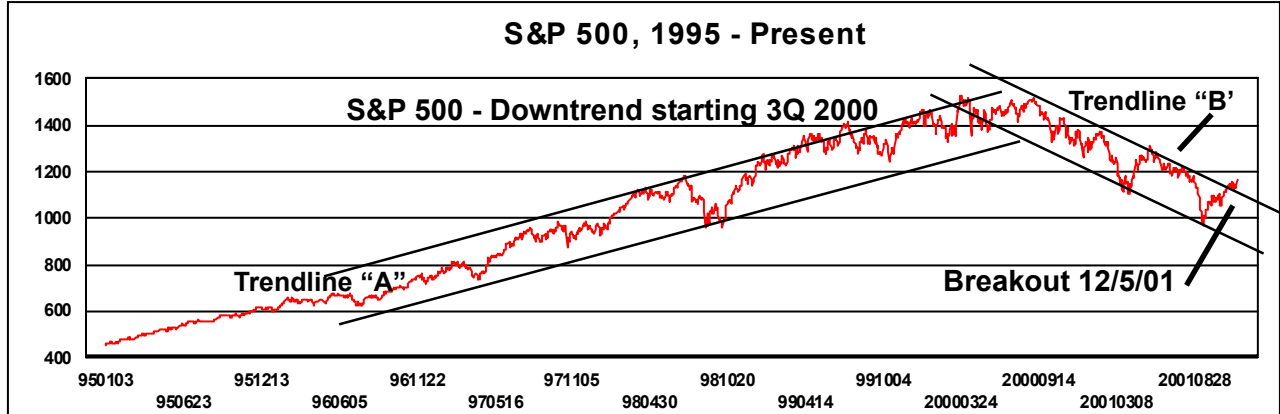


# Standard and Poor's 500 Index:

One year downtrend penetrated -  
will yesterday's resistance prove to be tomorrow's support?  
by Howard Spieler



## Major Term Breakout?

The Standard and Poor's 500 Index has just broken through a major downtrend line that has been in place since the Summer of Year 2000 (Trendline "B"). This line has been threatened several times since its inception, serving as resistance for almost 18 months. This is the first successful penetration of the line, which is very bullish from a technical analysis standpoint. A market retracement downwards at this point should find resistance at this same trendline, which should now act as "support", or a floor for the S&P 500.

**Implications:** The intermediate trend, and now very possibly the long term trend, has now reversed to the upside and possibly given us the first leg of the stock market recovery.