



ETF Trend Tracker commentary –
Week beginning March 30, 2008

The broad market rallied nicely in the beginning of last week, but quickly faded to the prior week's range. The rally triggered the Nasdaq 100 into the "ascending trend" list, but there was no continuation of the trend higher. The other market segments on the descending trend formed swing highs, which allowed us to lower our stops to lock in additional gains or lower risk.

Several Industries were triggered onto the ascending trend, but faded quickly, ending the week well off the pace. The swing high patterns formed last week were observed in several industries, and we took advantage of this by adjusting our stops in the updated ETF Trend Tracker report. Questions about mid-trend re-entries have been asked frequently. To address this question, a trade technique can be demonstrated by using examples. Take Oil Services (OIH) for instance. OIH completed a swing low formation and is about to form a swing high pattern. OIH has been on the descending trend for several months now and we have made some nice gains already. Notice that if another day of lower low and lower high from the previous day, then a swing high pattern would be completed. A short entry below the Friday low would be a re-entry strategy that can be used. You may then use the high of the swing high as your initial buy stop to cover the short if the trade does not work out. Look for other similar patterns in other sectors, ie: Commodity Index (DBC). See the annotated chart of OIH by clicking on the ticker symbol in this week's report.

The Bond market was mixed, but generally consolidated. No stops were changed.

The International markets were also a little uncertain about the economic direction. The early rally lifted a handful of ETFs into the ascending trend. India (INP) was one of them, but be cautious of its volatility. Hong Kong (EWH) is putting up some nice moves higher, and has broken the descending trend channel. It is also approaching our Reversal Trigger (S2). Taiwan (EWT) launched higher on election news, but quickly fell back to support levels.

Please contact us for additional question and a free consultation session. We can discuss with you about how to use the ETF Trend Tracker report and even work on successful trade strategies you can implement today; find out one proven strategy that we hold closely as professional traders in the ETF community. Whatever you like to talk about is up to you! It's free for the asking if you are registered in the free 30-day trial or already a current subscriber to any of the MTG services. Just call or email us and setup an appointment, and we will call you back. This is a limited time offer and we must limit the session to 30-minutes (other restrictions and limitations apply). Make gains in this difficult market now and secure a valuable one on one private consultation session with a professional at the Morpheus Trading Group, so don't wait!

Alert of imminent reversal to the upside:

None

Alert of imminent reversal to the downside:

None