

Hello Fellow Traders!!

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As you can see the QQQQ has been trading in a range since December of 2006. This is the daily chart for the last 87 days. All of the moving averages (color curves) for 10, 24 and 50 days respectively are crisscrossing each other, which is a sign of no trend. Notice there is two failed break outs to each side. I would recommend being very conservative with the Q's until there is a sign of a real trend. After Friday's 02/09 declines, the Q's may be posed to test support one more time. Watch very closely around the support prices because it could mean a good buying opportunity. Think of support as a whole range of prices not an exact price. Make sure it really is finding support, look for failed attempts by the sellers to post new lows and place your stops not too far underneath. You have to be very discipline. If the sellers do manage to break this support, the Q's may be posed for a real correction. Take a look to the weekly chart.



See how our support from the daily chart comes a long way. This zone around 43 dollars has been support and resistance since January of 2006. Breaking below may mean a correction to the 50-week moving average zone where I painted the second line just around 40 bucks. That is a potential 7% decline. Keep in mind both of these scenarios are really possible right now. You could make cases for each side, especially after being trend-less for the last two months. The last leg up was not very convincing and it might be better to wait and see what happens at support.

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