

Overview July 12! The pullback finally came on Monday as the Dow dropped below S3 and off 100 pts early in the session breaking thru daily ema supp intraday. In the last hour of the session, the Dow was down 184pts on European debt worries as well as failure to reach any compromise on the US debt situation. The Dow closed down 151 with some short covering into the close and at the daily ema. SPX which has been only 10pts away from the 2011 high from end of April last week has tumbled 1.8% to the 50ma support with a MSH and dropped 1325 easily. Crude was lower at 96.21 with 92.70/89 supp and res 99.32/102.40-105.16. Gold closed at the 1549.20 with supp at 1539/1526/1510 and res 1558. AA kicked off earnings season. Market data at 8:30am and 2pm. Watch the earnings calendar.

- SPX Technicals – Rallies back from what we expect is a 1250-1260 interim bottom towards 1315-1325 July targets. First resistance includes 1298-1302, then 1312-1314 and 1345-1360. On a pullback look for the next support zone being in the 1298-1311 range, then near 1280 and 1263-1267.

( Charts are posted in the room)

EUR Tri brk short into daily htl supp with drop of the conv ema and 50ma and testing the 200ma this morning after brking below earlier and bouncing this morning. 3PB targets are 1.3954 autogain/1.4068/1.4177/1.4244/1.4389/1.4423/1.4533/1.4712 autogain

INDU! Res ahead at the 2011 high and markets rarely go straight up so be alert on this recent pullback to levels of support...that was the warning for 2 weeks and Monday ended with the drop with the Dow falling below S3 and the daily ema dropping 180pts intraday. If supp holds near the 50ma, there is a poss new HI to form but the htl res and dtl res remain in place. Watch the 100ma if the 50 brks. 3PB targets 12399/12511/12633/12755/12988 3PB supp 12413/12394/12378/12365/12342/12321/12303/12290/12264/12251/12229/12211/12186/12167/ and res 12438/12461/12486/12510/12525//12542/12566/12579/12593/12612/12625/12644/12681/12705/ 12728/12740/12751/12768/12785/12806/12847/12861/12890

SPX! After the big rally from the msl and ind candles making HLs and HHs last week spx hit res and pulled back with another selloff on Monday dropping daily ema support and testing the 50ma on msh conformed. There's a large daily tri also in place with an htl res near 1346. 3PB supp 1318/1314/1301/1297 and res 1320/1326/1332/1341/1346/1352/1358/1362/1368/1371, and auto gain 1385.

ES! Brk out of the ascending channel with reject of the upper htl last week and drop of the daily ema and the 50ma with a MSH and ind candles making LHs and LLs. Still poss for another HL if supp can hold. 3PB supp 1304.2/1300.5/1297.2/1294.2/1292.5/1290.2 and res 1309.2/1315.2/1319.5/1320.2/1325/1330.2/1334.7/1338.2/1225.2/1339.5/1340.7/1343.7/1348.2/1351.5/1355.2/1358.2/1360.7/1364.7/1367.2/1370.5/1374.2/1377.2/1383.7

VIX! Nice jump in the vix with a daily tri on the daily holding supp at 15 and the utl , pushing thru the daily ema,50ma,200ma res . Note daily htl supp and 20 res ahead.

STOCKS! If you need a 3PB # for a stock please let me know. Use trailing stops. In addition to the weekly list, other stocks will be mentioned in the room intraday as the charts present an opportunity.

Basket.....so far this week and some continued from previous week

AXP daily tri brk long climbing ema supp with a series of candle HLs and HHs. Still in an asc channel with daily ema supp.

POT tri and climbing ema within asc ch with ind candles making HLs and HHs for some excellent trading days. Daily tri break long still in the asc ch with htl res. Asc ch with daily ema supp.

DELL broke thru the daily diag htl res climbing the ema in an asc ch with diag ch TL res and poss new MSL but still in an uptrend. Now in a daily tri.

BTU dropped the 50ma and 3PB supp at 58.07 mentioned Monday in the room.

MSFT broke the 200ma res and pushed thru res of the diag TL of the asc channel