MMA WEEKLY COMMENTS AND TRADE RECOMMENDATIONS FOR WEEK OF JANUARY 31, 2011
"Weekly Analysis - All Markets"

Comments: Please take a moment to view my weekly geocosmic comments on the stock market, at http://www.mmacycles.com/artweek.htm. Or, you can go to www.mmacycles.com, and then choose Weekly Preview. You can also go to www.stariq.com, and then look up "market week." We are also pleased to announce that these weekly geocosmic comments are now available in German at http://www.astrodata.com/shop.asp?action=weeklycontent&ccat=1&nav=45, or www.astrodata.ch. And they are now available in Dutch at www.markettiming.nl. We are also pleased to announce that these weekly geocosmic comments are available in French on our own web site at www.mmacycles.com, and also in Japanese to our clients in Japan at http://merriman.jp. The report is available in several languages at http://www.lecochonsideral.info/PubliMERRI/Francais/Annee2007/semaine.html or http://www.lecochonsideral.info/PubliMERRI/AccueilMerri.html. And now we are in Spanish at www.mmacycles-spanish.com, Serbian at www.mma-balkan.com, and Russian at http://www.mmafinance.ru/. And now we are also in Chinese at http://www.zzdcycles.com!

Note 1: The DVD's and CD's of the Forecast 2011 webcast have arrived this week, and are now available. See http://www.markettiming.nl/nl/shop/software (scroll down) for information & ordering.

Note 2: Our next private meeting with subscribers will take place after an all-day Financial Markets workshop in Kansas City, on Saturday, April 16. This is a very exciting gathering, for both subscribers and myself (Merriman). Various market topics will be discussed and you may ask questions in this lively exchange. But you need to reserve a spot in this meeting with us ahead of time. There is no cost to subscribers or $95.00 if not a subscriber to any daily or weekly report, or a one-year subscription to any MMA Cycles Report, To make your reservation for this special meeting, call us at 001-248-626-3034 or email Amber at ordersmma@msn.com.

DJIA Cash: Last week's high was above weekly resistance and the close was back below, which is a bearish trigger. And the close was above the weekly trend indicator point for the 9th consecutive weeks, which means it remains in a trend run up.

This week's trend indicator point is 11,814. It will be downgraded back to neutral this week if it closes below here.

Weekly support is 11,715-11,744. A close below 11,715 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 11,932-11,962. A close above 11,962 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 10,685-10,731 and 8266-8433.

Bearish crossover zones remain in effect at 12,094-12,161, 12,432-12,496, 12,817-12,856, 13,088-13,254, and 13,825-13,969.

This begins the 9th week of the 13-21 week primary cycle. We are in the time band for an 8-11 week half-primary cycle trough. The 15-day slow stochastics are turning down now from a bearish double looping pattern above 80%, which is a technical signal of a decline if these stochastics fall below 71% Right now they sit with K = 80.40% and below D at 90.34%. As stated the past two weeks, "A 5-7 week major cycle trough may have formed Jan 10 as prices fell to 11,573, slightly taking out the low of the prior week. However, it didn't fall below the 25-day moving average, so we cannot confirm. If it was a major cycle low, then we may also see an 8-11 week half-primary bottom, where prices do take out the 25-day MA, which starts this week at 11,592 and is rising." That average is now at 11,743 (note this week's support level is also there). If there is to be a half-primary cycle trough, the price target is down to 11,093-11,530.

There are geocosmic reasons to also suspect a top may have formed last Wednesday, January 26, at 12,020. First of all, Jupiter entered Aries last weekend, January 22. As discussed before, we look for a meaningful crest within two weeks of that date, followed by a decline into the middle of this transit, which would be about two weeks either side of the Jupiter-Saturn opposition of

March 28. Second, there is a Sun-Mars conjunction at the end of this week, February 4. Oftentimes this marks the end of a 10+% move, and the start of a new move of about 10% or so, within a space of 4 weeks. I think the 10+% move was a crest that many have ended January 26, which is within 4 weeks of February 4. Now we could start a10% decline, perhaps quickly or perhaps lasting into March 28, +/- 2 weeks. Third, as stated last week, “I am also concerned about Feb 10-18 when there is a possibility of the end to a sharp decline based on certain astro factors.” That first with the time band for a half-primary cycle trough. If so, the next rally may not make a new high, followed by another decline to the primary cycle trough within two weeks of March 28. By that tome, the market might be back down to the 11,000 mark again. But after that, I see another 10+% move up, probably to new yearly highs, by last May, early June.

We also note that at the high of last week, NDH did not make a new high, and both closed in the lower third of the week’s range. This is a case of intermarket bearish divergence. As stated last week, “I would prefer to see it (intermarket bearish divergence) happen this week (i.e. DJIA goes a little higher, but SPH and NDH still remain below the highs of full moon, Jan 19).” SPH made a new high too, but NDH did not, so it is valid.

Lunar cycles for this week are as follows. Anything above 120 means there is a higher than expected probability of a reversal from an isolated high or low. The more *, the more likely a reversal. The more #, the less likely a reversal:

Jan 31-Feb 1	192.8***
Feb 2-3	80.0#
Feb 4	118.9*
Feb 7-8	44.9###
Feb 9-11	91.5

Strategy: Position traders may remain long with a stop-loss on two successive closes below 10,929 after having taken healthy profits on 1/3 of these positions the prior week. Look to buy back on a decline to 11,500 area if offered this week.

Aggressive traders are short with the stop-loss at a time when all three markets new yearly highs. Look to cover on a drop to 11,500 area. We will be looking to get long Feb 10-18 and ideally around Feb 15. If we close below weekly support, it becomes a bearish sequence. One concern is the very high lunar reversal weighted value for Monday-Tuesday. This implies that at least a leg of this move down could be completed Monday-Tuesday, followed by a sharp rally. How long that rally lasts is the question. Typically it is only 1-4 days. We have a new moon on Wednesday and a critical reversal date over the weekend, +/- 3 trading days. My guess is that the rally would end Feb 2-9, followed by another sharp decline into Feb 10-18. If you covered shorts Monday-Tuesday, then look to resell in that rally, probably at a lower price than last week’s high (failed double top, perhaps)

SPH (Mar S&P): Last week’s high was below weekly resistance and the close was back below, which is a bearish trigger. And the close was below the weekly trend indicator point for the 1st time in 9 weeks, which means it is downgraded back to neutral.

This week’s trend indicator point is 1280.30. A weekly close above here will upgrade it back to a trend run up.

Weekly support is 1256.80-1261.20. A weekly close below 1266.80 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 1286.20-1290.60. A weekly close above 1290.60 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 889.55-902.40 and 791.10-791.25.

Bearish crossover zones remain in effect at 1384.80-1388.55, 1456.15-1473.80, and 1540.35-1559.60 in the nearby contract.

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This starts the 11th week of a 15-23 week primary cycle following the low at 1165.70 on November 16. There is a possibility an 8-11 week half-primary cycle trough is forming now. The top may have formed on Friday, January 28, at 1299.40, as stochastics were lower than at prior recent highs, for a case of bearish oscillator divergence. Also, they formed double looping patterns above 80%, and are now below 80%. Additionally prices finally closed below the 25-day moving average, currently at 1272.80. This confirms that the high of Friday was at least a major or half-primary cycle crest. If it is also a primary cycle crest, we could see a re-test of the 1165 area in the next 4-12 weeks.

Also note that last week was a "Pat's Combo Down," which historically has a strong correlation to major declines. It will be negated if prices make a new high, above 1299.40. It will questionable if prices even close above weekly resistance now. If SPH now closes below weekly support, it will create a bearish sequence.

Strategy: Position traders are long with a stop-loss on a close below 1181 or 1255, depending on your risk allowance, after having taken profits on 1/3 of these positions the prior week. It might be a good idea to exit another third if prices stall in a rally back to 1280-1290 this week, especially Feb 2-9.

Aggressive traders may remain short with a stop-loss on a close above 1299.40 or if all three indices make new yearly highs together. Look to cover on a drop below 1240, or if prices trade down to weekly support or lower, but then close back above weekly support. In fact, look to cover Monday-Tuesday and then sell short again Feb 2-9, ideally 1280-1290, with a stop-loss on a close above 1300.

NDH (Mar NASDAQ): Last week's high was above weekly resistance and the close was back below, which is a bearish trigger. The close was also below the weekly trend indicator point for the 1st time in 10 weeks, which means it is downgraded to neutral.

This week's trend indicator point is 2293. It will be upgraded back to a trend run up if the market closes above here this week

Weekly support is 2229-2239. A weekly close below 2229 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 2306-2316. A weekly close above 2316 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 2231-2242, 2046-2049, 1981-1982, 1905-1909 and 1649-1662.

This starts the 11th week of a newer 15-23 week primary cycle following the 2086 low of November 16. It is possible a 5-8 week major cycle trough formed on December 31 at 2207, the 6th week, which would make this the 5th week of the second 5-8 week major cycle. Last week NDH did not make a new high, whereas both DJIA and SPH did, and all closed in the lower third of the week's range, which means we have a case of intermarket bearish divergence in force. Plus NDH closed below the 25-day moving average, currently at 2274, so either a major or 8-11 week half-primary cycle crest is in.

As stated the past two weeks, "But the 11-day time band of the Jupiter-Uranus conjunction ends January 19, and Jupiter enters Aries January 22, and that makes me wary of a top forming." The top in NDH was Jan 19, DJIA Jan 26, and SPH Jan 28. Divergence, divergence, divergence. Bearish… until they all start exceeding last week's highs.

Strategy: Position traders are still long 2/3 positions with a stop-loss on a close below 2115. Look to cover on a rally into Feb 2-9, say back to 2290-2310 if offered.

Aggressive traders may remain short now with a stop-loss on a close above last week's high of 2345.50. Look to cover on a drop to 2225-2250, or at least use a trailing stop starting above 2270. if filled, then look to sell short again on a rally into Feb 2-9, back to 2290-2310, with a stop-loss based on all three indices making new yearly highs.

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EUC (Euro Cash): Last week's high was into weekly resistance, and the close was back below, which is neutral but with a bearish bias. And the close was above the weekly trend indicator point for the 3rd consecutive week, but it was a down week, which means it is downgraded to neutral.

This week's trend indicator point is 1.3456. It will be upgraded to a trend run up on a close up this week.

Weekly support is 1.3501-1.3513. A weekly close below 1.3501 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 1.3724-1.3736. A weekly close above 1.3736 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 1.2815-1.2816 and 1.2217-1.2232.

A bearish crossover zone remains in effect at 1.5322-1.5458.

This now starts the 3rd week of the 21-34 week primary cycle, following the 1.2871 low of January 10. As stated before, "The price target for the crest of this new primary cycle would be 1.5277 +/- .0401. But it is also possible this rally only lasts 2-8 weeks, and finds resistance in the 1.4000-1.4500 area, followed by a more substantial decline into the end of the primary cycle, while the U.S. Dollar starts to kick in with a rally, and metals fall. Any close below 1.3000 would suggest that outcome." I am still bullish, but a close below weekly support now would create a bearish sequence.

The other thing of concern is heliocentric Mercury, Jan 25-Feb 4. This is usually bullish for currencies and metals, but it cam end between days 3-9. Thursday's high at 1.3759 was day #3. With the revolutionary forces at work in Egypt, traders are looking more to US Dollar and Swiss Franc and Gold as the safe havens. Thus we may see a sharp drop here, but as long as it remains above 1.3000 (and especially above 1.3300), the primary cycle trend is still up.

All currencies are vulnerable for major reversal in the forthcoming critical reversal period of next weekend, Feb 5-6, +/- 3 trading days. February 4 or 7 looks especially critical.

Strategy: Position traders may still look to buy on a drop to 1.3260 or lower, with a stop-loss below 1.2871.

Aggressive traders may do the same.

Euro Mar (EUH): Weekly support is 1.3499-1.3511. Resistance is 1.3719-1.3731. The weekly trend indicator point is 1.3466. The difference between cash and futures is .0004 to cash.

JYC (Dollar/Yen Cash): Last week's high was into weekly resistance and the close was back between support-resistance, which is neutral but with a bearish bias. And the close was below the weekly trend indicator point for the 1st time in 4 weeks, and it was a down week again, which means it remains neutral.

This week's trend indicator point is 82.63. It will remain neutral unless this week's close is sharply higher or lower.

Weekly support is 81.48-81.64. A weekly close below 81.48 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 82.72-82.88. A weekly close above 82.88 is bullish. A trade above followed by a close back below is a bearish trigger.

Bearish crossover zones remain in effect at 110.92-111.75, 116.25-117.09, and 120.34-120.58.

This starts the 13th week of the 26-40 week primary cycle following the 15-year low at 80.22 on November 1. It also starts the 4th week of the second 9-14 week major cycle phase of the primary cycle, unless that major cycle is still in effect, in which case it would be due this week or next. As stated last week, "Well, it did fall to 81.82 last week (Jan 19), so there is a chance the first 9-14 week major cycle is still unfolding. We need a close above the downward trendline at 83.85 to confirm the major cycle trough is in, and a rally to our upside price target for a major cycle crest is underway." That trendline is now at 83.70.

One bearish development: the dollar-yen closed with a Pat's Combo Down" signal. Usually this is bearish. It will be negated on a close above last week's high of 83.20. It will be reaffirmed on a close below weekly support, which will then become a bearish sequence.

Strategy: Position traders are still long with a stop-loss on a close below 80.00.

Aggressive traders are also long with a stop-loss on a close below 80.00.

Japanese Yen Mar (JYH): Weekly support is 1.2062-1.2082. Weekly resistance is 1.2247-1.2268. The weekly trend indicator point is at 1.2109.

Euro/Yen Spread – Cash: Last week's high was above weekly resistance and the close was back below, which is a bearish trigger. The close was also above the weekly trend indicator point for the 3rd consecutive week, but it was a down week, which means it is downgraded back to neutral.

This week's trend indicator point is 111.16. A close up this week will upgrade it to trend run up.
Weekly support is 110.53-110.84. A weekly close below 110.53 is bearish, and a trade below followed by a close back above is a bullish trigger.
Weekly resistance is 113.05-113.36. A weekly close above 113.36 is bullish, but a trade above followed by a close back below is a bearish trigger.
A bullish crossover zone remains in effect at 108.84-108.91.
Bearish crossover zones remain in effect at 140.72-140.96 and 150.58-153.25.

This now starts the 23rd week of the 21-34 week primary cycle following the 105.41 low of Aug 24 critical reversal zone, or the 3rd week of a newer one following the low of 1.0681 on January 10. As stated last week, "Right now it looks like it is a new primary cycle. But that could change quickly if prices start moving below weekly support." That remains the case, because a close below weekly support now would be a bearish sequence.

Strategy: Position traders may look to buy if prices trade into or below weekly support, and then close back above. You stop-loss can be on a close under 1.0681.

Aggressive traders may do the same. We should be looking to get long Friday, Feb 4 or Monday, Feb 7 if prices are declining into that time band, for that is the critical reversal period.

Swiss Franc Mar (SFH): Last week's close was above weekly resistance, which is bullish. And the close was above the weekly trend indicator point for the 1st time in 4 weeks, and it was an up week again, which means it remains neutral.

This week's trend indicator point is 1.0438. It will remain neutral unless this week's close is sharply higher or lower.
Weekly support is 1.0457-1.0489. A weekly close below 1.0457 is bearish. A trade below followed by a close back above is a bullish trigger.
Weekly resistance is 1.0717-1.0749. A weekly close above 1.0749 is bullish. A trade above followed by a close back below is a bearish trigger.
Bullish crossover zones remain in effect at .9217-.9277 and .8770-.8864.

This starts the 9th week of a new 21-34 week primary cycle. The market rallied strongly as unrest gripped Egypt and investors sought a safe currency haven here. But we are in the time band for a 7-11 week major cycle trough, so prices could reverse down once again, once the civil disorder quiets down. If it escalates, this market can continue higher into the Feb 4-7 critical reversal period.

This is a definite possibility, as Feb 4-7 also finds Venus changing signs, which is another indicator for a reversal in currencies.

Strategy: Position traders are long with a stop-loss on a close under .9952 or a weekly close below 1.0225, depending on your risk allowance. However, look to exit if prices make a new cycle high in to the Feb 4-7 critical reversal zone (+/- 3 trading days), and especially if there is intermarket bearish divergence with the Euro currency (one makes a new weekly high, the other does not).

Aggressive traders are also long and may do the same. In fact, you may sell short Friday or Monday, Feb 4-7, if this condition for taking profits exist, and your stop-loss can be on a close above 1.0900 to start with, or whatever the high of this move is.

TYH (March T-Notes): Last week's close was above weekly resistance, which is bullish, and follows last week's bullish trigger, which is a bullish sequence. And the close was above the weekly trend indicator point for the 4th time in 5 week, which means it is upgraded back to a trend run up.

This week's trend indicator point is 120/20. A close below here this week will downgrade it back to neutral.

Weekly support is 120/08-120/14. A weekly close below 120/08 this week will be bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 121/22-121/28. A weekly close above 121/28 is bullish.

A bullish crossover zone remains in effect at 117/00-117/03.

This starts the 20th week of the 15-21 week primary cycle, unless it contracted to form on December 16, the 13th week, at 118/17. It is also possible that this market is reverting back to its prior cycled periodicity of 18-28 weeks, which means it could still be ahead and due anytime in the next 8 weeks. The fact that it closed bullish and in a bullish sequence suggests that it may not bottom by the 21st week. On the other hand, with payroll and unemployment reports due out this Friday, Feb 4, and that being a critical reversal date, a rally into there could be followed by a sharp 2-5 week decline.

Strategy: Position traders may either be stopped out of short positions, or still short with a stop-loss on a close above 121/20 or weekly resistance, depending on your risk allowance. If stopped lout, look to re-enter from the short side if prices are trading above 121/15 Feb 4-7, +/- 3 trading days, with a stop-loss on a close above 123.

Aggressive traders may follow the same advice.

SH (Mar Soybeans): Last week's low was below weekly support and the close was back above, which is a bullish trigger. And the close was above the weekly trend indicator point for the 9th consecutive week, which means it remains in a trend run up.

The weekly trend indicator point is now at 1402-1/2. It will be downgraded back to neutral if this week closes below here.

Weekly support is 1367-1369. A weekly close below 1367 will be bearish. A trade below followed by a close back above is a bullish trigger.

Wkly resistance is 1426-1428. A weekly close above 1428 is bullish. But a trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect in the nearby contract at 1044-1045 and 923-924. A gap up remains in effect 1153-1170 in March. A close below that gap area is bearish.

That starts the 17th week of the 15-21 week primary cycle. It could also be the 11th week of a newer primary cycle. As stated the past two weeks, "Once this crest is completed, look for a sharp 2-5 week decline to the primary cycle trough. But this crest could be as high as 1570 +/- 60 if prices close above weekly resistance now." If it is a later the primary cycle, then a crest is due. In fact, it may have already formed January 13 at 1432. Pay close attention to this week's critical reversal zone (Feb 5-6, +/- 3 trading days) for a potential primary cycle crest or double top.

Strategy: Position traders may remain long with a stop-loss on a close below 1355 or 1150, depending on risk allowance. As stated last week, "But I would suggest we exit all but 1/3 of long positions now, with a stop-loss on a close below 1373 on the last third." Let's exit all positions between Feb 2-9, especially if prices are trading above 1425. We will look to re-buy on a 2-5 week decline to the primary cycle trough that is due.

Aggressive traders were advised to "… to sell short between 1420-1435, if offered, with a stop-loss on a close above 1465." The high was 1423-1/4, so remain short now with that same stop-loss. In the event that prices decline below 1365 later this week In Feb 2-9 reversal zone), look to take profits. If instead that is a high, stay short and maybe even add on to the short side.

CLH (Mar Crude Oil): Last week's low was below weekly support and the close was back above, which is a bullish trigger. And the close was below the weekly trend indicator point for the 2nd consecutive week, which means it remains neutral.

The weekly trend indicator point is now at 90.05. It will be downgraded to a trend run down if prices close down this week.

Wkly support is 86.39-87.03. A weekly close below 86.39 is bearish. A trade below followed by a close back above is a bullish trigger.

Wkly resistance is 91.01-91.65. A weekly close above 91.65 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 86.36-87.21 (it went below here, but closed back above, which is a positive sign) and 78.96-78.99.

This starts the 23rd week of an older 15-23 week primary cycle, or the first week of a new one following the 85.11 low of Friday, January 28. There was a huge turnaround off Friday's low following the riots in Cairo. It closed back above 89.00, near the highs of the week. As stated last week, "A primary cycle trough is thus due now, anytime by the end of the following week. It would be best if prices were to touch or trade below the major cycle trendline which is now around 86.20, but rising every day." Bingo! It did that, so this implies the primary cycle trough just formed. If so, this is a new primary cycle, and it is bullish.

As stated the previously, "It appears that the 93.44 high of Jan 3 was the primary cycle crest. If so, a 2-5 week decline is now underway, with a price target down to 83.86 +/- 2.26. Note that the high occurred one day before the final Jupiter-Uranus conjunction in Pisces, which is important to Crude Oil." We went into that price target for a low, and then reversed. It looks like a new primary cycle is underway. If so, we should see a re-test of 93.50 or even higher in the coming weeks. A move below last week's low would negate that.

Strategy: Position traders may now look to buy, say anywhere below 87.10, with a stop-loss on a close under 85.11.

Aggressive traders were short and advised "… to cover below 86.50 if offered this week, and go long if prices should drop to 82.00 area, with a stop-loss on a close below 78.00." Well, we covered form nice profits, but didn't get long. Let's look to do so this week, same parameters as given for position traders.

GCM (June Gold): Last week's low was below weekly support and the close was back above, which is a bullish trigger. And the close was below the weekly trend indicator point for the 4th consecutive week, which means it remains in a trend run down.

This week's trend indicator point is 1355.10. It will be if upgraded back to neutral if it closes above here this week.

Wkly support is 1317.60-1321.00. A weekly close below 1317.60 will be bearish. A trade below followed by a close back above is a bullish trigger.

Wkly resistance is 1362.70-1365.60. A weekly close above 1365.60 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 1136-1139.40 and 1014.80-1018.10 in the nearby contract.

This starts the 14th week of an older 15-21 week primary cycle one, or 11th week of a newer one. As stated last week, "The difference is now important. If it is an older primary cycle, Gold may be forming a contracted 12-14 week primary cycle in here, which would be very bullish. If it is the 10th week of a newer cycle, it could be forming an 8-11 week half-primary cycle, which could still be bullish, but only if 1) 1331 holds, and 2) prices can exceed 1432.50 in the next 2-5 weeks. Otherwise it may be turning bearish, and could drop to under 1270 by summer, even to 1150 area, as 34-month cycle low comes in July-Aug, +/- 3 months." Well, it fell below 1331 (Feb went down to 1307.70), so either it is a contracted primary cycle and now very bullish, or a half-primary cycle trough, in which case a sharp 1-3 rally is underway, but it won't take out the high of the first half-primary cycle (1436.70), and will be followed by even lower prices in 8-11 weeks.

Preciously I also stated, "We are in the time and price range for an 8-11 week half-primary bottom, with a price target of 1334-1380. Any move below 1334 begins to negate the bullish outlook, and any move below 1317 confirms the outlook is bearish. Thus Gold is at a critical stage right now, and in the next couple of weeks… (But) Heliocentric Mercury moves into Sagittarius January 25-Feb 4. Usually this is very bullish for Gold, for at least the first 3-9 days (maybe 65% probability, and 20% being very bearish instead)."

The market behavior last week was wild, which is typical of helio Mercury in Sag. But it wasn't a "normal" wild, as it made a low on the fourth day (Friday), and the started to explode to the upside. The stochastics look bullish right now, so this may have been a contracted primary cycle. if so, it will be very bullish now for several weeks. If not, the rally will fizzle out soon, probably after the Feb 5-6 critical reversal zone, when helio Mercury moves from Sagittarius to Capricorn. My guess is that we will see prices exceed the 25-day moving average now (currently at 1376.30 and falling). But it is too soon to tell how much higher they might go. If they fail to get above 1420 in the next three weeks, then it may be setting up for another decline to even lower prices 8-11 weeks from now, probably below 1260, and maybe even to 1150 area.

Strategy: Position traders are long with a stop-loss on a close under 1270. Look to exit 1/2 of those longs if prices get to 1390-1420 and stall within three trading days of Feb 5-6, the critical reversal date.

Aggressive short-term traders may also be long again with a stop-loss on a close under 11310. Cover between Feb 2-9 if prices get above 1375.

SIH (Mar Silver): Last week's low was into weekly support, which held, and the close was back between support and resistance, which is neutral but with a bullish bias. And the close was below the weekly trend indicator point for the 4th consecutive week, which means it remains in a trend run down.

The weekly trend indicator point is now at 2809. A weekly close above here will upgrade it to neutral

Wkly support is 2684-2712. A weekly close below 2684 is bearish. A trade below followed by a close back above is a bullish trigger.

Weekly resistance is 2857-2885. A weekly close above 2885 is bullish. A trade above followed by a close back below is a bearish trigger.

Bullish crossover zones remain in effect at 2508-2526, 2014-2022, 1720-1740, 1580-1598, and 1096-1103.

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This starts the 11th week of the 13-21 week primary cycle. As stated before, "Prices are now falling into a 7-11 week half-primary cycle trough. If the trend is still bullish, it will hold between 2598-2848. If it is bearish, it will break 2505, on its way down to 2100-2150 (or thereabouts) for a 111-week cycle trough, due in 5-13 weeks. For now we will look for a half-primary cycle bottom in the next week or two, and then a rally to a half-primary cycle crest while helio Mercury is in Sag (Jan 25-Feb 4), and then a final move down the next 2-5 weeks to the primary cycle trough. The one thing that would prevent this outlook is the debate on the debt crisis. If that becomes heated and prolonged, Silver will continue to rally into late March, well beyond helio Mercury in Sag. For that is the type of uncertainty related to debt and default that drives metals higher." Well, Silver dropped to 2654 on January 25 as helio Mercury moved into Sag, and then it started to rally. But then it fell early Friday morning a lower low at 2630. By then end of the day, the riots in Cairo broke out and Silver was back up above 2800.

We note that Silver did not take out the low that started the primary cycle (2502) but Gold did, for a case of intermarket bullish divergence. That means it is possible for Silver to rally to a new all-time high again, without Gold necessarily doing the same. It doesn't have to of course. But if Friday was a half-primary cycle trough, prices should at least test the 22-day moving average, currently at 2882 and falling. My view is that prices could rally into this week's critical reversal zone (Feb 5-6, +/- 3 trading days. But one thing that concerns me is the new moon in Aquarius on Wednesday-Thursday. This oftentimes coincides with very sharp declines. Note that it also has an extremely high weighted value in the solar-lunar studies listed below. Be prepared to cover any longs if Silver takes out the prior day's high in those days.

Lunar cycles for this week (from "The Sun, Moon, and Silver Market: Secrets of a Silver Trader"). First numbers represent potential for reversal, where anything above 120 has high probability of isolated top or bottom to trade opposite of, and second column represent "Big Range Day" potentials in which Silver could have a range of at least 35 cents (probably more these days) – good for day trading. * represents strong reversal or big range day. The more * the stronger it is. # represents low likelihood for a reversal or big range day. The more #, the less likely a reversal or big range day.

The solar-lunar cycles for the next few days are as follows:

	Reversal	Big Range
Jan 28	127.1*	42.2###
Jan 31-Feb 1	133.7*	39.4###
Feb 2-3	204.9***	136.0*
Feb 4	89.1	98.6
Feb 7-8	95.3	63.2##
Feb 9-11	29.1###	173.7**

Our strategy: Position traders are long with a stop-loss on a close under 2630. Look to exit on Wednesday or Thursday if prices exceed the high of the former day. Look to buy back if prices drop below 2200 at any time, with a stop-loss under 1800.

Aggressive traders are also long with a stop-loss below 2630. Look to cover and sell short Wed-Thurs if prices exceed the high of the former day, with a stop-loss on a close above the high of the last week (this move up, as of Thursday's close). We would like to see this rally take prices back to the 2900 area or higher by Wednesday's close.

Using this information properly: Support may represent favorable risk/reward places to buy if the trend is up. If prices trade below support, then have a close back above it, it is considered a bullish "trigger", and oftentimes represents a good buy signal. Resistance may represent favorable risk/reward places to go short if the trend is down. If prices trade above it, then have a weekly close back below, it is considered a bearish "trigger, and oftentimes a good sell signal.

MMA comments and trade recommendations are primarily for traders of commodity and futures contracts. They are provided mainly with "speculators" in mind. By its very nature, "speculation" means "willing to take risk of loss." Speculators" must be willing to accept the fact that they are going to have several losses, many more than say "investors". That is why they are "speculators." Speculators are typically right about 50% of the time, +/- 10%. The way "speculators" become profitable is not so much by high percentage of winning trades, but by controlling amount of loss on any given trade, so the average trade on winners is considerably more than the average trade on losing trades. MMA's comments can be of value to both speculators and investors. MMA's trade recommendations will be of potential value only to speculators. Those who take these trades need to be willing to adjust stop-losses, and even the trade itself, as the week unfolds, and dependent upon technical factors that will arise with each day's trading. There is no guarantee as to future accuracy or profitability. Each trader and reader trades at his or her own risk, and neither the author nor publisher assume any responsibility whatsoever for anyone's financial or commodity markets decisions. Futures or options trading are considered high risk.