

## Rambus Chartology

Moving forward

### Wednesday Report...

Posted on **July 5, 2017, 10:21 pm** by **Rambus**

It's almost a given that the stock markets are due a decent correction right here and now, and that may very well be the case, especially with the tech sector. I would like to show you a few charts tonight which suggests there may still be room to move higher before we see a 5% to 10% correction.

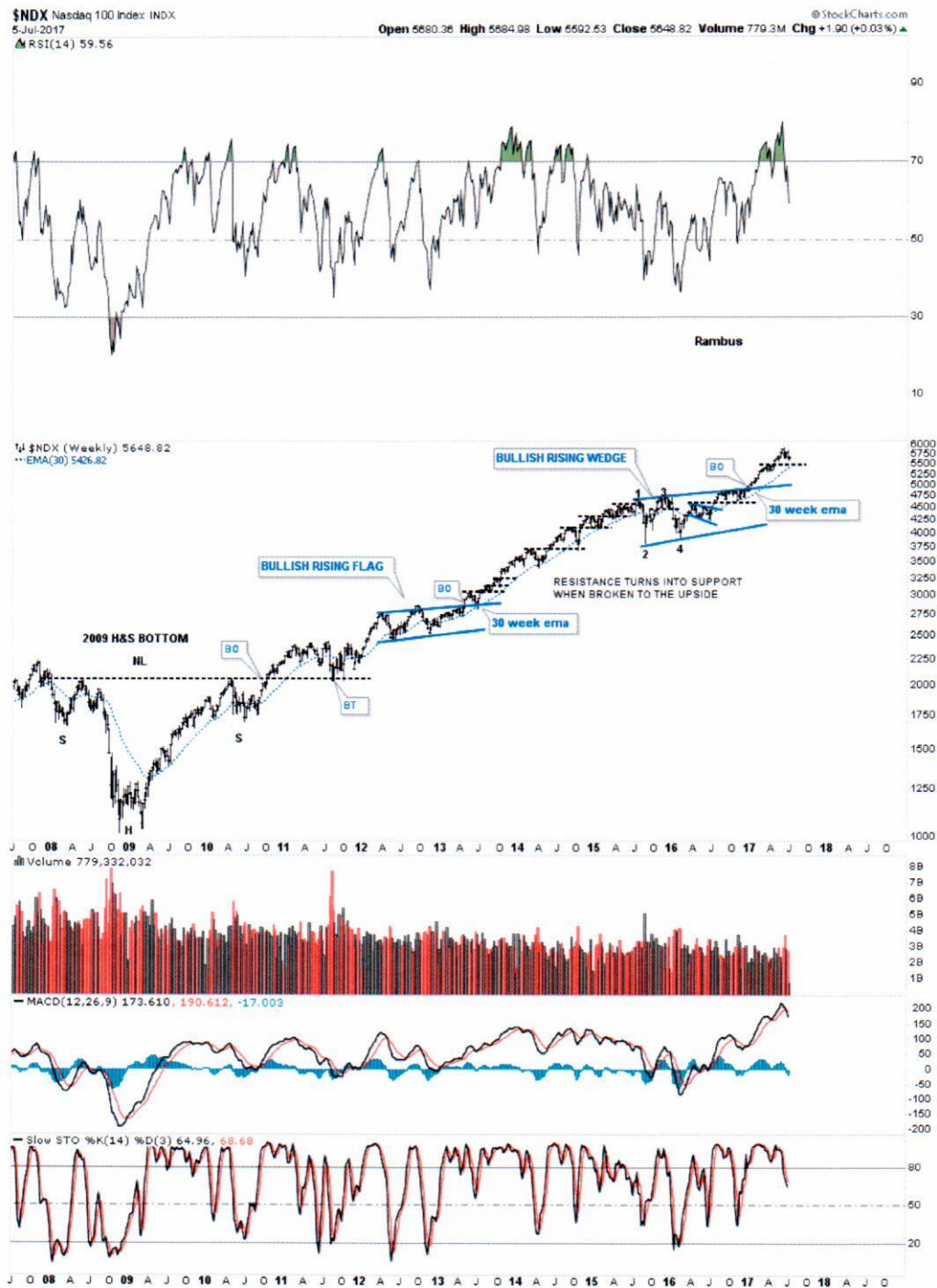
Lets start with a 2 year daily chart for the NDX which shows its 2016 bull market uptrend channel still intact. Within the uptrend channel you can see a thin dashed S&R line which was originally the top rail of a rising wedge formation. Earlier this year the NDX broke out above that thin black dashed trendline which reversed its role twice to support when the blue bullish rising wedge was building out.

You can see how critical our current price structure is with the multiple layers of support just below. There is the bull market S&R line with the apex of the blue bullish rising wedge which is holding support so far, along with the 50 day ema which also comes into play in this general area. The low for this move down has been 5593, which needs to hold if the potential Red Bull flag has a chance to mature.



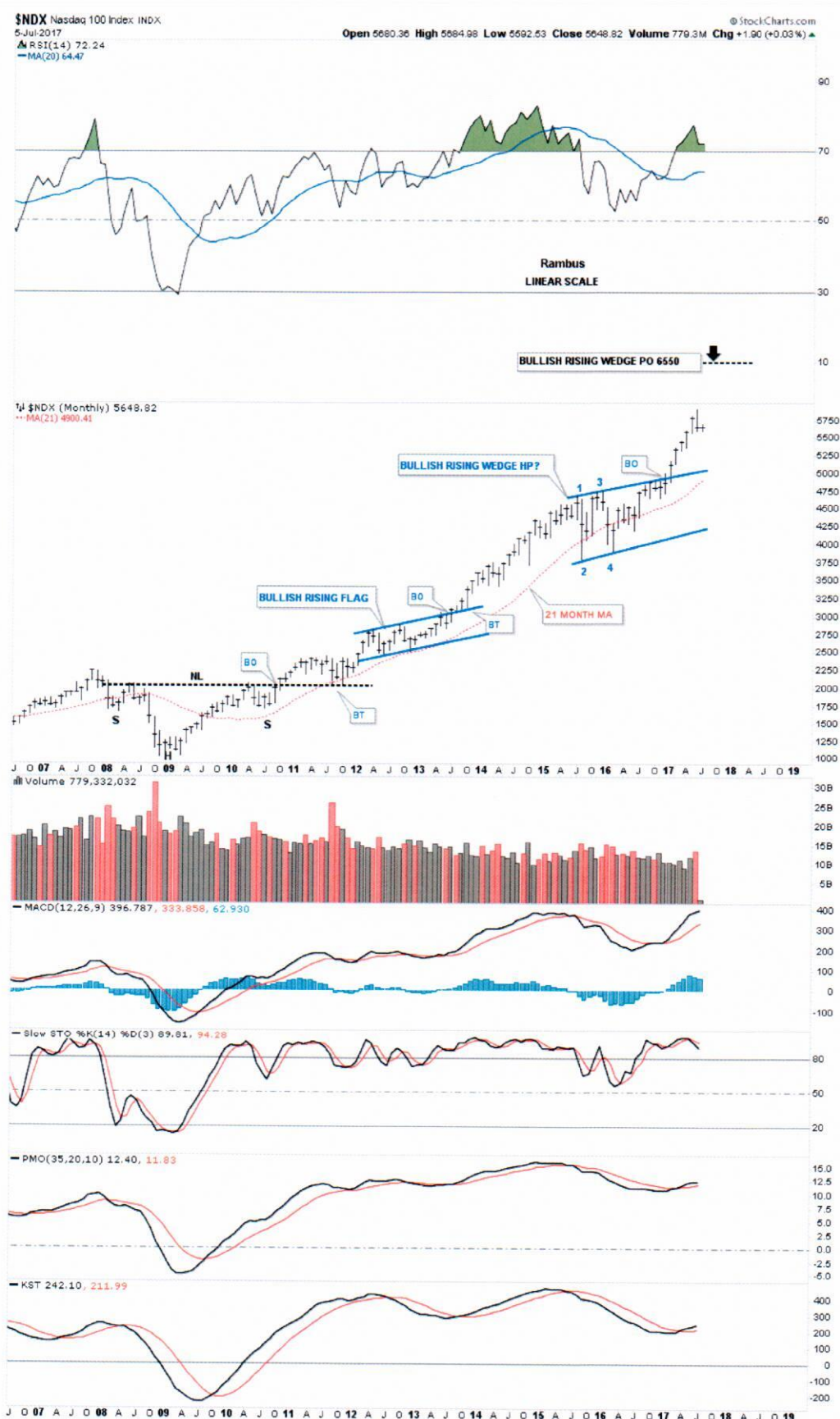
This next chart is a weekly look which shows the bull market that began at the 2009 crash low. This chart also shows how the horizontal black dashed lines reversed their role to what had been resistance to support, once broken to the upside. Notice how the 30 week ema also came into play to help offer support in conjunction with the horizontal black dashed lines. The 30 week

ema currently comes in at 5426.

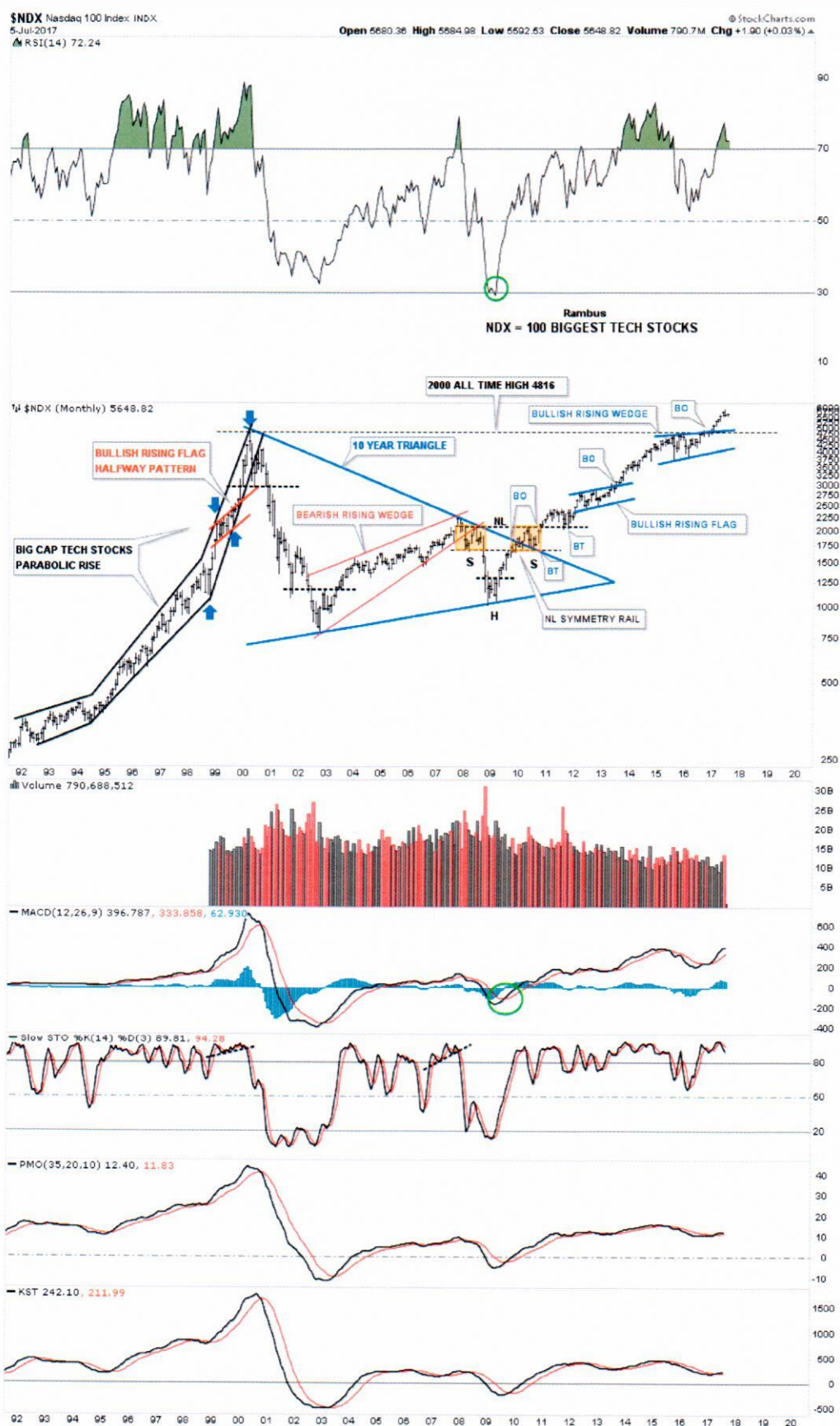


I've been showing the bullish rising wedge on the monthly chart as a halfway pattern which still has some unfinished business to the upside. Using the breakout to breakout method and using the bullish rising wedge as a halfway pattern we get a price objective up to the 6550 area. If the NDX reaches the 6550 area that is where I would be looking for a stronger correction to take place within the bull market.





If I'm wrong and the big correction is now underway then I would expect the NDX to find support at the 2000 top which comes in at 4816, previous resistance turning into support once broken to the upside. I've shown you many instances in the past that when there is an important area of resistance, many times you will see a consolidation pattern form just below resistance, which gives the stock the energy it needs to finally takeout that overhead resistance. Since the 2009 crash low the NDX is showing us a classic bull market that has created 2 large consolidation patterns so far.

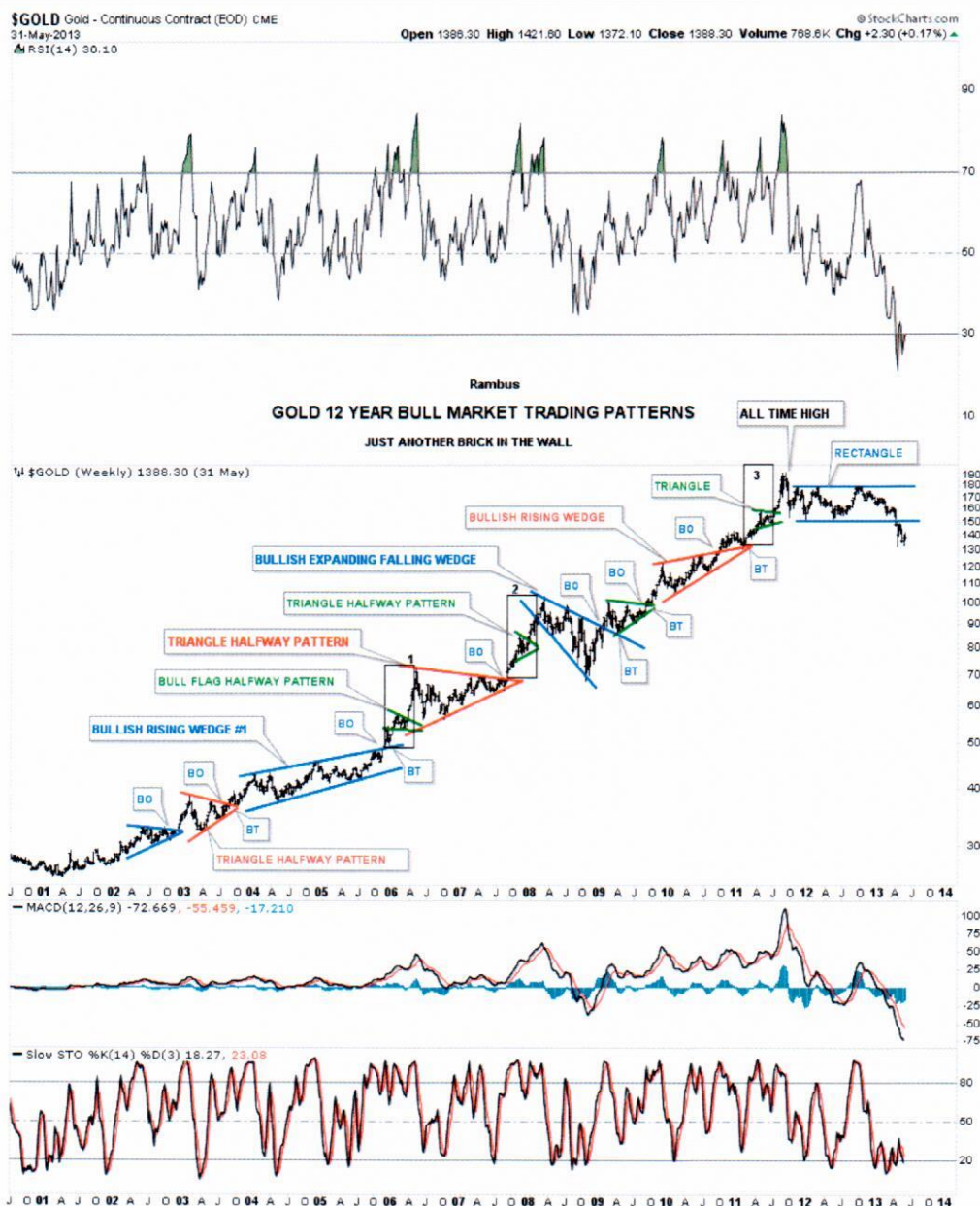


Below is a weekly chart for gold I use to show during the bull market years that I called, "Just another brick in the wall." This chart shows all the chart patterns that beautiful bull market built out over an almost 12 year period of time. You can see how the bigger red and blue consolidation patterns built out after a strong impulse leg up. If you look real close you can see some small green triangles that formed just about in the middle of each larger impulse leg up between the big consolidation patterns.

I find it interesting that in the gold community gold can build out one big consolidation pattern on top of the next during its bull



market and that is to be expected, but when it comes to the stock market that isn't supposed to happen, it must always go down.  
A bull market is a bull market regardless of which sector you're looking at.



Lets look at our current setup in gold using a daily chart. This week gold has broken down below that important S&R line and is now attempting to backtest it at the 1240 area.

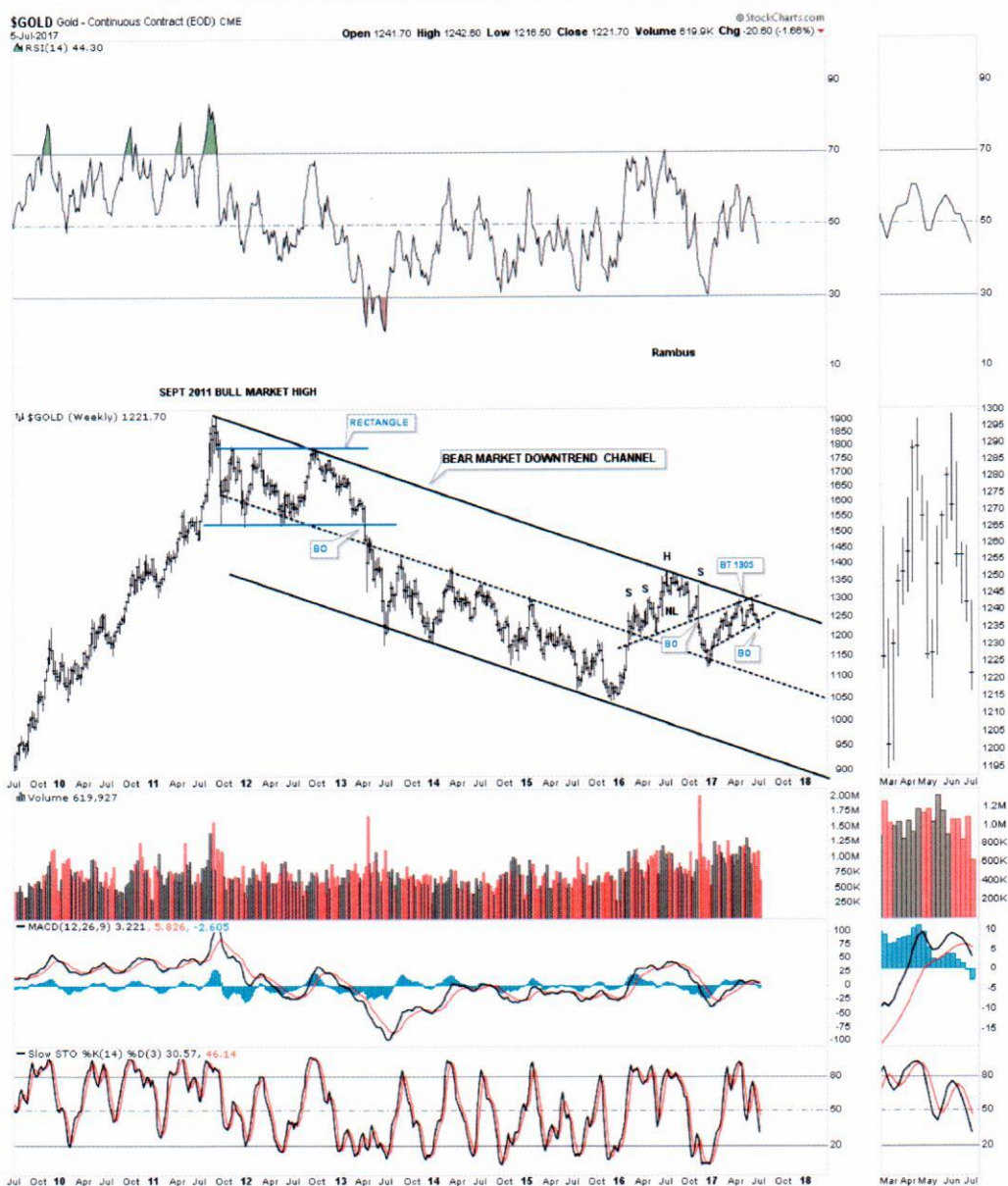


Before we move on I would like to show you a fractal chart for the daily chart above which formed on the US dollar at its 2000 bull market high. The time scales are different, but the patterns are very similar. I'm showing the US dollar as a H&S top, but the high for the right shoulder is just about the same height as the head, similar to the daily gold chart above. You can also see a quick backtest to the underside of the neckline before the US dollar broke down into its bear market.



Below is a weekly chart for perspective showing the S&R line we looked at on the daily gold chart above, and how important it is in the big picture. The daily chart shows the double top on gold formed just below the top rail of its 2011 bear market downtrend channel which is a perfect setup. Again, all the bulls have to do is take out that top rail of the 2011 bear market downtrend channel and all will be right with the world again.





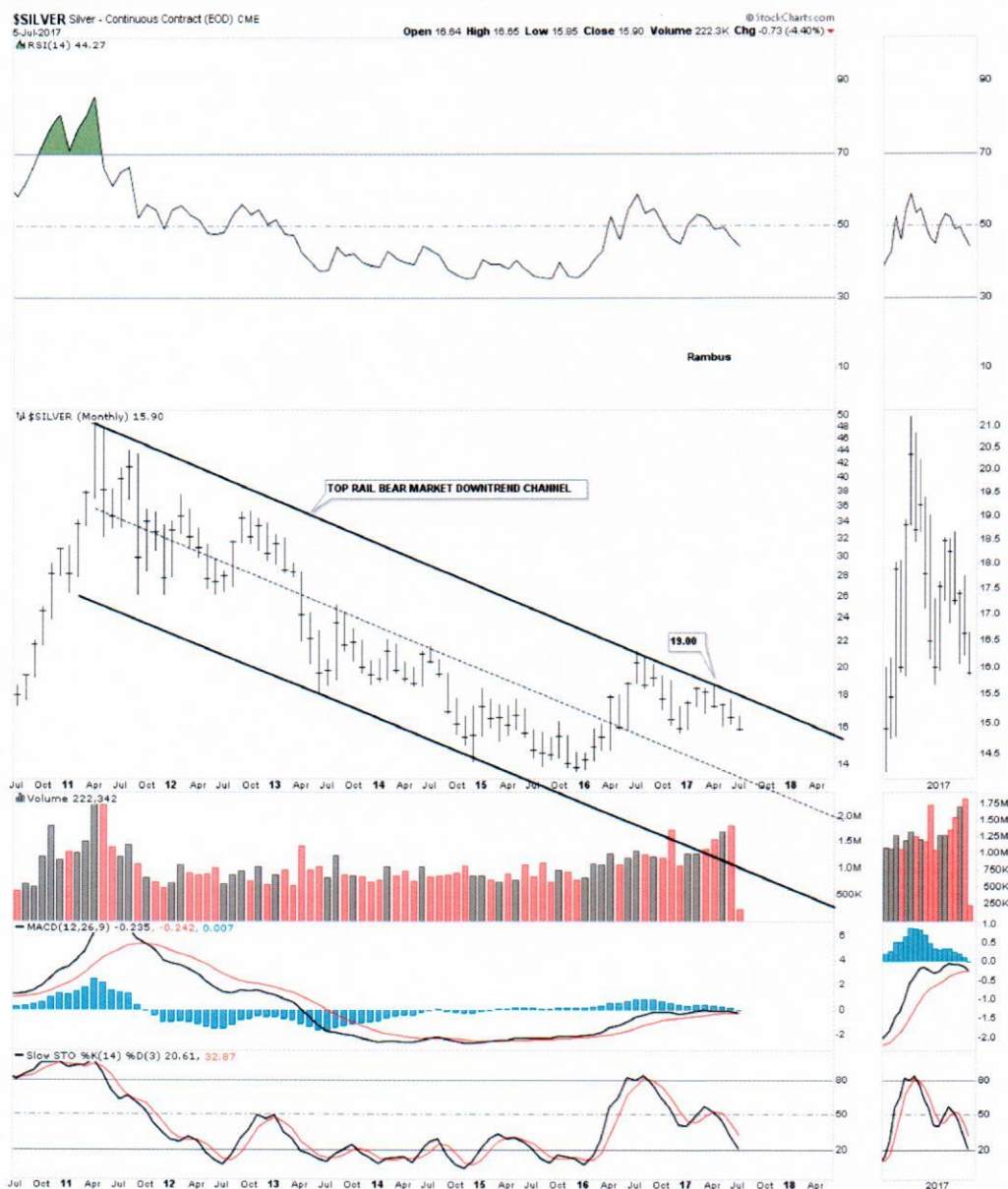
Silver is also showing some important price action this week as well as its breaking down below the bottom rail of its 2 1/2 year diamond. We still could see a backtest to the underside of the bottom rail which would come in around the 16.40 area.





If you don't like the diamond I can make a good case for a 5 point triangle reversal pattern. Since the triangle formed above the 5 point bullish falling wedge reversal pattern the triangle would need to have 5 reversal points to be a reversal pattern to the downside which it has. As you can see this week the price action is breaking below the bottom rail.





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