

Intra-Week ALERT for Wednesday – March 31, 2010

**“Gold & Silver Confirming New Advances”**

**Gold & Silver** reversed higher after setting a low that fulfilled an 11--13 week low-high-low-low-low-low-low-low-low-low Cycle Sequence and a 6.5 week low-low-low Cycle Progression - and which should spur a 6.5 week rally into **early-May**.

Silver has reentered its daily uptrend while Gold needs a daily close above **1119.9/GCM** to reverse its daily trend to up.

If that occurs, it would validate the 47-day low-low-high Cycle Progression that projects a peak for **May 10<sup>th</sup>**. Other cycles corroborate this and would be reinforced by an intervening peak on **April 9/12<sup>th</sup>**.

A *daily* close above **1766.5/SIK** would provide a key level of confirmation to this scenario.

*Weekly* closes above **1127.3/GCM & 1729.5/SIK** would be the next level of confirmation.

1--4 week traders should have bought May Silver 1800.0 call options and May Gold 1160.0 & June Gold 1200.0 call options and be holding these.

**Stock Indices** are still expected to advance further in the month of April. The daily trends are up and would not even turn neutral until daily closes below **10,825/DJIA, 1161.2/SPM & 1946/NQM**. Until these occur, the outlook remains bullish.

The daily trends - and the new intra-month trends - should help determine whether an intermediate peak is more likely in the opening days of April or more likely around mid-month.

If a peak is set early in the month, it is likely to be at a lower level (potentially around monthly resistance - at **11,170--11,215/DJIA**) than if it is set later in the month.

**Bonds & Notes** are rebounding but would need to exceed weekly resistance levels to show any signs of new strength. Bonds have still not turned their daily trend to down - needing a daily close below **114-26/USM** to do so - leaving them in consolidation.

Notes have rebounded into the aforementioned, 9-trading day high-low-high-high-(high) Cycle Sequence and could turn back down tomorrow. If so, it would project a drop into **April 12--16<sup>th</sup>**.

Initial, intra-year support remains at **114-19/USM & 114-24/TYM**.

The **Dollar Index** has pulled back but needs a daily close below **81.12/DXM** to turn the daily trend from up to neutral and to give even the slightest signal that an intermediate top could be taking hold.

Conversely, the **Euro** has already neutralized its daily downtrend while testing weekly resistance.

The Dollar gave an outside-day/2 Close Reversal lower while the Euro did the inverse. This should trigger 1-3 days of additional Dollar weakness and Euro strength.

If the Dollar Index can turn its daily trend down and the Euro do the opposite, it would give the first signal that a 12-month low-high-high Cycle Progression (March '08 low--March '09 high--**March '10 high**) is taking hold in the Dollar.

The **Yen** is testing its year-opening low - at **1.0690/JYM** - which is a critical level at this week's close.

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An intermediate bottom could take hold in the next two trading days - perpetuating a 3-week/21-day & a 6-week/42-day high-low-low-(low) Cycle Progression.

Soybeans, Corn & Wheat declined further with Soybeans closing below **942.0/SK**. However, they tested and held weekly support and remain in consolidation.

The month of March was an inside month - reinforcing congestion - so the new intra-month trend in April should determine the outlook for the next 2-4 weeks.

Crude Oil, Unleaded Gas & Heating Oil turned back up a couple days early but right in line with the daily trend patterns.

This should prompt some further upside, potentially stretching into **April 9/12<sup>th</sup>** - 90 degrees from the January 11<sup>th</sup> peak and the mid-point between the January peak and an anticipated **July 2010** peak.

**85.62--85.95/CLM** is important resistance while the initial upside objective for this advance is at **87.75/CLM**.

Natural Gas remains negative until a daily close above **4.164/NGM**.

Cotton spiked higher but could not neutralize its daily downtrend until a daily close above **81.94/CTK**.

1--4 week traders should be holding May Cotton 78.00 put options from .60--.80 points and risking a daily close above 83.00/CTK.

Coffee spiked higher and reversed its daily trend to up, in the process. It pulled back today but would take a daily close below **135.85/KCK** to give the first sign that a 2-4 week peak is taking hold.

If this fails to occur, Coffee could be perpetuating a 12-trading day low-high-low-low-low-low-low Cycle Sequence that could prompt a rally into **April 12<sup>th</sup>**.

1--4 week traders should have sold May Coffee futures up to 138.55 but exited on the 138.15/KCK close.

Sugar turned neutral for a day, but then re-entered its daily downtrend. This will remain the case until a daily close above **18.25/SBK**.

Live Cattle is rebounding but needs a daily close above **93.90/LCM** to turn the daily trend back to up. Until that occurs, consolidation is in force.

Lean Hogs shot back up to new highs but it would take a daily close above **83.50/LHM** to signal a new wave higher.

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**Lumber** remains capable of setting a peak during the current week.

1--4 week traders can sell May Lumber futures at 291.0 up to 308.0. Place buy stops at 316.5/LBK.

**Cocoa** is showing signs of entering a new advance that could carry it up into **mid-April**.

Please refer to the March 27, 2010 **Weekly Re-Lay** for all other analysis & trading strategies.

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