

We've Turned Off the Lights.

Purely Technical subscribers will notice that "we've turned off the lights" on the first page of this issue of *Purely Technical*.

This is a symbolic gesture on the part of TheMarketMessenger.com, a socially conscious company, to help raise awareness of [Earth Hour](#).

"Earth Hour" is a global initiative in which millions of people in hundreds of cities around the world are joining together in making a statement about climate change by turning off their lights for one hour, starting at 8:00PM local time, March 29, 2008.

Why did TheMarketMessenger.com choose to bring this specific cause to your attention?

Climate change is one of the leading social issues of this decade and this is a fact becoming more and more evident with each passing year. It is our belief that each of us has a responsibility to do his/her part in making the planet a better place for all of us to live in.

The Earth Hour initiative provides each of us the opportunity to make a positive impact towards managing this critical issue.

We invite you to learn more about this initiative by visiting [the Earth Hour website](#) and doing your part to make a difference.

Bullish Reversal Showing Signs of Potential Failure...

The following is the 'Nightly Commentary' piece that was presented to members of TheMarketMessenger.com after the trading session on Thursday, Mar 27th...

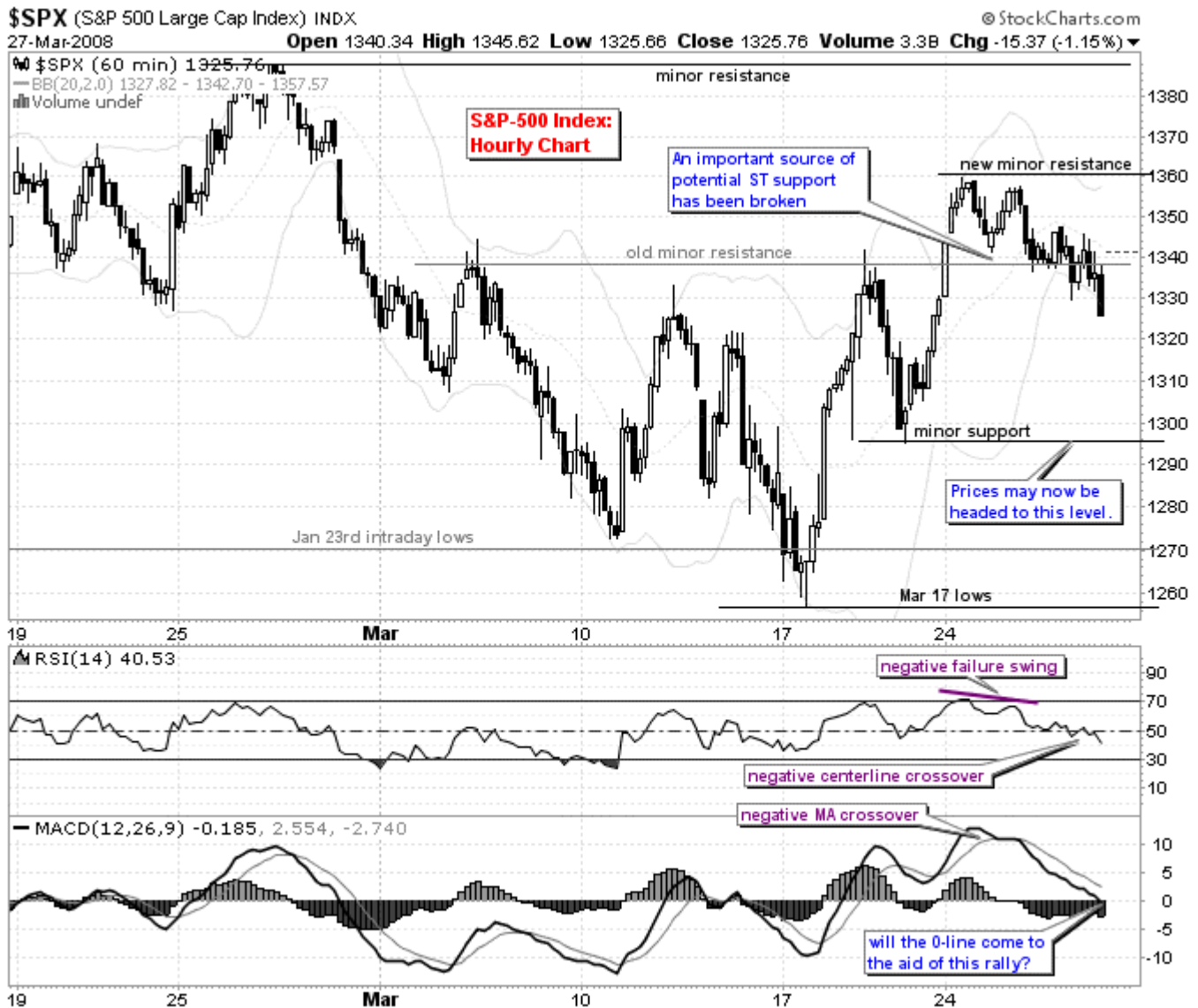
Last night we'd said the following... "So far, this (the small losses from the highs on Tuesday) can be considered a blip, a much needed breather, what have you... However, as we'll see when we take a look at the hourly and daily charts of the S&P-500 and the Nasdaq-100 tonight, they'll want to find support and resume the rally right away or there'll be a few bees in the bonnet."

The number of bees in the bonnet of the 'bulls-mobile' is starting to grow! The bulls will want to drive them out pronto.

Most major indices lost 1% or more today; adding to smaller losses experienced yesterday. While it's by no means all over for the bulls, they now need to prove their resilience by rallying the indices back above certain crucial levels without further ado. Or else, the bears will be back in the driver's seat.

Let's put the clichés aside and get down to the charts...

S&P-500 Index - **Hourly** Chart...



SPX fell 15 points (1.15%) on Wednesday. The somewhat important level of 1340 has given way. Hourly RSI is showing a negative centerline crossover. MACD might soon follow suit.

Until/unless prices can move back above 1340, we're looking at a possible move to 1295. There isn't much consequential support - at least on the hourly chart - in between.

S&P-500 Index - Daily Chart...



The troubling sign for the bulls is that prices have now fallen back below the declining intermediate trendline, as the daily chart (above) shows.

The good news is that prices are still a touch above the 20dMA and the important support/resistance level of 1325. All will be fine if prices can rally from here. A move below 1325 really starts to bring doubts about the rally.

If that happens, MACD will have found resistance at its 0-line (as we often state: during longer-term bear moves, the markets often forms a minor/intermediate high once MACD has "reset" at its 0-line) and RSI would have moved back below its centerline.

Nasdaq-100 Index - **Hourly** Chart...



NDX lost nearly 40 points (2.2%) today. As is quite evident, prices have failed potential support at 1807 and are now well on their way to the levels highlighted yesterday. With RSI barely having moved below its centerline and MACD not quite at its 0-line as yet, there is a lot of room to the downside, if the bears are willing.

It's a no-brainer that the bulls are in peril if they can't pull things back right away.

Nasdaq-100 Index - **Daily Chart...**



The daily chart shows that this index has found resistance at its Upper Bollinger Band, which is now starting to flatten, even curve downwards, after having started to show signs of potential expansion recently.

MACD reached its 0-line today. RSI has moved back to its centerline, after having moved above it earlier this week.

For now, the bulls are still doing okay, and the bullish reversal is still potentially in play, but if prices fall back below the 20dMA - currently at 1748 - a move to retest the lows is virtually inevitable.

(contd.)

We've spent this Thursday afternoon/evening scouring through hundreds of charts and have eked out a good number of bearish stock setups that would be expected to do well if the markets move back into bear mode. We've featured those charts (on the Nightly Commentary page at TheMarketMessenger.com).

(Mar 27th Nightly Commentary ends here...)

Just a quick reminder of the **membership packages that we offer...**

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That's it for this issue of Purely Technical.

Good luck with your trading!

Asher Pinto

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