

January 6th 2009

FTSE 100 (Daily)

The FTSE 100 index has started 2009 on a positive note and looks set to reach the upside target.

During the last week of December the momentum indicator deliver another buy signal suggesting a move to the upside.

After breaking above 4310 and getting back above the 20 day MA the index has also cleared the initial 4445 level and now is on target to reach for 4665 where resistance may hold the index back. A move above this level could see a test of the 4700 handle.

The key level to watch for a reversal to the downside would now be 4315 which if broken could easily see the FTSE trade down towards the 4250 area.



Dow Jones (Daily)

The Dow Jones rallied nicely into the new year after breaking above 8540 and then 8811.

We now have sights on 9182 as a price objective supported by a positive momentum indication on the RSI. Several attempts to rally have seen failures and the current move has no certainty since the sideways pattern is still trading within the channel parameters.

A turn lower on the RSI may suggest a pullback as seen in Mondays session could take the Dow lower back towards the 8811 level.

It is important that the index stays above 8660 to maintain upside momentum otherwise expect lower prices on a break of this price.



Gold (Daily)

Gold has posted a 5 wave pattern right into the expected price target of 885.

Typically this would assume that the corrective move to the upside would now be complete. Also a break of \$855 and a wide range bar suggests that the move to the downside has started.

We would look for \$814 as a target as long as Gold stays below \$892 and the turn lower on the momentum indicator supports a bearish view for the near term.

If we see a trade below \$827 then the move lower is clearly underway.



Sandy Jadeja's

The Week Ahead Report



ODL Markets

COMMENTS:

The start of 2009 brings with it a sense of hope. With 2008 out of the way and leaving behind carnage in the markets, many traders are now hoping that this year will perform better.

But let us not forget that hope is not a strategy but a mere wish. If the markets continue to wreak havoc this year then there is a hard road ahead of us. The best way to deal with this is step by step and of course to manage risk and protect capital. There will certainly be opportunities for the bulls and the bears this year and as long as we see volatility then the opportunities will of course bring increased risk to the table.

With wide range movements a theme for 2008 it may well continue into this year once traders are back from the seasonal holidays. The indices have already shown a positive start to the year and if the month can end in positive territory then that could be a good omen for the rest of the year. But it is still early to consider this notion given the global crisis we are facing.

In focus are also commodities and as seen by the CRB index it was not only stocks that got hammered but also other asset classes. If the CRB Index holds support then a corrective rally could be in the making as indicated by Gold, Oil and other commodities.

We shall keep a close eye on upcoming opportunities and intend to keep you informed with our reports. In the meantime we wish you a very Happy New Year from all the teams at ODL Markets.

For our free in-house Technical Analysis classes on how to forecast moves ahead, please register on www.odlmarkets.co.uk the next class will take place on **January 21st 2009**.

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Sandy Jadeja provides the weekly market reports and also heads our Technical Analysis classes at our in-house seminars. For further details see our main website or contact sjadeja@odlmarkets.co.uk or call 020 7903 6234.

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