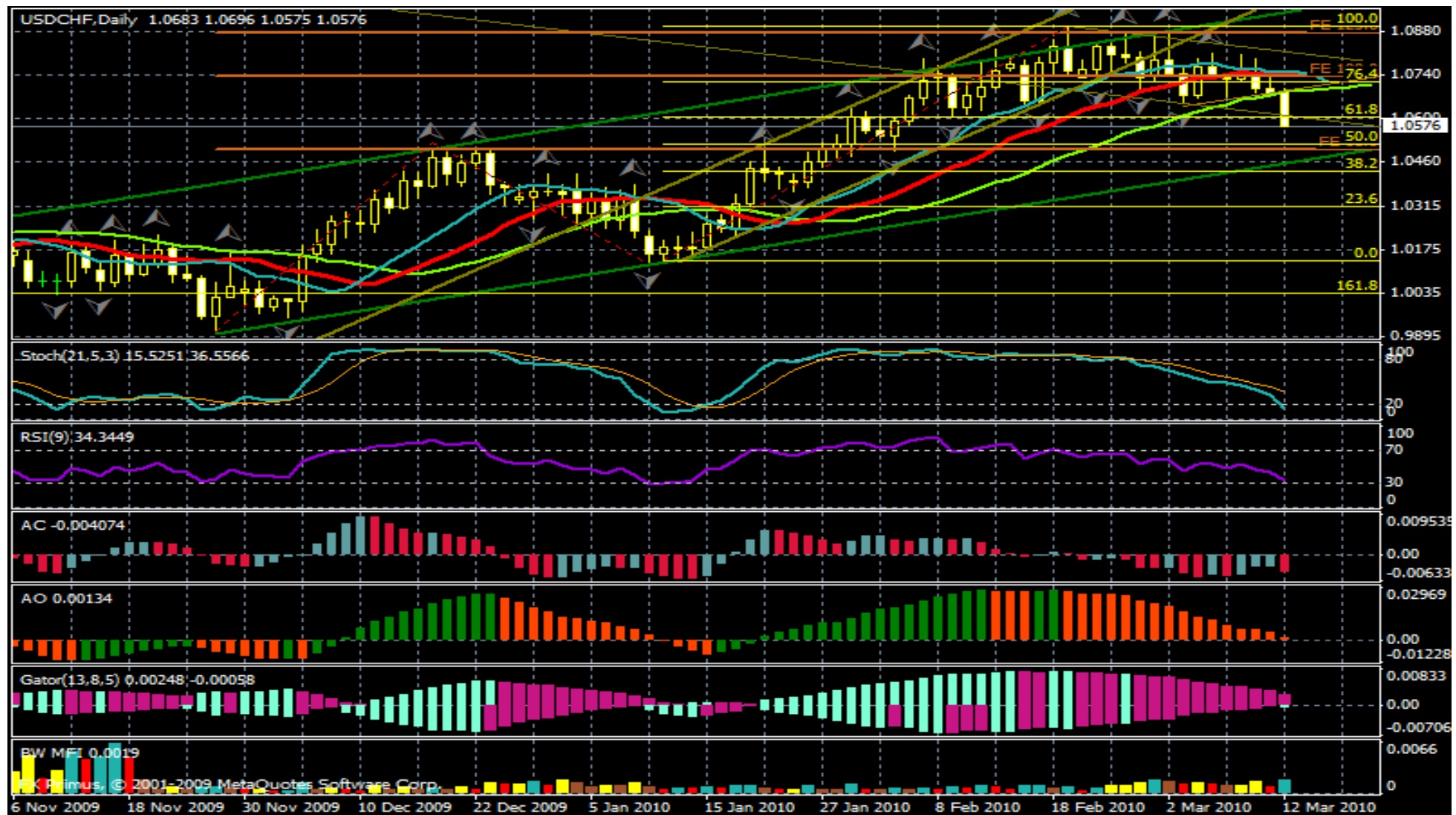
**On the downside:** A pullback to 1.3736/02 is possible but only a move below 1.3679, minor supports, will flip intraday bias back to the downside first and a break of the major support at 1.3550/30 will be the first confirmation of a possible resumption of the fall and further break of 1.3435 supports will confirm fall resumption and should target 161.8% projection of 1.5143 to 1.4217 from 1.4578 at 1.3076.

On the other hand, the current support at 1.3550/30 is strong and has held up. **So wait for a break below 1.3435 to confirm outlook to 1.30 areas.**

Furthermore in an Elliott Wave point of view and I kept my count, the bigger picture, three wave rises from 1.2329 is treated as consolidation to fall from 1.6039 only and should have completed at 1.5143 already. Fall from 1.5143 is tentatively treated as resumption of the whole down trend form 1.6039 and should target a new low below 1.2329. **Break of 1.4217 resistances is needed to invalidate this bearish view.** Otherwise, we'd expect fall 1.5143 to continue even in case of strong rebound. **For now, technically the EURO IS STILL IN A BEAR TREND as far that 1.4217 is not broken up,** with an intermediate target at 1.3400-1.3420 (slightly done by the move 1.3434) and my EW projection show a more likely target for this completed wave at **1.3076** with an intermediate EW target at target **1.3343/48** (50% projection of 1.4580-1.3585 measuring from 1.3840 and 1.4415 to 1.3532 measuring from 1.3789). Following my count we are now in wave 4 of III with a potential target 1.3866 (38.2% retracement of 1.4579 to 1.3434). As I have said previously a wave 4 may broke the upper side of a bearish channel, done already, but I think the rebound may be limited by 1.3838/66 or 1.3903 resistances areas.

In the long term picture, long term up trend from 2000 low of 0.8223 has made an important top at 1.6039 in 2008. Subsequent price actions are so far viewed as a correction only, in form of three waves. First wave has completed at 1.2329 while secondly should have completed at 1.5143. Fall from 1.5143, as the third wave of correction, is in progress and should extend to 1.1639 supports, and possibly further to 100% projection of 1.6039 to 1.2329 from 1.5143. Nevertheless, we'd expect strong support from 61.8% retracement of 0.8223 to 1.6039 at **1.1209** to conclude the correction and bring another long term up trend.

## USD/CHF:



**The technical outlook for USD/CHF** Sunday, March 15Th, 2010, level 1.0576

The USD/CHF dropped sharply to as low as 1.0576 last week and initial bias remains on the downside this week for the lower band of the ascending channel now at 1.0457 (green line on the chart) or by 1.0518 (50% retracement of 1.0131 to 1.0897) to conclude the consolidation and bring rally resumption. While the fall from 1.0897 is deeper than we originally thought, there is no change in the view that it's a correction in the larger rise. Hence, we'd expect downside to be contained by the mentioned supports to conclude the correction.

On the upside, above 1.0647 minor resistances will turn intraday bias neutral and bring recovery to 1.0710 first and a break above 1.0809 minor resistances will flip intraday bias back to the upside. Decisive break of 1.0897 will confirm that whole rally from 0.9916 has resumed. Also, sustained trading above short term trend line resistance (in light blue on the chart now at 1.0755) and confirm by a break of 1.0809 will pave the way to 161.8% projection of 0.9916 to 1.0506 from 1.0131 at **1.1086** next. Otherwise, another fall would remain in favor.

Furthermore in an Elliott wave point of view, the bigger picture, there is no change of my view: The medium term correction from 1.2296 should have completed with three waves down to 0.9916 already. Current rise from 0.9916 is tentatively treated as resumption of the long term up trend from 2008 low of 0.9634. Sustained break of mentioned medium term trend line resistance (Green trend line on chart now at 1.0903) will further affirm this view. In such case, we'd be looking at stronger rise to **1.1963/2296** resistance zone in medium term. On the downside, break of **1.0131** supports is needed to invalidate this bullish view. Otherwise, another rise is still expected even in case of deep pullback.

**EUR/CHF:****The technical outlook for EUR/CHF** Sunday, March 15th, 2010, level 1.4562

The EUR/CHF finally got momentum last week and dived to as low as 1.4559 after SNB meeting. Initial bias remains on the downside this week and break of 1.4557 will confirm that whole fall from 1.5880 has resumed and should target 1.4315 low next. On the upside, above 1.4630 will turn intraday bias neutral and bring consolidations. But recovery attempt should be limited by 1.4820 resistance and bring further decline.

Furthermore in an Elliott wave point of view, the long term picture, the corrective three wave structure of the rise from 1.4391 to 1.6827 is arguing that fall from 1.6827 is resumption of long term down trend from 1.8234. EUR/CHF's failure to take our short term trend indicator at 1.4634 (blue line on the chart) and the long term trend line at 1.4680 (light green line on the chart) that the whole fall from 1.6827 is still in progress and in a bearish trend. Sustained trade below 1.4557 supports will affirm this case and bring another low to **1.4315** to resume the long term down trend.

## GBP/USD



**The technical outlook for GBP/USD** Sunday, March 15Th, 2010, level 1.5202

GBP/USD's consolidation from 1.4783 continued last week with another rise to above 1.5194 resistances. Initial bias remains on the upside this week and further recovery could still be seen. But after all upside is still expected to be limited by 38.2% retracement of 1.6456 to 1.4783

at 1.5422 and bring fall resumption. Break of 1.4880 support will argue that whole decline from 1.6456 is resuming for next target of 200% projection of 1.6875 to 1.5829 from 1.6456 at 1.4364.

Furthermore in an Elliott wave point of view, the bigger picture, there is no change, we're holding on the bearish view that medium term rebound from 1.3503, which is treated as a correction to down trend from 2.1161, has completed at 1.7043 already. Fall from there is tentatively treated as resumption of the down trend from 2.1161 and should target a new low below 1.3503. On the upside, break of 1.5829 supports turned resistance is needed to be the first sign of bottoming. Otherwise, outlook will remain bearish. In the longer term picture, the corrective nature of the multi-decade advance from 1.0463 (1985 low) to 2.1161 as well as the impulsive nature of the fall from there suggests that GBP/USD is now in an early stage of a long term down trend. Rebound from 1.3503 should have completed and the whole fall from 2.1161 is likely resuming for 61.8% projection (2.1161 to 1.3503 from 1.7043) at **1.2310** next.

## AUD/USD:



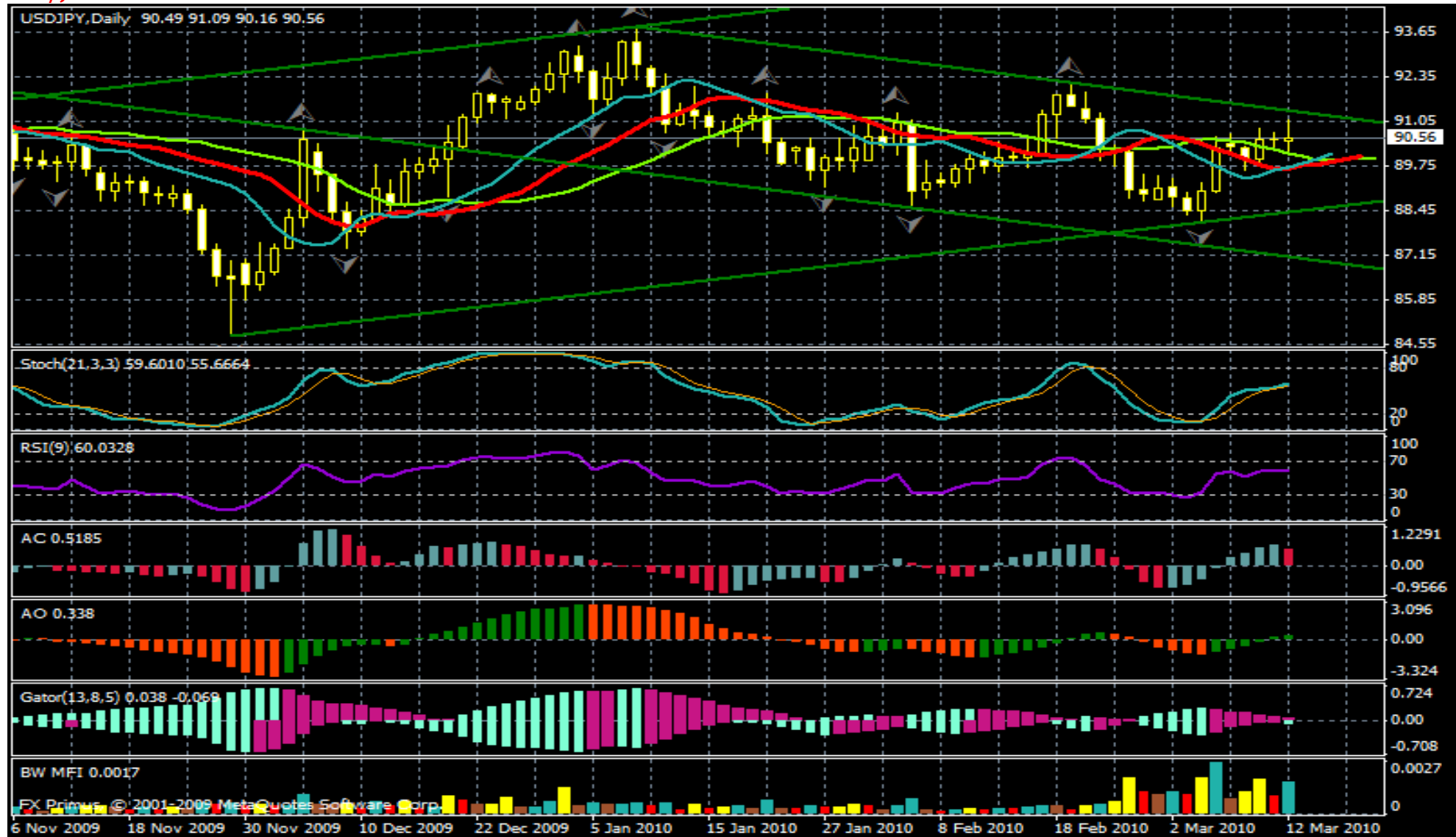
**The technical outlook for AUD/USD** Sunday, March 15th, 2010, level 0.9147

AUD/USD's rally from 0.8577 extended further to as high as 0.9193 last week. While upside momentum is diminishing with a topping pattern possible, another rise will remain in favor as long as 0.9053 minor supports holds. Current rally is still expected to continue towards 100% projection of 0.8577 to 0.9070 from 0.8802 at 0.9295 next. However, a down break of 0.9053 will argue that a short term top is formed and should bring deeper pull back towards 0.8802 supports instead.

Furthermore in an Elliott wave point of view, the bigger picture: the sustained trading above short term trend line (in light blue on chart now at 0.9030) suggests that correction from 0.9404 has completed with three waves down to 0.8577. In other words, whole rally from 0.6008 might be set to resume for another high above 0.9404. If we treat the rise from 0.8577 as the fifth wave in the rise from 0.6008 with equal length as the first wave from 0.6008 to 0.7267, upside target will be 0.9836, which is close to 2008 high of 0.9849. On the downside, break of 0.8802 supports is needed to be the first signal to revive the case that AUD/USD has already topped out. Otherwise, we'll remain cautiously bullish in AUD/USD.

In the longer term picture, long term correction from 0.9849 has likely completed at 0.6008 already, after being supported slightly above 76.4% retracement of 0.4773 (01 low) to 0.9849 (08 high). Rise from 0.6008 is possibly developing into a new uptrend which will extend the long term rise from 0.4773. We'll continue to favor the long term bullish case as long as 0.7702 cluster support holds and expect an eventual break of 0.9849 high. However, a break of 0.7702 support will firstly argue that whole rise from 0.6008 has completed. Secondly this will open up the case that AUD/USD is in phase of a long term consolidation and will gyrate in the large range of 0.6008/0.9849 for some time.

## USD/JPY



**The technical outlook for USD/JPY Sunday, March 15th, 2010, level 90.56**

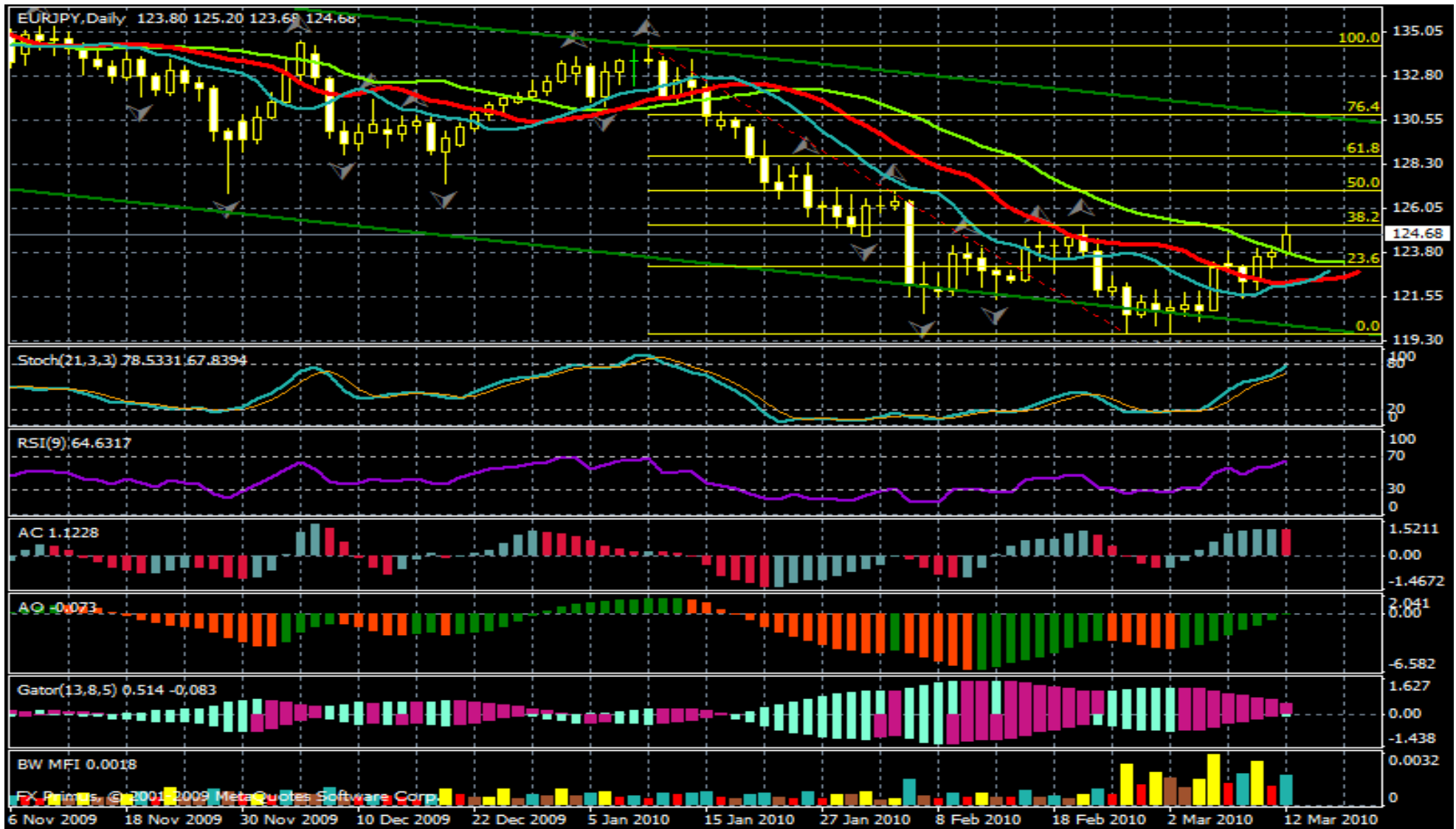
Despite edging higher to 91.08 last week, USD/JPY loses momentum and this up move is unconvincing. Initial bias is mildly bullish to neutral this week and some consolidations should be seen below 91.08 first. Nevertheless, downside should be contained by 89.62 cluster supports (50% retracement of 88.13 to 91.08 at 89.60), however break of 89.62 will argue that rebound from 88.13 is over and will flip intraday bias

back to the downside for retesting this support instead. Above 91.08 will target near upper band of the descending channel at now at 91.30 (green line on the chart). If break up this last level a move to 92.14 resistance is likely.

Furthermore in an Elliott wave point of view, the bigger picture, outlook is rather mixed and we'll stay neutral for the moment. On the upside, break of 92.14 resistance will confirm that whole decline from 93.74 has completed with three waves down to 88.13 already. The corrective structure will in turn indicate that rise from 84.81 is still in progress for another high above 93.74. On the downside, break of 88.13 will reaffirm the bearish case that rise from 84.81 is completed at 93.74 already and will turn focus to 87.36 support for confirmation.

In the long term picture, downside momentum is clearly diminishing on monthly chart. However, there is no confirmation of long term reversal yet. Down trend from 124.13 might still continue as long as 101.43 resistance holds and might extend further towards 79.75. Nevertheless, break of 101.43 resistance will break the lower high lower low pattern and will suggest that a long term bottom is in place. The trend should then reversed to continue the sideways pattern that started at 79.75 in 1995.

## EUR/JPY



### The technical outlook for EUR/JPY Sunday, March 15th, 2010, level 124.68

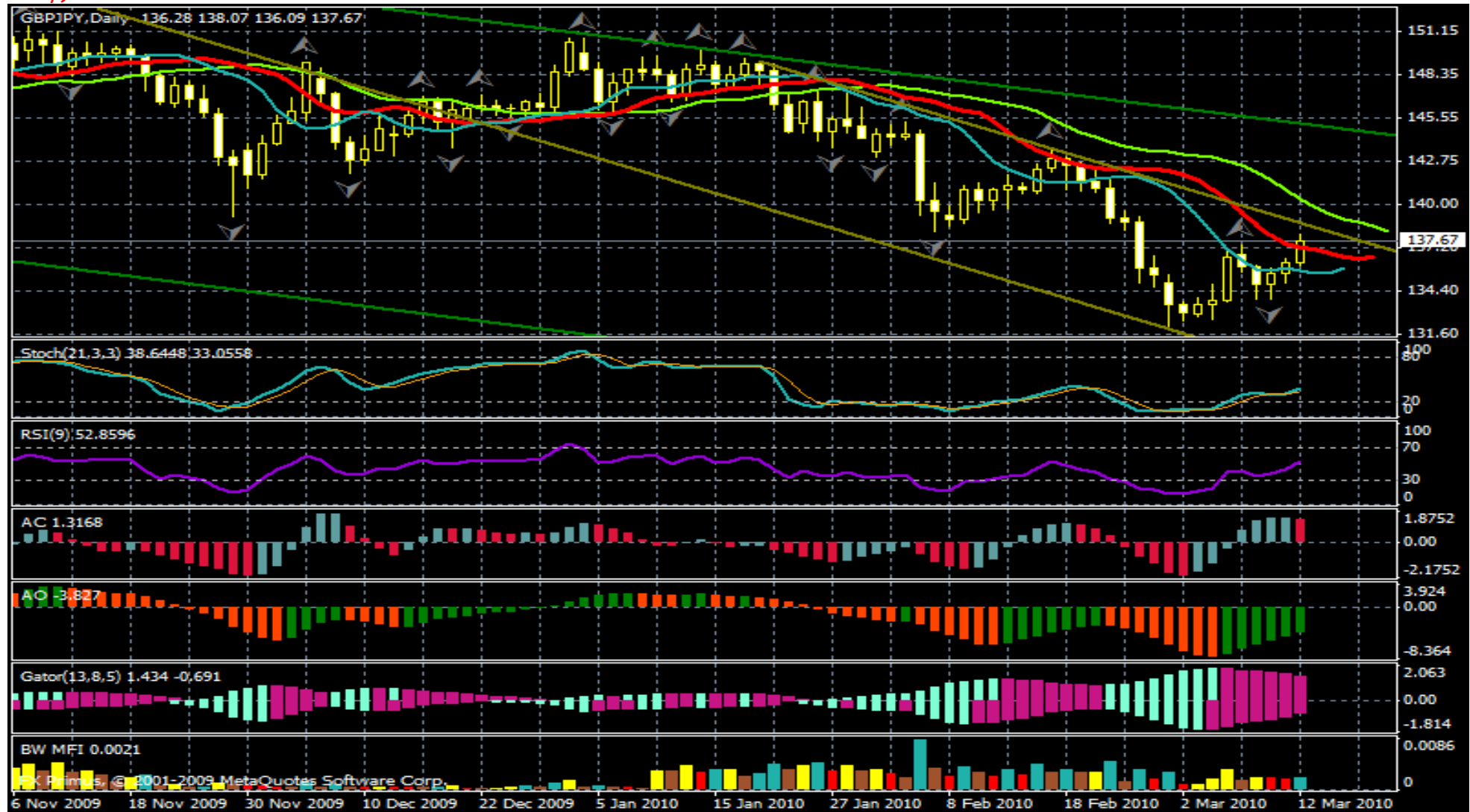
EUR/JPY's rebound from 119.64 extended further to as high as 125.19 last week. As the cross is now very close to the past mentioned point at **125.22/26** (38.2% retracement of 134.36 to 119.64), we stay mildly bullish initially this week. On the downside below 123.01 minor support will indicate that corrective rise from 119.64 is finished and will flip intraday bias back to the downside for retesting this low. On the upside,

however, decisive break of 125.22/26 cluster resistance will indicate that stronger rebound is underway for the 61.8% retracement of 134.36 to 119.64 at **128.73** next.

Furthermore in an Elliott wave point of view, the bigger picture, with 125.22 cluster resistance still intact, we're still holding on the bearish view. That is, medium term rebound from 112.10, which is treated as a correction to long term down trend from 2008 high of 169.96, should have completed at 139.21 already. Recent decline is expected to resume sooner or later to a new low below 112.10. However, note that decisive break of 125.22 cluster resistance will argue that recent fall might have completed already. Further break of 126.88 support turned resistance will argue that medium term rise from 112.10 might be still in progress for another high above 139.21 before completion.

In the long term picture, the uptrend from 88.96 (2000 low) was completed at 169.96 and made a long term top there. Fall from 169.96 should develop into a three wave correction with first wave completed at 112.10, second wave completed at 139.21. Current fall is likely the third wave and should extend beyond to 61.8% projection of 169.96 to 112.21 from 139.21 at **103.45** or further to 100 psychological support next.

## GBP/JPY



**The technical outlook for GBP/JPY Sunday, March 15Th, 2010, level 137.67**

The GBP/JPY's recovery from 132.13 resumed last week and rose to as high as 138.04. Further rise could still be seen initially this week. But after all, we'd expect upside to be limited by **139.21** cluster resistances (38.2% retracement of 150.68 to 132.13 at 139.21 and 61.8% retracement of 143.59 to 132.13 at 139.21) and bring fall resumption. Break of 133.89 minor support will argue that whole decline from 163.06 is resuming and will flip intraday bias back to the downside for retesting 132.13 low first and in direction of 118.81 low.

Furthermore in an Elliott wave point of view, the bigger picture; while the rebound from 132.13 was strong, there is no change in the bearish outlook. Medium term rebound from 118.18, which is a correction to the long term down trend from 07 high of 251.90, has completed at 163.05 already. Decline from 163.05 is tentatively treated as resumption of the long term down trend from 2007 high of 251.09 and should target a new low below 118.81. On the upside, decisive break of 143.59 cluster resistance (61.8% retracement of 150.68 to 132.13 ) is needed to invalidate this view.

## USD/CAD

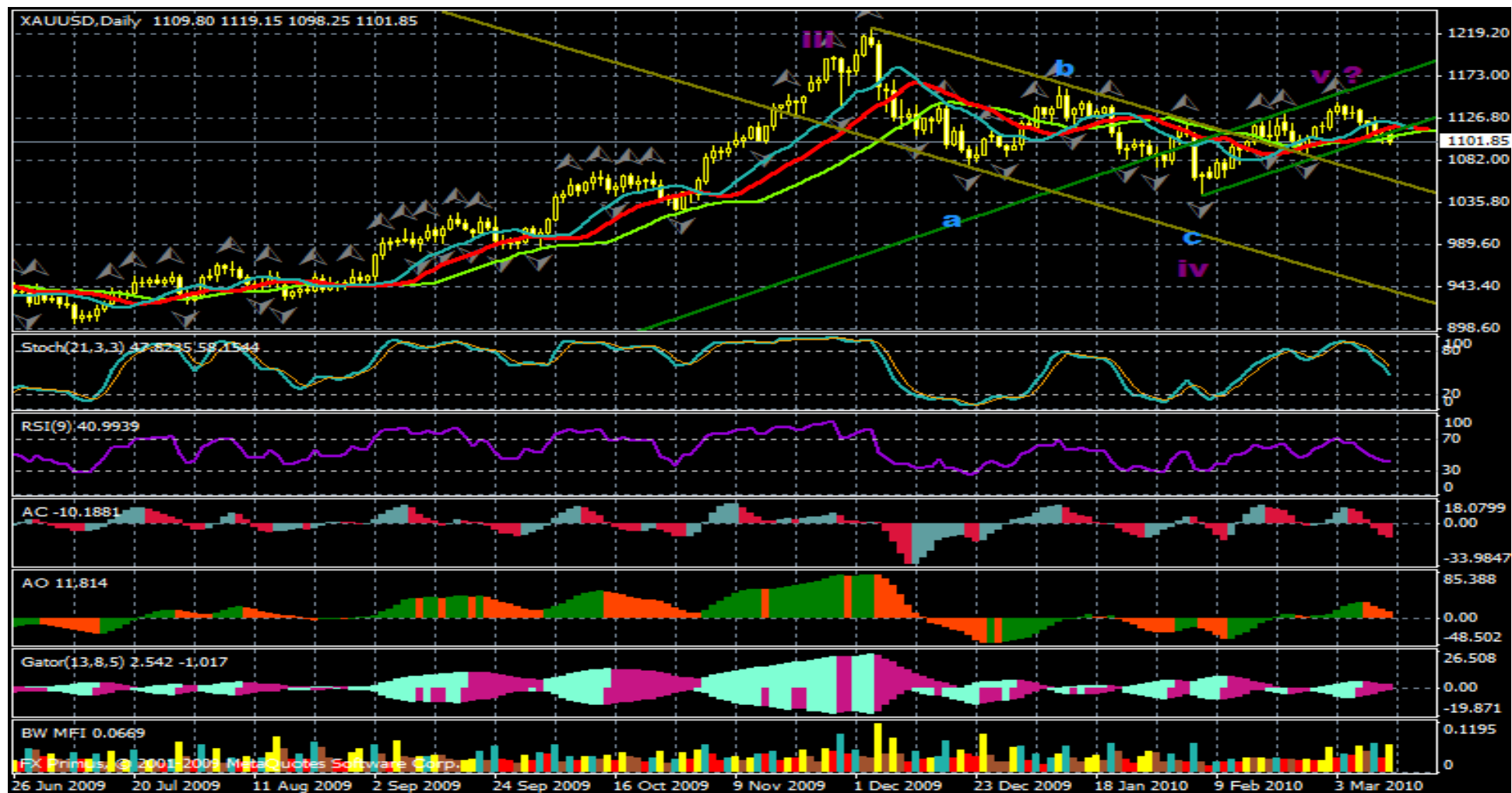


### The technical outlook for USD/CAD Sunday, March 15Th, 2010, level 1.0189

The USD/CAD finally broke out from the five month range last week and dived to as low as 1.0154. The strong break of 1.0205 low invalidated our view and in turn indicates that whole medium term down trend from 1.3063 is still in progress. Initial bias remains on the downside this week and further fall should now be seen to 161.8% projection of 1.0779 to 1.0369 from 1.0679 at **1.0016** next, which is close to parity. On the upside, in can of recovery, break of 1.0322 is needed to indicate that USD/CAD has bottomed out in near term. Otherwise, outlook will remain bearish and further fall is expected.

Furthermore in an Elliott wave point of view, the bigger picture, the strong break of 1.0205 support (2009 low) confirms that whole down trend from 2009 high of 1.2063 is still in progress and has resumed. Next medium term target will be 100% projection of 1.3063 to 1.0784 from 1.1723 at 0.9444. Now we will stay bearish as long as 1.0779 resistances held.

## GOLD



**The technical outlook for GOLD:** Sunday, March 15Th, 2010, level 1101.85

Gold's correction from 1145.8 extended further to as low as 1097.3 last week. Initial bias remains on the downside this week and further decline could still be seen. But after all, rise from 1044.5 is in favor to continue as long as 1088.5 support held. Above 1119.5 minor resistances will flip intraday back to the upside for retesting 1145.8. Break will target 1163 resistance next. However, sustained break of 1088.5 will indicate that whole rise from 1044.5 is completed and will turn outlook bearish for another fall towards this low.

Furthermore in an Elliott wave point of view, the bigger picture, price actions from 1227.5 are treated as correction to rise from 931.3 only and might have completed at 1044.5 already after being supported by 61.8% retracement of 931.3 to 1227.5 at 1044.4. Strong break of 1163 resistance will further affirm this case. On rally resumption, next medium term target will be 100% projection of 931.3 to 1227.5 from 1044.5 at 1340.7. On the downside, break of 1088.5 support will in turn argue that correction from 1227.5 would extend further before completion.

**CrudeOIL****The technical outlook for OIL** Sunday, March 15Th, 2010, level 81.20

Crude oil edged higher to 83.16 last week but upside was again limited by loss of momentum and considering bearish mode on RSI and Stochastic oscillator indicate that a possible short term top is forming and will bring deeper fall to 38.2% retracement of 69.50 to 83.16 at 77.94 next or a sideways consolidation. Nevertheless, there is no confirmation of topping yet with 80.16 minor support still intact and current rally from 69.50 could still continue to retest 83.95 high. On the downside, however, note that break of 80.16 will confirm that a short term top is already in place and deeper fall should then be seen to 77.94.

The trading range for today is among the key support at 77.94 and the key resistance at 83.16.

The general trend is to the upside as far as 65.60 remains intact with targets at 83.75/95 or at 85 in extension.

**Support:** 81.16, 80.70, 80.30, 79.75, 79.40.

**Resistance:** 82.10, 81.24, 82.41, 82.89, 83.54, 83.75, 83.95.

**DOW JONES INDU** Future March 2010

**The technical outlook for DJI:** Sunday, March 15Th, 2010, level 10633.4

Last week the DOW closed above 10569 and as I have said previously a close above this level will trigger a move near 10723.4. The chart pattern still shows a real bullish outlook for the DOW but with a little loss of momentum. But if the market carries on his bull run, we will move near 10723.4 first and we got also a potential EW target 10814.4 next in extension. In any case: As I said previously: a close above 10723.4 will completely invalidate all Doom scenarios for the DOW. But if we look at an S&P chart (below) the move to the high of January at 1148.25 have reached and closed above. For me the bear scenario is over now. In a case of a correction the lower band of the ascending channel now at

10486 (green line on the chart) or the short trend term trend indicator now at 10440 (light blue line on the Chart) may hold a correction. As far 10141 hold, I remain bullish for the DOW but with a stop now below 10463. We still posted two possibilities EW count on the DOW:

- 1) **The bear one, terminated now, only for memory:** Oct 07-Mar 09 Primary wave A, Mar 09-Jan 10 Primary B, and Primary C now underway. The count is Intermediate wave one (i) down to DOW 1004.9, then an irregular inverse flat (DOW 10258.9-9789.9-now) for Intermediate wave two (ii) and a down break 10195 will confirm the continuation of the bear market with a minimum target at 6469 and a more likely at 4250 and even far lower. This count is unlikely now with S&P making new Highs and the DOW by closing over 10569 has lost all his credibility. But the chart show only three waves up from Mar 09 it's why it is still possible and a close above 10723.4 will invalidate this count.
- 2) **The second count suggests, and is posted that the bear market ended in Mar 09 and the valid one.** The anticipated 50% retracement rally was actually the start of a new 70-80 year super cycle bull market. The three waves up, thus far, are only Major waves 1-2-3 of Primary wave I of Cycle wave I of this bull market. Should the current downtrend conclude with alternation with the Jun/July downtrend, and hold the 10% correction, it will be labeled Major wave 4 with up Major wave 5 to follow. The most obvious count would be an abc down from the highs into DOW 9789.9 and an X or a B wave rally underway now. With the up break of 10500 this wave may go near the high of January 2010 at 10723 to validate this count. After the completion of this up move a new down wave will occur and but not near 9500 and the market will start a new bull market and will put the DOW far higher than is top of January at 10723. **Otherwise if we break up 10723: the move from 10258.9 to 9789.9 was wave 4 of I and the current wave is wave 5 of I. The start of a super bullish super cycle of 50-70 years!**



**Economic Calendar****Monday, Mar 15, 2010**

<b>GMT Ccy</b>	<b>Events</b>	<b>Consensus Previous</b>	
-- JPY	Japan Cabinet Office Economic Report Mar	--	--
00:01 GBP	Rightmove House Prices M/M Mar	--	3.2%
00:01 GBP	Rightmove House Prices Y/Y Mar	--	6.1%
04:00 JPY	Tokyo Condominium Sales Y/Y Feb	--	-9.9%
05:00 JPY	Consumer Confidence Households Feb	40.0	39.0
05:00 JPY	Consumer Confidence Feb	--	39.4
08:15 CHF	Producer & Import Prices M/M Feb	0.1%	0.3%
08:15 CHF	Producer & Import Prices Y/Y Feb	-0.6%	-1.3%
10:00 EUR	Eurozone Employment Q/Q Q4	--	-0.5%
10:00 EUR	Eurozone Employment Y/Y Q4	--	-2.1%
12:30 CAD	New Motor Vehicle Sales M/M Jan	0.0%	2.6%
12:30 USD	Empire Manufacturing Mar	20.00	24.91
13:00 USD	Net Long-term TIC Flows Jan	--	\$63.3B
13:00 USD	Total Net TIC Flows Jan	--	\$60.9B
13:15 USD	Industrial Production Feb	0.0%	0.9%
13:15 USD	Capacity Utilization Feb	72.6%	72.6%
17:00 USD	NAHB Housing Market Index Mar	17	17

**Tuesday, Mar 16, 2010**

<b>GMT Ccy</b>	<b>Events</b>	<b>Consensus Previous</b>	
00:30 AUD	RBA Meeting Minutes	--	--
02:00 NZD	Non Resident Bond Holdings Feb	--	63.6%
06:00 JPY	Machine Tool Orders Y/Y Feb F	--	217.3%
06:45 CHF	SECO 2010 Economic Forecasts Mar	--	--
07:00 EUR	EU 25 New Car Registrations Feb	--	12.9%
07:45 EUR	French CPI M/M Feb	0.3%	-0.2%
07:45 EUR	French CPI Y/Y Feb	1.1%	1.1%

07:45 EUR French HICP M/M Feb	0.3%	-0.2%
07:45 EUR French HICP Y/Y Feb	1.1%	1.2%
07:45 EUR French CPI Ex Tobacco Index Feb	118.68	118.32
09:00 EUR Italian CPI (NIC incl. tobacco) M/M Feb F	0.1%	0.1%
09:00 EUR Italian CPI (NIC incl. tobacco) Y/Y Feb F	1.2%	1.2%
09:00 EUR Italian HICP M/M Feb F	0.0%	0.0%
09:00 EUR Italian HICP Y/Y Feb F	1.1%	1.1%
09:30 GBP DCLG UK House Prices Y/Y Jan	3.5%	2.9%
10:00 EUR German ZEW Survey (Economic Sentiment) Mar	43.5	45.1
10:00 EUR German ZEW Survey (Current Situation) Mar	-52.0	-54.8
10:00 EUR Eurozone ZEW Survey (Economic Sentiment) Mar	38.5	40.2
10:00 EUR Eurozone CPI M/M Feb	0.3%	-0.8%
10:00 EUR Eurozone CPI Y/Y Feb	0.9%	0.9%
10:00 EUR Eurozone CPI - Core Y/Y Feb	0.8%	0.9%
12:30 CAD Labor Productivity Q/Q Q4	--	-0.2%
12:30 CAD Manufacturing Shipments M/M Jan	--	1.6%
12:30 USD Import Price Index M/M Feb	-0.2%	1.4%
12:30 USD Import Price Index Y/Y Feb	11.3%	11.5%
12:30 USD Housing Starts M/M Feb	-3.6%	2.8%
12:30 USD Housing Starts Feb	570K	591K
12:30 USD Building Permits M/M Feb	-1.9%	-4.9%
12:30 USD Building Permits Feb	610K	621K
18:15 USD FOMC Interest Rate Decision	0.25%	0.25%
20:30 USD API U.S. Crude Oil Inventories (MAR 12)	--	6500K
20:30 USD API U.S. Gasoline Inventories (MAR 12)	--	-3181K
20:30 USD API U.S. Distillate Inventory (MAR 12)	--	-2796K
21:00 USD ABC Consumer Confidence (MAR 14)	--	-49
23:30 AUD Westpac Leading Index M/M Jan	--	0.5%
23:50 JPY Tertiary Industry Index M/M Jan	1.3%	-0.9%

Wednesday, Mar 17, 2010

GMT Ccy	Events	Consensus Previous	
-- JPY	BoJ Interest Rate Decision	0.10%	0.10%
00:30 AUD	Dwelling Starts Q4	--	8.9%
01:00 AUD	RBA's Guy Debelle Speaks in Melbourne Australia	--	--
09:30 GBP	Bank of England Meeting Minutes	--	--
09:30 GBP	Jobless Claims Change Feb	6.0K	23.5K
09:30 GBP	Claimant Count Rate Feb	5.0%	5.0%
09:30 GBP	ILO Unemployment Rate (3M) Jan	7.9%	7.8%
09:30 GBP	Average Weekly Earnings inc Bonus 3M/Y Jan	1.7%	0.8%
09:30 GBP	Average Weekly Earnings ex Bonus 3M/Y Jan	1.3%	1.2%
10:00 EUR	Eurozone Construction Output s.a. M/M Jan	--	0.5%
10:00 EUR	Eurozone Construction Output w.d.a. Y/Y Jan	--	-3.1%
10:00 EUR	Eurozone Labor Costs Y/Y Q4	2.7%	3.2%
10:05 EUR	Italian Current Account (EUR) Jan	--	-3769
11:00 USD	MBA Mortgage Applications (MAR 12)	--	0.5%
12:30 CAD	Wholesale Sales M/M Jan	--	0.7%
12:30 USD	PPI M/M Feb	-0.2%	1.4%
12:30 USD	PPI Y/Y Feb	5.1%	4.6%
12:30 USD	PPI Core M/M Feb	0.1%	0.3%
12:30 USD	PPI Core Y/Y Feb	1.0%	1.0%
14:30 USD	DOE U.S. Crude Oil Inventories (MAR 12)	--	1432K
14:30 USD	DOE U.S. Gasoline Inventories (MAR 12)	--	-2959K
14:30 USD	DOE U.S. Distillate Inventory (MAR 12)	--	-2217K
20:00 USD	Fed's Richard Fisher to Speak on Panel on 'Learning' from Crisis	--	--
23:50 JPY	BSI Large All Industry Q/Q Q1	--	-1.9
23:50 JPY	BSI Large Manufacturing Q/Q Q1	--	13.2

Thursday, Mar 18, 2010

GMT Ccy	Events	Consensus	Previous
00:00 AUD	Westpac-ACCI Survey of Industrial Trends Q1	--	50.4
00:30 AUD	RBA Foreign Exchange Transaction (AUD) Feb	--	295M
02:00 NZD	ANZ Consumer Confidence Index Mar	--	123.6
02:00 NZD	ANZ Consumer Confidence M/M Mar	--	-5.9%
05:00 JPY	BoJ Monthly Report	--	--
05:00 JPY	Leading Index Jan F	--	94.3
05:00 JPY	Coincident Index Jan F	--	97.6
07:15 CHF	Trade Balance (CHF) Feb	2.20B	2.42B
07:15 CHF	Exports M/M Feb	--	3.2%
07:15 CHF	Imports M/M Feb	--	1.9%
08:15 CHF	Industrial Production Q/Q Q4	5.0%	3.4%
08:15 CHF	Industrial Production Y/Y Q4	-3.5%	-6.7%
09:00 EUR	Italian Trade Balance (Total) (EUR) Jan	--	-123.0M
09:00 EUR	Italian Trade Balance EU (EUR) Jan	--	-1396
09:00 EUR	Eurozone Current Account s.a. (EUR) Jan	--	1.9B
09:00 EUR	Eurozone Current Account n.s.a. (EUR) Jan	--	9.4B
09:30 GBP	Major Banks Mortgage Approvals Feb	54K	49K
09:30 GBP	Public Finances (PSNCR) (Pounds) Feb	11.0B	-11.8B
09:30 GBP	Public Sector Net Borrowing (Pounds) Feb	14.0B	4.3B
09:30 GBP	M4 Money Supply M/M Feb P	0.7%	0.4%
09:30 GBP	M4 Money Supply Y/Y Feb P	4.3%	4.9%
10:00 CHF	ZEW Survey (Expectations) Mar	--	52.5
10:00 EUR	Eurozone Trade Balance (EUR) Jan	-4.0B	4.4B
10:00 EUR	Eurozone Trade Balance s.a. (EUR) Jan	5.5B	7.0B
11:00 GBP	U.K. CBI Industrial Trends Mar	--	23
11:30 USD	Fed's Elizabeth Duke Speaks in Washington D.C.	--	--
12:30 CAD	International Securities Transactions (CAD) Jan	--	11.231B
12:30 USD	CPI M/M Feb	0.1%	0.2%
12:30 USD	Initial Jobless Claims (MAR 13)	450K	462K
12:30 USD	Continuing Claims (MAR 6)	--	4558K
12:30 USD	CPI Y/Y Feb	2.3%	2.6%
12:30 USD	CPI Core M/M Feb	0.1%	-0.1%

12:30 USD CPI Core Y/Y Feb	1.4%	1.6%
12:30 USD CPI Core Index s.a. Feb	--	220.463
12:30 USD CPI n.s.a. Feb	--	216.687
12:30 USD Current Account Balance Q4	-\$119.8B	-\$108.0B
13:00 USD Fed's Hoenig Lacker Pinalto Speak in Washington D.C.	--	--
14:00 USD Philadelphia Fed. Mar	17.6	17.6
14:00 USD Leading Indicators Feb	0.1%	0.3%
21:45 NZD Visitor Arrivals Feb	--	-2.4%

### Friday, Mar 19, 2010

GMT Ccy	Events	Consensus	Previous
02:00 NZD	Credit Card Spending s.a. M/M Feb	--	1.5%
02:00 NZD	Credit Card Spending Y/Y Feb	--	2.6%
04:30 JPY	All Industry Activity Index M/M Jan	1.5%	-0.3%
07:00 EUR	German Producer Prices M/M Feb	0.1%	0.8%
07:00 EUR	German Producer Prices Y/Y Feb	-2.8%	-3.4%
07:45 EUR	French Wages Q/Q Q4 F	0.2%	0.2%
09:00 EUR	Italian Industrial Orders s.a. M/M Jan	0.2%	4.7%
09:00 EUR	Italian Industrial Orders n.s.a. Y/Y Jan	--	10.1%
09:00 EUR	Italian Industrial Sales s.a. M/M Jan	--	1.9%
09:00 EUR	Italian Industrial Sales n.s.a. Y/Y Jan	--	-2.5%
11:00 CAD	CPI M/M Feb	0.3%	0.3%
11:00 CAD	CPI Y/Y Feb	1.4%	1.9%
11:00 CAD	Bank Canada CPI Core M/M Feb	0.3%	0.1%
11:00 CAD	Bank Canada CPI Core Y/Y Feb	1.6%	2.0%
12:30 CAD	Retail Sales M/M Jan	0.5%	0.4%
12:30 CAD	Retail Sales Less Autos M/M Jan	--	0.4%

The views expressed in this report accurately reflect the personal views of the analyst(s) covering the subject Currencies, Futures, Commodities & Securities. No part of said person's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. In addition, said analyst has not received compensation from any subject company in the last 12 months.

**Investors should consider this report as only a single factor in making their investment decision.**

International securities involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.  
Small-cap stocks generally involve greater risks. Dividends are not guaranteed and will fluctuate. Past performance may not be indicative of future results.

***Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. The prospectus contains this and other information about mutual funds. The prospectus is available from your financial advisor and should be read carefully before investing.***

*For clients in the United Kingdom:*

**For clients of SFM Finanz.**

This report is for distribution only to persons who fall within Articles 19 or Article 49(2) of the Financial Services and Markets Act (Financial Promotion) Order 2000 as investment professionals and may not be distributed to, or relied upon, by any other person.

**Proprietary Rights Notice:** By accepting a copy of this report, you acknowledge and agree as follows:

This report is provided to clients of SFM Finanz (SFM) only for your personal, noncommercial use.

Except as expressly authorized by SFM, you may not copy, reproduce, transmit, sell, display, distribute, publish, broadcast, circulate, modify, disseminate or commercially exploit the information contained in this report, in printed, electronic or any other form, in any manner, without the prior express written consent of SFM. You also agree not to use the information provided in this report for any unlawful purpose.

This report and its contents are the property of SFM and are protected by applicable copyright, trade secret or other intellectual property laws (of the United States and other countries). United States law, 17 U.S.C. Sec.501 et seq, provides for civil and criminal penalties for copyright infringement