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Weekend Report for Monday, July 3

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Bottom Line:

Friday marked the end of the second quarter. I believe the ramp into Friday's close was exacerbated by "window dressing". Next week is historically one of the low volume weeks of the year because of the 4th of July holiday in the US.

Friday's new rally high in the SPX was not confirmed by any of the three primary US trading indices, though none of the three is far from their respective rally highs.

The DOW and RUT are trading just below MAJOR inflection points.

There is decreasing "resistance" in the NDX and SPX between current levels and all-time highs.

Important measures of breadth continue to lag. I have been thinking for weeks now that breadth has to expand or we are going to see a very sharp correction. I still feel that way.

Finally, from the marketear.com:

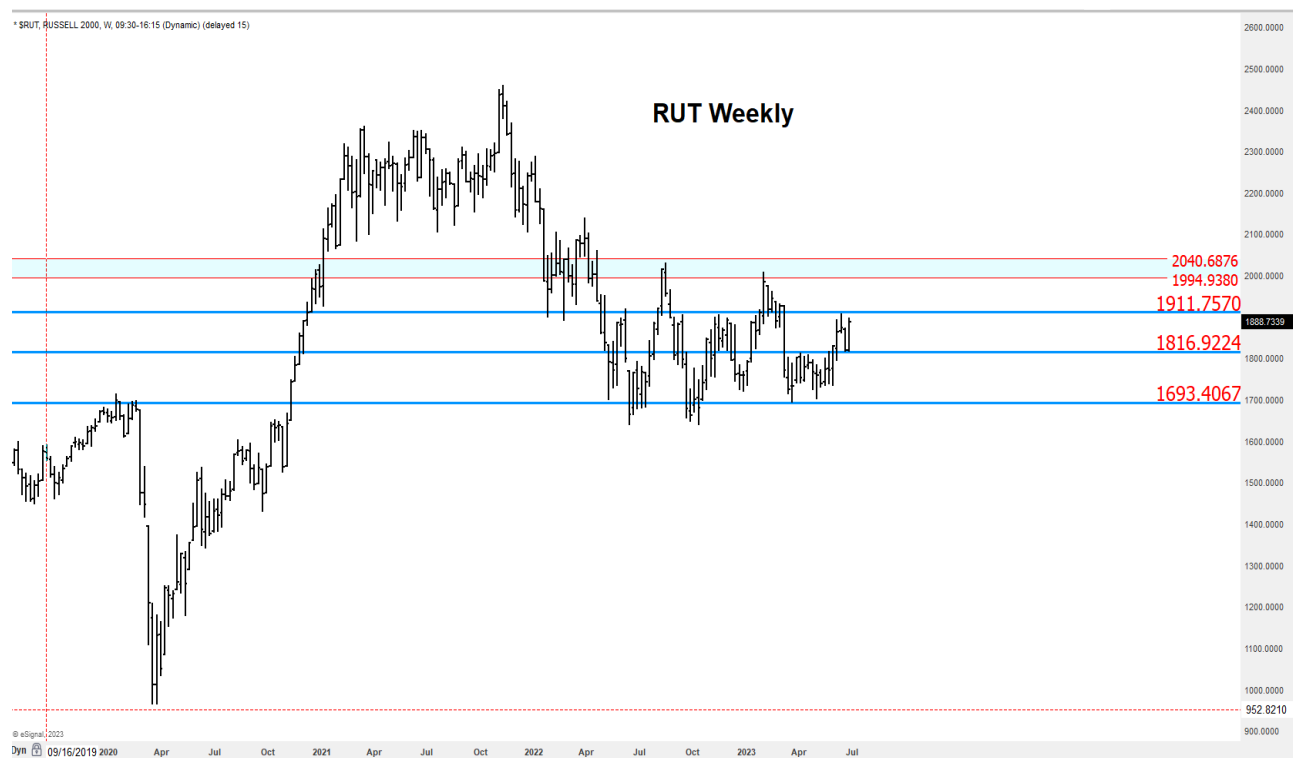


We are entering the best seasonal period of the year for US Equities. The first 15 days of July have been the best two - week trading period of the year since 1928.

Trading is easy! Right.....?

RUT

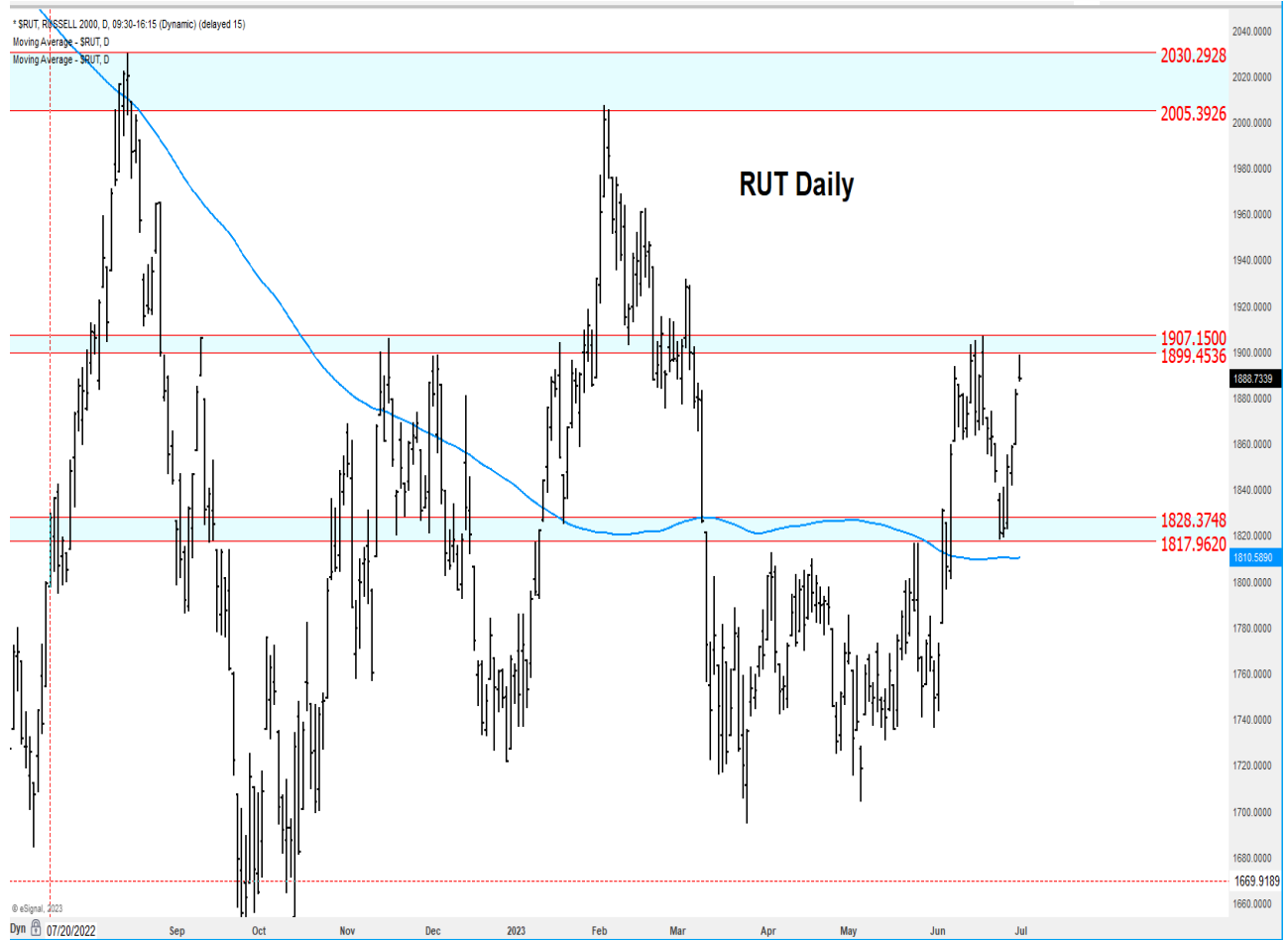
Weekly



Daily

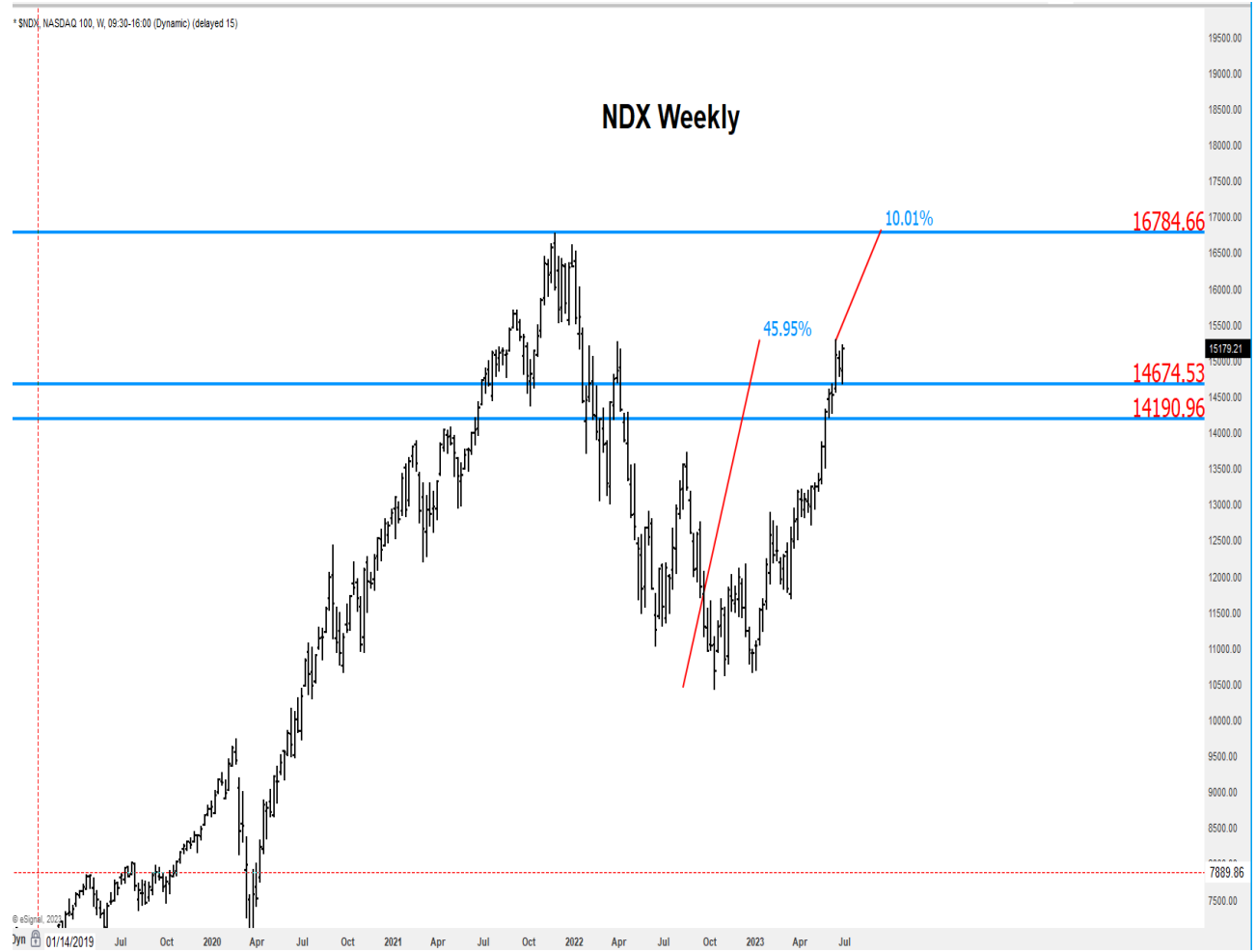
Upper KRAs: 1899-1907; 2005-2030

Lower KRA: 1828-1817



NDX

Weekly



Daily

As pointed out above, there is little “resistance” in the NDX until all-time highs.

Upper KRAs: 15308; 16443-16758

Lower KRAs: 14685; 14371-14206



SPX

Weekly



Daily

As pointed out above, there is little “resistance” in the SPX until all-time highs.

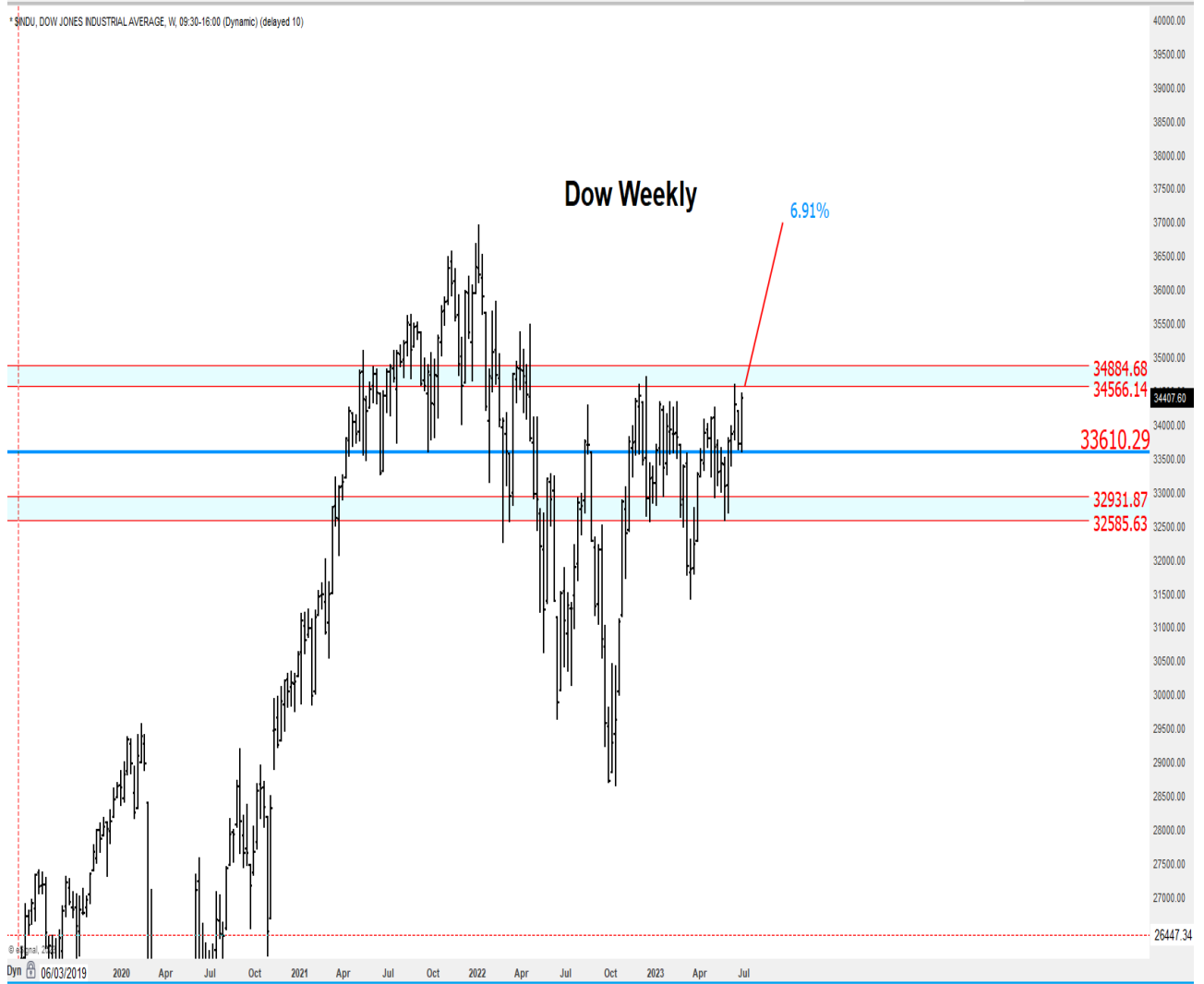
Upper KRAs: HEAVY with the guess component, here, fyi.
4500; 4590-4640

Lower KRAs: 4328; 4300-4260



DOW

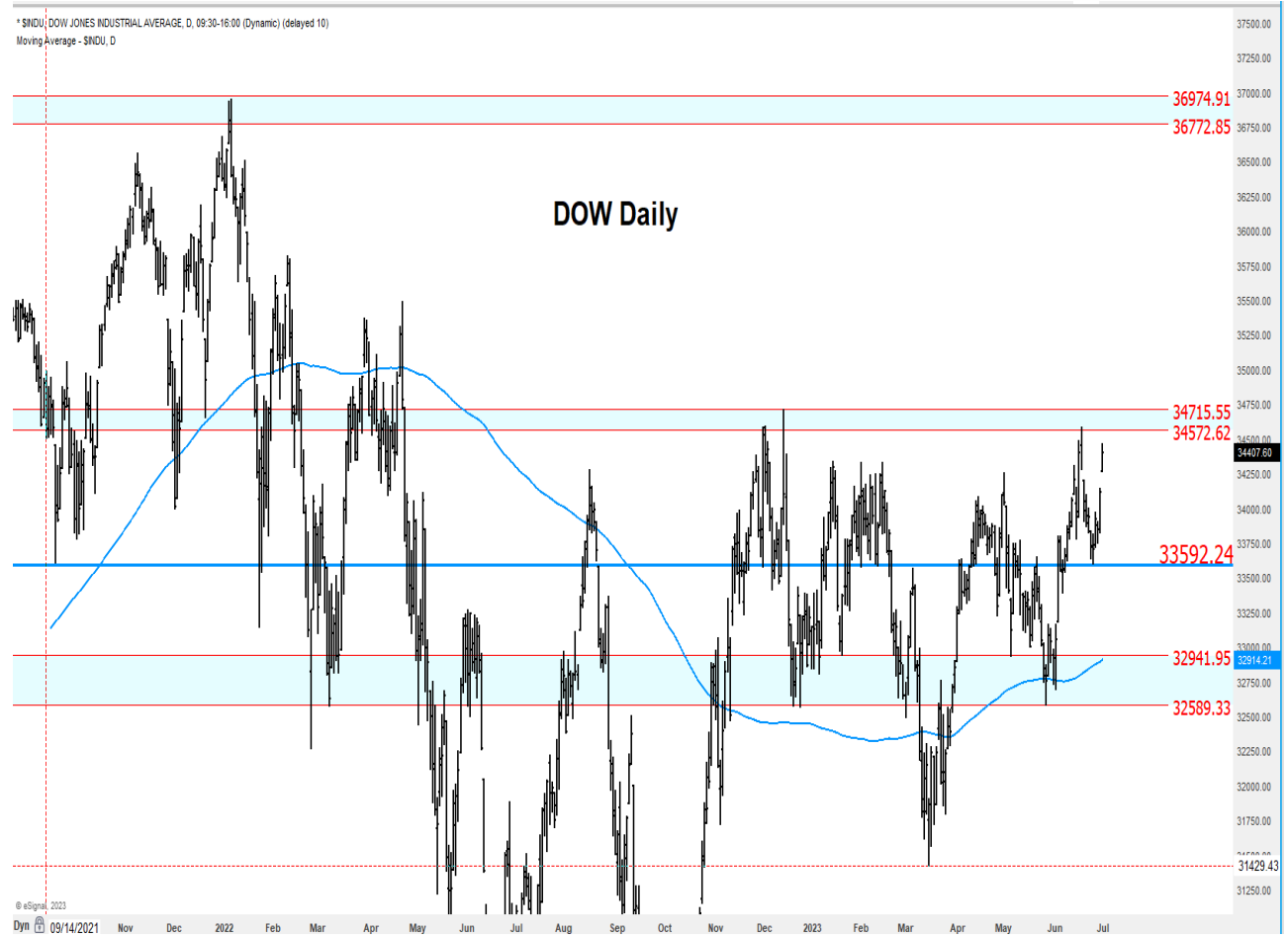
Weekly



Daily

Upper KRA: 34572-34715

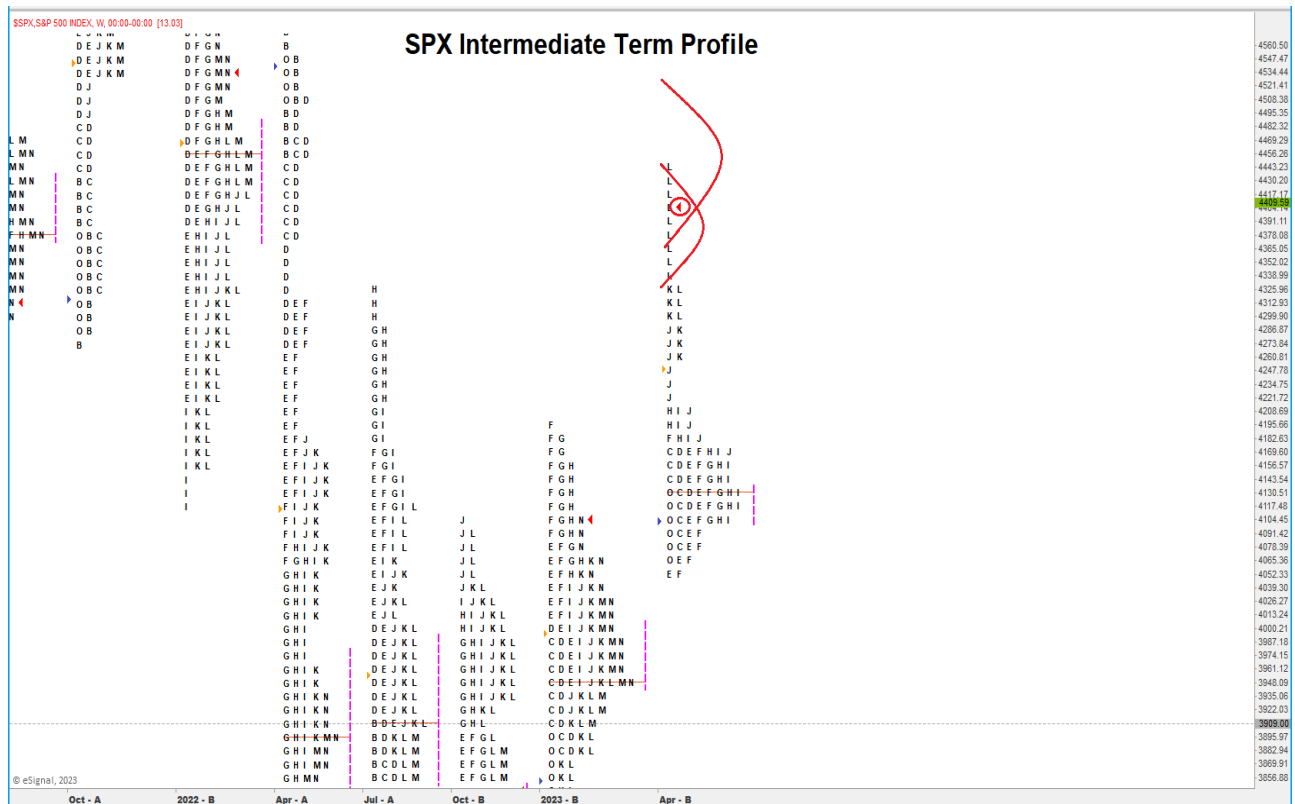
Lower KRA: 33592; 32941-32589



Potential Paths of Development - SPX

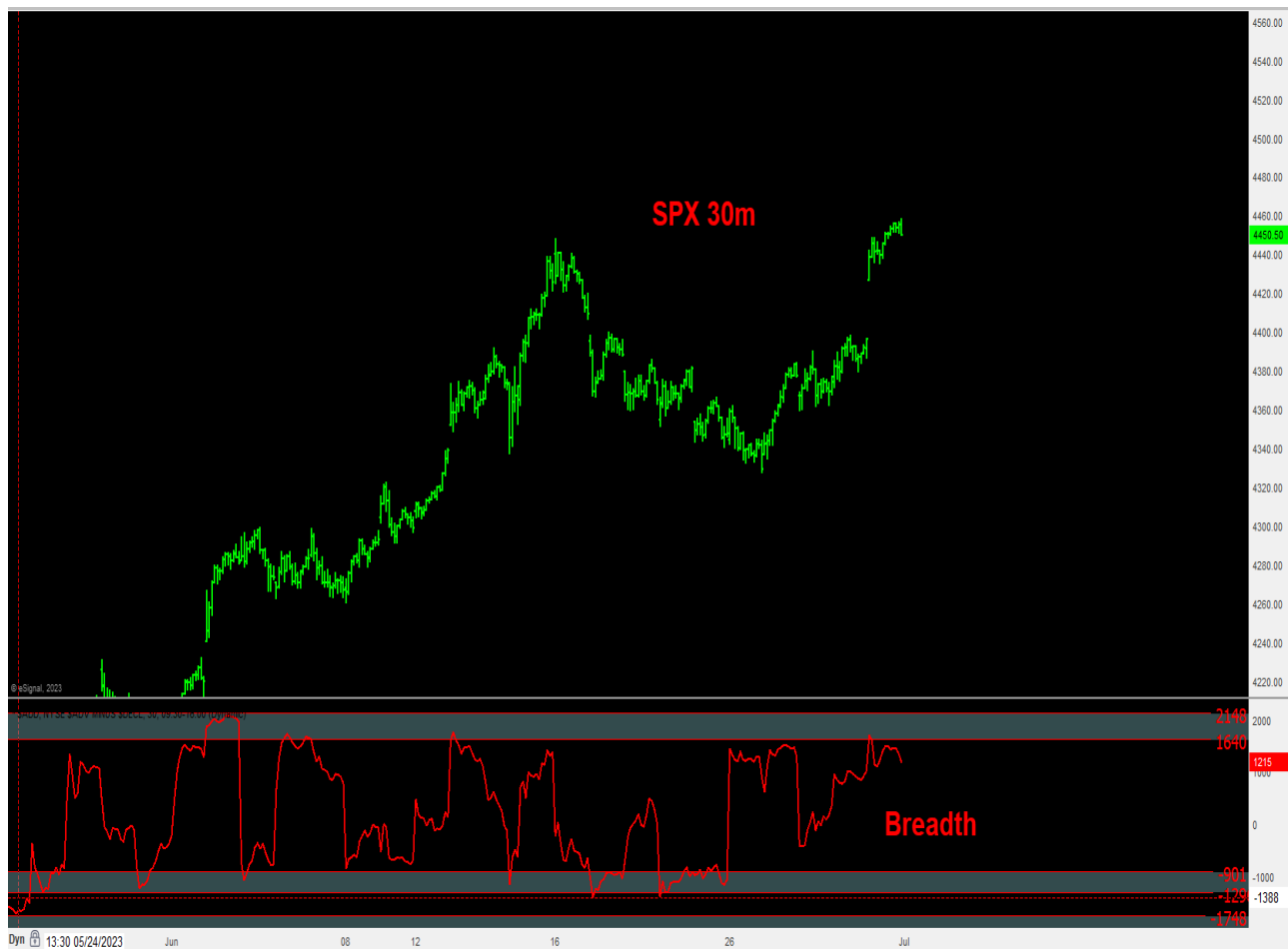
Market Profile cannot be used as a trading system. Properly used it can be a wonderful general template to help determine the probable path of a market and at times, the pace of development.

This chart was posted two weeks ago, in the June 13 Weekend Report:



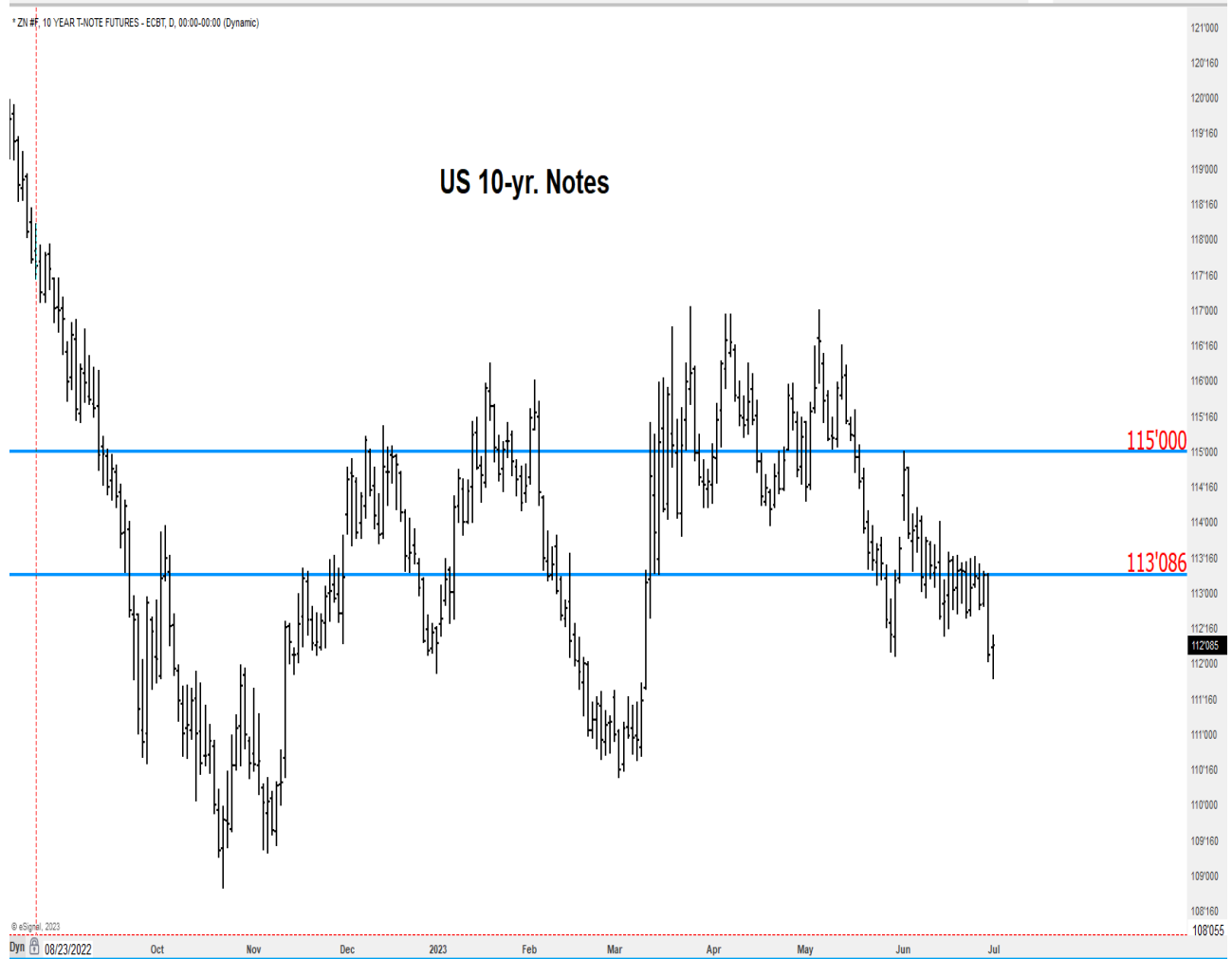
SPX / Breadth 30m

This is an increasingly important perspective. I don't want to rush to conclusions because of the EOQ driven ramp on Friday, but this is a chart we want to monitor closely every day next week. I'll be updating it daily in the Member section.



US 10-yr Notes

Favor shorts against last Thursday's high.



US Dollar

The US Dollar is between critical levels.



Gold

Gold stopped its decline near 1899, sort of in the middle of nowhere. That is now the important downside level.



Crude

Crude continues to chop and churn between important levels.

