

Today's Forex Forecast

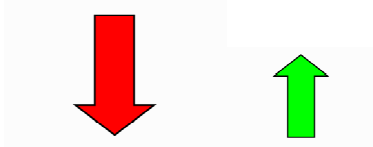
produced by **Dynamic Outcomes**

USD/ZAR Forecast

Wednesday, January 04, 2006

Current Price: 6.1610 11:30 SA / 09:30 GMT

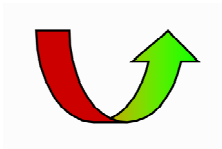
Next Few Days



Market expect to fall further, but could rise slightly first

The market is expected to fall further into the 6.1500 to 5.8000 range the next few days, with the possibility of a move up no higher than 6.3000 first.

Next Few Weeks



Market expected to bottom out above 5.6500

The market is expected to move down before bottoming out in the 6.0500 to 5.8000 range (no lower than 5.6500).

Next Few Months



Once bottomed, expect the market to rise strongly

Once above move down complete, expect the market to rise strongly, targeting 7.0000 and above

Next Few Years



Expect market to rise above 11.5000

The market is expected to rise above 7.5000, more likely into the 11.5000 to 19.0000 range over the next few years

Dynamic Outcomes

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This service uses the **Refined Elliott Trader** software market forecasting pattern recognition technology (see www.elliottician.com) to produce these market forecasts, based on assessing probabilities. This service delivers to you the most probable future market movement according to the patterns found in the price, time and volume data.

Review of Recent Market Movement

The market has moved sharply lower, breaking through the critical 6.2100 level, which has invalidated the previous preferred medium term outlook.

Long Term Forecast

Looking at the market movement since 1998, the software finds a swing high in late 2001 and a swing low end of 2004, with the market expected to rise above 7.5000, more likely into the 11.5000 to 19.0000 range (and possibly higher) the next few years.



Chart 1. Long term scenario

Medium Term Forecast

Note: The break below 6.2100 has invalidated the previous medium term forecast scenario of a Contracting Triangle.

Looking from the swing low of late 2004, the preferred scenario is now a Flat with an incomplete 2nd wave Double Zigzag, expected to bottom out in the 6.0450 to 5.3500 range the next month or two. Once complete, expect the market to rise strongly.

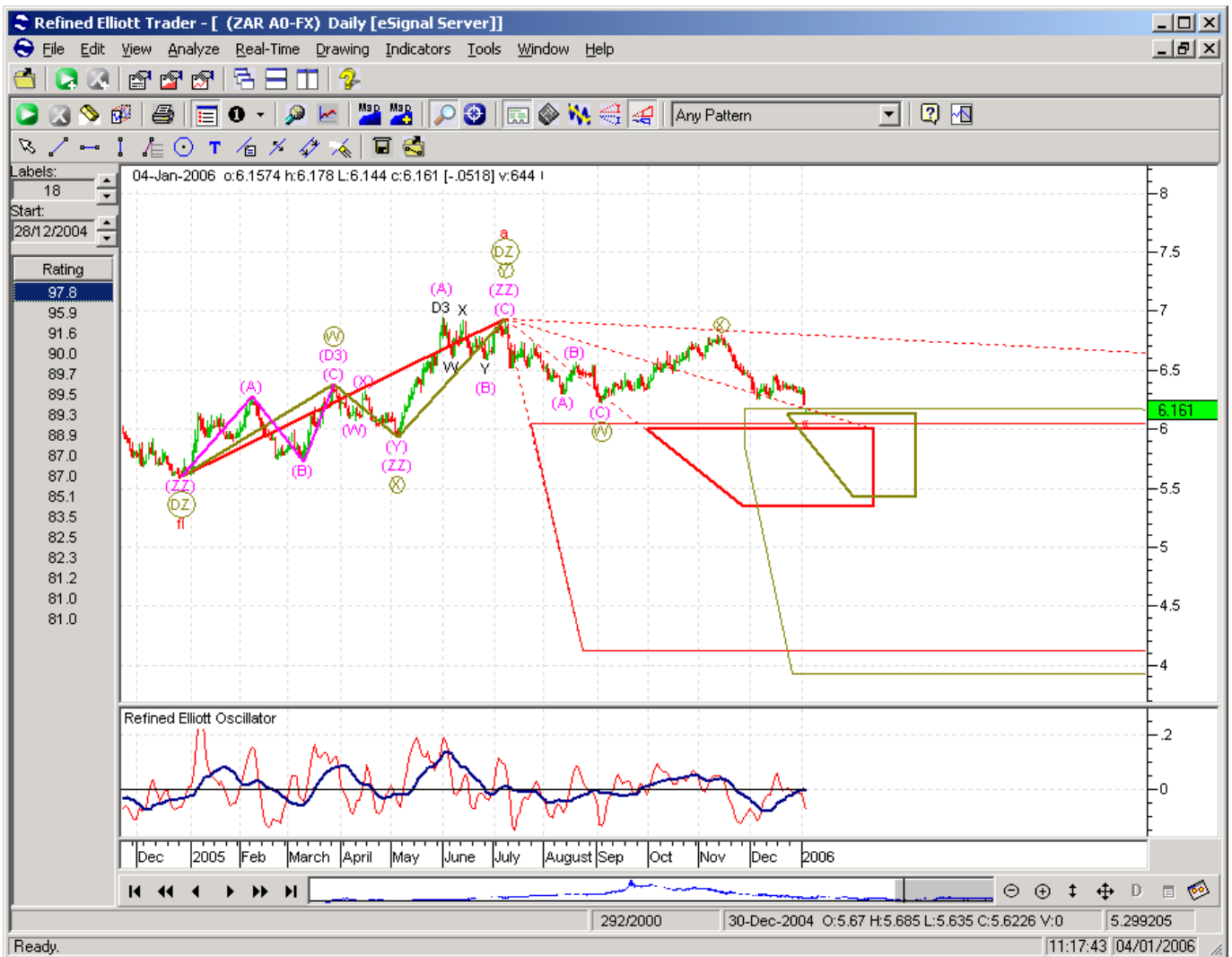


Chart 2. Preferred medium term scenario

Short Term Forecast

From the swing high mid-November, we find a Zigzag that synchronizes very well with Chart 1. This has an incomplete 3rd wave expected to complete in the 6.1500 to 5.8000 range the next few weeks, with the market expected to make a retracement no higher than 6.3000 first.



Chart 3. Hourly chart – Zigzag with incomplete 3rd wave

Other Indicators

Daily REO signal line moving down, but looking to set up for buy signal. Also, bullish divergence evident on daily and hourly charts.

Executive Summary:

For a summary of expected market movement, see the statement at the top of this document.

All charts were produced with the **Refined Elliott Trader** market forecasting software.
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