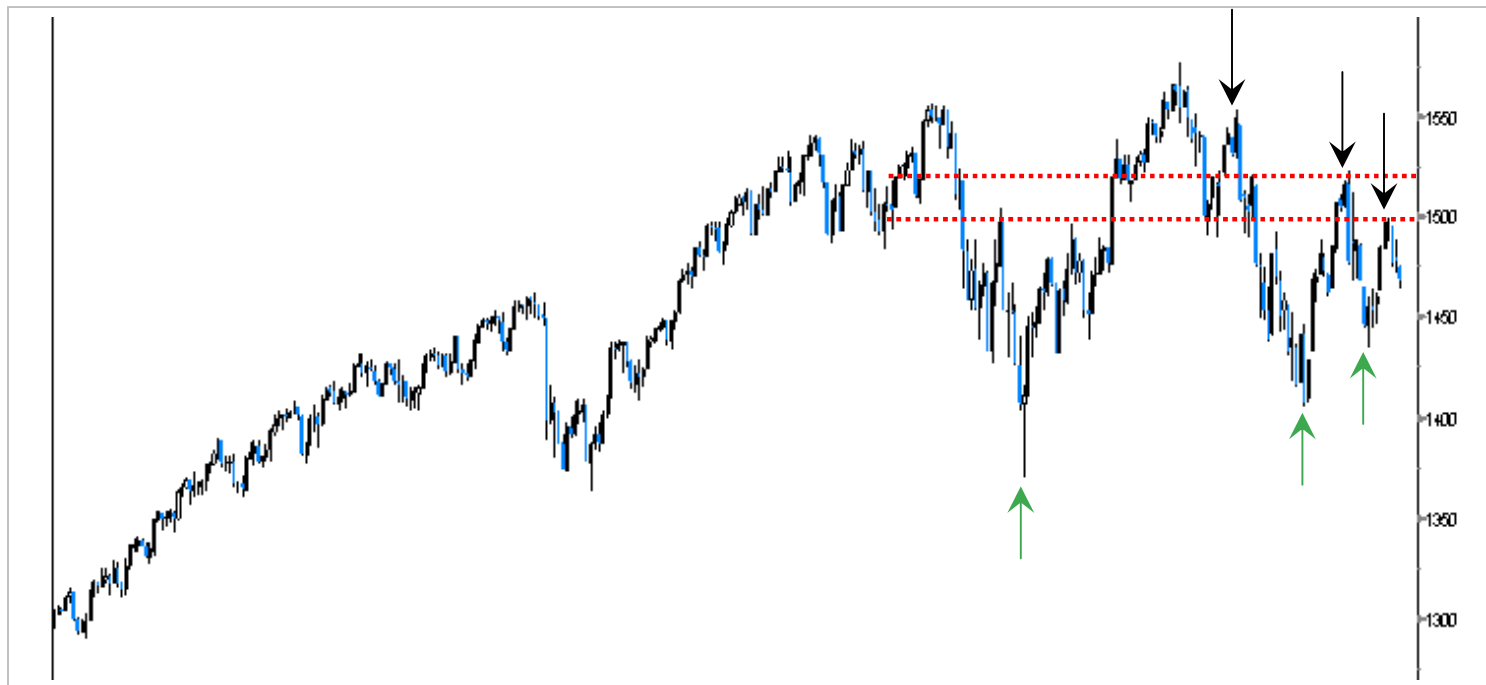


Technical Review – U.S. Equity Markets

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S&P 500 Index (SPX)



As seen above the S&P 500 moved back into its resistance zone (dotted double red lines) and failed to break above those levels before subsequently turning down. Additionally the S&P's peaks and troughs are converging (black and green arrows) suggesting that at some point real soon a resolution to this tightening range will occur. **The malaise in the tape suggests as does our instinct suggest that the resolution will be to the downside but with investor sentiment survey bull readings so low and most pm's we speak to rather cautionary we are not sure that is the right call yet.** Given the head fakes and the volatility of late we would suggest watching key S&P levels for more conviction. For be a more bullish outlook to unfold we would need to see the upper resistance level of 1,525 cleared, while for a more bearish scenario would unfold if the recent pivot low near 1,435 was violated. **Additionally the uptrend line from the 2003 lows comes in near the 1,406 level. Any close below that swings the pendulum fully bearish.**

Our **S&P 500 Marketometer™** (pronounced Market tom meter), a gauge of market risk/reward, has seen most readings revert back to neutral. Sentiment remains the only outright bullish variable, while in the bear camp resides momentum.

S&P 500 Marketometer™ - S&P 500s intermediate term temperature

Overall Status: Neutral/Bearish

Bearish

Neutral

Bullish

Trend



Breadth



Momentum



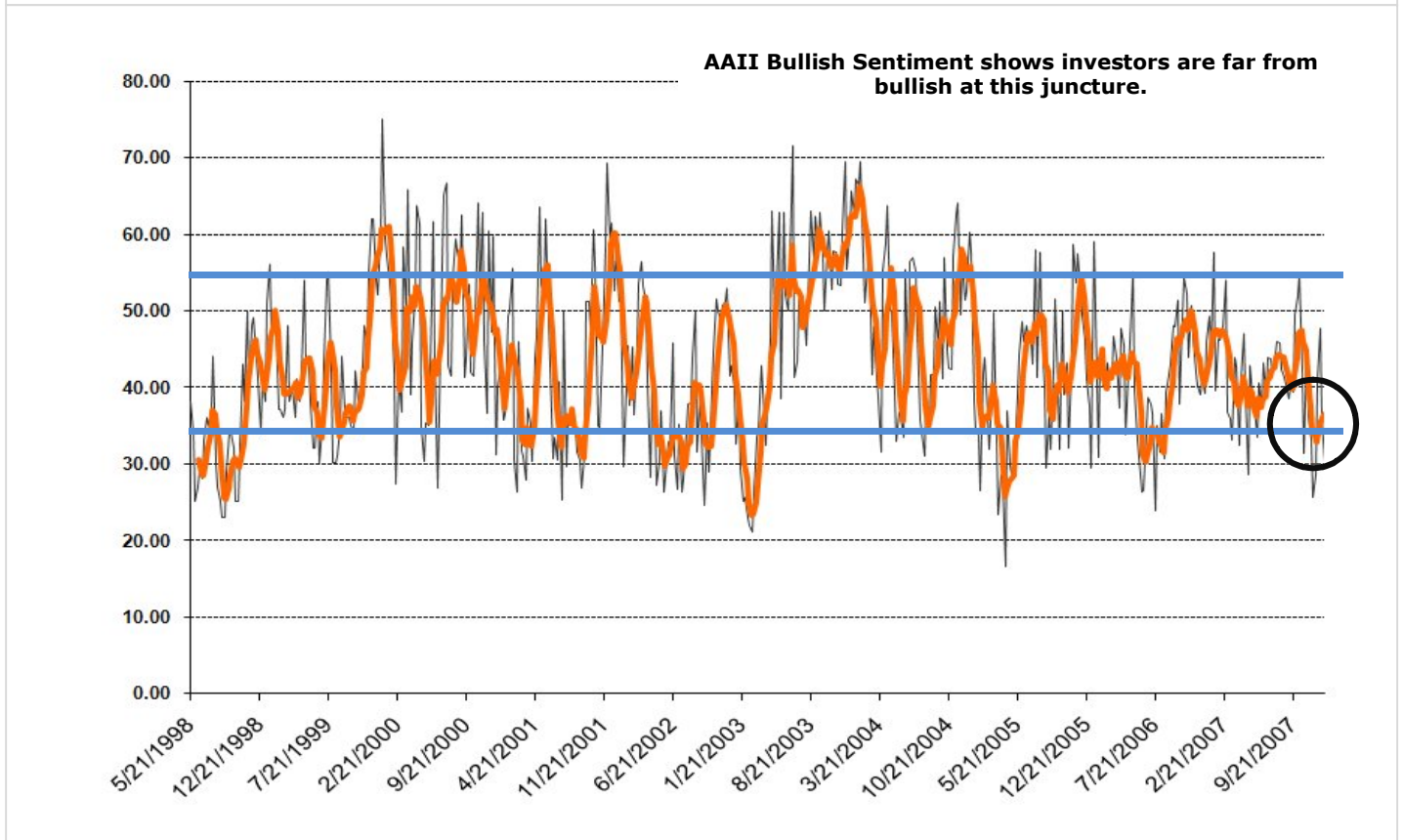
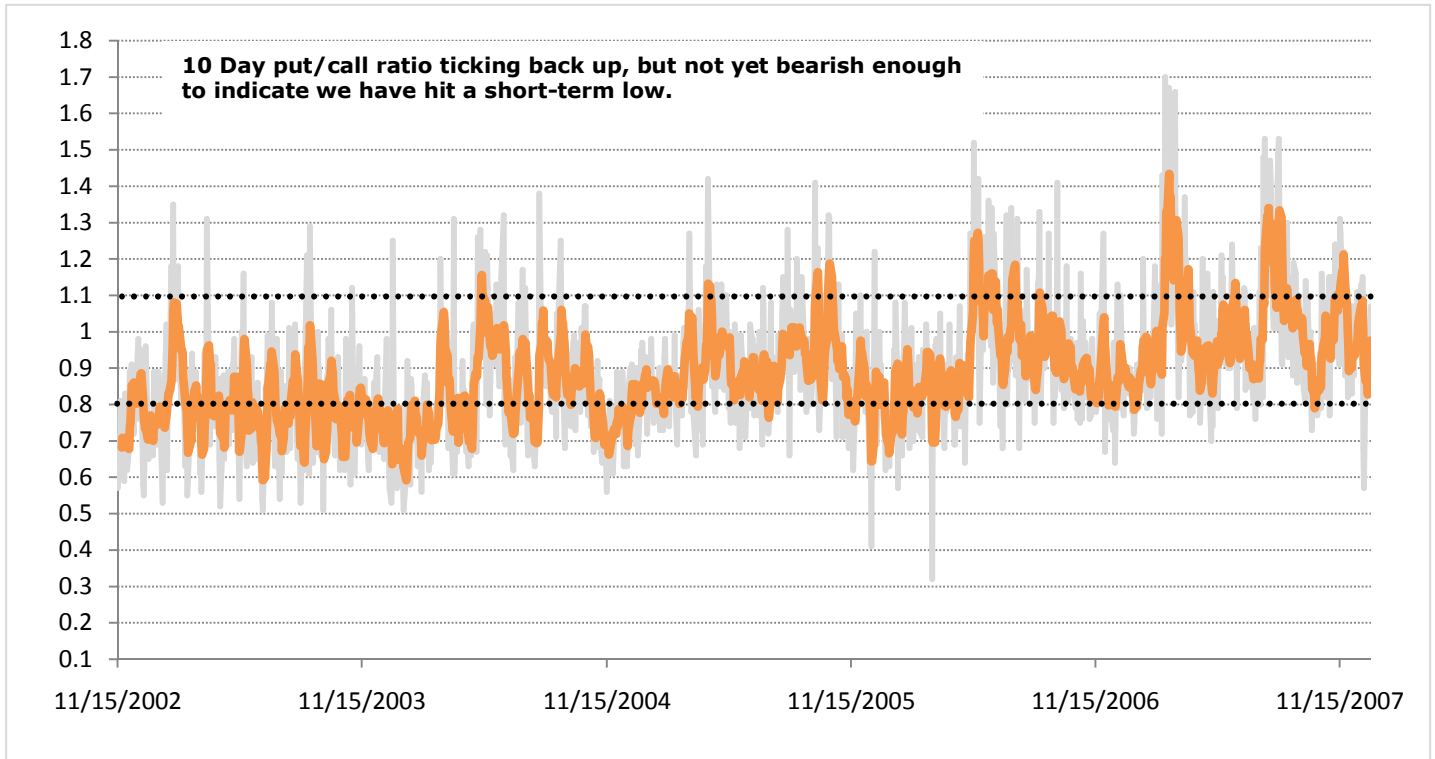
Liquidity



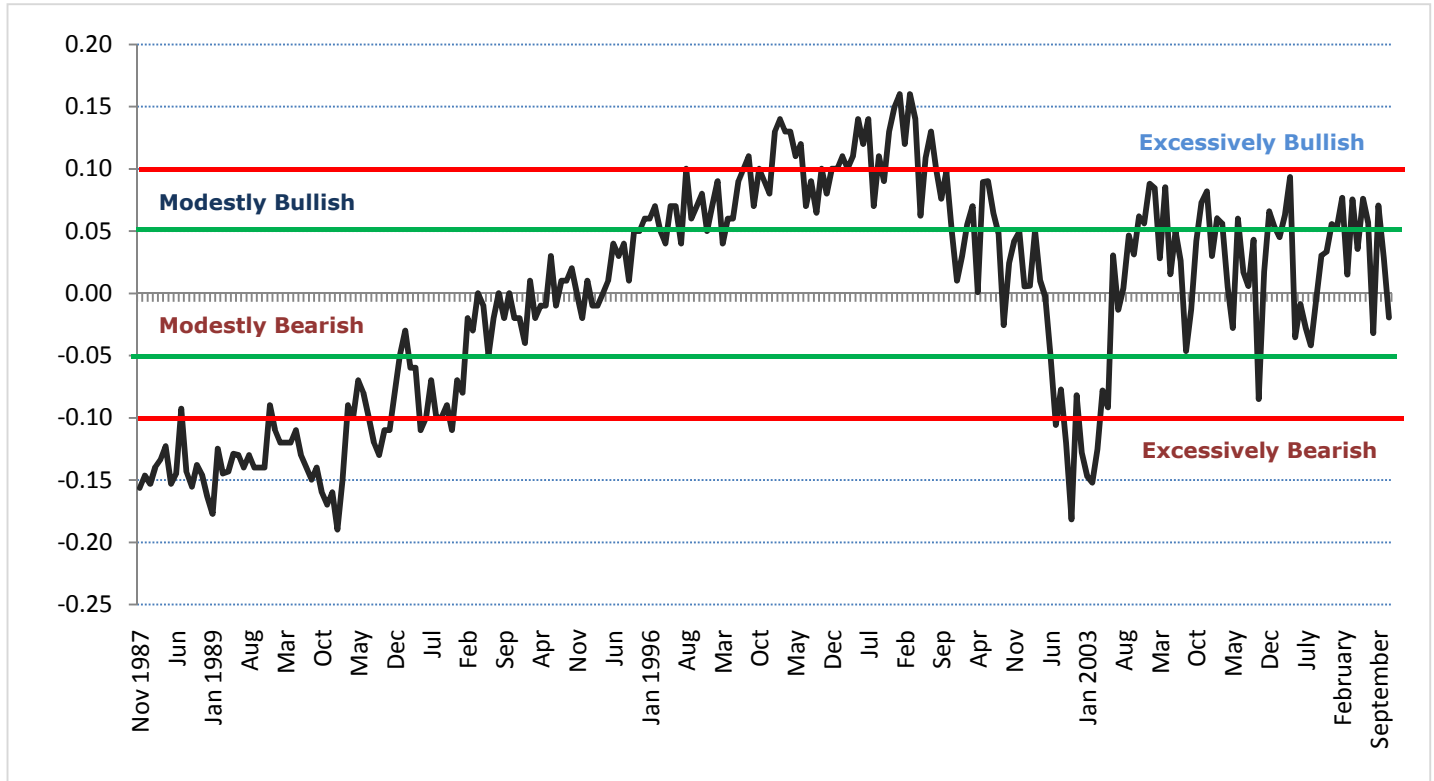
Sentiment



CBOE Equity & Index Put/Call Ratio and AAI Investor Bullish Sentiment Survey

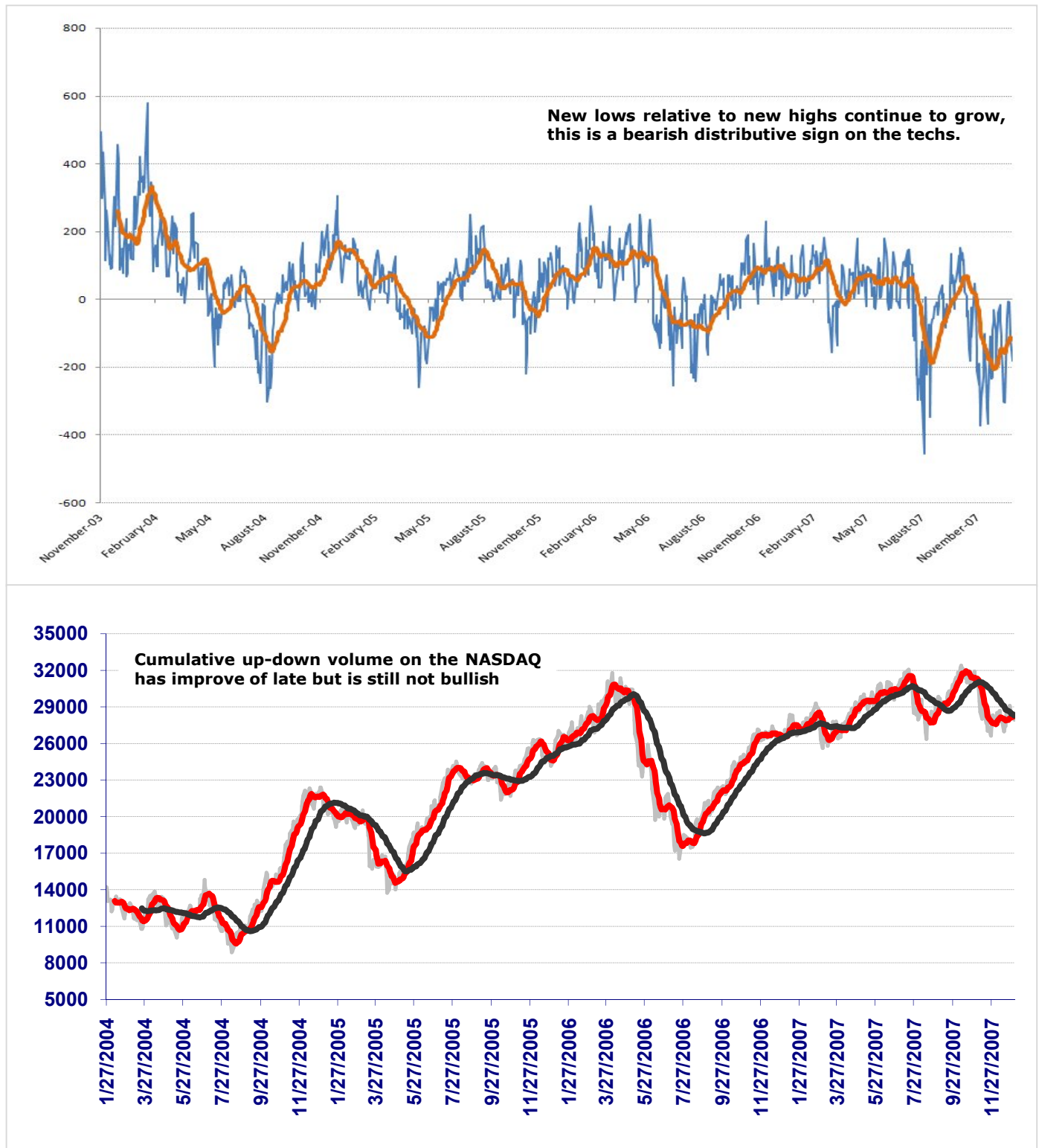


AAII Asset Allocation Survey

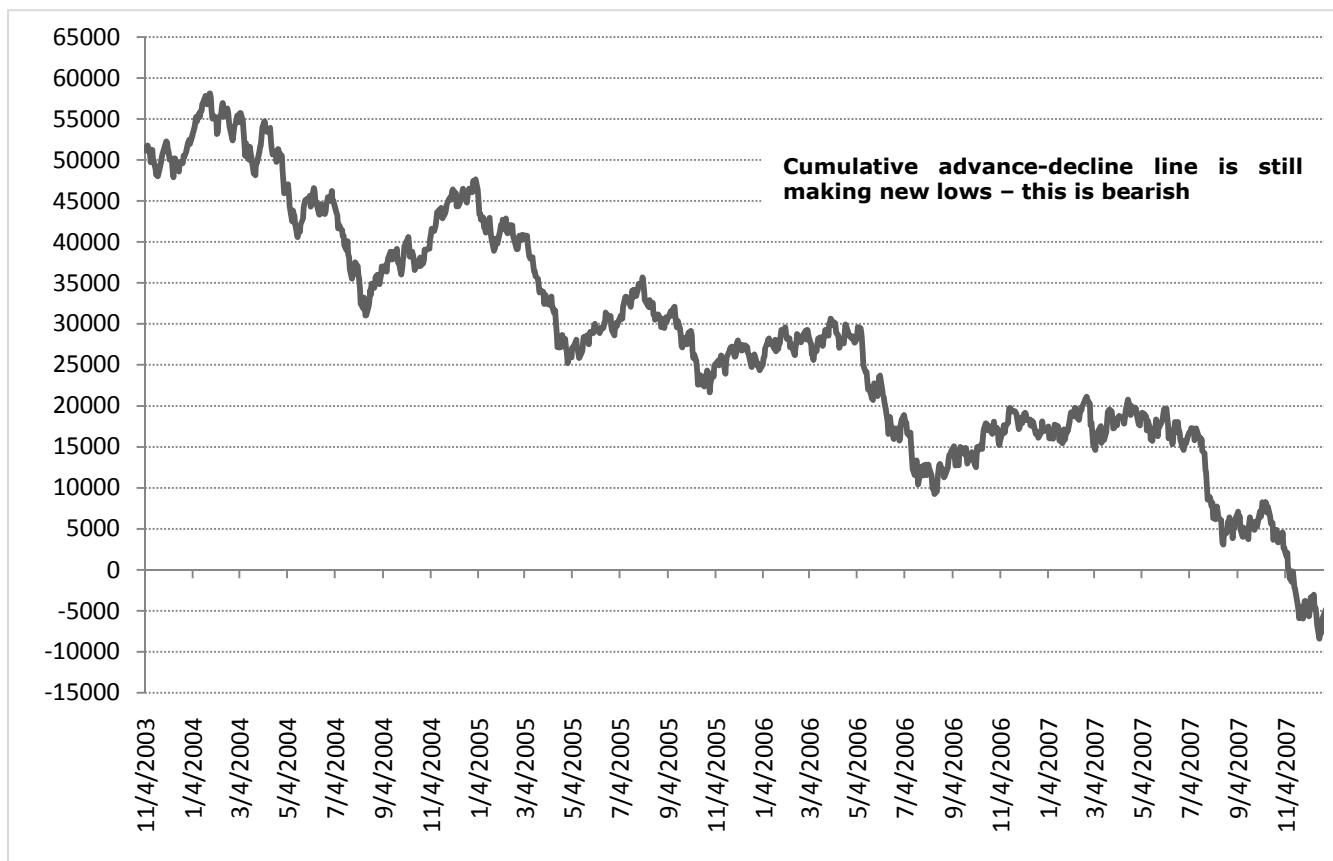


More charts below >>>

NASDAQ 52 Week High-Lows and NASDAQ Composite Up-Down Volume



NASDAQ Composite Advance-Decline Line



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Analyst Ownership:

Kevin Lane – No
Joe Dedona – No

Recommendation History:

Technical Buys – 100%
Technical Sells – 0%
Technical Neutral – 0%

Ratings Explanations:

Technical Buy – Stock should outpace broader market by 15% or greater over subsequent 3-6 months

Technical Neutral – Stock should roughly mirror broader market performance subsequent over 3-6 months

Technical Sell – Stock should under perform broader market by 15% or greater over subsequent 3-6 months