

The July 13–August 16 corrections in most world equity markets have set the stage for a rebound rally. Some danger now - see comments - Page 1

The S&P500 - Monthly - Long Term

Our longer term **S&P500** chart (top left) illustrates the up trend in place since Q1 of October 2003

The long term cyclic peak (based on price momentum) was at May 31, 2007 and the intermediate cyclic peak was signaled on June 29, 2007.

It was these two coincident peaks that when summed (cycle summation) served to introduce a short but severe correction. The loss from the July 13 peak to the August 16 low was in the order of 12%

S&P500 Mid-Cycle Correction		
July 13	Aug 16	Net
1555	1370	-11.6%

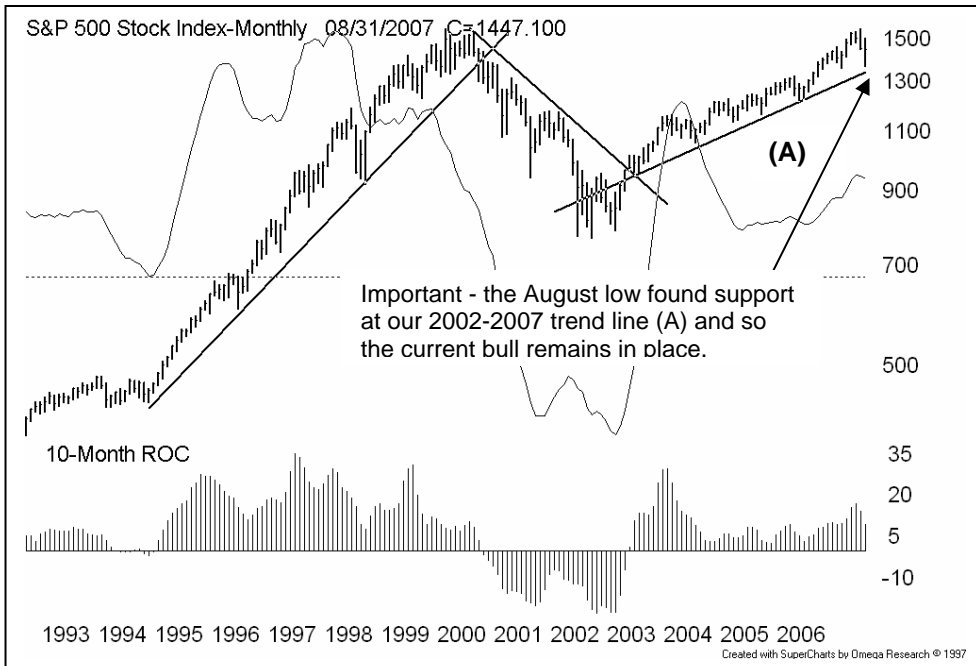
See comments Left.

The sectors (table below) are sorted by risk - look for the lower ranked sectors to lead the current advance through mid September 2007

Sort by #weeks of positive price momentum - High to Low risk

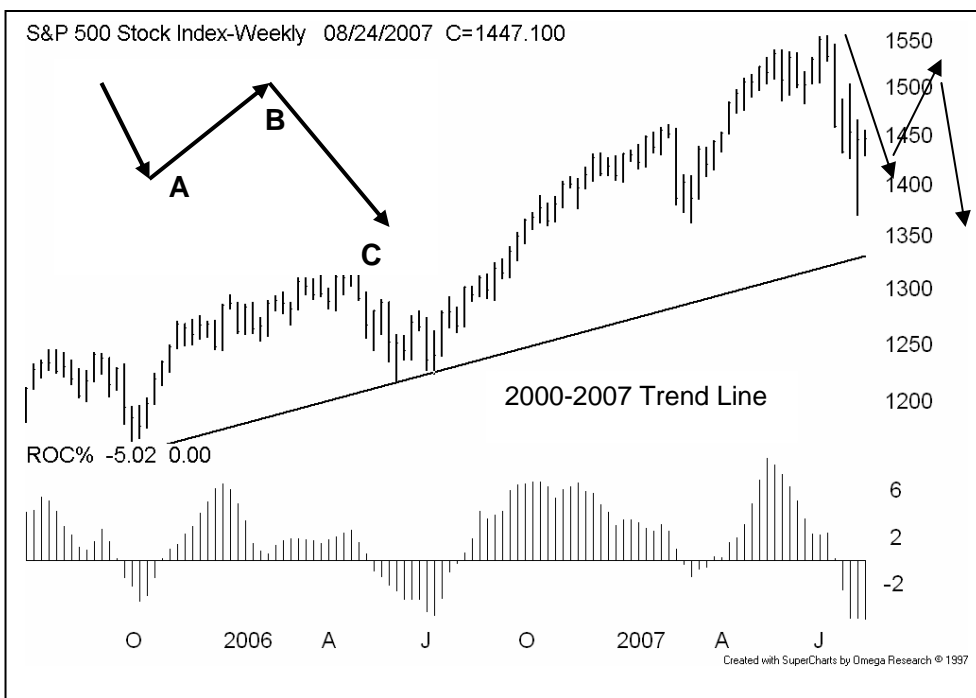
	High Risk
TSX Materials	24
SPDR-Industrial XLI	23
TSXDiversified Metals & Mining	23
HOLDRS Semiconductor SMH	22
TSX Industrials	22
TSX Telecommunication Services	22
SPDR-Materials XLB	21
TSX Consumer Discretionary	21
HOLDRS Telecom TTH	20
SPDR-Energy XLE	20
HOLDRS Internet HHH	19
SPDR-Technology XLK	19
TSX Energy	19
TSX Income Trusts	18
streetTRACKS Gold T GLD	17
Consumer Staples	17
TSX Utilities	16
SPDR-Consumer Staples XLP	15
SPDR-Utilities XLU	15
TSX Financials	15
SPDR-Health Care XLV	13
SPDR-Consumer Discreti XLY	12
TSX Information Technology	12
SPDR-Financial XLF	8
HOLDRS Biotech BBH	6
TSX Gold	4
TSX Health Care	0

Low Risk



Danger now as we look at our weekly chart of the S&P500 an monitor the path of the current rebound. If this rally fails at the June peak we suspect an **A-B-C** type correction that could introduce a new bear.

A peak at **mid September** at **(B)** would be the best place to reduce equity exposure.



First Quartile Selections

RCI.B	Rogers Communications Inc.	Consumer Discretionary
SJR.B	Shaw Communications Inc.	Consumer Discretionary
SC	Shoppers Drug Mart Corporation	Consumer Staples
PCA	Petro-Canada	Energy
BBD.B	Bombardier Inc.	Industrials
RIM	Research in Motion Ltd.	Information Technology
AEM	Agnico-Eagle Mines Ltd.	Materials
AGU	Agrium Inc.	Materials
AL	Alcan Inc.	Materials
ABX	Barrick Gold Corporation	Materials
FM	First Quantum Minerals Ltd.	Materials
FDG.UN	Fording Canadian Coal Trust	Materials
POT	Potash Corporation Of Sask.	Materials
BCE	BCE Inc.	Telecommunication Services
TA	Transalta Corporation	Utilities

Second Quartile Selections

CTC.A	Canadian Tire Corporation Ltd.	Consumer Discretionary
THI	Tim Hortons Inc.	Consumer Discretionary
WN	Weston, George Limited	Consumer Staples
CNQ	Canadian Natural Res Limited	Energy
COS.UN	Canadian Oil Sands Trust	Energy
NXY	Nexen Inc.	Energy
SU	Suncor Energy Inc.	Energy
MFC	Manulife Financial Corporation	Financials
SLF	Sun Life Financial Inc.	Financials
CP	Canadian Pacific Railway Ltd.	Industrials
G	Goldcorp Inc.	Materials
LUN	Lundin Mining Corporation	Materials
NCX	Nova Chemicals Corporation	Materials
TCK.B	Teck Cominco Limited	Materials
ENB	Enbridge Inc.	Utilities

Third Quartile Selections

MG.A	Magna International Inc.	Consumer Discretionary
TOC	Thomson Corporation (The)	Consumer Discretionary
YLO.UN	Yellow Pages Income Fund	Consumer Discretionary
L	Loblaw Companies Limited	Consumer Staples
ECA	EnCana Corporation	Energy
IMO	Imperial Oil Limited	Energy
BMO	Bank Of Montreal	Financials
BNS	Bank Of Nova Scotia (The)	Financials
RY	Royal Bank Of Canada	Financials
TD	Toronto-Dominion Bank (The)	Financials
MDS	MDS Inc.	Health Care
CNR	Canadian National Railway Co	Industrials
CSN	Cognos Incorporated	Information Techn
K	Kinross Gold Corporation	Materials
TRP	TransCanada Corporation	Utilities

Fourth Quartile Selections

BCB	Cott Corporation	Consumer Staples
CCO	Cameco Corporation	Energy
ERF.UN	Enerplus Resources Fund	Energy
HSE	Husky Energy Inc.	Energy
PWT.UN	Penn West Energy Trust	Energy
TLM	Talisman Energy Inc.	Energy
BAM.A	Brookfield Asset Management Inc.	Financials
CM	Canadian Imperial Bank	Financials
NA	National Bank Of Canada	Financials
BVF	Biovail Corporation	Health Care
ACE.B	ACE Aviation Holdings Inc.	Industrials
CLS	Celestica Inc.	Information Technology
NT	Nortel Networks Corporation	Information Technology
YRI	Yamana Gold Inc.	Materials
T	TELUS Corporation	Telecommunication Services

CDN Filter Weekly August 20, 2007
www.gettingtechnical.com Filter Relative Performance

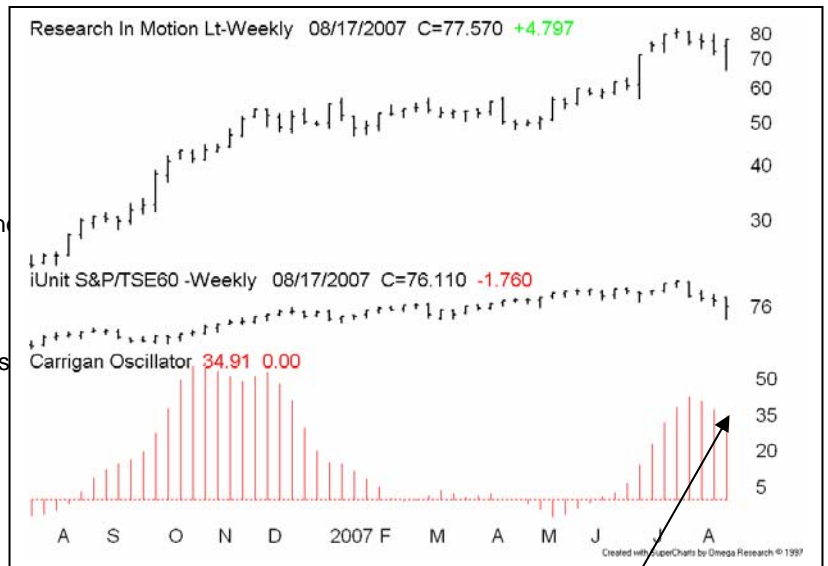
Looking for leadership – we scan the S&P/TSX60 components for Relative Performance and assigned a ranking #. In order to simplify we sorted by rank and split the components into quartiles

The First Quartile selections are sorted by sector and these should be the best performers through October 2007.

The Fourth Quartile selections are sorted by sector and these should be the worst performers through October 2007

The Momentum Tables on P2 support the quartile rankings to some degree – Bill C

RIM Is the Highest Ranked Stock in the S&P/TSX60 Index (TSX-XIU)



Quartile One with a 34.91 Rank

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

TSX Sub Groups	17-Aug-07	gettingtechnical.com Sector WEEKLY Ranking - Most Recent to the Left													
Materials	1.52	1	1	2	2	2	2	3	5	5	5	6	6	5	7
Consumer Staples	-0.85	2	3	7	8	12	13	11	10	11	12	12	12	13	12
Gold	-2.37	3	4	8	12	15	16	16	16	16	16	16	16	16	16
Utilities	-2.70	4	7	6	6	8	10	9	9	7	6	5	5	6	5
Diversified Metals & Mining	-2.86	5	2	1	1	1	1	1	1	1	1	1	1	1	1
Information Technology	-2.90	6	5	4	3	5	4	6	7	13	13	13	14	14	15
Industrials	-3.81	7	6	3	5	3	3	2	2	3	3	4	4	4	4
Consumer Discretionary	-3.83	8	9	9	7	9	12	13	13	12	11	11	11	11	11
Telecommunication Services	-4.32	9	8	5	4	4	6	5	4	2	2	2	2	3	3
S&P/TSX Composite	-4.44	10	10	10	9	7	7	8	8	8	8	9	9	9	9
Financials	-5.96	11	14	15	15	14	14	14	14	14	14	14	13	12	13
Energy	-6.01	12	11	11	10	6	5	4	3	4	4	3	3	2	2
S&P/TSX CDN Mid Cap	-6.46	13	13	13	13	11	9	10	11	10	10	10	10	10	10
S&P/TSX CDN Small Cap	-7.51	14	12	12	11	10	11	12	12	9	9	8	8	7	6
Income Trusts	-7.81	15	15	14	14	13	8	7	6	6	7	7	7	8	8
Health Care	-13.02	16	16	16	16	16	15	15	15	15	15	15	15	15	14

Over Sold Sectors – Financial, Energy, Income Trusts

The TSX is still dominated in weight by the Financials and the Energy sectors. However these two groups have been under selling pressure for several weeks – note their declining positions on the upper TSX Table
 New leadership is Gold and Consumer Staples

The US market should rally though August and mid September and then introduce a September – October correction to test long term support at the 2003 – 2007 primary trend line.

Note the big jump in GOLD and the persistent strength in Technology

U.S. Sectors	17-Aug-07	gettingtechnical.com US Sector WEEKLY Ranking - Most Recent to the Left													
streetTRACKS Gold T GLD	1.46	1	2	5	6	10	13	13	14	14	14	14	14	13	13
HOLDRS Semiconductor SMH	1.26	2	1	3	4	5	5	2	2	2	2	7	9	8	6
SPDR-Industrial XLI	-0.63	3	3	2	2	3	2	3	3	3	3	5	6	7	8
SPDR-Technology XLK	-0.70	4	4	4	3	4	3	4	4	4	5	4	4	4	5
SPDR-Energy XLE	-1.77	5	5	1	1	1	1	1	1	1	1	1	1	1	1
SPDR-Consumer Staples XLP	-2.94	6	6	8	9	8	9	10	11	11	11	11	11	11	10
HOLDRS Telecom TTH	-4.78	7	8	7	7	6	6	5	6	5	6	3	3	3	4
SPDR-Utilities XLU	-5.08	8	12	13	13	12	12	12	12	13	13	12	8	5	3
HOLDRS Internet HHH	-5.15	9	7	9	8	9	7	7	5	6	4	2	2	2	2
SPDR-Materials XLB	-6.58	10	9	6	5	2	4	6	7	7	7	8	7	9	9
SPDR-Health Care XLV	-7.13	11	10	11	11	11	10	11	10	9	8	6	5	6	7
SPDR-Consumer Discreti XLY	-9.23	12	11	10	10	7	8	8	9	10	10	10	12	12	12
HOLDRS Biotech BBH	-10.21	13	13	12	12	14	14	14	13	12	12	13	13	14	14
SPDR-Financial XLF	-11.45	14	14	14	14	13	11	9	8	8	9	9	10	10	11

Over Sold Sectors – Look for leadership here

CDN Filter Weekly August 21, 2007 Canada's Energy Trusts Relative Analysis

Strategy - Relative Analysis studies (RA) to be used.

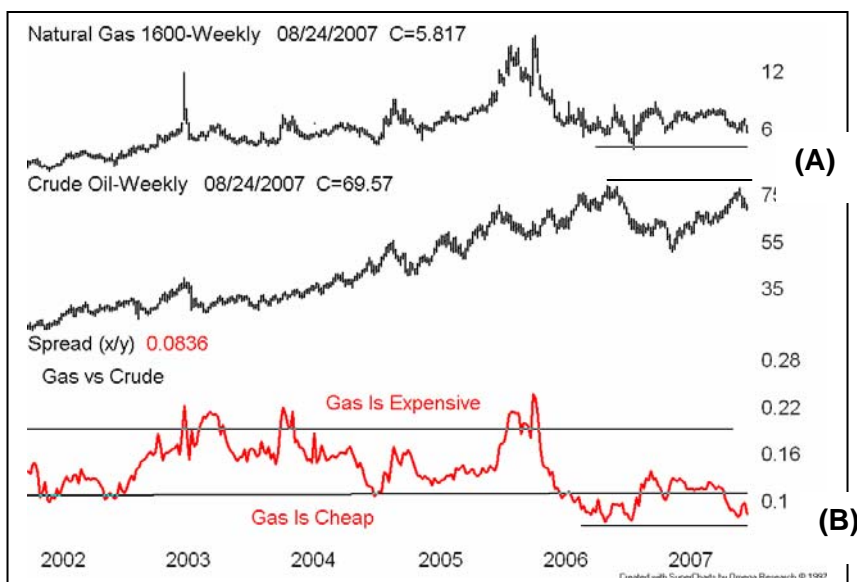
This approach requires a basket of Canadian Energy Trusts to be sorted into two distinct groups - Gassy Sensitive and Crude (Oily) Sensitive.

Duplicates will occur if the trust is equally weighted in production to gas and crude

Our Gas Vs Crude chart (left) indicates Natural Gas is displaying early signs of relative improvement over Crude. Note NG's higher low and the coincident lower high of Crude prices at **(A)**

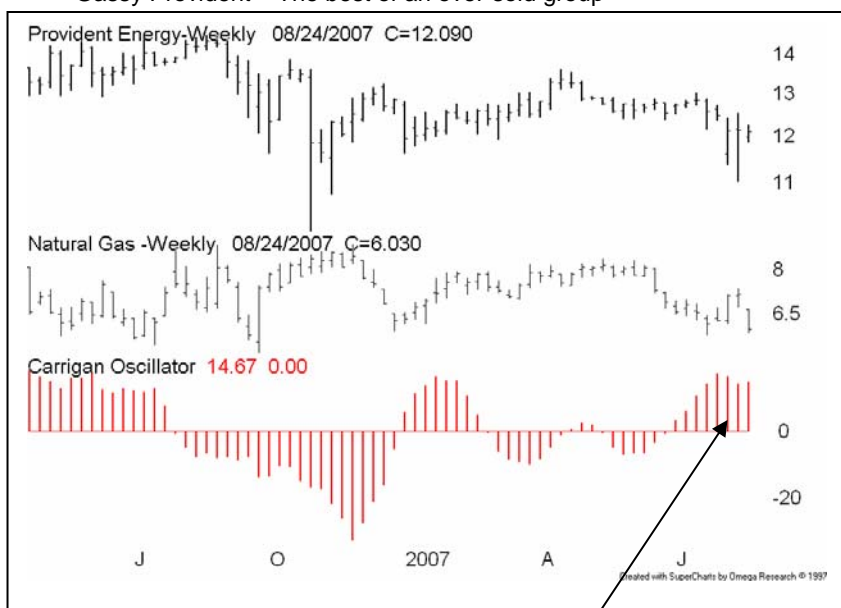
Note also the NG/Crude spread – clearly an improvement - a higher low at **(B)**

Gassy Trusts	21-Aug-07	10W R/A Rank
Provident Energy Trust	PVE.UN	1
Freehold Energy Trust	FRU.UN	2
Pengrowth Energy Trust	PGF.UN	3
Zargon Energy Trust	ZAR.UN	4
Primewest Energy Trust	PWI.UN	5
Bonavista Energy Trust	BNP.UN	6
ARC Energy Trust	AET.UN	7
Enerplus Resources Fund	ERF.UN	8
Focus Energy Trust	FET.UN	9
True Energy Inc Trust	TUI.UN	10
Progress Energy Trust	PGX.UN	11
Peyto Energy Trust	PEY.UN	12
Fairborne Energy Trust	FEL.UN	13
Vault Energy Trust	VNG.UN	14
Daylight Resources Trust	DAY.UN	15
Trilogy Energy Trust	TET.UN	16
Paramount Energy Trust	PMT.UN	17



Oily Trusts	21-Aug-07	10W R/A Rank
Vermilion Energy Trust	VET.UN	1
Canadian Oil Sands Trust	COS.UN	2
Freehold Energy Trust	FRU.UN	3
Bonterra Energy Trust	BNE.UN	4
Pengrowth Energy Trust	PGF.UN	5
Crescent Point Energy T	CPG.UN	6
Advantage Energy Incom	AVN.UN	7
NAL Oil & Gas Trust	NAE.UN	8
Harvest Energy Trust	HTE.UN	9
Canetic Resources Trust	CNE.UN	10
ARC Energy Trust	AET.UN	11
Baytex Energy Trust	BTE.UN	12
Penn West Energy Trust	PWT.UN	13
True Energy Inc Trust	TUI.UN	14

Gassy Provident – The best of an over-sold group



All of the Oily Income Trusts are poor performers relative to the underlying commodity – Crude

Strategy – avoid the Oily Trusts and accumulate a basket of the top five ranked Gassy Trusts

Caveats on relative analysis

A poor performer relative to a strong performer can still advance and a strong performer relative to a poor performer can still decline – it is all relative – Bill Carrigan

Trust 10 Week ROC%

Gas 10 Week ROC%

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