

Thursday November 12, 2009

Closing prices of November 11, 2009

The S&P 500 made a new 52-week early in the session Wednesday but profit taking set in and it printed a bearish shooting star candle on the daily chart. The Nasdaq 100 printed a doji candle, which is a sign of indecision frequently seen at tops.

We have been saying a pullback was likely soon. Investors are becoming more selective, evidenced by the percent of stocks over their own 50-day moving average, which is 58.4% versus 81% on 10/15. Also, the number of new high reversals (stocks making a new high on the session but closing down on the day) is increasing.

However, our options indicator is showing slight pessimism so any pullback should not be too deep. With sellers stepping to the sidelines, earnings news out of the way, and seasonality in their favor, the path of least resistance for equities should be higher. Investors still need to be watchful as new highs on decreasing volume is not a prescription for a sustainable rally.

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: 84.67%.

13-Week Closing Highs: 160. 13-Week Closing Lows: 41. 52-week closing highs: 124.

Kaufman Options Indicator: 0.98 Put/Call Ratio: 0.904. New High Reversals: 43.

Volume: -0.6% versus yesterday. 84% of the 10-day average. 85% of the 30-day average.

Up Stocks: 69.53%. Up Volume: 67.00%. Up Points: 77.29%. Up Dollars: 88.92%.

IMPORTANT DISCLOSURES

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S&P 500 Cash (1,096.04, 1,105.37, 1,093.81, 1,098.51, +5.50)

The S&P 500 made new highs Wednesday but profit taking set in and it printed a bearish shooting star on the daily chart.



NASDAQ 100 (1,784.90, 1,793.52, 1,772.47, 1,782.95, +9.78)

The Nasdaq 100 printed a doji candle on the daily chart. Doji are signs of indecision frequently seen at tops.



	Daily	WTD	5-Days	MTD	QTD	YTD
S&P Smallcap 600	0.90%	2.37%	5.15%	5.11%	-0.97%	16.98%
S&P Midcap 400	0.75%	3.03%	5.29%	6.50%	1.59%	30.41%
Nasdaq Composite	0.74%	2.58%	5.42%	5.96%	2.10%	37.40%
Nasdaq 100	0.55%	3.02%	6.09%	6.95%	3.72%	47.15%
S&P 1500	0.54%	2.74%	5.00%	6.02%	3.55%	22.11%
S&P 500	0.50%	2.73%	4.97%	6.01%	3.92%	21.62%
Dow Jones Industrials	0.43%	2.67%	4.99%	5.96%	5.96%	17.26%
NYSE Composite	0.41%	2.83%	4.76%	6.17%	3.54%	24.29%
Bank of New York Mellon ADR	0.14%	2.63%	4.40%	5.96%	4.20%	33.85%

	Daily	WTD	5-Days	MTD	QTD	YTD
Financials	1.40%	4.60%	6.77%	6.50%	0.06%	19.27%
Materials	0.92%	4.33%	7.18%	9.53%	3.70%	40.88%
Information Technology	0.59%	2.78%	5.13%	5.96%	5.56%	52.85%
Industrials	0.51%	2.69%	6.51%	8.91%	3.84%	16.22%
Consumer Discretionary	0.48%	2.75%	6.47%	7.58%	4.91%	34.05%
Consumer Staples	0.27%	1.78%	2.73%	3.58%	4.66%	11.67%
Telecom Services	0.22%	2.45%	4.00%	3.48%	-1.53%	-4.54%
Health Care	0.16%	2.39%	4.45%	6.26%	3.81%	11.98%
Energy	0.05%	1.63%	3.05%	4.53%	7.83%	14.24%
Utilities	-0.25%	1.80%	3.25%	3.45%	0.13%	0.80%

	Daily	WTD	5-Days	MTD	QTD	YTD
Real Estate	2.08%	6.72%	6.75%	6.19%	2.33%	12.50%
Banks	1.80%	4.35%	6.64%	5.26%	1.34%	-4.84%
Insurance	1.57%	4.74%	5.94%	6.01%	-0.51%	14.13%
Automobiles & Components	1.57%	5.99%	12.25%	15.39%	10.00%	96.74%
Semiconductors & Equipment	1.52%	4.99%	7.53%	6.04%	-0.15%	43.48%
Consumer Durables & Apparel	1.43%	3.20%	6.03%	7.69%	4.10%	33.49%
Transportation	1.38%	3.41%	7.04%	12.78%	8.71%	18.07%
Diversified Financials	1.10%	4.36%	7.09%	7.16%	-0.52%	36.05%
Materials	0.92%	4.33%	7.18%	9.53%	3.70%	40.88%
Consumer Services	0.89%	2.41%	6.17%	8.48%	3.09%	17.19%
Media	0.69%	2.91%	6.53%	7.22%	2.83%	26.47%
Technology Hardware & Equipment	0.52%	2.57%	4.89%	6.18%	4.62%	59.43%
Health Care Equip & Services	0.49%	3.15%	5.78%	9.28%	6.79%	25.51%
Food & Staples Retailing	0.46%	1.74%	-0.80%	1.15%	3.16%	6.24%
Household & Personal Products	0.45%	1.87%	4.85%	6.40%	7.30%	7.44%
Software & Services	0.37%	2.31%	4.66%	5.68%	8.85%	48.27%
Capital Goods	0.29%	2.55%	6.56%	8.13%	2.59%	16.44%
Commercial & Professional Services	0.26%	1.89%	4.24%	6.10%	3.16%	9.03%
Telecom Services	0.22%	2.45%	4.00%	3.48%	-1.53%	-4.54%
Food, Beverage & Tobacco	0.08%	1.76%	3.44%	3.42%	4.13%	17.01%
Energy	0.05%	1.63%	3.05%	4.53%	7.83%	14.24%
Pharmaceuticals, Biotech & Life Sciences	0.01%	2.01%	3.80%	4.85%	2.35%	6.38%
Utilities	-0.25%	1.80%	3.25%	3.45%	0.13%	0.80%
Retailing	-0.32%	2.16%	5.79%	6.17%	6.98%	44.62%

INTERNATIONAL ETFs

	Daily	WTD	MTD	QTD	YTD
Vietnam VNM	2.15%	0.73%	-1.58%		
Taiwan EWT	1.38%	4.30%	7.41%	1.22%	64.30%
Singapore EWS	1.26%	5.42%	7.54%	4.84%	59.86%
Mexico EWW	1.17%	6.03%	8.78%	8.59%	46.98%
Germany EWG	1.16%	5.88%	7.67%	1.89%	17.64%
Netherlands EWN	0.88%	5.41%	7.62%	4.24%	40.01%
South Korea EWY	0.86%	3.69%	6.69%	-3.44%	63.57%
MSCI Emerging Markets EEM	0.86%	5.98%	9.85%	6.07%	65.28%
Italy EWI	0.49%	5.60%	7.82%	1.37%	26.24%
Canada EWC	0.42%	5.50%	9.06%	2.08%	49.23%
France EWQ	0.42%	5.45%	8.33%	2.19%	26.80%
Australia EWA	0.42%	7.94%	10.03%	6.77%	72.23%
BRIC EEB	0.35%	5.85%	11.11%	10.71%	86.66%
China 25 FXI	0.20%	5.14%	9.02%	11.09%	56.27%
Hong Kong EWH	-0.06%	2.21%	3.48%	3.54%	54.97%
Belgium EWK	-0.08%	4.61%	5.49%	2.00%	51.78%
Japan EWJ	-0.10%	0.42%	1.05%	-2.92%	0.73%
Switzerland EWL	-0.13%	3.80%	4.72%	3.08%	20.77%
Sweden EWD	-0.16%	6.83%	8.43%	9.88%	63.62%
Latin America ILF	-0.17%	5.74%	10.70%	11.12%	87.20%
Spain EWP	-0.19%	5.27%	6.17%	2.88%	36.06%
Malaysia EWM	-0.36%	2.59%	4.77%	8.38%	50.75%
Austria EWO	-0.36%	4.44%	6.52%	-0.27%	68.05%
United Kingdom EWU	-0.48%	4.46%	6.78%	6.64%	35.02%
Brazil EWZ	-0.85%	4.67%	10.48%	12.42%	117.32%