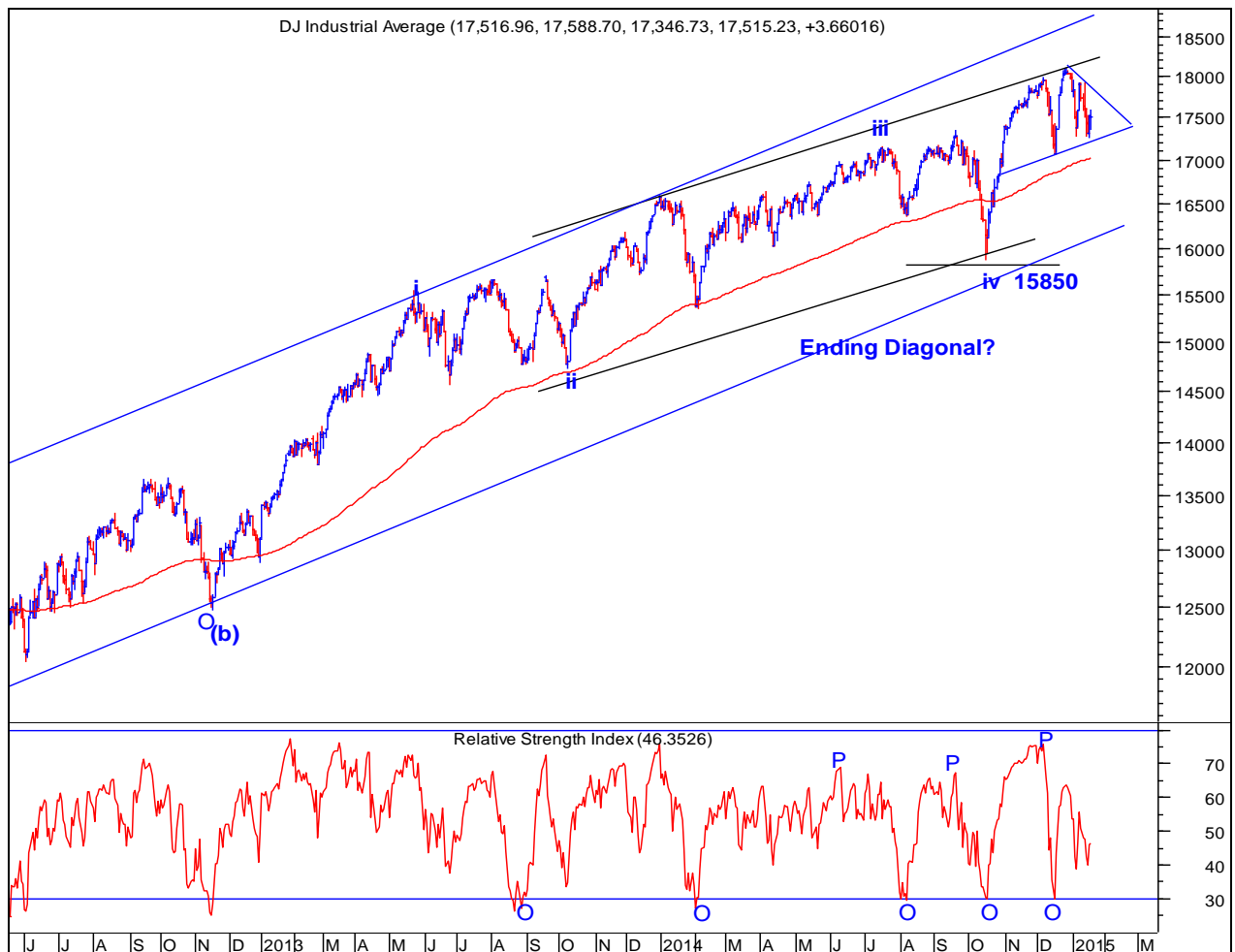


January 21, 2015

Bottom Line: Dow Jones Industrial Average is consolidating near the support levels. EURUSD trend remains on downside. Gold and Silver trend remains positive.

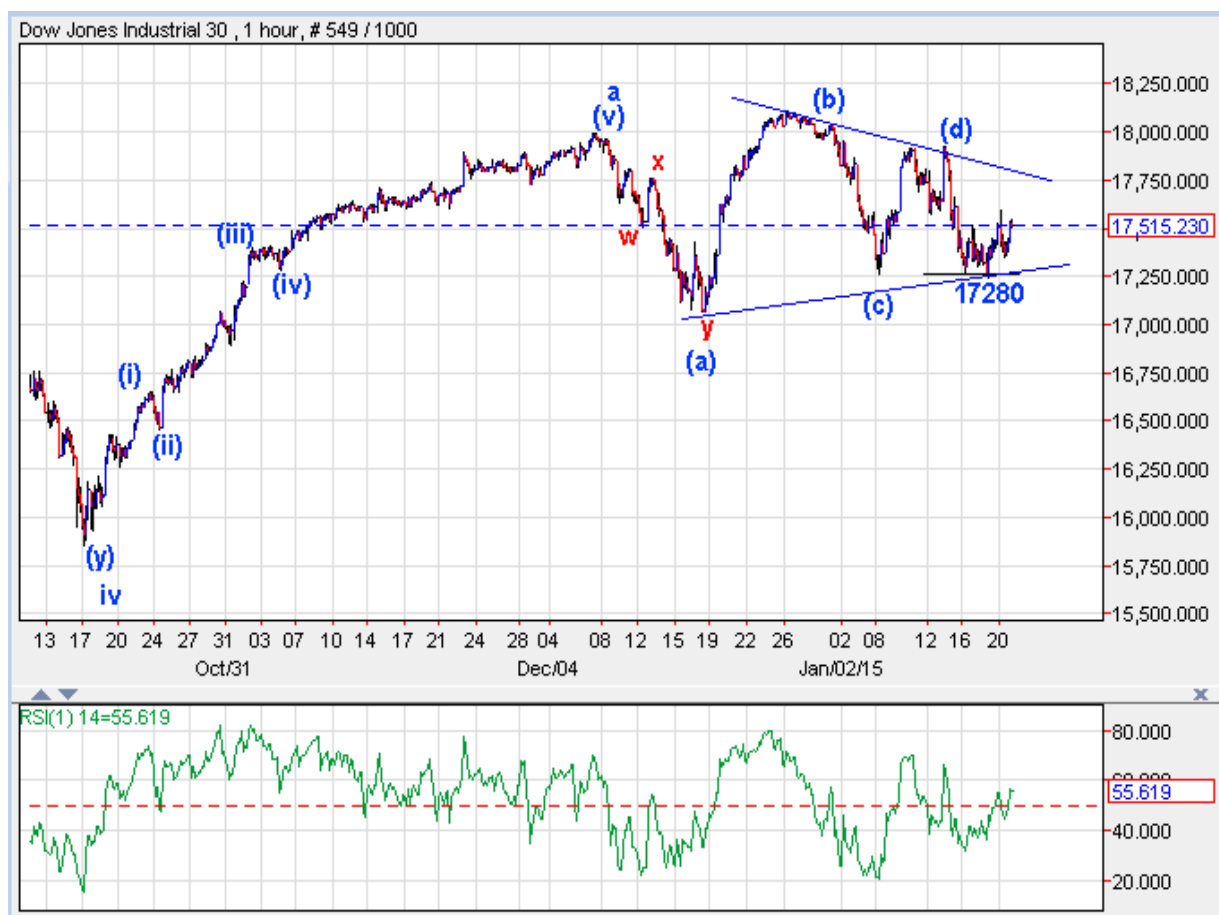
DJIA daily chart:



Announcements:

“The Financial Waves Monthly Update” is now published. The current research focuses on **Nifty outlook** applying Elliott wave, Monthly candlestick, understanding RSI, Net new monthly highs-lows to know overall breadth and importance of 14 weeks Exponential Moving average. **Outlook on Energy Commodities. Cairn India Ltd, Crude Oil and British Petroleum** these 3 charts look very similar but belongs to different demographical locations. **What is happening with Gas prices and Gas wars?, Outlook on Dow Jones Industrial Average, IDFC long term pick and USDINR** Subscribe **“The Financial Waves Monthly update”** by visiting <http://wavesstrategy.com/index.php/store.html> and see yourself the long term forecasts and world markets at a glance.

DJIA 60 mins chart:



Wave Analysis:

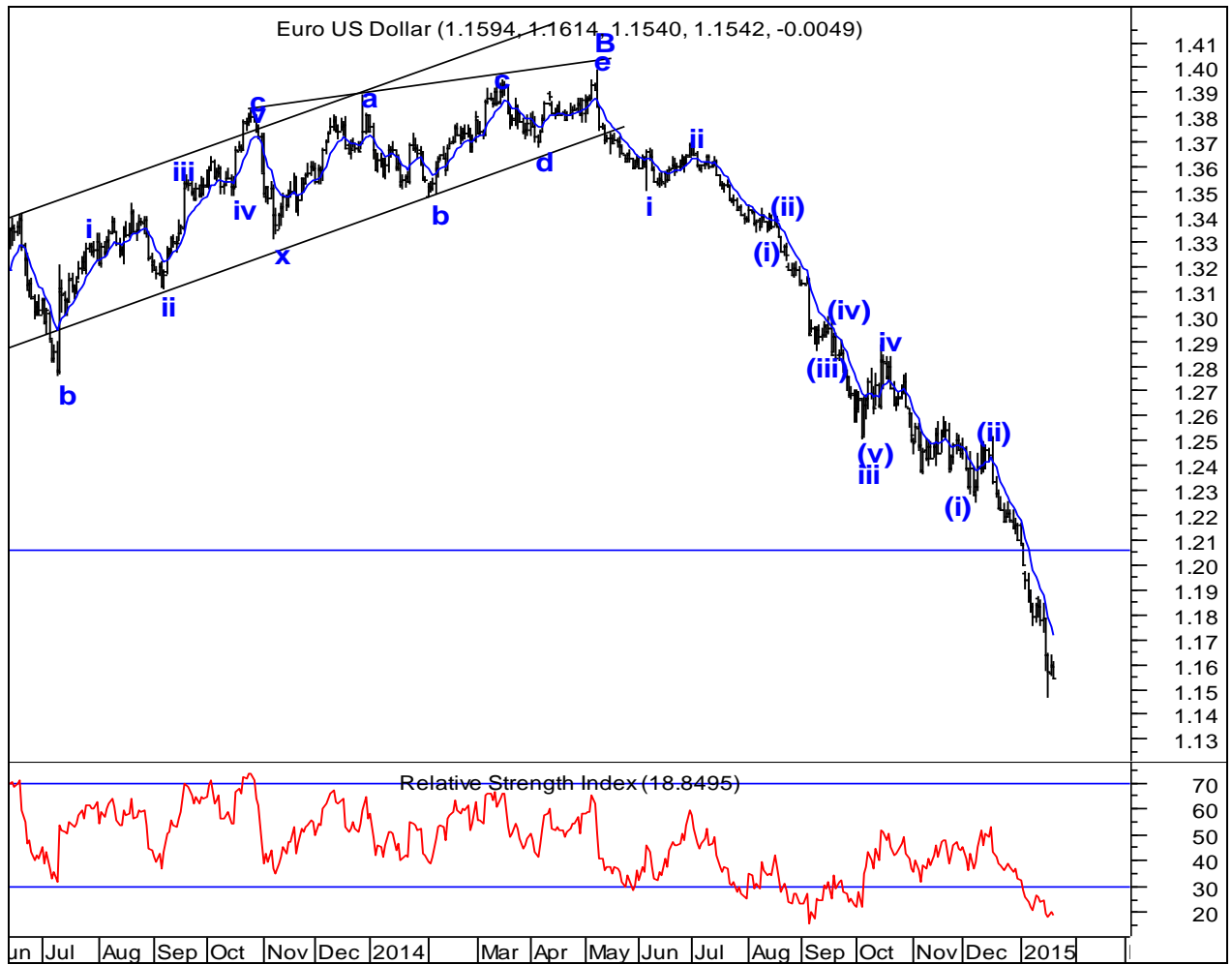
For Dow Jones Industrial Average current price behavior suggests that an important base is constructed near 280 levels. Such basing pattern are not seen so often in this index so the follow up action from now will be crucial to observe.

As shown in the daily chart of Dow Jones Industrial Average prices made a low around 17343 levels and recovered back towards the previous close which suggests that prices are unable to sustain at lower level. Now from medium term perspective as long as the previous low followed by 17000 levels is intact on downside bias will be positive.

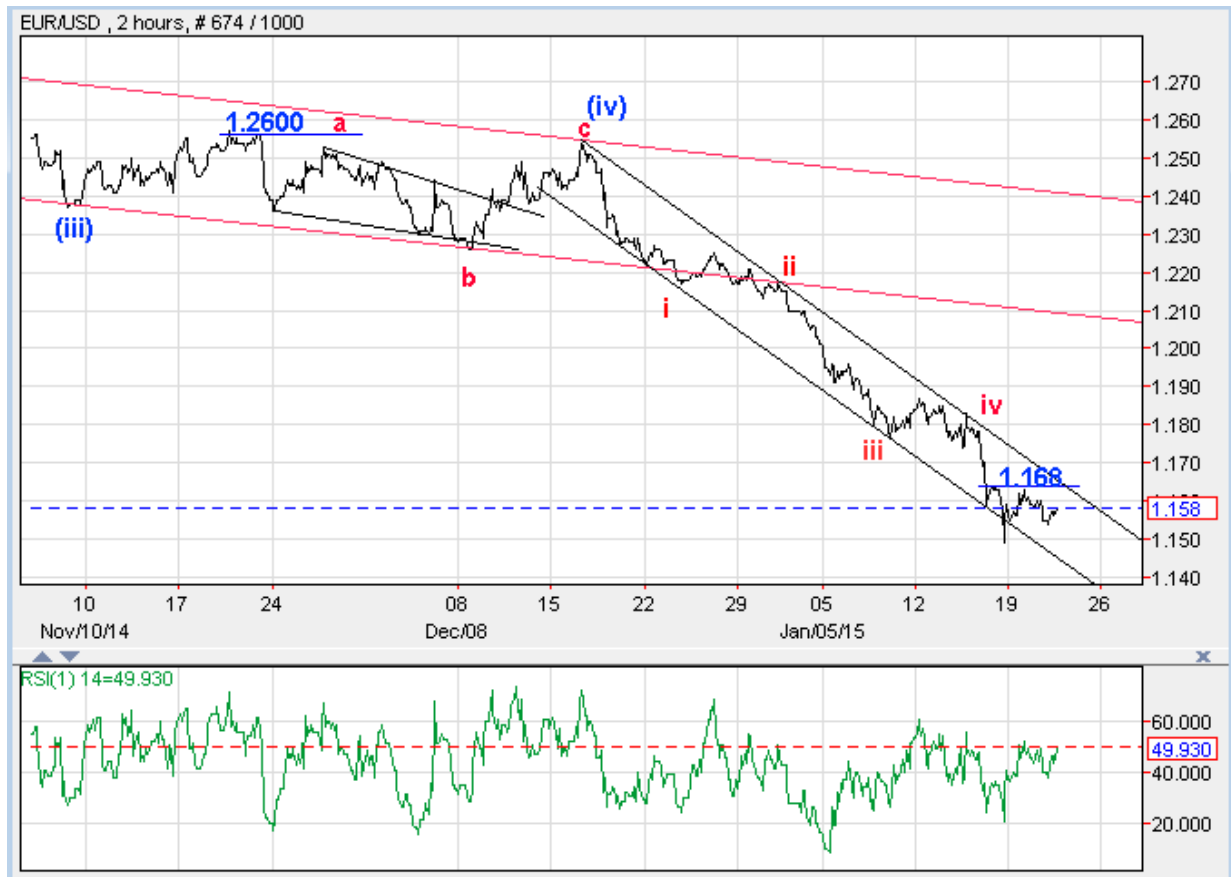
On hourly basis, yesterday we witnessed a sharp fall followed by a sharp recovery which indicates that there is high volatility in this index. As per wave perspective the bounce from 17280 levels suggests that wave (e) probably completed near 17280 levels but move above the previous peak is essential to confirm the same. The consolidation near 17280 levels has made it clear that an important base is formed and as long as this remains intact on downside the near term outlook will be bullish.

In short For Dow Jones Industrial Average with the immediate support of 17280 levels our favored view is positive and prices can travel towards the resistance line (17750 levels).

EURUSD daily chart:



EURUSD 120 mins chart:



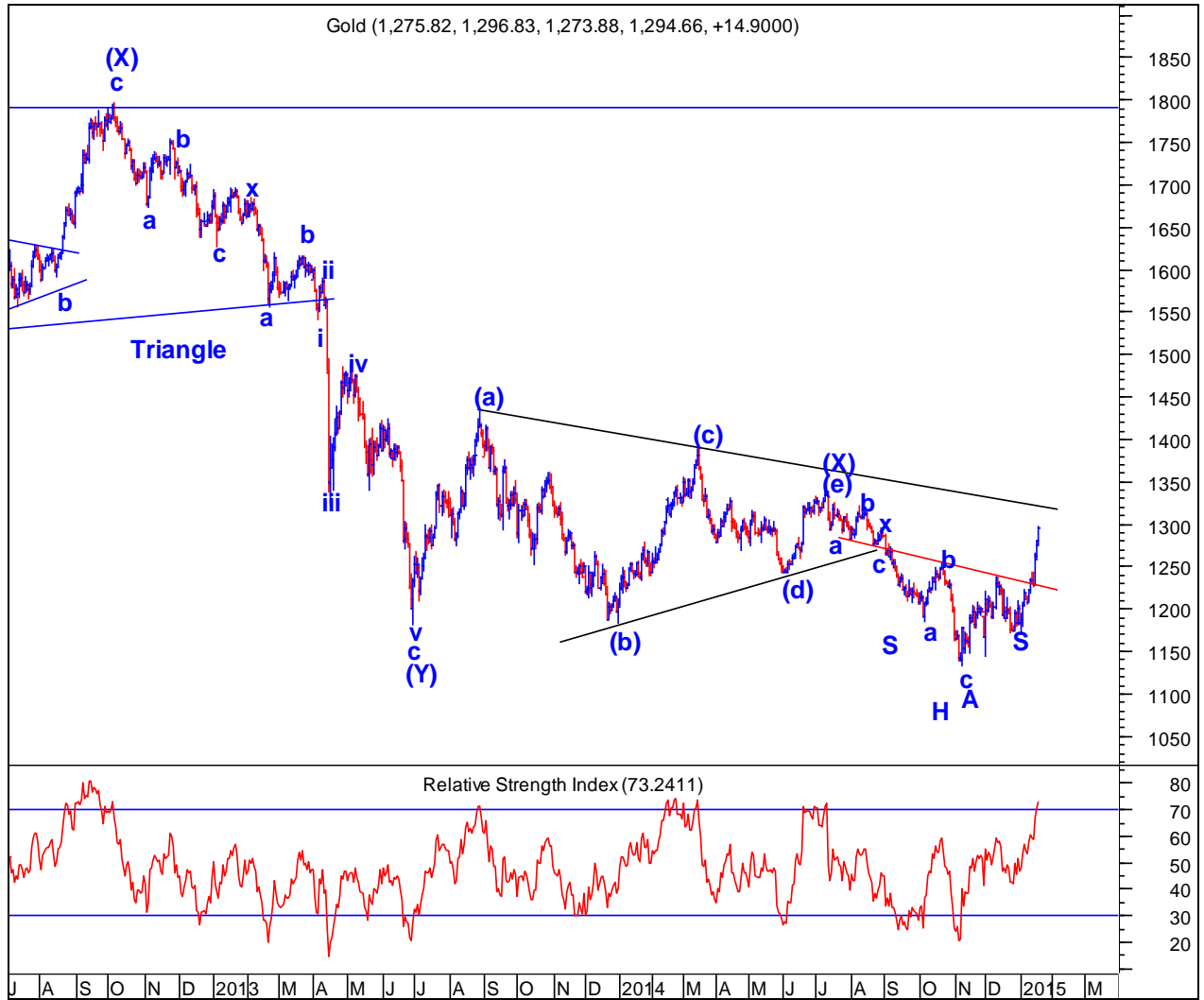
Wave Analysis:

EURUSD has continued the down move which started from May 2014. On a weekly basis consecutive from last 5 weeks we have been seeing the continuous selloff and currently prices have entered in to the 6th week. The start of week has started with some resilience where prices are consolidating at lower levels. Now, move back below 1.1460 will take out the low of prior week and suggests that downtrend is further continuing. As per bar technique, 1.1870 is the resistance on upside.

As shown in 60 mins chart, currently prices are intact within the downward moving red channel where minor wave v (red) is ongoing on downside. There has been some loss of momentum on downside however as long as prices does not take out 1.168 trend remains bearish. Move back below 1.146 will continue the down move.

In short, 1.168 is the immediate resistance on upside. Any move below 1.146 will continue the down move towards 1.139 levels.

Comex Gold daily chart:



Comex Gold 120 mins chart:



Wave Analysis:

For Comex Gold, in the last update we mentioned that, ***“In short, Comex Gold our view is bullish and prices can reach towards 1295 levels. On downside 1255 will act as an important support.”***

Prices moved exactly as expected thereby making a high of 1303 levels. From medium term perspective, prices are at crucial levels and have arrived near the resistance of the black channel. Now a decisive break on upside will suggest that medium term trend has change into positive.

As shown in 60 min chart, prices continued to move higher and have now arrived near the resistance of the blue upward moving channel which is a cautious sign. As per wave perspective, wave x of complex correction completed near the lows of 1130 and since then prices are moving in wave z. Internal structure of the same suggests that minor wave (x) completed near the recent lows and minor wave (a) is currently ongoing on upside. Wave (a) is also clearly divided in 5 waves which now seem to be in a matured stage. However unless we don't get any negative confirmation it is better to stay with the trend which is positive. As long as 1275 is intact on downside the short term trend will remain positive.

In short, Comex Gold our view is cautiously positive with the important support of 1275 levels. Break of channel resistance along with momentum will bring further positivity in this yellow metal and then move towards 1315 is plausible.

Silver Daily chart:



Silver 120 mins chart:



Wave Analysis:

For Comex Silver, prices showed a trending move on upside post showing consolidation of 3 days. Now move any close above 18 levels will be further positive sign from medium term perspective.

As shown in daily chart of Comex Silver, since November 2014 prices are moving in the sideways action. As per wave perspective, wave W completed near the lows of 15.05 levels and since then prices are moving in form of wave X.

On short term basis, prices moved higher post touching the low 16.80 levels and currently trading near the channel resistance. As per wave perspective, wave (x) of complex correction pattern completed near the lows of 15.52 levels and since then prices are moving in minor wave (z). Internal structure of the same suggest currently minor wave a of double correction pattern is ongoing on upside. As long as prices trade above 17.55 levels the outlook for this commodity will remain positive. However one should adopt proper risk management strategy as prices are in minute wave v and prices can anytime give up the gains.

In short, for Comex Silver, near term trend is positive with the crucial support of 17.55 levels. Any move above 18.32 levels can take price towards 18.45 levels.

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