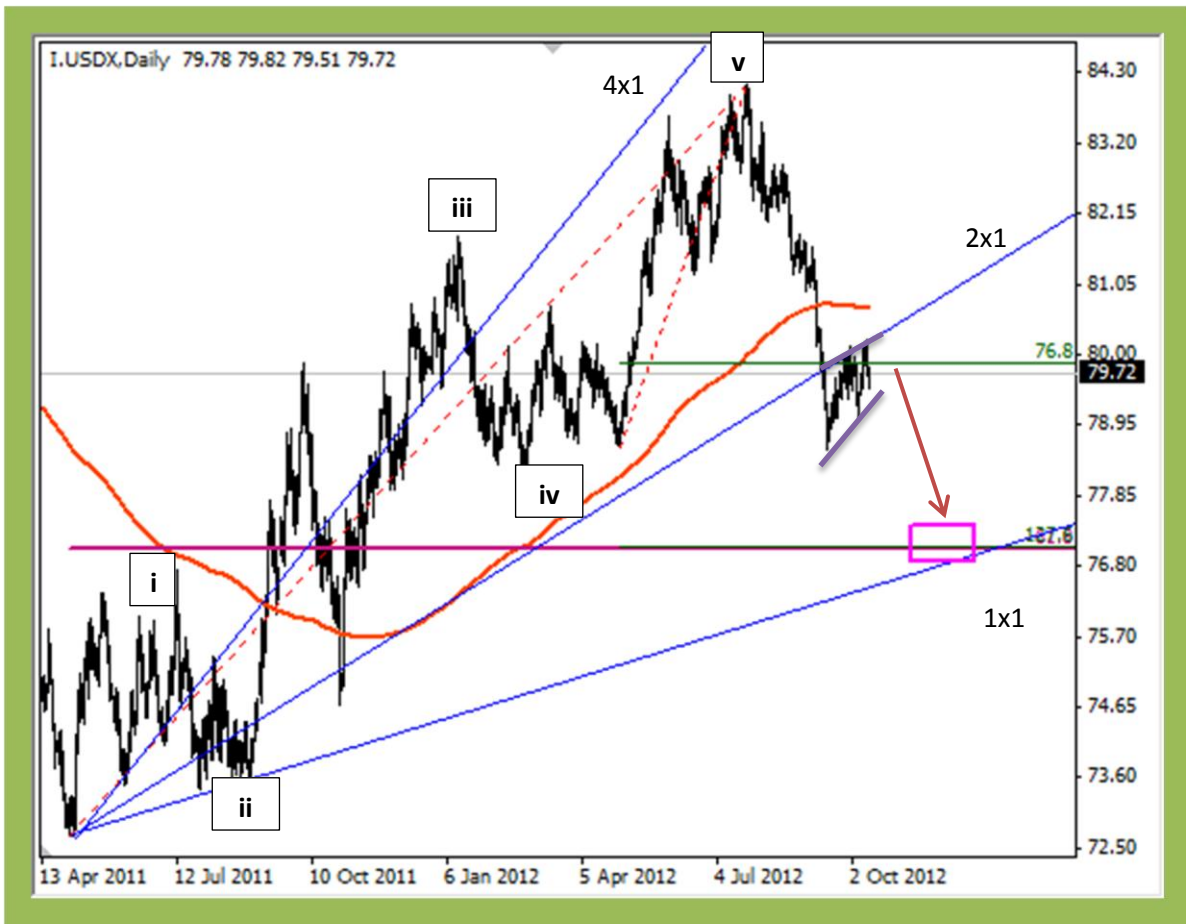




Broader Market Outlook: USDX



If you're lost in FX in terms of market direction, the Dollar Index (USD_X) has a good job of setting you back on track. It's like the S&P and the DOW, it tracks the general market health. The USD_X is on the brink of a potent move down, and this telegraphs the intentions of the market very clearly. The dollar rally since March all the way to the July top has completed in 5 waves, this confirms the solid top. Price currently is also below the 200 moving average for an extended period of time, and below the 2x1 angle which the Dollar was firmly above for an extended period of time which suggests massive technical damage currently unfolding, and a bearish trend ready to continue. The USD_X is currently below the 0.786 ratio of the upswing from May 2012, and is currently acting at resistance at the 80.00 mark. We can expect the move to extend down to the 1.276 ratio (77.00). This price level is one with powerful confluence. Adding on to the 1.276 ratio, the overall uptrend since March 2011, we have the 0.618 ratio of that swing also at 77.00; the 1x1 angle is also sighted to be around 77.00 as well. After the break of the 2x1 and the test of it, the Dollar looks to go down vigorously for the time to come.