

Getting Technical noted the following in Bloomberg News.

'Made in China' label may no longer mean cheap, London July 24, 2007

The rising cost of goods the US imports from China may be an early warning signal that central bankers from Britain to India are **about to pay a price for a cause they have championed: globalization.**

China, a source of cheap manufactured products for the past two decades, may be starting to export inflation as the world economy grows at the fastest pace in a generation.

Officials and economists will debate the shifting dynamics of globalization and its impact on monetary policy during the next two days at the European Central Bank in Frankfurt.

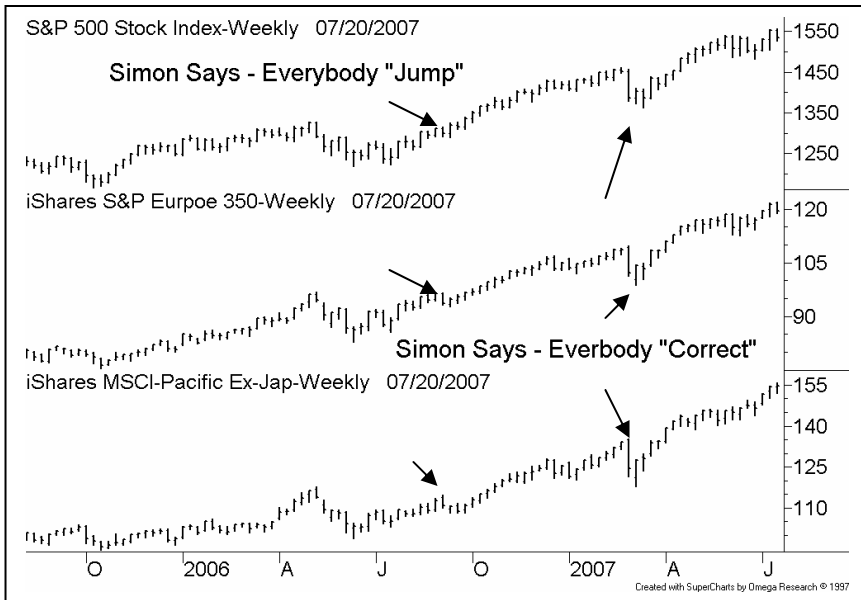
We at GT believe Globalization has thrust all of the major economies into a common extended business cycle – this has distorted the traditional US 4 ½ yr business cycle and caused the equity markets to extend beyond the 36 to 42 month bull skew.

See chart Top left

This has also caused all major world equity markets to exhibit extreme positive correlation and display a "Simon Says" mentality

See chart center left

Simon says is a game for three or more players (most often children). One of the people is "it" – i.e., Simon. The others must do what Simon tells them to do when asked with a phrase beginning with "Simon says". If Simon says "Simon says jump.", the players must jump (players that do not jump are out).

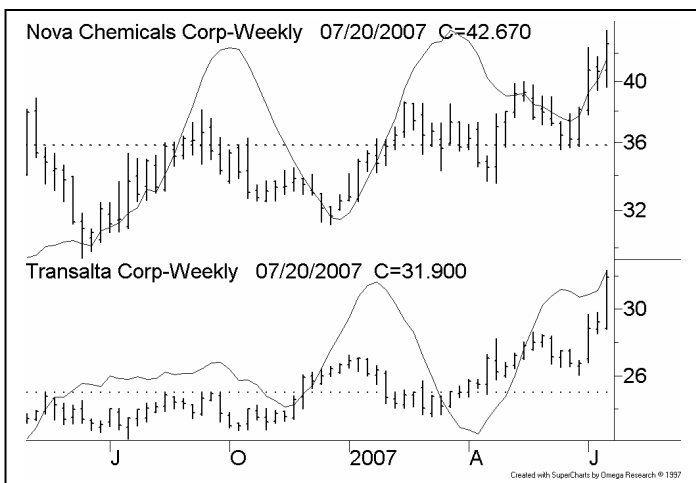


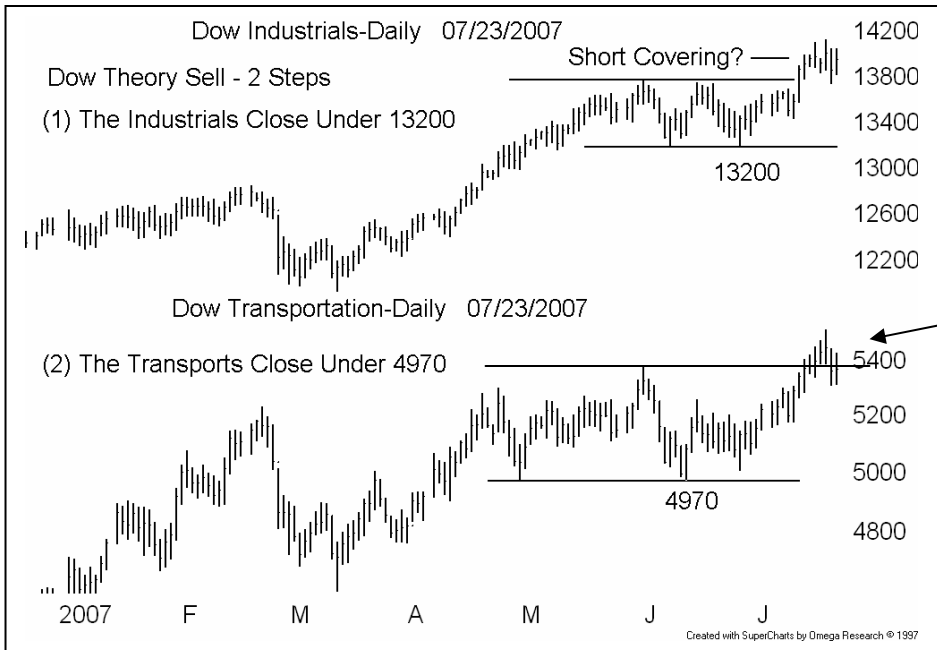
Watch those 52-week highs

The best performers tend to post a 52-week high following a period of consolidation

At that time the first new 52-week high will usually be followed by a series of new 52-week highs

See Nova Chemicals and Transalta – charts lower left





The weight of evidence points to a bearish equity picture

Dow Theory

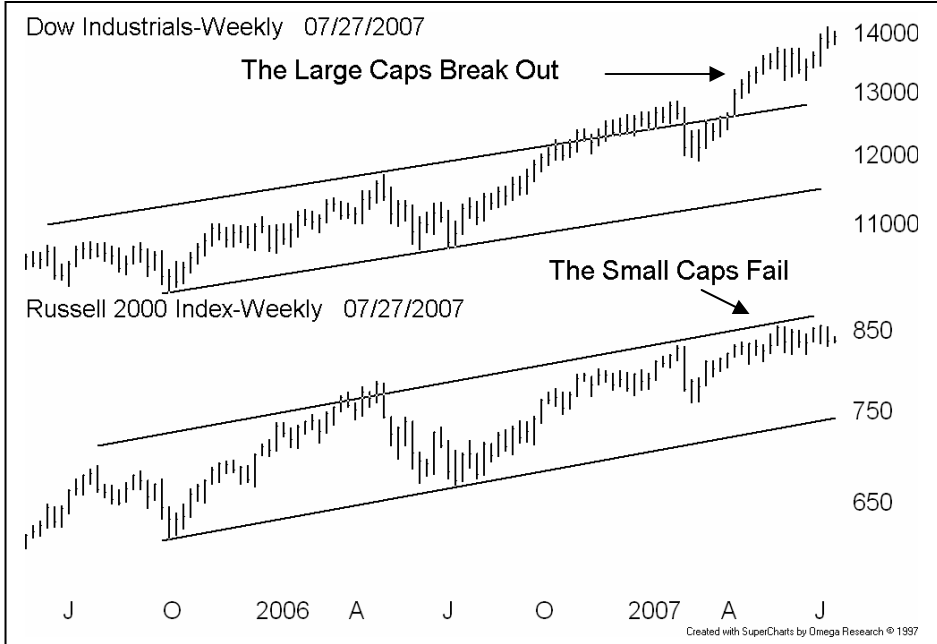
In order for the Dow Theory to flash a "SELL" signal we need three conditions

First we need both to rally to new trading highs will one – in this case the Transports – failing to make a clear breakout

The other two conditions would be for both to trade under their past trading lows

The Industrials – 13200
 The Transports - 4970

See chart top left

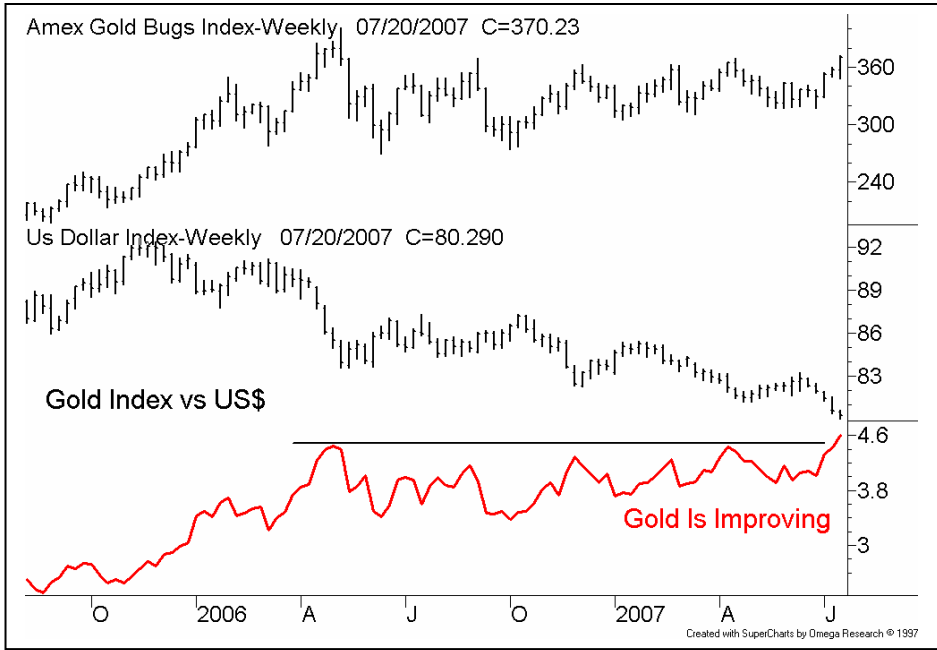


The Dow vs. The Russell 2000

The other problem is the current negative divergence between the large caps and the small caps

Note the early 2007 advance in the large cap DOW and the failure of the small cap Russell 2000 to follow and confirm the move

See chart left



Gold Stocks vs. the U.S. Dollar

Our gold stock – US dollar ratio chart displays a long period of congestion followed by a recent upward thrust in the gold stocks and a coincident downward thrust in the U.S. dollar

This new gold bull is typical end-of-cycle phenomena

See chart lower left

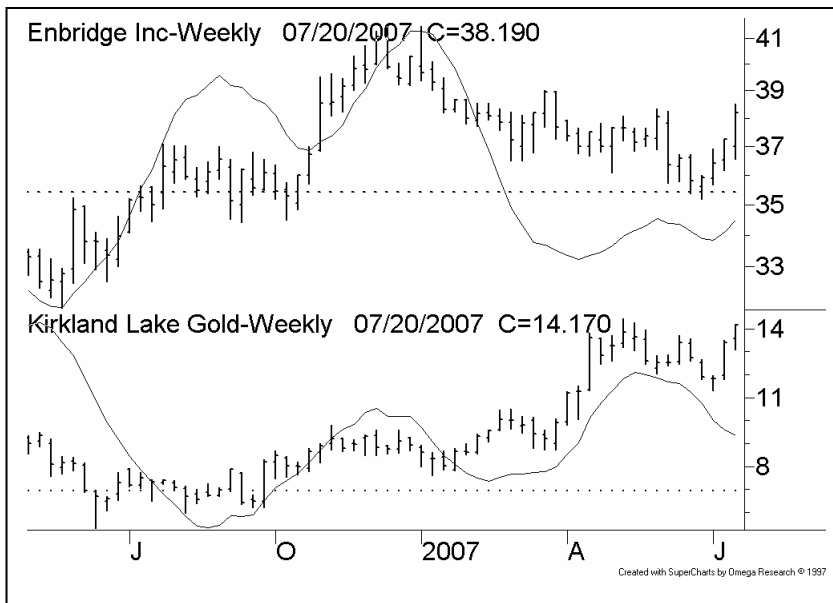
Strategy – reduce equity exposure or adopt a hedge strategy –

See letter June 26, 2007 GT1238 for info on the Horizon BetaPro Bear Fund (HXD-TSX)

Weekly Early MOM - Youthful Bulls

Adanac Molybdenum	AUA-T	\$2.37
Aurizon Mines	ARZ-T	\$4.10
Ballard Power	BLD-T	\$5.48
Bk of Montreal	BMO-T	\$40.15
Barrick Gold	ABX-T	\$36.13
Burcon NutraScience	BU-V	\$2.94
CDN National	CNR-T	\$59.98
Cascades Inc	CAS-T	\$12.20
Enbridge Inc	ENB-T	\$38.19
Goldcorp	G-T	\$28.94
Hathor Exploration	HAT-V	\$1.56
IAMGOLD Corp	IMG-T	\$9.14
IGM Financial	IGM-T	\$54.90
Int'l Enxco	IEC-V	\$3.12
Kirkland Lake	KGI-T	\$14.17
Manulife Financial	MFC-T	\$40.17
Metro Inc	MRUA-T	\$38.74
MOSAID Technologies	MSD-T	\$26.94
Nexen Inc	NXY-T	\$35.55
NovaGold Res	NG-T	\$16.51
Quebecor Inc	QBRB-T	\$40.88
Stelco Inc	STE-T	\$32.87
Sun Life Fin	SLF-T	\$52.05
TSX Group	X-T	\$45.70

Two Youthful Bulls – Enbridge Inc and Kirkland Lake



Volatility breakouts from a band pinch Bullish - 2Standard dev -up and Bearish 2Standard dev -down

Bullish Up

Barrick Gold	ABX-T	\$36.13
Aurizon Mines	ARZ-T	\$4.10
Banro Corp (Gold)	BAA-T	\$12.45
Bow Valley Energy	BVX-T	\$6.35
CDN Natural Res	CNQ-T	\$76.99
CDN Oil Sands Tr	COS-T	\$35.10
CDN Pacific RR	CP-T	\$86.99
DataMirror Corp	DMC-T	\$26.61
Dynasty Metals	DMM-V	\$7.65
Goldcorp	G-T	\$28.94
Miramar Mining	MAE-T	\$5.28
Mosquito Cons Gold	MSQ-V	\$2.05
Pason Systems	PSI-T	\$17.74
Petaquilla Minerals	PTQ-T	\$2.95
Semafo Inc	SMF-T	\$1.91
Sherritt Int'l	S-T	\$17.48
TransAlta	TA-T	\$31.90
Tesco Corp	TEO-T	\$35.13
Western Copper	WRN-T	\$1.95
TSX Group	X-T	\$45.70

Bearish Down

Alimentation Couche-Tard	ATDB-T	\$21.26
Biovail Corp	BVF-T	\$20.95
Brookfield Properties	BPO-T	\$25.03
Cameco Corp	CCO-T	\$49.32
Cardero Res	CDU-T	\$1.95
Celestica	CLS-T	\$6.41
Centerra Gold	CG-T	\$8.76
Connors Bros Income	CBF'U-T	\$10.65
Crystallex International	KRY-T	\$4.28
Domtar Corp	UFS-T	\$10.90
Draxis Health	DAX-T	\$6.09
Energy Fuels	EFR-T	\$2.59
Methanex Corp	MX-T	\$27.09
Neurochem Inc	NRM-T	\$5.94
Strathmore Minerals	STM-V	\$3.87
Tanzanian Royalty	TNX-T	\$5.19
Theratechnologies Inc	TH-T	\$10.81
Ur-Energy Corp	URE-T	\$3.78
Western Areas	WSA-T	\$4.65
Wi-LAN Inc	WIN-T	\$4.97
Zarlink Semiconductor	ZL-T	\$1.76

Note the GOLD Theme on the Bullish Up group

Note the Uranium theme on the Bearish Down group

Notable 52-week highs

Aastra Technologies Ltd	AAH	\$41.01
CCL Industries Inc	CCL.B	\$46.00
Horizons BetaPro Gold Bul	HGU	\$24.84
iShares DJ Cda Sel Divd	XDV	\$24.63
iShares S&P/TSX Material	XMA	\$35.88
MedcomSoft Inc	MSF	\$0.78
Northbridge Finl Corp	NB	\$36.75
Northern Orion Res Inc	NNO	\$6.53
NOVA Chemicals Corp	NCX	\$43.70
Petro-Canada	PCA	\$61.50
ShawCor Ltd	SCL.A	\$34.24
Sherritt Intl Corp	S	\$17.99
Silver Wheaton Corp	SLW	\$15.56
Sino-Forest Corp	TRE	\$19.22
TransAlta Corp	TA	\$32.36

Stocks posting new 52-week highs tend to post more 52-week highs

Notable 52-week lows

AEterna Zentaris Inc	AEZ	\$3.32
Celestica Inc	CLS	\$6.38
Horizons BetaPro Gold Br	HGD	\$15.89
Intertape Polymer Grp Inc	ITP	\$4.12
JumpTV Inc	JTV	\$4.47
Labopharm Inc	DDS	\$2.67
Royal Laser Corp	RLC	\$0.50
SR Telecom Inc	SRX	\$0.10

Stocks posting new 52-week LOWS tend to post more 52-week LOWS

Canadian and U.S. & Global – Weekly Tables – Trader Strategy – 12-18 Week Hold

TSX Sub Groups	20-Jul-07	gettingtechnical.com Sector WEEKLY Ranking - Most Recent to the Left																		
Diversified Metals & Mining	19.23	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1				
Materials	11.38	2	2	3	5	5	5	6	6	5	7	10	13	8	4					
Industrials	8.52	3	3	2	2	3	3	4	4	4	4	5	6	5	7					
Telecommunication Services	7.1	4	6	5	4	2	2	2	2	3	3	2	2	2	2					
Information Technology	6.29	5	4	6	7	13	13	13	14	14	15	15	15	16	16					
Energy	5.18	6	5	4	3	4	4	3	3	2	2	3	4	4	5					
S&P/TSX Composite	4.42	7	7	8	8	8	8	9	9	9	9	7	7	6	6					
Utilities	3.82	8	10	9	9	7	6	5	5	6	5	6	5	7	12					
Consumer Discretionary	2.7	9	12	13	13	12	11	11	11	11	11	11	10	11	10					
S&P/TSX CDN Small Cap	2.49	10	11	12	12	9	9	8	8	7	Another worry is those weak Financial sectors in the US and Canada									
S&P/TSX CDN Mid Cap	2.4	11	9	10	11	10	10	10	10	10										
Consumer Staples	2.2	12	13	11	10	11	12	12	12	13										
Income Trusts	1.82	13	8	7	6	6	7	7	7	8										
Financials	0.08	14	14	14	14	14	14	14	13	12						13	13	12	10	9
Gold	-1.34	15	16	16	16	16	16	16	16	16						16	16	16	15	15
Health Care	-3.13	16	15	15	15	15	15	15	15	15	14	14	14	14	14					

U.S. Sectors	20-Jul-07	gettingtechnical.com US Sector WEEKLY Ranking - Most Recent to the Left													
SPDR-Energy XLE	13.46	1	1	1	1	1	1	1	1	1	1	1	1	1	2
SPDR-Materials XLB	7.67	2	4	6	7	7	7	8	7	9	9	9	9	6	3
SPDR-Industrial XLI	6.91	3	2	3	3	3	3	5	6	7	8	8	8	8	11
SPDR-Technology XLK	6.42	4	3	4	4	4	5	4	4	4	5	7	7	7	10
HOLDERS Semiconductor SMH	5.84	5	5	2	2	2	2	7	9	8	6	3	3	3	4
HOLDERS Telecom TTH	3.32	6	6	5	6	5	6	3	3	3	4	5	4	4	5
SPDR-Consumer Discreti XLY	0.98	7	8	8	9	10	10	10	12	12	12	14	14	14	12
SPDR-Consumer Staples XLP	0.67	8	9	10	11	11	11	11	11	11	10	10	10	10	8
HOLDERS Internet HHH	-0.74	9	7	7	5	6	4	2	2	2	2	4	9	9	9
streetTRACKS Gold T GLD	-0.85	10	13	13	14	14	14	14	14	13	13	11	11	6	6
SPDR-Health Care XLV	-2.39	11	10	11	10	9	8	6	5	6	7	6	5	7	7
SPDR-Utilities XLU	-3.62	12	12	12	12	13	13	12	8	5	3	2	2	1	1
SPDR-Financial XLF	-4.24	13	11	9	8	8	9	9	10	10	11	12	12	13	13
HOLDERS Biotech BBH	-8.55	14	14	14	13	12	12	13	13	14	14	13	13	14	14

CDN Rotation Model from Inception - Monthly Tables 31-Mar-03	20-Jul-07	Net	Annualized
TSX Composite	6343	14583	129.9%
S&P500	848	1534	80.9%
GT Rotation Model	\$50,000	\$150,803	201.6%

Current Quarter Interim

Transition 18	Book	Units	29-Jun-07	20-Jul-07		
TSX Diversified Metals & Mining	\$42,074	51	819.14	946.00	\$48,590	15.5%
iShares CDN Info Tech XIT	\$21,051	2431	8.66	9.00	\$21,877	3.9%
TSX Telecommunication Serv	\$26,360	235	112.18	117.12	\$27,521	4.4%
TSX Industrials	\$19,462	164	118.33	127.10	\$20,904	7.4%
iShares CDN Materials XMA	\$28,357	891	31.84	35.83	\$31,910	12.5%
				Q3 To Date	\$150,803	9.8%

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