

Just a **quick note on the QQQQ** (Nasdaq 100 etf) as the **market has indeed rallied into key resistance/target at the ceiling of the falling wedge that has been forming since late Jan.** As been warning, these are generally seen as bottoming patterns that resolve sharply higher. Note however, that they break down into 5 legs, raising potential for a final test of the base (currently at just below the Monday low at \$41.05, see "ideal" scenario in red on daily chart below). Note too that the market is also testing key resistance in the smh (semiconductor index, and a favorite leading indicator for me), and adds weight to the view that this resistance area in the qqqq will hold at least temporarily (see 2<sup>nd</sup> chart below). Also, as mentioned numerous times in the past about these wedge patterns, that **good profits can often be made by trading the extremes, and that strategy has been working to perfection.** Bought on the Monday approach of the mid March low at \$41.17/approach of the base (reached \$41.05 before reversing sharply higher). For now, would take those quick profits here (currently at \$43.40) and if shorter term/more aggressive, would even reverse for the base just below the recent \$41.05 low. Initially stop (and reverse on a clear break above the ceiling) but lower stops with the market as this final downleg may never reach the base. Nearby support is seen at \$42.30/35.

Also, I will repeat the longer term comments from Monday's email here....

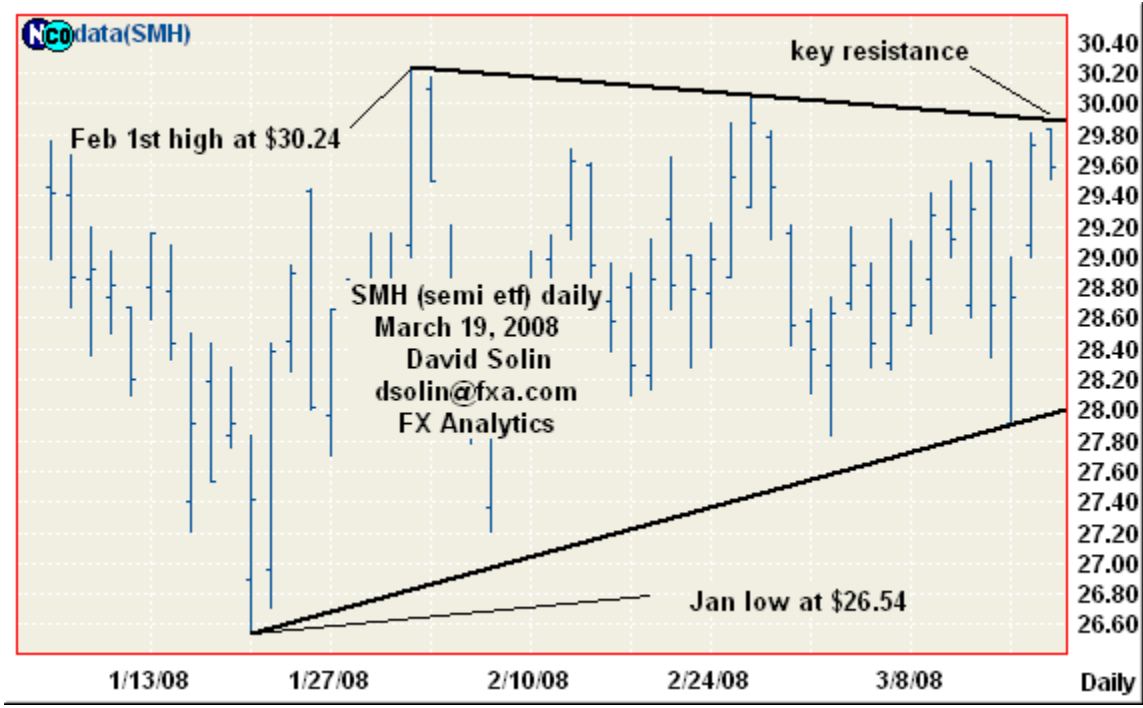
**Longer term**, the bearish view since late last year remains in place (warned of a top for at least 12-18 months). However, an upside resolution of the wedge (see above) would complete the 5 wave fall from the Oct high at \$55.07, and suggest at least another 2-3 months of wide consolidating higher before resuming the longer term downtrend. Note too that the **base of the wedge (above) is also the key longer term** support at a 38% retracement from the Oct 2002 low at \$19.59 as well as the 200 day moving average (see weekly chart below). On a downside resolution of the wedge, this adds weight to the view of a further acceleration lower (likely stops below), and targets eventual declines toward \$37.40.50 (again points to the importance of this support area).

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**\*See intraday scrolling technical comments/blog at [fxa.com/solin/comments.htm](http://fxa.com/solin/comments.htm) , Reuters FXAFX31 (does not include charts) and Telerate 57031. Previously emailed charts <http://www.fxa.com/members/charts.asp>**



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