

The Time Is Near



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NEW YORK

From the April 5, 2008 report, entitled, "Intermediate Term Countertrend Rallies Commencing:"

"To follow-up on previous reports, the first quarter's trends in all markets are coming to an end, with perhaps one more move in the dominant direction, whether it makes a new low or high, as the case may be. Such a move may or may not fail. Failing, in the cases of the Dow and Nikkei would mean that the bottoms have already been seen. These New Year's extremes in ALL markets won't be surpassed for 3 to 6 months, in my view."

From last week's August 16, 2008 interim report:

"On viewing the 1-year daily Dow chart that follows on page 4, in conjunction with the longer-term graph above, there is further support for the idea that, after some backing-and-filling, the Dow should work marginally higher into the lower 12,000's to complete its countertrend move of 2008."

“Well, we’ve all but arrived.”

To embellish last week’s comment by drawing from prior months’ commentaries, the end of the countertrend move in the Dow will – as always – coincide with a move to new levels (for the 2008 rally phase), which will have stopped out those whose long-term planning and strategies for the latter were weak.

To fit into the global psychology/puzzle, China enjoyed a quick ambush for the bears of 7%. Typical, yes?

As for the Dow, Wave-C’s typically conclude relatively quickly to run-in the bears, whose panic accelerated and accentuated the speed that reinforced the panic. Simply, there can be plenty of price room to move, though **the end is near**, in terms of time in such situations.

It is the initial countertrend move that takes time, so that bears can make their intermediate term bearish bets. The second and concluding countertrend move is another animal, however. It’s much faster and travels to stop-out levels (which is why I had initially thought of something closer to 13,000).

Conclusion:

Wave-C has begun in the Dow, and its neckline resistance and upper limit is around 12,500.

The global crosscurrents and their respective strategic hedge implications are all lining up in all asset classes.

Again, are you ready?

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