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## COMMODITY IN FOCUS

### October Crude Oil

CL/V0<sup>1</sup> 74.27 (+.91)

Bulls have a lot of work to do here. First down trend line at 74.50 and then 76. A slippery chart.

## INTEREST RATES IN THE NEWS

10 Yr. Treasury Yield Index  
TNX<sup>1</sup> 26.29 (+ 1.30)

Looks like a key reversal day. A close above 25.80 would be another plus for the TNX. Next resistance up at 26.80 area.

## VOLATILITY INDEXES IN FOCUS

### VIX, VXN, RVX

Today's drop has them all testing up trend line support. A clear break implies higher stock prices.

## STRATEGY ALERT

### It's the Reaction not the News...

A high profile semi-conductor name pre-announced today. Stock halted, reopens down .10 cents. In the last seven weeks this name is down 18% after reporting great earnings. Anyone surprised by today's pre-announcement has been in denial, or worse, talking his book.

<sup>1</sup>The option/market strategist does not have a position in the securities in this company or index

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## Market Comment – Elliot Spar

August 27, 2010

Selling the opening rally worked again. How easy is this becoming? The bears were on their way to the bank after the Intel pre-announcement but I don't think they stayed on the Fidelity green path. Everyone got short and then the Bernanke prepared statement said the Fed stands ready to act. When traders realized that INTC was going to reopen flattish, the buyers came back in a big way. Did anyone notice that the key 1040 level held on the S&P 500? How about that VIX? It held below Wednesday's peak. What's next? There are overhead down trend lines that have to be taken out in order to change the short-term trend:

Down Trend lines: SPX 1070  
Nasdaq Comp 2160  
RUT 605 (a bit above now)  
NDX 1810

Bottom-line: 1040 is your stop out point on the S&P 500 for your long market type stocks.

## Market Snapshot

MARKET	S&P 500	NDX	RUT	PUT/CALL RATIOS
FUTURES - Sept.	1055.50	1780.00		ISE SENTIMENT INDEX
CASH	1056.80	1780.42	608.10	PUT/CALL EQUIVALENT
<b>RESISTANCE &amp; SUPPORT LEVELS ON FUTURES</b>			<b>CASH</b>	<b>1:10 p.m. 1.03</b>
2nd RESISTANCE	1066.00	1797.00	617-618	<b>0.50 &amp; BELOW - BEARISH</b>
1st RESISTANCE	1062.00	1788.00	611.00	<b>1.10 &amp; ABOVE - BULLISH</b>
1st SUPPORT	1049.00	1766.00	602.50	
2nd SUPPORT	1037-1038	1744.00	596.00	

## 3-Day S&P 500 Index Chart (Cash)



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