

# PLAYING THE NDX LIKE A FIDDLE

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Before we illustrate our total command over the NDX of late, we wish to provide you with a brief update to our previous week's assessment of the Dow [Transportation](#) Average.

In brief, the update of the hourly Transportation average below exemplifies precisely how dynamic Elliott Wave architecture adjusts in accordance with real-time price action.

The hourly chart from a week ago noted prospects for an ending pattern to chop the Transports higher amid a suggested slowing in the rate of advance.

However, the fever-pitch reversal-high last Monday, and the pursuant downside carnage breaching the 5250 level by week-end - violated conformity to that ending pattern, forcing immediate adjustments to the unfolding wave count, and setting the stage for monitoring critical support above the 4800 mark.

All told, the wave structures (and alternate 3-wave peak) outlined below, reflect our latest assessment of the advance off the January lows.



## SHORTING A TRADABLE TOP IN THE NDX-100

### Wednesday, 14-May:

Just three sessions before its print high of 2050.79, we continued to monitor a suspected ending diagonal pattern in progress from the start of the month. We wish to draw your attention to Wednesday's high of 2028 relative to our upside price target of 2050 boxed in green. Of added note, is what appeared to be a classic upside gap-closing 30-pt reversal day to end Wednesday's session at 1997.30 – leaving us over 52-points from our standing upside price objective for wave –v- to complete the pattern. If our analysis proved correct, we postulated that once wave –v- terminated, the NDX would fall like a stone toward the 1960 level.

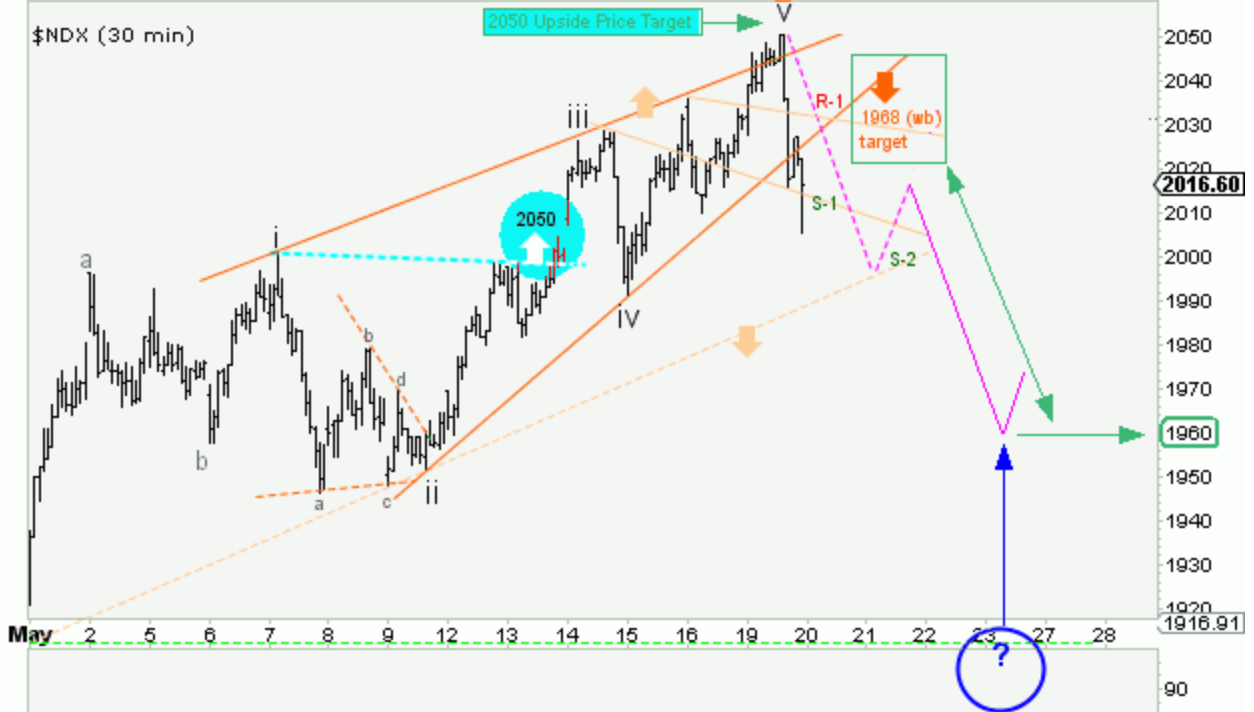


### Monday, 19-May

Following the anticipated high jinks surrounding Wednesday's "false" reversal day, we quickly narrowed the boundaries to our ending diagonal pattern. In doing so, this shifted the terminal of wave –iv- to Thursday's print low on 15-May as illustrated below. Following Monday's 2050.79 print high, another fever-pitch reversal took place into the close. After nailing the EXACT TOP within .79-cents, we calibrated an imminent downside price target of 1968 by Monday's close. On this date, we also added a projected "time" at which such a low would most likely occur. We conveyed this projection of "time and price" to members in our Monday Evening Post. The timing for this low was circled with a question mark, 4-days in advance for the 23-May, 27-May time period to deliver the NDX toward the 1960-level – with a firm target of 1968 cited.

Monday 19-May-2008

Open: <b>2032.29</b>	Bid: <b>n/a</b>	P/E:	<b>▼ -0.72%</b>
High: <b>2050.79</b>	Bid Size: <b>n/a</b>	EPS:	Chg: <b>-14.67</b>
Low: <b>2005.34</b>	Ask: <b>n/a</b>	Last Ticks: <b>↑</b>	Last: <b>2016.60</b>
Prev Close: <b>2031.27</b>	Ask Size: <b>n/a</b>	Last Size: <b>n/a</b>	Volume: <b>876,929,472</b>



**Friday, 23-May**

There is no better way to start a long Holiday weekend than with a stellar week of hard-earned trading profits! Elliott Wave Technology OWNED the NDX all week long, much like we take ownership of all the markets regularly covered in our publications. Perfection with this level of precision is rare, but does occur with a level of routine regularity, which obliterates chalking up such outstanding achievements to chance. By Wednesday 21-May, we had also added a downside price objective "window" which began at 1950. As illustrated below, we delivered the NDX to our readership on a silver platter. All of our downside price and time objectives arrived right on time.

Friday 23-May-2008

Open: <b>1962.02</b>	Bid: <b>n/a</b>	P/E:	<b>▼ -0.30%</b>
High: <b>1964.68</b>	Bid Size: <b>n/a</b>	EPS:	Chg: <b>-5.96</b>
Low: <b>1943.85</b>	Ask: <b>n/a</b>	Last Ticks: <b>↑</b>	Last: <b>1958.96</b>
Prev Close: <b>1964.92</b>	Ask Size: <b>n/a</b>	Last Size: <b>n/a</b>	Volume: <b>741,429,376</b>



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Joseph Russo

Publisher & Chief Market Analyst

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