



There is nothing more deceptive than an obvious fact. -- Sherlock Holmes: The Boscombe Valley Mystery

Chart1 is my wave count of completed short-term five wave pattern in the futures that I referred to in the 04/07/08 report. This led me to conclude that the five waves down were probably part of a larger motive pattern since we were well short of our expanded flat target. The Fibonacci symmetry supported this deduction at the time; however, the subsequent price action does not, and we must turn our attention to clues elsewhere.

Yesterday we tagged the regular flat target from our prior report, but I cannot interpret the completion of a five wave motive count at that juncture either.

Chart1 (24hour futures)



Something else is afoot. I can identify motive waves, but I cannot identify a compound motive wave that supports the *C wave of a flat* thesis.

We have to abandon our flat thesis altogether and return to the last, best, clue and pick up the trail from there. Referring to **Chart2**, that is the motive wave from X to A ending at 1380. That in turn is followed by a clear 3 wave pattern down to B.

With the perceived flat thesis eliminated, my mind is clear to immediately grasp the bizarre balance of symmetry created by another A-B-C ending diagonal which completes the double zigzag combination! Eureka!

The 2nd half of the double Zigzag is a bit more than a .618 ratio of the 1st half; a good ratio.

Chart2 (Double Zigzag complete)



With the sudden realization that the double Zigzag has completed, my mind jumps to the nature of the price action down from C. As I mentioned in a past report, it is critical to determine if the primary downtrend resumes after the completion of the double zigzag.

Does the fact that I cannot interpret a compound motive wave to support a flat C wave mean that it is equally unlikely that a compound impulse wave has kicked off the downtrend? At first blush, based on preliminary ratio analysis of motive waves completed; probably. However, further study is required.

Summary:

The flat was a red herring. The double zigzag is complete. It appears that we are in the midst of a combination corrective pattern down from the recent high, the nature of which I have yet to determine. It is possible however, that the downtrend has resumed. It is there, where I will focus my lens.

TMD/DW

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