



Technical Price Risk Assessment for the week of 02 to 06 June 2014

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Stock Indices

All the key stock indices continue their ascent. For this weeks I will be looking for a bull market correction in the SPX from the `930.00 to 1950.00 range.

T-Note Rates

Any further downside in this benchmark rate will be a technical break down that targets a sub 2.00% rates.

Euro-fx to US\$

While this markets finally took a breather last week the bigger picture still suggests further weakness in the Euro-fx and further strength in the DX Index.

Commodity Sector

There is no way to sugar coat it. The commodity sector confirmed a major top last week. Commodity prices are headed lower. No commodity will be immune.

Lumber

Over the years Lumber has always peaked well in advance of the major financial crises. It has been a useful lead indicator. It peaked back in Feb of 2013.

RBOB

RBOB looks like it may have just completed a major head and shoulders top pattern. And it did so from a bullish sentiment extreme. Buyers beware.

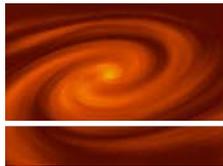
Natgas

Natgas is *not* a market fond of congesting. Yet from here Natgas looks capable of a few weeks of non-trending volatility, that is, congestion.

Elliott Wave Degree Key

Impulsive	Wave Degree	Corrective
"I" "II"	Grand Supercycle	"A" "B"
I II	Supercycle	A B
<I> <II>	Cycle	<A>
-I- -II-	Primary	-A- -B-
(I) (II)	Intermediate	(A) (B)
"1" "2"	Minor	"a" "b"
1 2	Minute	a b
-1- -2-	Minuette	-a- -b-
(1) (2)	Sub-minuette	(a) (b)
[1] [2]	Micro	[a] [b]

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for the week of
02 to 06 June 2014

SPX - weekly

(V) = (I) through (III) = 1980.77
the "1" = "5" = 1963.70
the 1.382 x A = B = 1923.44
1924.03

Still headed higher

- Our bearish wave count pegs this leg up from the 1814.36 low as the final leg up of the entire advance from the 666.79 low.
- There was no hint of peaking action in last weeks price action.

See next page.





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SPX - 240 minute

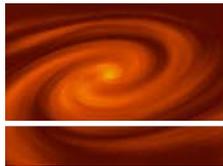
Still in wave 3 of "5" up

- Expect the wave 3 up from 1862.36 will peak into 1932.00 to 1950.00
- Expect a 50% retracement for the wave 4 correction.
- From a 1950.00 area wave 3 peak that would yield a 1905.00 area wave 4 low.

See no point in speculating on candidates for the final wave 5 peak until we know where the wave 3 up ends and where the wave 4 down finishes.

the "1" = "5"	1970.00
	1963.70
the 1 = 3 of "5"	1950.00
	1955.00
	1950.17
	1945.00
	1940.00
the .7862 x 1 = 3 of "5"	1935.00
	1931.40





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In wave 2 up
My wave count targets this presumed wave 2 bear market correction to a 2212.00 area peak. Bulls need a decisive break out above the triangle resistance line.

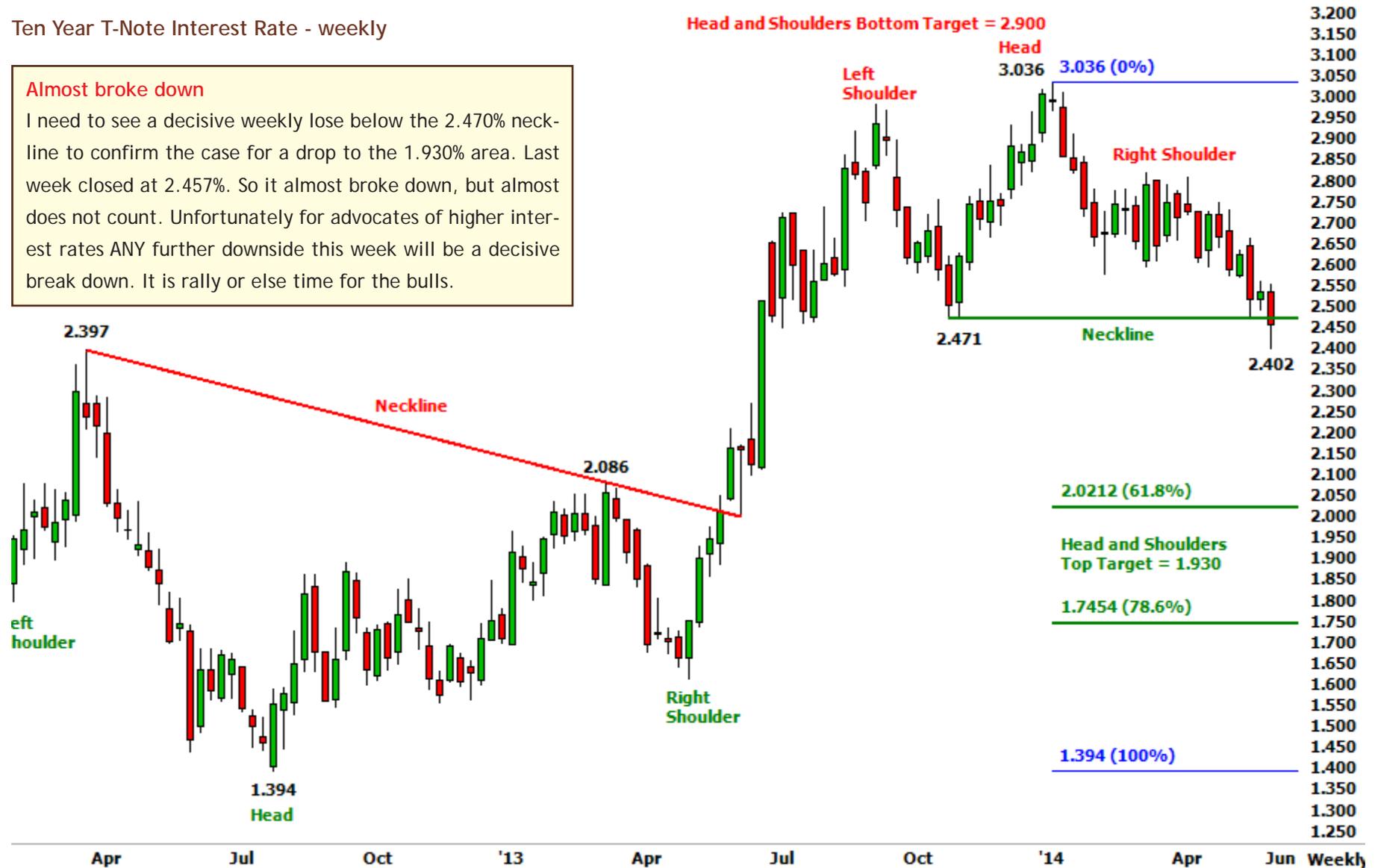




Ten Year T-Note Interest Rate - weekly

Almost broke down

I need to see a decisive weekly lose below the 2.470% neckline to confirm the case for a drop to the 1.930% area. Last week closed at 2.457%. So it almost broke down, but almost does not count. Unfortunately for advocates of higher interest rates ANY further downside this week will be a decisive break down. It is rally or else time for the bulls.



3.200
3.150
3.100
3.050
3.000
2.950
2.900
2.850
2.800
2.750
2.700
2.650
2.600
2.550
2.500
2.450
2.400
2.350
2.300
2.250
2.200
2.150
2.100
2.050
2.000
1.950
1.900
1.850
1.800
1.750
1.700
1.650
1.600
1.550
1.500
1.450
1.400
1.350
1.300
1.250



US Dollar (DX Index) - weekly





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Still heading lower

Last week held the .7862 retrace-
ment of the leg up from the 1.3477
low. However last weeks candlestick
was only a spinning top. It was not
any kind of bullish reversal pattern.
So I still see the trend as down. Maybe
we get a minor bear market rest stop.
But I am still targeting a test of the
lower wedge support line.

Euro-fx - weekly

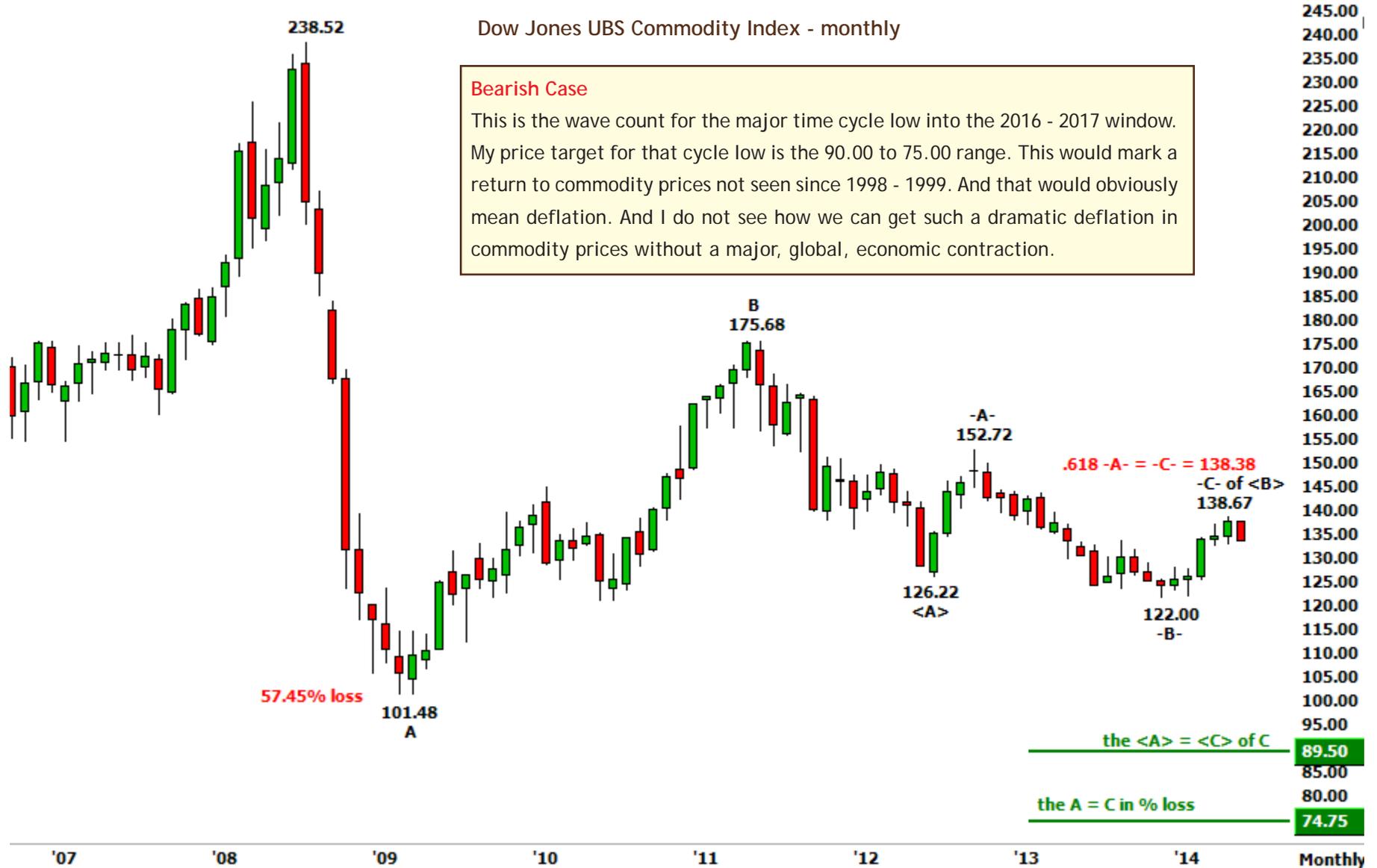
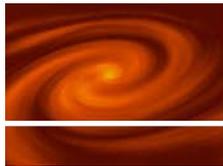


Dow Jones UBS Commodity Index - daily

Confirmed Breakdown

With last weeks decisive break down below the 143.75 level there can be no doubt that the commodity sector is headed lower. How much lower? My minimum target is still the 128.00 to 126.00 range. And on a decisive break below the 125.00 level? See next page.







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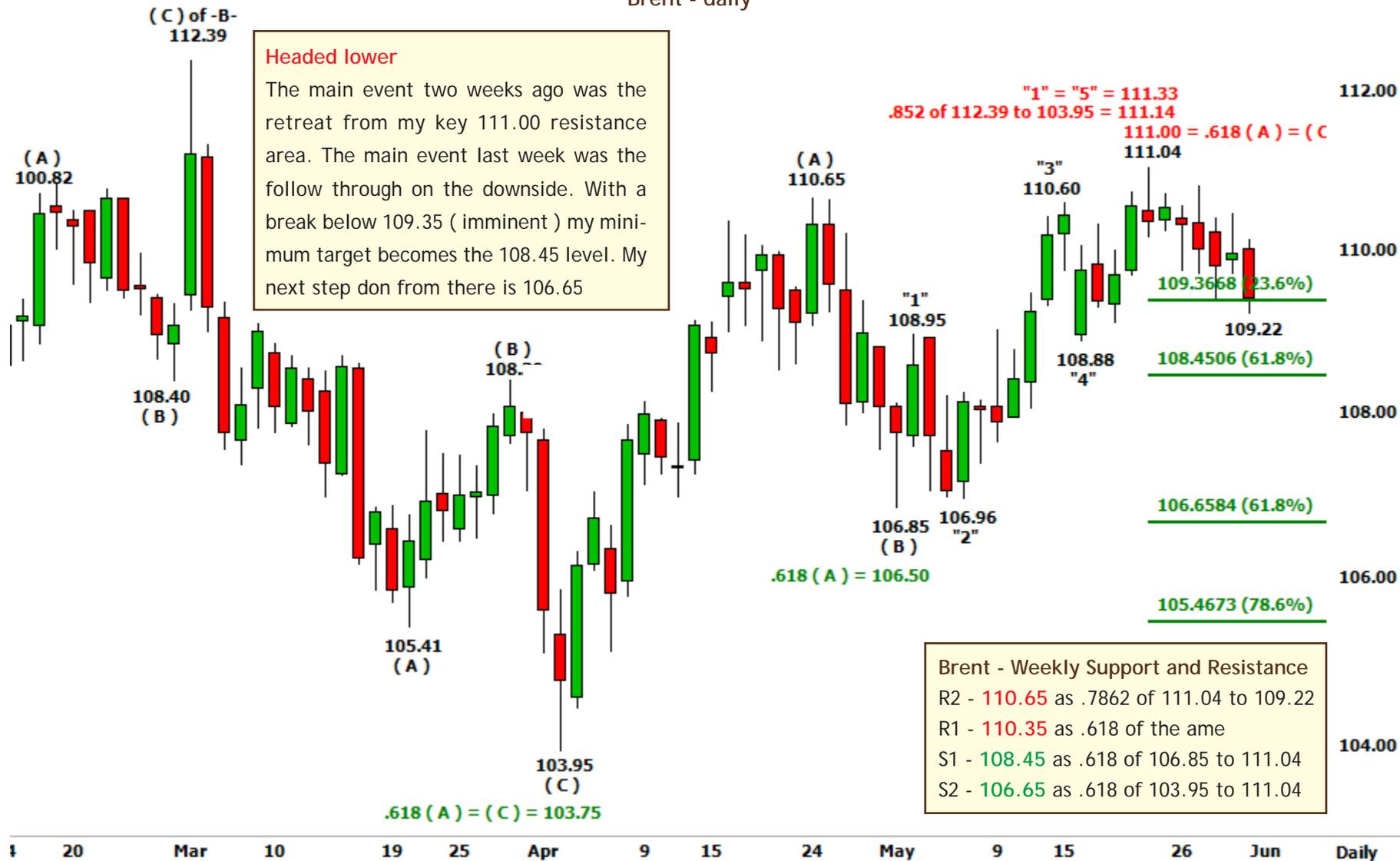
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Brent - daily

(A) = (C) = 113.55





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WTI - daily

112.24 (100%)

WTI - Weekly Support and Resistance

R2 - **107.40** as .618 -A- = -C-
R1 - **104.00** as .7862 of 104.50 to 102.40
S1 - **100.95** as .618 of 98.74 to 104.50
S2 - **99.95** as .7862 of the same

-A- = -C- = 112.72

112.00

110.00

107.75 (78.6%)

.618 -A- = -C- = 107.40

108.00

106.00



Failure
 With last weeks RBOB failure into my most bearish case resistance there was no upside for WTI. And if this week RBOB keels over and heads south then I expect WTI will do the same. How low can WTI fall and still be good for a rally to the 108.00 area? Peg 100.00 the must hold for WTI bulls.

104.00

102.00

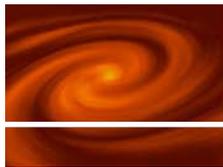
100.00

98.00

96.00

94.00

92.00



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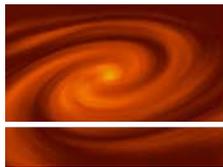
RBOB Weekly Support and Resistance

R2 - 3.0610 as .7862 of 3.1128 to 2.8718	3.1800
R1 - 3.0280 as .618 "a" = "c"	3.1600
S1 - 2.9325 as .618 of 2.8718 to 3.0310	3.1400
S2 - 2.9060 as .7862 of the same	3.1200
	3.1000
	3.0800
	3.0600
	3.0400
	3.0200
	3.0000
	2.9800
	2.9600
	2.9400
	2.9200
	2.9000
	2.8800
	2.8600
	2.8400
	2.8200
	2.8000
	2.7800
	2.7600
	2.7400
	2.7200
	2.7000
	2.6800
	2.6600
	2.6400
	2.6200
	2.6000

RBOB - daily chart



Failure into key resistance
 My most bearish case for RBOB was a peak into the 3.0280 area. Last week double topped there. Unless RBOB can sustain a break above 3.06800 from here, then based on the price action so far, my candidate for the Q4 seasonal cycle low is the 2.6400 area.



2nd month RBOB minus spot month Brent
rolling RBOB 14 days early
daily chart



Was that it for the correction?
The tetxbook five wave decline from 17.94 to 12.63 means that decline was only the initial leg down of the larger seasonal decline that should persist into Q4. The question was how much of a bear market correction we would get before the seasonal decline resumes. Last week's doji star top from only a .382 retracement is not good news for refiners.

Key support
The only hope for further corrective action before the seasonal decline resumes requires support into the 13.40 to 13.00 range,



ULSD - weekly chart



March Rally: MIA
ULSD just gave the lowest weekly close since November 2013. With any further downside next week could easily give the lowest weekly close since June 2013. Evidently the bearish sentiment is not yet extreme enough for a rally. See next page.



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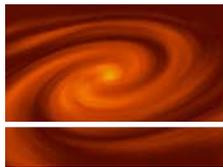
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ULSD - daily chart





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2nd month ULSD minus spot month Brent
rolling ULSD 14 days early
daily chart



Further weakness on tap

The conclusion of last weeks report was that the Diesel-Brent crack requires an immediate and sustained reversal higher to avoid a serious dump lower. It did not rally. It dumped. And I still see room down to the 11.15 to 10.80 range.

11.1510 (61.8%)

10.79 = (A) = (C)



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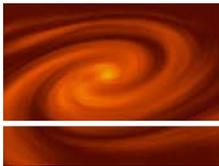
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Congestion on tap?

Natgas is not a market fond of congesting. Yet from here Natgas looks capable of a few weeks of congestion between 4.770 and 4.310

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Coal - weekly

(I) = (V) = 65.00

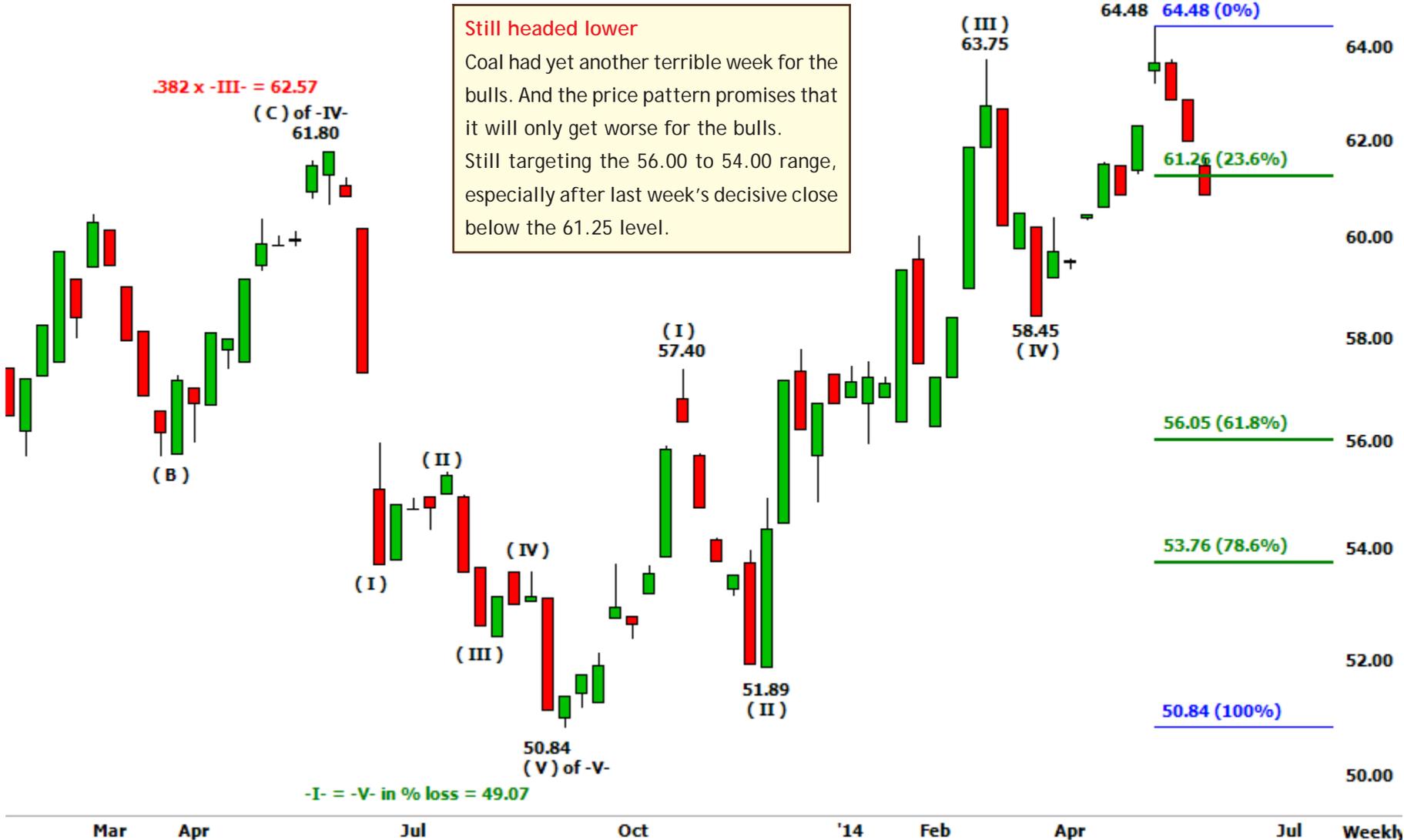
66.00

(V) of -A-
64.48 64.48 (0%)

Still headed lower
Coal had yet another terrible week for the bulls. And the price pattern promises that it will only get worse for the bulls. Still targeting the 56.00 to 54.00 range, especially after last week's decisive close below the 61.25 level.

.382 x -III- = 62.57

(C) of -IV-
61.80



56.05 (61.8%)

53.76 (78.6%)

50.84 (100%)

-I- = -V- in % loss = 49.07

64.00

62.00

60.00

58.00

56.00

54.00

52.00

50.00

50.00

Mar

Apr

Jul

Oct

'14

Feb

Apr

Jul

Weekly