

DOWJONES

&

FOREX

A Special Report by Louizos Alexander Louizos

Dear Trader,

in this trading report we will analyze the connection between the Dow Jones Industrial Average (D.I.J.A.) index and Forex EUR/USD currency pair.

This analysis will prove very useful to you when trading the EUR/USD pair because a lot of Forex trading signals can be negated or validated through the analysis of the DIJA charts.

With this in mind I tried to create an easy to read report for you. This report will trigger further research from you that will prove valuable.

I hope you will take the most of this report in enhancing your trading decisions.

To your Trading Success,
Louizos Alexander Louizos

HOW D.I.J.A AND EUR/USD ARE CONNECTED

Look below at the DIJA chart for the month of August 2007



Take a good look at it. Then take a look at EUR/USD chart for the same time period.



Found any correlation? Look at the image below.



There is beyond doubt a deep correlation between DIJA and EUR/USD.

You could take great advantage of this correlation. Look the example below. It is a 2007 DIJA chart from Yahoo Finance Charts.



Watch the channel support line broken at July 6. This means that the uptrend has lost much of its steam. What has happened to EUR/USD for the same time period? This signal from D.I.J.A could trigger a downtrend in EUR/USD And that is exactly what happened...

LOOK THE CHART AT THE NEXT PAGE



There are many examples like this one above but the purpose of this report is to trigger your mind for further research on your own.

KEEP IN MIND THESE FACTS

- When there is a broken support or resistance in DIJA or EUR/USD expect the other to follow. For example if you have a broken support in DIJA you wouldn't get long in EUR/USD for anything in the world.
- Always advise the DIJA or EUR/USD before deciding to trade either one. If you find a significant trade opportunity in one you would find the other trending to the same direction.

Take advantage of this correlation. Enhance your trading analysis!

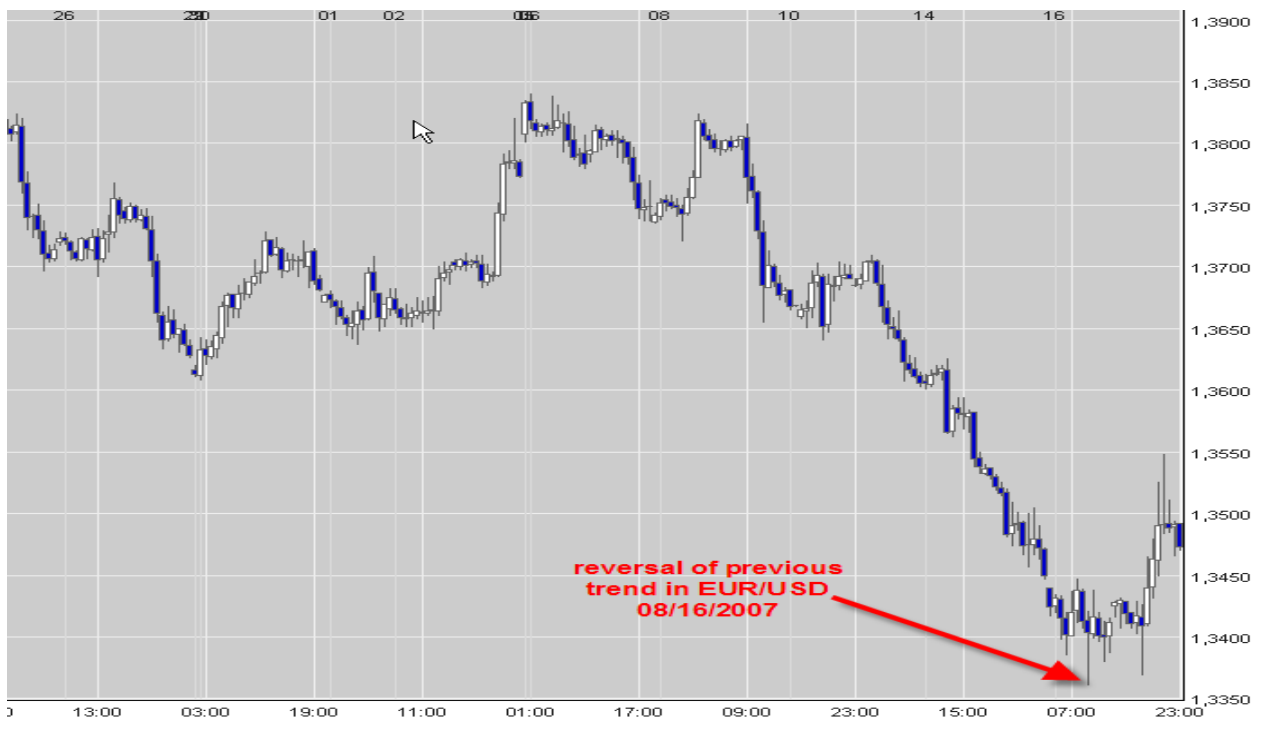
Let's see another example of the advantage that this correlation can give you.

SEE NEXT PAGE

Below we see a 3 month DIJA chart



What we have here is a doji candlestick signing imminent reversal of the previous trend. Let's see what happened to EUR/USD exactly the same day.



What you see is a reversal of previous trend in EUR/USD exactly in 08/16/2006. There aren't any signals for this reversal in Forex chart. The only way you could have predicted this EUR/USD reversal was by studying the DIJA charts.

By now you should be convinced about the value of DIJA charts in analyzing EUR/USD charts and vice versa. It is up to you now to trade more efficiently the EUR/USD currency pair by studying DIJA charts.