

Market Technical Analysis REPORT : Europe

using *Integrated Pitchfork Analysis*



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MORNING of April 23rd – 2007

1. German Dax 30 Futures Index

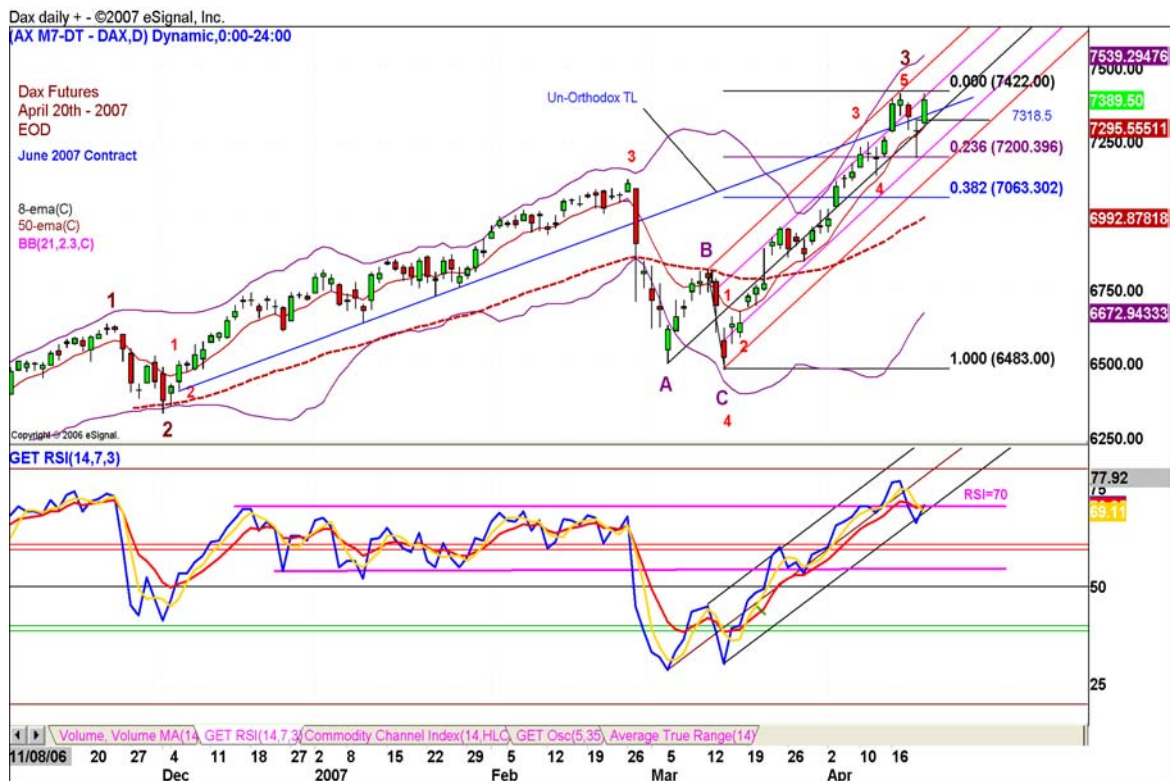
The market forecasts of this study have a very high probability, but they might be wrong. The traders must progressively monitor the conditions of the market movements that validate or invalidate the recommended forecasts. An astute trader, always trades the market behaviour, not only the forecasts. *Go with the market, let it be your guide and never impose anything on its behaviour.*

Our research strongly suggests a “*top-down*” market analysis rather than other procedure. In our opinion, the performed studies with *Cash Index* data are more illustrative than those with *Futures Index* data. However, due to our *Futures* trading preference, we will use every time, the best available data and the most adequate, for that specific traded vehicle.



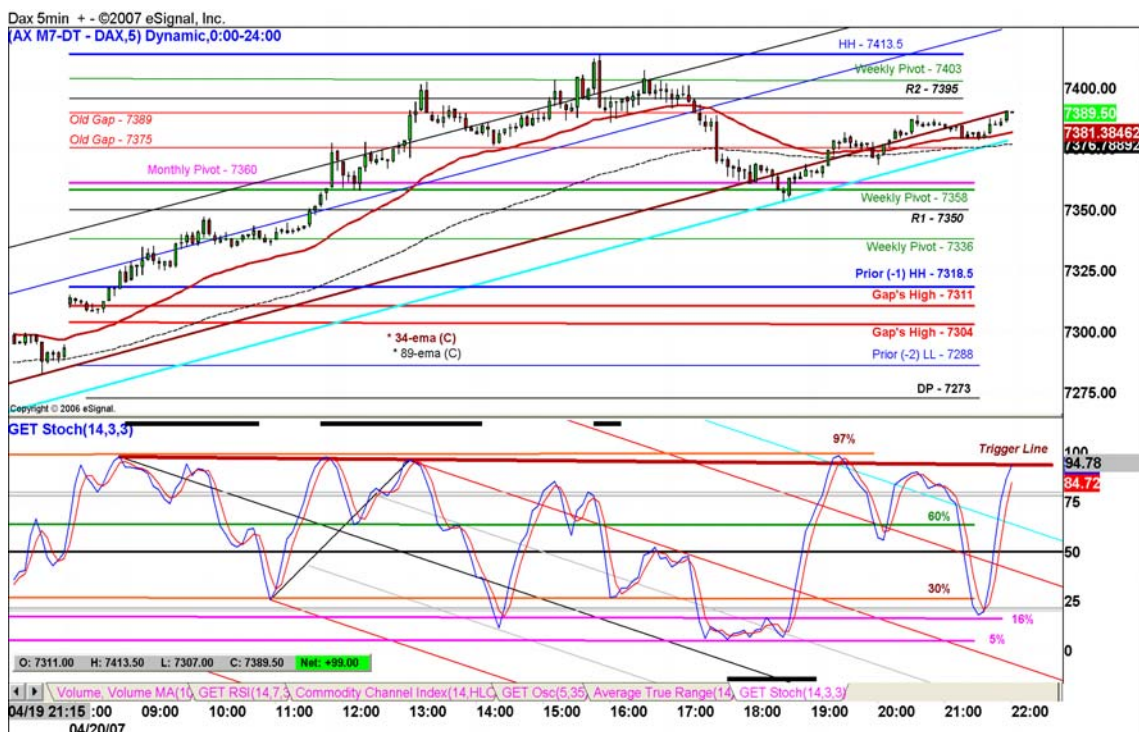
Monthly Chart – The up-sloping ABC pattern has evolved pretty well considering the close of the last week. The classic target of wave C would be the 7495 level (wave C = 1.00 * wave A). The 88.6% wave C development value has been exceeded at 7380 level signalling a very probable reach of 100% wave C completion.

Weekly Chart – The wave C of the below ABC uptrending pattern did not reach yet the “non-return” limit of 88.6% at 7452 level. So far, there is always a possibility of a truncated wave C ending before 100% completion. It is curious to see that the wave B expansion has been halted exactly at the 1.272 Fibonacci ratio level.



Daily Chart – The market flow has not only consistently improved the up-sloping momentum but also broke-out the unorthodox trend line at the 7325 confluence level. The RSI up-trending bound channel corroborates this vigorous strength. The immediate up-target would be 7442 level (please see further in the report the *Dax Trading Study* table).

60-min Chart – The dominant up-sloping trend has a better visibility on this 60-min chart. The ascending price channel dictates the next few days market flow behaviour, once the highest high level is exceeded, around 7413 price zone. If the 7442 level is penetrated, we are on our way towards the 7481 level ($W5 = 0.50 \times W1 - 3$). So far, the bounce on the trend line TL-01 on the RSI, forming an upwards *hook*, strongly supports this scenario.



5-min Chart – Even if it seems obvious that the 5-min time frame rarely projects several days trends, we enjoy using it to pinpoint the entries and the exits. Every morning is a real ritual which will unveil the best argument for executing our decision: the breakout of the highest high (HH), the upward respassing of the daily pivot zones, which signals the switching to bull's territory, the cruising within a channel or simply breaking it out, etc.

The Trend-wise Percentage of the German Dax 30 Cash Index STOCKS

Leading the market just before Opening

MORNING of April 23rd - 2007

Morning BIAS

- **80% Up (24 stocks out of 30)**
- **20% Down (6 stocks out of 30)**

WKN	Name		Geld	Brief	Veränd. (Brief)		Vortag
					abs.	in %	
500340	ADIDAS		44,060	44,310	↓ -0,160	-0,36%	Xetra 44,470
840400	ALLIANZ		164,960	165,360	↑ +3,330	+2,06%	Xetra 162,030
760080	ALTANA		52,020	52,210	↑ +0,650	+1,26%	Xetra 51,560
515100	BASF		89,580	89,780	↑ +0,880	+0,99%	Xetra 88,900
575200	BAYER		49,540	49,690	↑ +0,680	+1,39%	Xetra 49,010
519000	BMW		43,620	43,810	↑ +0,410	+0,94%	Xetra 43,400
803200	COMMERZBANK	IR.	35,980	36,120	↑ +1,350	+3,88%	Xetra 34,770
543900	CONTINENTAL AG		102,250	102,490	↑ +1,630	+1,62%	Xetra 100,860
710000	DAIMLER	IR.	59,870	60,070	↑ +0,670	+1,13%	Xetra 59,400
581005	DEUTSCHE BOERSE N		177,410	177,910	↑ +2,540	+1,45%	Xetra 175,370
555200	DEUTSCHE POST		23,110	23,210	↓ -0,140	-0,60%	Xetra 23,350
800100	DEUTSCHE POSTBANK AG	IR.	66,410	66,700	↑ +0,650	+0,98%	Xetra 66,050
514000	DT.BANK		112,220	112,520	↑ +4,400	+4,07%	Xetra 108,120
555750	DT.TELEKOM		13,340	13,390	↑ +0,060	+0,45%	Xetra 13,330
761440	E.ON		106,810	107,090	↑ +0,010	+0,01%	Xetra 107,080
578580	FMC	IR.	109,330	109,630	↓ -0,420	-0,38%	Xetra 110,050
604843	HENKEL		111,870	112,170	↑ +0,520	+0,47%	Xetra 111,650
802770	HYPO REAL ESTATE HOLDI...		49,960	50,250	↑ +1,030	+2,09%	Xetra 49,220
623100	INFINEON	IR.	11,460	11,510	↓ -0,040	-0,35%	Xetra 11,550
648300	LINDE		81,100	81,490	↑ +0,380	+0,47%	Xetra 81,110
823212	LUFTHANSA		21,890	21,990	↑ +0,250	+1,15%	Xetra 21,740
593700	MAN		92,450	92,750	↑ +2,120	+2,34%	Xetra 90,630
725750	METRO		56,660	56,860	↑ +1,030	+1,84%	Xetra 55,830
843002	MUENCHENER RUECKVERSIC...	IR.	132,490	132,890	↑ +1,230	+0,93%	Xetra 131,660
703712	RWE		78,480	78,780	↓ -0,700	-0,88%	Xetra 79,480
716460	SAP		36,890	37,090	↑ +0,990	+2,74%	Xetra 36,100
723610	SIEMENS		90,120	90,320	↑ +3,570	+4,12%	Xetra 86,750
750000	THYSSEN		39,220	39,370	↑ +0,840	+2,18%	Xetra 38,530
TUAG00	TUI AG		20,080	20,220	↑ +0,250	+1,25%	Xetra 19,970
766400	VW		114,430	114,680	↓ -0,440	-0,38%	Xetra 115,120

Source : www.onvista.de

Forecasts in this Study have Very High Probability - But they might be wrong !
 Traders must monitor the Market conditions that validate or invalidate the Forecast / Trade
 Trade Market Behavior, NOT ONLY Forecasts - Let the Market be our Guide

Day's BIAS:

Down morning followed by a Sideways Market

April

23

2007

Reality After Close

To be filled after the Market's Close

Contract's High/Low	7 414	6 016
Nearest High - 2nd, 3rd	7 318	7 249
Last Close	7 389,5	

Length to Contract Range High %/pts

Gann Levels

TRADE

Long if price > 7196.5 to 7442 & 7683

OPEN

7 388,5

Gap pts/50%

-1,0

7390,0

High / Low

7 400,0

7385,5

Open Range

14,5

Close vs DP

Time Length

00:05

19,5

Day Trading Range R2 / S2

REAL Day Trading Range +++

Pre Open Summary	
Fundamentals:	Neutral
Technicals:	Up
Global Sentiment:	UP

Pre Open Components

Major Events & News & US Reports	None
	None

Up Dn

Nikkei %	0,02%	
S&P 500 pts	13,62	
ES Night pts	2,00	
Crude Oil pts-		63,90
Euro/\$ pts		1,3581

*Rule 80/20	22,5%	77,5%
Close against DP Range	9,8	29,3
Pivot Range Value < 3	19,5	
Opening Gap-pts	-1,00	Dn

Day Bar: small/big,RD,NR4,NR7,Ins/Outside Bars

- Imbalance of Supply / Demand -

Big Green Bar

Expansion

109%

Daily Range (DR)

Expansion

Daily Range over ATR

109%

Daily Range (pts)

109,50

Daily ATR over 14 days

100,2

Rule 80/20 Up

22,5%

7 389,5

high third

Middle Point

mid third

mid third

77,5%

Rule 80/20 Dn

lower third

7 413,5

High

7 378

7 360

Mid

7 343

7307,0

Low

Mark Fisher - Pivot Range (PR) & Close

9,8	7 389,5	7 379,8	PR High
over / In / under	high third		
Pivot Range	Daily Pivot	7 370,0	DP Range
over / In / under	lower third		
Pivot Range		7 360,3	PR Low
29,3			

Last Swing Fib Bars 1-3-5-8-13-21-34

Type of Bars	Normal	Momentum
Monthly Bars	7	6
Weekly Bars	5	5
Daily Bars	25	16

Prior Values of

Week High	7413,5
Week Low	7196,5
Month High	7019,5
Month Low	6483,0

*C =Yesterday's Close

ATR (C-H)	109,50
ATR (H-L)	106,50
ATR (C-L)	3,00

R/S Pre Close

7496,0	7370,0
7481,0	7353,0
7413,5	7282,5

**H & L (Today's High & Low)

Evaluation of Resistance / Support **Strength:**
 Very Strong ++++ Strong +++ Medium ++ Average +

Scenario Up :		Up Trend
Resistances		MORE Probable
7 496	++	Gann Level
7 477	++	<u>R2</u>
7 470	++	Wkly Pivot
7442	++	Gann level
7 433	+++	<u>R1</u> & Gann
7 414	+++	Highest High
7402	+++	Cluster Pivots
7400	++	100s n° level
7389.5	++	Day's Close
7 370	+++	DP
Scenario Dn :		Down Trend
Supports		LESS Probable
7 370	+++	DP
7 360	++	Month Pivot
7 353	++	Old Low
7 346	++	Gann x 2
7 333	++	Wkly Pivot
7 327	++	<u>S1</u> & Gann
7 285	++	Gann
7 271	++	Gann %
7 264	++	<u>S2</u>

Floor Pivots - Use prior bar level values

	DAILY	Weekly	MONTHLY
High	7 414	7 414	7 020
Low	7 307	7 197	6 483
Close	7 390	7 390	6 969
Day's Range			
R5	7 646	7 904	8 238
Mid R4/R5	7 615	7 836	8 067
R4	7 583	7 767	7 897
Mid R3/R4	7 561	7 727	7 799
R3	7 540	7 687	7 701
Mid R2/R3	7 508	7 619	7 531
R2	7 477	7 550	7 360
Mid R1/R2	7 455	7 510	7 263
R1	7 433	7 470	7 165
Mid P/R1	7 402	7 402	6 994
Close - 7389			
*** **			
Main Piv	7 370	7 333	6 824
Mid P/S1	7 348	7 293	6 726
S1	7 327	7 253	6 628
Mid S1/S2	7 295	7 185	6 458
S2	7 264	7 116	6 287
Mid S2/S3	7 242	7 076	6 190
S3	7 220	7 036	6 092
Mid S3/S4	7 189	6 968	5 921
S4	7 157	6 899	5 751
Mid S4/S5	7 135	6 859	5 653
S5	7 114	6 819	5 555

Nuts-and-Bolts Rule 80/20 - Up 22,5% Close at 7 389,5 pts above DP 20

<u>Monthly Chart</u> -	Strong up-trend - big last bar, closing in its upper 5% zone
<u>Weekly Chart</u> -	Strong up-trend - fifth green bar, in a row, closing in its upper 10% zone
<u>Daily Chart</u> -	Strong up-trend - market just made a double top, closing in its upper 22.5% zone The price just broke-up the long term un-orthodox trend line, for a second time.
<u>240 min Chart</u> -	Strong up-trend - market channelling just above the ML
<u>120 min Chart</u> -	Strong up-trend - market up-sloping with RSI at 60% support
<u>60 min Chart</u>	Strong up-trend - cruising through the steep ascending channel
<u>15 min Chart</u> -	Contextual strong up-trend market with a sideways local market. W4 in progress. PTI value at 64 signals a very probable healthy W5

Day's Lessons: Lessons: Behaviour of 30 Dax stocks Composition, Patterns, Day's Time, RSI & CCI

2. EuroStoxx 50 Futures Index

Daily Chart – The market flow brilliantly broke-up the last high at 4226 level. The **silhouette pitchfork** (name originated by us) is a common pitchfork, which doesn't have drawn the upper & lower median lines. This drawing tip assists the trader to get a better chart visibility. The 45° up-sloping market flow and the 30° up-trending RSI's pitchfork strongly suggests the continuation of the move. The **4438** level is to be considered as the next up-target.



Daily Chart – The **silhouette pitchfork** efficiently guides the market flow toward the W3 completion level. Its classic value should reach the **4585** level, *once the 4438 level is exceeded*, when $W3 = 1.618 * W1$. No inflexion can be seen at the top of the OSC(5,35) meaning that this scenario is plausible.

3. FTSE 100 Cash Index

Daily Chart – The previous highest high at 6451.39 level was broken-up and the market formed a three bar pullback, in order to restore its energy. The big tail doji signals that the bears lost the battle for now. The **13-ema** and the prior highest high seem to form a strong support. The up-sloping channel on the RSI corroborates this new oxygen breath.



Daily Chart – The up-sloping market flow seems to be supported by the convergence move with the OSC(5,35). When the *Cash Index* price, on the above chart, will reach the **6700** confluence zone (wave C = 2.236 *wave a & the upper median line) it will probably be located around the **6612** level on the FTSE Futures Index (June 2007 contract).

5. Euro/Usd Futures

Daily Chart – All three up-trending channels on this chart, the 18° price channel, the 25° price channel and the ascending RSI channel, strongly suggest the continuation of the up-move. We may start thinking about a probable reversal when the wave *iv* of wave **5** will be broken down, under 1.3400 level zone. The up-boiling momentum might bring the Eur/Usd currency all the way up to **1.3866**.



Daily Chart – The steep convergence of the local market illustrated by the OSC(5,17) supports an up-trending move continuation, even if the five month long contextual market forms a slight divergence. Keep in mind, that not every divergence signals a reversal and that not every reversal performs a divergence.