

The Dow  
3/4/03

chartpatterns.com

Pattern Recognition Services  
for STOCKS

The Dow Jones Industrial Average has broken out of a bearish symmetrical triangle in a downtrend and projects even lower prices.

This is noteworthy for many reasons, especially since many pundits have insisted that the market's bottom has already been put in. (Not us.) *Plus, we don't make predictions, but instead, analyze chart patterns.*

Anyway, whether the market has bottomed or not, remains to be seen, but recent activity suggests it'll be otherwise.

Just look at the Dow's components. A full 90% of the stocks have either already broken out of bearish formations or are poised to do so.

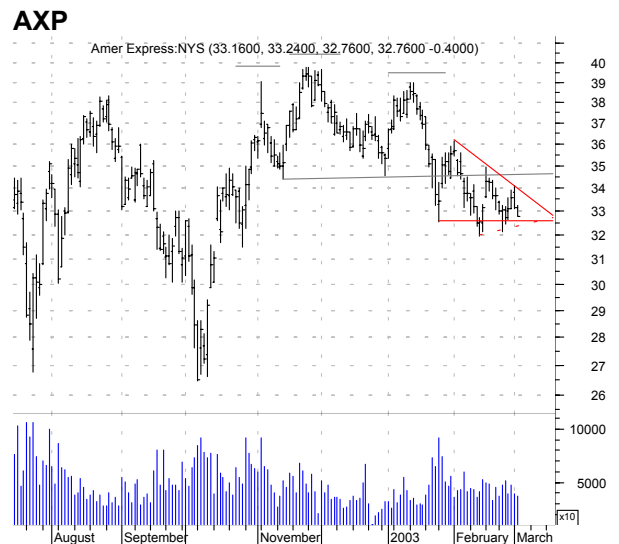
Please view the following charts.

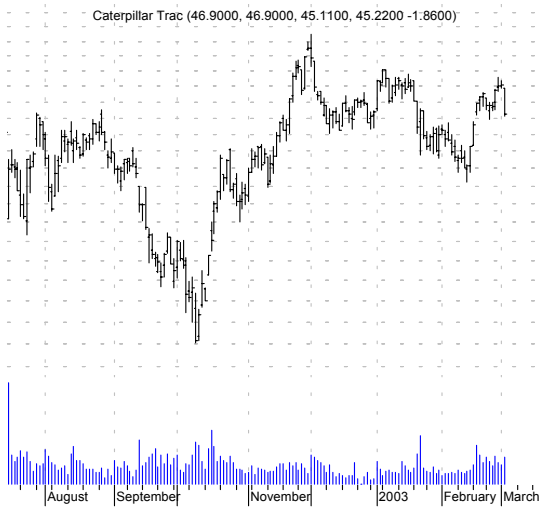
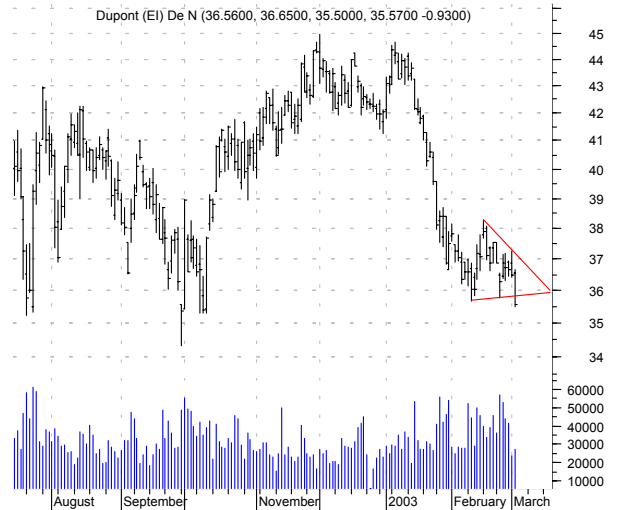
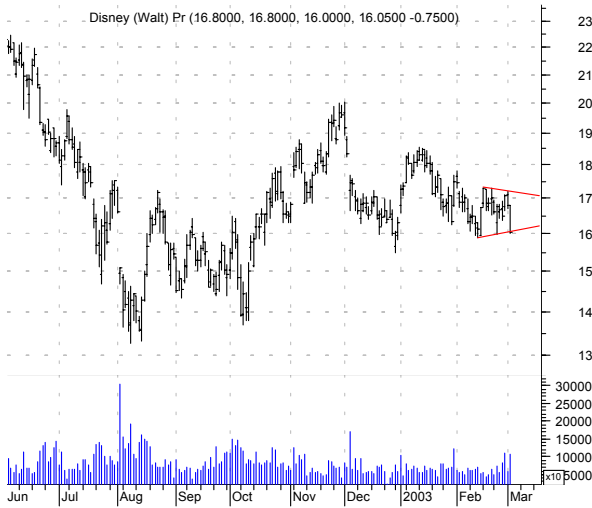
There are many great short selling opportunities in here; either with individual stocks or with the whole Index, via the 'Diamonds' (DIA).

However you choose to participate, this report is to simply make you aware of a very interesting and potentially profitable situation.

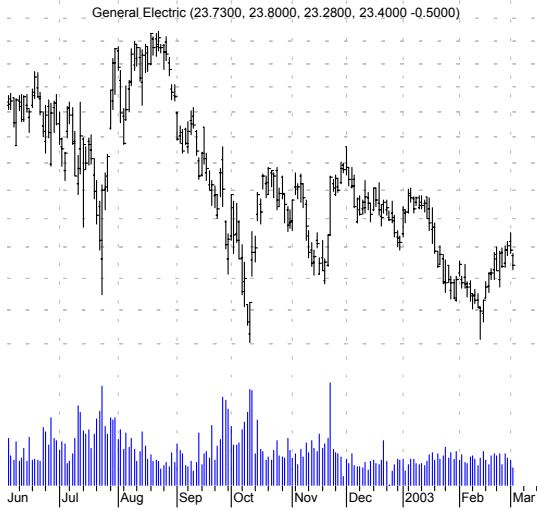
Act accordingly.

Dow as of 3/4/03



**BA****C****CAT****DD****DIS****EK**

### GE



### GM



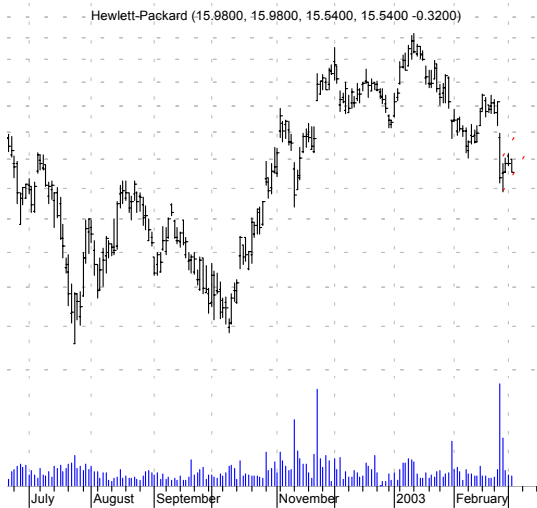
### HD



### HON



### HPQ



### IBM



### INTC



### IP



### JNJ



### JPM



### KO

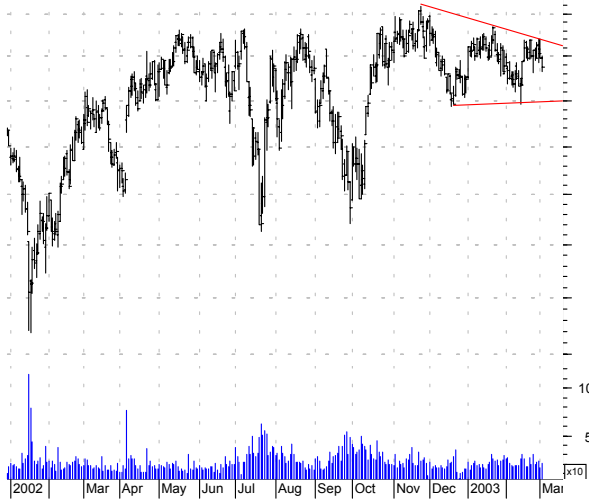


### MCD



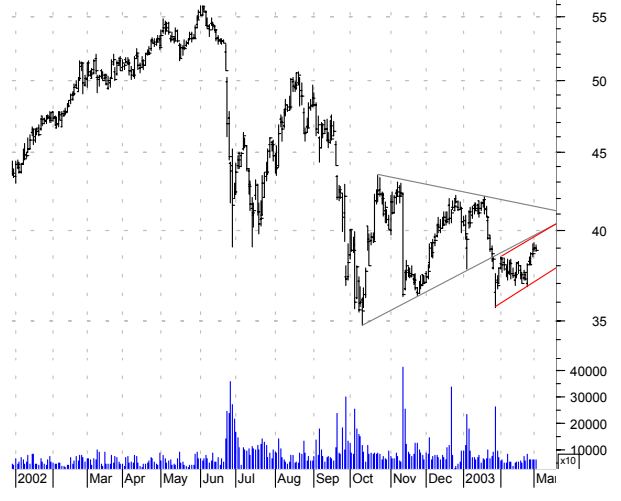
### MMM

3M Company:NYSE (124.850, 125.060, 123.200, 123.700 -1.0600)



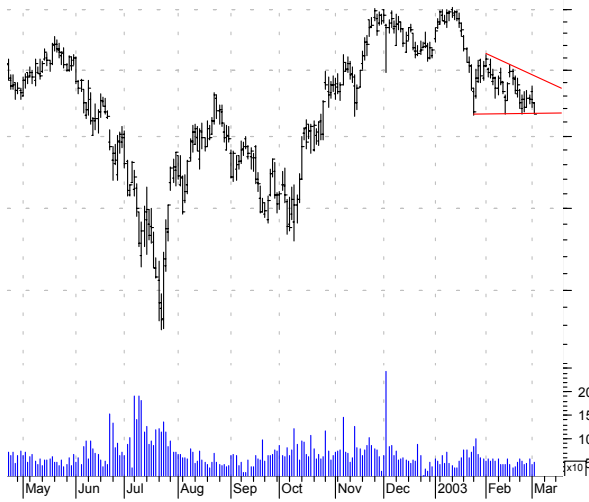
### MO

Altria Group:NYSE (38.9600, 39.1500, 38.8200, 38.8800 -0.1000)



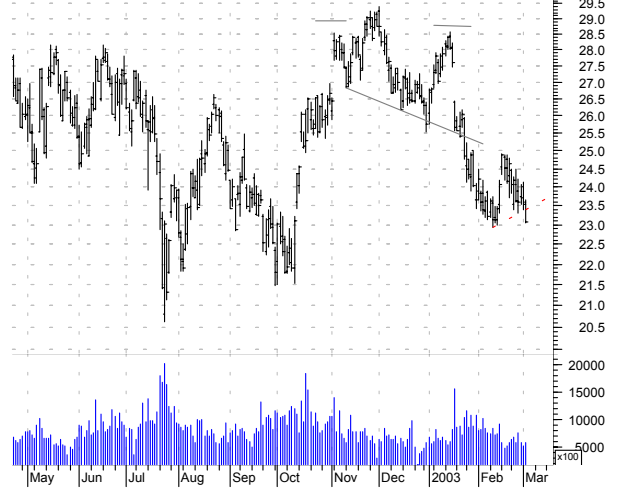
### MRK

Merck & Co Inc:N (52.4500, 52.4500, 51.6100, 51.6100 -0.8800)



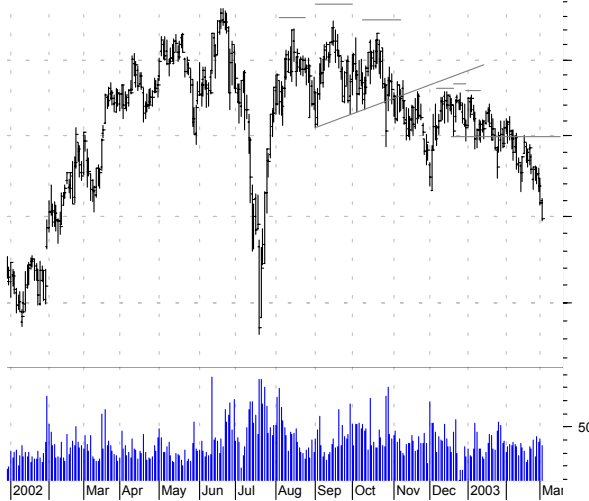
### MSFT

Microsoft Corp:O (23.5800, 23.6600, 23.0600, 23.0700 -0.4700)



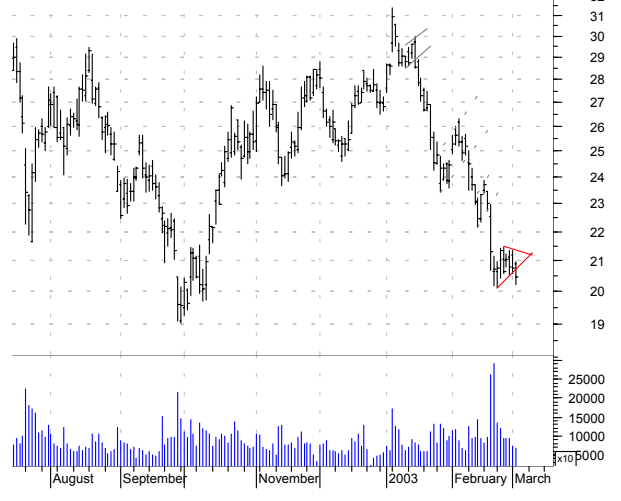
### PG

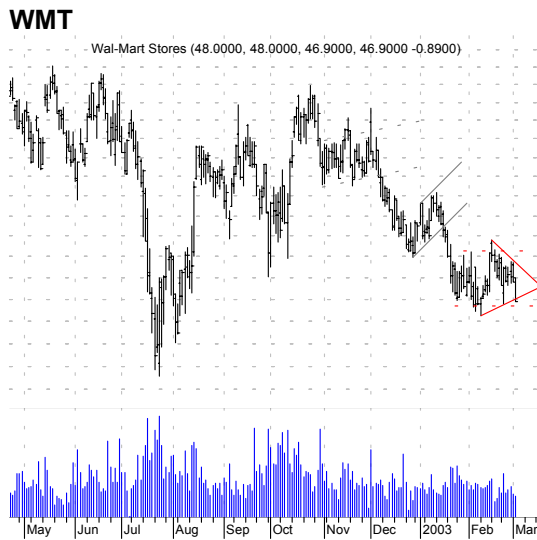
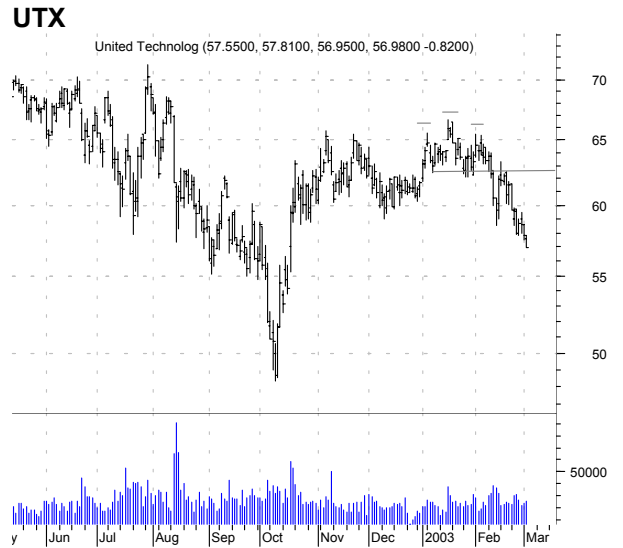
Procter & Gamble (81.0000, 81.1400, 79.7600, 79.8900 -0.9300)



### SBC

SBC Communicatio (20.9000, 20.9800, 20.2300, 20.4600 -0.2900)





Out of the 30 Dow components, a full 27 stocks are overtly bearish.

There's only 2 stocks (CAT and GE) that don't have convincing bearish (or bullish patterns for that matter) and are technically considered neutral. (Although GE has been in a long term downtrend, so there is a downside bias.)

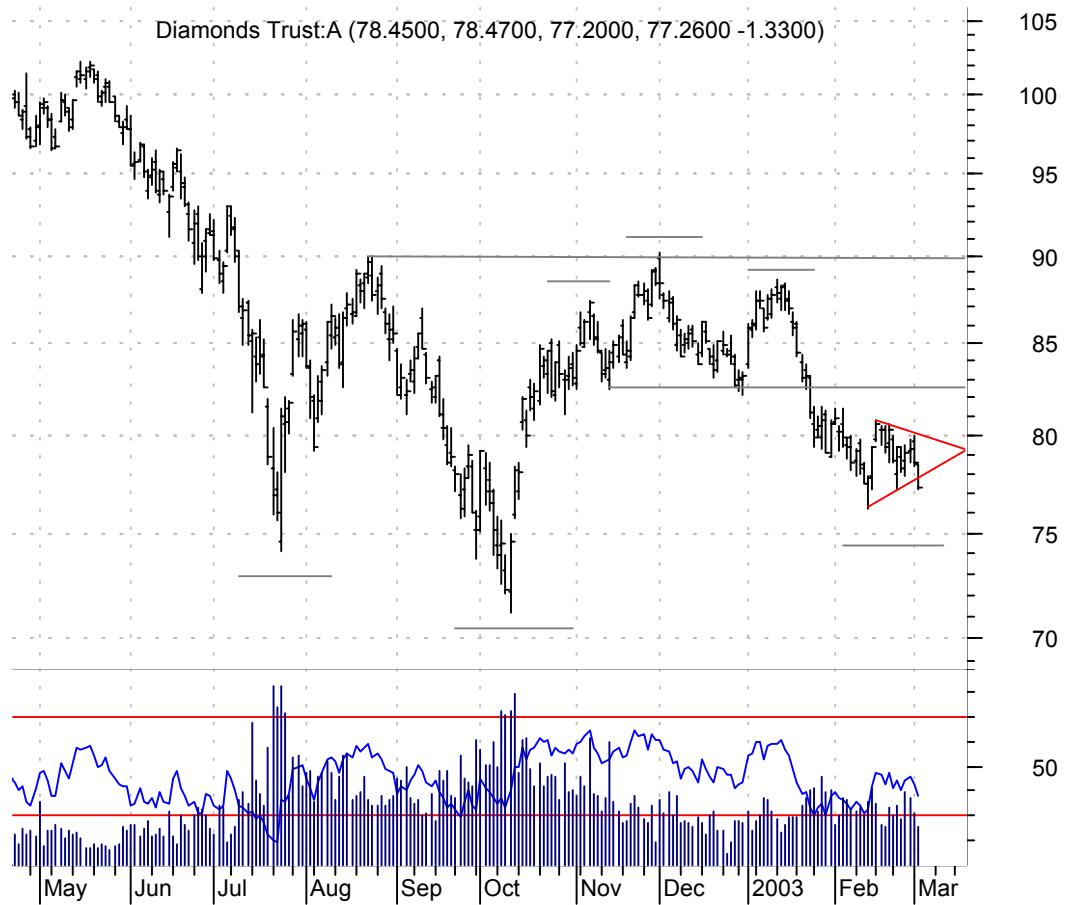
And there's only one stock (MMM) that has a bullish formation (although it has yet to breakout).

All in all, it's a very interesting situation.

As we said earlier, you can play the individual stocks themselves or play the Index thru the 'Diamonds' (DIA). (DIA is a stock on the Index. And it being a stock, it of course trades like one; options and all.)

See below for a chart on DIA.

**DIA** symmetrical triangle breakout (although the breakout was not made on convincing volume). You can also make a case that all of this is taking place within an even larger inverted head and shoulders pattern (which is bullish), so pay attention. But the overwhelming bearishness of the components suggests more downside action. And any meaningful follow-through to the downside breakout, could set it in motion. Act appropriately.



This 'Special PRS Report' does not count against the number of issues in your subscription.

Pattern Recognition Services for **STOCKS**

**chartpatterns.com**

Chart Pattern Analysis for Timing the Markets

[KMatras@aol.com](mailto:KMatras@aol.com)