



Market Rhythm Weekly

A WEEKLY NEWSLETTER COMBINING
TECHNICAL ANALYSIS & FINANCIAL ASTROLOGY

November 21st 2010

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Jesse Livermore through the eyes of Financial Astrology Principles:

"Nowhere does history indulge in repetitions so often or so uniformly as in Wall Street . When you read contemporary accounts of booms or panics the one thing that strikes you most forcibly is how little either stock speculation or stock speculators to-day differ from yesterday. The game does not change and neither does human nature . " Jesse Livermore

"The price pattern reminds you that every movement of importance is but a repetition of similar price movements, that just as soon as you can familiarize yourself with the actions of the past, you will be able to anticipate and act correctly and profitably upon forthcoming movements." Jesse Livermore

William James—a great quote on life . With this in mind , which planet energy are you focusing your mind to use today ?

"The greatest revolution of our generation is the discovery that human beings, by changing the inner attitudes of their minds, can change the outer aspects of their lives."

"In the **land** of the **blind**, the **one-eyed man** is **king**." Meaning: There are situations, where **even** a little knowledge will provide great advantage (Irish Gaelic proverb)

Week Ahead Summary

In this report , you will see some positive changes . I am always working on improving how the report is presented and I think this will be a big step forward and a long time coming .

5 15 1M 3M

What you will find on pages 4 to 6 in each sector report is a box as shown above that will give you a quick glance as to the trend of the Index or ETF over 4 time frames .

Just to be clear , this is not something that is provided by a software . There are a few companies like Nirvana that do generate something similar , but the format I use is completely proprietary and can pretty much assure that no one out there has it .

That being said , I decided to come up with a way to chart it in a box as shown above :

5 - "5 day Signal " Represents the shortest time frame . Equal to a 3-15 day Signal .

15 - "15 day Signal " Represents the next larger time frame . Equal to a 10-40 day Signal

1M- "1 Month Signal " Represents a period equal to a 20 - 50 day Signal

3M - "3 Month Signal" Represents a period equal to a 2 - 6 Month Signal

Disclaimer : All information provided in this report is provided with reliable intent however no claims of future accuracy are being made , nor can projections be guaranteed . Reliance of information in this report is at the sole risk of the reader .

Week Ahead Summary Continued from page 1

The boxes are individually colored to get the best effect and a quick visual .

Red means the Signal is negative and price is weak or falling

Green means the Signal is Positive and price is strong or rising

Blue means that this is a Change of Trend Warning - if trend was Positive , it could soon turn Negative and vice versa .

5 15 1M 3M

As an example , using the above trend Banner , the indication are that the short to medium trend of this hypothetical stock would indicate a negative trend but that the longer term 3-6 month trend is still positive . We could conclude that the current pullback is within a larger rising pattern and would be looking for a set up to go long again once the short end started to turn positive again . As long as the long remained positive at the swing lows . Make sense ? More detail will be found within the dialog box of each sector , such as what price the long term trend would also turn negative or if relevant in the coming week , what price the short term signal would turn positive .

5 15 1M 3M

As an example , the banner above is taken from the Natural Gas section on page 5 , based on the latest numbers as of Friday.

As you can see , the short term is positive and the medium to longer term trend signals are Blue which indicates that we are on watch for a new signal . The Medium and Long term signal were both Red (negative) for a long time , now they are Blue and this now becomes a prime candidate for a long position trade . It is most likely to turn the long term trend to positive with any further rise in price in the coming weeks .

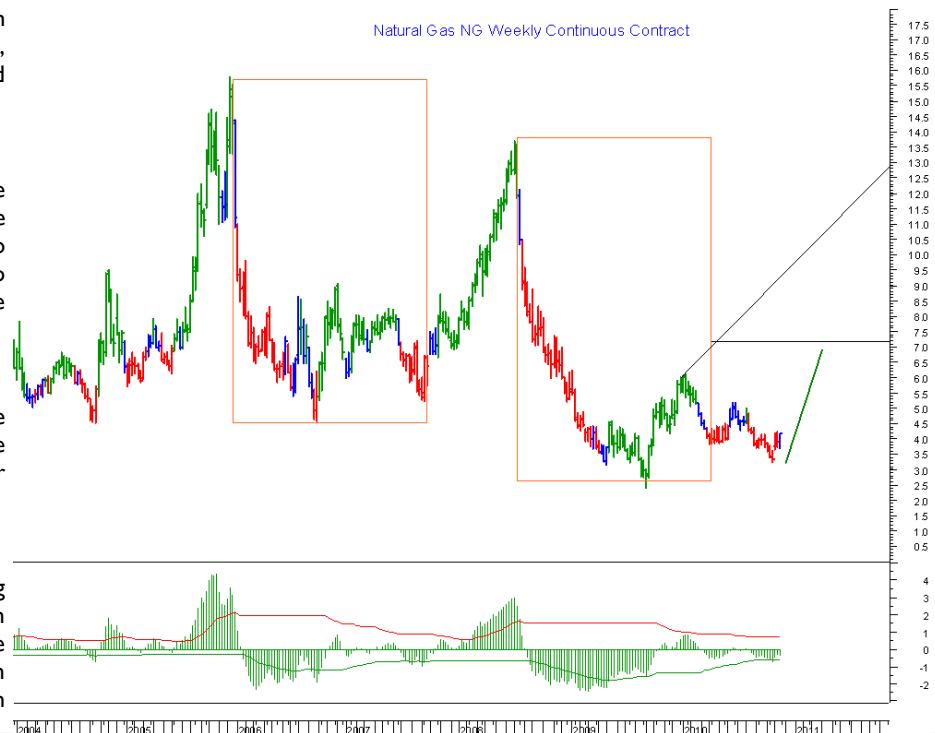
This system will help keep me out of trouble and onside of the trend and in the trade for a longer period . I hope it helps you by giving you a clearer picture .

On the chart to the right . I have plotted Natural Gas's 1M chart and as you can see the last bar is showing a Blue trend , which is a warning that a change in trend is possibly setting up .

Both the 5 & 15 day trend signals are already Green , indicating that they are already in a bull set up and the 3M is also blue indicating that it too , is in a set up where it could go green should price push further upwards .

The oscillator on the bottom part of the chart shows a narrowing of the range which is normally a precursor of a larger move .

Given that Natural gas has been trending down since 2008 and that the lows in 2009 came with a positive Divergence with the Oscillator , meaning the low in price came with a higher low reading in



Week Ahead Summary Continued from page 1

the Oscillator . As I've stated before , the low in sentiment was expected to occur between October 2010 and July 2011 based on the astro indications for Natural Gas but that the actual lowest low in price was expected in 2009 and occurred September 2009 .

This is why we remain long Nat Gas at the moment .

In other sectors , Stocks are still showing quite bullish trends at the moment but the short end is now showing deterioration and I expect the long end to follow suit on further weakness .

To repeat the 3 things I expect to see :

1. I do not expect to see the markets trade above the April highs for very long .
2. I do expect that we will retest the July lows .
3. I do expect we will get another strong sell signal within the next 10 trading days . (Written November 4th)

Time shall tell ,

The astro factors for the coming weeks is indicating that there will be stress . We've just finished a window of time last week that was more favorable to optimism and was one of the key reasons why the markets did not fall more then they could have without these aspects having had their influence .

From the looks of it , I tend to see a period into Mid December that tends towards a more negative flow of news and with that prices will be pulled lower .

The Euro is not out of the woods yet and see it coming under further strain and on the opposite side , the US Dollar is setting up for another swing higher .

The short end of the trend signals are already showing us clues as to where the longer end will trend towards in the coming weeks.

Hope this new report format is something you find easier to read and understand and if so send me some feedback .

See you next week

Next report will be posted Week of November 23rd 2010.

Aspect	Date	Time
☾♁♂	11-23-2010	00:22 am
☾♁♀	11-23-2010	03:25 am
☾☐♂	11-23-2010	08:40 am
☾☐♁	11-23-2010	01:04 pm
☾☐♁	11-23-2010	02:24 pm
☾☐♁	11-23-2010	04:57 pm
☾♁♁	11-23-2010	08:14 pm
☾♁♀	11-24-2010	03:24 am
☾☐♂	11-24-2010	09:05 pm
☾☐♂	11-25-2010	09:19 am
☾☐♂	11-25-2010	01:51 pm
☾☐♁	11-25-2010	07:19 pm
☾☐♀	11-25-2010	10:44 pm
☾♁♁	11-26-2010	01:01 am
☾☐♁	11-26-2010	08:15 am
☾☐♁	11-27-2010	01:36 am
☾☐♁	11-27-2010	08:14 am
☾☐♁	11-27-2010	03:35 pm
☾☐♁	11-27-2010	09:27 pm
☾♁♀	11-27-2010	09:49 pm
☾☐♁	11-27-2010	11:05 pm
☾☐♁	11-28-2010	03:30 am
☾♁♁	11-28-2010	04:34 am
☾☐♁	11-28-2010	11:38 am
☾☐♁	11-28-2010	03:37 pm
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☾☐♁	11-30-2010	07:11 pm
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☾☐♁	12-02-2010	05:01 pm
☾☐♁	12-03-2010	09:01 am
☾☐♁	12-04-2010	02:29 am
☾☐♁	12-04-2010	06:18 am
☾☐♁	12-04-2010	07:14 am
☾♁♁	12-04-2010	01:00 pm
☾☐♁	12-05-2010	12:37 pm
☾☐♁	12-05-2010	03:17 pm
☾☐♁	12-05-2010	07:32 pm
☾☐♁	12-05-2010	08:15 pm
☾☐♁	12-06-2010	07:28 am
☾☐♁	12-06-2010	11:18 am
☾☐♁	12-06-2010	12:14 pm
☾♁♁	12-06-2010	04:47 pm
☾♁♁	12-06-2010	06:17 pm

A look at the major Stock Market Indices and related ETF's

Dow Jones chart pg 7. 5 15 1M 3M

The Dow is still expected to see a drop back towards the 8900-9200 level with possibilities of reaching as low as 8100-8400 as our objective targets in 2011 .

The short term signal has already gone negative and a move below 10500 would trigger the medium term signals to also go negative .

Short term : The benefic aspects of the Sun to Jupiter and Uranus as we exited the week helped to support the market into Option Expiration .

Now that this is behind us and both Jupiter and Venus are now Direct motion as of Thursday , the euphoria should begin to come back to earth .

The next key window appears to be when the Sun will form a square to Jupiter /Uranus in Mid December . Likely a low point .

Strategy: We remain short the DIA ETF in the sample portfolio .

We are Short DIA See portfolio age for details

S&P 500 chart page 7 5 15 1M 3M

The outlook for the S&P 500 is for a move to the 960 area , in order to complete a multiple pattern target that has formed all year .

Currently the short term signal line has gone negative and as long as we stay below \$1235 , the Medium tern signal will be triggered with a move below \$1160 in the next week or so .

Short Term : Signs continue to point towards further price decline ahead and still expect that we will test 960 area in 2011 .

Strategy : We remain short in the SPY ETF in the sample portfolio,

We are Short SPY See portfolio age for details

Nasdaq : Chart at bottom 5 15 1M 3M

The April reversal is still very much important to us for the long term outlook and given the November 8th Time resistance reversal has caused an initial reaction in price , I expect this will develop into something larger . November 18th had aspects that describe a theme of lavishness , overvaluation and lack of discipline . Currently the picture is starting to weaken and will require a move below \$2400 to trigger the shorter end of the curve to negative . \$2200 is the line in the sand for the longer term signals . I expect that we will see a gradual deterioration in the coming weeks. We are still forecasting Nasdaq to fall below \$2050 but will likely have to wait until 2011 unless something dramatic happens very soon .

Strategy: remaining short tech in sample portfolio .

QQQQ ETF (Chart page 8) 5 15 1M 3M

The short term signal has turned negative and below \$51 and this would turn the medium term signals as well . The approach in the coming weeks is that we expect a break of \$51

Targets between \$45.50 and \$47 are penciling out with much lower targets coming out once we get below \$45 .

Price would need to get back above \$55 in the short term to turn the short term signal up , something I do not see happening just

yet.

Strategy : we are still short the QQQQ's in the sample portfolio .

We are Short QQQQ's See portfolio age for details

SMH ETF (Chart page 8) 5 15 1M 3M

So far the November 5th time resistance has proven to be a problem for the SMH rally on the short term signal .

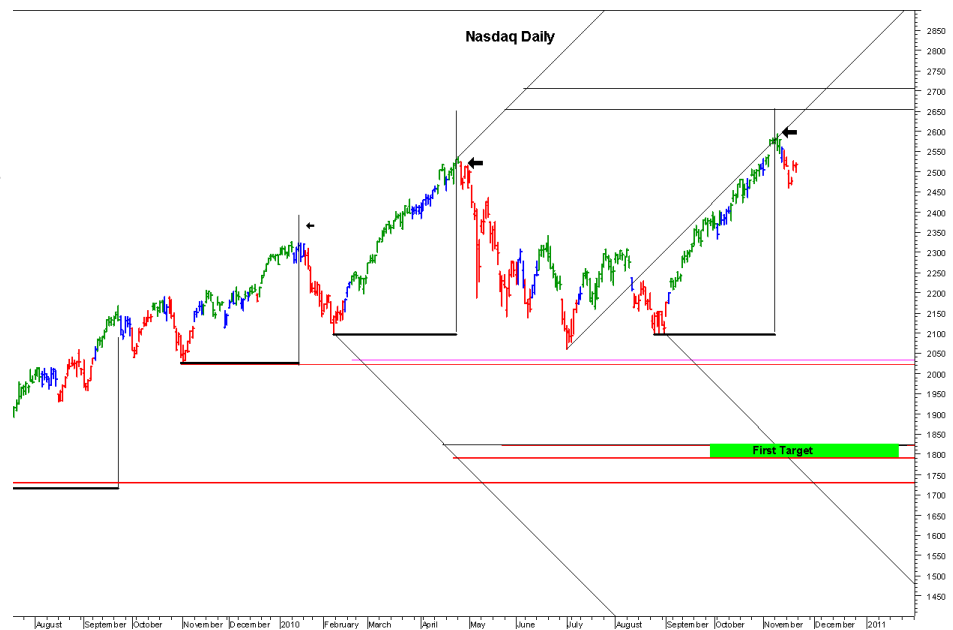
We need to see a move below \$29 to get some form of confirmation that we are going to see a retest of the \$26 -\$27 area which I am expecting based on prior declines from highs in 2009 and 2010 .

A move below \$26 would trigger a reversal in the medium term time frames . This level will rise to \$28 in December .

We are short in the Sample Portfolio .

Strategy : We are short the SMH ETF in the sample portfolio .

We are Short SMH's See portfolio age for details



A look at Oil and Energy Index

Oil Chart Page 12

We have multiple targets aligning with \$60 which will now begin to act like a magnet .

Short term : The moon swings have changed in the last month and are coming early .

Suspect that weakness is setting in and will cause the long term trends to go neutral in the weeks to come .

Strategy : Cycles are turning lower , expecting price to push below 78 shortly.

Nat Gas UNG ETF

NG Natural Gas We remain long . The Longer term down cycle end point based on the astro chart targeted the **time band between October 2010 to June 2011** which we have now entered . However , the low marked in **September 2009 is still expected to mark the lowest price low** for this long term down cycle .Meaning the lowest low has the highest probability of already being priced in . We're still targeting Natural gas to rise above \$7

Strategy : remaining long the UNG:ETF— We are long UNG See portfolio page for details

XLE ETF page 12 .

We will look at this sector again late in 2010 /Spring 2011 when prices are expected to form an important Swing low .

For now we still continue to expect prices will fall back and test and most likely break below \$50 in 2011

Short term : Short term signals starting to weaken , which will slowly trigger the longer term signals towards neutrality .

Strategy : I still see a chance to buy it again below to \$50 in 2011. Remain sidelined for now .

A look at Bonds

30 Year Bond page 9 .

A move below 119 would confirm the outlook that 2008 & 2010 will mark important long term highs. Price peaks were expected between September 2010 and January 2011 to mark lower highs below the 2008 highs and hold over the next 5+ years. The next 12-24 months will show that this current up leg from 2009 was not sustainable .

Short term : Jupiter and Uranus aspect is exact twice into new year : Sept 17-18th and then the final Jupiter /Uranus conjunction comes Near January 9-10th 2011 . Watching and waiting for technical setup .

It was mentioned that \$136 –138 was not out of the question for a High before reversal

Strategy : Still expecting to see one last attempt to push prices up as we move towards the next Jupiter Uranus aspect in January 2011 .

TLT bond ETF .

The long term Indications in terms of astro forecast continues to show signs that this overall trend in price is close to a long term peak and we will trend lower over the coming years .

The trend up could have been completed from the 2009 lows which was expected to see final high between September to January . One more push upwards is expected into the new year .

Short term: TLT failed to hold 98 which was key .The next rally expected into January will show what strength if any the bond market has left In it .

Strategy: Bounce rally is still coming into year end but likely to a lot weaker than originally expected . This should be the final leg up of the larger picture .

A look at Currencies

Us Dollar UUP:ETF

Chart page 9 . We're long the US Dollar using the UUP:AMEX ETF . We're looking for the Dollar to continue to gain strength in the coming weeks with expectations that we will see the dollar back above 83 again shortly . Target for this move off low should take it above 87 once again.

Strategy: Long the US Dollar using the UUP:ETF . We are long UUP See portfolio page for details

under increasing scrutiny and is under pressure as expected.

Astro wise , indications are that the Euro-zone should continue to see deteriorating conditions until year end . We remain short the Euro

Strategy: Expecting to see a change in trend on the longer end from Bullish back towards Neutral or Bearish before were done . .

We are short FXE See portfolio page for details

continue to languish in the low to mid 90's in 2010 . It is likely we see the Cnd Dollar drop below 90 as the economic numbers begin to show continues deterioration . Continue to stand aside .

Strategy . Continue to stand aside , Cnd expected to remain weak.

YEN FXY :ETF

The Yen Is finally starting to show weakness . Looking for a year end high once Jupiter/Uranus energy has elapsed September to January 2011 .

Strategy: – Looking to short after next bounce .

Euro FXE:ETF

The Euro managed to climb to new rally highs on November 4th while Venus turned retrograde . Since then the Euro has come

Canadian Dollar FXC

No change in the Canadian Dollar outlook . The Canadian Dollar is expected to

A look at Biotech

Biotech ETF page 10 .

5 15 1M 3M

The BBH has held above the lows since June and expect these lows to be retested in 2011.

For now, the short end of the trend is weakening and expect the longer end to

take a little longer before going neutral .

The price of the BBH ETF is channeling in an upward bias . It will take a move below 95 at this time to turn the trend lower .

Strategy: BBH bouncing within large price range between recent highs and lows .

A break below 95 would indicate a push towards 85 expected next.

A look at Financials & Utilities

XLF ETF page 13

5 15 1M 3M

Astro indications for 2010 show financials will continue to be under stress , what looks like into early 2011 .

Expect further problems and pricing pressure to come in the new year . Current resistance near \$16 and target forming near \$12.50 short term .

Short term : XLF tested 10 month support several times near \$13 and expect more testing of the lower range with a breach below support expected in 2011 .

Strategy : We remain short the XLF . The financials should continue to act heavy these next few months.

We are Short XLF See portfolio page for details

Short term : We need another break below \$30.50 to confirm that a larger correction is fully underway .

This will come . For now , no change in long term outlook .

Strategy : We are Short the XLU in our sample portfolio .

We are Short XLU See portfolio page for details

XLU ETF Page 13

5 15 1M 3M

The XLU the long term chart is still indicating a potential for a drop of close to 50% from the \$32 highs over the next 12-18 months .

A look at Gold, Silver & Precious Metals Index (XAU)

Gold chart on Page 10 .

5 15 1M 3M

more back and forth can be expected .

Gold's very long term cycles continue to point higher but that the medium to short term outlook is still indicating more price declines ahead . We will continue to look to add GLD at times of selling panics as the long term trend is still pointed upwards and building a case for a move towards \$2000 or greater on the next major advance.

Currently a move below \$1300 would be needed to confirm this to be a larger degree decline . This would mean that the possibility of a pullback to \$1160 and \$1040 would be the target and yet would not mitigate a much larger move towards \$2000 and higher in the following years .

The bounce in October was expected to find resistance between \$1400 and \$1440 which was hit . We wrote this "Still see strong odds that October 7th-13th was the reversal date for at least 2-3 weeks. " Bingo

Short term: seeing the risk of a move down below \$1200 becoming greater with the latest developments in the price pattern.

Strategy: A move below \$1300 would confirm larger decline . Until then some

Silver's Chart page 11.

5 15 1M 3M

Overall the trends in Silver are still pretty solid . It would take a move below \$24 to start turning the medium trends lower . The short term is already in warning and a move below \$26 again would put in a negative signal . Above \$28 and the short term returns to Bullish.

Astro wise a corrective phase should be seen into December 15 to 20th so watch for further deterioration in the weeks ahead .

Still pointing towards what should be a secondary early January high when Jupiter and Uranus will make their last aspect .

Strategy : Standing aside for now .

Venus entered the Shadow zone and October 8th the day Venus goes retrograde sees one of these dates as an important reversal . September 4th did not pan out and was too early for the other cycles , which left us with October 8th as the next key window .

We would expect a correction at minimum off this turn if past history is any indication and a minimum target of \$180 .

The short term signal is weakening and a move below \$200 would turn the medium trend signals lower . December 20th is the last instance of the Venus Retrograde shadow signals and am expecting to see price head towards \$180 by then

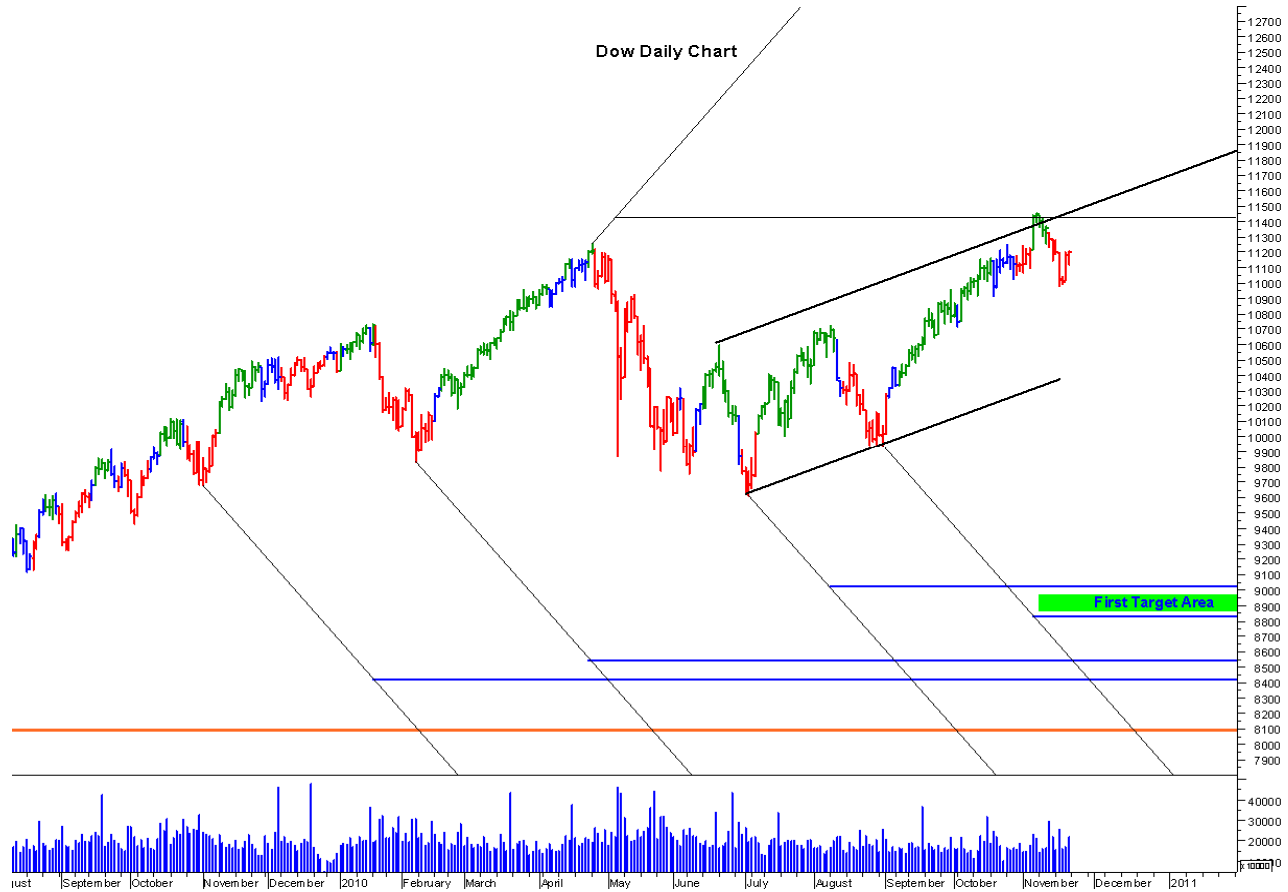
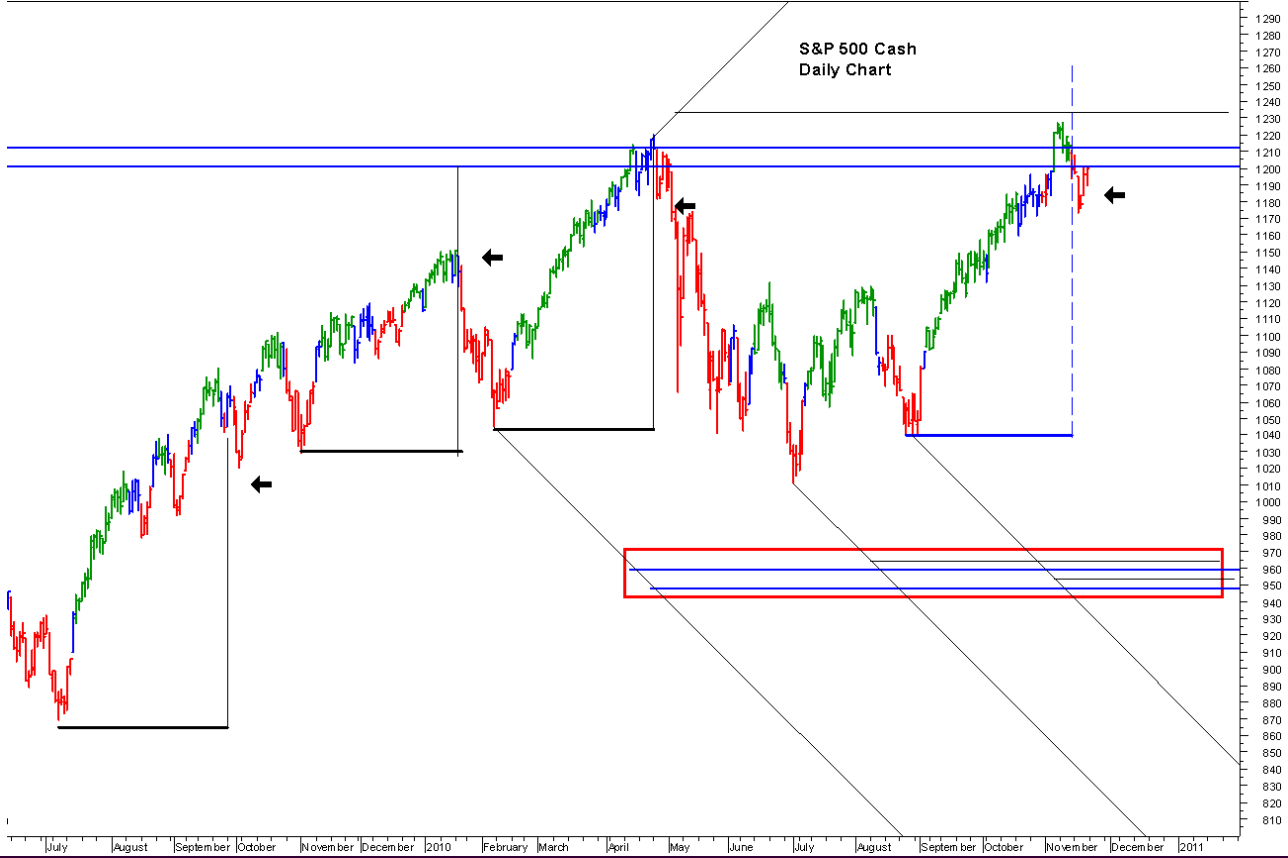
Short term : December 20th is the last window of time for our retrace target of \$180 to be hit

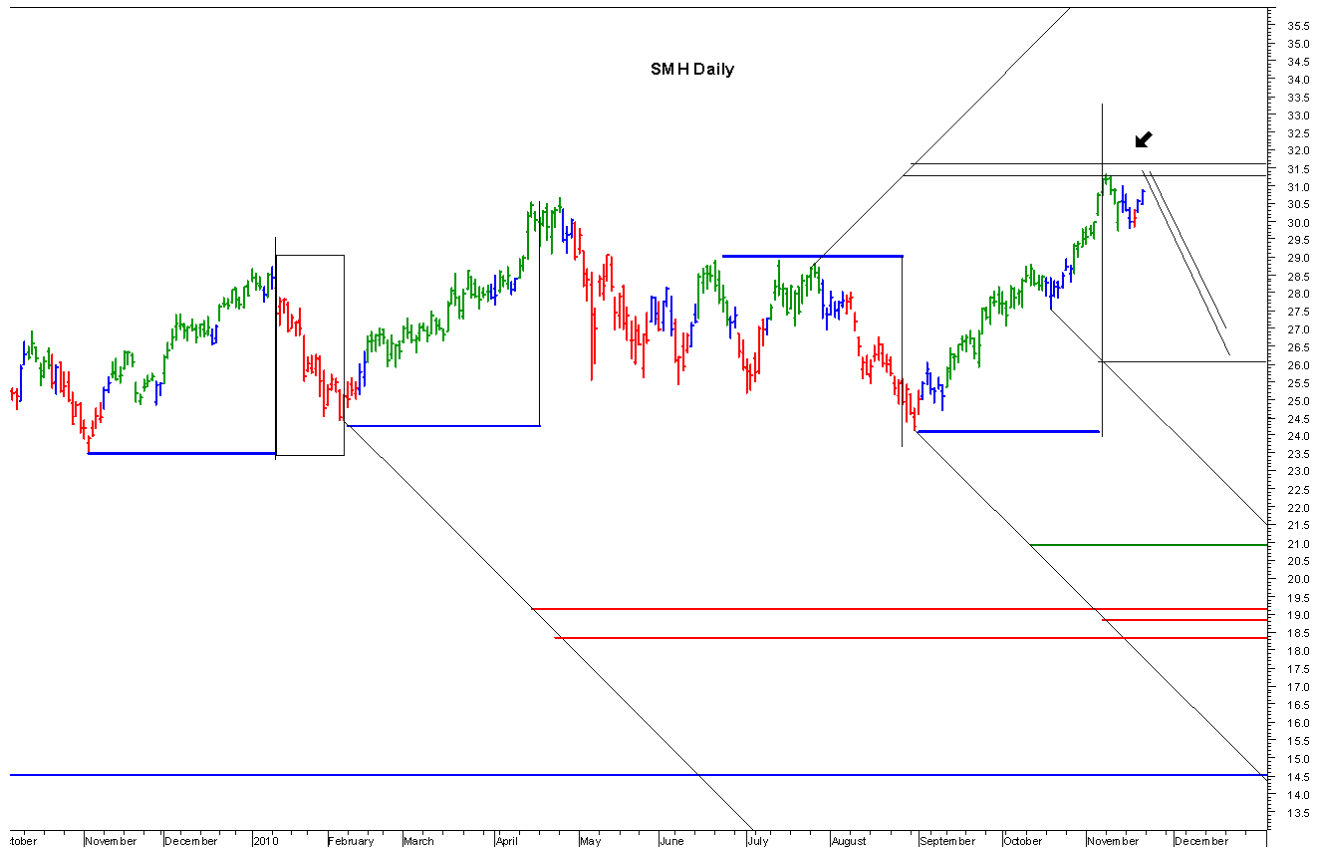
Strategy : Pullback to \$180 seems to be elusive—but not out of question yet .

XAU Index chart page 11.

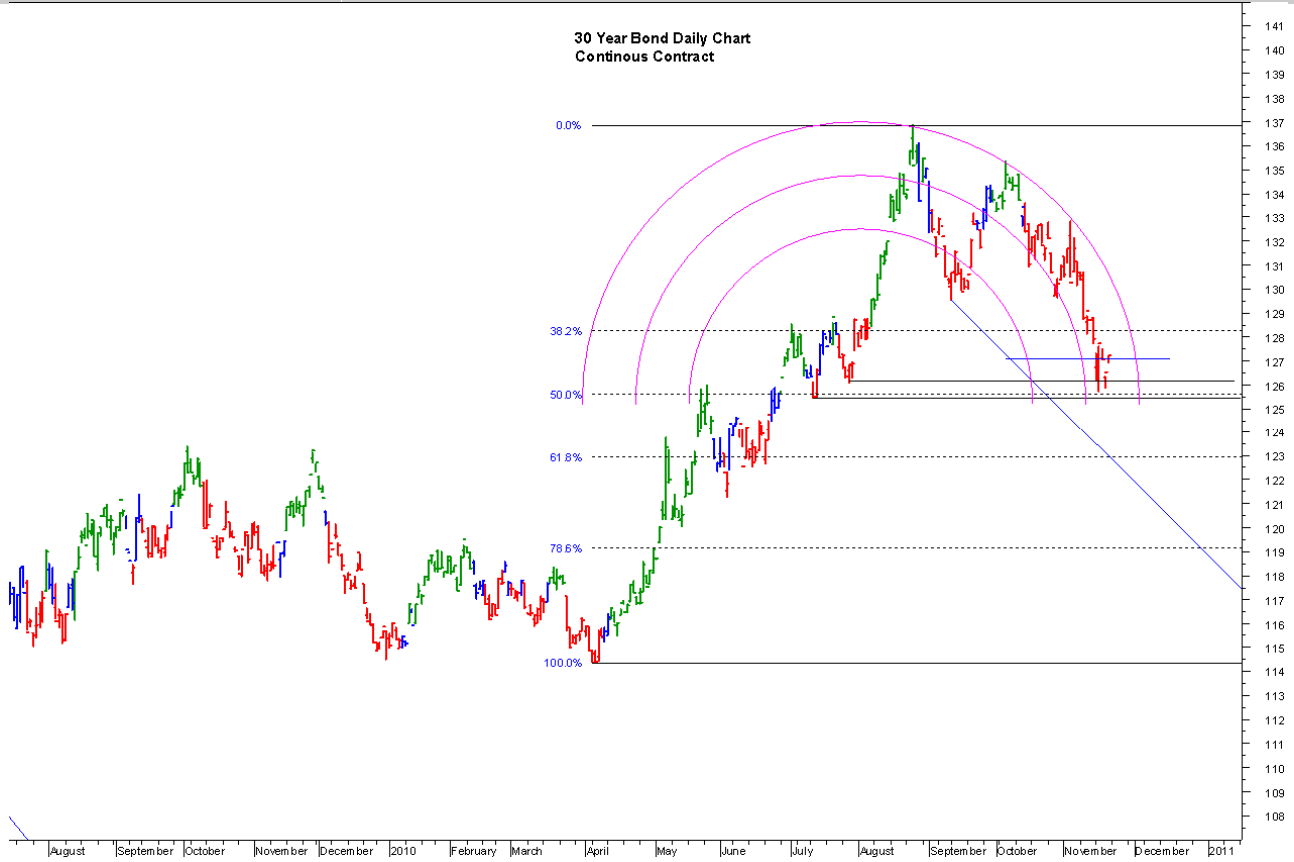
5 15 1M 3M

Typically during the early phase of the Venus Shadow period , the first 2 key time frames , in this case September 4th the day



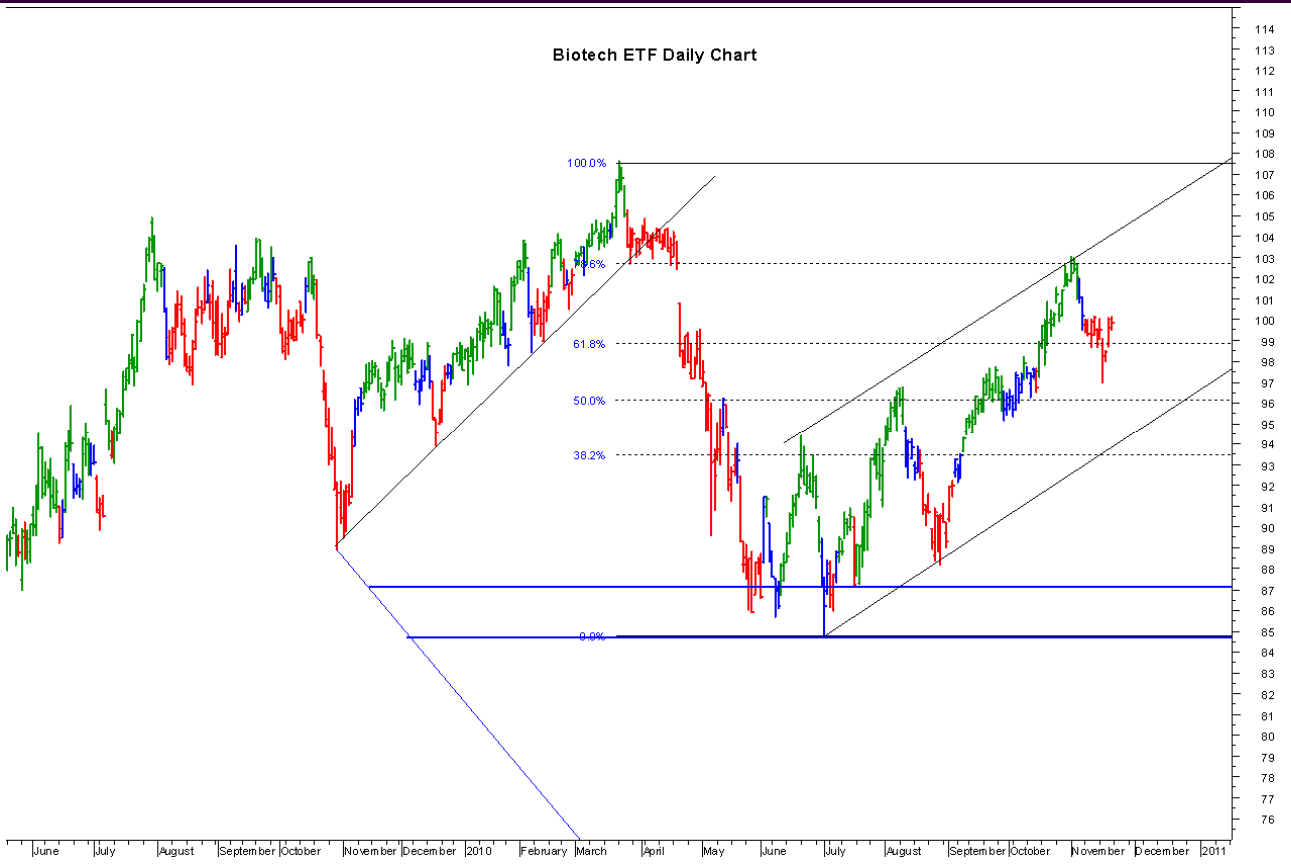


30 Year Bond Daily Chart
Continuous Contract

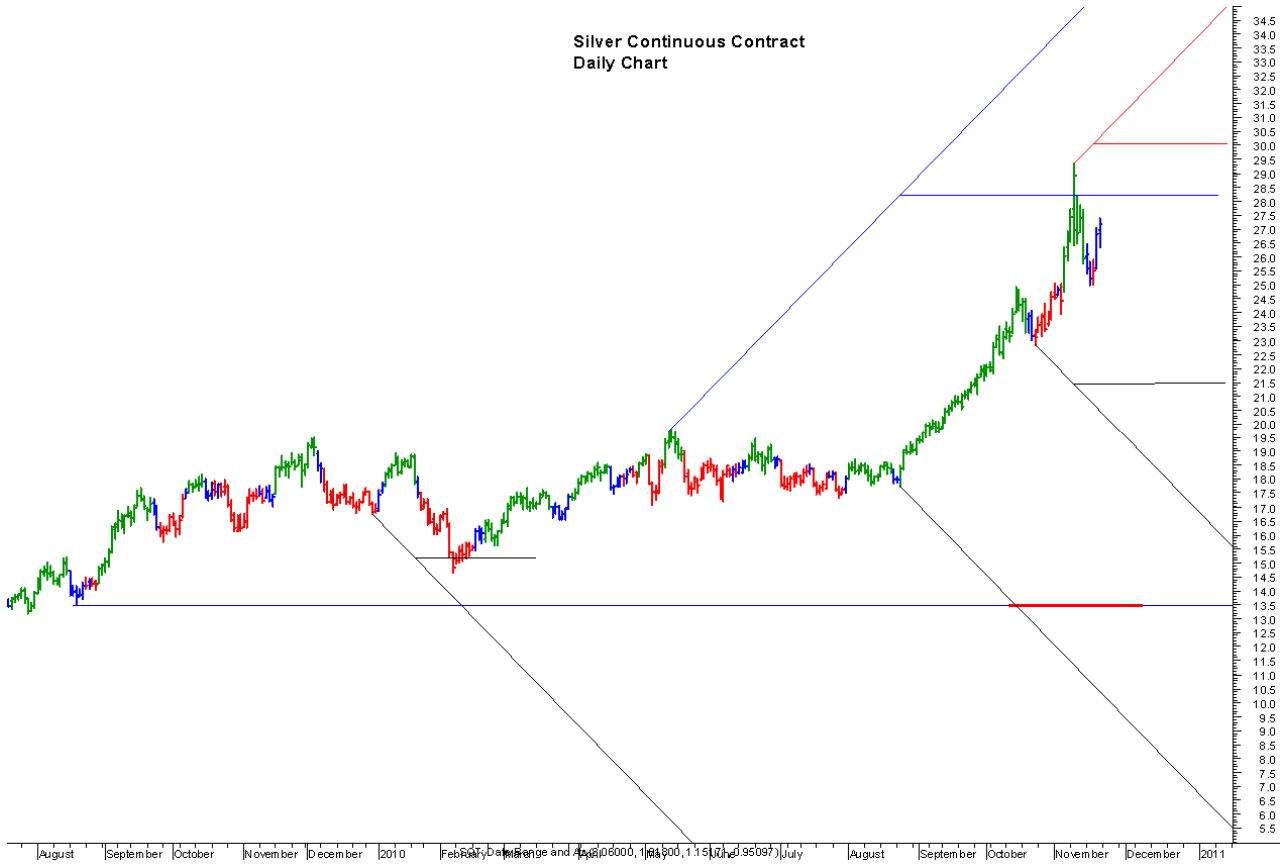


US Dollar Daily
Continuous Contract





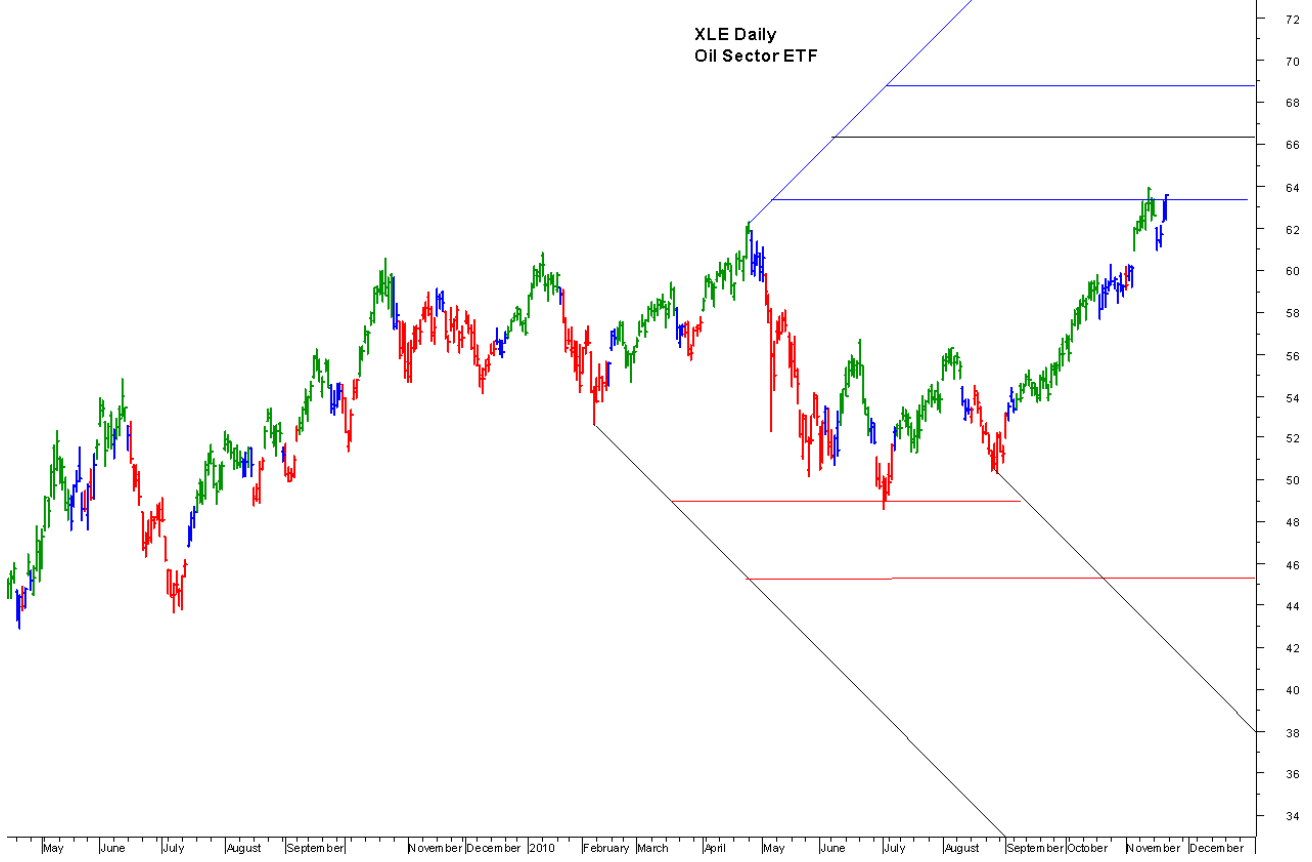
Silver Continuous Contract
Daily Chart



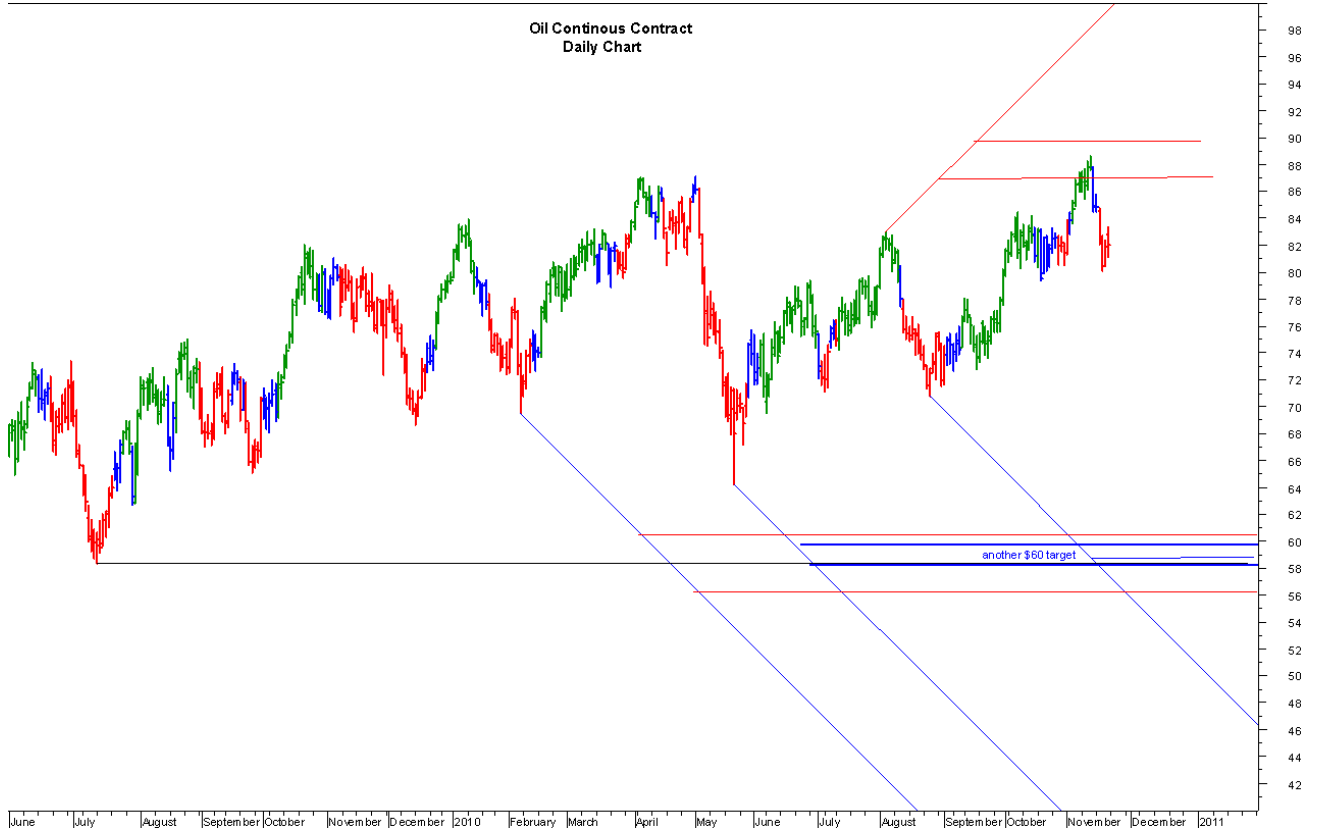
XAU Mining INDEX
Daily Chart



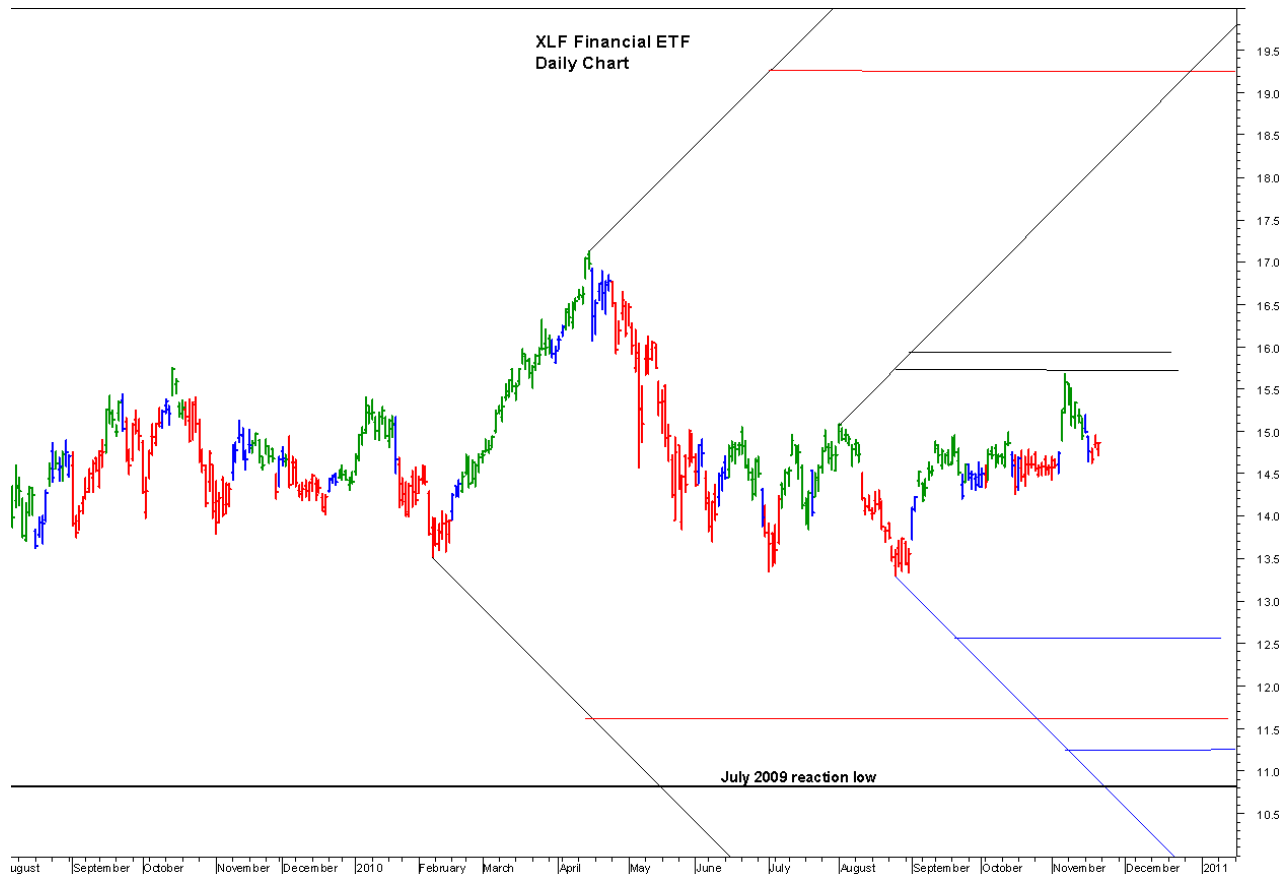
XLE Daily
Oil Sector ETF



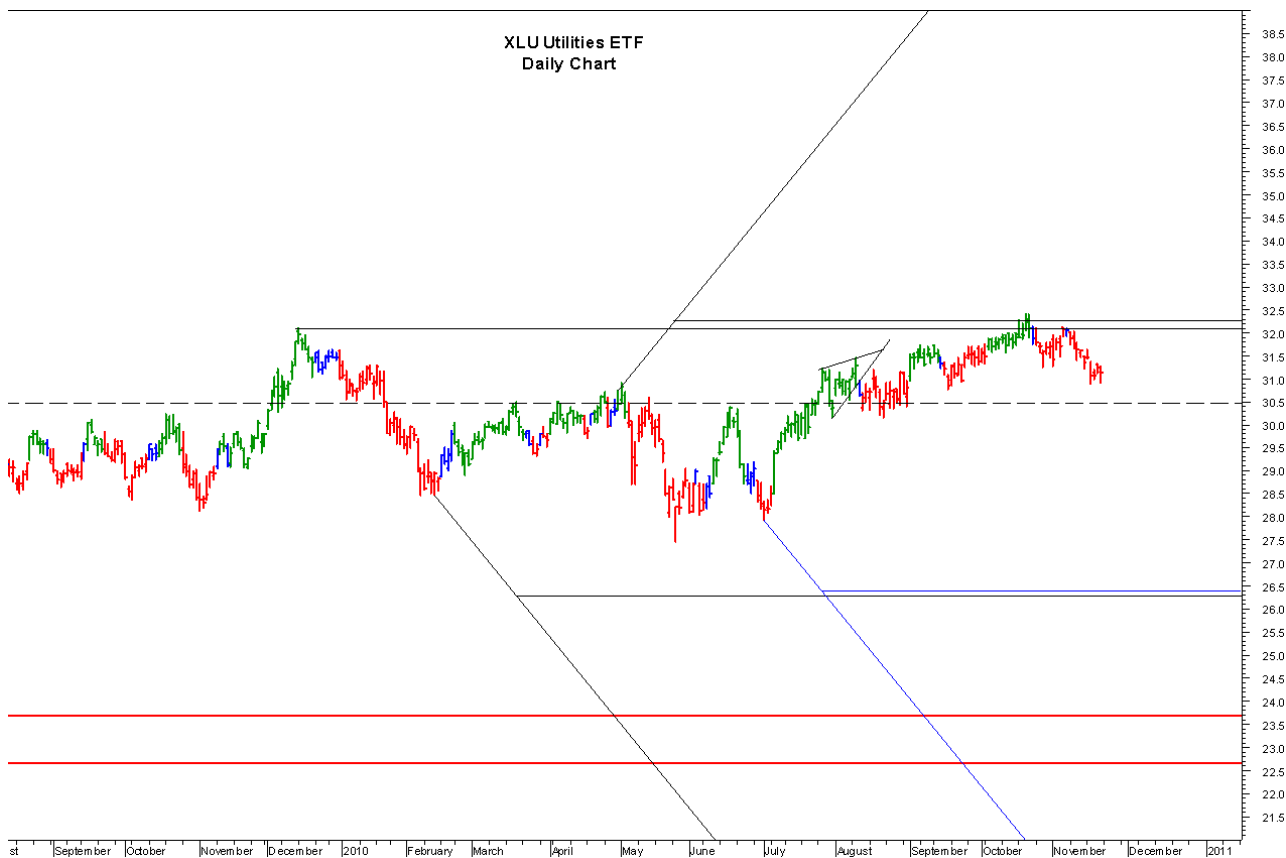
Oil Continuous Contract
Daily Chart



**XLFFinancial ETF
Daily Chart**



**XLUUtilities ETF
Daily Chart**



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We're on the web
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Legend

Trend Banner definitions:



5 = 5 day = a 3-15 day signal

15= 15 day = a 10-40 day Signal

1M= 1 Month = a 20-50 day Signal

3M = 3 Month = a 2-6 Month Signal

Red = Signal Negative—Price weak

Green = Signal Positive - Price strengthening

Blue = Change of Trend Warning

The **Market Rhythm Weekly Report** is available for download each week . It covers the short term outlooks (usually 3-10 weeks) for a variety of market sectors, Major US Indices, Bonds, Oil, Gold & Silver and several ETF's using both technical Analysis and Stock Market Astrology to determine key time frames to expect cycle turns .

This report is used to uncover key turning points in the weeks and months ahead coinciding with a technical setup given within the sector in focus

Special situation alerts are sent by email from time to time when warranted by market conditions .

The **Market Rhythm Weekly Report** costs **\$389 Us /per Year**
Go to link provided to find out more .

<http://www.marketrhythm.com/subscribe.htm>

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