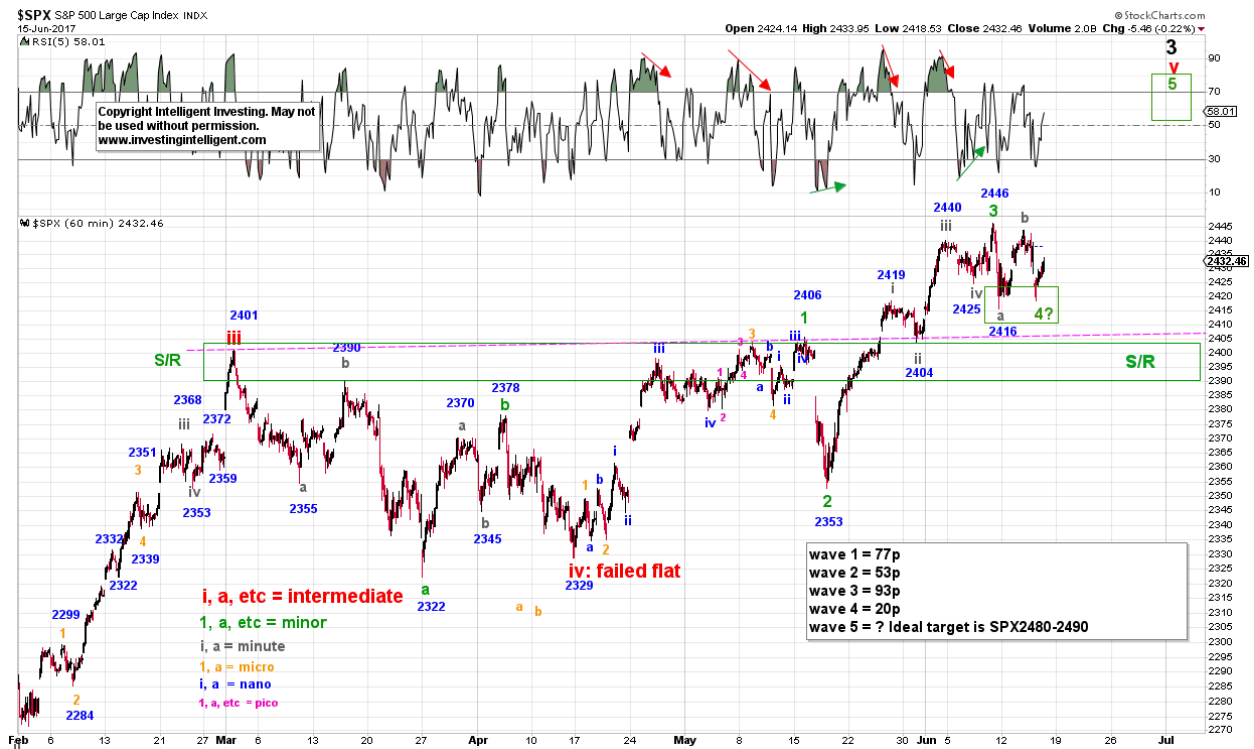


Today the market threw a curve ball, but as said yesterday “A break below SPX2416 without making new highs first jeopardizes the Bull count.” Today SPX2416 held, and we may in fact be dealing with (another) flat correction: minor-4 (SPX2416-2444-2418). Figure 1 shows the preferred count. This used to be our 1st alternate count, but today’s price action makes it the preferred as long as SPX2416 holds. In fact, as long as price remains above SPX2406, minor-4 can still drop a little lower without invalidating anything. Before the Bears get too excited, there’s still a lot of support: the rising dotted pink trend line and upper S/R green region.

Figure 1. SPX 60 min chart: minor-4 become a flat?



Thus keep an eye on SPX2426 and SPX2406 to tell a larger correction is underway. A break over SPX2444 is now needed to ascertain minor-5 is underway to our ideal target zone of SPX2485-2500.

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Despite today's price action at the open, the daily A.I. on remains on a non-ideal buy. The RSI5, MACD and MFI are pointing down, but price is still above the 10d to 200d SMA; and the 20d SMA held perfectly as support today. Price lost short term trendline support (dotted pink line) and as such the EDT we discussed is now our alternate count, and this formation projects SPX2465ish. In addition, price is still above the red up trend line as well. The newly added trendline connecting with the February 2015 price high shows price stalled right there the past few days, and a break above it would be a bullish signal. Currently it is at around SPX2440.

Figure 2. SPX daily chart: price remains above all important SMAs and trend lines, TIs are now a mixed bag.



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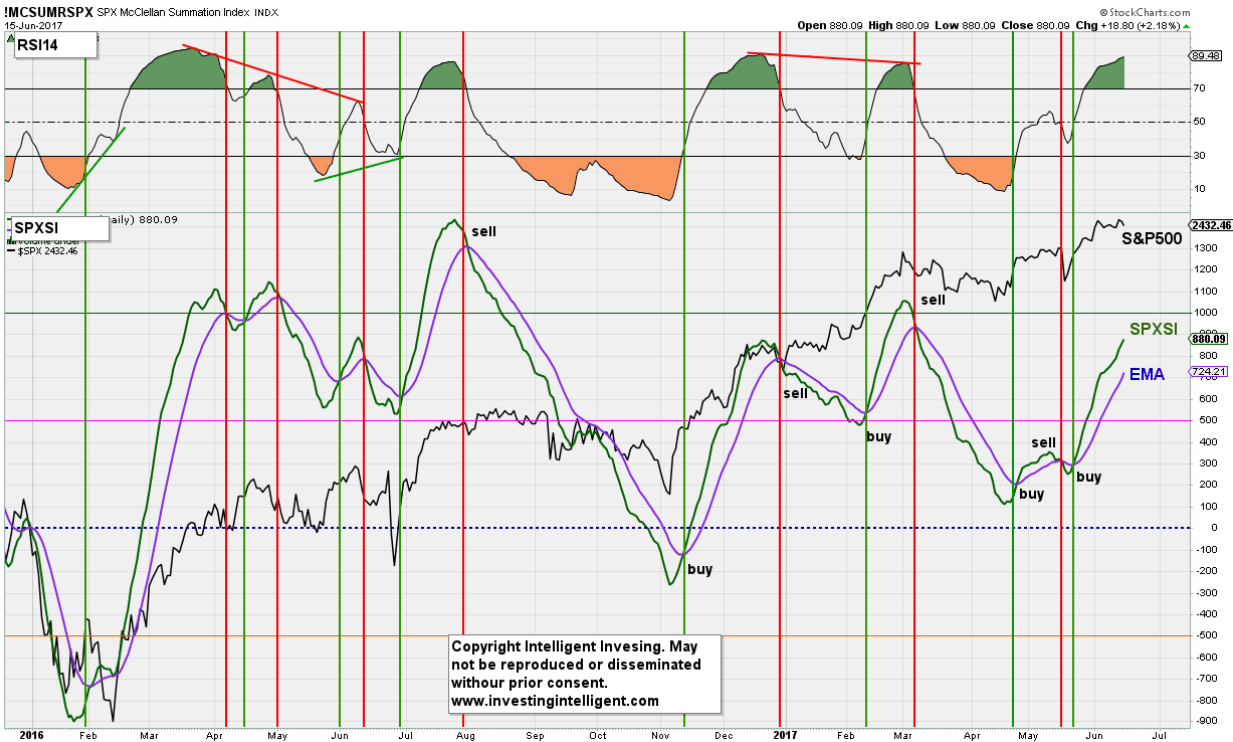
Today didn't change anything to the DOW JONES' daily chart either. Price found support at the blue uptrend line and as long as price is above it, the trend remains up. This level coincided nicely with the 100% extension The A.I. and MACD remain on a buy/long, though the RSI5 and MFI14 are now pointing down. Resistance is at the green dotted tendline, connecting with the green minor-1 high.

Figure 3. DOW JONES daily chart: price remains above all important SMAs and trend lines, TIs still strong.



The McClellan Oscillator based Summation Index for the S&P500 (SPX-SI) continues to gain as market breadth remains positive on the S&P500. It therefore remains on a buy/long signal. Indeed, market breadth deteriorated today (ending at +19), but it is still positive: more stocks continue to advance than decline. Thus, the same story continues: **As long as the SI remains on a buy/long signal, buy/long it is until it isn't. No need to front run, and/or interpret differently. This is what the chart tells us. Pure and simple ☺**

Figure 4. SPXSI continues to be on a buy.



In conclusion: As stated before “SPX2455-2475 remains our next target unless price breaks below SPX2416 first”. Today price came close, but no cigar. It was however a curve-ball, but likely minor-4 is developing into a flat correction, which may have ended at today’s low. A break above SPX2440 will be a first sign of minor-5 to ideally SPX2585-2500 underway. A break above SPX2444 will confirm minor-5. Note an EDT can still be developing (especially with weak tech and strong cyclicals that cause the hybrid S&P500 to be stuck in 3rd gear for now). As such a break below SPX2416 is needed to unlock SPX2406, but before the Bears get too enthusiastic: strong support remains at SPX2405-2390.

ALOHA

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