



## Hot Markets Outlook from Fortucast Market Timing

### **SEPT. S&P e-MINI**

HOURLY CHART TREND: Lower to 908 and then higher to 925 or 930.

DAILY CHART TREND: Larger chance of a move to 953-960 now into July 10-13.

WEEKLY CHART TREND: Lower from July 13 into August 10 with a chance of falling to 800 or 750 then higher into mid-September for a new high probably 980-1000. Major high off of the March 2009 low is done into May 2010 and projecting 1117.

NEAR TERM: (6/29) We are still friendly the market into July 13-14 and possibly as late as June 19 before the S & P starts unraveling after July 19. Market has to deal with pre-holiday congestion and 401k money buying at the same time and sometimes I have seen the market wait to take off until after the 4th of July holiday is over and July 6 looks like a very strong up day.

PATTERNS AND CYCLES OVERVIEW: (6/26) We are thinking that the 4th wave lower in the diagonal triangle pattern is done that a 5th wave up to 953-60 will unfold into about July 10-13. The problem with this pattern is that you often get 78% retracements or nose dives out of no where so you have to take quick profits after 2-3 day rallies. We think a nosedive is coming soon -- probably from the 930 region by Tuesday. The chances for 871 now are much smaller down to 10% and NASDAQ issued at buy signal. With political and economic challenges in July and August and North Korea still trying to hit Goliath, I suspect the atmosphere may not be healthy for new longs and we will easily see 800 if not 750 into August 7-10. I suspect Pakistan/Afghanistan will get messier also.

MULTI-YEAR CYCLES: 2009-2017: (6/17) We think the most important high for the year is in mid-September and that the highest swing from March 2009 will complete in May 2010. There should be a b wave pullback from July 13-August 10 but we cannot measure it but it could be 200 S & P points. Our stretched target is 1060 and 1120 into May 2010 and then a messy sell-off into the end of 2010, which should be the "b" wave on the weekly chart of a projected "W" pattern into Feb. 2012.

For 2010: Cycle highs peak into May 2010 and then fall sharply into late Nov. 2010. They recover into August 2011 and fall off into Dec. 2011. The year 2011 seems sideways to lower but could end up dropping much more significantly if we are correct about the dollar falling sharply. The biggest crash appears to happen until Dec. 2012-July 2013, and that coincides with the 1893 banking crisis in the 120-year cycle. We see a recovery into August 2015 and then new lows to 2016 and April 2017 before the bear market is over. Folks who were trading from 1966-82 can remember that you can have 18-20 years of congestion at times. The mess we are in will go deeper than the 30's depression by the time we get to 2013-16. The good news is that a new economic system will come out of all of this.



### **CHICAGO AUGUST MINI-GOLD (electronic)**

DAILY CHART TREND: Higher to 977 into Wednesday, July 1 and then lower into July 5. Higher to 1034 or more into July 13-24.

WEEKLY CHART TREND: Higher to 1120-30 into May 2010.

MONTHLY CHART TREND: Lower into Feb. 2011 and then higher to 2400-3000 into 2012-13.

NEAR TERM: (6/29) There is a chance that gold may fail by Wednesday July 1 and fall sharply into the following week--and that would invert cycles and suggest a cycle high into August. This is not a seasonal trend and is unlikely but given world tensions and hurricane season, we should stay open to what the market is telling us.

MONTHLY CHART TREND: (2/24) We think the dollar will become worthless or near worthless into 2012-3 and that gold will become king again. Prices project 2400-3000. This is not the time to do an entry on such a trade, as the weekly chart is topping for now, but it will continue to be a long-term investment and seasonally you want to buy in July or mid-August.

### **XAU and GOLD STOCKS**

(6/26) Gold stops temporarily bottomed on June 22 and are looking higher into July 1 before falling another leg into the week of July 10. There is thus a small chance that gold may make a new low of significance the week of July 6 but we are a bit skeptical. Some of these cycles are coming in on the Amex Gold Bug Index, which tends to be less reliable.

### **XOI INDEX (Oil and Gas Index)**

(6/26) Cycle lows are due for the XOI this week with a target of 869.10. Next cycle high is due into the week of August 8 or a week later, and that would coincide with new crude cycle highs. Hurricane season is here and will make the news so I suspect oil stocks will come back once crude starts rallying sharply this week and the stock market is ready to take off also.

### **AUGUST e-mini CRUDE (electronic)**

DAILY CHART TREND: Congesting between 7300 and 6635 into early July and the higher to 7410-7800 into July 19-20.

WEEKLY CHART TREND: Higher to 7720-7800 into July 19-20 and eventually 8250 into Oct. 2009.

LONGER-TERM CRUDE OIL CYCLES: (6/24) We are getting projections to only 7410-7800 now and they could come in by July 19 at the latest. The 8200 region has a better shot into the September cycle high. Pullbacks from the July high into August may only be \$20.00 and in the bigger scheme of things we are now looking to \$120 a barrel into the May 2010 high.

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**FORTUCAST MARKET TIMING INC., 1120 W. Hwy 89A, Ste. B3, Sedona, AZ 86336**  
PHONE: 928-284-2284 and in US: 800-788-2796. Arizona office is open 7:30-4:30 pm PDT (GMT +8).

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