

ChartWorks

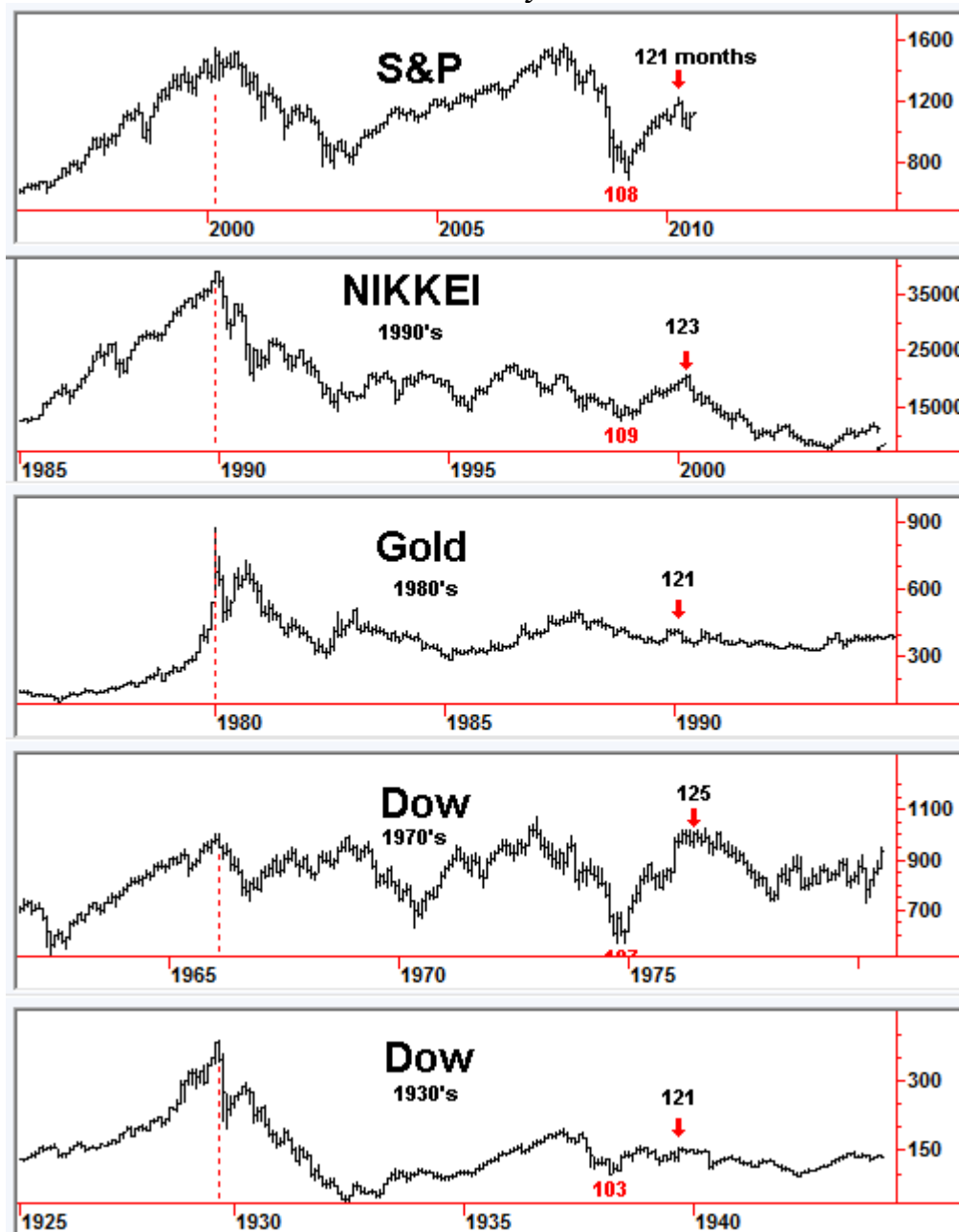
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Technical observations of RossClark@shaw.ca

Update of the Post-Bubble Charts

The U.S. market is entering its 125th month since the remarkable bull market from 1982 peaked in 2000. Regardless of the numerous stimulus plans, the consolidation phase continues to be similar to the Dow post 1929, Dow post 1966, Gold post 1980 and Nikkei post 1990. The March 2009 bottom, 108 months from the top and this year's high at 121 months fit well.

Monthly



This spring's violation of the blue uptrend line and return to the red breakout line conform well.

Weekly



An immediate warning will come if prices close below 1117.51, the highest close in June. The Dow examples and Nikkei saw closes above a similar resistance followed by failures to the downside.

A violation of the July 30th low would break the green support line from July 1st and place the S&P in a position to quickly decline to the red trendline emanating from the all-time high in 2007 (currently 1000 and 985 by the end of August). For now, the 34-day Bollinger Band (1141) serves as an important resistance.

Daily

