

NASDAQ and all other stock markets indices need upward dynamics to reaffirm support from early-January lows

“Don’t fight the Fed” versus profit contraction - Most stock market indices rebounded following Greenspan’s first rate cut of the year on 3rd January. Bullish technical action included a dramatic key day reversal for the NASDAQ Composite Index shown below. However the rallies petered out in late January and reactions have followed. Are these consolidations prior to further strength, or are most share indices likely to resume previous declines and/or erode underlying support? Will rate cuts by the Fed and other central banks be the key factor, supporting share prices, or will falling corporate profits drag most stocks lower? I suspect interest rates will be the dominant influence, as so often in the past but I want to see further evidence on the charts. Specifically, more upward dynamics are required near or above the January lows, helping to push indices over their recent highs. Even in this event I expect plenty of ranging and would not chase any share.

OPEC’s latest supply cuts are bad for global GDP growth

- The general expectation that energy prices are heading lower is likely to be wrong, at least for a few more months, due to OPEC’s reduction of production quotas by 1.5 million barrels a day. Moreover they will cut again if prices slip below their benchmark. Eventually, high prices will attract more oil and natural gas supplies from other sources, and consumption is likely to decline. Meanwhile, energy costs remain a problem for the global economy.

Currencies are strengthening against the yen once again

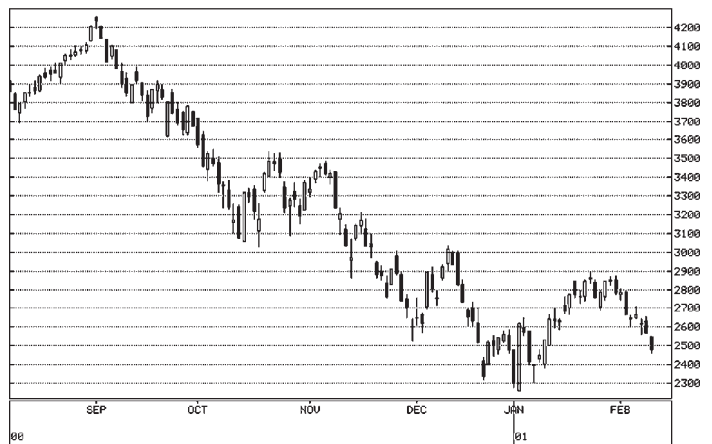
- Following orderly reactions from their January highs, a firmer tone against the Japanese currency has been evident recently. While the US dollar led this renewed strength, other reserve currencies have participated, including sterling shown below. I suspect we saw their reaction lows against the yen last week, in what will prove to be no more than brief consolidations prior to further and substantial gains. Sustained breaks under the following levels are necessary to challenge this hypothesis: USD 114.35, EUR 106.15, GBP 167.15, CHF 69.915 and AUD 62.121.

The Chart Seminar will next be held on 10th & 11th May, in London. Please email sarahhewett@fullermarkets.com for further details and reservations.

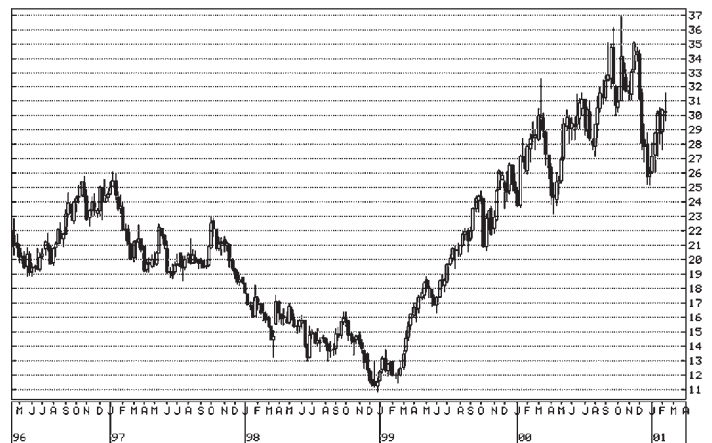
Best regards - David Fuller

FullerMarkets a division of Stockcube Research Limited Suite 1.21 Plaza 535 Kings Road London SW10 0SZ UK Website: www.fullermarkets.com
Email: research@fullermarkets.com Tel: +44 (0) 20 7351 5751 Fax: +44 (0) 20 7352 3185

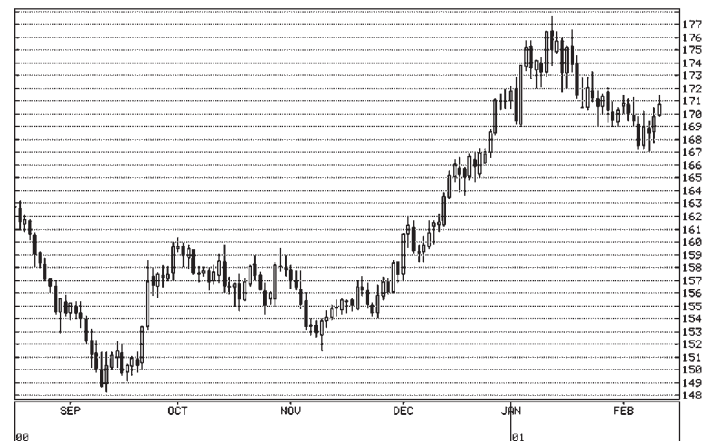
NASDAQ Composite Index - Daily 2470.597



Crude Oil (2nd Month Continuation - NYME) Weekly \$30.37



Sterling/Yen - Daily ¥170.90



You are strongly advised to read the following: This report has been produced and compiled by FullerMarkets, a division of Stockcube Research Limited (Stockcube) which is regulated by the Securities and Futures Authority Ltd, according to the requirements of the Financial Services Act 1986. It is distributed by Stockcube and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time Stockcube and any of its officers or employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments (including derivatives) directly or indirectly the subject of this report. Also Stockcube may from time to time perform other services (including acting as adviser or manager) for any company mentioned in this report. The value of securities can go down as well as up, and you may not get back the full amount you originally invested. Derivatives in particular are high risk, high reward investment instruments and an investor may lose some or all of his/her original investment. If you make an investment in securities that are denominated in a currency other than that of GB Pounds you are warned that changes in rates of foreign exchange may have an adverse effect on the value, price or income of the investment. The investments referred to herein may not be suitable investments for all persons accessing these pages. You should carefully consider whether all or any of these are suitable investments for you and if in any doubt consult an independent adviser. This report is prepared solely for the information of clients of Stockcube who are expected to make their own investment decisions without reliance on this report. Neither Stockcube nor any officer of Stockcube accepts any liability whatsoever for any direct and consequential loss arising from use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose without the prior express consent of Stockcube. © Stockcube.