

Always trade with a stop.

TheMiniTrade.com

DOW JONES ADVISORY

August 31, 2007

**FAILURE AT THE
13400 LEVEL**

**UP 13450
DOWN 13280**

Failure to trade above 13400 opens the possibility of another fall to test the lows during the next weeks.

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**YESTERDAY
TRADES:**

MINI DOW SIGNALS:

SELL 13400 = +20 points

SELL 13416 = +46 points

MEDIUM TERM ENTRY

BUY 13408 = B/E

DOW BREAKS ABOVE 13400 BUT FAIL TO HOLD ABOVE IT

From yesterday report: "Only a solid break above 13400 will open the door for a test of the 13700 level"

In a move that surprised even the bulls, the Dow opened 120 points above its previous close. After testing the 13400 level, when the Bernanke's speech was released, it was sold off to new lows for the day. Then it rallied steadily to new highs and reached 13454, in a back and forward move, placed a double top and sold off heavily almost 100 points to close at 13364 as seen in the 10 minute chart. Light volume in front of the long weekend helped this wild swings.

The Dow has not been able to break solidly above the upper resistance and it's likely to be range bounded until a solid break that holds support place the trigger for a test of the 13700 level.

On the other side, breaking bellow 13280 will open the door for a test of the 12800 at least.

Short term traders:

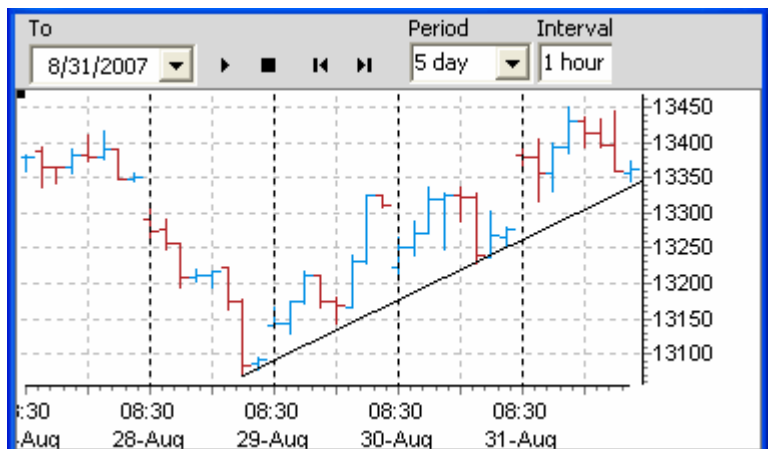
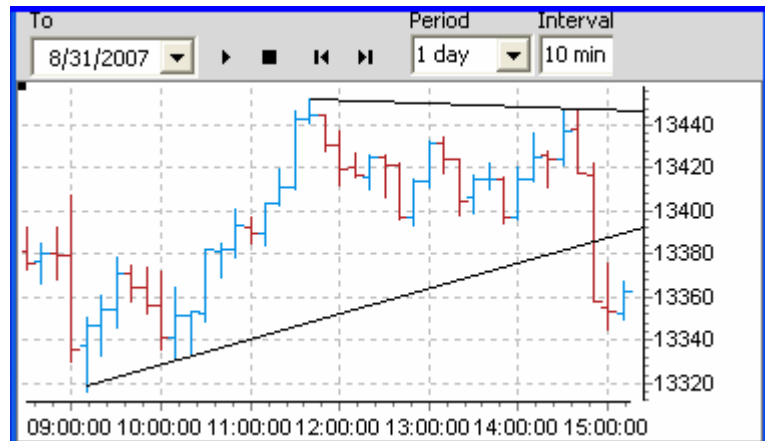
Failure to hold gains above 13400 and a weak close indicates that further consolidation between 13000 and 13400 is likely. If we rally at the open, watch to sell after the move fizzle with tight stops.

Medium term traders (position trading):

After going long at 13408 we were stopped out with a breakeven trade. Watch 13450 to buy with a stop of 30 points, go short bellow 13280 also with a 30 point stop loss.

Long term:

As you can see in the daily chart the Dow has formed a clear triangle that can result in an explosive move of about 600 points, watch for a break of it to signal



the direction of the break, keep in mind that a test of the 12800 level could be in the cards.

Conclusion: Look for the index to consolidate until a clear break occurs.

Daily Pivots for day following 31-Aug-2007

R3	13631
R2	13543
R1	13453
PP	13365
S1	13275
S2	13187
S3	13097

TODAY'S ECONOMIC CALENDAR

Sep 4 10:00 AM Construction spending
10:00 AM ISM index
5:00 PM Auto sales
5:00 PM Truck sales

The purpose of our position trading is to find a trend and enter a long or short position with a limited risk and maintaining it trailing our stops. **GOOD LUCK**