



Key Trades Round-Up for this week: 24th February 2009

Open Positions

1. FTSE

23rd February SHORT FTSE Mar 09 @ 3841.5. Stop @ 4005. Currently 3777.
Running profit 64.50 bps.

The Technical Trader's View:



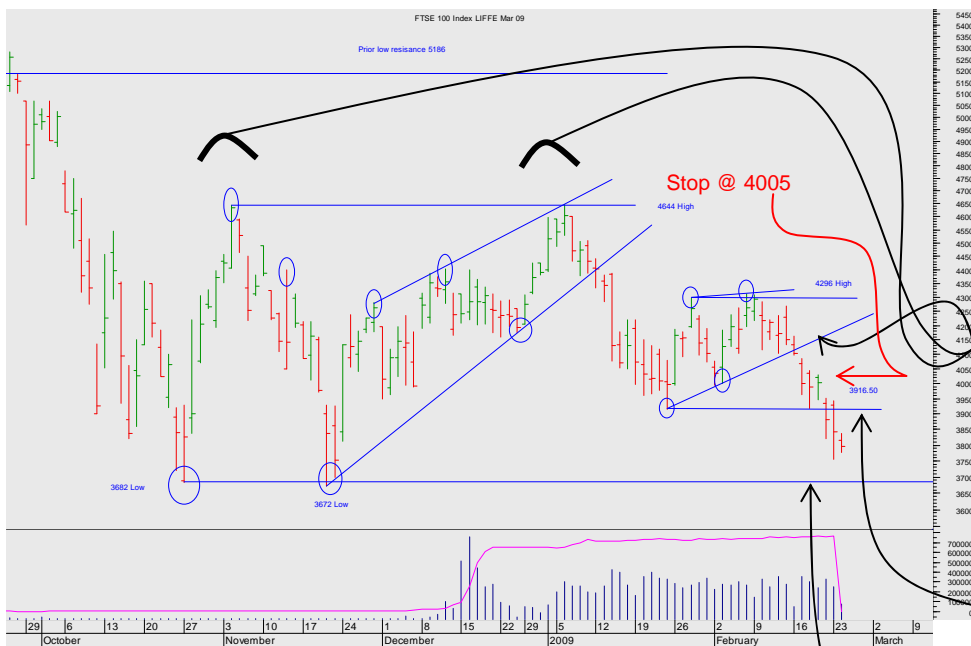
Weekly Bar chart

The market has completed a Continuation Triangle and looks set to drive the trend on down.

That bear trend began with the Head and Shoulders Top that formed over the long period from 2006 to 2008.

The minimum move implied by the Triangle? About 3000.

And that is, of course, well beneath the low of 3250 that was established in 2003. A break of 3250 would add a great deal of further selling pressure.



Daily Bar chart

There is no clear Triangle in the Day chart of the March contract. It is a rectangle.

Note though, the clear double failure at 4644.

Then the completion of the Bear Rising Wedge.

And then the push beneath the low at 3916.50.

The market looks set to test the lows at 3672. A break of which **would establish powerful overhead resistance that would bring new sellers in....**

Our 4005 Stop looks rather conservative. And we will bring it close if the market begins to test the 3672 lows.

The Macro Trader's view:

The FTSE seems on the verge of breaking down into a fresh leg of the Bear market after a prolonged period of sideways trading.

After having been propped up for several months by the optimism surrounding President Obama and his strategy for curing the US'S economic ills, it has finally dawned on equity traders globally that there is no quick fix, only a series of crutches to help support the weakened patient.

Casting around at the domestic economic scene, all the government money so far expended has achieved very little, if nothing at all.



The Banking industry remains on its knees and the government are apparently considering a new £400.B injection of capital that we are told will get the Banks lending again.

But as home repossessions soar, unemployment follows it and companies struggle to stay afloat, this market looks set to embark on a fresh leg of the Bear market and we advice remaining short.

Mark Sturdy

John Lewis

Seven Days Ahead