



Price is close to a sizeable bounce. I don't think we get through 93600-93900 without one. 93635 is the most common extension for wave (5), but 93930 is the .382 retracement of the entire move off the low on 10/26/08, up to yesterday's high (Far right column). Also note the rising 200 period moving average. A triple confluence of support and a probable ending wave count.

I have identified a probable bounce zone based on the most common 4th wave Fibonacci retracements, but technically it can go all the way to 98189. Notice that the 20 period ma (orange) will probably be in the zone before price gets there and is a common retracement level as well.

60 minute S&P e-minis



Once I have wave 4, I can fine tune wave 5. I am showing a hypothetical pattern based on a .382 wave 4 retracement (most common), and the two most common wave 5 extensions. A .382 5th wave extension would bring price right back to the same .382

retracement level of the low to the high, to test support again (assuming wave 3 ends there).

Note that a .618 wave 5 extension is in close proximity to the .500 retracement level of the entire move off the low to yesterdays high (far right column).

It occurs to me that most or all of this process could occur overnight. If so another bounce follows wave 5, back to the area of the wave 4 zone if we get to 92276 for the 5th wave.

97375 is the most common retracement of 5 completed waves if wave 5 ends at 93898.

Failure of this thesis favors the downside.

TMD/DW

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