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## Weekend Report for Monday, May 6

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## **Bottom Line:**

In the Weekend Update following the spike low on Friday, April 19 I posted the following: “*There are mounting signs of at least a short-term low, and it could be a significant low.*”

That has proved to have been accurate. Now we are in the let’s see exactly how significant stage. It is quite possible to see one or more of the indices trade to a new all-time high (or yearly in the case of the RUT) before any significant retracement occurs, but it is also quite possible for the rally in the indices to soon fail and new lows soon follow below those of April 19.

Closes below last Thursday’s closes in the respective indices is a signal the rally is likely over.

There is room for more rally even if the rally eventually fails, so we’ll have to take each day’s price action as evidence for one scenario or another.

The SPX is in an elevator shaft to the upside with the next objective potential “resistance” at 5168-5177.

## SPX

Upper KRA: 5168-5177

Lower KRA: 5064



# NDX

Upper KRA: 18123-18170

Lower KRA: 17541



# DOW

Upper KRA: 38930-39050

Lower KRA: 38229



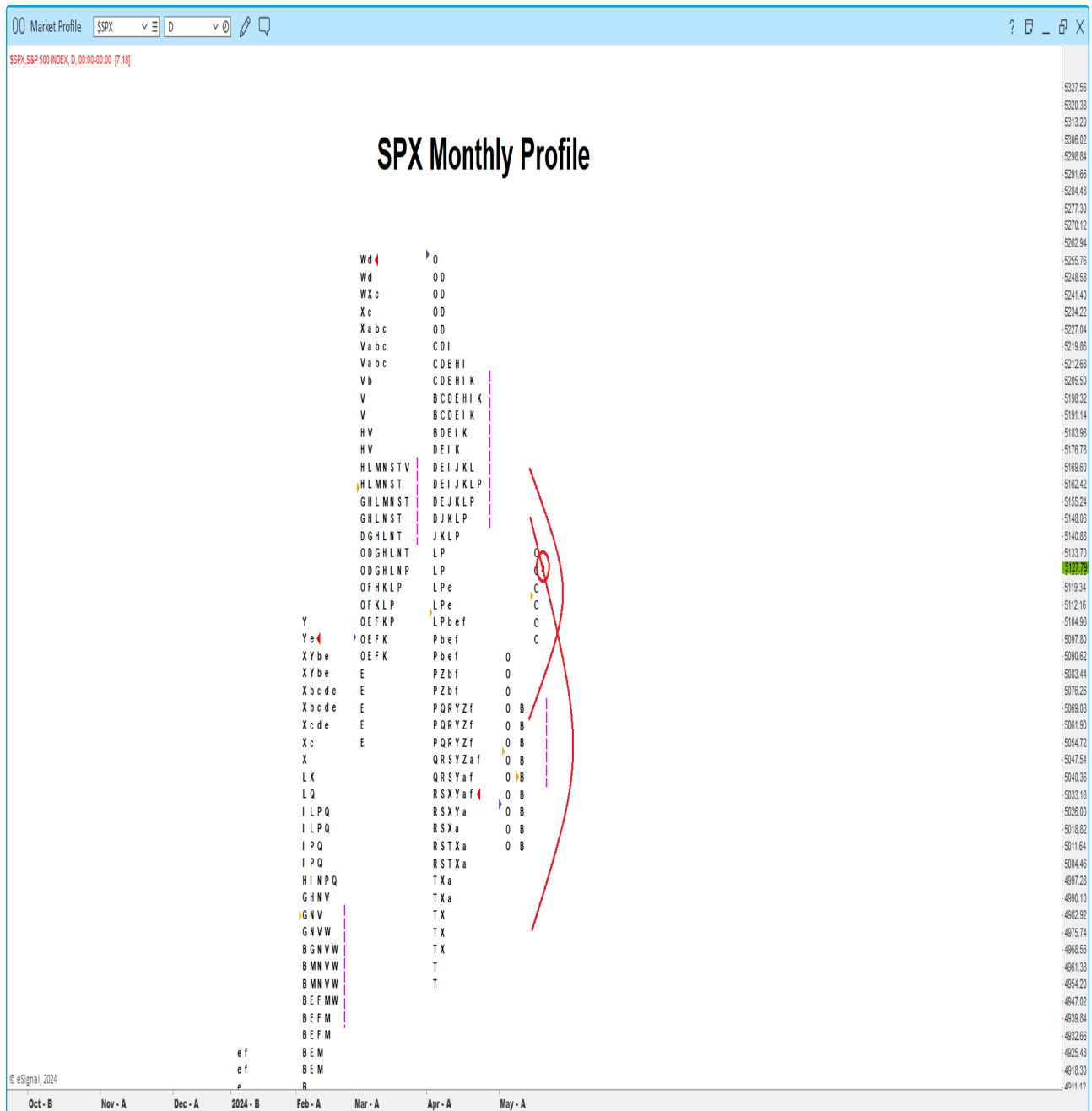
# RUT

Upper KRA: 2054; 2084

Lower KRA: 2016



# SPX Profile



# Internals

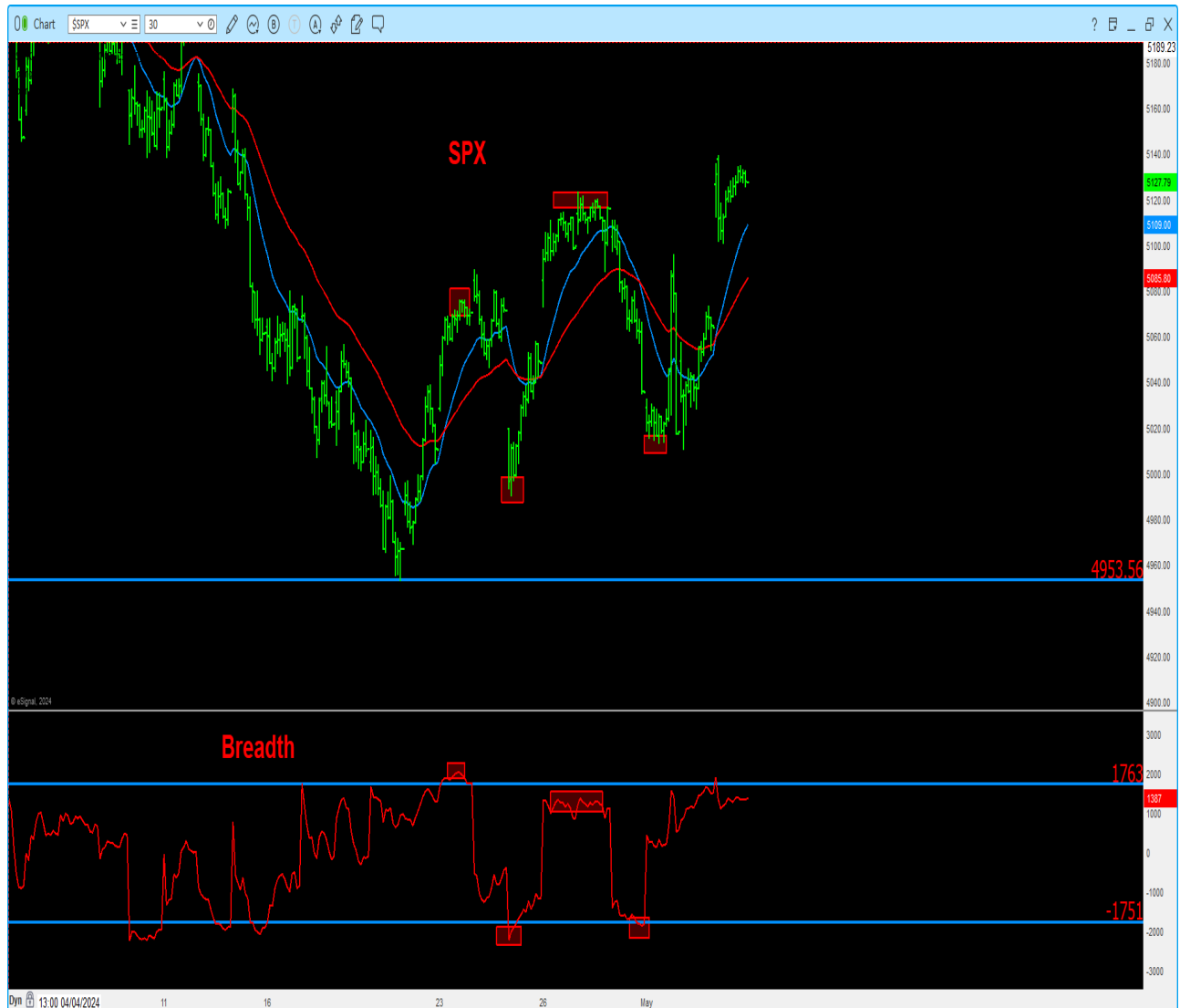
The deeply “oversold” condition has been alleviated. There is plenty of room for continued expansion. I’m not saying it *will* happen, just that there is no obvious, bell-ringing condition at the moment.





# SPX 30m Breadth

Breadth is MUCH more helpful in identifying lows than it is in identifying highs. **IF** (bold, capital letters) the recent pattern continues the SPX may be near a short-term high.



# US 10-yr Notes

Notes are in a long-term downtrend.



# US Dollar

No change: The Dollar is just below a critical intermediate term KRA.



# Gold

2258-2221 is the critical downside KRA in Gold.



# Crude

Crude is approaching an intermediate term KRA.

