

JACK'S WRAP, by Jack Steiman
Wednesday, January 21, 2015

Draghi Out Early..Intentional!...Desperation...Near Breakout.....



So the market was down fairly hard this morning. Not the action Fed Governors want to see ahead of their big report due out tomorrow from the Euro Zone on the amount and full extent of their new QE program. They don't like when markets can't make the breakout they so desperately want to see. Amazingly, and out of nowhere, suddenly the Euro Zone QE program is made public a day early. Shocking! Yeah, right! The market explodes. The S&P 500 reverses up twenty points in moments. It spends the entire day after that testing the breakout level of 2035. It doesn't break out in the end with any force, but it does spend the day trying at least. It prevented the day from being a bad one.

Don't for one second think this wasn't an intentional act folks. Not a level playing field, and, basically, it was a test run. They wanted to see how our market would respond to the news of a trillion dollars for the year to come. Maybe they did the trial test to see if they need to add something new tomorrow. Clearly they helped the markets today, but they didn't get the move they hoped for, so now maybe they can add something that they think will get the job done tomorrow. There was no reason to put out the report a day early, except to gain knowledge about how global markets would react. It's disgraceful, but it is what it is, and now tomorrow morning we should wake up to the new, full announcement. It will be so interesting to see what new information may be added upon what we received today. It never ends. Probably never will.

Desperation. Never has it been so obvious about how bad the global economy truly is. The fight against deflation is powerful and never ending. To offer up the Euro-Zone banking institutions one trillion dollars over a single calendar year speaks for itself. The word desperation may not be enough to describe it. We all know by now that the feds only real job on a daily basis is to keep the Wall Streets of the world moving higher so as to protect the ever weakening Main Streets of the world. Is there a price to pay for all of this insanity? Probably, but sadder still is why waste flooding the banks with cash that won't be used by the public? It has never worked anywhere before. Ask Japan. Ask anyone who has tried it over time. The perception works for the global stock markets, and that's all these global-bank heads care about. Perception, not reality. So tomorrow we'll get the full picture of what desperation truly looks like. It's not pretty. The Wall Streets of the world are as separated from the truth as they have ever been. And the beat goes on.

So what next? We're close to a major breakout. You never argue with price. If the oscillators confirm then so be it. With weekly and monthly charts as bearish as they've ever

been, it makes buying tough. But if we break out, we break out, and that's that. A solid close over 2035 is all we need to see. It's a battle between weak charts and global bankers. Right now they're winning big time. Tomorrow should give the final answer folks. Don't fight it. Froth has been with us for quite a long time now. No reason to expect it to go away with so much activity from the heads of the financial world. If the bulls have any reason to run with it, it's my guess they will. Again, I think tomorrow is the day one way or the other. Breakout and fail or breakout and run. One or the other is my guess. I doubt we gap down hard tomorrow unless Draghi does something unexpected.

Peace,

Jack

Jack Steiman is author of SwingTradeOnline, a journal of his market analysis and stock trading alerts. [Receive Jack Steiman's \\$499 Course in Technical Analysis for Just \\$19 - Plus 1 Month Free to his Live Trading Room!](#)

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