



March 10, 2010

Stock markets go up, then down, and commodities fall.

Today was almost a carbon copy of yesterday in the U.S. stock markets. As such, there was a lot of whipsaw action on several charts.

Gold lost \$14, after going up overnight by a few dollars, and had been in a bullish pinbar setup. Turns out the bulls didn't have the strength to push it up after all.

Oil did something similar, as it finally broke out of the 80-82 USD range it had been in recently. This was going to be the much waited push forward we had been waiting for. By the end of the trading session in New York, we saw prices reaching the 83 USD handle, only to end up losing 24 cents by the end of the day. The bulls didn't hold up pricing, even though there was a fundamental release that had more oil drawn from reserves than estimated.

The Dow Jones Industrial Average ended up only 3 points at the end of the day, after being up as much as 40 points earlier.

Many commodity currencies followed suit, as one would expect. I have been short the NZD/USD pair for quite some time, keeping a core position, and scaling in and out as needed. Today has printed a nice pinbar at the .7000 handle. Certainly, there is something the Kiwi is trying to tell us?



As you can see, the .7000 handle for the Kiwi has been formidable, and it seems it will continue to be. I am still not interested in being long of the Kiwi Dollar. It is certainly worth mentioning that the Australian Dollar is hovering at 1.30 against the Kiwi, which is a ten-year high.

One should also take note that the Australian Dollar and Canadian Dollar both printed pro-USD pinbars today as well. It could be a tough day for commodities tomorrow.

I still am waiting for Gold to come to my spot.

I have been flat Gold for months now. I cannot tell you how tempting it has been to try and jump on the bandwagon, but I have a specific entry point I am waiting for. That point is \$1,000 USD per ounce. If you take a look at the attached Gold chart, you can see we had a huge triangle that broke out, and now it's time to see if that \$1,000 former resistance will hold as support. As much as it's tempted me, I have held still, and will continue to do so until I see either a continuation that I can believe in, or even more importantly: \$1,000.



If you measure the triangle that the Gold market broke out of, it is \$300. So in theory, if \$1,000 holds as support: \$1,300 *should be in the cards*. In my big plan, this is the trade I am looking for. I will more than likely add as I go.

I should also point out that we are presently trying to test a trend line. (Just extend the bottom line of triangle.) If we bounce hard from it, I might never get my \$1,000 price tag. History shows us however, that more than likely, I will get my entry.

It just comes down to how patient I can be. That's normally the case in trading.

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If you enjoyed this letter, take a look at the private group. Also, you can contact the author, Chris at the below email address.

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