



Source: CQG, Inc. © 2009 All rights reserved worldwide. www.cqg.com

Wed Aug 05 2009 10:20:27

Yesterday we bounced modestly from the rising trendline (at **5413** today) trading to a high of 5436.5 and closing just a tad below here. We're now above the hugely important 38.2% **Fibonacci** Retracement at **5370.5**, and on this basis we're now long with a longer term Bullish bias. A weekly close above here this week will add an awful lot of weight to this theory. From here our targets are at **5662.5** and then **5921**. The first is a **gap** on the daily chart that was created back in October last year and the second is the 50% Fibonacci Retracement on the weekly chart.

## Indicators in play.

**Trendlines** are probably the most basic and easy to understand tools in Technical Analysis. Its just a matter of joining higher lows together with two and some prefer three points of contact. The more dips that touch the line and the longer the support has been in play increases the potency of this type of trading tool.

**Gap Support/Resistance** – If prices gap away from the previous sessions high or low, we'll use this level as a reference, as they frequently act as strong support or resistance.



Source: CQG, Inc. © 2009 All rights reserved worldwide. www.cqg.com

Wed Aug 05 2009

## Summary

We're now at a key juncture in the Dax Futures. A strong move through **5370.5**, would see us get long once again, this time in a far more aggressive manor. A failure up here followed by a break of **5150** would see us get short, as it suggests the recent bounce is no more than a corrective move, and the overall trend is still down. We'll sit on our hands for now.