Daily Markets Update

Fundamental Outlook:

Euro Maintains Range From Previous Month, British Pound Little Changed Overnight

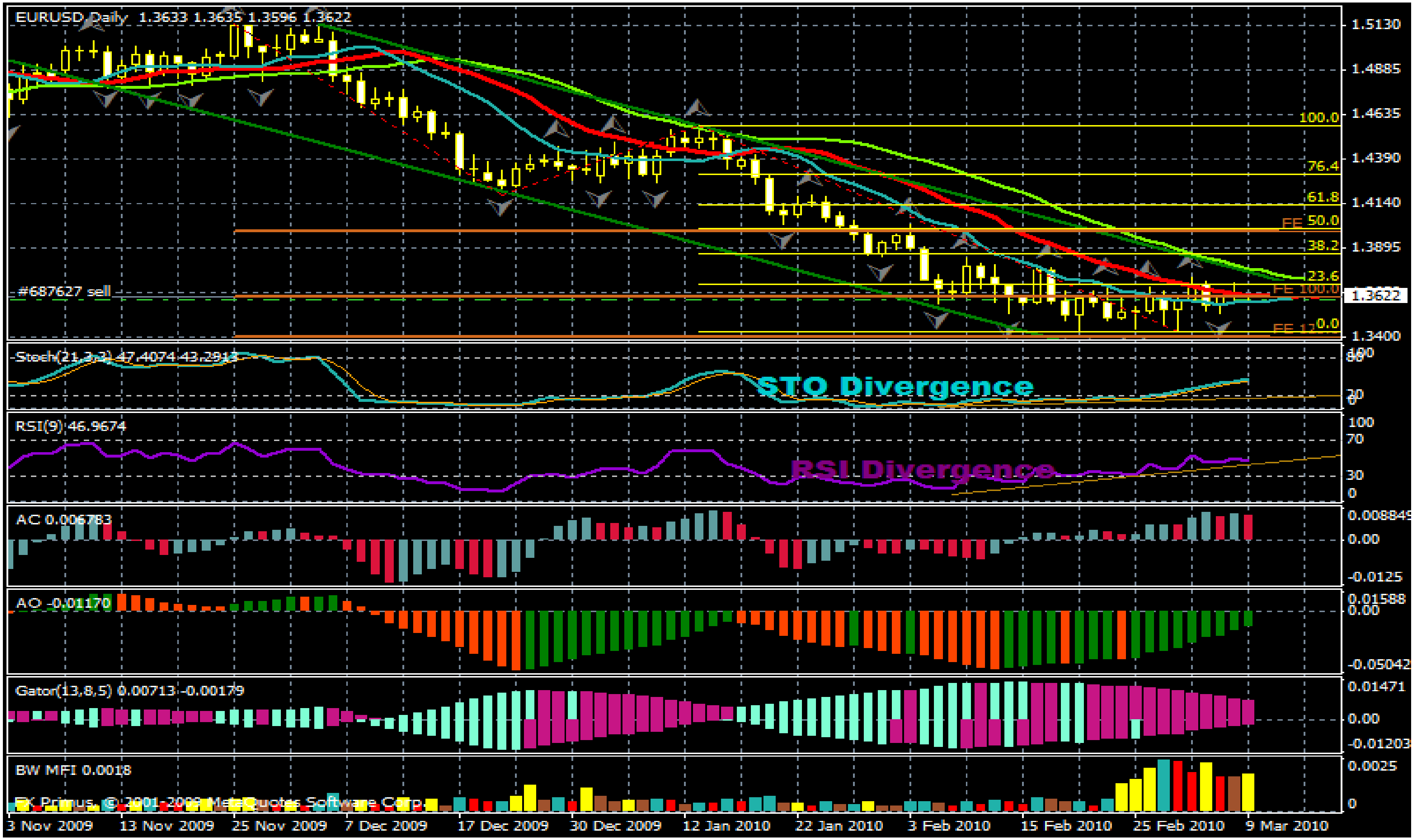
The EUR/USD pulled back from the high (1.3703) during the European trade as investors scaled back their appetite for risk, and the single-currency could face increased selling pressures going into the North American session as equity futures foreshadow a lower open for the U.S. market. Meanwhile, French President Nicolas Sarkozy pledged to support Greece "if it were necessary" after meeting with Greek Prime Minister George Papandreou, and said that the states of the Euro-Zone stand "ready" and are "determined" to provide relief for the ailing economy operating under the single-currency.

Nevertheless, investor confidence in the Euro-Zone unexpectedly increased in March, with the Sextix survey rising to -7.5 from -8.2 in the previous month amid forecasts for a drop to -8.8, while the gauge for future expectations increase to 4.50 from 3.75 in February. However, a separate report showed industrial outputs in Germany advanced 0.6% in January, which fell short of expectations for a 1.0% rise, while the annualized rate jumped 2.2% from the previous year to mark the fastest pace of growth since April 2008. As policy makers continue to see a risk for a protracted recovery, businesses are likely to keep a lid on production and employment over the coming months, and the European Central Bank may hold a dovish outlook for future policy going into the second-half of the year as price pressures remain subdued.

The British Pound was little changed overnight and is likely to hold a narrow range going into the U.S. trade as the economic docket remains fairly light. However, we may see the exchange rate maintain the downward trend from the January high (1.6456) as market participants see scope for the Bank of England to expand its asset purchase program over the coming months, and dovish rhetoric from the MPC is likely to stoke increased selling pressures on the nation's currency as the central bank aims to balance the risks for growth and inflation. Nevertheless, the meeting minutes due out on March 17th is likely to spur volatility in the exchange rate after the BoE held the benchmark interest rate at 0.50% and maintained the target for its emergency program at GBP 200B, and a shift in the central bank's outlook could lead to a major breakout as investors weigh the prospects for future policy.

The greenback was slightly weaker overnight as the stock market rally in Asia spurred a rise in risk appetite, but mixed price action in the European markets could lead to a shift in market sentiment as we head into the U.S. trade. Nevertheless, as the economic docket for North America remains fairly light, the major currencies will certainly be exposed to investors' temperament for risk, and a rise in risk aversion could lead to a rebound in the U.S. dollar as it continues to benefit from safe-haven flows.

EURUSD



German industrial production rose 0.6% in January as energy output soared 8.8% on the back on en exceptionally cold winter. The dismal weather sunk construction output by 14.3% leading to the disappointing print, which missed forecasts of 1.0%. Durable goods improving by 4.7%could be a sign that the outlook for growth is improving. The ECB has started to take measures to remove some of the billions of euro that

was pumped into the markets during the crisis, but with the region squeezing out a paltry 0.1% growth in the fourth quarter, policy officials continue to proceed with caution.

.The Technical out look for the EUR/USD Tuesday, March 9Th, 2010, level 1.3622

No really change in our view for today: EUR/USD remains unchanged. With a move yesterday to 1.3703 and another rise cannot be ruled out. But after all, upside is still expected to be limited by 1.3852 resistances to conclude the consolidation from 1.3443 and bring fall resumption. Below 1.3550/30 minor supports will flip intraday bias back to the downside first. The EUR/USD is still in congestion. Looking at the chart, we see that it has been consolidating with a slight downward tilt since the start of February. The 1.3550/30 area provided support, while each rally attempt falls shorter and shorter. We can see also that the last 3 weeks have been without direction. However, we can see in price and momentum, that the market is very bearish and without any bullish signs, looks to continue to 1.30 areas.

On the other hand, the current support at 1.3550/30 is strong and has held up. So wait for a break below 1.3434 to confirm outlook to 1.30 areas.

For a bullish outlook, which should only be for short-term and *monitored carefully*, I am uncomfortable with long positions at this level (1.3622), a confirmation requires a break above 1.3870 and establishing support above this area as well and this correction may go to the 1.4000 areas. If the market stays above 1.35 on the following days, there may be another bullish swing projection on the upside. This may bring the market first to 1.3735/50/92 and if broke up to the 1.38 areas. Remember, this is still in the context of congestion, which is in a larger context of decline. If the market gets to that point (1.3815/38/52/70), monitor for topping action, but also beware of a possible break above. If we monitor the RSI and the stochastic oscillators we still have bullish divergences and the indicators are still in up bias and these factors give water for the continuation of the congestion and for an up move. In this view we need broke now 1.3690 and it will flip to a new move to the upside to the 1.38 area. For now, even in case of further rise, upside is expected to be limited by 1.3735/50/92 followed by 1.3815/38/52/70 resistances zone and bring fall resumption. Another factor for a bullish move this week will be the correlation of the EUR/USD with the DOW (see analysis below) 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 below).

Latest CFTC Release dated March 2, 2010:

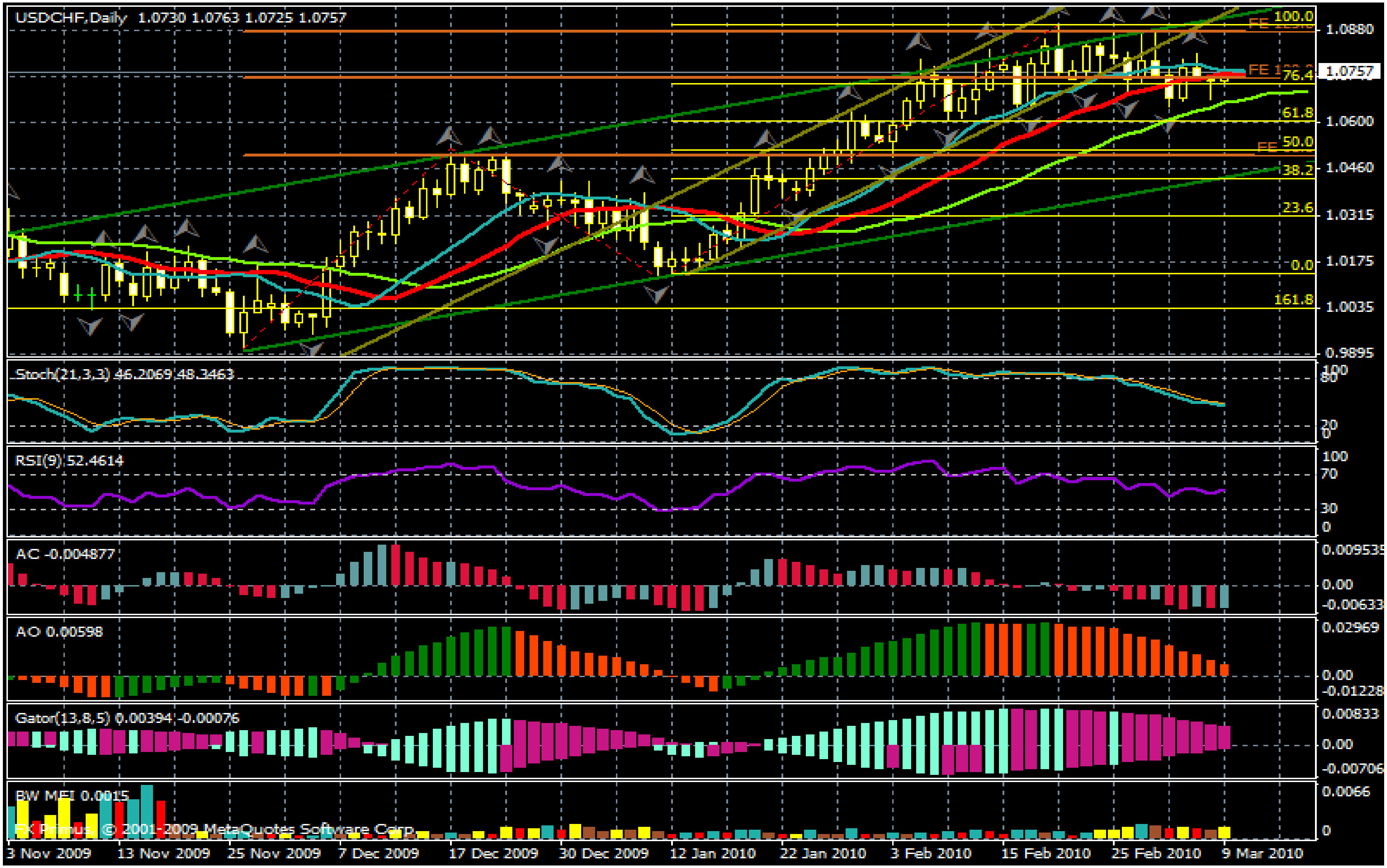
Week (Data for Tuesdays)	13 Week Index (Current)	13 Week Index (Previous)
US Dollar	50	67
Euro	8	0
British Pound	0	0
Australian Dollar	86	42
NZ Dollar	8	17
Japanese Yen	92	50
Canadian Dollar	67	58
Swiss Franc	25	0

The COT Index is the percentile of the difference between net speculative positioning and net commercial positioning measured over a specific number of weeks (13). A reading close to 0 is bearish if the currency in question has reversed from an uptrend and is bullish if the currency has been declining for a significant amount of time. A reading close to 100 is bullish if the currency in question has reversed from a downtrend and is bearish if the currency has been rallying for a significant amount of time.

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 1.3870 (38.2% retracement of 1.4579 to 1.3434), this level is near of the upper band of the descending channel now at 1.3792(Green line on the chart). As I have said previously a wave 4 may broke the upper side of a bearish channel but I think the rebound may be limited by 1.3900 resistances area.

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 Swiss unemployment rate fell to 4.4% from 4.5% in February but remained unchanged at 4.1%, on a seasonally adjusted basis. A improvement was seen in the 15-24 year old age bracket which had been the hardest hit, with the unemployment rate falling to 5.2% from 5.4%. Meanwhile, retail sales surged 4.4% in January beating estimates of 2.3%. Food and beverage sales rose 1.0% to lead across the board

gains. An improving labor market should help fuel future domestic demand which may ease the SNB's concerns over deflation an decrease the likelihood that they will continue efforts to depreciate the Franc.

Annualized consumer prices in Switzerland are forecasted to expand 1.0% in February, with economists expecting inflation to advance 0.2% from a month ago. Meanwhile, a report by the Federal Statistics Office in Switzerland reported that producer and import prices eased in January, with the reading retreating 1.3% from a year ago. Furthermore, the GDP report for the region showed that the growth rate rose an annualized 0.6% in the fourth quarter to top forecasts for a 0.5% contraction, and price pressures may strengthen in the upcoming months as Switzerland recovers from a yearlong contraction, led by a revival in exports and company spending. It is also noteworthy that the Swiss National Bank has cut interest rates close to zero in order to encourage a sustainable recovery, and purchased foreign currencies to halt the its currency's appreciation against the euro.

Switzerland faces its worst economic slump in nearly three decades amid the buoyancy in the franc, which has fueled the risk of deflation by making imports cheaper, and going forward, "the risks of deflation still prevail at the moment," as central bank Governing Board member Thomas Jordan announced on August 25th. In order to prop up consumer prices, the SNB has started selling the franc in March. However, if the inflation rate holds steady at 1.0% or falls back from its current level, we will favor a bearish outlook for the single-currency, and this will add support for the bullish USD/CHF technical outlook, providing justification for a long position.

The technical outlook for USD/CHF Tuesday, March 9Th, 2010, level 1.0757

No change in USD/CHF's outlook. Consolidation from 1.0897 is still in progress and another fall could still be seen to 1.0648 supports and below. Nevertheless, downside is still expected to be contained by 1.0608 cluster support (38.2% retracement of 1.0131 to 1.0897 at 1.0604) and bring rally resumption. On the upside, a break above 1.0809 minor resistances will flip intraday bias back to the upside. *The bias in USD/CHF remains very cautiously on the upside for the moment.* We are trading just above medium term trend line (red line on the chart now at 1.0751). On a close below this trend line will delay the bullish case and bring more consolidations first. If we monitor the RSI and the stochastic oscillators we are still in down bias and give water for the continuation of the correction. Nevertheless, even in case of another fall, we'd continue to expect strong support from 1.0608 cluster support) or to 1.0518 (50% retracement of 1.0131 to 1.0897) to conclude the consolidation and bring rally resumption. On 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 1.0760)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.

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 Tuesday, March 9Th, 2010, level 1.4628

No change in the sleeping EUR/CHF's outlook as consolidation is still in progress in very tight range" It's a sideway from sideway" Intraday bias remains neutral for the moment and more sideway trading is still expected in near term. Stronger recovery cannot be ruled out, and

EUR/CHF might climb to above 1.4820. But after all, we'd expect strong resistance ahead of 1.5 psychological levels to limit any rebound attempt.

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 1.4699 (red line on the chart) and the long term trend line at 1.4751 (light green line on the chart) that the whole fall from 1.6827 is still in progress. Sustained break of 1.4577 supports will affirm this case and bring another low below 1.4315 to resume the long term down trend.

GBP/USD

The technical outlook for GBP/USD Tuesday, March 9Th, 2010, level 1.4971

GBP/USD renew is bear bias by breaking of 1.4992 minor support and indicate that recovery from 1.4783 is perhaps completed at 1.5194. In such a case intraday bias will be flipped back to the downside for retesting this low first. Break will confirm fall resumption to 200% projection of 1.6875 to 1.5829 from 1.6456 at 1.4364 next. On the upside, a break above 1.5194 will bring another round of recovery. Still, upside is expected to be limited by the short trend line (light blue line on the chart now at 1.5196) or by 1.5350 resistances and by 38.2% Fib retracement of 1.6456 to 1.4783 at 1.5422 and bring after fall resumption of the bear trend. GBP/USD trading above 1.5196 will confirm the continuation of the correction. If you look at CFTC table (on the EUR/USD analysis) there is little room now for the down side. Otherwise below

1.4922 supports will flip intraday bias back to the downside for retesting 1.4783 low first. Further break of 1.4783 should target 1.4364 first or 161.8% projection of 1.6456 to 1.5534 from 1.5814 at 1.4322 next.

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 Tuesday, March 9Th, 2010, level 0.9078

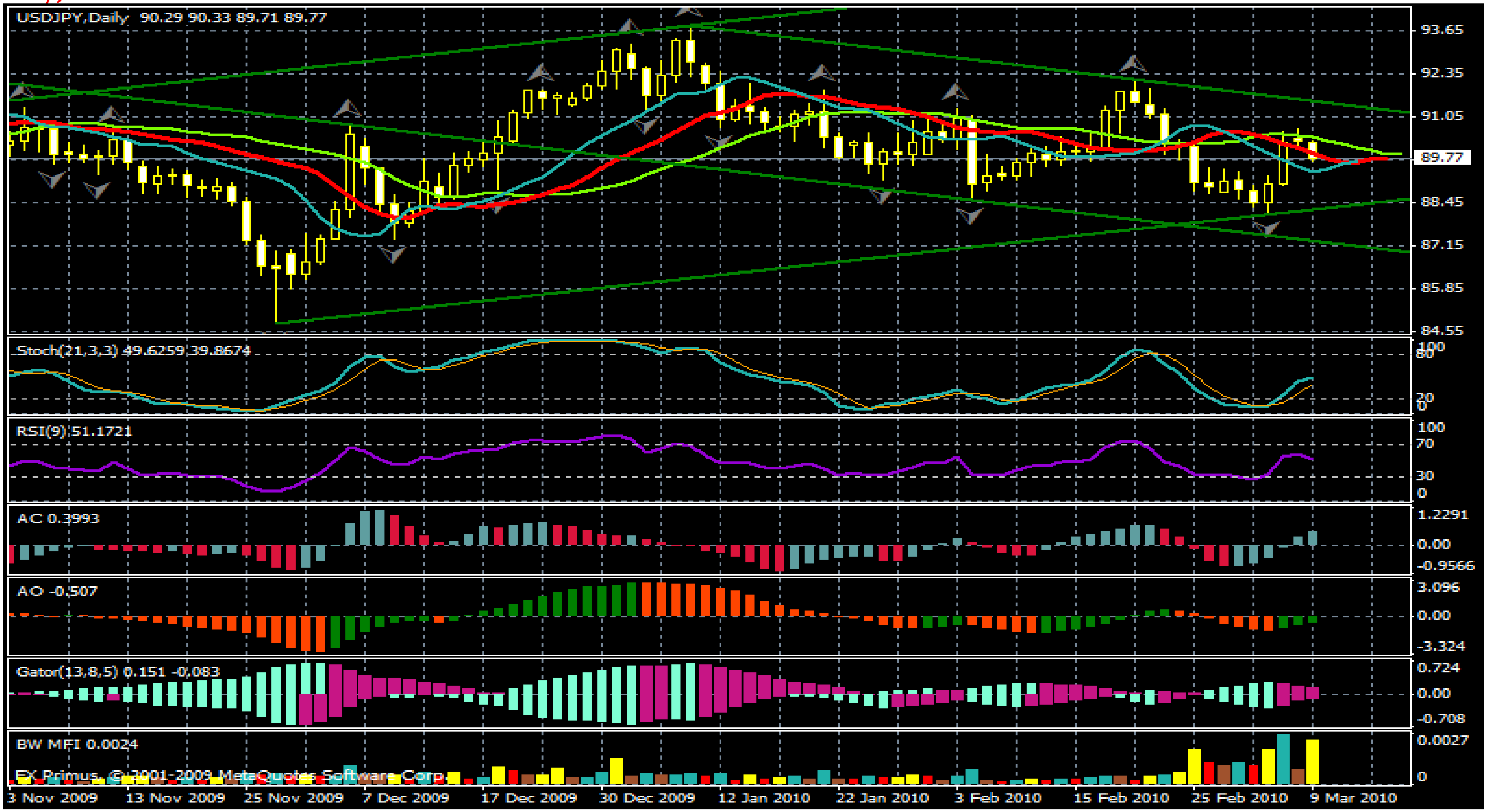
AUD/USD a top is in place at 0.9133 and bias is turned neutral. Some consolidations might be seen but downside should be contained by 0.8977 support and bring another rise.. However, break of 0.8977 will indicate that a short term top is in place. Deeper fall should then be seen towards 0.8802 supports. But on up break of 0.9133 and stronger rally is in favor towards 100% projection of 0.8577 to 0.9070 from 0.8802 at

0.9295 first and a retest of 0.9327/9404 resistance zone is possible next. On the downside, a break below 0.8977 will turn intraday bias neutral again. But after all, a down break of 0.8802 support is needed to indicate that rise from 0.8577 is finished after hitting 61.8% retracement of 0.9327 to 0.8577 at 0.9041 and should bring fall to 0.8577 and below.

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 0.8945) suggests that correction from 0.9404 has completed with three waves down to 0.8577 after hitting medium term rising channel support as well as 23.6% retracement of 0.6008 to 0.9404. 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



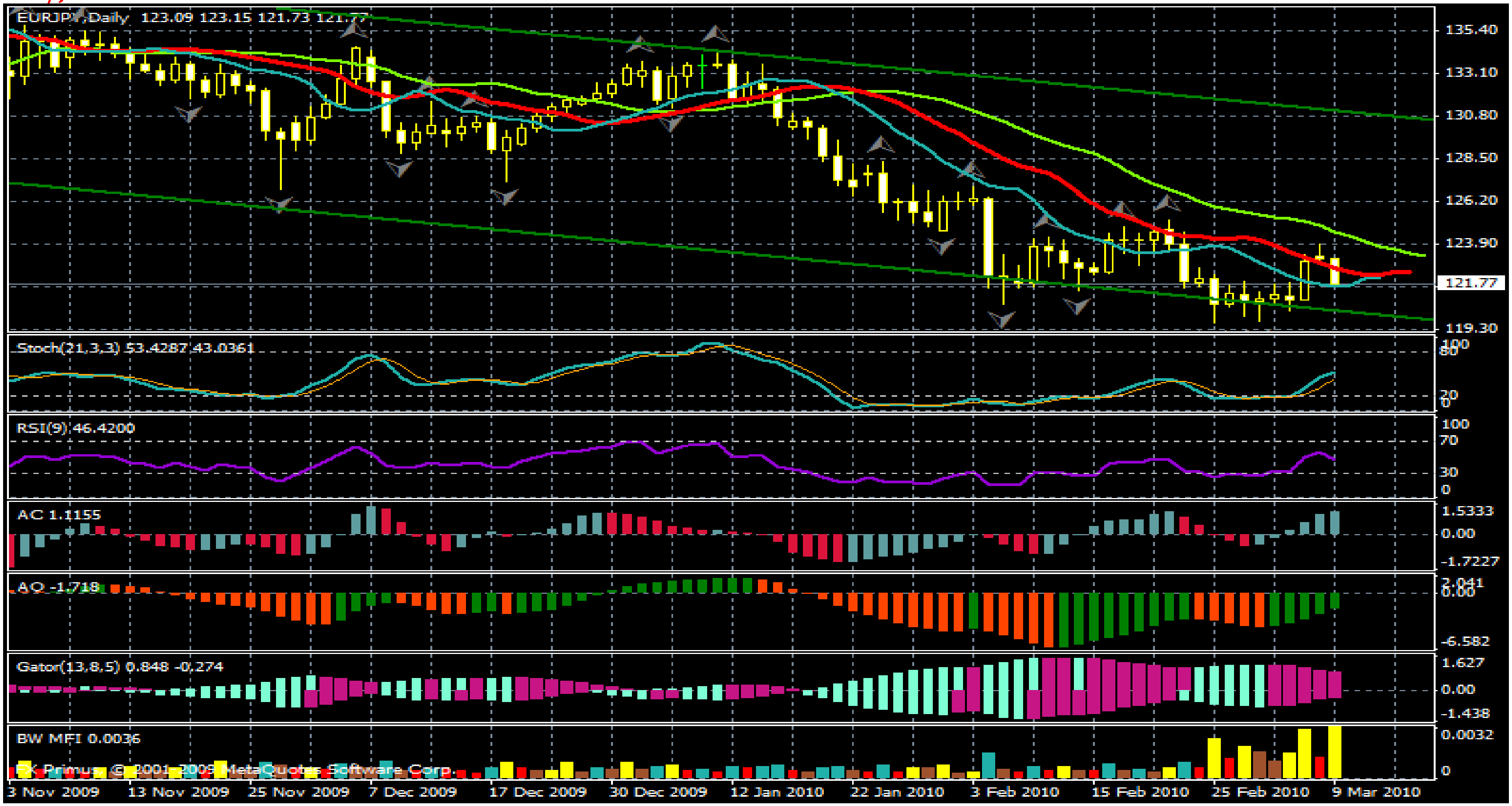
The technical outlook for USD/JPY Tuesday, March 9Th, 2010, level 89.77

USD/JPY's break of 89.98 minor supports indicates that an intraday top is in place and turns bias neutral. Some consolidations could now be seen first. On the upside, above 90.42 the long term trend line now at 90.42(in light green line on the chart)will suggest rise resumption towards 91.42 the upper band of the descending channel on the chart(green line on the chart). On the downside, note that further break of 89.19 will argue that rebound from 88.13 is over and will flip intraday bias back to the downside for retesting this support instead.

Furthermore in an Elliott wave point of view, the bigger picture, with 87.36 supports intact, there is no confirmation that rise from 84.81 is finished. Also, the stronger than expected rebound from 88.13 has mixed out the outlook in USD/JPY. We'd 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 sideway pattern that started at 79.75 in 1995.

EUR/JPY



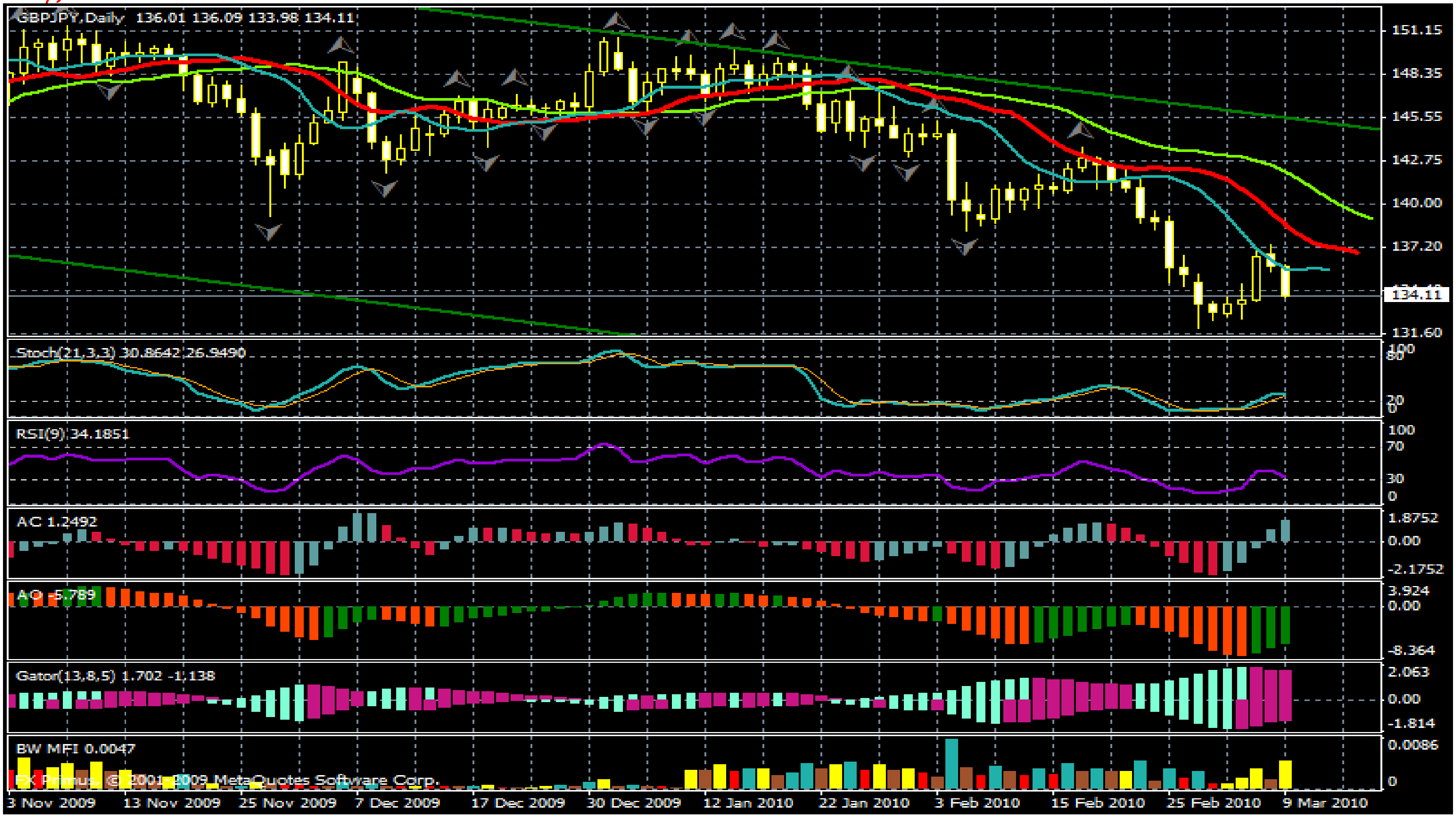
The technical outlook for EUR/JPY Tuesday, March 9Th, 2010, level 121.77

EUR/JPY's recovery from 119.64 might have completed at 123.89 already. Intraday bias is flipped back to the downside first. Break of 119.64 will confirm fall resumption and should target 161.8% projection of 138.47 to 126.88 from 134.36 at 115.60 next. On the upside, above 123.89 will delay the bearish case and bring more recovery. But after all, we'd upside to be limited by 125.22 cluster resistance (38.2% retracement of 134.36 to 119.64 at 125.26) and bring fall resumption.

Furthermore in an Elliott wave point of view, the bigger picture; while rebound from 119.64 was stronger than expected, there is no change in the overall bearish view. 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. Current decline is tentatively treated as resumption of the long term down trend and should target a new low below 112.10. On the upside, decisive break of 125.22 resistances is needed to be the first signal of bottoming. Otherwise, medium term outlook will remain bearish.

In the long term picture, uptrend from 88.96 has 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 (169.96 to 112.21 from 139.21) at 103.45 or further to 100 psychological support next.

GBP/JPY

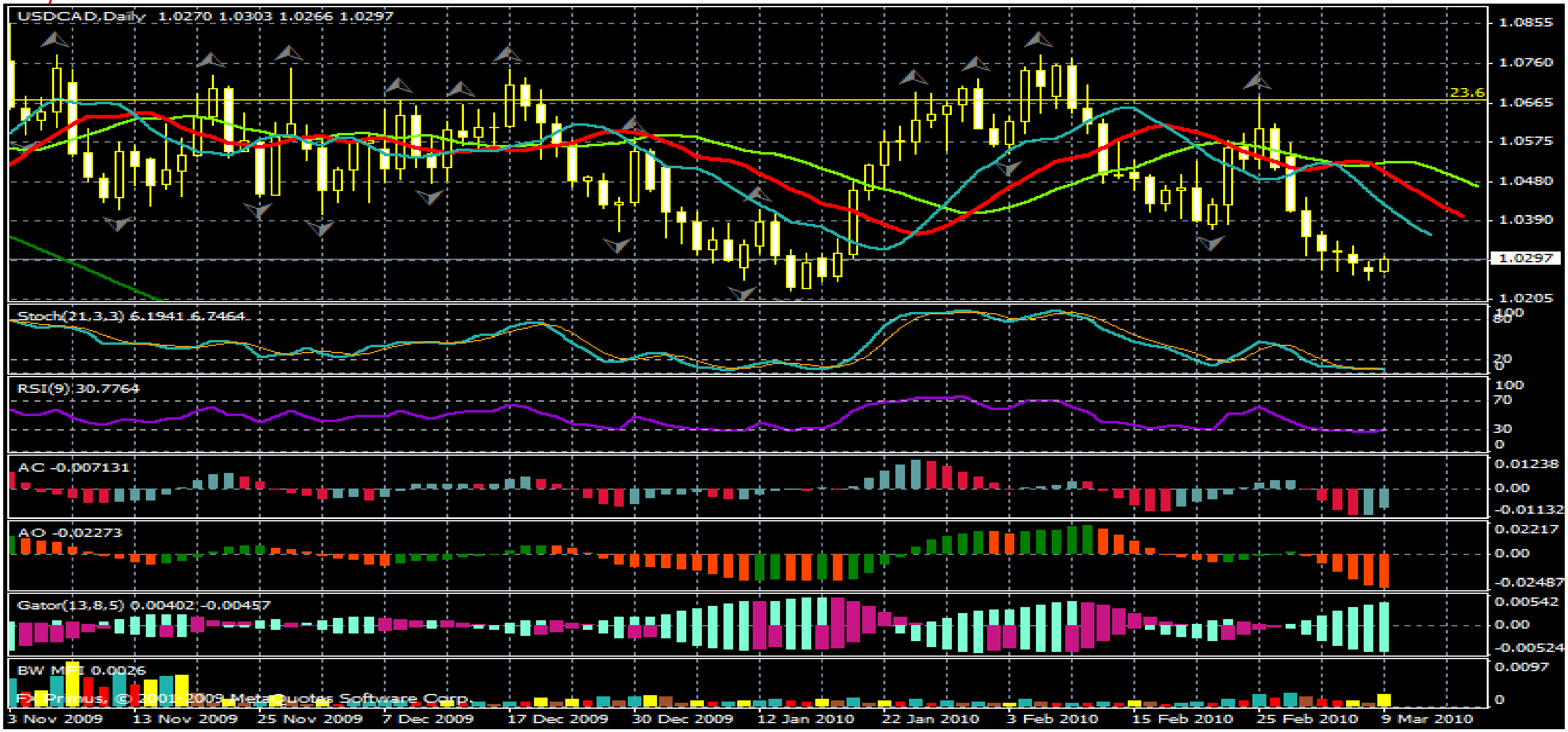


The technical outlook for GBP/JPY Tuesday, March 9Th, 2010, level 134.11

GBP/JPY's break of 135.18 minor supports suggests that recovery from 132.13 might have completed at 137.33 already. Intraday bias is flipped back to the downside for retesting 132.13 low first. Break will confirm fall resumption to 61.8% projection of 143.59 to 132.13 from 137.33 at 130.24 next. On the upside, above 137.33 will delay the bearish case and bring more recovery. But upside should be limited by 139.21 cluster resistance (38.2% retracement of 150.68 to 132.13 at 139.21, 61.8% retracement of 143.59 to 132.13 at 139.21) and bring fall resumption.

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 is needed to invalidate this view. Otherwise, outlook will remain bearish. In the longer term picture, fall from 251.09 is treated as resumption of multi decade down trend. Note that the fall from 215.87 is not treated as the fifth wave, but the third wave inside the third wave that started at 241.35. On resumption, the down trend will extend to 61.8% projection of 215.87 to 118.81 from 163.05 at 103.03 next, which is close to 100 psychological supports.

USD/CAD



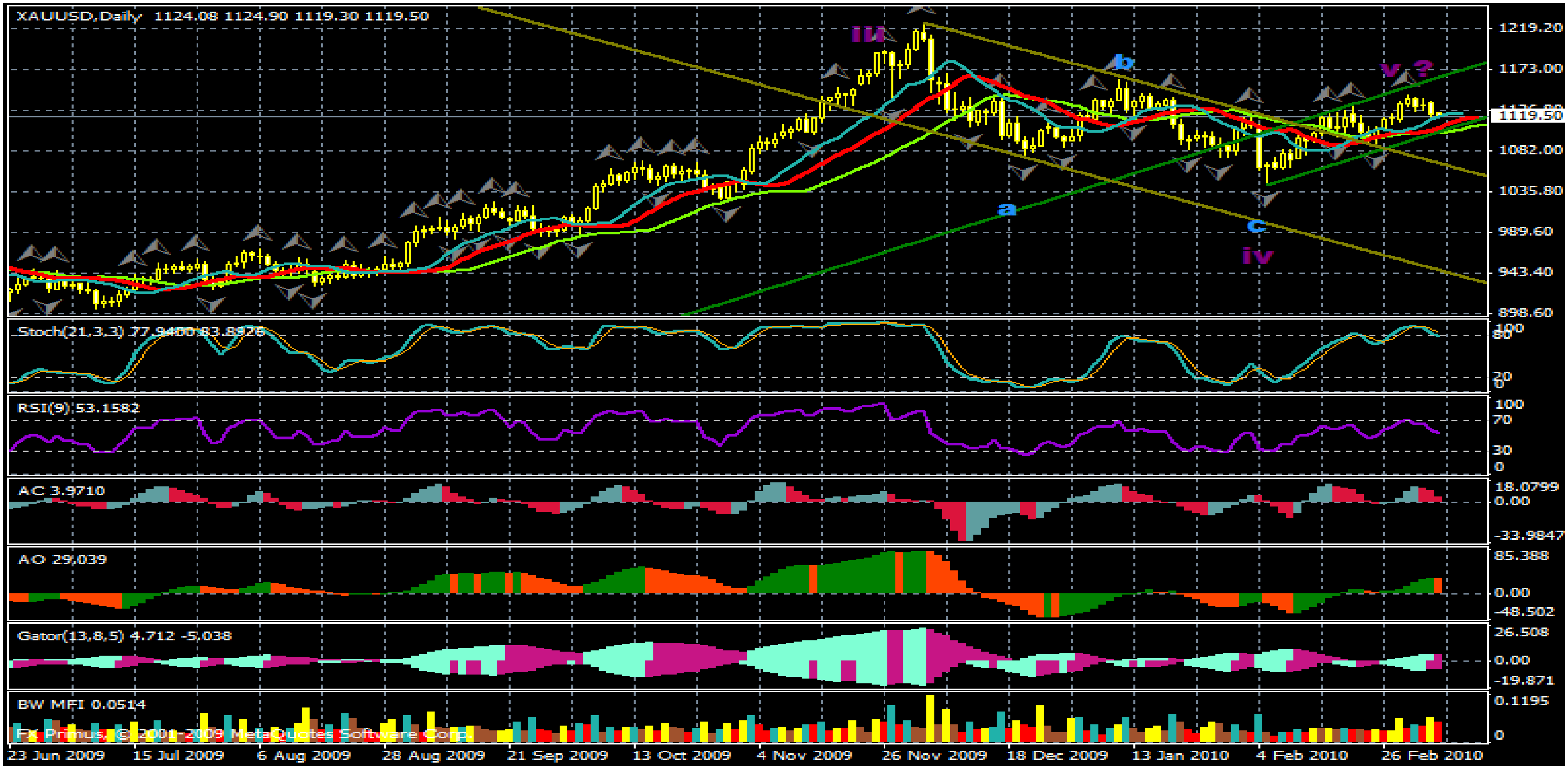
The technical outlook for USD/CAD Tuesday, March 9Th, 2010, level 1.0297

USD/CAD is still struggling around 100% projection of 1.0779 to 1.0369 from 1.0679 at 1.0269. Further decline is in favor with 1.0366 minor resistances intact. However, as we're treating price actions from 1.0851 as sideway consolidation pattern with fall from 1.0779 as the third leg. Hence, while further decline might still be seen, we'd expect strong support from 1.0205/0223 support zone to conclude the fall from 1.0779 as well as the consolidation from 1.0851 to bring rebound. Above 1.0366 minor resistances will flip intraday bias back to the upside and target 1.0679 resistance first.

Furthermore in an Elliott wave point of view, the bigger picture, we're still favoring the case that whole medium term fall from 1.3063, which is viewed as a correction to long term rise from 0.9056, has completed at 1.0205 already. But a break of 1.0851 resistances is needed to confirm this case. In such case stronger rally should be seen to 61.8% retracement (1.3063 to 1.0205) at 1.1971 at least. On the downside, however, a break of 1.0205 low will invalidate this view and target parity instead. In the longer term picture, the three wave structure of the fall from

1.3063 to 1.0205 revived the case that it's a correction of the rise from 0.9056 to 1.3063. Sustained trading above 61.8% retracement (1.3063 to 1.0205) at 1.1971 will indicate that whole rise from 0.9056 might be resuming for another high above 1.3063

GOLD

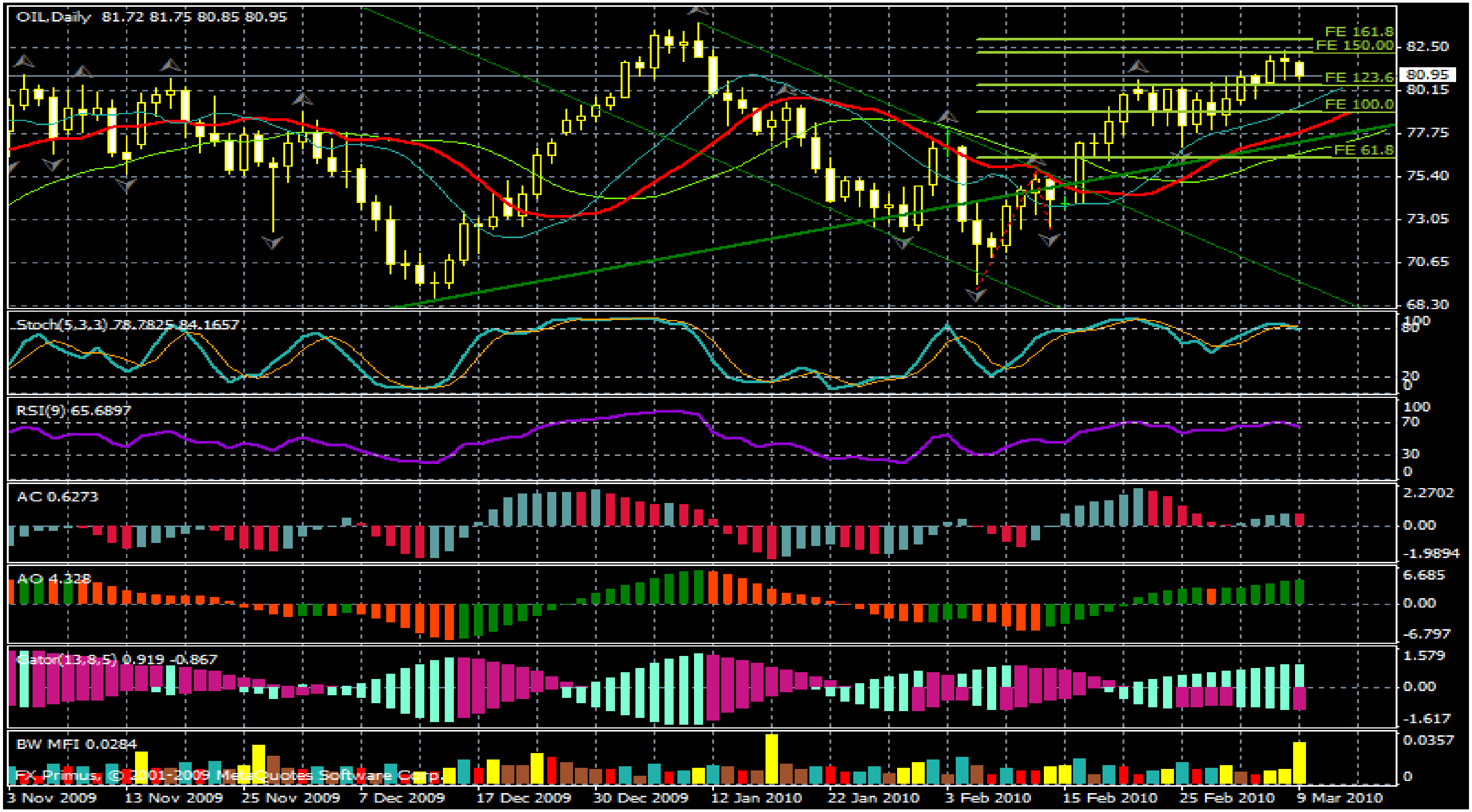


The technical outlook for GOLD: Tuesday, March 9Th, 2010, level 1119.5

Gold's pullback from 1145.8 continues today and dropped further to as low as 1118.5 so far. Intraday bias is mildly on the downside for the moment and deeper fall might be seen. But still, rise from 1044.5 is in favor to continue as long as 1088.5 supports holds. Above 1138 minor resistance will flip intraday bias back to the upside. Further break of 1145.8 will bring rally resumption to 1163 resistance next. Also, note that whole correction from 1227.5 might have completed with three waves down to 1044.5 already. Break of 1163 will confirm this case and bring retest of 1227.5 high. For now, would use a close below the bullish lower band of the ascending channel (green line on the chart) from July now at $1102.2 as a sign to stop long position.

Furthermore in an Elliott wave point of view , the bigger picture, the market continues to chop since finally reaching (and temporarily breaking above) the long held target at the ceiling of the bullish channel that has been in place since 1999 in Dec. However, the nearer term upside pattern from April is not "complete" , while the longer term upside pattern from the Oct 2008 low at $681.00 is also not "complete" (currently we are within wave III and perhaps in V of III). Though this suggests at least another 6 month (and likely longer) of "net" gains ahead, the upside is likely to be an extended period of wide, upward ranging (large pullbacks followed by limited new highs), and versus any big picture, extended new highs. Clearly not the type of market to "chase" new highs for the longer term (or even the nearer term for that matter), versus waiting for good sized pullbacks to buy and then getting aggressive with trailing stops on new highs.

OIL



The technical outlook for OIL Tuesday, March 9Th, 2010, level 80.95

Crude oil edged higher to 82.41 earlier today but again, upside momentum remains quite unconvincing. Nevertheless, further rise is still in favor as long as 79.75 minor supports holds, towards 83.95 high. However, break of 79.75 will argue that a short term top is already formed and should bring deeper pull back and a down break of 77.05 will argue that rebound from 69.50 is completed. In such case, focus will be shifted back to 69.50 supports instead.

The trading range for today is among the key support at 77.05 and the key resistance at 82.00.

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

Support: 80.70, 80.30, 79.80, 79.40.
Resistance: 81.10 82.00, 82.24, 82.89, 83.54, 83.9.

DOW JONES INDU. Future March 2010

The technical outlook for DJI: Tuesday, March 9Th, 2010, level 10508.4

Some consolidation is underway but will be limited by 10482 or 10455 and 10435 must hold for the moment. The chart pattern still shows a real bullish outlook for the DOW. By breaking up the 10499 the (76.4% Fib retracement of 10723.4 to 9789.9 and closing over 10465.9 (low of wave 1 of the bear trend): the Bear scenario posted before seems to be over. We need to close over 10569 to confirm and a move near or over 10723.4. If we close above this last level, we got a potential EW target 10814.4. In any case: a close above 10723.4 will completely invalidate all Doom scenarios for the DOW. In a case of a correction the short trend term trend indicator now at 10348(light blue line on the Chart) may hold

a correction or the lower band of the ascending channel now at 10336(green line on the chart). As far 10141 hold, I remain bullish for the DOW but with a stop now below 10319. We still posted two possibilities EW count on the DOW:

1) ***The bear one and the most unlikely now:* 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 still possible, but with the current market action by closing over the 76.6% Fib retracement at 10499: it has lost his credibility. But the chart show only three waves up from Mar 09 it's why it is still possible and a close above10723.4 will invalidate this count.**

2) **<u>The second count suggests, and is posted that the bear market ended in Mar 09 and the most likely now</u> . 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 up10723: 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!**

As I have said previously I think the scenario number 2 is the most probable and will be really happy if the market close above 10723. For me the Scenario 1 is a doom scenario it would be the end of the current system. We don't have enough fundamental there to currently believe in a new major wave of depression, only a major crisis on the national sovereign debt of <u>major states</u> could generate this catastrophe scenario.

FX Upcoming

Currency	GMT	EST	Release	Expected	Prior
EUR	11:00	7:00	German Industrial Production s.a. (MoM) (JAN)	1.0%	-2.6%
EUR	11:00	7:00	German Industrial Production (YoY) (JAN)	0.9%	-7.1%
CAD	13:15	8:15	Housing Starts (FEB)	190.0K	185.6K
NZD	15:00	10:00	Manpower Employment Outlook (2Q)	--	14%
JPY	21:00	16:00	Japan Manpower Employment Outlook (2Q)	--	-1%
NZD	21:45	16:45	NZ Card Spending (MoM) (FEB)	--	0.5%

Currency	GMT	Release	EST	Actual	Comments
NZD	11:00	QV House Prices (YoY) (FEB)	--	5.5%	Advances for a fifth straight month.
NZD	21:45	Manufacturing Activity (4Q)	--	0.7%	Increases the most since 2002.
JPY	23:50	Current Account Total (Yen) (JAN)	783.9B	899.8B	Lowest level since April 2009.
JPY	23:50	Trade Balance - BOP Basis (Yen) (JAN)	152.9B	197.2B	
JPY	23:50	Adjusted Current Account Total (Yen) (JAN)	1249.5B	1712.8B	Highest level since June 2009.
JPY	23:50	Bank Lending Banks inc-Trusts (YoY) (FEB)	-1.7%	-1.5%	Extends two-month decline.
JPY	23:50	Bank Lending Banks ex-Trusts (FEB)	--	-1.6%	
JPY	23:50	Bank Lending Banks Adjustments (YoY) (FEB)	--	-1.3%	
JPY	23:50	Japan Money Stock M2+CD (YoY) (FEB)	2.8%	2.7%	Lowest level since July 2009.
JPY	23:50	Japan Money Stock M3 (YoY) (FEB)	2.0%	2.0%	Surpasses 1.9 for the seventh successive month.
JPY	4:30	Bankruptcies (YoY) (FEB)	--	-17.3%	Tumbles for the seventh consecutive month.
JPY	5:00	Eco Watchers Survey: Outlook (FEB)	--	44.8	Highest level since July 2009.
JPY	5:00	Eco Watchers Survey: Current (FEB)	40.1	42.1	
CHF	6:45	Unemployment Rate s.a. (FEB)	4.1%	4.1%	Narrows for the first time since May 209.
CHF	6:45	Unemployment Rate (FEB)	4.4%	4.4%	
EUR	7:30	Bank of France Business Sentiment (FEB)	104	102	Declines amid concern that growth may slow.
CHF	8:15	Retail Sales (Real) (YoY) (JAN)	2.3%	4.4%	Remains unchanged for the second straight month.
EUR	9:30	Euro-Zone Sentix Investor Confidence (MAR)	-8.8	-7.5	Extends 20 month decline.

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