

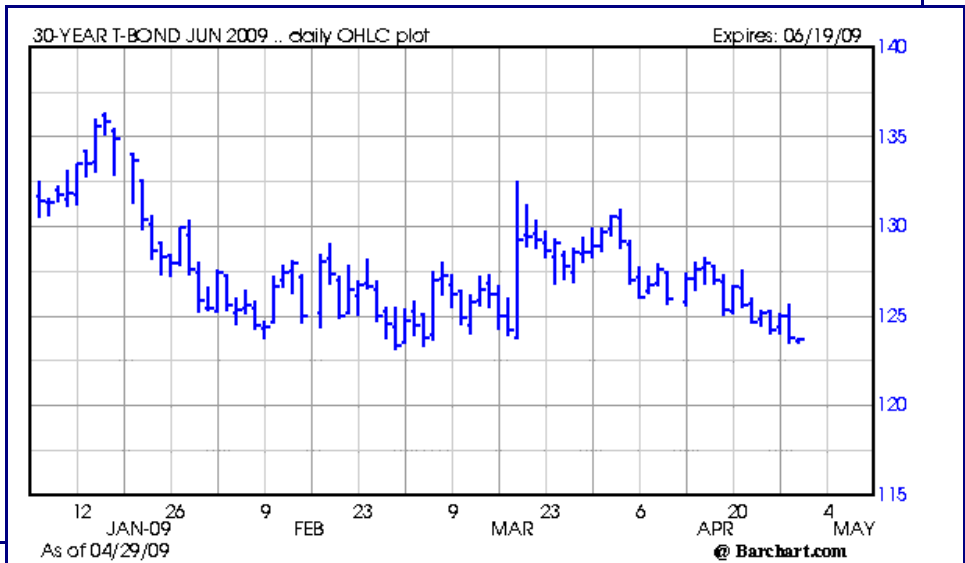


There is a pretty good chance that Company Store announcement later today will help Treasuries find a trend in the short-term. That may be up or down, but in my mind the primary trend remains one of higher prices for Bonds and Notes.

99.21 makes for 5/8 retracement of the range between the low last June and the December high. Time-wise this entire correction has about 5/8 as long as the preceding advance, while about 2/3 the volume has been traded during this correction so far as was traded during last year's rally.

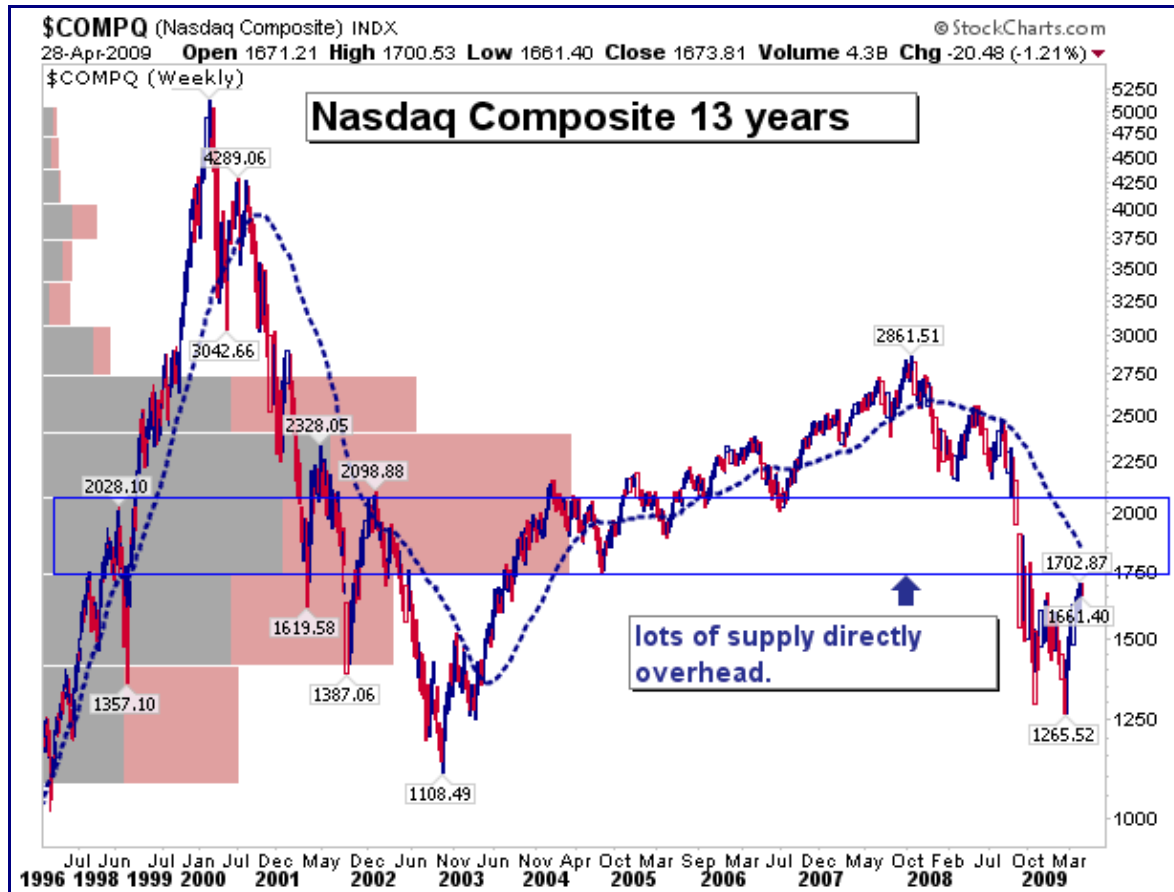
But there is still that breakaway gap above 98. And a full Plastic retracement of the Fall low / Winter high range resisters 98.20, so the potential is real for the decline to extend a bit lower. Below that 95ish would be a good place to put a limit order in the hope of getting a fill in any panic.

While I like to analyze ETFs, TLT does not precisely correspond to the movement of T-Bond futures. For instance, the June 2009 30 Year Bond contract has yet to hit a new low and the contracts of the shorter maturities are all still well off their lows.



Nasdaq

Can stocks go up more? Perhaps, but I am not sure how much more. Let's have a look.



Many, many retracement targets are clustered around 1800 for the Nasdaq Composite index. Additionally, wave two last year rallied 396 points from 2155 to 2551. This wave four should be somewhat larger than that. Say maybe 4/3 the size? That would put the index up to 1794. There is a bunch of other stuff like that that has me eyeing a top in the 1780 to 1820 range.



Moving on to the Nasdaq 100 index (chart on next page) I see that a 3/7 gain from the low would come to 1456. If this wave four were 3/4 that of wave one, the index would get to 1447. 3/7 of wave three would mean 1464. So the mid-1400s looks probable to me, though a few other calculations point to targets above 1500.



Alright, I'm pretty tired, so I think I'll call it a day.

Best,

Kyle Ledbetter Lucas

Equal-Weight Currency Indexes

USD: 101.30
JPY: 94.05
EUR: 96.14
GBP: 103.75
CHF: 94.43
CAD: 102.78
AUD: 105.34
XAU: 102.86
XAG: 110.24