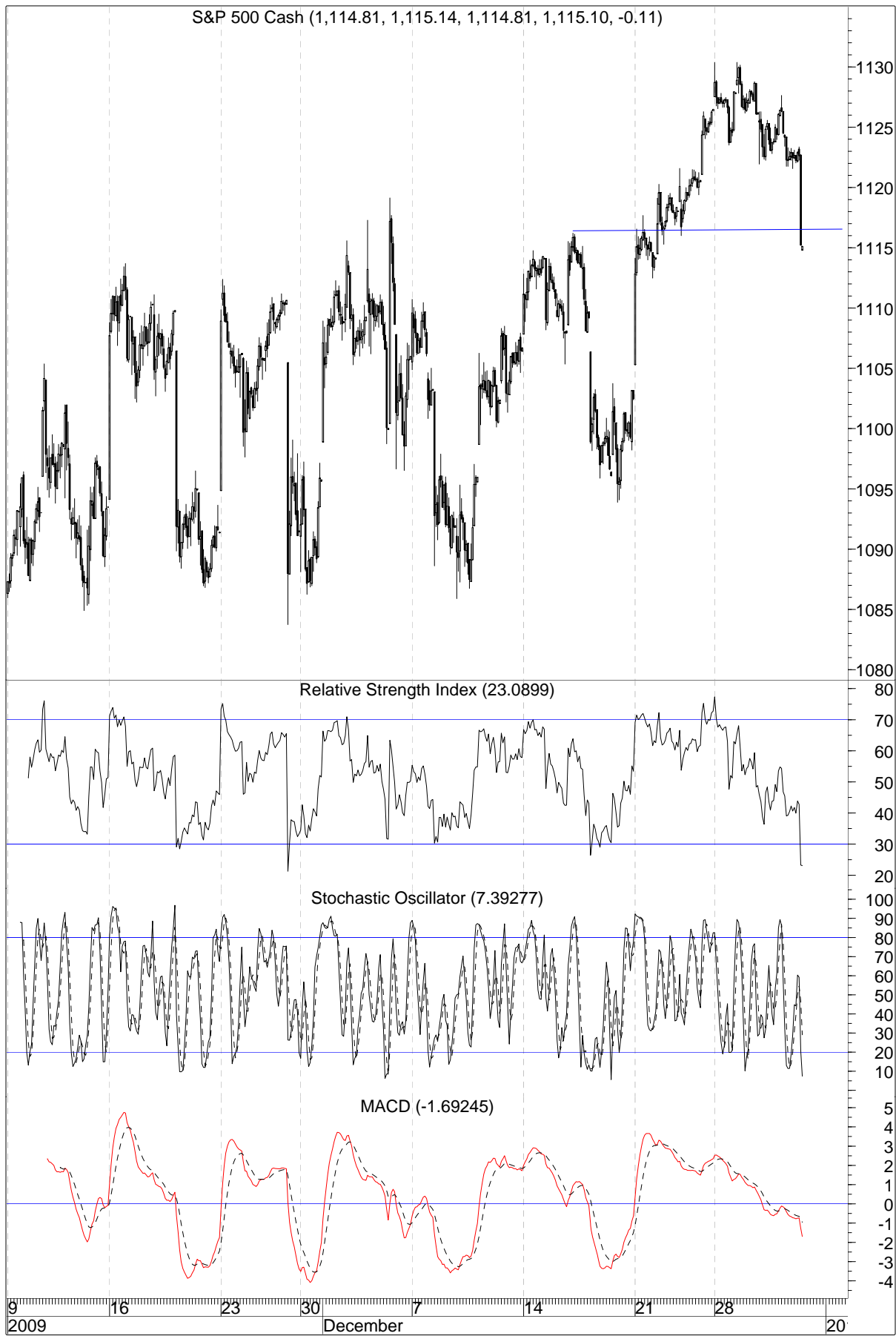




S&P 500 Cash (1,114.81, 1,115.14, 1,114.81, 1,115.10, -0.11)

The 30-minute chart of the S&P 500 shows it broke out of its sideways channel and has fallen back to the area of the breakout. This is very normal behavior. On this chart momentum indicators are oversold, so we would expect to see a bounce at any time.



S&P 500 Cash (1,126.60, 1,127.64, 1,114.81, 1,115.10, -11.32)



The daily chart of the S&P 500 shows it is still above its 20-sma (green).

Momentum indicators are no longer overbought, but appear to still be working their way lower.



Even with a weak close to the week the weekly chart of the S&P 500 shows a higher high and a higher low last week.

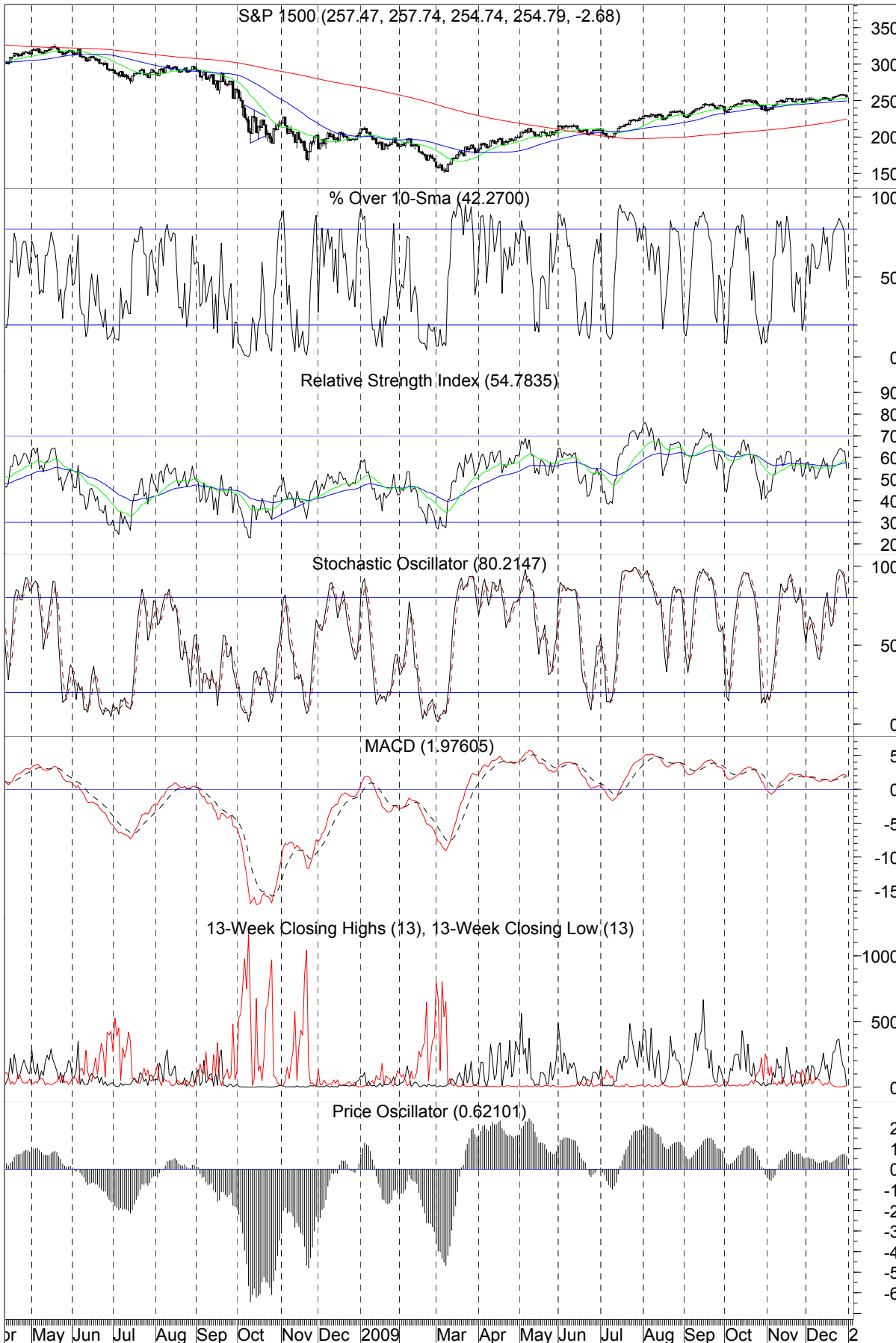
NASDAQ 100 (1,881.71, 1,882.46, 1,860.31, 1,860.31, -18.34)

The Nasdaq 100 printed a bearish engulfing candle on its daily chart Thursday.



NASDAQ 100 (1,874.71, 1,882.58, 1,860.31, 1,860.31, -9.53)



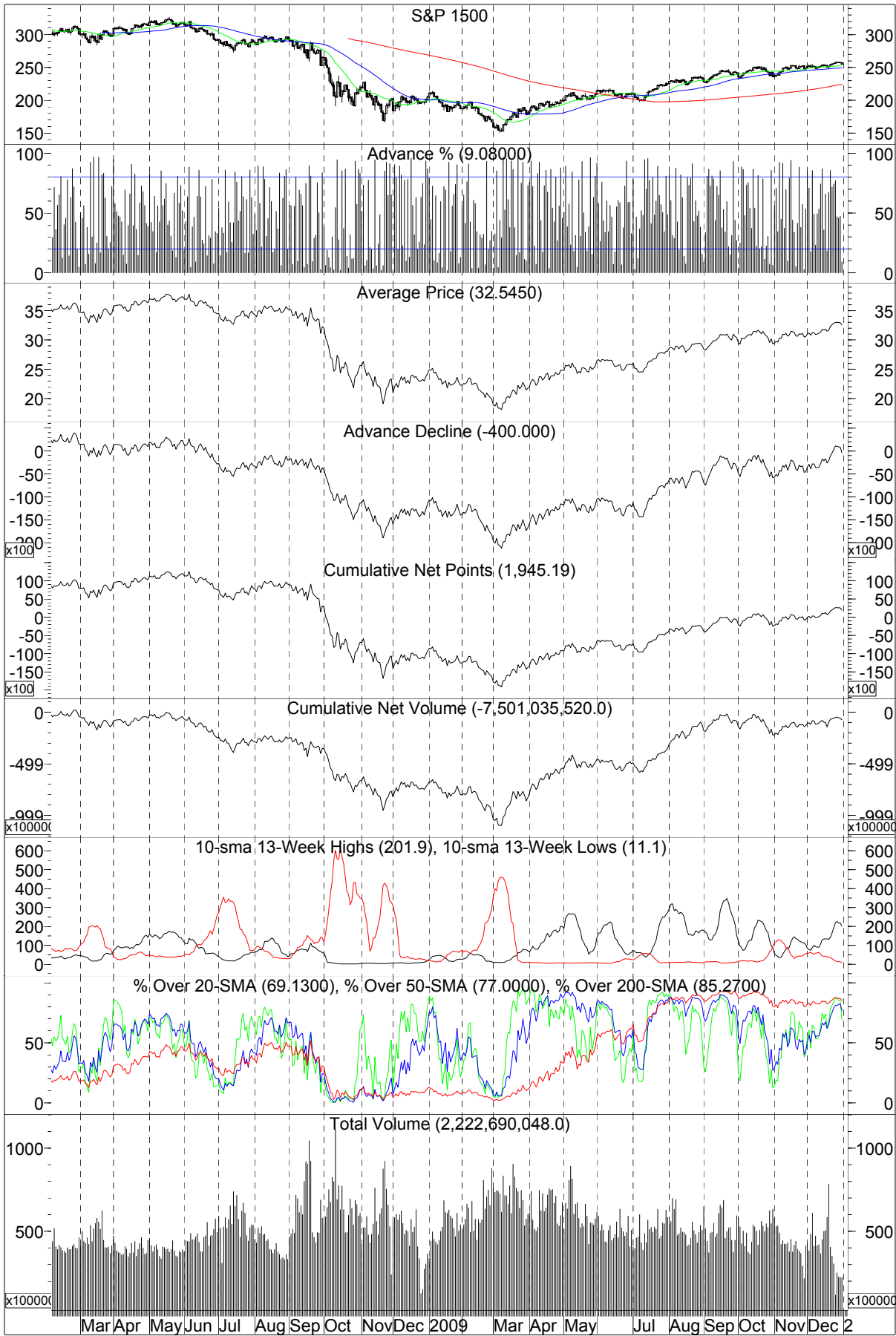


After reaching overbought levels the percent over 10-sma is down to 42.27%. Until December it reached the oversold zone every month since May, so we may be due here in January.

The stochastic is showing a negative crossover from the overbought zone.

Our price oscillator, a good indicator of trends, remains in positive territory.

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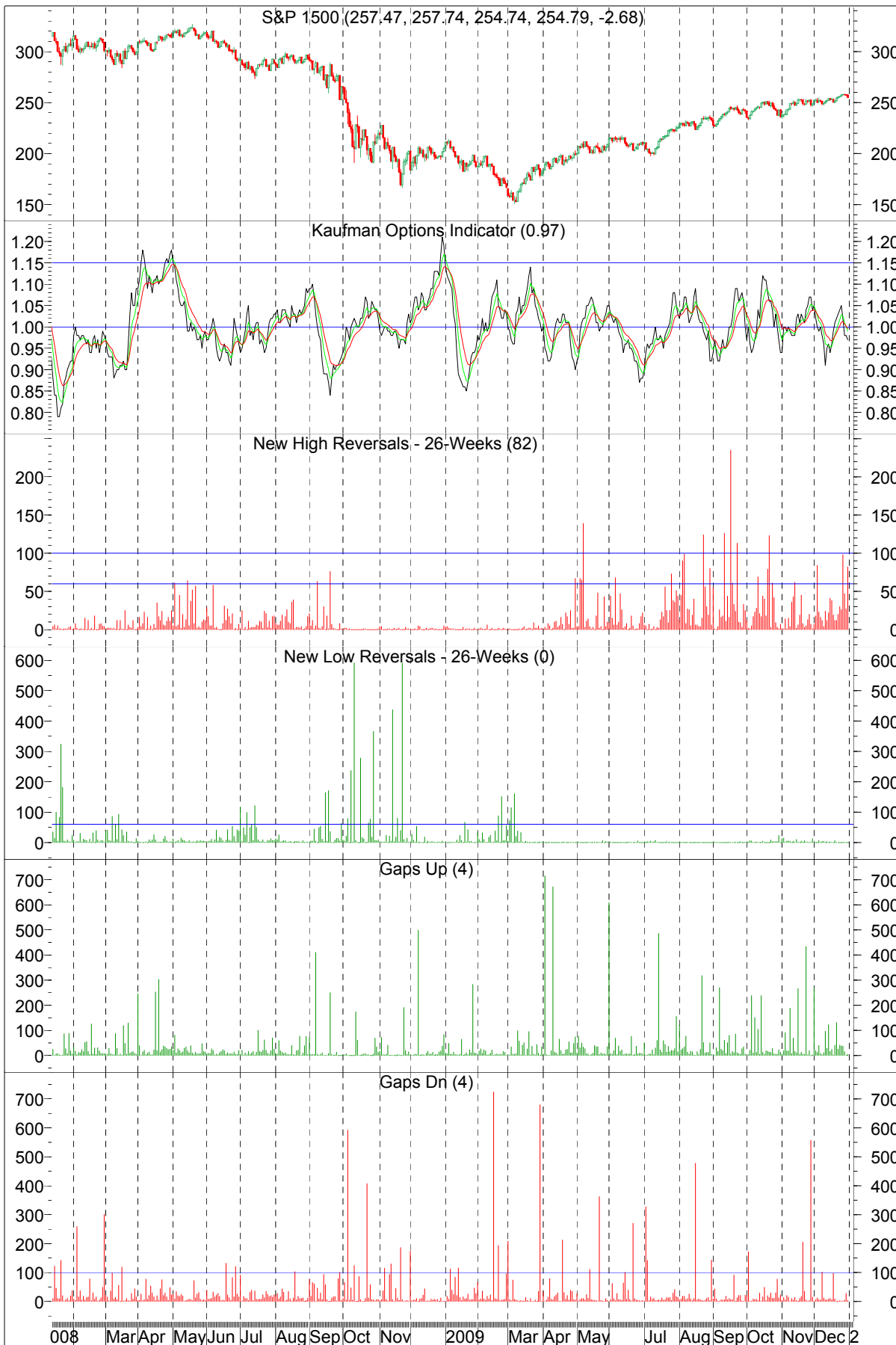


9.08% of stocks traded higher Thursday.

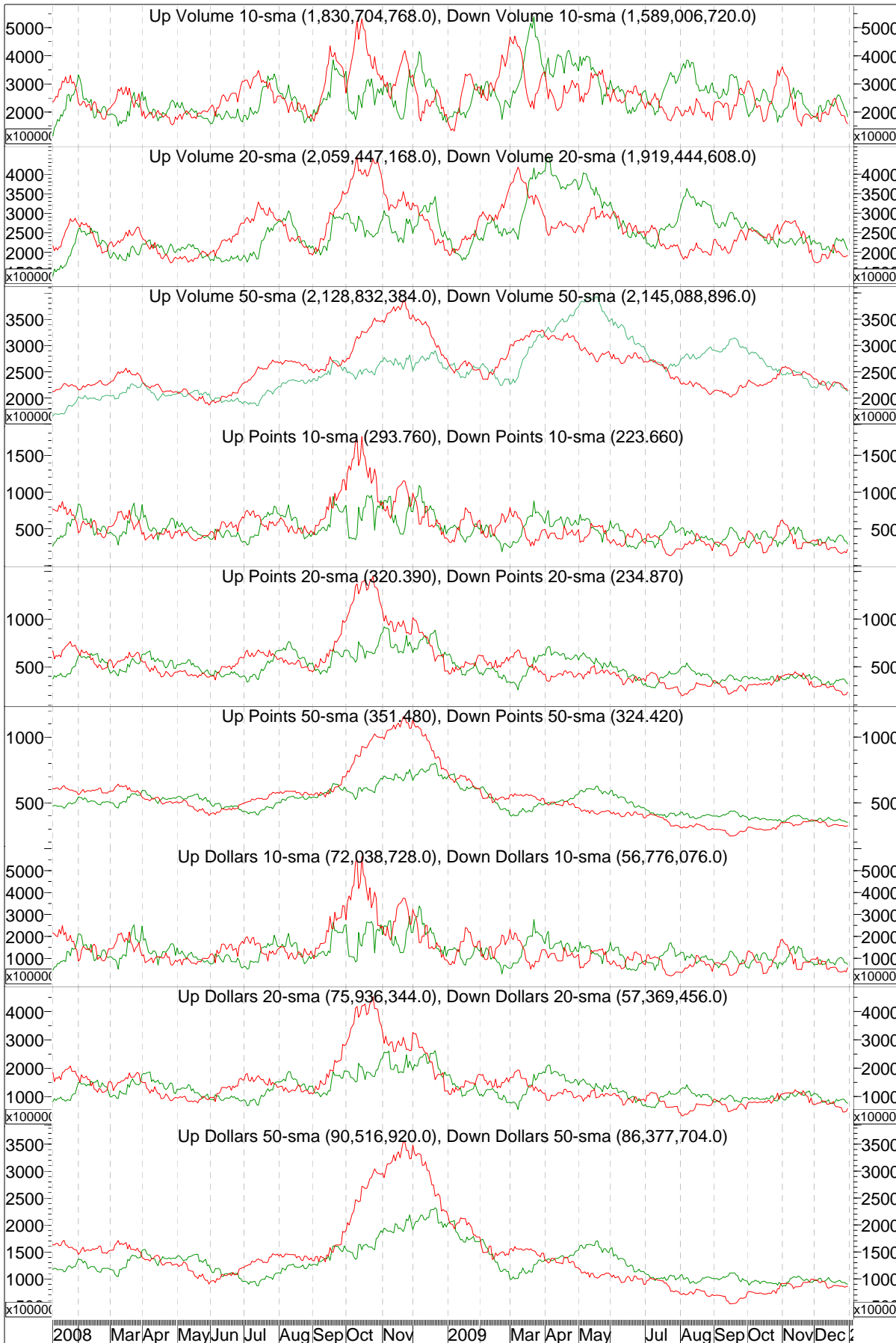
The AD line made a new high 12/24.



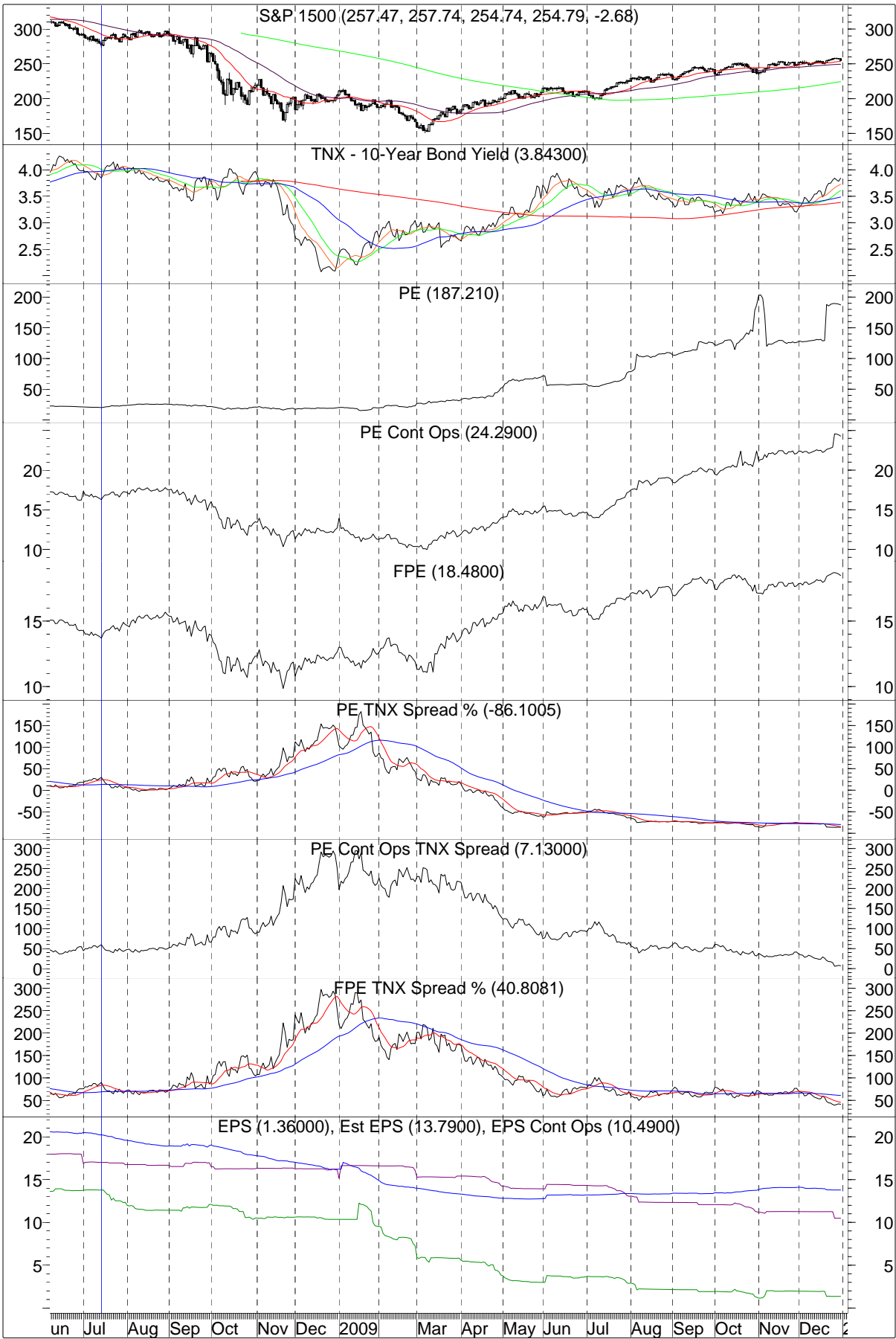
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Our proprietary options has moved from optimism to slight pessimism. We prefer pessimism to bullishness.



Our statistics of supply (red) versus demand (green) show that there has been a lack of conviction on the part of both bulls and bears. Volume has been very light, but with fewer sellers than buyers the path of least resistance remains to the upside. The low volume will probably change as we enter the new year and get into fourth quarter earnings season.



P/Es remain high while spreads between equity and bond yields have narrowed dramatically. The spread based on aggregate earnings from continuing operations is the lowest in years.

