

BCO Commentary-3/8

Our weekly commentary on Monday with updates through the week has proven very popular and requested by both our OEX and Blue Chip Option Subscribers.

You will see more commentary, more "definition" of the market, and more of Floyd's thoughts for the week with the Monday commentary from now on.

For example, our concern with the banks may now, in lowered mode, actually restrain the market from last year's exuberance. Further, many Americans are now paying down credit card debt (a house of cards ready to tumble) over paying their mortgage in their "upside-down" home values.

To the experienced trader reading here I am "watching" to short the financial sector, and perhaps consider a Proshares Short REIT Fund. We are watching market conditions.

Floyd believes there is MORE downside possible in both residential and commercial real estate, that coupled with finance as a languishing sector may flatten the market from any growth.

At the same time, as the gambler, I am certain that American exuberance and lack of execution (look at Congress) will continue. This actually may falsely prop the market up in some ways.

Make specific note that when using a .50/2 ratio on the Dow we can see we are a Bollinger Band top, above the moving average, and the next market tops are 10,650 and 10,700.

Using the theoretical Dow (exponential average, which is much more accurate) we believe we have seen market toppings in Friday's run up, and further upside will be predicated on "trigger news", like Greece and the Euro, or copper or oil exploding.

We have adjusted our Dow projections from our normal 21-day cycle this week.

We typically project movement that could occur in up to 21 market days, but we sense from the excellent accuracy we've had in our recent Dow projections, we suspect we may be in a shorter cycle for the Dow in such movement for some time.

Study our current Dow projections on the website.

Dow Jones Industrial Average (\$INDU) INDX

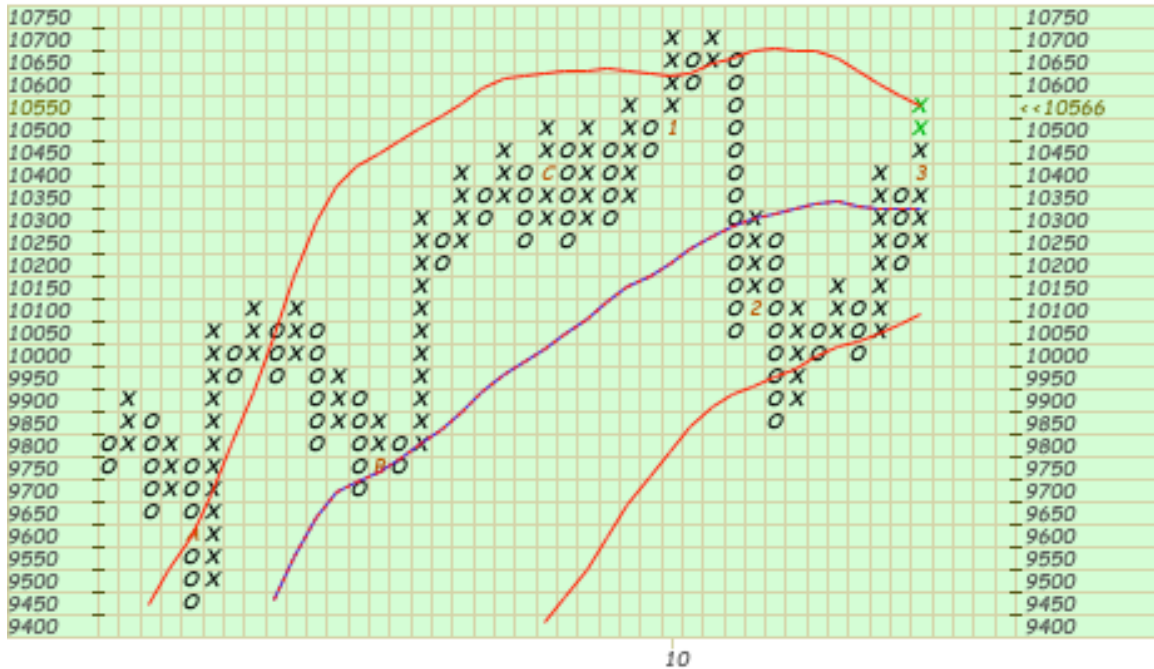
05-Mar, 16:00 ET, daily, H: 10,571.94, L: 10,445.05, C: 10,566.20, Chg: +122.061

P&F Pattern Ascending Triple Top Breakout on 02-Mar-2010

Traditional, 2 box reversal chart

Bullish Price Obj. (Rev.): Met (10350.0)

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Thusly, using the Dow Pnf chart above our Dow projections will "tighten" in scope, and we'll adjust if we see large movements beginning to occur.

Large moves are very possible. The Euro is in deep doodah, the largest gainers in the stock market last year was Bank of America at 345%, with a close third with JP Morgan Chase at 169.3%

I've yet to find even a Republican that can explain how what uprooted us to near depression became the winners of the next year.

Our Congress, and it seems the goal of half in Congress, is simply to get nothing done, allow no votes, so that they can gain power again.

At times I am a loss for our stupidity as a nation, so spend my time "getting my share" back in trading options as I watch the fraud be perpetuated.

If you'd like to know the fraud, email me.

It can be easily argued that Gold is ready for a correction. Arguments abound

with theories on Gold tops as the USD rises, and that as the USD rises, which is bad for the U.S. economy.

We are long-term investors in Gold and Silver, and hold long-term positions in both Gold Mining (AU), how the world “bets” Gold, (GLD) and our secret Canadian Fund that simply holds gold and silver bullion.

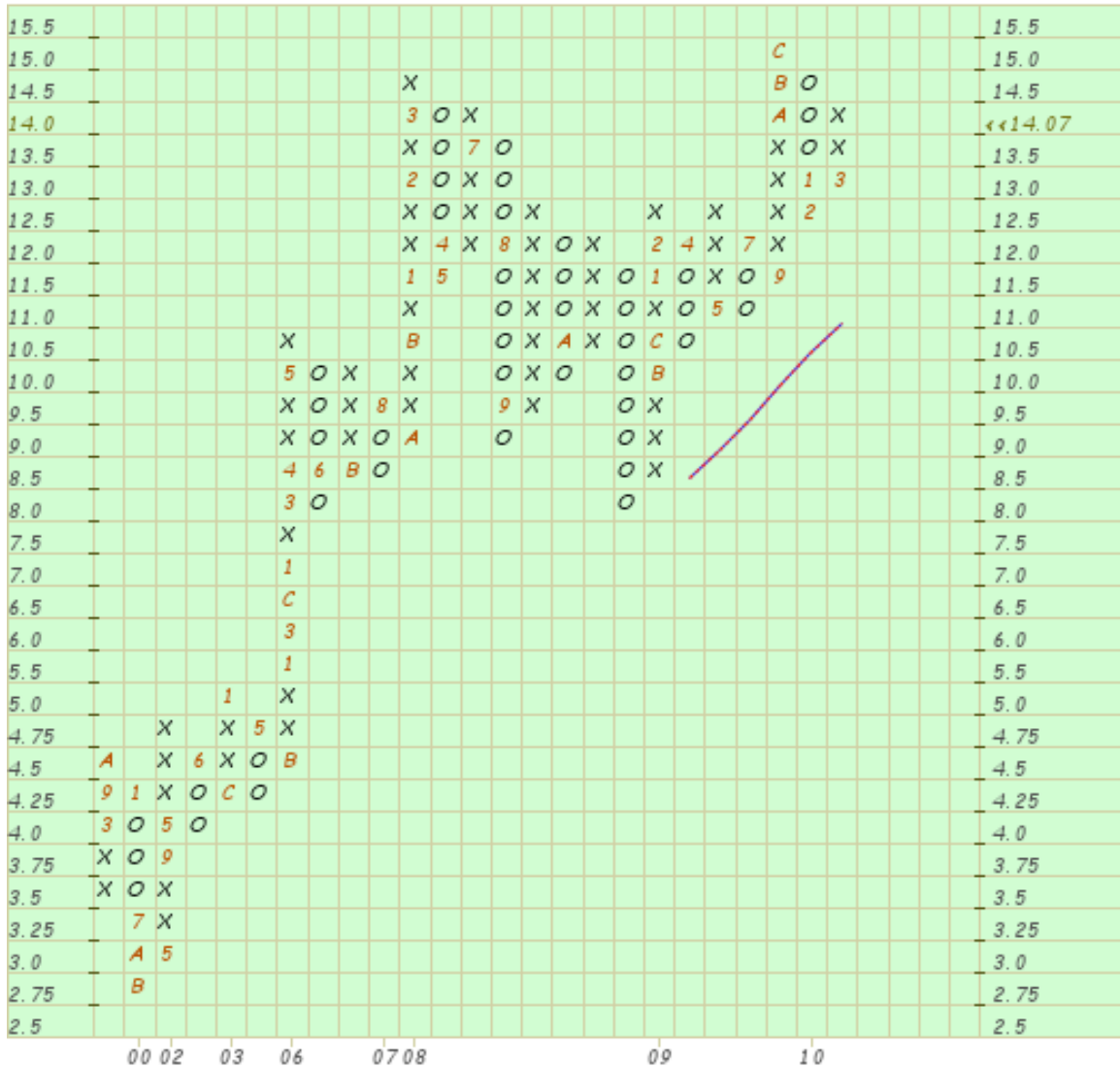
Central Fund of Canada Ltd. (CEF) AMEX

05-Mar-2010, 16:00 ET, daily, O: 13.96, H: 14.11, L: 13.96, C: 14.07, V: 731231, Chg: +0.15 (1.08%)
 No New P&F Pattern

Traditional, 3 box reversal chart

© StockCharts.com

Bullish Price Obj. (Rev.): 22.0



Anglogold Ashanti Ltd. (AU) NYSE

05-Mar-2010, 16:00 ET, daily, O: 37.53, H: 38.38, L: 37.47, C: 38.30, V: 1272164, Chg: +0.83 (2.22%)

No New P&F Pattern

Traditional, 3 box reversal chart

Bearish Price Obj. (Rev.): 32.0

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SPDR Gold Trust Shares (GLD) NYSE

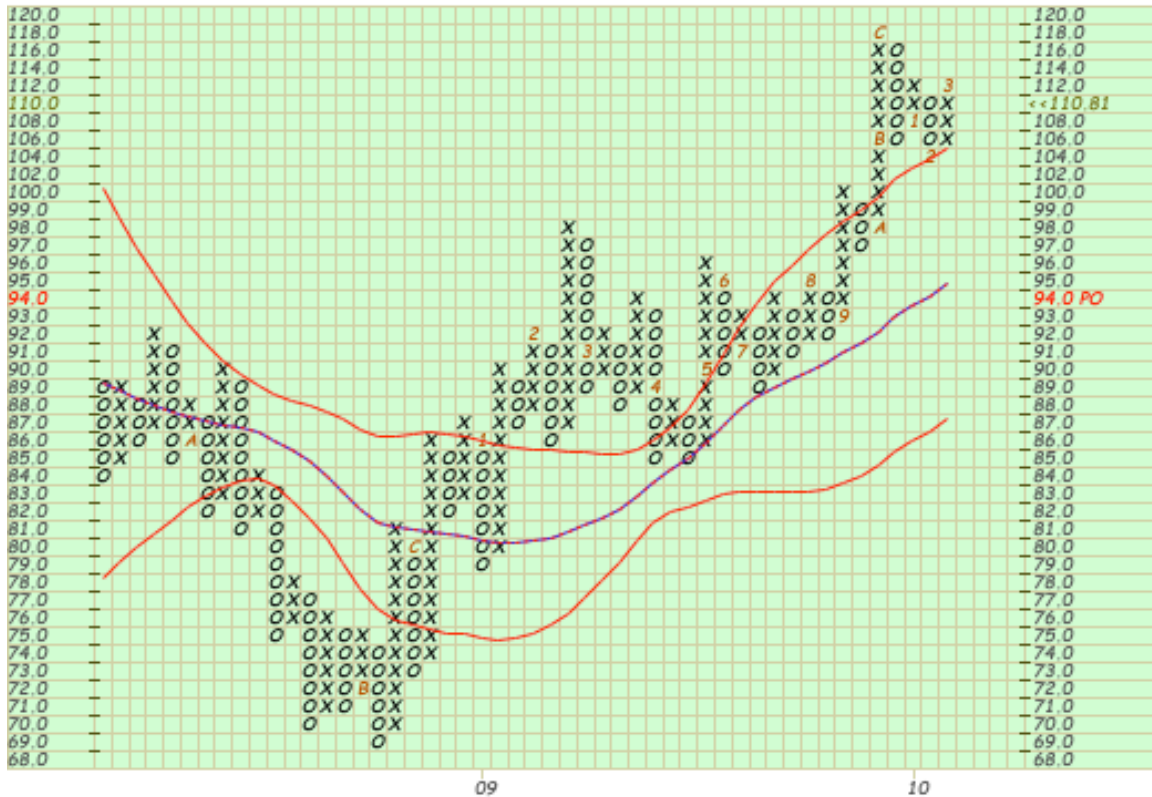
05-Mar, 16:00 ET, daily, O: 111.13, H: 111.75, L: 110.80, C: 110.81, V: 11.0M, Chg: -0.02

No New P&F Pattern

Traditional, 3 box reversal chart

Bearish Price Obj. (Rev.): 94.0

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Study carefully and set 25% trailing stop losses if you have concerns. Many of our traders have sold 2/3's of their Gold positions at 40 to 67%

Those of you that believe the Euro will fail, that the USD will gain value, that inflation will gain, or that another house of cards will fall, buy more on any corrections.

I like to use 30 day moving averages, and also adjust my Pnf charts, and I know some professional traders that use Fibonacci based numbers of equally weighted averages but personally find that charting to see an 89 day simple moving average can "take much of the noise" out of the market.

Netflix we believe will continue to dominate the market, and have gained enough market share to be a strong buy as a core market trade.

Buy NFLX at market price and set a 25% trailing stop loss. Use PNF stop loss lines to your risk tolerance level.

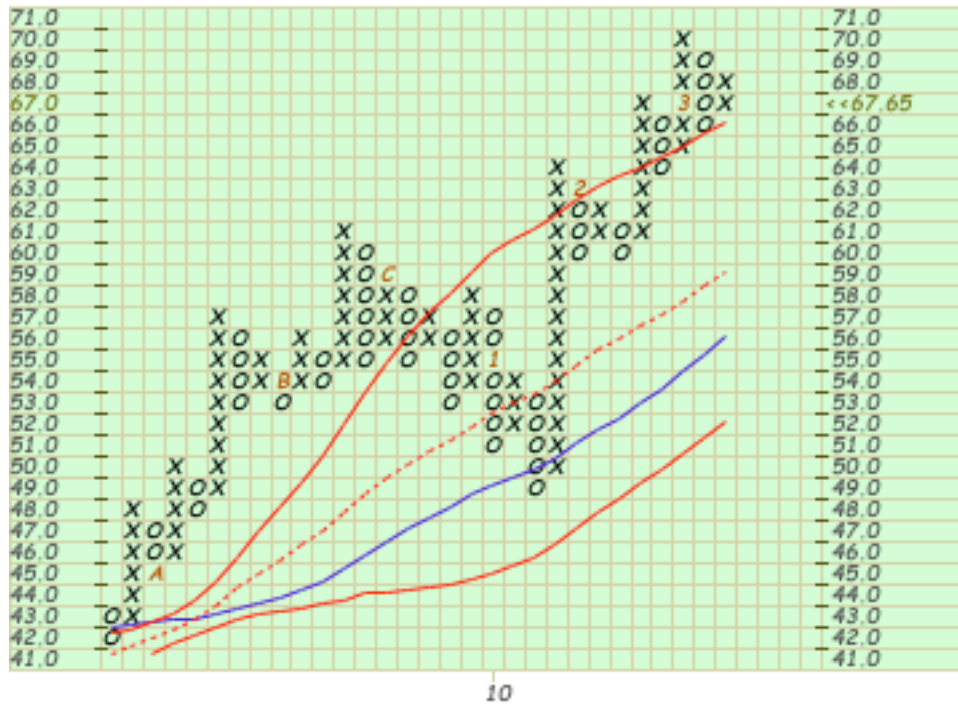
Netflix, Inc. (NFLX) Nasdaq Global Select Mkt.

05-Mar, 16:00 ET, daily, H: 68.695, L: 67.03, C: 67.65, Chg: -0.36

No New P&F Pattern

Traditional, 2 box reversal chart

Bullish Price Obj. (Rev.): 80.0



"We're paid - well paid - to cheat countries around the globe out of billions of dollars. A large part of our job is to encourage world leaders to become part of a vast network that promotes U.S. commercial interests. In the end, those leaders become ensnared in a web of debt that ensures their loyalty. We can draw on them whenever we desire - to satisfy our political, economic, or military needs. In turn, these leaders bolster their political positions by bringing industrial parks, power plants, and airports to their people. Meanwhile, the owners of U.S. engineering and construction companies become very wealthy." - Confessions of an Economic Hit Man

I tire of our incessant "fear of the debt HE is creating" when for 8 years no one seemed to question the deficit increase by the nana-second. Paying off what we owe seems prudent. But it could also wreck America's economic future.

The U.S. has to invest and spend to build a future, to help re-create a workforce, and for now, debt is the only means to that ends. Capitalism will NOT work by itself, as the Libertarian's think, as capitalism itself does not work. We do not have a liberated "free trade", but a country really controlled by less than 15 companies.

Much is often discussed that the DJIA moves contrary to the movement of the USD.

We do not believe the USD leads the DJIA, or the movement of the markets. When good fundamental data comes through, the Dow disassociates itself from the movement of the USD.

Remember, what we are often taught is not even the truth, so we lead our thinking and premises to conclusions with false information. Do NOT trust facts.