

Thursday August 13, 2009

Closing prices of August 12, 2009

Stocks rallied Wednesday after trade data showed a second consecutive gain in U.S. exports and indicated an improving global economy. Financials led the way highlighted by Insurance as nine of ten S&P sectors traded higher. Stocks are slowly working off an overbought and overbullish condition. For the last few weeks everyone has been expecting a pullback and the market rarely cooperates with the consensus. We continue to be on the side of the primary trend, which is up, while being alert for a sharper pullback to occur at any time.

Caution is advised regarding entry points and we repeat our advice that investors use stop losses to make sure losses remain manageable. Very aggressive traders can enter short keeping in mind shorting is counter-trend at this time and they may need to cover quickly.

Based on the S&P 500 the short-term, intermediate-term and long-term trends are up. Traders should not hesitate to rotate out of lagging sectors and stocks and into leaders.

The S&P 1500 (229.77) was up 1.18% Wednesday. Average price per share was up 1.35%. Volume was 89% of its 10-day average and 100% of its 30-day average. 82.00% of the S&P 1500 stocks were up, with up volume at 86.77% and up points at 89.71%. Up Dollars was 98.05% of total dollars, and was 166% of its 10-day moving average. Down Dollars was 6% of its 10-day moving average.

Percent over 10-sma: 65.6%. 13-Week Closing Highs:230. 13-Week Closing Lows: 7.

Put/Call Ratio: 0931.. Kaufman Options Indicator: 1.02.

P/E Ratios: **103.37 (before charges)**, 18.59 (continuing operations), 17.26 (analyst estimates).

P/E Yield 10-year Bond Yield Spreads: **-74% (earnings bef. charges)**, 45% (earnings continuing ops), and 57% (projected earnings).

453 of the S&P 500 have reported 2nd quarter earnings. According to Bloomberg, 72.4% had positive surprises, 8.2% were in line, and 19.4% have been negative. The year-over-year change has been -29.9% on a share-weighted basis, -22.3% market cap-weighted and -25.0% non-weighted. Ex-financial stocks these numbers are -29.5%, -24.2%, and -27.5 %, respectively.

IMPORTANT DISCLOSURES

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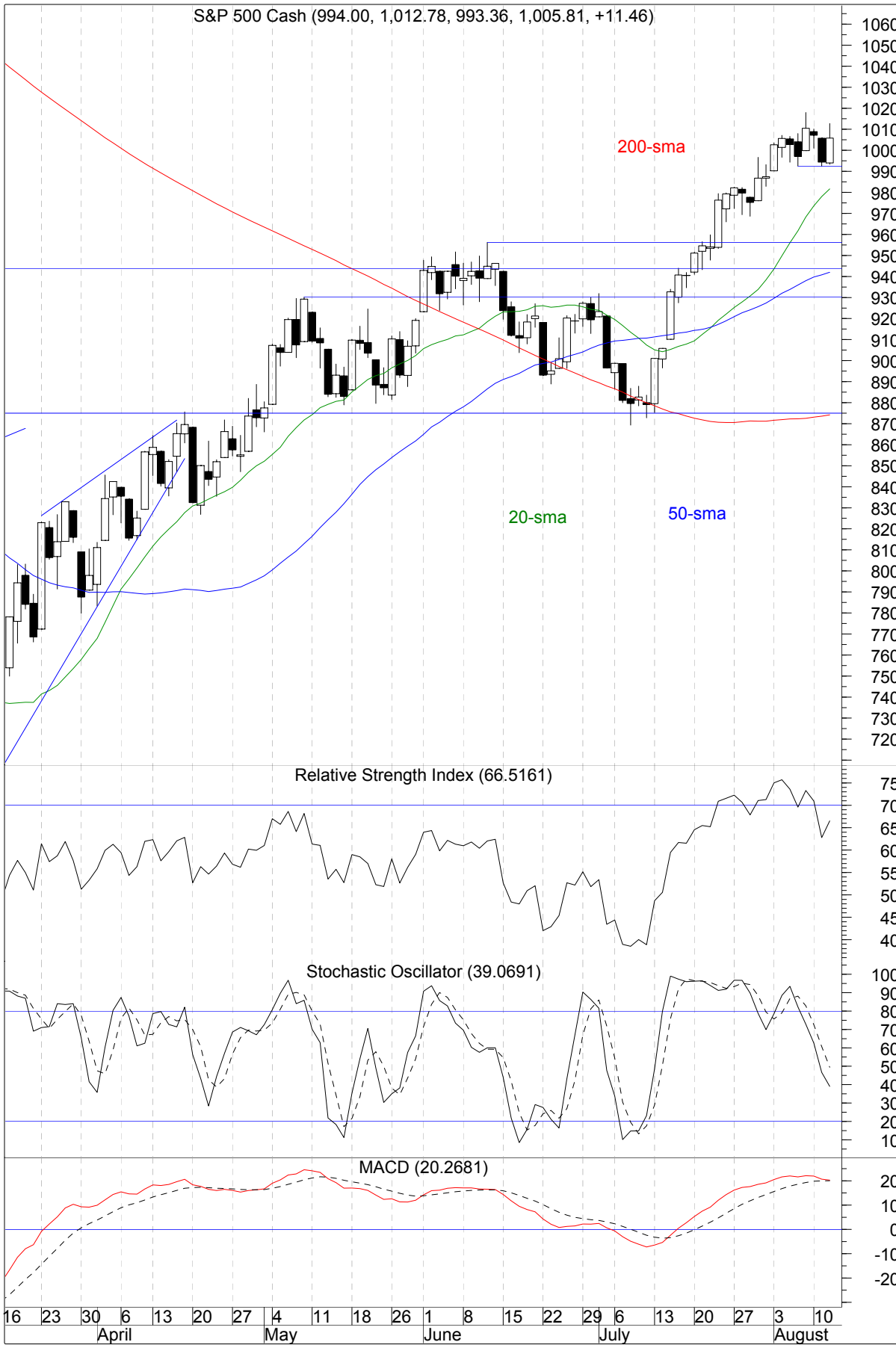
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	Daily	WTD	MTD	QTD	YTD
Nasdaq 100	1.56%	0.01%	1.01%	9.64%	33.67%
S&P Smallcap 600	1.56%	-0.19%	2.69%	13.18%	13.01%
Nasdaq Composite	1.47%	-0.08%	1.02%	8.92%	26.74%
S&P Midcap 400	1.31%	-0.75%	3.53%	12.46%	20.79%
Dow Jones Industrials	1.30%	-0.09%	2.07%	10.83%	6.67%
Bank of New York Mellon ADR	1.19%	-0.67%	1.37%	11.80%	20.40%
S&P 1500	1.18%	-0.48%	2.02%	9.78%	12.12%
S&P 500	1.15%	-0.46%	1.86%	9.41%	11.35%

	Daily	WTD	MTD	QTD	YTD
Financials	2.02%	-2.23%	7.98%	17.46%	11.87%
Industrials	1.72%	-0.71%	4.32%	13.96%	5.21%
Information Technology	1.66%	0.07%	0.77%	9.98%	36.47%
Telecom Services	1.41%	0.04%	-2.71%	0.80%	-5.99%
Energy	1.27%	-0.17%	-0.02%	4.28%	0.90%
Consumer Discretionary	0.96%	-1.25%	3.54%	13.25%	21.76%
Materials	0.78%	-1.08%	2.89%	16.58%	30.90%
Utilities	0.48%	0.45%	0.07%	3.76%	-0.47%
Health Care	0.33%	0.79%	-0.13%	5.62%	4.61%
Consumer Staples	-0.01%	-0.11%	-1.14%	4.95%	1.34%

	Daily	WTD	MTD	QTD	YTD
Insurance	3.71%	-0.32%	8.60%	20.96%	6.19%
Commercial & Professional Services	2.29%	1.23%	4.36%	6.57%	0.90%
Diversified Financials	2.07%	-1.56%	6.83%	16.50%	28.27%
Capital Goods	1.86%	-1.05%	4.41%	14.34%	4.93%
Software & Services	1.84%	0.45%	1.90%	5.70%	28.78%
Technology Hardware & Equipment	1.63%	-0.21%	0.60%	12.36%	42.82%
Telecom Services	1.41%	0.04%	-2.71%	0.80%	-5.99%
Semiconductors & Equipment	1.32%	-0.01%	-1.54%	13.92%	36.95%
Consumer Durables & Apparel	1.31%	-1.07%	4.60%	20.76%	19.38%
Energy	1.27%	-0.17%	-0.02%	4.28%	0.90%
Consumer Services	1.12%	0.03%	3.95%	7.05%	8.15%
Media	1.11%	-1.23%	4.10%	11.39%	13.48%
Transportation	1.06%	-0.16%	3.98%	15.20%	7.74%
Banks	0.92%	-4.69%	9.58%	15.40%	-10.22%
Retailing	0.89%	-1.54%	3.47%	13.77%	31.40%
Food & Staples Retailing	0.84%	1.41%	1.78%	5.80%	-0.05%
Materials	0.78%	-1.08%	2.89%	16.58%	30.90%
Real Estate	0.70%	-4.69%	10.58%	22.20%	2.00%
Health Care Equip & Services	0.52%	1.56%	0.96%	6.69%	14.10%
Utilities	0.48%	0.45%	0.07%	3.76%	-0.47%
Household & Personal Products	0.41%	0.45%	-4.23%	4.23%	-7.67%
Pharmaceuticals, Biotech & Life Sciences	0.24%	0.45%	-0.61%	5.16%	0.75%
Automobiles & Components	-0.30%	-3.66%	-1.42%	27.86%	86.04%
Food, Beverage & Tobacco	-0.62%	-1.11%	-1.10%	4.86%	7.03%

S&P 500 Cash (994.00, 1,012.78, 993.36, 1,005.81, +11.46)



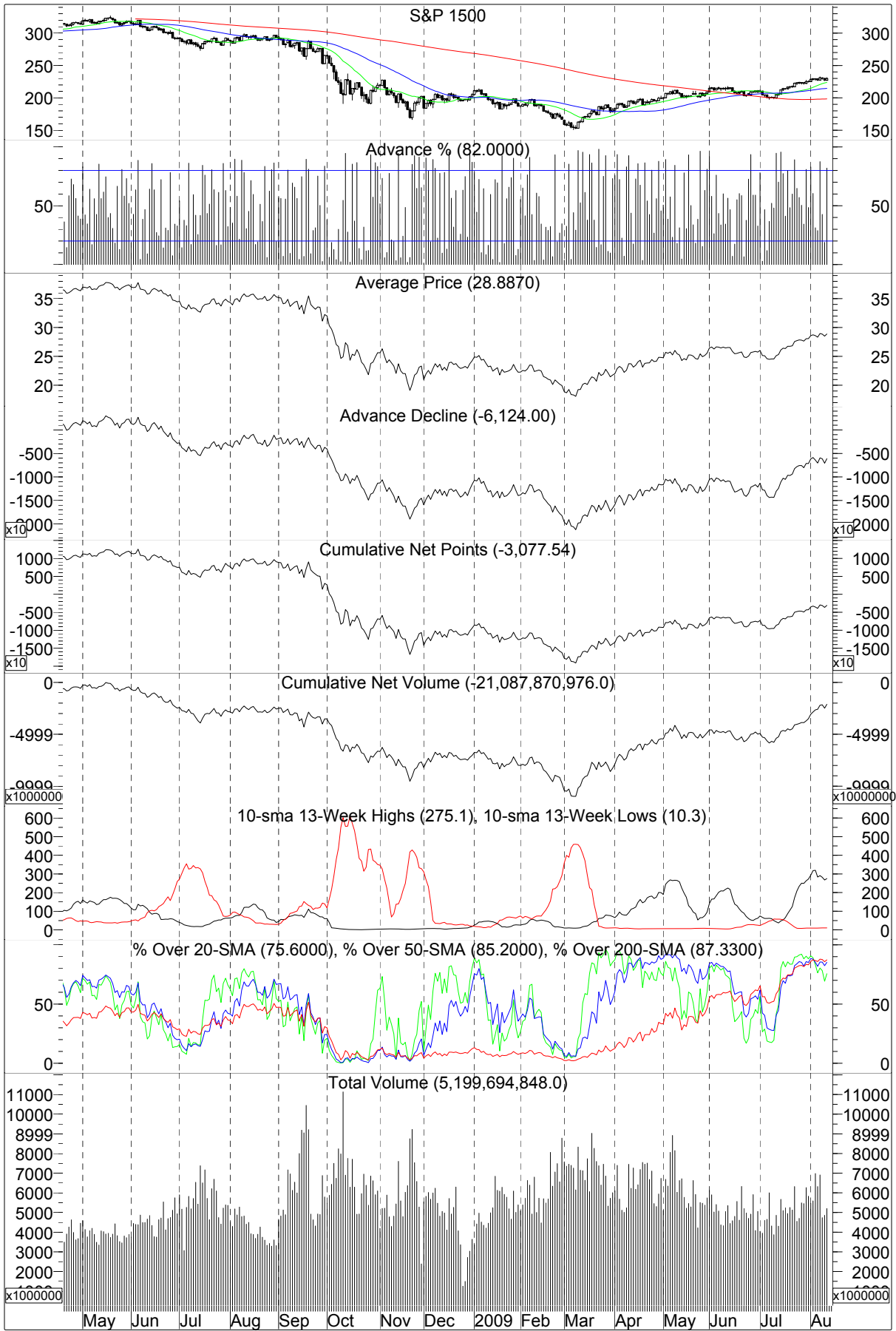
The S&P 500 now has support in the 992 - 993 area.

The overbought condition is slowly being worked off.

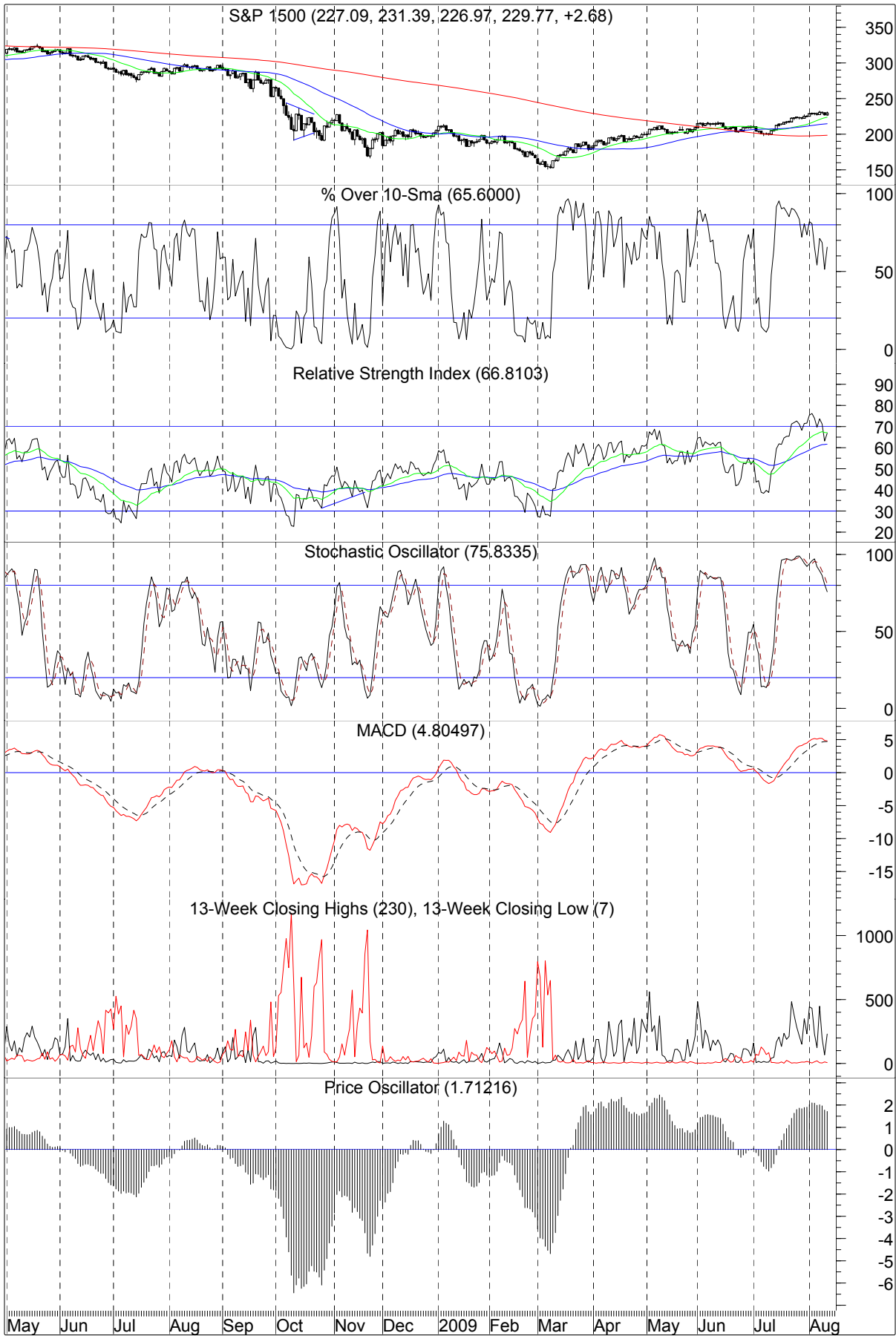
NASDAQ 100 (1,595.26, 1,634.12, 1,594.76, 1,619.59, +24.90)



The Nasdaq 100 bounced off the 20-sma Tuesday and made a marginal new rally high before pulling back. It was not a closing high.



82% of stocks traded higher Wednesday.



Momentum indicators are turning down from high levels.