

Trend in Force, but a Global Pullback in Offing?



May 3, 2009

YEN & DOLLAR INDEX

April 2, 2009:

"Apart from the Swiss Franc, the Yen is the only fiat currency that SKGS readers hold. I had referred to it as the best currency for capital gains, several months before it finally took off, and at levels that have since made the wait very worthwhile."

March 1, 2009:

"This very sharp short term Dollar/Yen rally is coming to an end."

Looking at the 2-year daily and 10-year weekly Dollar/Yen charts below, respectively, the March 1 commentary merits repetition, as the Yen rally again appears ready to resume.

Please scroll down.



See page 15 for Dollar Index comment.



The 10-year weekly chart at the top of page 14 reflects a serious negative divergence, while the daily chart that follows it illustrates a clear A-B-C countertrend pattern.

NB: Given present market conditions, I will bolster coverage with additional interim reports, each week in May, and leading up to the next report.

This time, the movements won't be sideways. The media will again have things to report on, both new and old. But that's nothing new, right?

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