

Tuesday November 17, 2009

Closing prices of November 16, 2009

Major indexes vaulted to new highs again Monday in a broad based rally that sent all ten S&P sectors higher on the day. We have been saying that with sellers recently stepping to the sidelines, earnings news out of the way, and seasonality in their favor, the path of least resistance for stocks was higher.

In the short-term stocks are getting overbought and negative divergences still persist. For example, only 327 stocks in the S&P 1500 made new 13-week closing highs compared to 429 on 10/14. Volume Monday was 20% high than on Friday, but overall volume remains muted. **Therefore, with volume low and news able to create sharp moves in either direction, this is a bifurcated short-term trader's market.**

Investors need to be cautious regarding entry points, and positions they don't have a good reason to hold onto should be considered as a source of funds. 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.

We will remain on guard for any signs of a change in long-term trend. We have been saying there is the potential for a deep correction at some point. **However, we have also been saying since June 1st we accept the possibility that huge global government intervention along with a possibly healing economy and companies that have become very lean and mean could create a scenario where profits will start to surprise to the upside and the deteriorating earnings trend will start to change.** If so, we will be more than happy to delay or even cancel our expected bearishness. At this time the lean and mean thesis and upside surprise scenario has proven to be correct. We hope that the earnings trend will be the next to improve.

S&P 1500 Data: Percent over 10-sma: 88.13%.

13-Week Closing Highs: 303, most since 327 on 10/19 (there were 429 on 10/14). **13-Week Closing Lows:** 36. **52-week closing highs:** 242, most since 316 on 10/14.

Kaufman Options Indicator: 1.03 **Put/Call Ratio:** 0.837. **New High Reversals:** 6.

Volume: +20% versus yesterday. 100% of the 10-day average. 92% of the 30-day average.

Up Stocks: 94.09%. **Up Volume:** 84.65%. **Up Points:** 97.47%. **Up Dollars:** 99.63%.

IMPORTANT DISCLOSURES

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S&P 500 Cash (1,094.13, 1,113.69, 1,094.13, 1,109.30, +15.82)



The S&P 500 broke out to new highs Monday. It is just shy of 1121, the 50% retracement of the entire bear market.

Momentum indicators are still showing negative divergences.

NASDAQ 100 (1,794.88, 1,814.25, 1,793.63, 1,807.56, +18.95)

The Nasdaq 100 made new highs Monday.



	Daily	WTD	5-Days	MTD	QTD	YTD
S&P Smallcap 600	2.82%	2.82%	1.74%	6.74%	0.56%	18.79%
S&P Midcap 400	1.76%	1.76%	1.83%	7.80%	2.83%	32.01%
Bank of New York Mellon ADR	1.76%	1.76%	1.51%	7.74%	5.96%	36.10%
NYSE Composite	1.65%	1.65%	1.43%	7.38%	4.72%	25.71%
S&P 1500	1.52%	1.52%	1.52%	7.10%	4.61%	23.35%
S&P 500	1.45%	1.45%	1.48%	7.06%	4.94%	22.81%
Nasdaq Composite	1.38%	1.38%	2.03%	7.47%	3.55%	39.37%
Dow Jones Industrials	1.33%	1.33%	1.76%	7.15%	7.15%	18.58%
Nasdaq 100	1.06%	1.06%	2.21%	8.42%	5.15%	49.18%

	Daily	WTD	5-Days	MTD	QTD	YTD
Energy	2.45%	2.45%	1.14%	5.63%	8.96%	15.43%
Materials	2.27%	2.27%	3.27%	11.92%	5.95%	43.94%
Industrials	2.01%	2.01%	1.87%	10.71%	5.55%	18.14%
Consumer Discretionary	1.65%	1.65%	2.74%	9.93%	7.20%	36.98%
Health Care	1.42%	1.42%	1.70%	7.36%	4.89%	13.14%
Utilities	1.29%	1.29%	0.81%	4.20%	0.86%	1.54%
Financials	1.23%	1.23%	0.03%	5.53%	-0.85%	18.18%
Information Technology	1.02%	1.02%	2.06%	7.52%	7.11%	55.09%
Telecom Services	0.80%	0.80%	0.23%	3.52%	-1.50%	-4.50%
Consumer Staples	0.72%	0.72%	1.18%	4.47%	5.56%	12.64%

	Daily	WTD	5-Days	MTD	QTD	YTD
Automobiles & Components	3.27%	3.27%	5.66%	19.65%	14.05%	104.00%
Energy	2.45%	2.45%	1.14%	5.63%	8.96%	15.43%
Real Estate	2.40%	2.40%	4.01%	8.82%	4.88%	15.30%
Materials	2.27%	2.27%	3.27%	11.92%	5.95%	43.94%
Semiconductors & Equipment	2.18%	2.18%	4.11%	8.36%	2.03%	46.61%
Capital Goods	2.14%	2.14%	1.82%	10.21%	4.57%	18.68%
Consumer Services	1.94%	1.94%	3.02%	11.12%	5.60%	20.04%
Media	1.86%	1.86%	3.96%	10.78%	6.24%	30.67%
Transportation	1.72%	1.72%	2.47%	13.81%	9.70%	19.15%
Pharmaceuticals, Biotech & Life Sciences	1.64%	1.64%	2.01%	6.51%	3.98%	8.06%
Consumer Durables & Apparel	1.63%	1.63%	1.02%	8.01%	4.41%	33.89%
Insurance	1.54%	1.54%	0.59%	5.48%	-1.00%	13.56%
Banks	1.52%	1.52%	-1.17%	3.47%	-0.39%	-6.46%
Commercial & Professional Services	1.46%	1.46%	0.59%	7.00%	4.04%	9.96%
Utilities	1.29%	1.29%	0.81%	4.20%	0.86%	1.54%
Household & Personal Products	1.25%	1.25%	1.13%	7.08%	7.99%	8.12%
Retailing	1.10%	1.10%	1.68%	7.75%	8.57%	46.77%
Technology Hardware & Equipment	1.02%	1.02%	1.65%	7.55%	5.97%	61.49%
Health Care Equip & Services	0.96%	0.96%	1.05%	9.19%	6.71%	25.41%
Diversified Financials	0.86%	0.86%	-0.29%	5.82%	-1.76%	34.36%
Telecom Services	0.80%	0.80%	0.23%	3.52%	-1.50%	-4.50%
Food, Beverage & Tobacco	0.75%	0.75%	1.69%	4.70%	5.42%	18.46%
Software & Services	0.63%	0.63%	1.89%	7.21%	10.43%	50.42%
Food & Staples Retailing	0.12%	0.12%	0.16%	1.46%	3.48%	6.56%

INTERNATIONAL ETFs

	Daily	WTD	MTD	QTD	YTD
Taiwan EWT	4.96%	6.24%	13.01%	6.49%	72.86%
Singapore EWS	3.02%	3.38%	10.59%	7.81%	64.40%
MSCI Emerging Markets EEM	2.51%	2.34%	11.98%	8.12%	68.48%
United Kingdom EWU	2.46%	2.40%	10.39%	10.25%	39.59%
Brazil EWZ	2.41%	-0.36%	11.54%	13.50%	119.41%
Germany EWG	2.36%	1.73%	9.62%	3.74%	19.77%
South Korea EWY	2.33%	0.58%	7.63%	-2.60%	65.00%
China 25 FXI	2.14%	1.39%	11.15%	13.27%	59.33%
BRIC EEB	2.04%	0.75%	12.22%	11.82%	88.52%
Latin America ILF	2.03%	0.89%	11.91%	12.33%	89.24%
Mexico EWW	1.91%	3.85%	11.61%	11.40%	50.79%
Vietnam VNM	1.70%	1.27%	0.81%		
Australia EWA	1.62%	2.24%	11.72%	8.41%	74.88%
Italy EWI	1.55%	1.55%	9.07%	2.55%	27.70%
Malaysia EWM	1.55%	1.18%	6.48%	10.16%	53.22%
Netherlands EWN	1.54%	1.39%	8.81%	5.39%	41.55%
Hong Kong EWH	1.49%	0.56%	5.09%	5.15%	57.38%
France EWQ	1.44%	1.17%	9.55%	3.35%	28.24%
Belgium EWK	1.19%	1.12%	7.96%	4.39%	55.33%
Sweden EWD	1.17%	1.68%	10.09%	11.57%	66.13%
Switzerland EWL	1.08%	0.27%	5.33%	3.68%	21.47%
Spain EWP	0.99%	0.64%	7.49%	4.16%	37.75%
Japan EWJ	0.94%	-0.63%	1.26%	-2.72%	0.94%
Canada EWC	0.93%	0.73%	9.48%	2.47%	49.80%
Austria EWO	0.36%	0.81%	8.47%	1.55%	71.12%