

OSS INDICATORS NEWSLETTER

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Those who study the past,
shall see the future.

Market Comments

NEW FORECAST—Choppy waters till mid July when we should see a strong rally into August.

Our indicators did very well last week. Check-out the scoreboard in the Last Week's OSS INDICATORS Results

In last week's letter, I wrote "*Greece? It is about time we hear some good news.*" Positive news on Greece appeared as Germany offered to step in and help. There was the good news we were expecting mentioned in last week's letter. By the end of the week, Germany had withdrawn its help, and thereby restarted the "Debt Bomb Clock." The U.S. has its own debt bomb to defuse by August 2nd, but I don't think they will do it. Let's not forget that the similarity between the current economy and the 1928-1934 period is downright uncanny. The Cardinal Climax, which has been repeatedly mentioned in this letter, is with us until 2015. As Aug. 2nd approaches, it is interesting to note that Mars sets off the Cardinal Climax starting on—you guessed it—Aug 2nd, and continues to irritate it for the following 3 weeks. That is not good news. If that is not bad enough, consider this: Mercury goes retrograde on Aug 2nd also. Mercury retrograde is associated with miscommunication and bad decisions. Talk about a perfect storm.

Uranus and Pluto continue their march towards a square aspect in 2015. The last time this happened was in 1930.

For the week ahead, I expect lower prices in the indexes. We should also see some larger price moves which is expected around the New Moon which occurs on 7/1/11. Not to mention the Moon reaches max declination of 23° N two days before. Max declination is associated with lower prices.

Many markets are hitting either FIB or MA support levels, but I do not see a turn-around this week.

The period of 7/11/11 to 7/15/11 is shaping up to be a reversal time period for multiple markets.

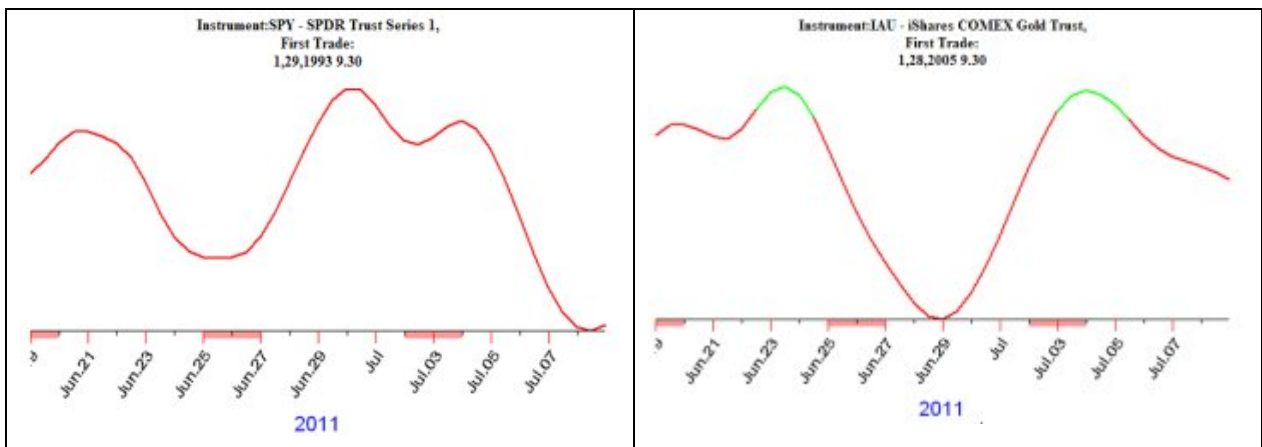
The astro graphs below correctly predicted a move higher in IAU and the SPY with a sell-off at the end of the week.

New recession begins next year, Shilling says <http://www.marketwatch.com/story/new-recession-begins-next-year-shilling-says-2011-06-24>

Chart Pattern Trader

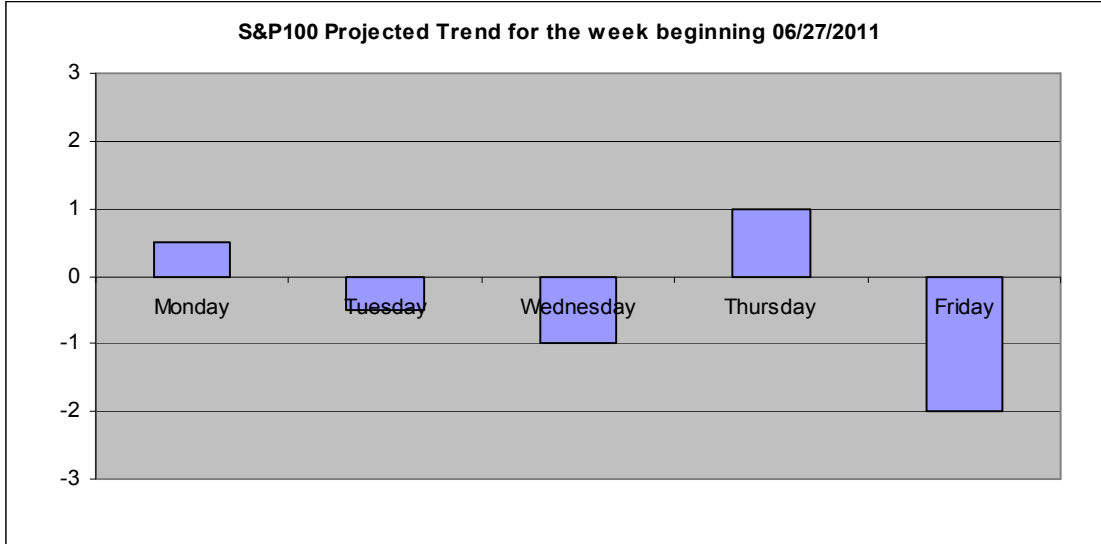
Anyone looking for a good chart pattern / technical analysis of the current markets should hop over to <http://thechartpatterntrader.com/>

See the "Near Term Indicators" section of the OSS INDICATORS letter for CIT dates and directional signals.



This Week's Indicators

Note: The Projected Trend chart below should not be used to predict individual days, but instead as a general trend.



DATE	R	V	T	M	CLOSE	CHG	CHG%	HIGH	HIGH %	LOW	LOW%
06/27/11		2									
06/28/11		2									
06/29/11		1	-1	DN							
06/30/11											
07/01/11		2	+1	NM							

Some strong "V" indicators this week; we should see some larger than usual moves this week. The 29th or 30th should be a down day. Usually, the first day of the month is an up day, but I would not bet on it this time.

There are no reversals this week. Overall, it looks like lower prices for the financial indexes. If Monday and Tuesday don't do much, I would be looking to short Tuesday at the close with some OEX Puts.

I do not put much faith in the "T" indicator when it is only a 1. If we had 3 1's in a row, all pointing the same direction, then I might be interested.

Columns:

R – Reversals. A=astrological, C=Cyclical, G=Gann

V – Volatility. Larger the number, the bigger the expected move.

T – Trend. Expected direction of the market

M – Moon. Phase: NM=New Moon, 1st=First Quarter, FM=Full Moon, 4th=Last Quarter

Declination: 0=0°, DN=Max declination north, DS=Max declination south

Near Term Indicators

Current forecast for the next 30-60 days.

S&P 500: Expecting a move down to 1200 around 7/15, then a move up to 1360 before the end of August.

GLD: Indicators are mixed, but a rally in August is almost certain.

SLV: Strong signal of a bottom within the next 2 weeks, then a rally of 15+ points. I'll be playing this one.

UUP: I no longer expect a high of 23. Lucky if we get to 22. Expect downward turn to start 6/30/11. Lower in July, much lower in August. Expect a return to the 5/4/11 Low of 20.88

OIL: Experienced a cyclical inversion last week. Headed lower. Expecting a pull-back of 10% before August.

TLT: W we should see TLT gain 20% by the end of July, but cannot get a clear sight on the next 2 weeks Strongly considering going long mid July.

FXE: Expect a rally throughout July and August. Looking for a top around 152.

VIX: Continues to move higher since May. Now showing much larger 1-day moves. I expect this trend to continue.

GANN: Major Gann reversal around 7/21/11.

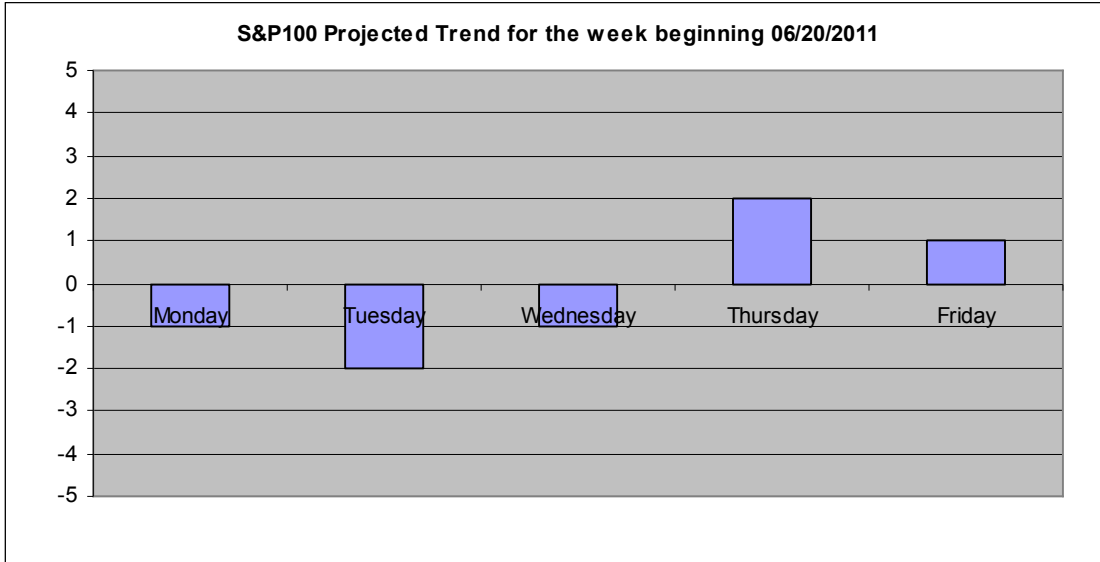
- ~90 days from 03/2011 Low
- ~180 days from the 11/2010 High
- ~270 days from the 07/2010 high

Financial Events for the Coming Week

Source: [MyPivots](#)

<p>Monday, 27-June-2011</p> <p>08:30 AM Personal Income and Outlays</p> <p>11:00 AM Narayana Kocherlakota Speaks</p> <p>11:00 AM 4-Week Bill Announcement</p> <p>11:30 AM 3-Month Bill Auction</p> <p>11:30 AM 6-Month Bill Auction</p> <p>01:00 PM Thomas Hoenig Speaks</p> <p>01:00 PM 2-Yr Note Auction</p> <p>Tuesday, 28-June-2011</p> <p>07:45 AM ICSC-Goldman Store Sales</p> <p>08:55 AM Redbook</p> <p>09:00 AM S&P Case-Shiller HPI</p> <p>10:00 AM Consumer Confidence</p> <p>10:00 AM Richmond Fed Manufacturing Index</p> <p>10:00 AM State Street Investor Confidence Index</p> <p>11:30 AM 4-Week Bill Auction</p> <p>11:30 AM 52-Week Bill Auction</p> <p>01:00 PM 5-Yr Note Auction</p>	<p>Wednesday, 29-June-2011</p> <p>07:00 AM MBA Purchase Applications</p> <p>10:00 AM Pending Home Sales Index</p> <p>10:30 AM EIA Petroleum Status Report</p> <p>01:00 PM 7-Yr Note Auction</p> <p>03:00 PM Farm Prices</p> <p>Thursday, 30-June-2011</p> <p>08:30 AM Jobless Claims</p> <p>09:45 AM Bloomberg Consumer Comfort Index</p> <p>09:45 AM Chicago PMI</p> <p>10:30 AM EIA Natural Gas Report</p> <p>11:00 AM Kansas City Fed Manufacturing Index</p> <p>11:00 AM 3-Month Bill Announcement</p> <p>11:00 AM 6-Month Bill Announcement</p> <p>04:30 PM Fed Balance Sheet</p> <p>04:30 PM Money Supply</p> <p>Friday, 01-July-2011</p> <p>09:55 AM Consumer Sentiment</p> <p>10:00 AM ISM Mfg Index</p> <p>10:00 AM Construction Spending</p>
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Last Week's OSS INDICATORS Results



DATE	R	V	T	CLOSE	CHG	CHG%	HIGH	HIGH %	LOW	LOW%
06/20/11			1	569.59	2.55	0.45%	3.52	0.62%	-1.98	-0.35%
06/21/11		-1		576.34	6.75	1.19%	7.87	1.38%	0.15	0.03%
06/22/11		-1	1	572.46	-3.88	-0.67%	1.25	0.22%	-4.02	-0.70%
06/23/11		-2	2	570.73	-1.73	-0.30%	-0.57	-0.10%	-10.42	-1.82%
06/24/11			1	563.62	-7.11	-1.25%	-0.05	-0.01%	-7.48	-1.31%

Should be a down week. Most negative in the later part of the week. Would not be surprised to see the markets move a little higher in the first part of the week, but that is not where our attention should be. We need to focus on the later part of the week.

😊 Right 😞 Wrong 😊 Comment

- 😊 Thursday was suppose to be the big down for the week, and it was if you look at the intraday low (-1.82%)
- 😊 Indicators predicted a down week, and it was.
- 😊 Indicators predicted the most negative moves to occur in the later part of the week, and they did.
- 😊 Markets did show positive activity in the first part of the week.
- 😊 Our calendar indicator points to bearish moves from the 20th to the end of the month.
- 😊 Again, we saw a negative move during the last quarter of the lunar cycle. Doesn't always happen, but it there is a significant move to the downside it is usually during this phase of the Moon which started on 6/22-6/23.
- 😊 Yes, I know, I had the "V" and "T" indicators transposed. Sorry about that.
- 😊 The Project Trend graph—which is only used when in sync with the daily indicators—did a perfect inverse this week. Not too surprising as cyclical inversion have been popping up in various markets the last two weeks. Primary reason I have not made any recommendations

Charts

Candle reversals highlighted in red. Spotting candlesticks is a subjective endeavor. I personally like to stick with the ones that leap out are you.

Simple Moving Averages: 20-period 50-period



Option Trades

Interactive results may be viewed at: http://www.oss.cc/oss_Results.asp

OPTION	ENTRY DATE	ENTRY PRICE	EXIT DATE	EXIT PRICE	PROFIT	HIGHEST	HIGHEST%
RIMM MAR11 62.50 PUTS	02/15/11	\$1.15	02/16/11	\$0.77	-33%	\$1.55	34%
POT MAR11 165 PUTS	02/18/11	\$1.07	02/18/11	\$2.14	100%	\$2.26	111%
OEX MARWK2 585 PUTS	03/08/11	\$1.25	03/10/11	\$2.50	100%	\$4.80	284%
OEX MAR11 570 PUTS	03/08/11	\$1.30	03/10/11	\$2.60	100%	\$7.00	483%
WYNN MAR11 122 PUTS	03/10/11	\$1.40	03/11/11	\$2.80	100%	\$3.45	146%
OEX APR11 460 PUTS	03/16/11	\$1.40	03/17/11	\$0.70	-50%		
OEX APR11 510 PUTS	03/21/11	\$1.00	03/22/11	\$0.50	-50%		
CF MAY11 115 PUTS	04/07/11	\$1.28	04/12/11	\$2.00	50%	\$2.23	74%
WGO MAY11 12.50 PUTS	04/12/11	\$0.80	04/12/11	\$0.40	-50%	\$1.15	44%
OEX MAY11 555 PUTS	04/26/11	\$1.15	04/27/11	\$0.55	-50%	\$1.15	0%
CAT MAY11 110 PUTS	05/03/11	\$1.15	05/04/11	\$2.30	100%	\$8.30	622%
KKR MAY11 18 PUTS	05/03/11	\$0.40	05/05/11	\$0.80	100%	\$1.00	150%
BBY MAY11 32 PUTS	05/03/11	\$1.25	05/07/11	\$1.60	28%	\$1.70	36%
BRCD MAY11 7 PUTS	05/03/11	\$0.90	05/07/11	\$0.80	-11%	\$0.90	0%
OEX MAYWK2 605 CALLS	05/09/11	\$0.95	05/10/11	\$1.90	100%	\$2.10	121%