



**The probable wave structure of an A-B-C type bear market:**

The first corrective wave from to April 19 to May 24 (wave A) is now complete. We now anticipate a recovery wave to (B) to extend into mid June. The key would be the failure to exceed the April 19 price peak.  
 The final decline to (C) could extend into August 2006.

**Slope Analysis – WEEKLY TSX sector analysis and forward ranking probability outlook 6-8 weeks**

Hi Risk

Sector	May 19 Rank	May 12 Rank	1-Week MOM Change	Trend	Strategy
Gold	19.77	23.58	-3.81	Stationary Topping	Reduce
Diversified Metals & Mining	16.20	14.86	1.34	Advancing	Hold
Materials	12.61	13.84	-1.23	Stationary Topping	Reduce
S&P/TSX CDN Mid Cap	2.31	5.03	-2.72	Stationary Topping	Reduce
Energy	2.14	4.90	-2.76	Stationary Topping	Reduce
Telecommunication Services	1.93	5.53	-3.60	Stationary Topping	Reduce
Consumer Discretionary	0.77	2.37	-1.60	Stationary Topping	Reduce
S&P/TSX CDN Small Cap	0.74	3.00	-2.26	Stationary Topping	Reduce
<b>S&amp;P/TSX Composite</b>	<b>0.65</b>	<b>2.73</b>	<b>-2.08</b>	<b>Stationary Topping</b>	<b>Reduce</b>
Industrials	0.63	2.54	-1.91	Stationary Topping	Reduce
Health Care	-0.68	0.85	-1.53	Declining	Avoid
Consumer Staples	-0.92	0.54	-1.46	Declining	Avoid
Income Trusts	-1.61	0.29	-1.90	Declining	Avoid
Financials	-3.89	-1.86	-2.03	Declining	Avoid
Utilities	-4.36	-5.91	1.55	Stationary Bottoming	Accumulate
Information Technology	-7.61	-3.70	-3.91	Declining	Avoid



Low Risk