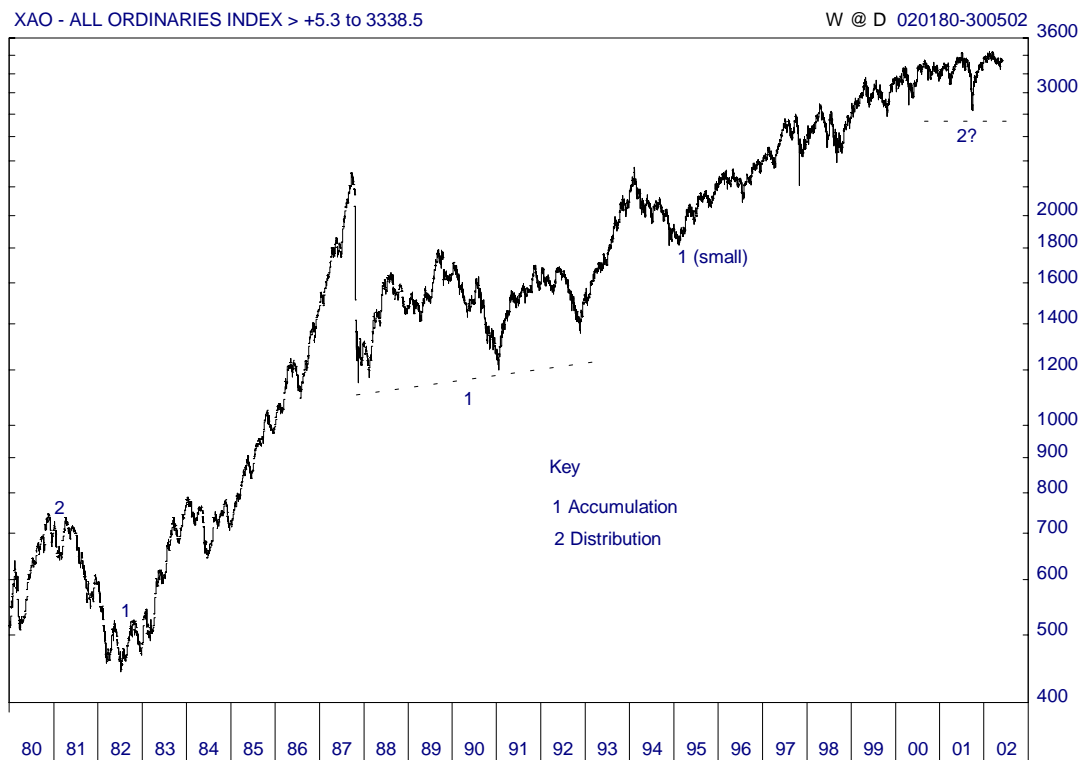


Answer

These phases apply to stocks. You should be looking on charts of individual stocks rather than on the market index. Have a look at the 10-year weekly chart of Coffey International (COF). I often use this as an example.

Bear in mind that this is only a general tendency and you will not find it on all charts. However, if you have 20-year charts, you will find it on a surprising number.

Market indexes do not always form good accumulation and distribution stages between the bull and bear market phases we discuss in Dow Theory phase analysis. However, they are often clear enough. I have shown below the All Ordinaries Index from its inception in 1980 and marked some of them for you.



Note that you can use the zooming tool in Acrobat Reader to look at specific parts of the chart more closely.