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Yesterday's initial losses took us to a low of 4593.5 (just above our first key support at **4590**). From this low we spent the afternoon recovering steadily, to close just 4.5 ticks shy of the high at 4662.5. Above **4681.5** (Friday's high), we'd be gunning for **4726**. This is the 38.2% **Fibonacci** Retracement of the losses we've witnessed starting October 2007. On an approach to here we'll lighten up on our long positions and await the next big move. As we've said before, this could either come in the shape of a strong move through here or a failure up here, followed by sustained weakness. **4476-84** is our key support area and we'll remain Bullish above here, This is a weekly **Marabuzo** line paired with last week's low.

### Indicators in play.

**Fibonacci** introduced his sequence of numbers to mathematics back in the 1200's. These numbers appear in all walks of life but have an eerie influence on trading. We use the 38.2 level as an indication of the strength of the correction or indeed if the longer-term trend has changed.

**Marabuzo Line** – Often after a big up or down day, we take the midpoint of the candle's real body and use as support or resistance. These often work very well.



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We're still more than happy to be backing the Bulls and buying dips to the key supports (evidenced by yesterday's bounce). Our target for the coming weeks is at **4726**. This is where we'd be taking our longs off of the table, and awaiting the next big move. A strong move through **4726** would see us get long again, and more aggressively. A failure up here followed by sustained weakness would see us get short.