

## Market Line Update for Monday, March 1, 2004

Monday, the market as measured by the Wyckoff Wave experienced an intra-day failure to the down side. It went on to close in the upper half of a narrower price spread on reduced volume in a nearly clearly over sold condition. The other indexes indicate that the condition of the market is neutral. The intra-day failure is seen as being the result of a lack of supply. The relatively strong close also makes a positive statement. It suggests the possibility of additional up side progress on Tuesday

The action on Monday is potentially the start of the test of the recent short term up thrust. To confirm this possibility, demand needs to enter the market on Tuesday. It can make its presence known with follow through to the up side in a spread equal to or greater than that recorded on Monday together with increased volume and at least a relatively strong close. A stronger showing than this will improve the odds of the test failing and of the Wave moving into new high ground. A weaker performance than the one noted will improve the odds that the test of the up thrust will be successful and will be followed by a deeper test.

AMD was recently introduced as having the potential to move into a spring. It did enter a spring position and responded to the spring. It is now working on a test of the spring. The action on Monday indicated the meeting of demand and suggested the possibility of additional up side progress. If that progress comes in a wider spread to the up side on at least sustained volume with another relatively strong close, it may be concluded that the test has been successful and has been completed. The one point chart still only indicates a three point potential. However, a half point chart should reveal a more substantial potential.

UTX was recently introduced as a potential test of an up thrust. The test was successful and was followed by a fall through the ice that overran the first phase of the potential at the 97 level. There are two more phases to the down side potential with objectives of 84 and 80. The stock is now working on its rally back to the ice. The narrowing spread to the up side on reduced volume on Monday indicates a lack of demand. The strong close makes a positive statement, however. It indicates that the rally back is likely to continue. Look for it to end between the halfway point and the ice. After the rally back has been completed, a resumption of down side progress should take the price to the objective of the next phase.

Updates on issues previously introduced during the past two weeks.

BGG is working on the test of an up thrust. The character of the action on Monday indicates that the test may fail.

DBD has resumed up side progress after testing its shakeout. It now needs to advance aggressively to above the 55 level to help keep the shakeout scenario alive.

MDT has been unable to move into new low ground following the rally back to the ice. This leaves it vulnerable to moving into a trading range.

PD moved into new high ground trading higher in a wider spread on increased volume to a strong close. Additional up side progress is anticipated.

MER is making up side progress after completing its back up. It needs to continue up side progress and move into new high ground with authority to have a chance of reaching its higher objectives over the short term.

RBK is continuing the test of its recent up thrust. The action on Monday suggests that the test has not been complete.



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