

13 JUL 2009

LONG DOW, SHORT OIL UPDATED

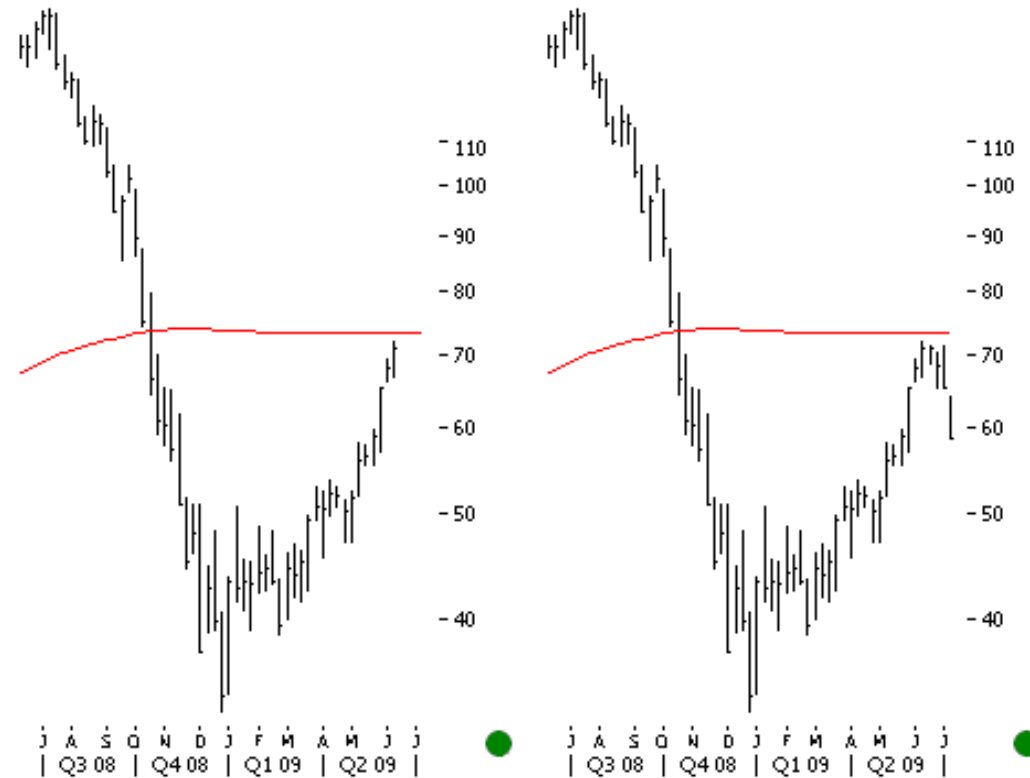
DATE	LONG OUTPERFORMER	CURRENT	RECO	% CHANGE	SHORT UNDERPERFORMER	CURRENT	RECO	% CHANGE	% NET
02.iun.09	LONG DOW	<u>8183,17</u>	<u>8721,44</u>	-6%	OIL	58,67	66,80	14%	8%
15.iun.09	NAT GAS SPOT	<u>2,93</u>	<u>3,00</u>	-2%	BRENT	58,67	68,70	17%	15%

The anticipated turn on OIL we talked about happened. Prices fell nearly 23% from JUN highs. Now conventionalists might call it another random forecast that just got lucky. But then this is not all we said. We also talked about the LONG DOW, SHORT OIL pair at the time we were negative on both DOW and OIL. To be able to understand that both DOW and OIL were going down and also anticipate that OIL will fall more than DOW. The pair made 8% over the last 41 days, we need to have extreme luck. For us here at Orpheus, the idea of fortunate recommendation calling lies in simplicity. Performance cycles were clearly skewed in favor of DOW in the DOW-OIL pair though both were negative. Now the news linked to macroeconomic factors like "lower Oil prices leading to lower trade deficits in the US leading to a stronger Dollar leading to lower Oil prices" should start appearing. Media will now ask "Does Dollar weakness cause high Oil prices?" or the opposite "Does Dollar strengthening cause low Oil prices?", "Oil prices up, Dollar down – coincidence?" , "Oil prices down, Dollar up – coincidence?" etc. . If one looks at the performance cycles between BRT and the Dollar Index, the cycles suggest that the outperformance of Oil against USD has already topped and USD should be the outperformer now.

This means that our LONG DOW-SHORT OIL pair can be extended to LONG DOLLAR INDEX - SHORT OIL. Our overall view on Oil remains negative. Oil, gold and commodities have all been priced in US dollars since 1975 when OPEC officially agreed to sell its oil exclusively for US dollars. So oil producing countries receive the payment for their oil in Us Dollars. Economists say that an increasing oil price results in increasing inflation, negatively impacting the global economy, especially oil importers. These dollars are used to purchase other goods in international markets. As the dollar lost its value, oil producers could afford to buy less in international markets with their dollars. The traditional belief is that between oil and dollar should exist a inverse relation (oil up, dollar down, and vice versa).

For us at Orpheus it is not about positive or negative correlation, it is about the cycle of correlation. According to performance cycles, an asset will always outperform or underperform the other asset. This means that there will always be an inverse correlation between any pair of assets if you are comparing performances. So what matters is really not correlation, but which of the assets is outperforming the other and WHEN. Our preferred view on dollar mentioned in our perspective product WAVES.FOREX (below 1,41 dollar heads up to 1,30) is in sync with our view on OIL as the top commodity heads lower. Enjoy the latest WAVES.OIL

BRENT - ANTICIPATED AND HAPPENED

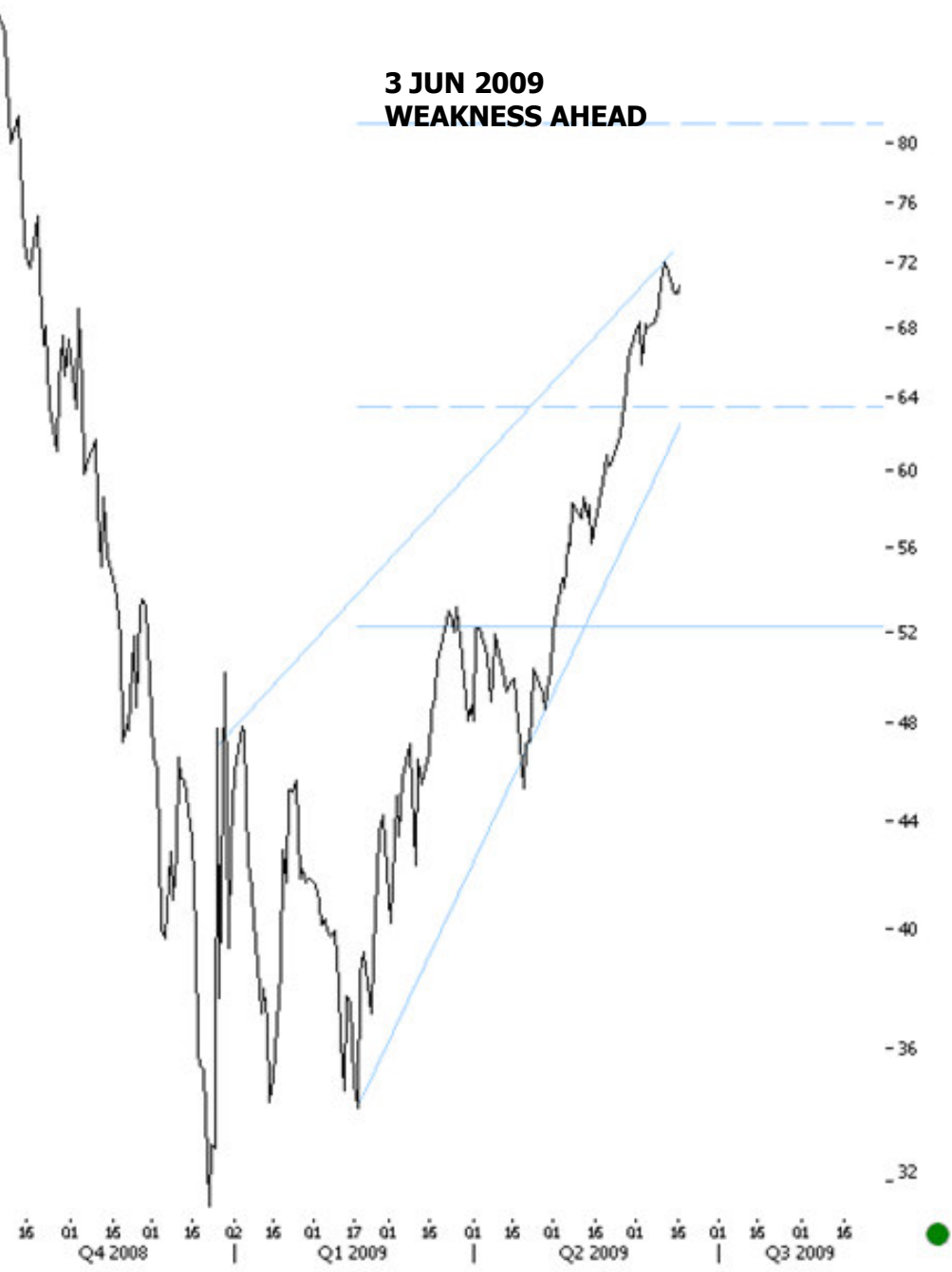


BRT. TURNS BACK FROM 200 PERIOD MOVING AVERAGE AND FIB RESISTANCE

ANTICIPATED AND HAPPENED

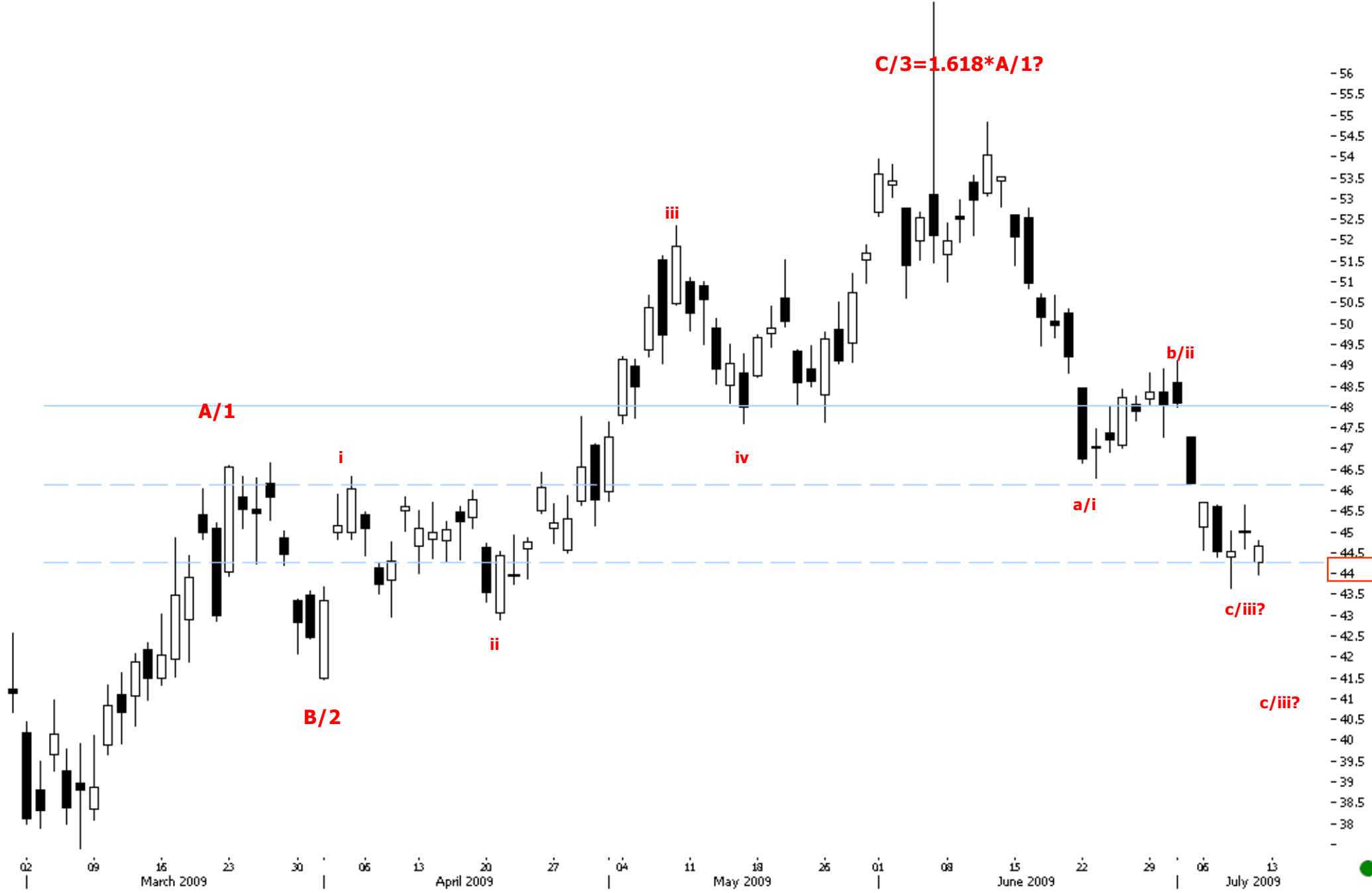


WTM. ANTICIPATED AND HAPPENED



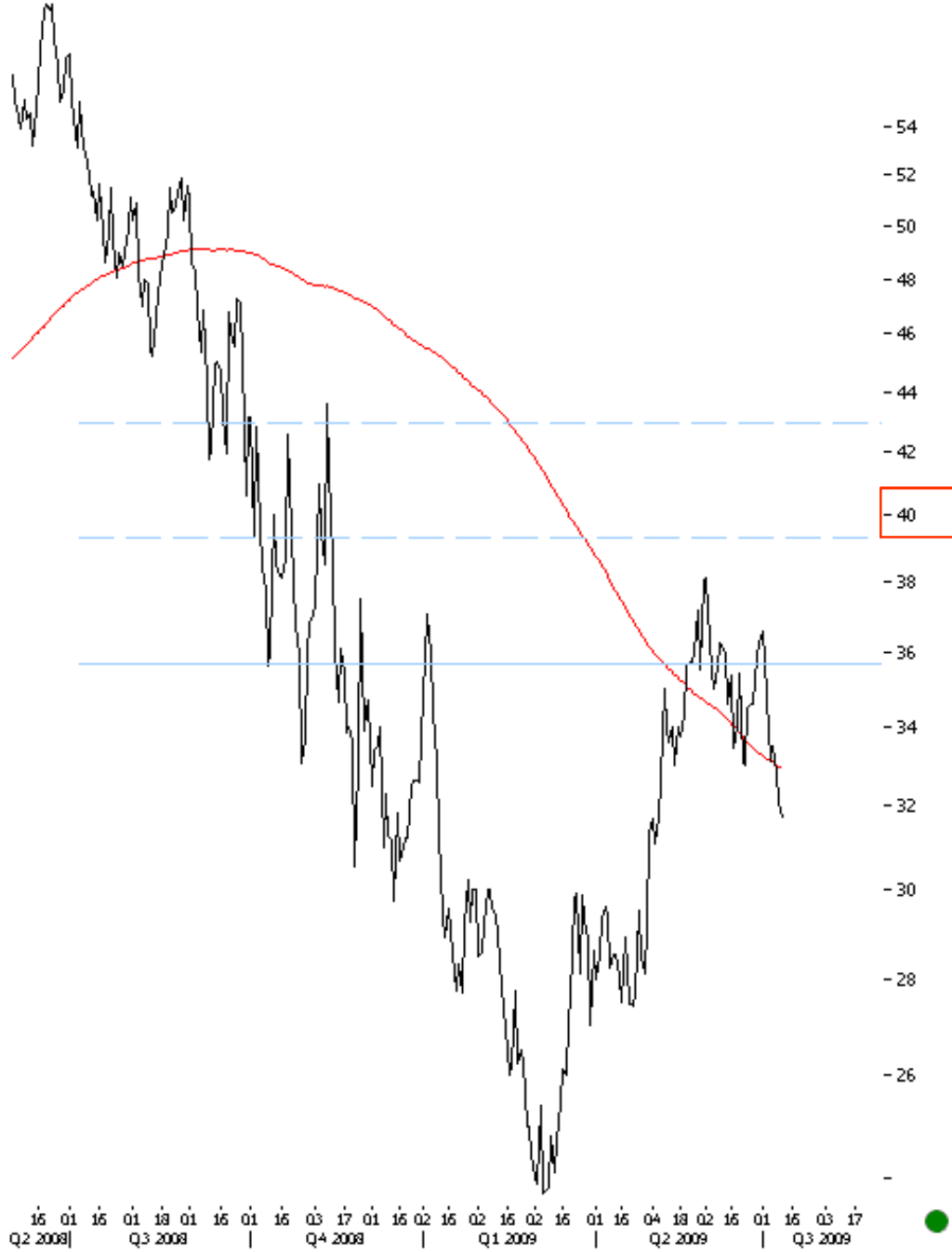
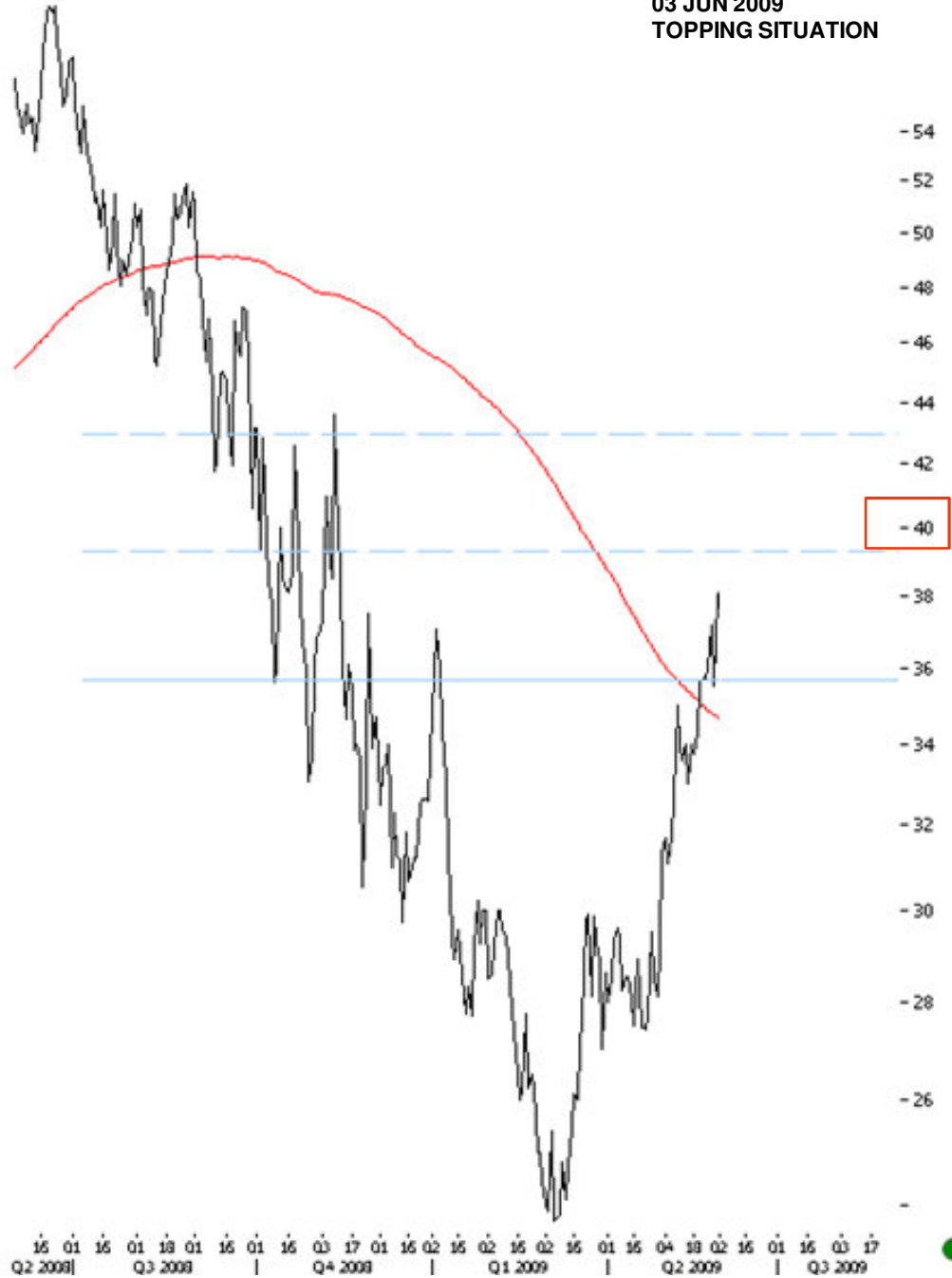
XLE DAILY. BREAKS KEY SUPPORTS AT 47

THE CURRENT DOWNMOVE COULD PUSH PRICES LOWER TILL KEY 42 LEVELS OR EVEN LOWER.



VERBUND. ANTICIPATED AND HAPPENED

03 JUN 2009
TOPPING SITUATION



GAZPROM. ANTICIPATED AND HAPPENED



INDEX	CURRENT PRICE	MINOR KEY	MINOR PREFERRED	STRENGTHENS		WEAKENS	
BRT-	60,59	60,00	DOWN	BELOW	60,00	ABOVE	65,00
WTM-	59,62	60,00	DOWN	BELOW	60,00	ABOVE	68,00
XLE	44,53	50,00	DOWN	BELOW	45,00	ABOVE	50,00
IPNG	25,54	30,00	UP	ABOVE	30,00	BELOW	25,00
NG-P-CAL	3,09	3,00	UP	ABOVE	4,00	BELOW	3,00

TRACKER: The above tracker illustrates minor PREFERRED trend the energy assets. It also highlights the current price and key levels above which the Preferred view strengthens or weakens (negates). These levels can also be used as conventional supports and resistances respectively.

OBJECTIVE: The aim of the tracker is to keep a close eye on MINOR perspective (Few days to multiple weeks) changes and watch for change in trend signals.

TREND – MINOR VS INTEREMEDIATE: Minor is a short term trend less than 3 weeks. And intermediate trend is more than 6 weeks and can last many months. We will keep you updated on the minor trend in the tracker and the commentary will emphasize on the overall trend include potential intermediate trend changes. Since WAVES.OIL is an anticipatory product, minor trend tracking remains significant.

SUPPORT AND RESISTANCE: These can be conventional, psychological and Fibonacci levels that can reinforce or negate the minor perspective.

SECTORAL: We have classified all the stocks and sectors based on global sector classification.

CHANGE: Any change in the recommendation will be highlighted to make the report more actionable.

REUTERS RICS: We have illustrated all Reuters RICS for the stocks.

COVERAGE: The report covers top energy assets.

FREQUENCY: The report is published once a week.

PERSPECTIVE VS RECOMMENDATION: This is a perspective report and not a recommendation products. This is why we mention positive or negative (up or down) instead of buy or sell.

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ORPHEUS GLOBAL RESEARCH

WAVES.OIL - WAVES.OIL is a perspective product published once a week. The report highlights the BRENT, WTM, XLE (Energy SPDR), top energy stocks, Natural Gas and related FUTURES. The product highlights Primary (Multi Month) and Intermediate (Multi Week) price trends. The report illustrates key price levels, price targets, price projections and time turn windows. The product uses Elliott waves, traditional technical analysis tools and sentiment indicators.

REUTERS RICS: BRT-, WTM-, .XLE , CVX.N, XOM.N, IPNG, NG-P-CAL

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