

Tech update March 25/2006

A note to new subscribers and a reminder to existing subscribers: we trade the signals and not the analysis.

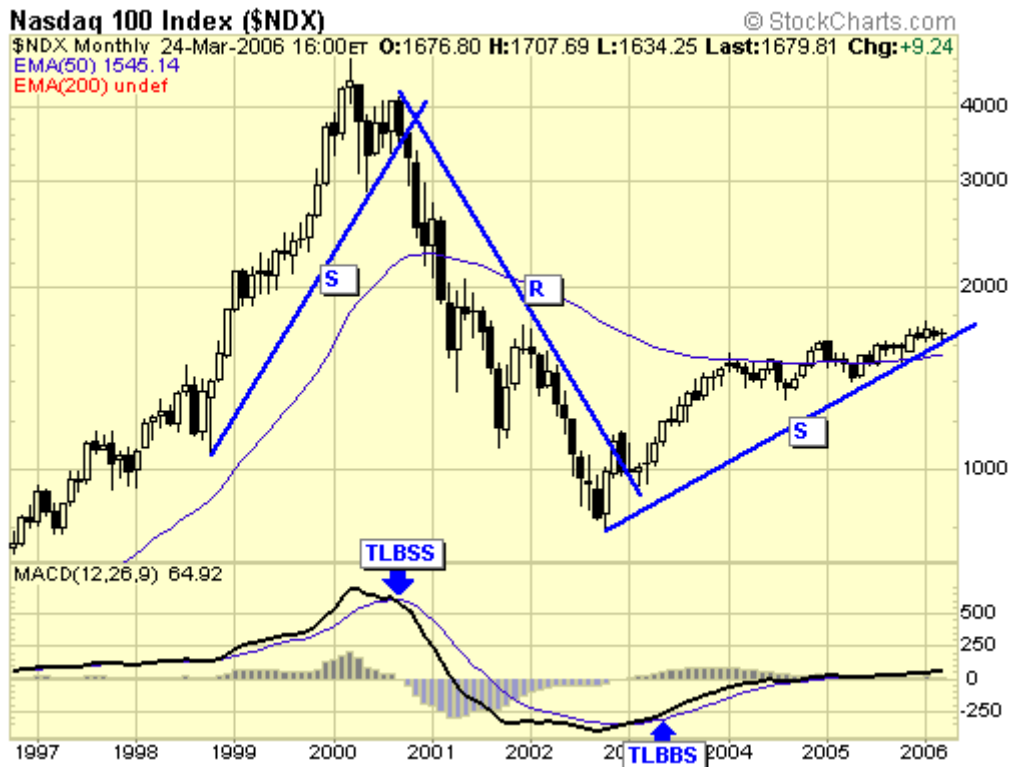
Traders simply buy when we have a buy signal, and exit on a TLB (trendline break); but keep a core trading position until the cycle has topped according to the NACI.

Personally, for risk management purposes, I would not risk more than 3% on any signals, therefore, sometimes I may miss a swing or two, and sometimes I save myself from getting whipsawed. It is up to you whether you wish to use my 3% rule.

Investors who are investing for long term gains simply stay with the trend on the monthly chart, and new money can buy at each cycle bottom according to the NACI. Investors do not cash out until support has been violated on the monthly charts.

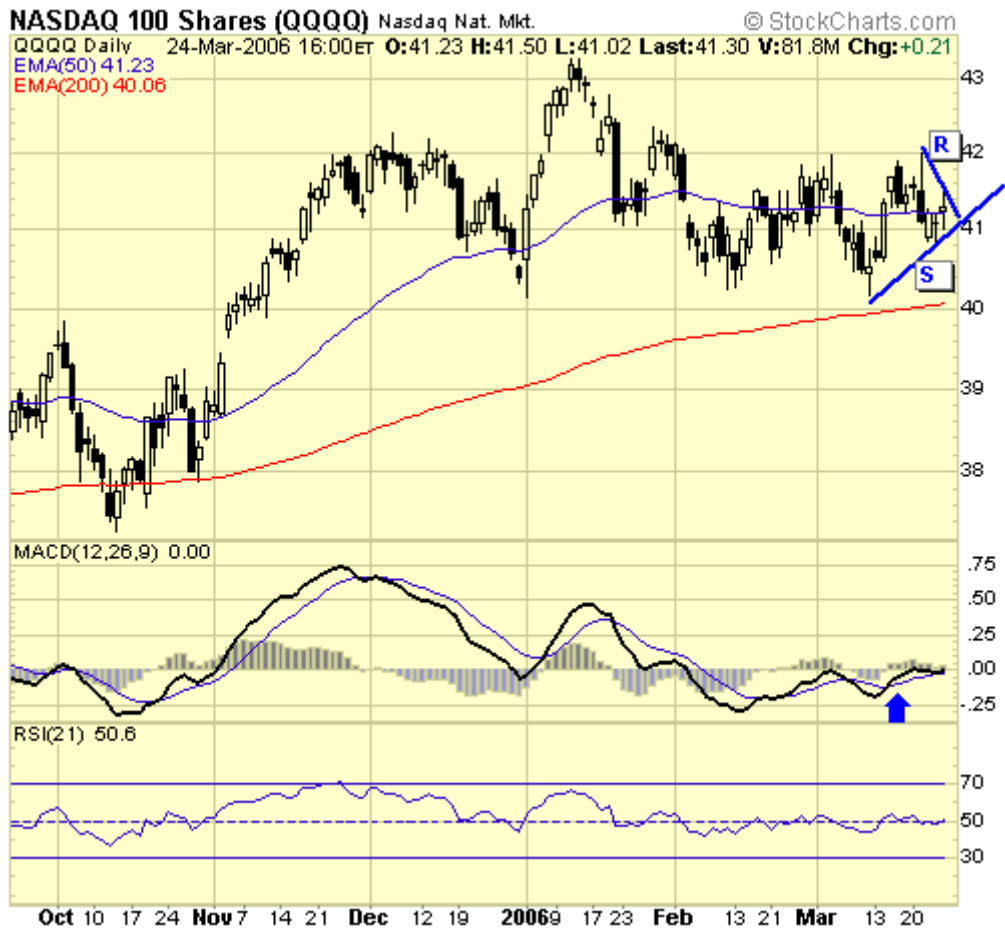
Personally, I'm both an investor and a trader. My retirement portfolio is for the longer term (investor), and my trading portfolio is for the shorter term (trader). It is up to you how you wish to differentiate investing from trading. I am not an investment advisor, therefore, I cannot provide individual advice. My signals and analysis are for educational purposes, and not an investment advice to buy or sell equities. Please donate a portion of your profits to a legitimate charity. Wishing you peace and profits.....

Investors



Investors remain invested, those who bought recently should place a hard stop at breakeven for protection. New money can buy using trader's entry and exit set ups because the cycle has turned up again.

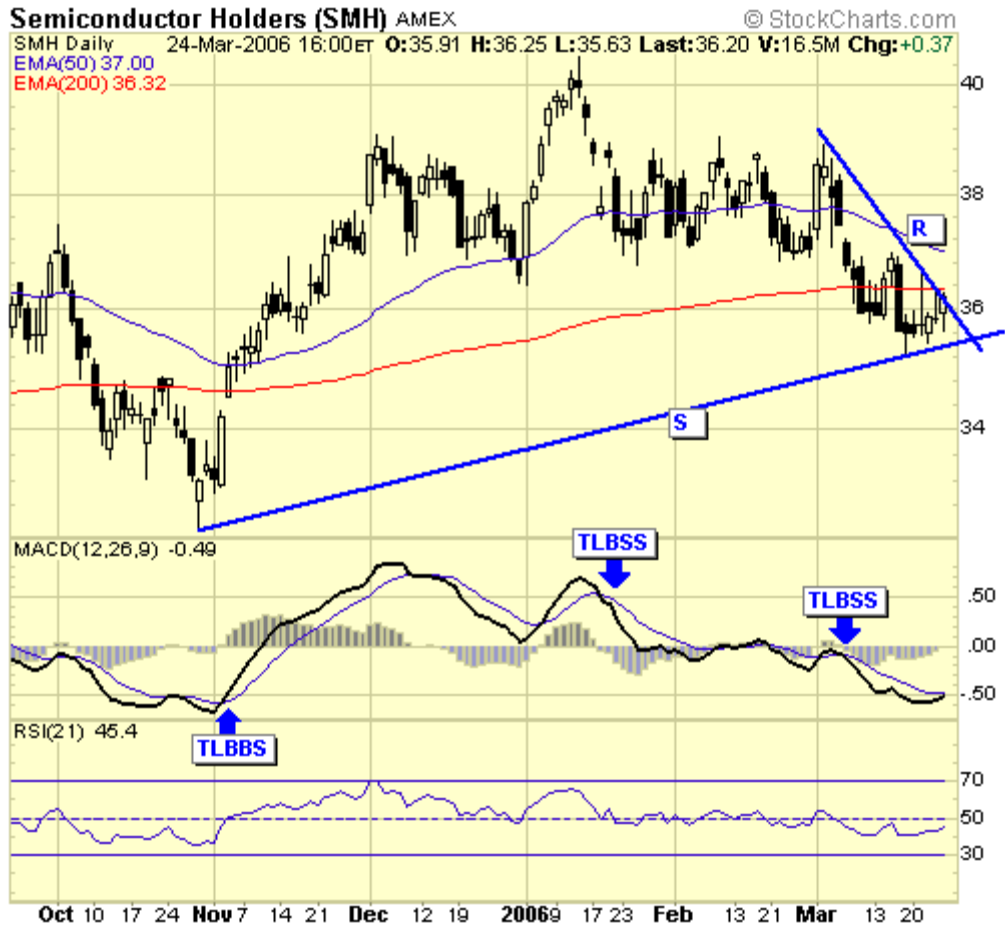
Traders



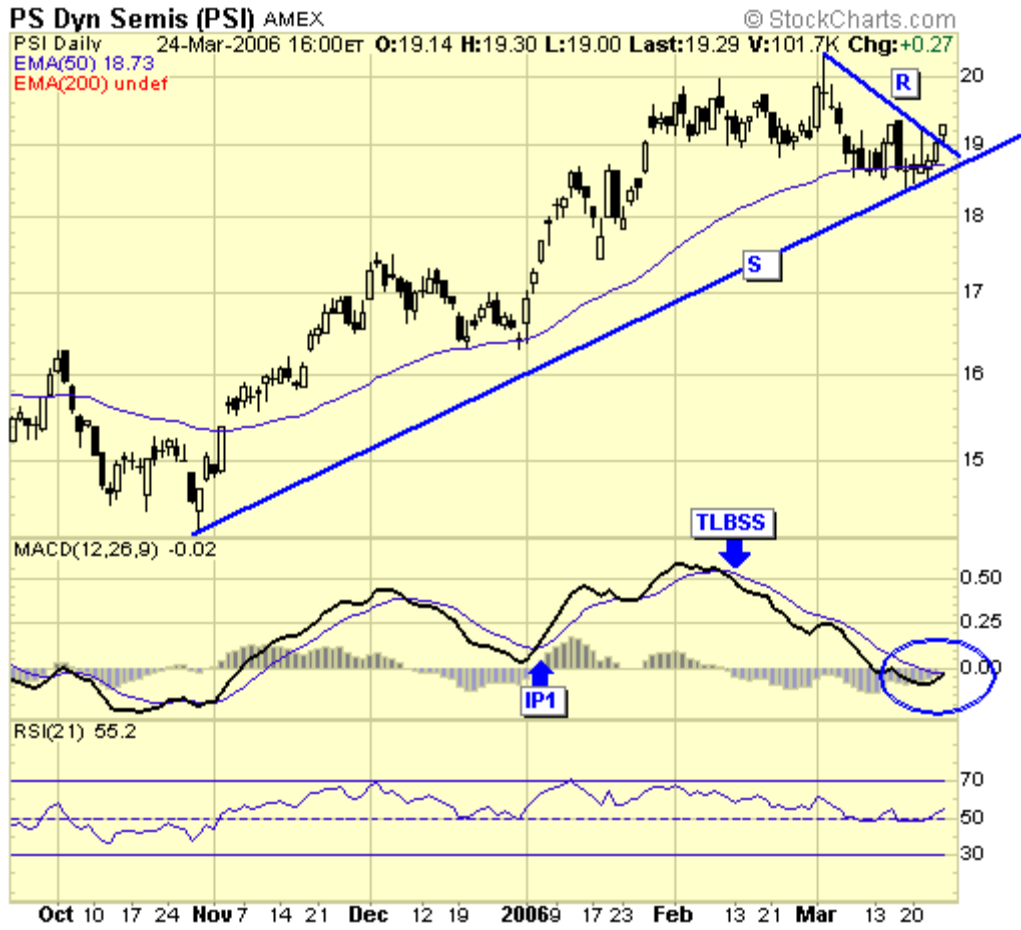
QQQQ – MACD is pointing up, lets buy a TLB of R, MOC on reversal, risk should be under 3%.



RYOCX – buy the bull fund on the Q's trigger.



SMH – close to a TLBBS.

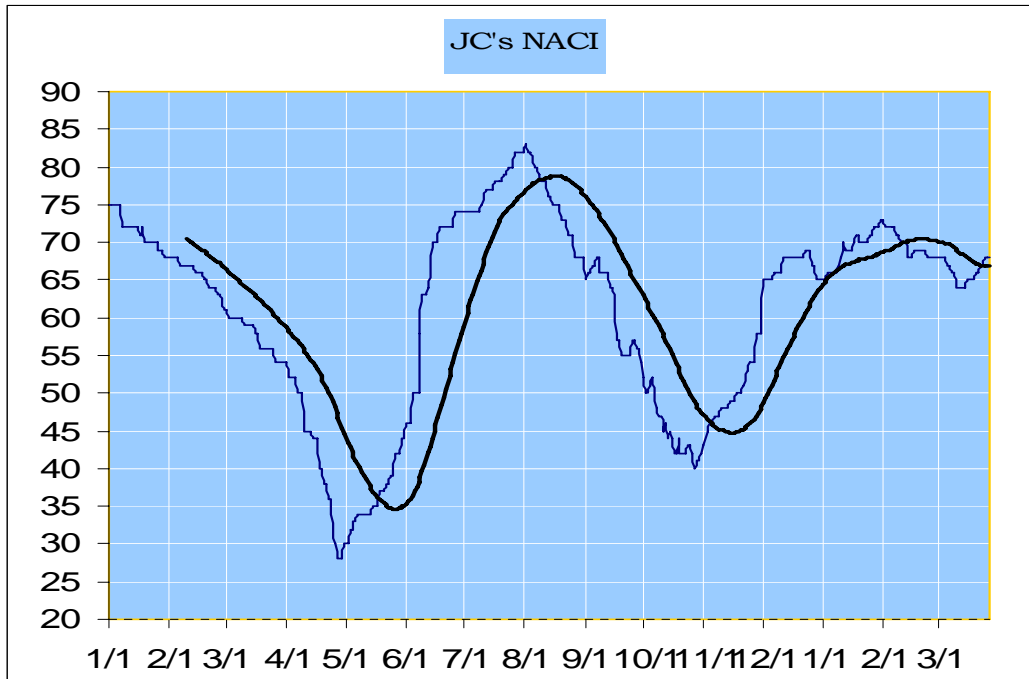


PSI – we have a TLB of R, needs MACD to confirm a TLBBS.

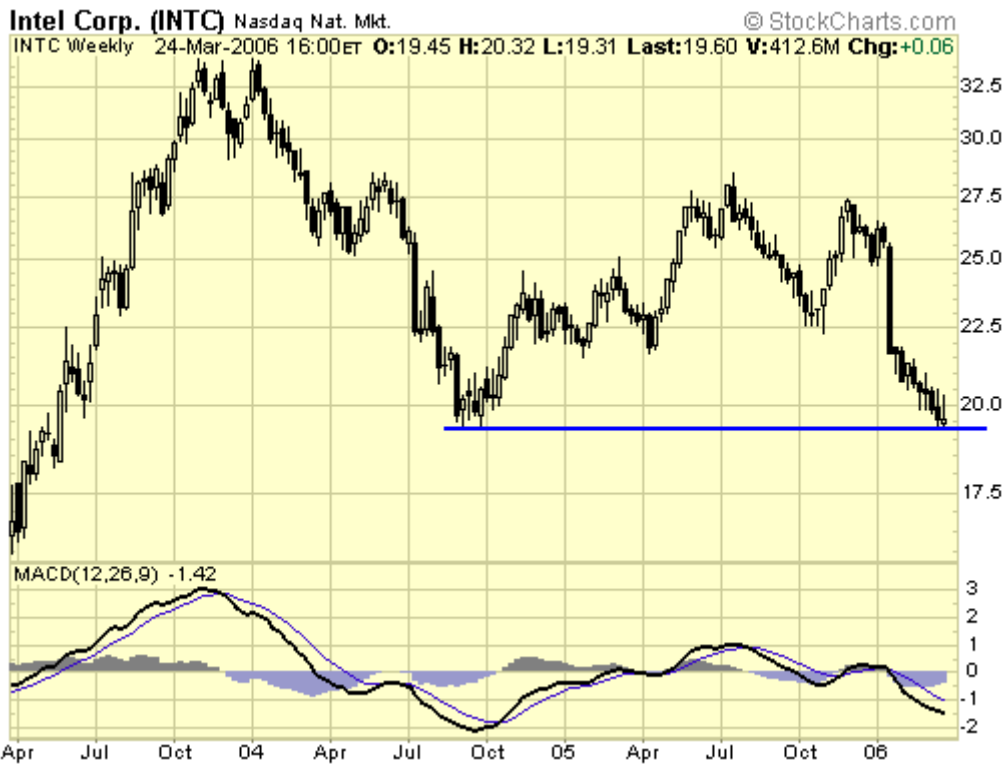


IGW – TLBBS today, anyone noticed? I was busy buying the gold sector. TL support is at \$63, to keep risk at 3%, buy it at \$64.90 or better, anytime next week.

Analysis



NACI – cycle reversed up this week.



Tech sector will need some help from INTC if there is a turn around.

Summary

Sure looks like the tech sector wants to join the party, normally tech leads gold and energy, but this time lags, that is the challenge of inter-market analysis. But one thing for sure, since 2003, all these three sectors have almost identical cycles, with gold and energy outperforming tech. Personally I will not be buying the tech sector, since I'm already 25% invested. I prefer to overweigh the gold sector because that has been my bread and butter for the past five years. I will be very happy with 50% gold, 25% energy and 25% tech, and you should decide for yourself on sector allocation.

End of report