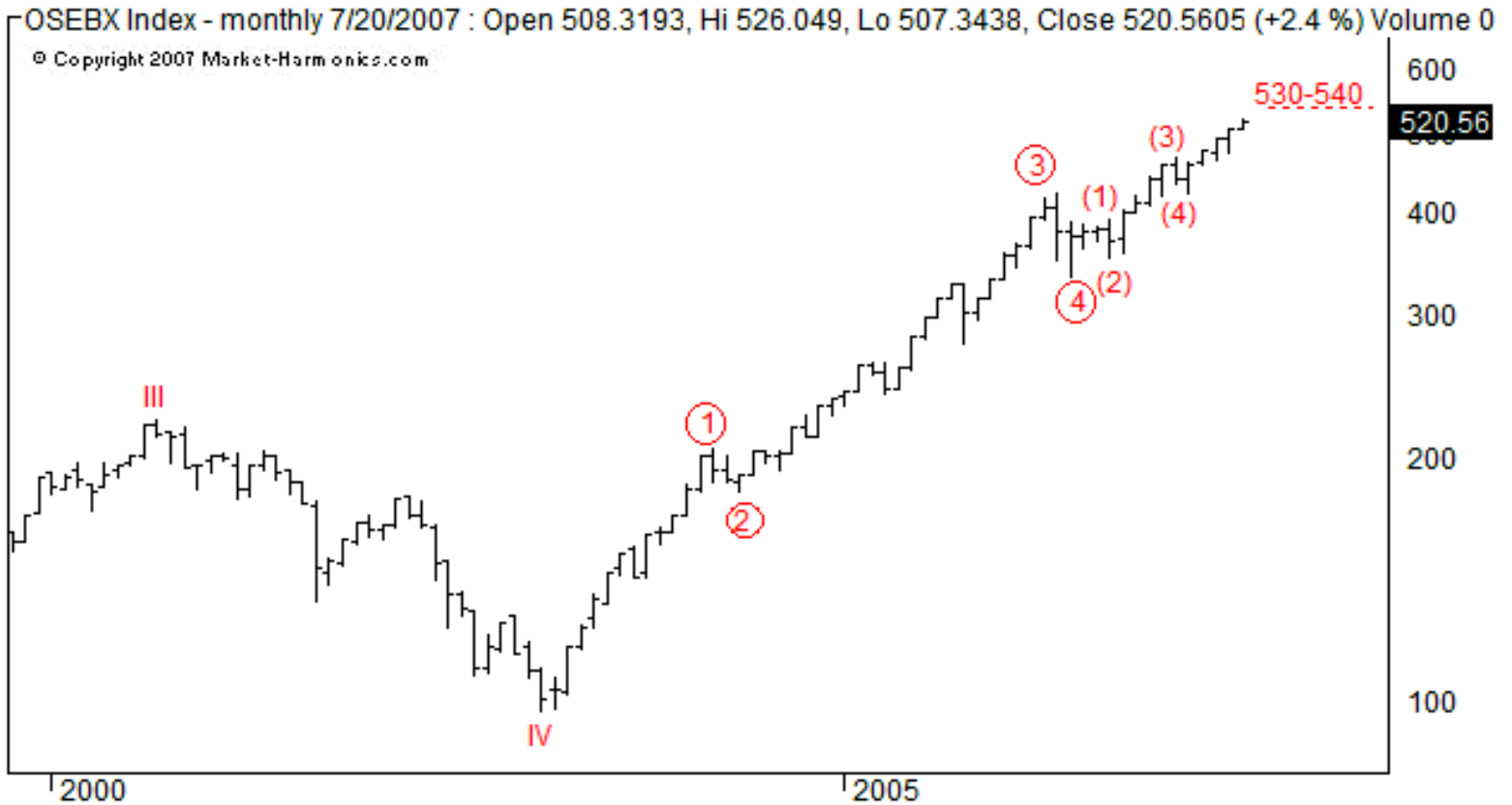


Oslo Børs Benchmark Index (OSEBX) Elliott Wave Outlook As of July 20, 2007

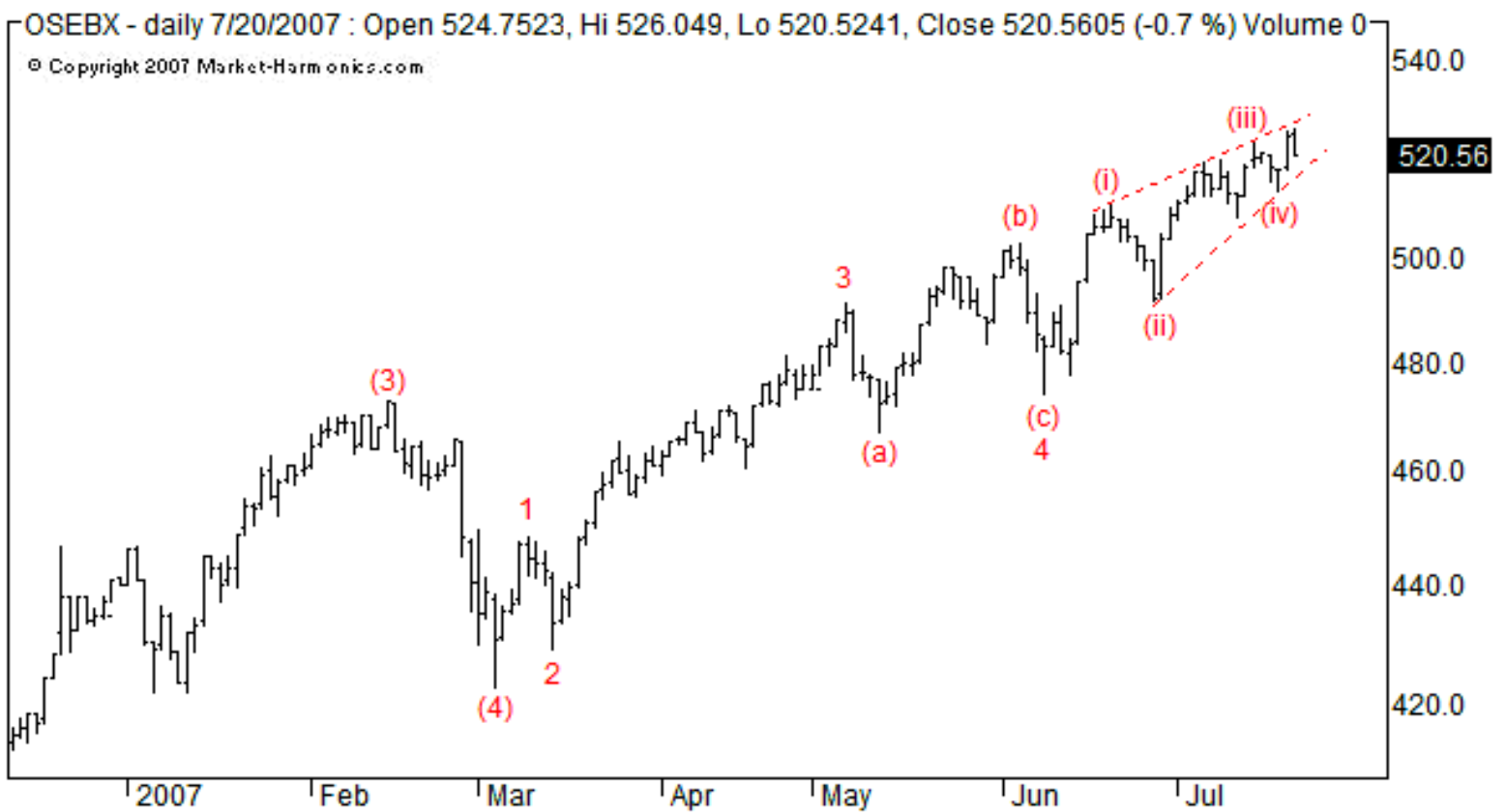


The chart above represents a long-term Elliott Wave price model for OSEBX. Although our data set only goes as far back as 1996, we are assuming that given the history of the Børs, the 255 high of September 2000 completed a Cycle Wave III bull market, as it did for most of the global stock market averages that year. The ensuing bear market from September 2000 to March 2003 was a Cycle Wave IV decline. Assuming this is correct, then since March 2003, the OSEBX has been advancing in a Cycle Wave V bull market.

In an Elliott Wave pattern, waves of smaller size (or "degree") form the structure of larger waves of higher degree. This is important to keep in mind when we are studying the historical trends of a price index. As the chart above illustrates, Cycle Wave V is composed of a series of five smaller Primary waves. These are the waves encircled in red. The fifth Primary wave now remains to be completed, and it too subdivides into five waves of lesser degree, indicated in the chart as Intermediate Waves (1), (2), (3) and (4). Similarly, Intermediate Wave (5) also remains to be completed.

Ultimately, the goal of each of these wave progressions is to resolve its own fifth wave, leading to what we would call a "convergence of fives" within the same general price area that will complete each respective pattern. This is how we are able to make our price forecasts. With those thoughts in mind, we now take a look below at the more recent price action in OSEBX.

(more)



Since the Wave (4) low of March 5, 2007 at 423, OSEBX has been moving in another series of 5-wave advances, labeled Minor Waves 1, 2, 3 and 4, with Minor Wave 5 still being completed as part of the "convergence of fives" that I discussed. If you notice in the chart, the final stage of this advance from May is different in quality - the wave pattern is much choppier and overlapping compared to the stronger advance patterns that preceded it. What this implies is that the advance from May has been losing upward momentum. Also notice that since June, there has been a narrowing of the upward trend, where I've drawn the red dashed trendlines. The technical Elliott Wave term for this pattern is a "diagonal triangle." What is key here is that the formation of a diagonal triangle implies a trend that is in the process of concluding. One characteristic of diagonal triangles is that they generally terminate in a sharp upward price breakout - and are then almost invariably followed by a sharp price correction.

Putting the longer, intermediate, and near-term trends together, we think there is a high probability that OSEBX is very close to a top of significance. Possibly, it may be one that is capable of completing the entire Cycle Wave V advance from March 2003. Of course, we are dealing with probabilities, not guarantees, but there is some compelling evidence that cautions one to be alert. For example, from Primary degree, all the way down to the Minute degree waves forming the diagonal triangle, a cluster of potential price tops is being suggested between the 530 and 540 level. The lowest calculated price top in this cluster is 528, with 544 at the top range. The mid-price range among the different wave models is 533 to 536.

If this does not serve to complete the entire Cycle Wave V advance, then we still think it highly likely that OSEBX would experience some kind of sharp price correction of perhaps 5 to 10 percent in the very near future. Our highest price calculation, which is based on the Cycle Wave pattern only, is the 553-554 area, which might be attainable if a correction proves to be only temporary.

NOTE: The Norwegian OSEBX Benchmark Index went on to experience a 7% decline between July 23 - August 17, topping at 526, near our 528 low end estimate, and fulfilling our forecast for a correction "in the very near future." The entire forecast was arrived at purely on the basis of Elliott Wave fractal analysis.