



[Lastest Market Reports](#)

[Members Login](#)

[Logout](#)

Member Market Reports

- [Market Reports 2009](#)
- [Market Reports 2008](#)
- [Market Reports 2007](#)
- [Market Reports 2006](#)
- [Market Reports 2005](#)
- [Market Reports 2004](#)
- [Market Reports 2003](#)

Free CNBC Reports

- [Free CNBC Reports 2008](#)
- [Free CNBC Reports 2007](#)
- [Free CNBC Reports 2006](#)
- [Free CNBC Reports 2005](#)
- [Free CNBC Reports 2004](#)

Search

[Advanced Search](#)

Article Options

- [Email to Friend](#)
- [Print Article](#)
- [Add to Favorites](#)
- [Add to 'Articles to Read'](#)

» [Home](#) » [Market Reports 2009](#) » [May 2009](#) » May 28 2009 mclarenreport.net.au

May 28 2009 mclarenreport.net.au

By [Bill McLaren](#) | Published Today | [May 2009](#) | Unrated

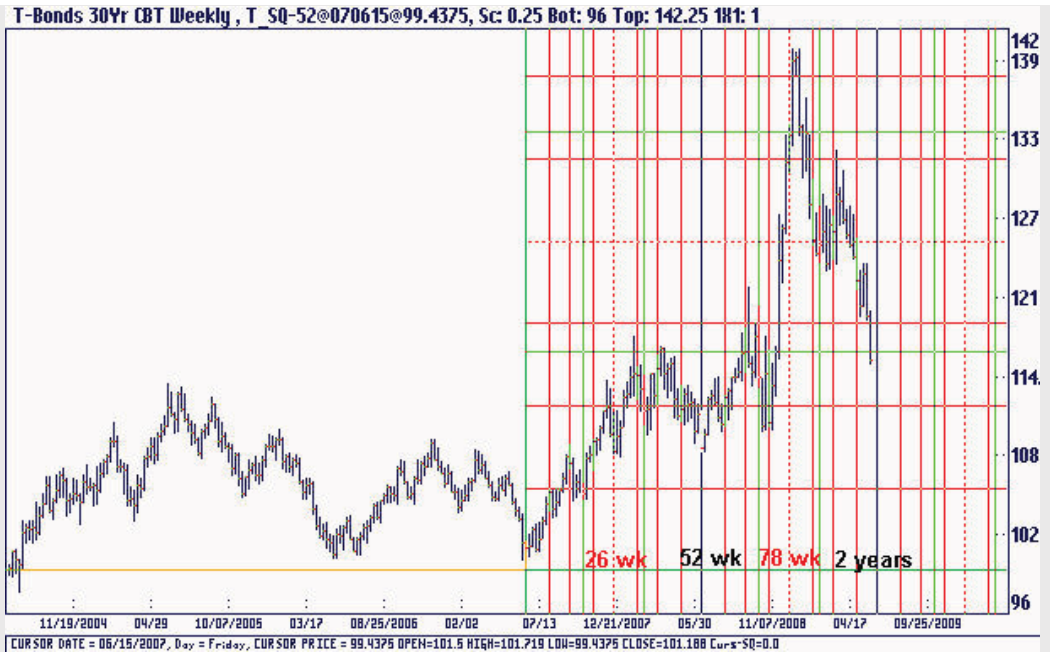
May 28 2009 mclarenreport.net.au

S&P 500 INDEX

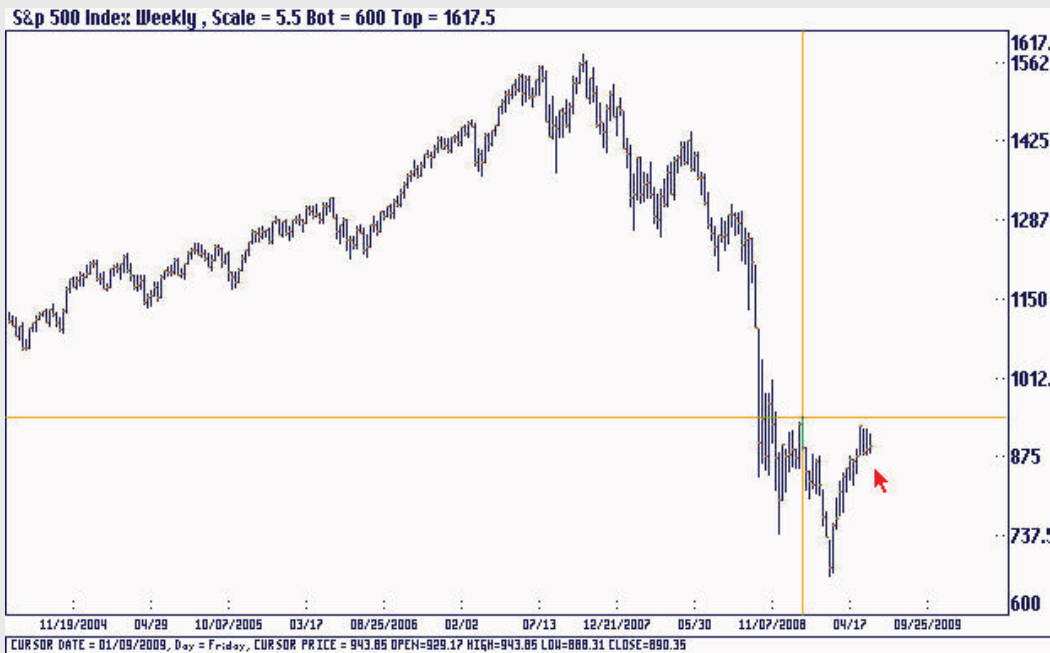
The 30 and 10 year bonds continued their capitulation move down and ruined the party for stocks. The indexes stopped at the previous high leaving a possibility of a lower double top before the expiration of the 90 time period. Volume was light but the overall picture of volume doesn't appear positive. There are a lot of things that are still positive about this trend the main one being the 1/4 retracement that is also holding above the previous high of the 17th. That is such a small correction it leaves the index in a position that may be too strong to be believed. The Fed's plan was to keep rates low by purchasing up to \$300 billion in bonds (printing money) but this now seems to be a failure like everything else that has been planned. The chart picture in those markets will need an exhaustion to set in a low and until that occurs the fear of rising rates will effect stocks.



The move down in the 10 yr and 30 year yesterday were near panic. They could consolidate the fast move or continue in the same manner. Timing is not clear with June 1 as a turning point and could be high or low then major cycle possible out to July 1. There are also possible cycles to end the move around June 16th but when in a capitulation the price can be quite a bit lower. The next chart is weekly T-Bonds and a 6 month vibration clear but so is the magnitude of the exhaustion and the current trend down.

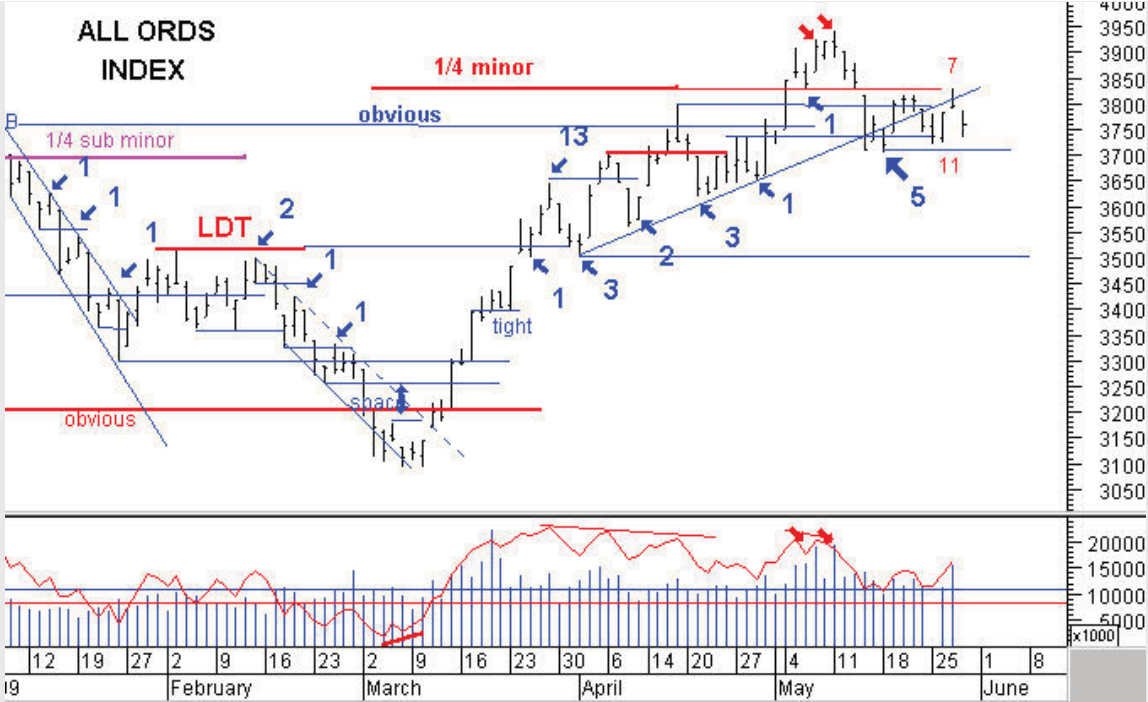


Remember the weekly chart this is the third inside week and the 4th week in the range. This has been an unusually tight (small range) consolidation and if the trend were up it could be presenting a very bullish picture. But the trend is not up other than the short term (60 calendar days) and could be an intermediate term counter trend so the tight consolidation could be distribution before a fall. If this is a bullish consolidation then a move up could start with a downside false break of the sideways pattern. The same could be true of a move down with a spike into 90 days. But at this time I don't know what the next 5 days will bring. I hate being in a position to react to the market but that is what I have this week. The vertical move down in bonds is scary for stocks and until that exhausts stocks will be vulnerable.



ALL ORDS INDEX

The index gapped down in response to the decline in US Indexes and found a low within the first 30 minutes. The rally retraced very little of the decline and the index fell to a new low and reversed around 12:30. It then rallied into the last hour and moved sideways into the close.



Yesterday the futures gapped up and reversed back into the previous days range. Since we know counter trends tend to exhaust into their high day this is some concern. The low today successfully tested the 25th and 26th but there is now a possible “lower double top” on the chart so a distribution pattern could be present and the market is still 5 days from the 90 cycle. And the reason for the US markets decline was a capitulation move down in bonds and that could end or counter trend anytime due to the vertical nature of that move down. If that occur we could still see a further weak rally into 90 which is better than selling a breakdown through this support. I have to admit with the exhaustion day yesterday this does look as though a distribution pattern is in place and that is possible but I’m still looking for a few more days of struggle into 90. But the gap up into yesterday and now the gap down today is leaving a possible classic counter trend.

Disclaimer: All the reports and content in the entire McLaren Report web site (including this report) are for educational purposes only and do not constitute trading advice nor an invitation to buy or sell securities. The views are the personal views of the author. Before acting on any of the ideas expressed, the reader should seek professional advice to determine the suitability in view of his or her personal circumstances.

How would you rate the quality of this article?

Poor 1 2 3 4 5 Excellent

☐ ☐ ☒ ☐ ☐

Verification:

Enter the security code shown below:

nnhxsq