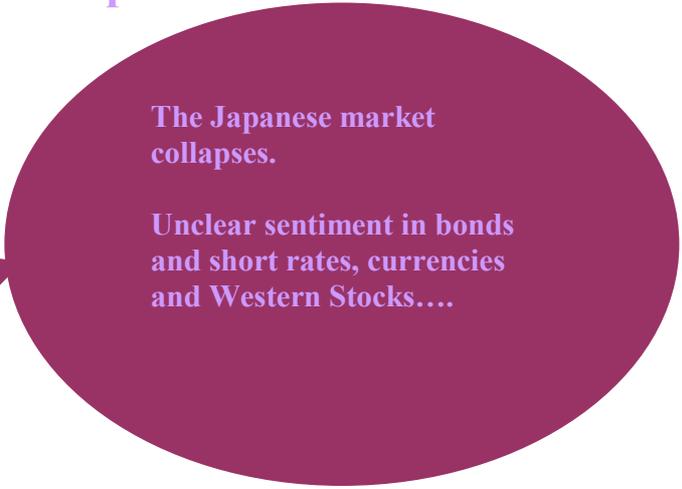


The

# Week

Ahead

A technical perspective for 15<sup>th</sup>–21<sup>st</sup> April 2003

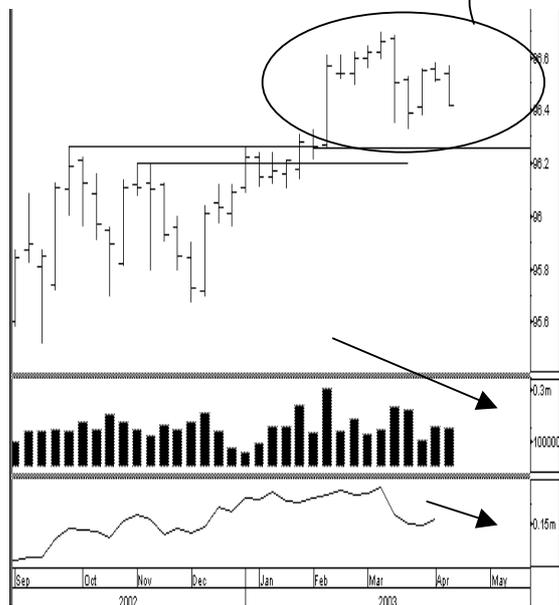


The Japanese market  
collapses.

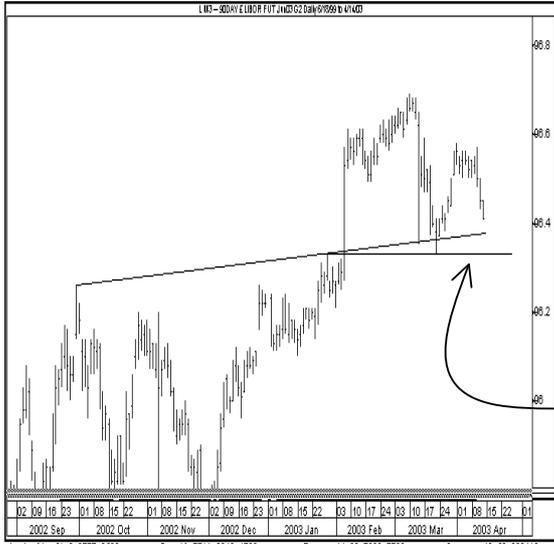
Unclear sentiment in bonds  
and short rates, currencies  
and Western Stocks...

## Short Sterling

*We're still holding our breath. The range is still clearly defined, but the limits have not yet been tested. Currently it looks as if the downside is going to be tested first ....and the longer end has greater intent about it there's no doubt, but stand aside still.*

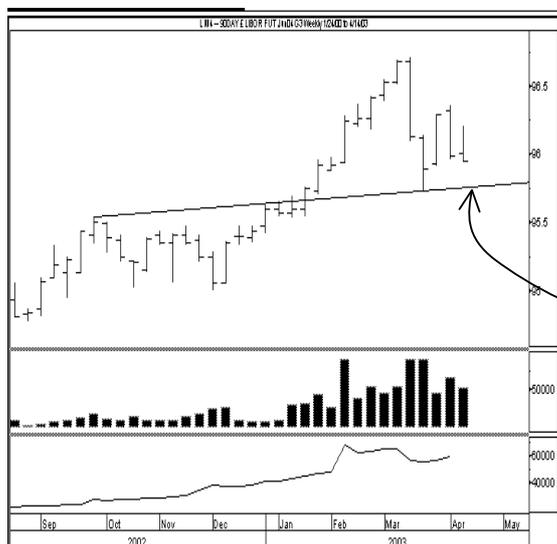


The long term chart shows the market hovering above the massive support at 96.25...accompanied by a fall in volume and open interest reinforcing the notion of a sideways consolidation. As yet it has no clear shape: await events.

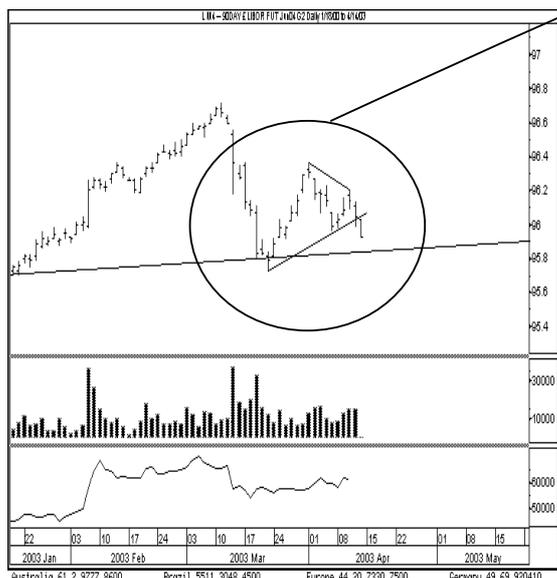


The detailed support beneath the market in the area 96.37-96.33.. which is fast approaching. Could the market be forming a double top? Possibly. In any event a breakdown through the supports would be dramatic..

## The further out months June 2004.



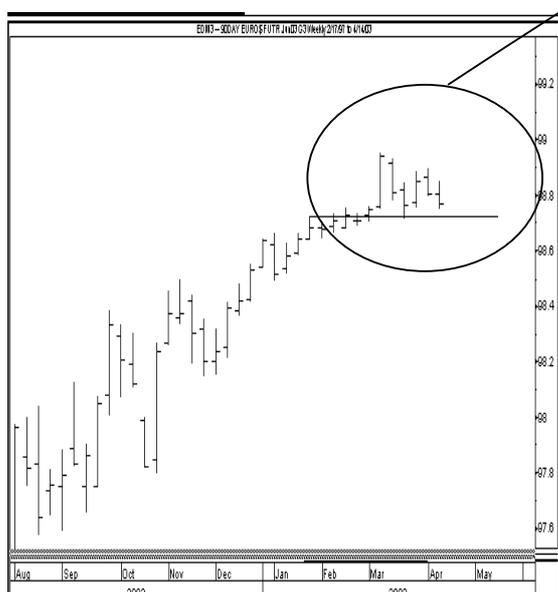
The re-approach to the important support at 95.75...



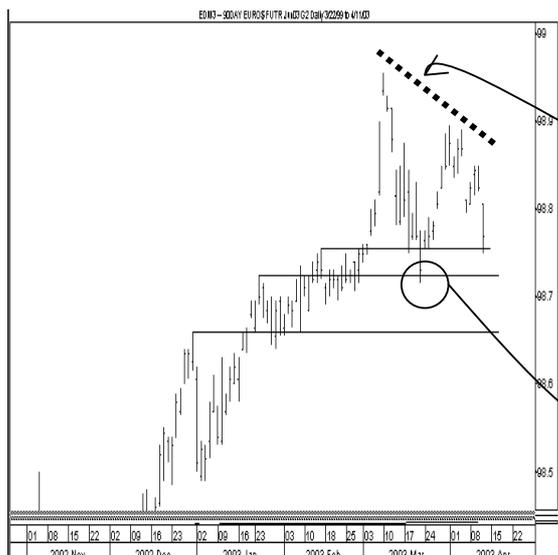
There's a badly formed **continuation triangle** that has completed ....the target some way beneath the line of support – the market should get pushed as much as 50 points lower. But there are two opposing forces the long term support and the smaller bear energy arising from the continuation triangle. On balance, bears should wait for a break and close beneath the recent low at 95.73.

# The Eurodollar.

***The market's pause is markedly bear tinged in the near end, but the far ned has remains rather untouched actually, as I suggested last week, watch the big supports carefully for your guide to the next big move.***

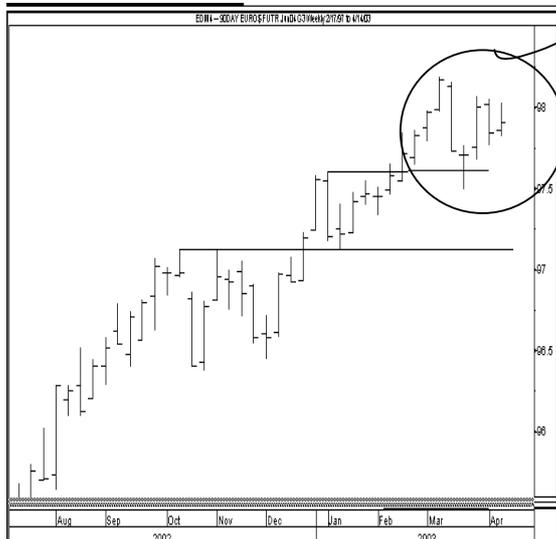


The market is pausing above support at 98.72. More a continuation triangle than a double top surely, but ....await events.

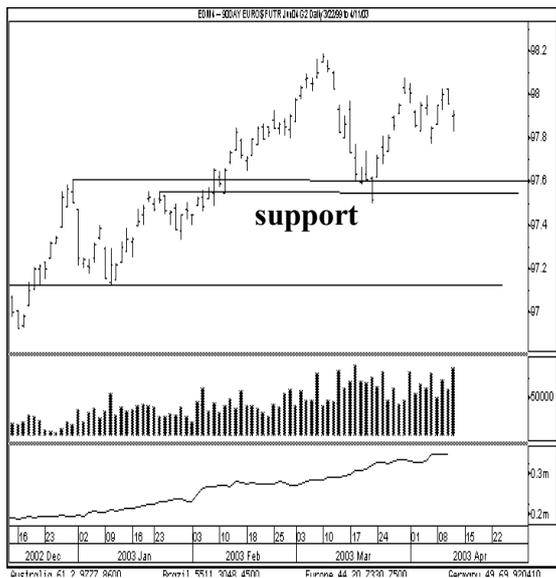


A double top would be formed on a close beneath the low at 98.71.  
 A continuation triangle would be created by a break through the falling diagonal from the two highs.... It's not easy to see what is going to happen.

## Further along the curve: June 2004



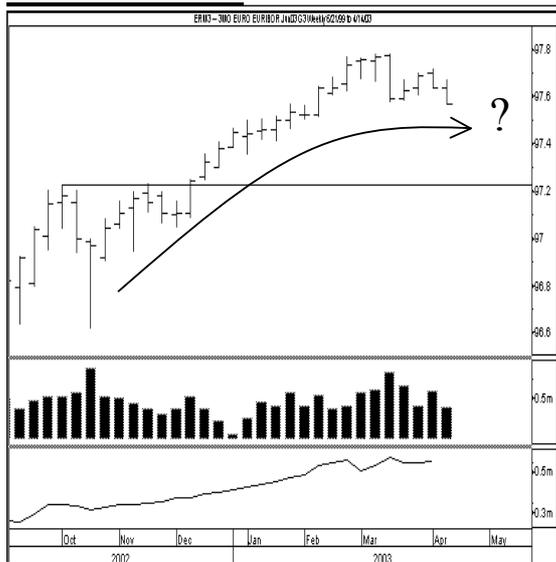
The current pause, not unlike that which happened in October November and December 2002, has no clear characteristic....yet.



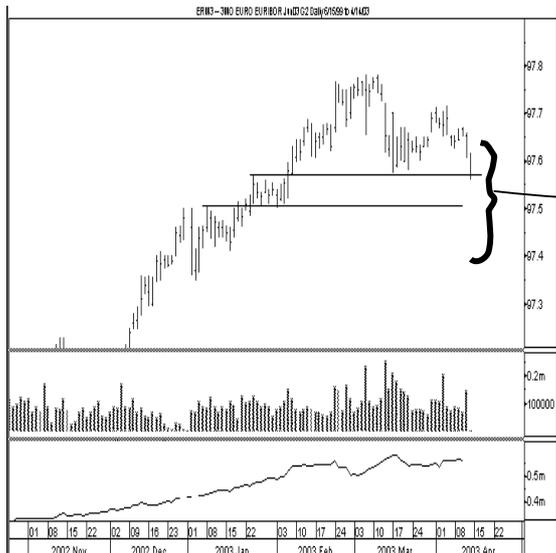
Clearly a market that is much more optimistic that those in Europe but still in pause mode...

# Euribor.

*The Euribor looks more vulnerable – especially at the longer end than either of the other major markets....the big levels have been tested and broken! Small bear patterns are compelled....bears feel emboldened for the short and medium term....*

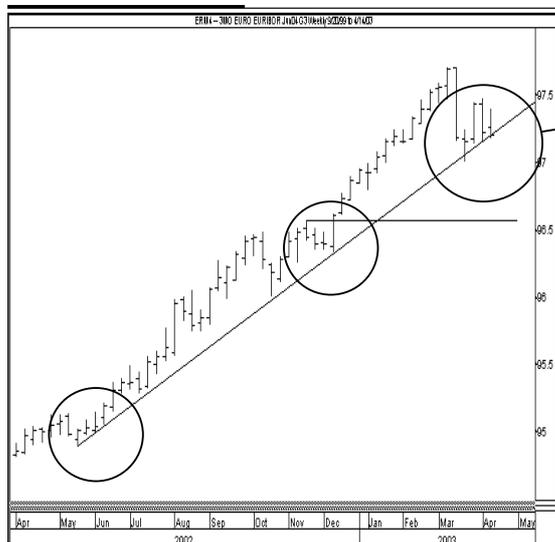


The long run chart of the bull market.

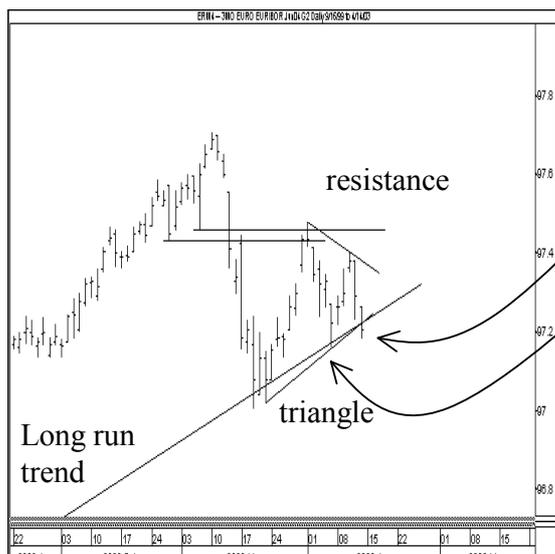


Is that a double top? Possibly. A close beneath the low at 97.57 is good for the bears, but the band of support 97.50-57 is rather more important. Watch and wait friends.

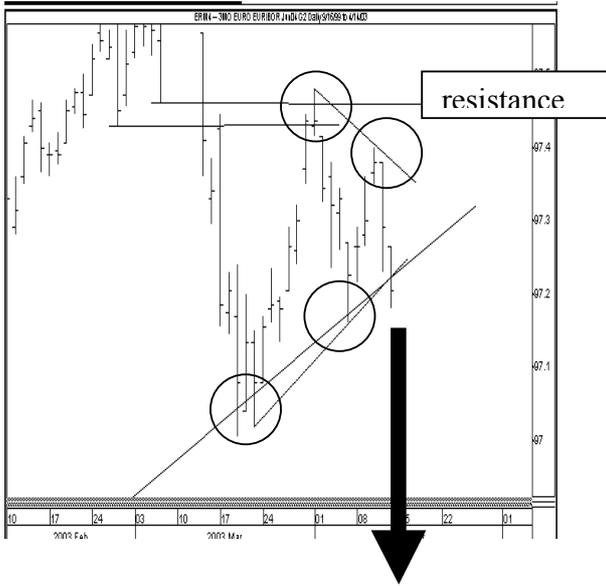
## The Further out dates: June 2004



The long-term trendline support, a weak technical indicator is on the point of being breached.



The entrails of the market are fascinating. Note the breakdown of the triangle coinciding exactly with the breakdown of the long term trend... this I consider to be a clear break down and a great bear sell .... Anxious, tentative, faint-hearted, bears of French extraction may want to wait for a break through the lows at 97.16....



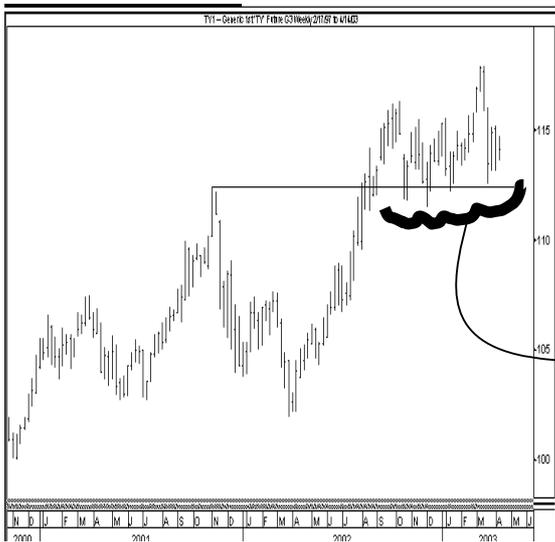
The detail of the triangle ...suggesting a move down of 38 bps down to 96.84 MINIMUM.

# The US Treasury Bond.

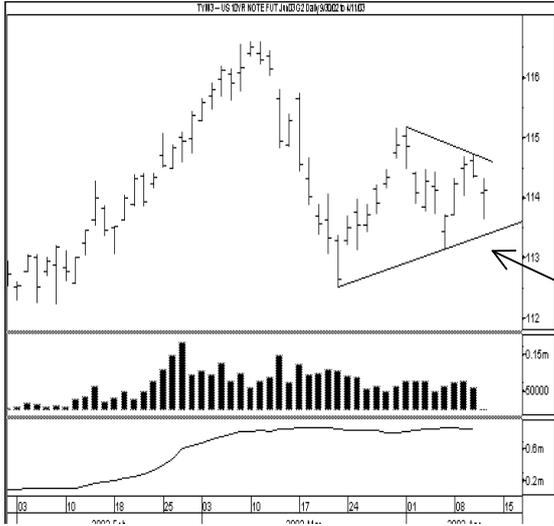
***Its still a bull market, but there are important levels that are being tested from prior lows in yields, but the futures prices pattern remain undecided....***



The long term triangle driving yields lower....



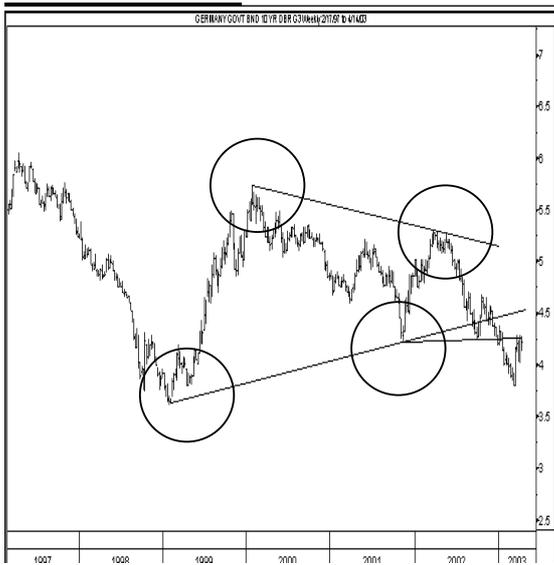
The support for the market is clear – four times the market has found support there at 122-12.



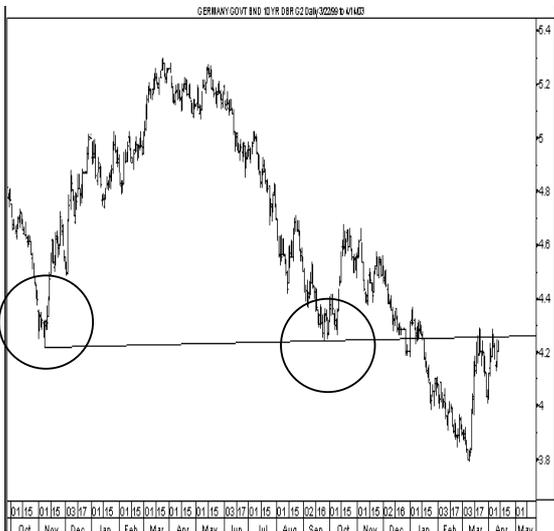
The triangle continuation pattern in the making... watch for a break of the lower diagonal at 113-12.

# The German Bund.

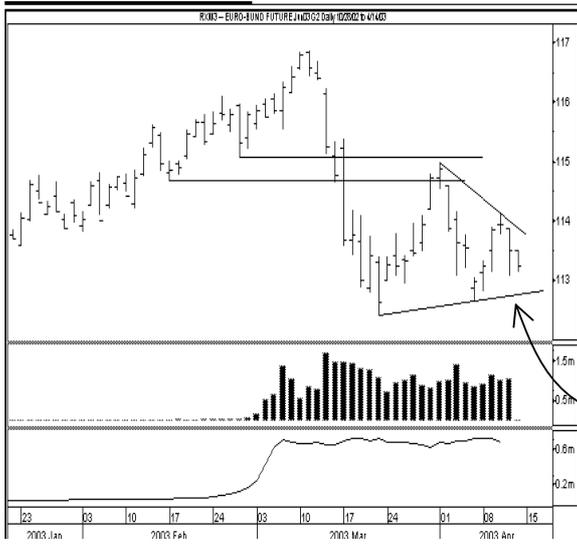
***The market continues to teeter at a critical resistance.***



The triangle in the German Bund.



The gently rising resistance line drawn from the previous lows comes in at 4.26%.

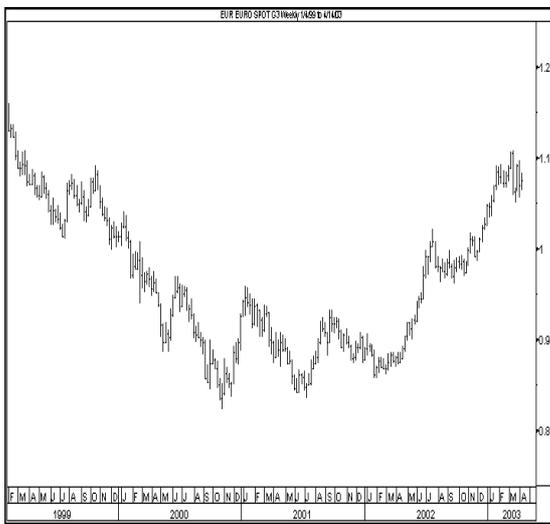


The small triangle may break – watch for a move through the lower diagonal at 112.76 ...

# CURRENCIES

*No clear patterns .*

## Dollar Euro



The long term patten of the market.



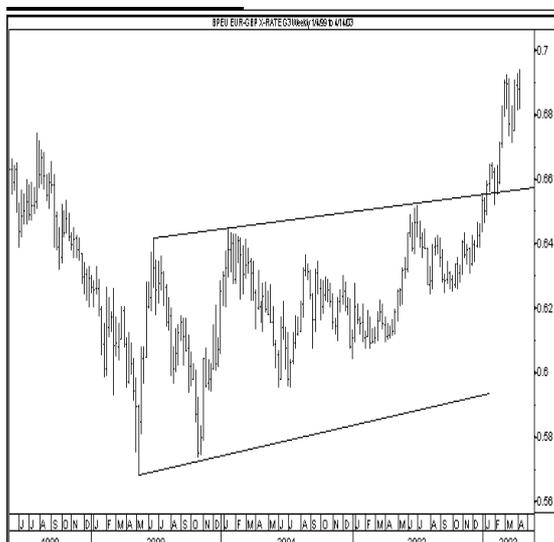
This pattern has no clarity.  
The support is a long way beneath.

## Dollar Sterling.

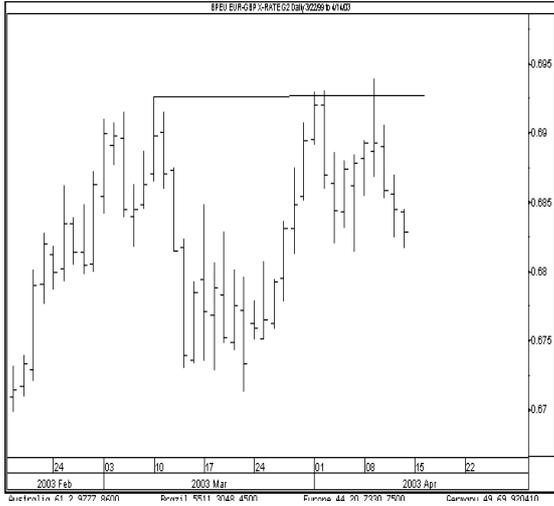


The confusing picture.

## The Sterling Euro



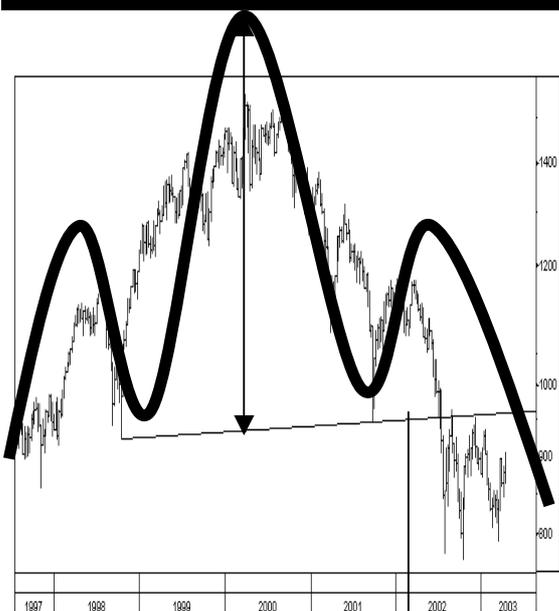
The long picture.



The market has failed to push through the 0.6929 level and looks likely to push one down to the 0.67 level....

## The Standard and Poors Index.

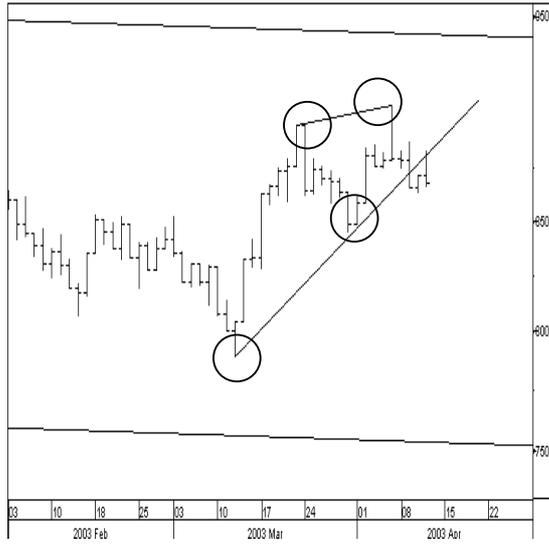
*The market remains unambiguously bearish in the long term, but the major consolidation beneath the neckline has led to a confused situation ....there are no clear short term pointers.*



The top formation driving on down.



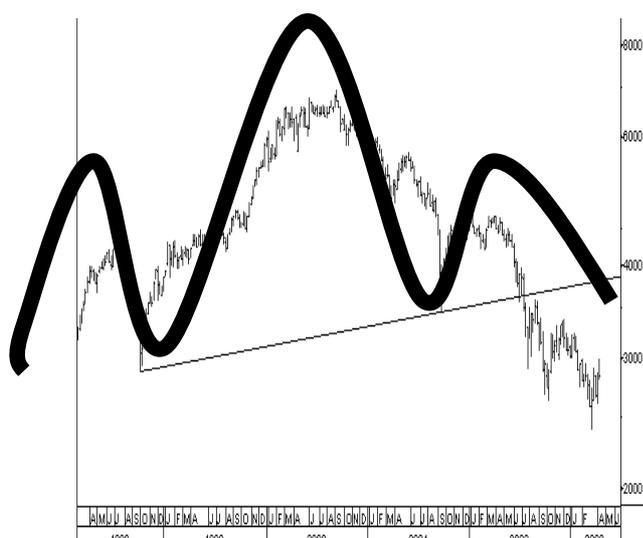
The market is in the middle of the range with no clear sense of direction. The small rising wedge may have broken down.



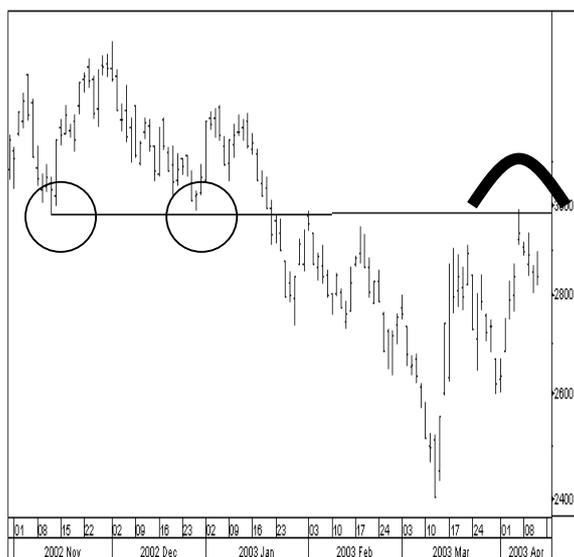
The rising wedge has completed on the downside...but it is an unreliable pattern.

## The French CAC

*Last week the major had retraced to major overhead resistance – it has since retreated. As with the S&P the long run bear complexion remains undoubted, but the short term unclear.*



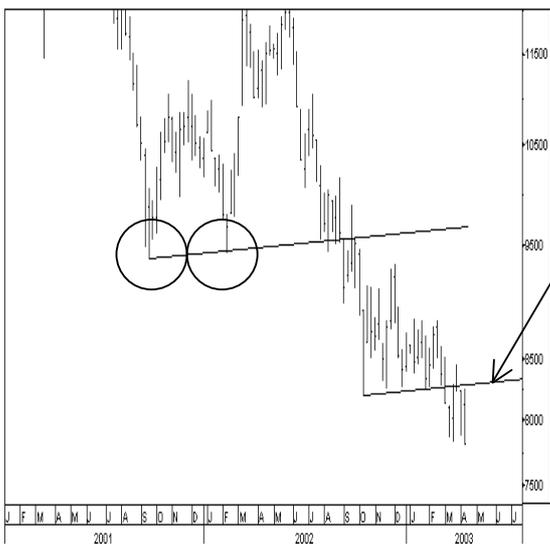
The market top that is going to drive the market a good deal further down.



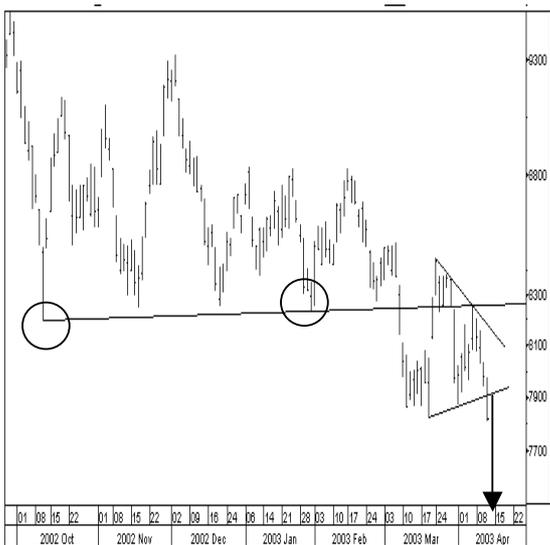
The market struggles at the overhead resistance from the prior lows at 2985 and drifted off... That's the crucial level for a breakthrough...

# The Nikkei

***Last week I advised that people should stand back – since then though the market has plunged savagely through the long term low with a vengeance completing a neat continuation triangle and looks set for more bear moves in the short, medium and long term.***



The successive overhead resistances driving the market down further .... Note the latest failure of the market to get back through the resistance immediately above the market at 8285 and note the drama of the movement of last week...expect new fresh declines...



There's a finely drawn triangle here that has broken down.... For gosh sakes sell and sell again....the minimum move looks like 7312.