

Eurodollar

Investor's Update 2nd QR 2007
Updated 22nd April



1- PATTERN ANALOGY

1.1 LONGTERM ANALYSIS

The broadening formation shown on Chart 1.1 has its top resisting at the 62% horizontal fib of the fall from all time highs above synthetic 1.90 levels. This Broadening formation broke downwards on 7/97. The low Grey modual support level shown on Chart 1.1 changed then into a resistance, and was re-tested to fail on 10/98. By sheer pattern measurement, the break down from the broadening formation correctly made 0.8250 on 10-2000.

An inverted double top based out at 0.8250 between 10/2000 à 4/04. The full swing from 1.4550 à 0.8250 is taken as a basis for our Super Forks (P&P-1) controlling the - then considered "secondary intermediate" correction from 1.90 highs.

A Vice in the form of a 4 year bar tweezer formed on the lower median of the super forks. The Tweezers' swiftly took price back to test the modual resistance that was broken by the original broadening formation.

Once established, these tweezers' not only sealed any further falls below the super fork medians. *But most important project a pattern measurement for further advances from the Tweezers' top to fib extensions of 62% & 100% - as measured from the Tweezers' mast.*

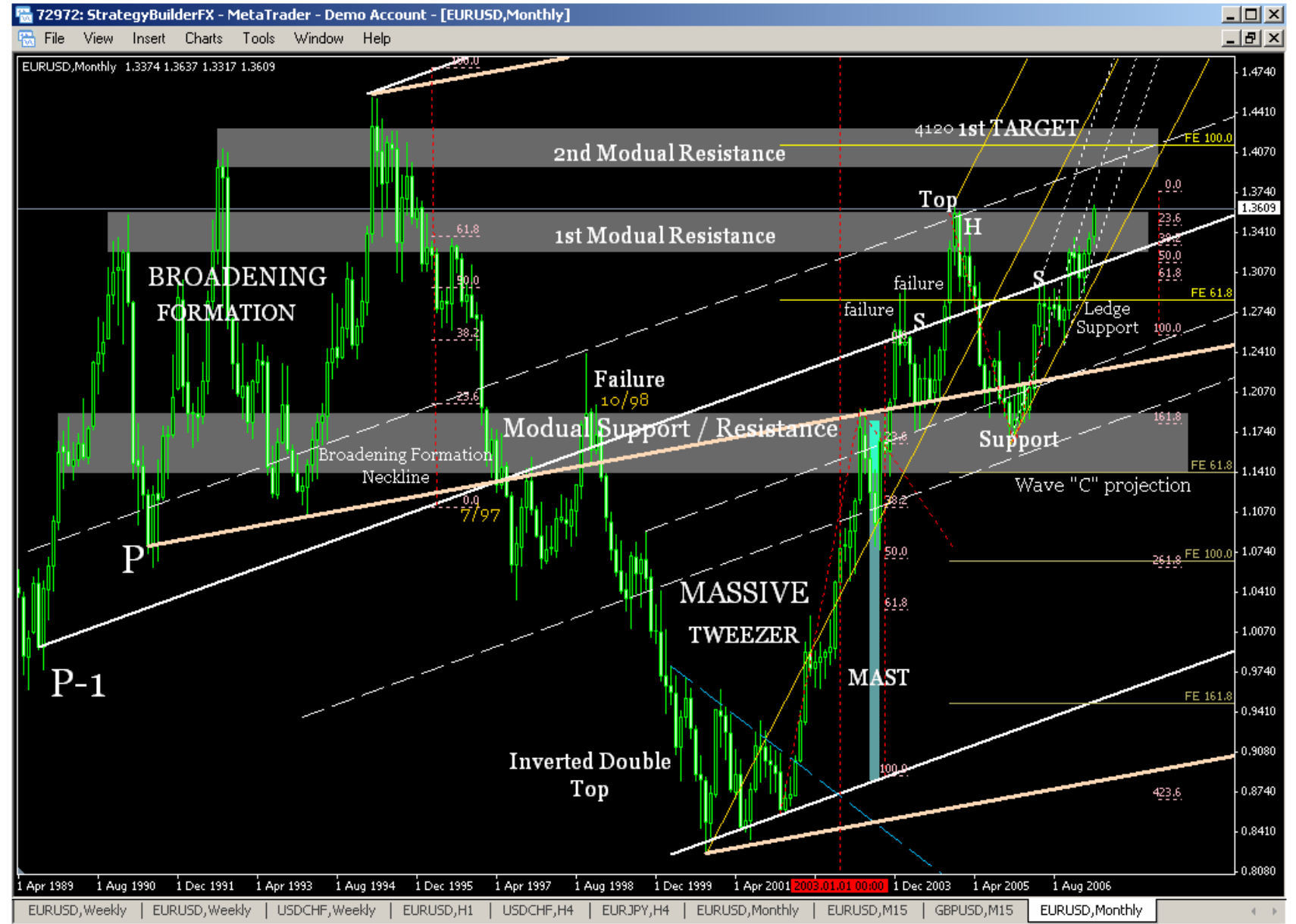
From that point onwards, consideration that the "secondary intermediate" correction from 1.90 highs, had given way to that start of a 1st wave of a "Primary Up Trend", should have become evident.

Instead of failing again at the modual resistance like back in 10/98. Progressively price took out the modual resistance. And after testing the 62% fib extension twice, and failing to support on it. Ultimately supported on the grey modual support, and from there took off *to hammer a resilient support this time effectively on the 62% fib extension by 12/06.* Note that 2 monthly ledges formed as adamant support at the 62% fib extension. One ledge just below the fib extension line, & another supported above.

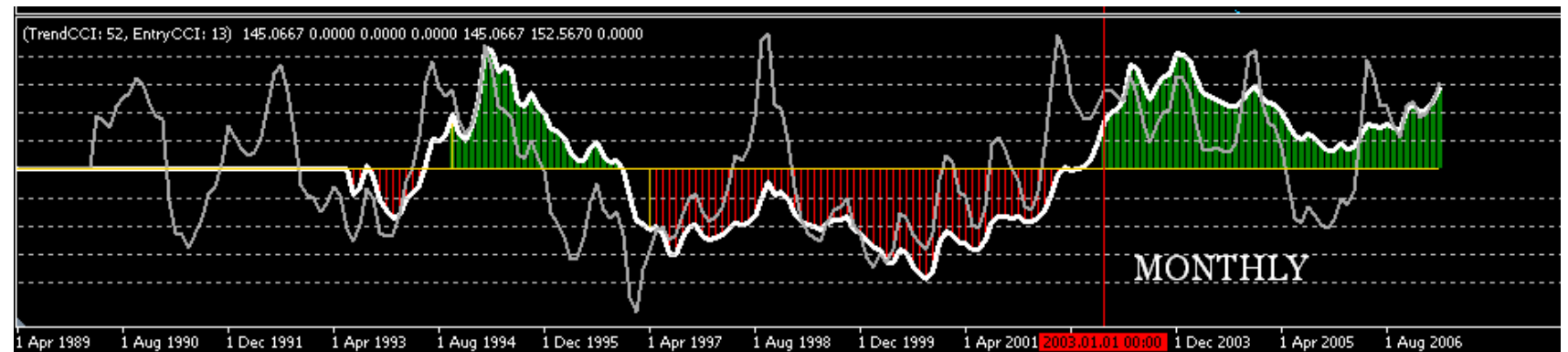
This resolutely points that the ultimate price objective now has become the 100% fib extension (4120).

The ledge that formed on the 62% fib extension, is of crucial importance to future pattern formations. Its completion negated an H&S reversal formation that was forming on the monthly. Negation of this H&S should give rise to another broadening pattern forming on the monthly chart, to contest 1.4500-4700 levels again. Our Bias is therefore outlined below:-

à Currently during the 2nd quarter of 07 (ending 30th June), we should be looking at a mark up phase in prices to 4100 levels at least. Followed by distribution at such levels, that should lead to a consolidation & very possible mark down in prices during the 3rd quarter of 07.



FIGs-1.1 & 1.2



1.2 TREND DETERMINATION

The issue qualifies as TRENDING, as it's been positively trending on the monthly CCI since 1/2003.

CCI momentum Graphs are arrayed atop each other in Fig 1.2. The Red dotted line marks the confirmation of the primary uptrend on monthly frame (1/2003).

On the Weekly CCI, the last correction wave before 1/2003 culminated in an ascending triangle, which broke upwards marking the termination of the secondary intermediate, and beginning of the 1st Primary Up move.

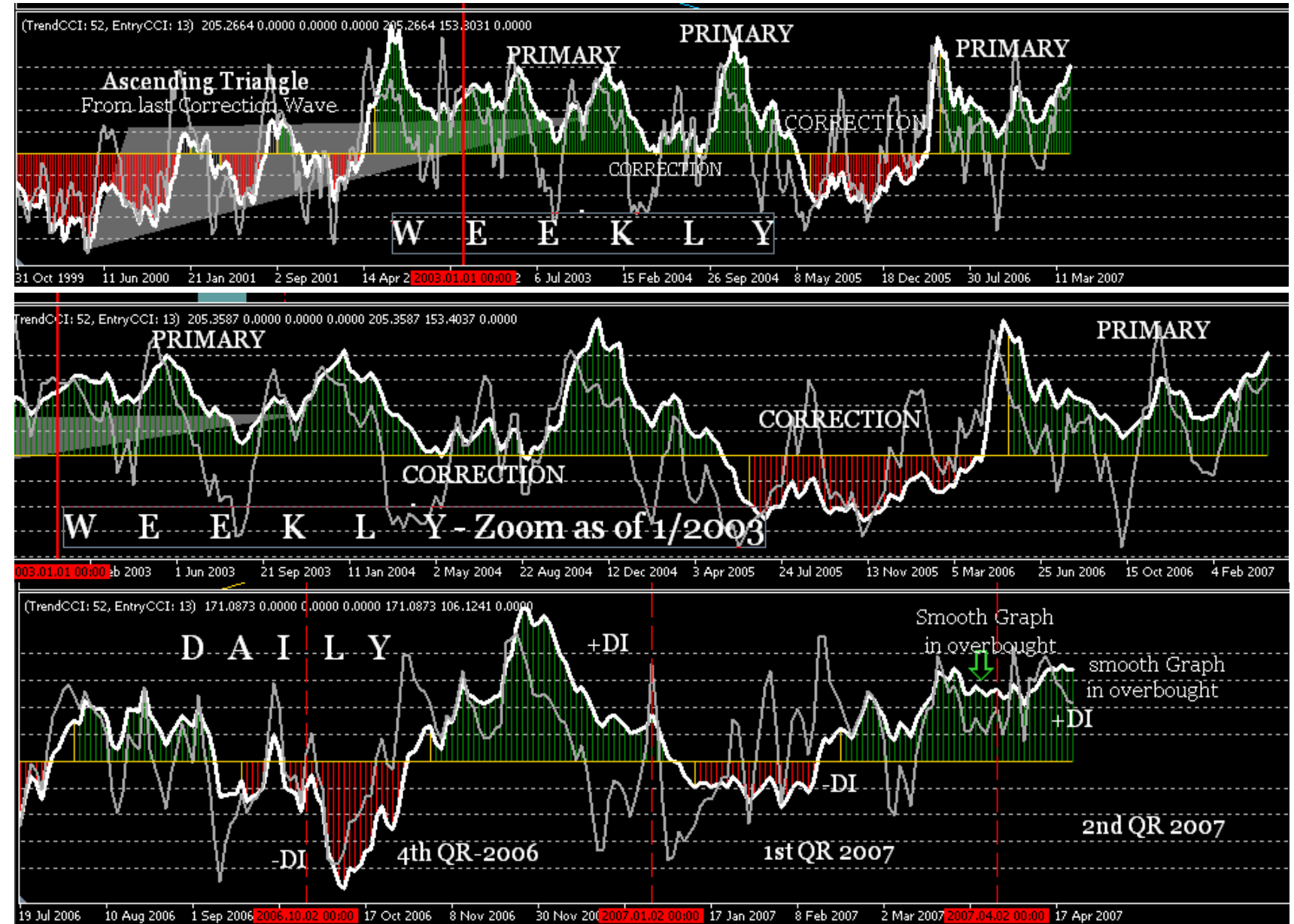
Such a primary Up move – considered to unfold in a 5 wave structure, is further subdivided into primaries & corrections on the weekly zoom-in chart.

Our main reservation regarding maturity of the TREND, lies with the fact that both CCI graphs on monthly & weekly are running jagged. They have not yet hung up in semi – horizontal trending mode in overbought levels. –i.e.:- between 150-200 levels.

This hung up CCI confirmation in overbought levels is however, beginning to show on the daily frame. And if it sustains during the current quarter, will transmit the same state of confirmation to the weekly & monthly frames.

Positive sustainability of this condition is clearly evident on the daily CCI chart. Note that during the 4th QR of 2006, there was a lot of –ve CCI momentum drive to achieve the low DI range of that 3 month quarter.

During the 1st QR of 2007, much lesser –ve momentum was spent to achieve the low DI range for the 3 month quarter. And finally, during current quarter, NO –ve momentum has been forth coming what so ever to attempt any swings towards the low DI range of the current 3 month quarter. **The daily graph has began to stabilize & consistently trend in overbought.** Continual of this would transmit to the weekly, and monthly CCI(s). Yielding the "hung in overbought" phase, and providing a re-affirmation of a prolonged Up Trend past 4100 levels.



2- VOLATILITY CALCULATIONS

Volatility Projections

2nd Quarter

| HIGH | PAST Close | LOW | Min DI | Annual QR | Max DI |
|------|------------|------|--------|-----------|--------|
| 2320 | 1847 | 1800 | 47 | 1st QR'06 | 473 |
| 2978 | 2118 | 2033 | 85 | 2nd QR'06 | 860 |
| 2938 | 2791 | 2458 | 147 | 3rd QR'06 | 333 |
| 3367 | 2674 | 2482 | 192 | 4th QR'06 | 693 |
| 3411 | 3200 | 2865 | 211 | 1st QR'07 | 335 |

| WMA-20 | | | STOPS BELOW | Weekly Support | DISTRIBUTION | |
|--------|------|------|-------------|----------------|--------------|------|
| 2819 | 3017 | 3215 | 3374 | 3533 | 3731 | 3929 |

| Eurodollar Quarterly Directional Index Range | | | WMA-5 Zone | | | |
|--|------|------|--------------------------|------|------|------|
| Max | Ave | Min | | | | |
| 3472 | 3512 | 3553 | ACCUMULATION ZONE | | | |
| | | | DISTRIBUTION TAKE PROFIT | | | |
| | | | 3492 | | | |
| | | | 3688 | | | |
| | | | 3472 | 3512 | 3553 | 3590 |
| | | | 3627 | 3668 | 3708 | |

| Eurodollar Intraday Entries | | | | | | |
|-----------------------------|----|----|------|----|----|----|
| BR | FL | BD | OPEN | BD | FH | BR |
| | | | | | | |

Week 23-26/4/07
 The major notable development past week was that price refused to fall below the Min DI fluctuation in the +ve direction (3533). The 2nd notable development is that price has accelerated (over shot) its Wma-5 average. (See CHART- 2.1) A correction should be forth coming to touch base with the Wma-5 (Again see CHART- 2.1) The Wma-5 trails currently at 3472. This coincides with next week's projected intraweek break out low. The objective next week is to accumulate 3475 - 3510 level, for partial distribution at 3660-3700, and partial holdings for mark up to 3930.

The intra-weekly pre-calculated level module below further confirms this:-

| # | O | L | Min | Ave | Max |
|------|------|------|-----|-----|-----|
| 3064 | 2917 | 2898 | 19 | | 147 |
| 3042 | 2961 | 2911 | 50 | | 81 |
| 3171 | 2990 | 2940 | 50 | | 181 |
| 3190 | 3143 | 3081 | 47 | | 62 |
| 3257 | 3166 | 3140 | 26 | | 91 |
| 3211 | 3197 | 3071 | 14 | | 126 |
| 3338 | 3138 | 3107 | 31 | | 200 |
| 3411 | 3315 | 3270 | 45 | | 96 |
| 3399 | 3284 | 3254 | 30 | | 115 |
| 3440 | 3374 | 3317 | 57 | | 66 |
| 3552 | 3378 | 3338 | 40 | | 174 |
| 3637 | 3556 | 3524 | 32 | | 81 |
| | | | 37 | 78 | 118 |

WMA-5 Zone
 ACCUMULATION ZONE: 3492
 DISTRIBUTION TAKE PROFIT: 3688
 3472 3512 3553 3590 3627 3668 3708

Volatility Wave Count
 see Chart 2.1 below:-
 We speculate to be in a wave-5.
 Because this is a 3rd test of the channel return line shown, and as the Cci is showing higher lows (in contrast with the 2nd channel return line test when it was showing lower highs) - we expect a *prolonged* wave-5, similar to the one double check marked in green. The volatility count is thoroughly revised by calculating the wave projections. And accordingly, our bias is *very strong* for wave-5 to extend to the channel return line (3930 distribution).
 This should be followed by an ABC correction that would support on the Wma-20.

Fig-2.1



3- TRADE MANAGMENT

See CHART- 3.1

The up Trend has been accelerating between 3 trend lines (TL-1, TL-2, & TL-3) TL-3 has failed late last week.

We will buy TL-2, & the lower vicinity of the blue Fork, once the white fork completely fails.

Failure of the white fork should mark drop of the 4hr CCI to below the zero line level.

Continued retraction of price into the lower segment of the blue fork, should mark drifting of the CCI 4hr Graph below the zero line.

Zero line break upwards of course will end the retraction. Which could well end before meeting next week's projected breakout lows.

We will bide our time, by buying with limit orders everyday, once price exceeds the blue fork median.

Use the intraday levels indicator to point out each day's extreme low ranges, to place the limit orders at.

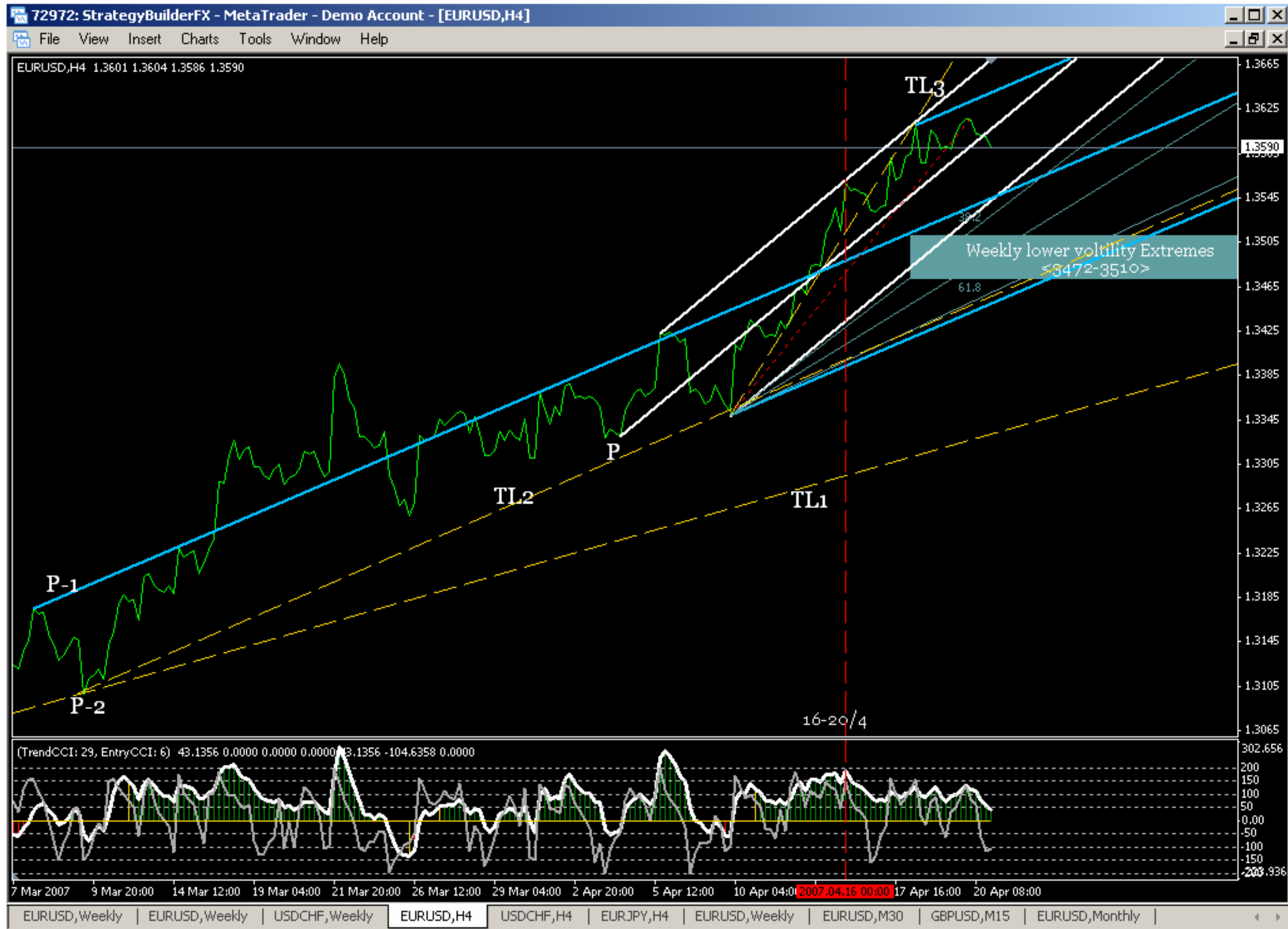


Fig-3.1