



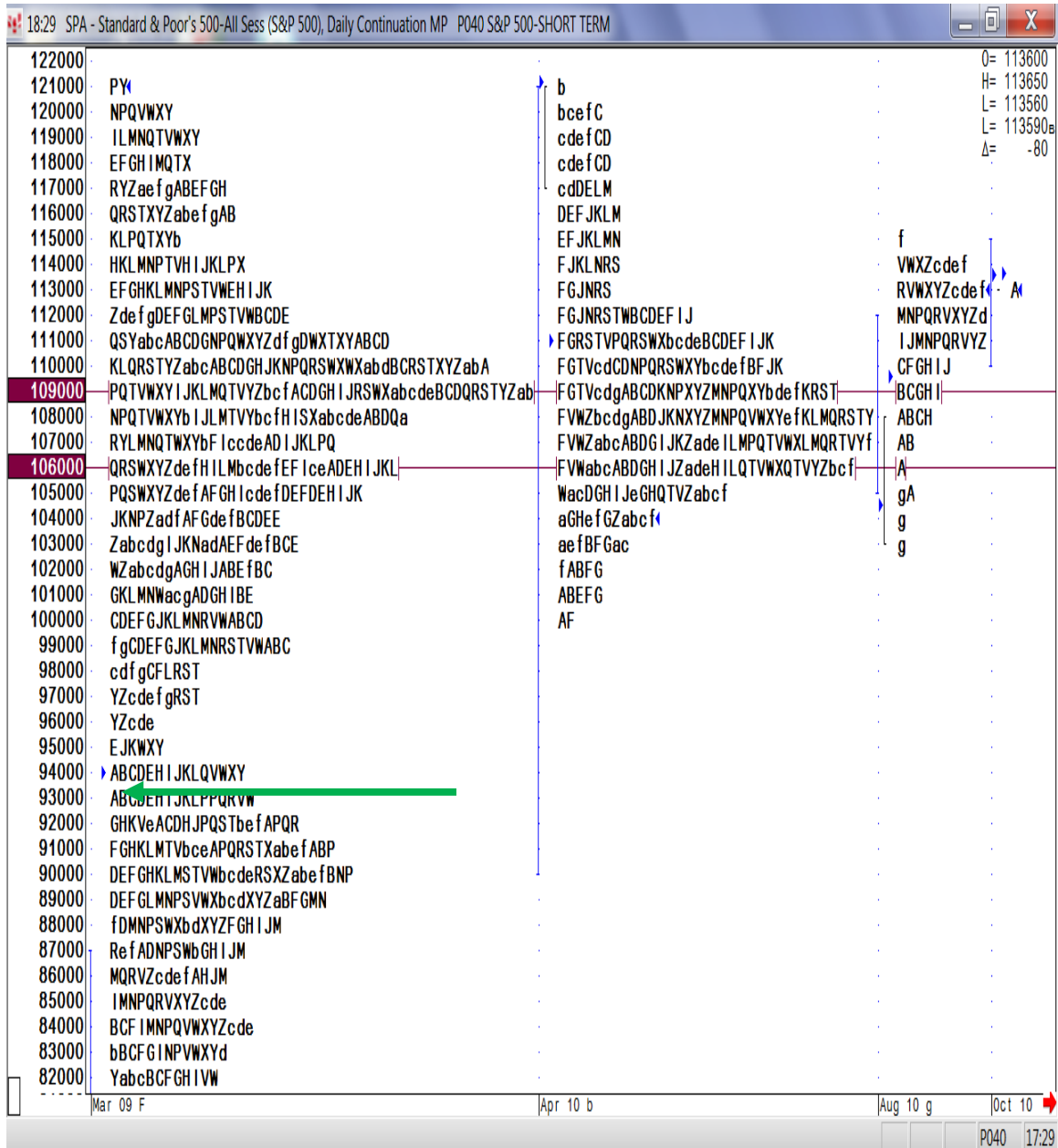
BELL CURVE TRADING

323 Georgia Road
Freehold, NJ 07728
843-849-7570

JMusolino@BELLCURVEtrading.com
WStrazzullo@BELLCURVEtrading.com
4 Oct 2010

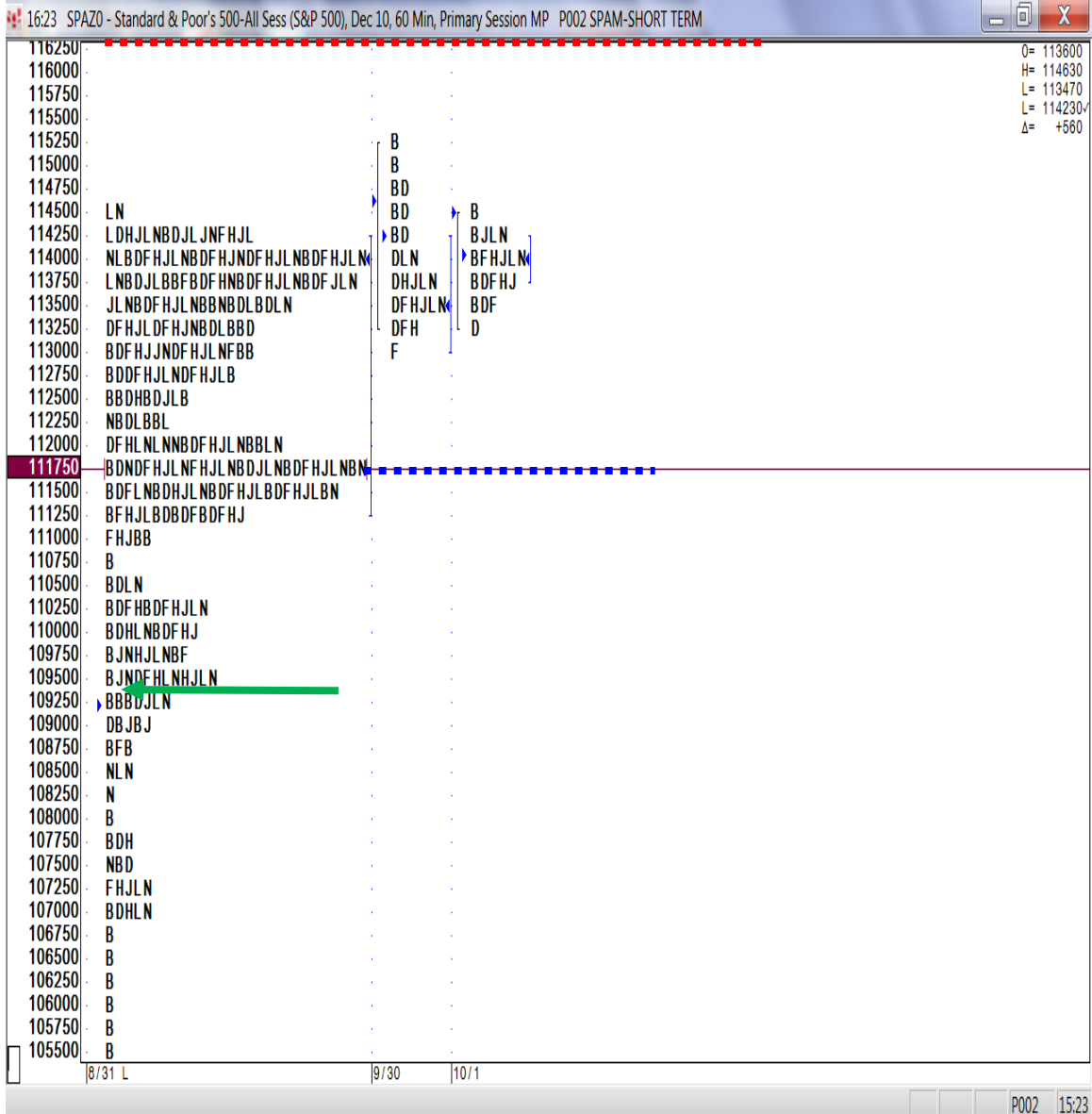
GFlynn@BELLCURVEtrading.com
www.bellcurvetrading.com

S&P – SHORT TERM





SHORT TERM

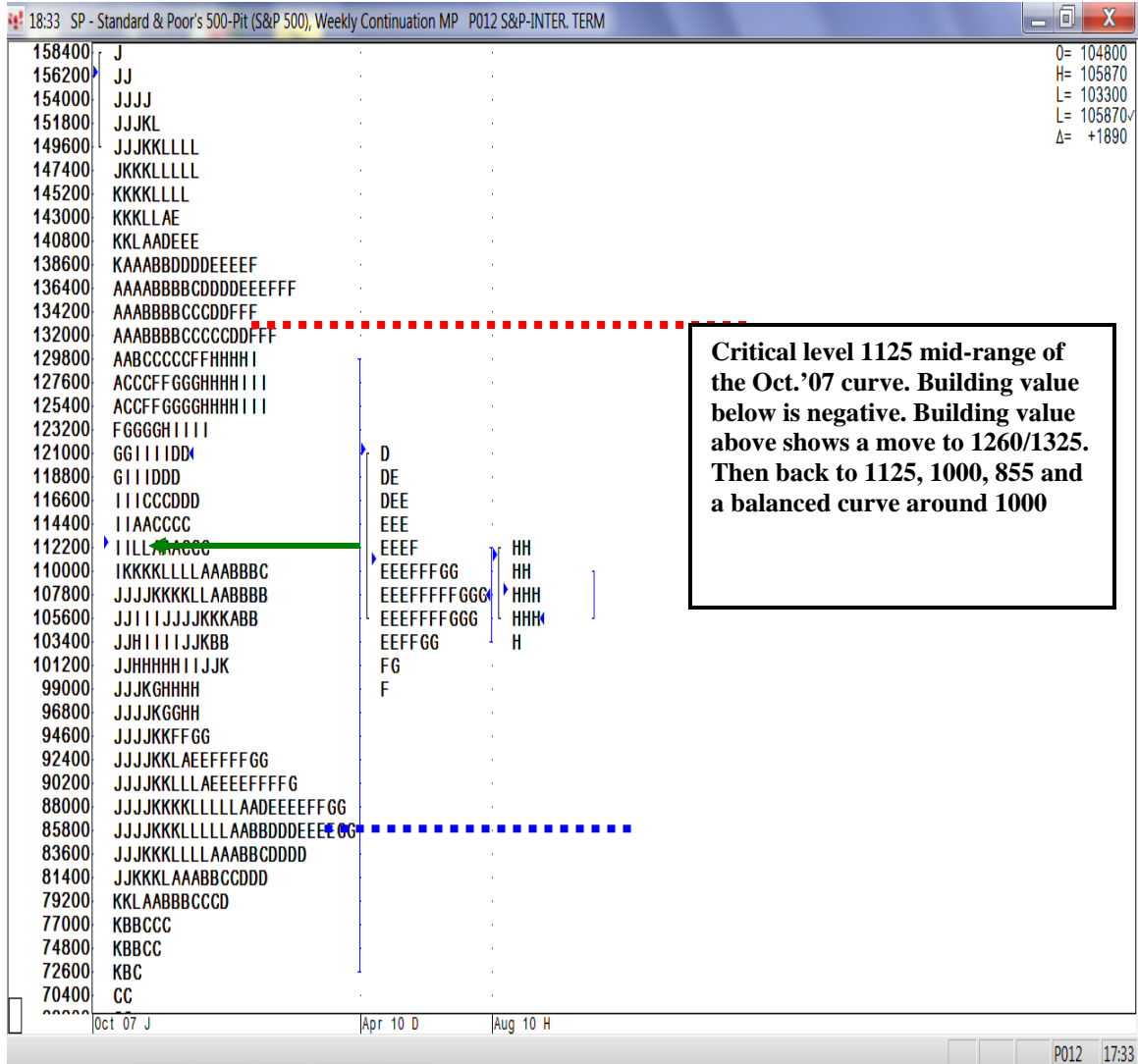


10/1 & 10/4-The market fell just short of our 1160/70 level as the market made new highs. Traders look to exit another 1/3 of their long positions if not the balance as the Aug 31st curve now has two high volume prices which are the same. On a move back to the 1117 level we do not want to reset longs at this time. We will hold a small long position looking for the final objectives. Building value and settling below our 1117 level tells us to exit the balance of our longs. What would tell us to reset longs once again? Moving the high volume price up and having the market move to the 1160/70 level. We will continue to monitor.

9/30 – Same story as we hold the balance of our longs for 1160/1170 where we want to exit all positions. Traders can reset longs in the 1117/1120 level but the market has to leave a buy extreme for us to continue to hold those positions. Building value and settling below 1117 signals to exit longs and sell for 1090/1095 where we would cover.



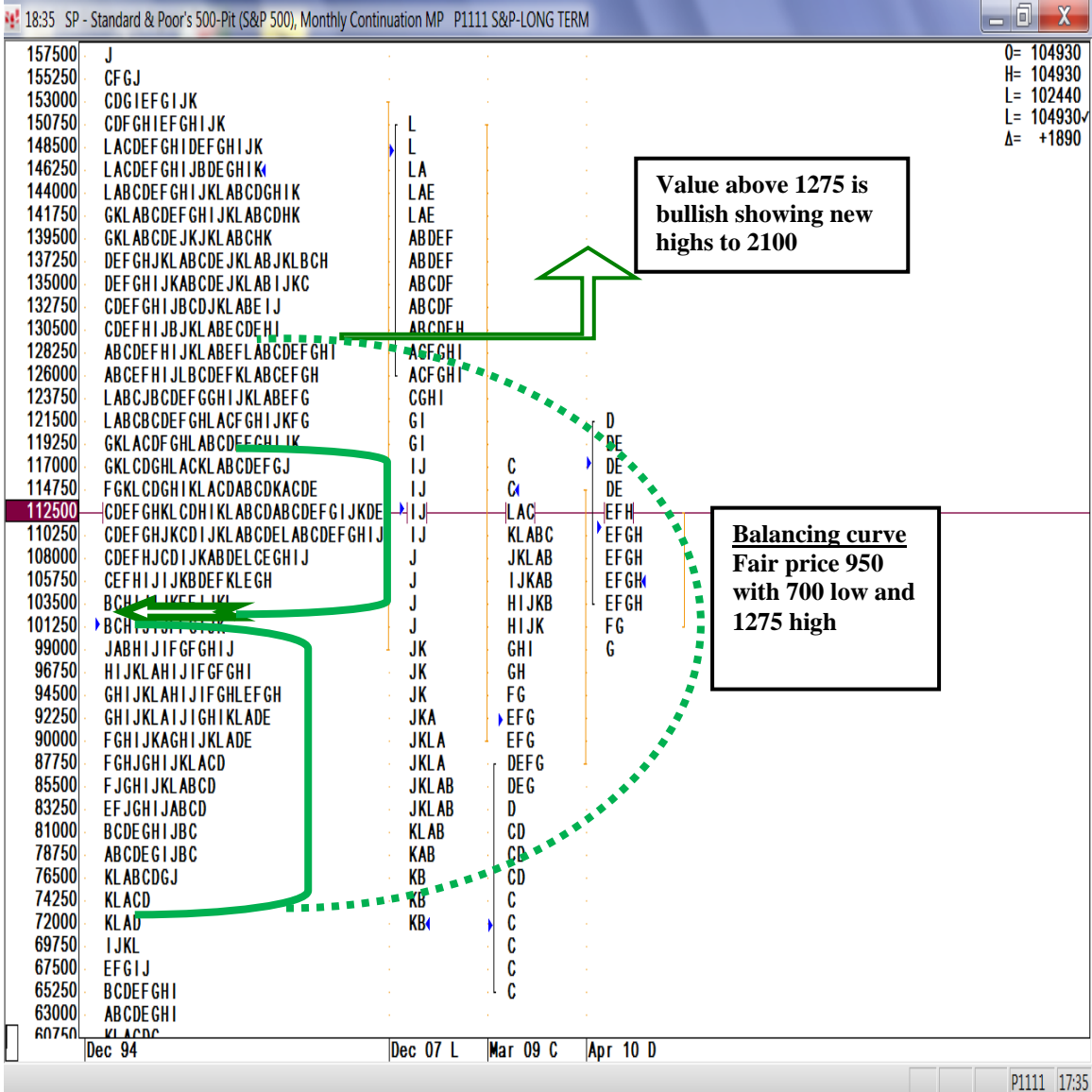
S&P – INTERMEDIATE TERM



5/21-The curve above to the left is the bearish curve from the Oct '07 highs. This market broke the tpo balance point signaling a rally to 1125 and possibly as high as 1215/75. Those who sold in our 1125/1275 area continue to stay short as we look for a move to 1005, 950 and then 800/80 where we want to exit all shorts and even setup longs for a move back to the 950/1090. We believe we have a top in the market and we do not see a move to the 1275 level at this time. What tells us the market will test 1275 before 850? Building value and settling above 1125.



S&P – LONG TERM



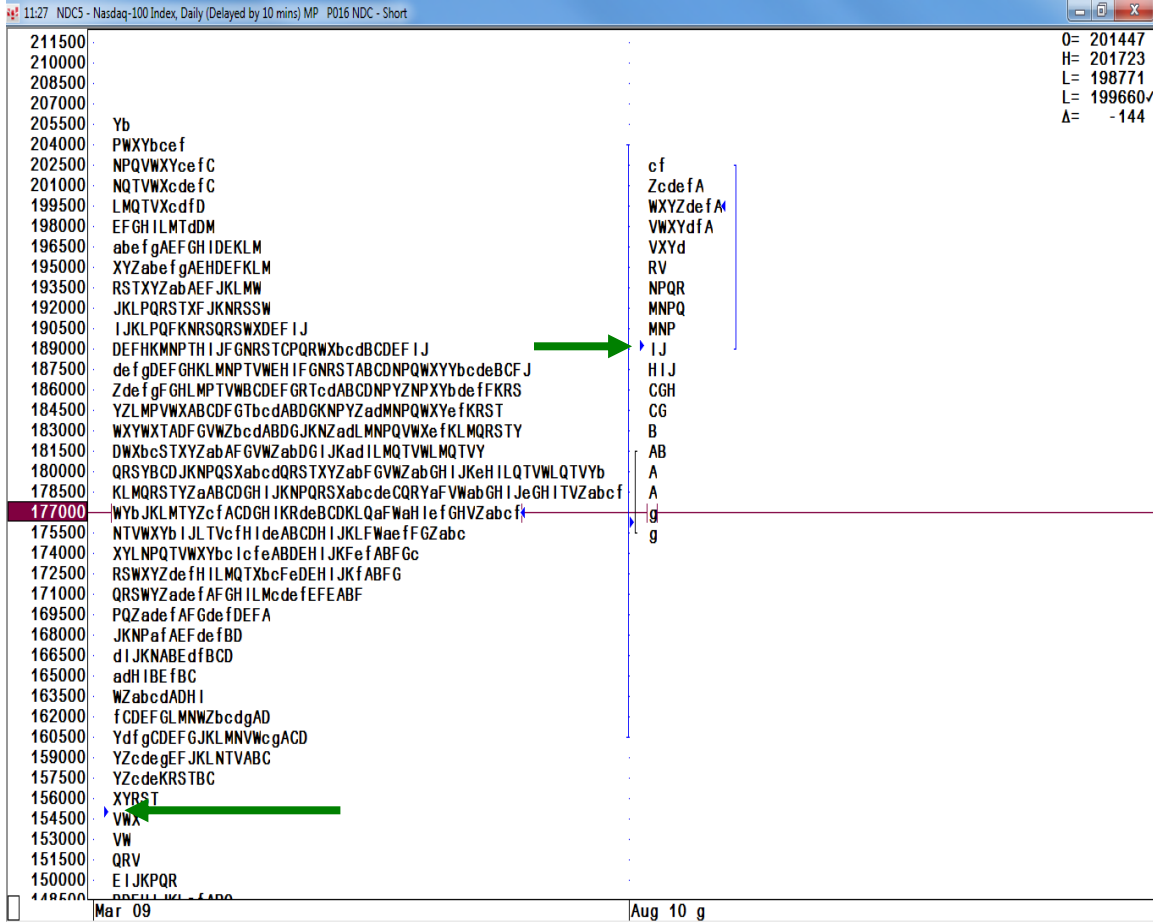
5/21-Our long term story has been the same. We see the bottom of the range at the 700/850 level, we see fair price at the 950 to 1000, and we see top of the range at the 1125/1275 level. With the break below the 1125 high volume price we believe the unbalanced up curve from the March '09 lows is over and we now see a move to 950/1005, 850 and possibly as low as 700. We then expect a rally to 950/1000 level as we believe this is fair price. Those who sold in the 1125/1275 level stay short for a move to our 750/850 level where we want to exit all shorts and setup longs for a move back to 1000. What tells us we do not have a top in the market? Building value and settling above our 1125 level keeps a move to 1275 still alive.

1/8 - No major changes to our long-term story. Above to the left is the bullish curve from Dec '94. With the tpo balance point and high volume price at the 1125 level and mid-range at 1008 we believe this curve has changed from a bullish curve to a balancing curve. How do we see it balancing? The market went unbalanced down beginning Sept '08, entered the lower distribution diagramed above, and rejected it in March '09. After a curve goes unbalanced down it goes unbalanced up which is the current situation with the March '09 curve. How is this curve going to balance? We cannot predict what the high is going to be as that is the definition of unbalanced up. But we can see the likely areas using the structure of the curve. If 1125/50 is the high we see 850 as the fair price and 700 as the bottom of value. The next most likely high would be at the 1275 high volume price. If this is the high then we look for 950 as fair price and 800 as bottom of value. If the market builds value around or above 1275 and moves the high volume price up from 1125 to 1275, it would create a new upside imbalance showing a move to 1375, 1425 and new highs at 2100. This is not what we expect but we must know where we are wrong.



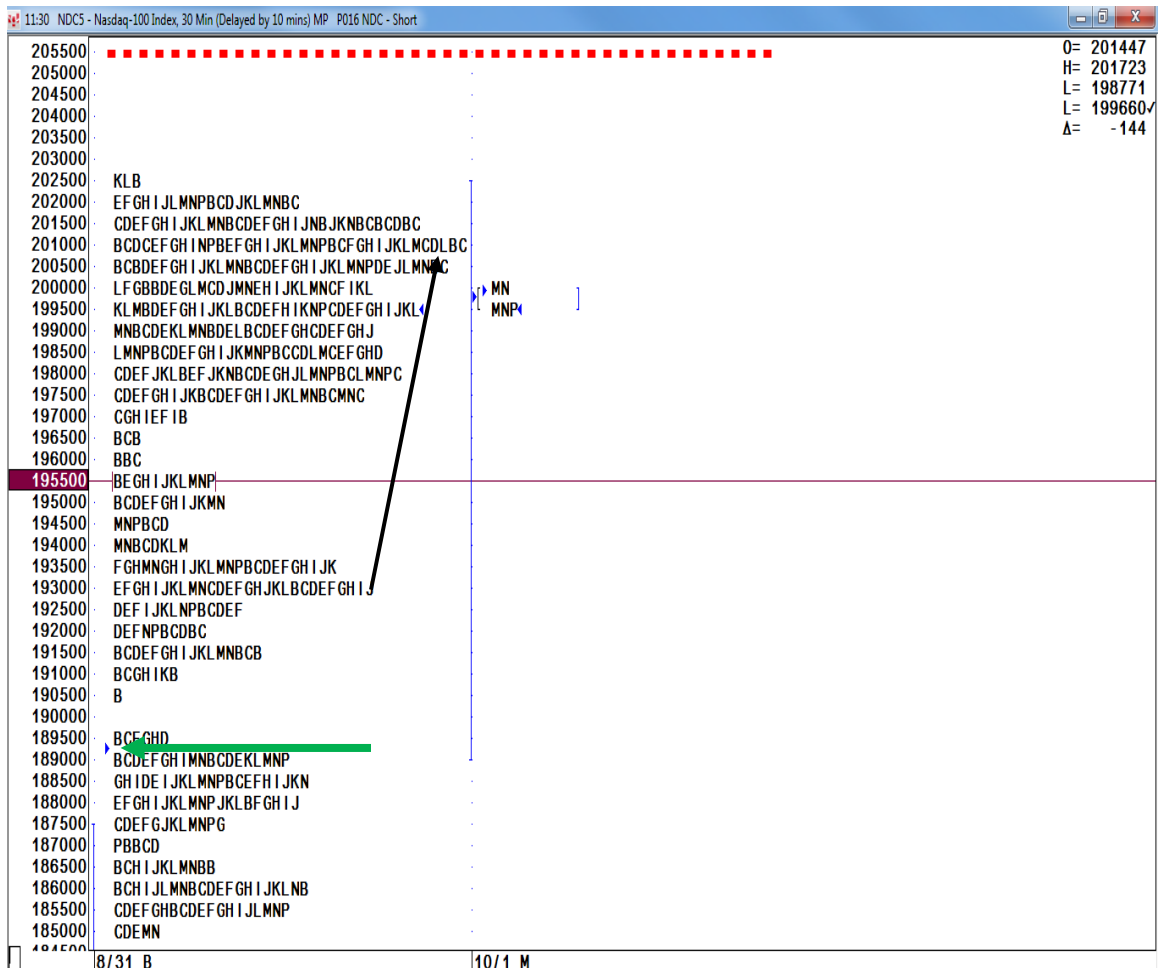
4 Oct 2010

NDC – SHORT-TERM



Another Short term view

206400			0= 201447
205600	b		H= 201723
204800	bc		L= 198771
204000	bcef		L= 199660
203200	cefC		A= -144
202400	cefC	cf	
201600	cdefC	ZcdefA	
200800	cdfC	ZcdefA	
200000	cdFD	WXYZdfA	
199200	dD	VWXYdfA	
198400	dD	VWXYdfA	
197600	DLM	VWXYd	
196800	DELM	VXY	
196000	DEFKLM	RVY	
195200	DEFKLM	R	
194400	EFKLM	QR	
193600	EFJKMW	NPQ	
192800	FJKNSW	NPQ	
192000	FJKNRSSW	MNP	
191200	FKNRSQRSWXI	MNP	
190400	FNRSQRSWXDEFIJ	M	
189600	FGNRSQPQRWXcBCDEFIJ	I	
188800	FGNRSTCPQRWXYbcBCDEFJ	IJ	
188000	FGNRSTCPQRWXYbcBCDEFJ	H I J	
187200	FGRSTABCDNPXYbdefBF	HJ	
186400	FGTABCNPZYXbdefK	CGH	
185600	FGTcdABDNPYZaNPWXYefKRS	CGH	
184800	FGTbcdABDKNPZadMNPQWXYefKRS	CG	
184000	FGZbcdABDGKNZadMNPQWXYefKRSTY	B	
183200	FGVWZbcdABDGKZadMPQVWfKLMQRSTY	B	
182400	FGVWZbcdGJKadLMPQVWLMQRTVY	AB	
181600	FGVWZabGJKadLMPQVWLMQRTVY	AB	
180800	FGVWZabGJKILQTVWLMQTVY	A	
180000	FVWabGHlJeHIQTVLQYb	A	
179200	FVWabGHlJeHITVZabcf	A	
178400	FWaHleGHVZabcf	A	
177600	FWaHlefGHZabcf	g	
176800	FWaHleFGZabcf	g	
176000	FWaeFGZabc	g	
175200	FaeFFGac	g	
174400	fAFGc		
173600	fABFG		
172800	fABF		



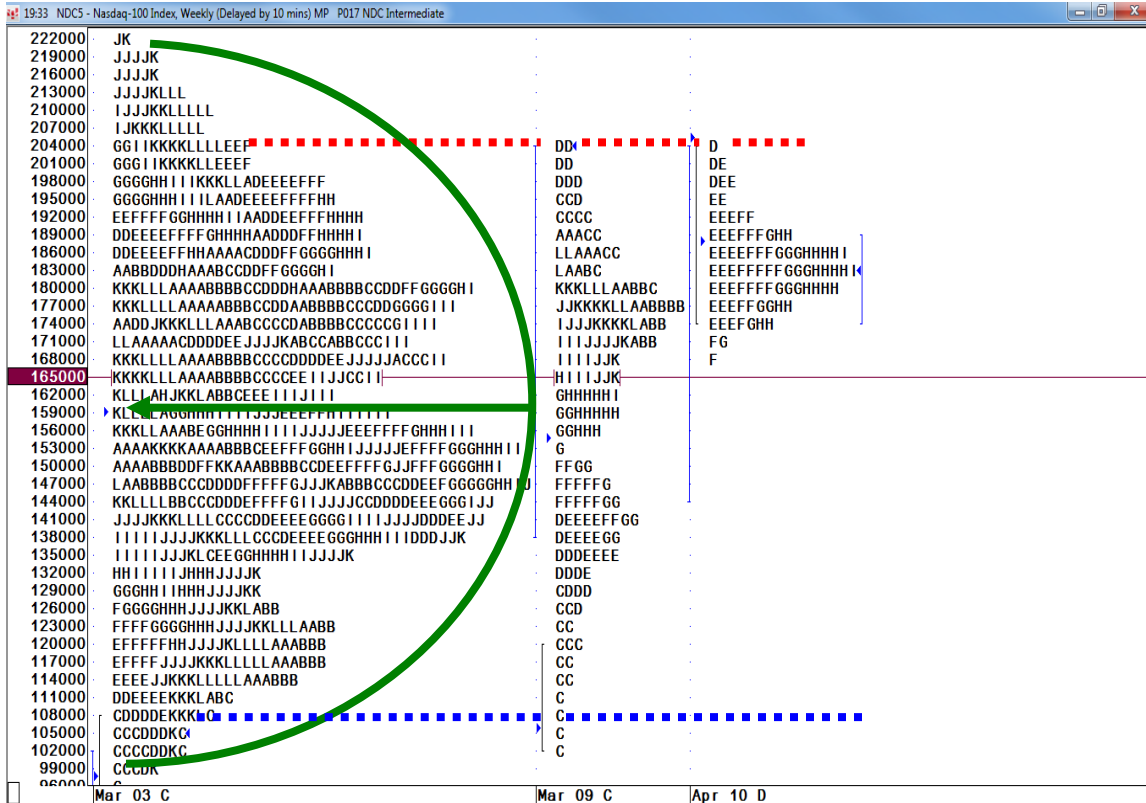
10/4 – We remain bullish looking for 2055, 2075/2105 and potentially higher. Building value below 1980 or settling below the Aug 31st tpo balance point, (1955), tells us to exit longs. Both building value and settling below 1955 signals a move to 1890 and then 1820.

10/1 – The market moved the high volume price up to the 2010 level as we look for 2055, 2075/2105 and potentially higher. Building value below 1980 and settling below 1965 signals to exit longs as we then see a move to 1930/1945 where we will reset longs but only if the market leaves a buy extreme.

9/30 – Traders who bought were able to take partial profits at the 2015 level, (2017 high). With the market’s pause we want to narrow our risk. As long as the market builds value in the 1975/2020 distribution we are comfortable holding longs for our higher objectives. (Building value at 2010 for another day will make it the high volume price of the Aug 31st curve.) Building value below 1980 and settling below 1965 signals to exit longs as we then see a move to 1930/1935 where we will reset longs but only if the market leaves a buy extreme.



NDC - INTERMEDIATE TERM

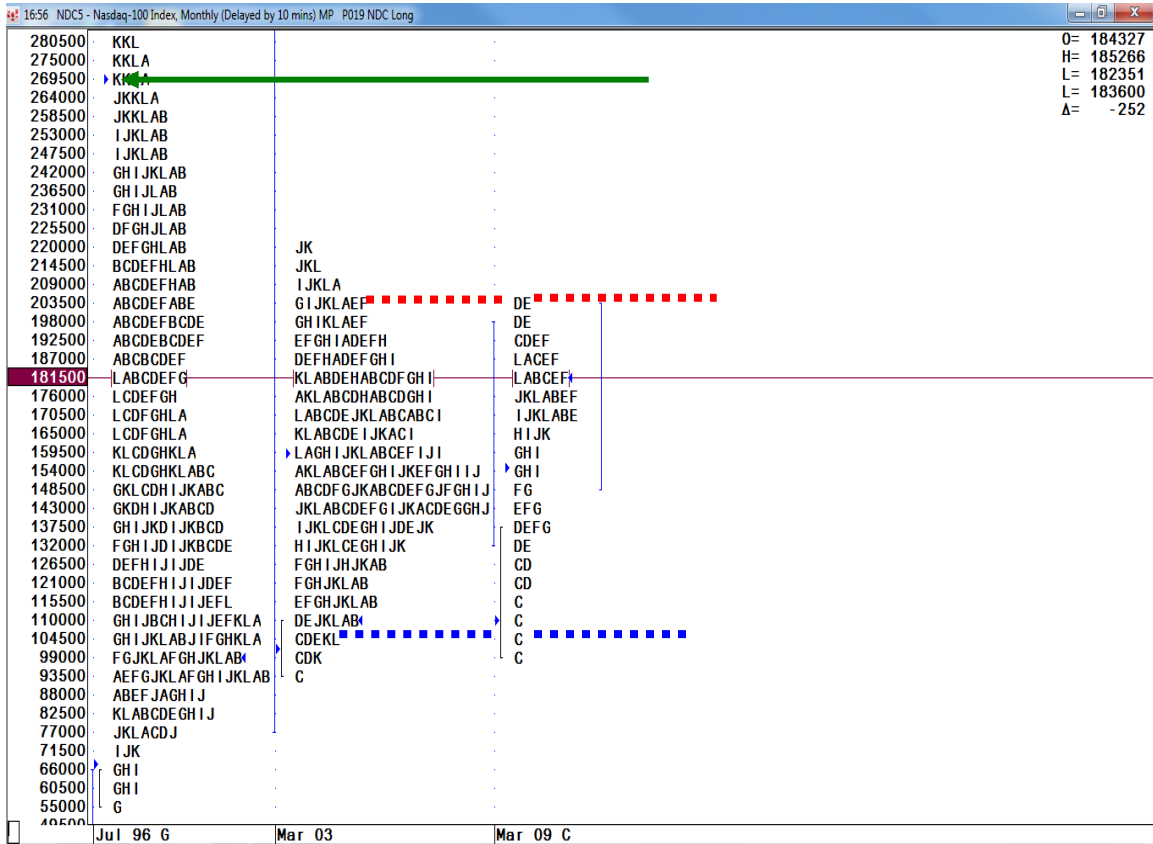


5/25 – The market reached the 2000/2200 selling level where traders should have been active. We look for a move to 1800 and the 1470/1620 where we want to take profits on all shorts. Building value and settling above 2200 cancels our downside.

12/23 – The March '03 curve is a balanced curve. Long time readers know that markets rotate around the high volume/midrange level as we await a breakout into a new unbalanced market. We see support at 1365 and resistance at 1840. On the wide we want to sell in the 2000/2200 level and buy in the 940/1040 level. With the March '09 curve now showing a 2160 objective traders who have not sold should look to sell in the 2000/2200 level for a move to 1800 and then 1500/1600.



NDC – LONG TERM



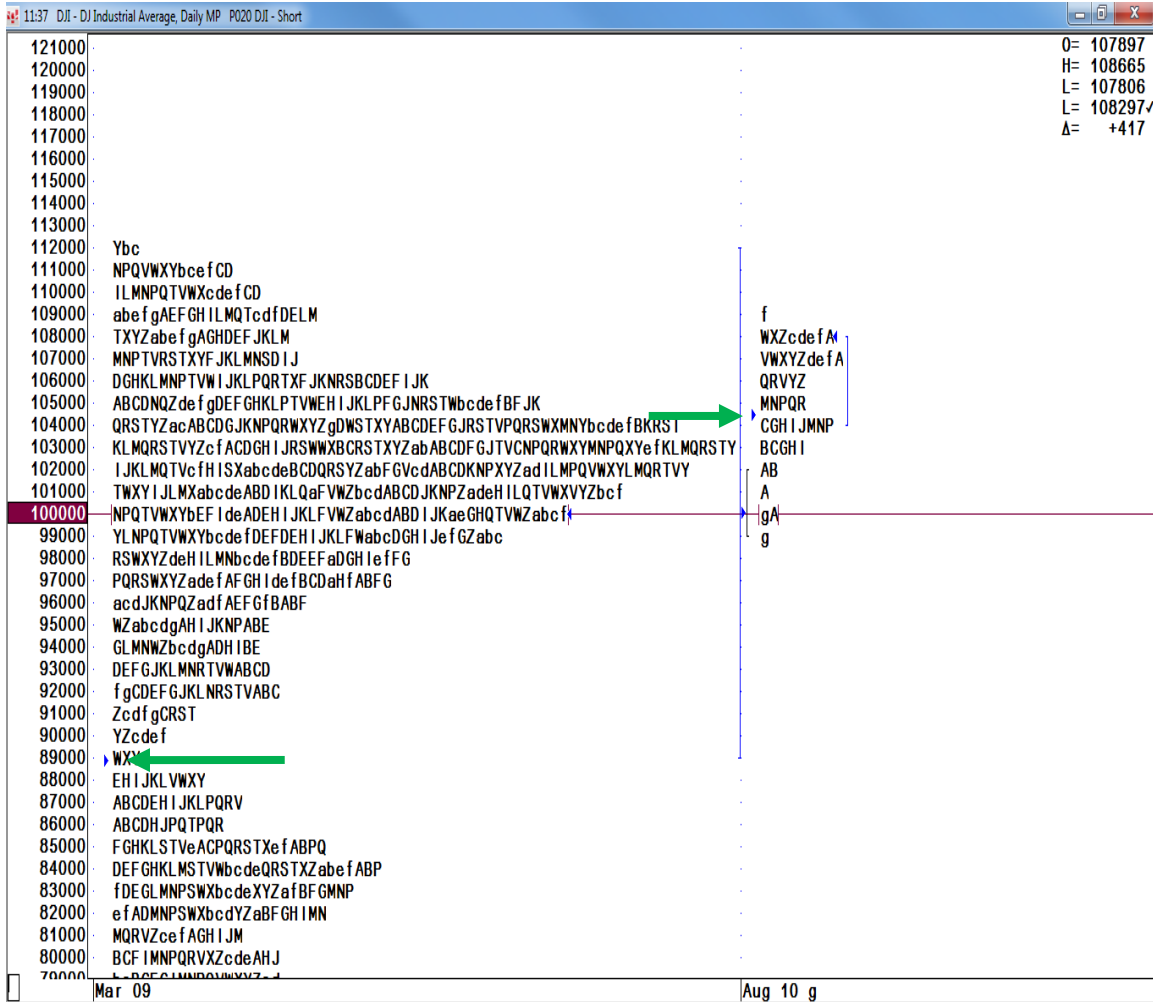
12/23 – The July '96 curve continues to balance in time. We had been looking for a 950 to 1850 range but with the March '09 curve showing higher highs we now see a 935/1125 to 2010/2200 range as the March '03 curve balances.

6/22 – Since our last commentary the market traded down to the 1018 level and rallied, (March '09 curve on the right), as the March '03 curve is balancing. Traders who are long should look to take profits at the 1450/1470 high volume level and then exit all longs and look to sell in the 1600/1700 area for a move down to 1450, 1300 and 1000. Building value and settling above the 1850 level cancels our downside. Remember the July '96 curve has to balance in time as it can't balance in price so the upside potential is limited. Bigger picture we see a 950 to 1850 range.



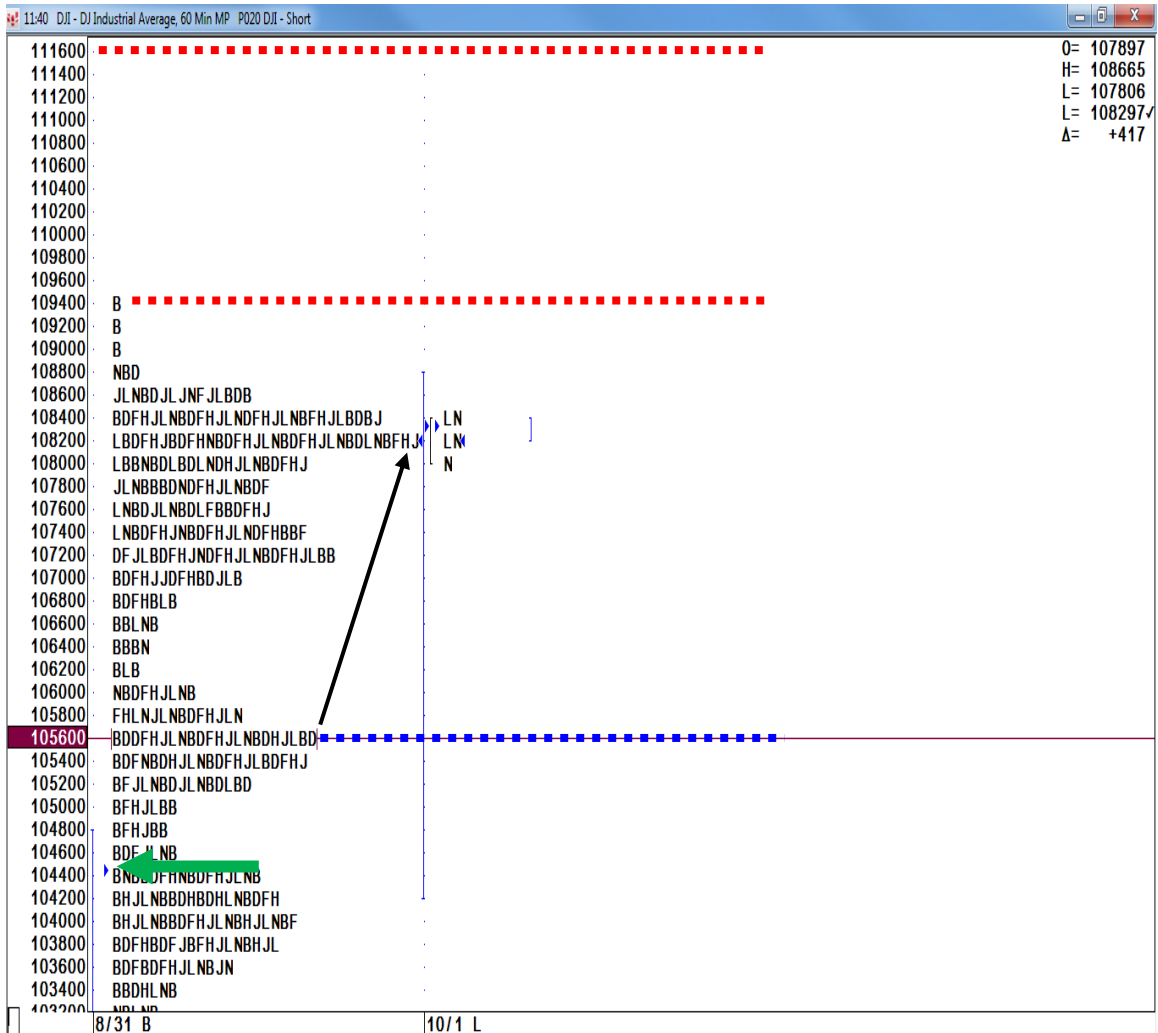
4 Oct 2010

DOW JONES



Another Short term view

111200	fCD		O= 107897
110800	fCD		H= 108665
110400	fCD		L= 107806
110000	fCD		L= 108297
109600	fD		A= +417
109200	DEM	f	
108800	DELM	df	
108400	DEFKLM	ZcdefA	
108000	EFJKLM	WXZcdefA	
107600	FJKLMN	VWXYZdefA	
107200	FJKLN	VWXYZdf	
106800	FJKNSBD IJ	VWXYZ	
106400	FJNRSBCEFIJ	RVYZ	
106000	FJNRSBCEFIJK	QRV	
105600	FJNRSWceBFJK	MNPQR	
105200	FJNRSTWbcdeBFJK	MNPQ	
104800	FJNRSTWbcdeBFKR	MNP	
104400	FJRTVRSWXYbdeBKR	CGIJM	
104000	FJRTVRSWXYbdeBKRST	CGHIJ	
103600	FJRTVRSWXYMNXYefKLRST	CGHI	
103200	FJRTVRSWXYMNXYefKLRST	BCGH	
102800	FGVGNPRXYZMNPQXYLMQRST	B	
102400	FGVdBCDNPYZMPQWXLQTVY	AB	
102000	FVcdABCDKNPYZadILMQVWXQTVY	A	
101600	FVWZbcdABCDJKNPZadILQTVWXYVZ	A	
101200	FVWZbcdABDJKZadeHILQTVWXYVZcf	A	
100800	FVWZbcdABDJKadeHIQTVWZabc f	A	
100400	FVWZabcABDIJeHQTVWZabc f	gA	
100000	FWabcABDIJeGHVZabc f	gA	
99600	FWabcDGIJeGZabc	g	
99200	FWabdGHIJeGac	g	
98800	FWabdGHIJefG		
98400	FaGHIefFG		
98000	aGHe fFG		
97600	aHfABFG		
97200	HfABFG		
96800	ABF		
96400	ABF		
96000	AB		
95600			
95200			
94800			
94400			

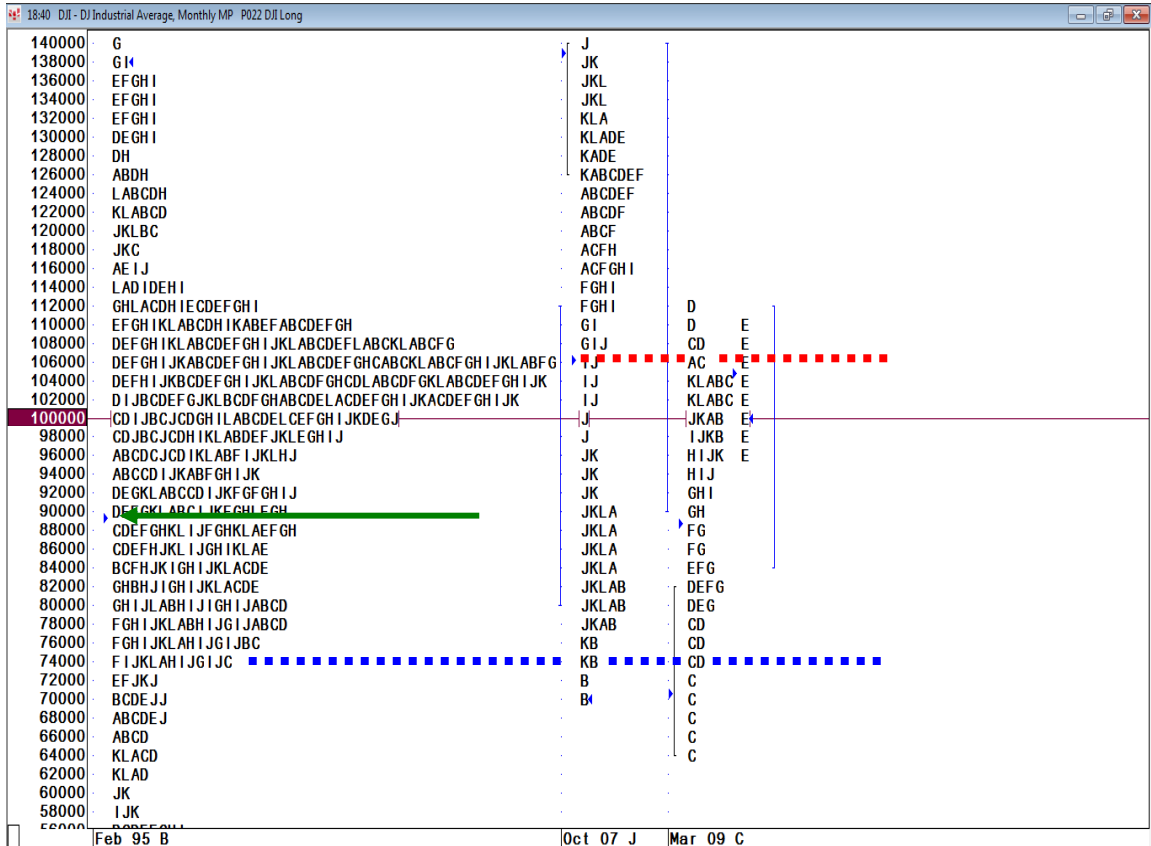


10/1 & 10/4 – The market reached the 10940 level where traders should exit the majority of their longs. We look to hold a piece for 11160 and 11460 as the Aug 31st curve moved its high volume price up to 10820. Traders can reset longs in the 10620/10700 level. Building value and settling below 10560 cancels our upside.

9/27 to 9/30 – We hold longs for 10940, where we want to exit the majority of our remaining longs, and then 11160. Traders can reset longs in the 10500/10600 level. Building value and settling below 10500 cancels our upside.



DOW JONES – LONG TERM



1/7/10 – Not bad. The market reached our 9975/10500 level where traders should take profits on all longs. What's next? The Dec '95 curve remains bullish. We either look to reset longs in the 8600/9000 level or if the market builds value and settles above 11000. We look for 11600 and then 12600 where we would take profits the first time up. Only building value and settling below 8200 would cancel our upside.

5/12 – We are long from the 7500 level looking for 8925/9000 and then 9975/10500, where we want to take profits on our longs. We then see a pullback that will allow us to reset longs for 10500, 12500 and higher. Building value and settling below 7000 cancels our upside and signals a move down to 5400/5600 and lower as we then see the Feb '95 curve needing to balance its top heavy condition.

1/15 – The market traded down to 7500 where we bought looking for a move to the 10050/10350 level which the market has not reached. We see that the Nov '08 curve from the lows is potentially failing which would be the first signal that the Feb '95 curve may balance, signaling new lows. Traders can buy once again at the 7500 bottom of value of the current distribution for a move to 9000 and then 10050. Building value and settling below 6900 cancels our upside and signals a move down to 5550.



The information contained in this newsletter (sent by fax, e-mail or any other method of transmission) is privileged, Confidential and protected from disclosure. Any further disclosure or use, distribution, dissemination or copying of this message or any attachment is strictly prohibited; such information is not warranted in any manner whatsoever, is for the use of our customers only, and is obtained from internal and external research sources considered to be reliable. It is not necessarily complete and Bell Curve Trading LLC does not guarantee its accuracy, its operating entity or the principals therein. Neither the information nor any opinion expressed constitutes a solicitation for the purchase of any future or security referred to in this letter.



@ 2003 CQG, Inc. All rights reserved worldwide. <http://www.cqg.com>