



SG Capital Research

Global Market Insights

Research Note – Sector – ETF Analysis (D)

MAEG – WKLY SECTOR ETF ANALYSIS SG 2010 # DEC 10

For Immediate Release – *Friday AM (EST) or Saturday*

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Daily SPX - “Trend Adjusted Signal”

3x3 /9EMA – Momentum Break Indicator – Long @ 1228 SPX

- Previous long exit was on 11/17 at 1193 from 1105 entry 09/05 for 8%
- If SS from last Sell Signal at 1193 to 1225 = - 2.6%
- DOW still has to trigger so still divergence

Currently “Trend Adjusted Signal “ has Reversal stop @ 1178 SPX & DOW 11430.

Sym	Posn	Close	Reversal
DJ	Short	11372.5	11430.5
SPX	Long NEW	1228.69	1178.34

The Line Break Indicator is purely mechanical Indicator and has proven good for Momentum and Extensions of the markets. Tight trading ranges tend to cause whipsaws, therefore participating in multiple markets can help for diversification in SPX & DOW. (The drawback of strategy is that it can whip saw).

Sector Analysis (D) -

- Detail Coverage for sectors with extremes **SD # + 2.0** or **Special situation (SP)** , highlighted in yellow
- For Commodity based ETF's the Extremes SD # 2.0 should be qualified v/s both CRB and SPX

SECTORS - (34)

GR1 (8)	GR2 (11)	GR3 (12)
<ul style="list-style-type: none"> • TLT (Bonds) (SP) • MUB (Municipal Bond) (SP) • IWM (Small Cap) • EEM (Emerging) • EEA (Europe) • EWJ (Japan) • FXI (China) • RSX (Russia) • IFN (India) • EWH(SP) <p><u>SP – Special Situation</u></p>	<ul style="list-style-type: none"> • XLF (Financials) • XRT (RTH) (Retail) • XLV (Health Care) • XLB (Materials) • XLE (Energy) • XLK / QQQQ (Tech) • XLI (Industrial) • XLU (Utility) • XLP (Staples) • XLY (Discretionary) • XHB (Home Builders) 	<ul style="list-style-type: none"> • SMH (Semis) • BBH (Biotech) • IYT (Transports) • DBA (Agro) • DBB (Base metal) • DBC (Commodity) • GLD (Gold) • SLV (Silver) • GDV (Gold Miners) (SP) • USO (Oil) • JJC (Copper) • SLX (Steel)

Key points -

Previewed GDV as special situation backup for SLV

TLT, MUB, EWH - are Special Situation

• Objective

The Weekly Validated Sector selection is to Setup “ Global Long / Short – Market Neutral ETF Index” –(Equally Weighted) Utilizing SD, POMs & SETUP INDEX within RA / RI framework with composition of ETF's with SD # 1.5 to 2 Overvalued and Undervalued characteristics. Additional direction bias is given via doubling on ETF's with extremes SD # 2 & POM conditions.

The Focus is to derive and compare the Relative performance of various Sector ETFs via using Standard Deviation (SD) Criteria, POM – SPX Methodology as a PIVOT point for start then use with SECTOR / SPX Ratio chart for their “Pattern Recognition and Technical Analysis” for OVERVALUATION AND UNDERVALUATION of Sectors.

Step 1 – Qualify the Sector based on Correlation Ratio Analysis with SPX to determine Standard Deviation (SD # 1.5 to 2) @ extremes level to define “Overvaluation and Undervaluation” of the SECTOR

Step 2 - Overlay this Correlation input data on Sector's Relative strengths based on the SPX –POM latest STATUS as Pivot point to measure Maximum and Minimum strength of the Sector. Validate those ideas via technical Patterns of absolute Charts & SPX Ratio charts of these Sectors for Bullish and Bearish SETUPS via Pattern Recognition, Technical Analysis via second derivative DMA's

Overlay Criteria

- SD # 1.5 /2 ANALYSIS EXTREMES by 365 D Correlation.
- SPX - POM FRAMEWORK as PIVOT by Trend Correlation
- TECHNICAL PATTERNS, 2nd Derivative DMA's & VOLUMES”

- Attached, the Chart list & specific Charts (below). We have selected the charts that has some distinct characteristics and values as the pattern gets completed based on our assessment:
- Selected Sector may have (1) up to (6) Analytic Charts as Titled below
 1. SETUP charts Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W) SMA
 2. SETUP charts Daily – 3 Year with RSI, CCI, MACD (11D / 55D) SMA
 3. Correlation Ratio Analysis with SPX by 365 days Basis
 4. POM Analysis -Technical & Pattern & Price / SMA Analysis
 5. Trend Reversion Analysis – Long Trend Chart (if applicable if R2 is above 75%)
- Charts 4,5, (above) articulates special situation coverage for that specific SECTORS highlighted in the list below

- **SPX – “ POM Signal**

- **At POM 14 & 15, Focus is on +1.5 / +2.0 SD , Currently SPX is at POM 14**
- **At POM 12 & 11 Focus is on -1.5 / -2.0 SD.**

- **Trading & Investment Conclusions**

ACTIONABLE ZONE :

“ Global Long / Short – Market Neutral ETF Index”(Equally Weighted)

- **With composition of ETF's with entry at SD # 1.5 - Overvalued and Undervalued characteristics &**
- **For Direction bias to capitalize on extremes via doubling on ETF's at SD # 2 at appropriate POM conditions.**

WEEKLY SD & TECH PATTERN VALIDATED CONCLUSIONS by – Processes 1,2 - for BEST IDEAS:

- **Overvalued confirmed– SLV, IWM, SMH,**
- **Undervalued confirmed – XLV, MUB, TLT**
- **Non Conformance – RTH, JJC - (See the Ratio charts below for justification)**
- **JJC is not extended above # 1.5 SD with respect to CRB, therefore non conformance**
- **This conclusion to be Utilized with PQV Validation Test for MAEG – E Section**
- **EWI is Special Situation**

Review process (1)- Sectors for Best & Worst on Extreme SD's @ 365D

3X3/ 9EMA – Momentum break Prices indicated for each SD # 1.5 /2.0 Sector listed below

Sector	Indicator	Distance in SD	Target Exit & Reversion to mean	Last Price	3X3 / 9EMA	Net Exposure	Comments
Gr 1							
EEM		0.82	0.04	46.39	\$ 46.5		
IWM	Above +2SD	2.20	0.06	76.79	\$ 75.3		New
TLT	Below -1.5SD	-1.66	0.09	93.72	\$ 95.2		
EWJ		-0.89	0.01	10.61	\$ 10.5		
Gr 2							
XLV	Above +1.5SD	1.66	0.03	37.43	\$ 37.1	-50%	
XLV	Below -2SD	-2.25	0.03	30.99	\$ 30.8	71%	New
XRT (RTH)	Above +1.5SD	1.93	0.03	105.57	\$ 104.6		
XLF		-1.38	0.01	15.62	\$ 15.0	33%	
XLK	Above +1.5SD	1.81	0.02	25.07	\$ 24.7	25%	
XLU	Below -1.5SD	-1.85	0.03	31.00	\$ 31.0		
XLI		1.33	0.03	34.09	\$ 33.7	20%	
Gr 3							
IYT	Above +1.5SD	1.78	0.07	92.01	\$ 90.7		
JJC	Above +2SD	2.09	0.04	54.08	\$ 52.7		New
SLV	Above +2SD	2.69	0.02	28.03	\$ 28.0		
GLD		1.00	0.10	135.37	\$ 136.2		
SMH	Above +2SD	2.89	0.02	33.00	\$ 32.3		
IFN		0.89	0.03	36.63	\$ 37.3		
GDX		1.48	0.04	61.43	\$ 61.6		
MUB sp	Below -2SD	-2.55	0.09	99.48	\$ 101.0		special situation
USD		-0.99	0.03	37.94	\$ 37.6		
BBH		-1.36	0.09	98.25	\$ 98.5		
		Primary Index Net Exposure				19%	
		POM 14 Re Run 3					

- From (34) Sector list , The green highlights are Newly added and the ETF's with SD # 2 is qualified for further review for extremes of over (Sell) / under (Buy) valuation v/s SPX & **CRB (if applicable)**– within our Expectancy Model

Ticker (Exited from Previous weeks)	Comments

Global Long / Short – Market Neutral - ETF Index with SD # 1.5 and above

SD -TECH VALIDATED MARKET NEUTRAL ETF INDEX (Directional Bias only at Externe POM's)

Ticker	Entry date	Last Price	Validated Test price	P/L Since the Test	Comments
SHORTS					
EEM	12-Nov-10	46.39	47.20	1.73%	
EEM	12-Nov-10	46.39	47.20	1.73%	
IwM	25-Nov-10	76.79	73.73	-4.15%	
IwM	10-Dec-10	76.79	76.79	0.00%	New
XLY	15-Oct-10	37.43	34.71	-7.84%	
RTH	15-Oct-10	105.57	99.54	-6.06%	
RTH	25-Nov-10	105.57	103.47	-2.03%	
XLK	20-Oct-10	25.07	24.00	-4.46%	
XLK	25-Nov-10	25.07	24.49	-2.37%	
IFN	12-Nov-10	36.63	39.11	6.34%	
IFN	7-Nov-10	36.63	36.02	-1.69%	
SMH	12-Nov-10	33.00	30.87	-6.90%	
SMH	25-Nov-10	33.00	31.68	-4.17%	
IYT	15-Oct-10	92.01	84.90	-8.37%	
JJC	2-Dec-10	54.08	52.39	-3.23%	
JJC	10-Dec-10	54.08	54.08	0.00%	New
SLV	10-Nov-10	28.03	27.00	-3.81%	
SLV	15-Oct-10	28.03	23.75	-18.02%	
GDX	15-Oct-10	61.43	58.19	-5.57%	
GDX	25-Nov-10	61.43	59.67	-2.95%	
XLI	15-Oct-10	34.09	32.43	-5.12%	
GLD	15-Oct-10	135.37	133.68	-1.26%	
CLOSED SHORT POSITIONS				15.26%	
EQ WT SHORT P/L				-2.86%	
LONGS					
XLV	15-Oct-10	30.99	31.15	-0.51%	
XLV	10-Dec-10	30.99	30.99	0.00%	New
XLU	12-Nov-10	31.00	31.50	-1.59%	
XLF	12-Nov-10	15.62	15.15	-3.07%	
XLF	25-Nov-10	15.62	14.63	-6.73%	
TLT	12-Nov-10	93.72	96.38	-2.76%	
MUB	19-Nov-10	99.48	100.98	-1.49%	
MUB	10-Dec-10	99.48	99.48	0.00%	New
BBH	15-Oct-10	98.25	96.76	1.54%	
EWJ	15-Oct-10	10.61	10.22	3.77%	
USO	15-Oct-10	37.94	35.47	6.96%	
CLOSED LONG POSITIONS				10.61%	
EQWT LONG P/L				2.39%	
15th OCT 2010 INCEPTION					
SD - TECH SETUP EQUAL WEIGHTED LONG SHORT INDEX				EQWT AGG P/L Short Bias	-0.23%
INCEPTION @ SPX 1180 to Current 1233				SPX CHANGE	-4.49%

• **SECTOR SETUP INDEX** +63, +78, +100%, + 83% (past 4 weeks)

(Currently for monitoring purposes only, we will establish . correlation as we go forward with POM 13)

• **EQUITY SETUP INDEX :** +19%, 21%, 18%, +16% (past 4 weeks)

• POM – 14 re run

<u>SETUP # 1</u> <u>(22 of 31)</u>	<u>% away from</u> <u>Gold .Cross</u>	<u>SETUP # 2</u> <u>(2 of 31)</u>	<u>% away from</u> <u>Dead. Cross</u>	<u>SETUP # 3</u> <u>(0 of 31)</u>	<u>% away from</u> <u>40wk</u>	<u>SETUP # 4</u> <u>(3 of 31)</u>	<u>% away from</u> <u>40wk</u>
EEM	15%	EWP	(-3%)			GDX	36%
XLF	6%					SLV	123%
SMH	22%					GLD	61%
XLE	18%						
XLY	19%						
XLI	15%						
XLK	13%						
XLB	15%						
XLU	3%						
XLP	8%						
IYT	19%						
BBH	2%						
XRT	23%						
JJC	23%						
IWM	17%						
USO	6%						
DBC	14%						
XHB	7%						
SLX	14%						
DBA	21%						
IFN	19%						
RSX	15%						

TLT / MUB - BONDS

- Bonds not impressed with recent events of proposed measures to stimulate the economy. Stocks are interested in the economy. Bonds are interested in the deficit and the ability to pay for it. More debt means more bonds and therefore we saw this larger correction.
- The QE -2 purchase of large amounts of treasury bonds to drive long-term interest rates lower as an aid to the economic recovery. But bonds continue to defy the Fed's goal, with interest rates on bonds rising (bond prices falling) since the Fed first began talking about QE2 in early September.
- The 30-year bond has fallen 9% in value since early September and been pulling money out of bond funds. If bonds now become too out of favor we'll begin looking for a bottom.
- Municipal bonds, which have already stumbled earlier now also testing some key areas.

ETF's Qualified for SD # 2 - Overvaluation by POM Methodology.

- **TLT - Weekly- 3 Year with RSI, CCI, MACD**
(11 W / 40 W SMA)

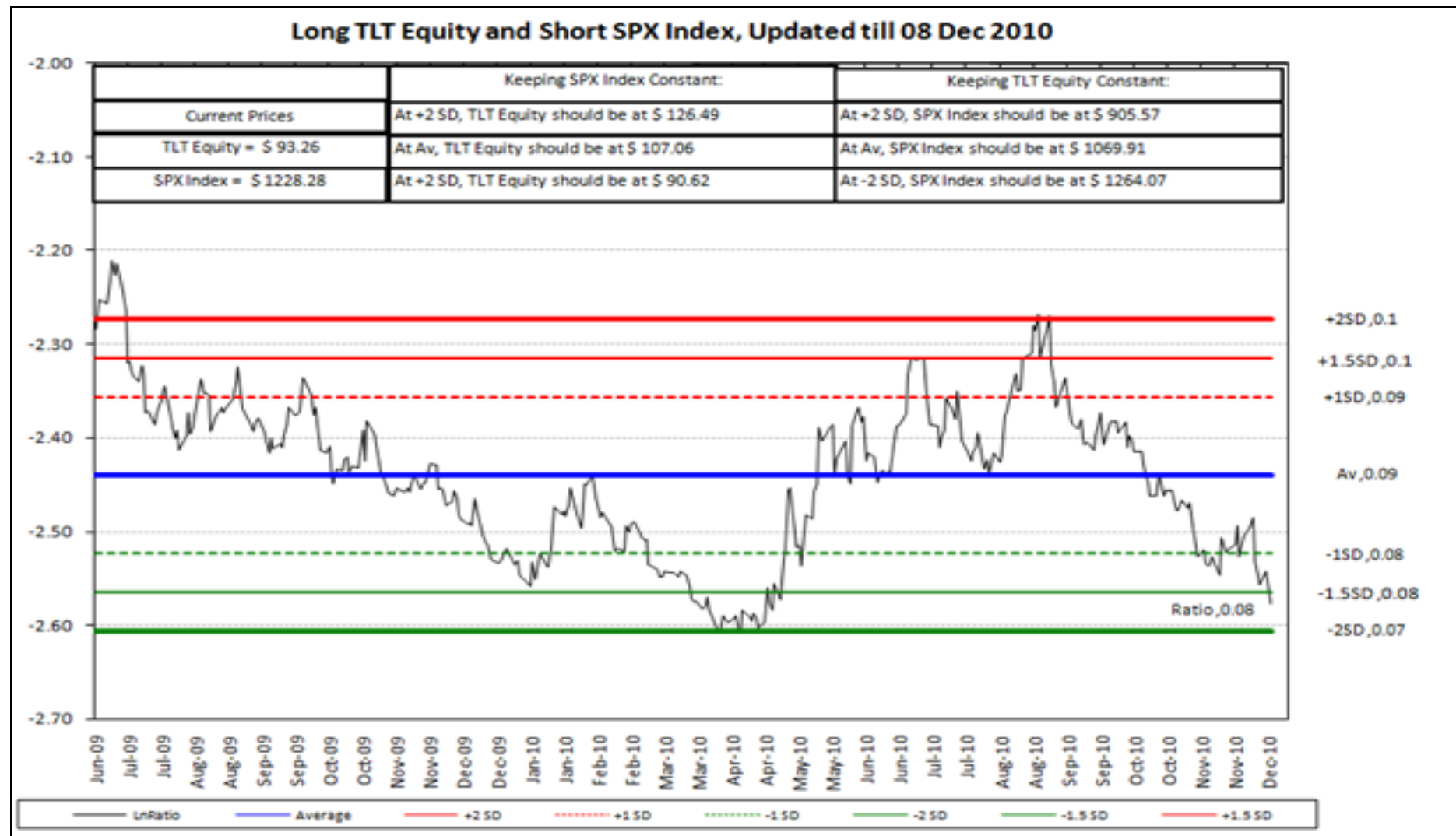


TLT - Daily – 3 Year with RSI, CCI, MACD (11D / 55D)



TLT – Correlation Ratio Analysis with SPX – 365 days Time basis

We were watching this carefully for SD# - 2 , for undervaluation Zone



Treasury Bonds - Our downside target we have been giving past 2 weeks is being achieved at PEC D bottom. - if SD # 2 & POM 's lines up , We may re visit this market on buy side with TLT.

2 – TLT- POM – ST - Price , Volume & Pattern Analysis

TLT –Our price target of 89 - 90 should be CZ by POM / PQV . If SD # 2 / PQV qualifies , might give a next good signal on POM along with PEC D. CCI broke into negative territory in late October and has been oversold throughout November. This is a classic case of becoming oversold and remaining oversold. Broken resistance around 89-90 marks the next support zone.



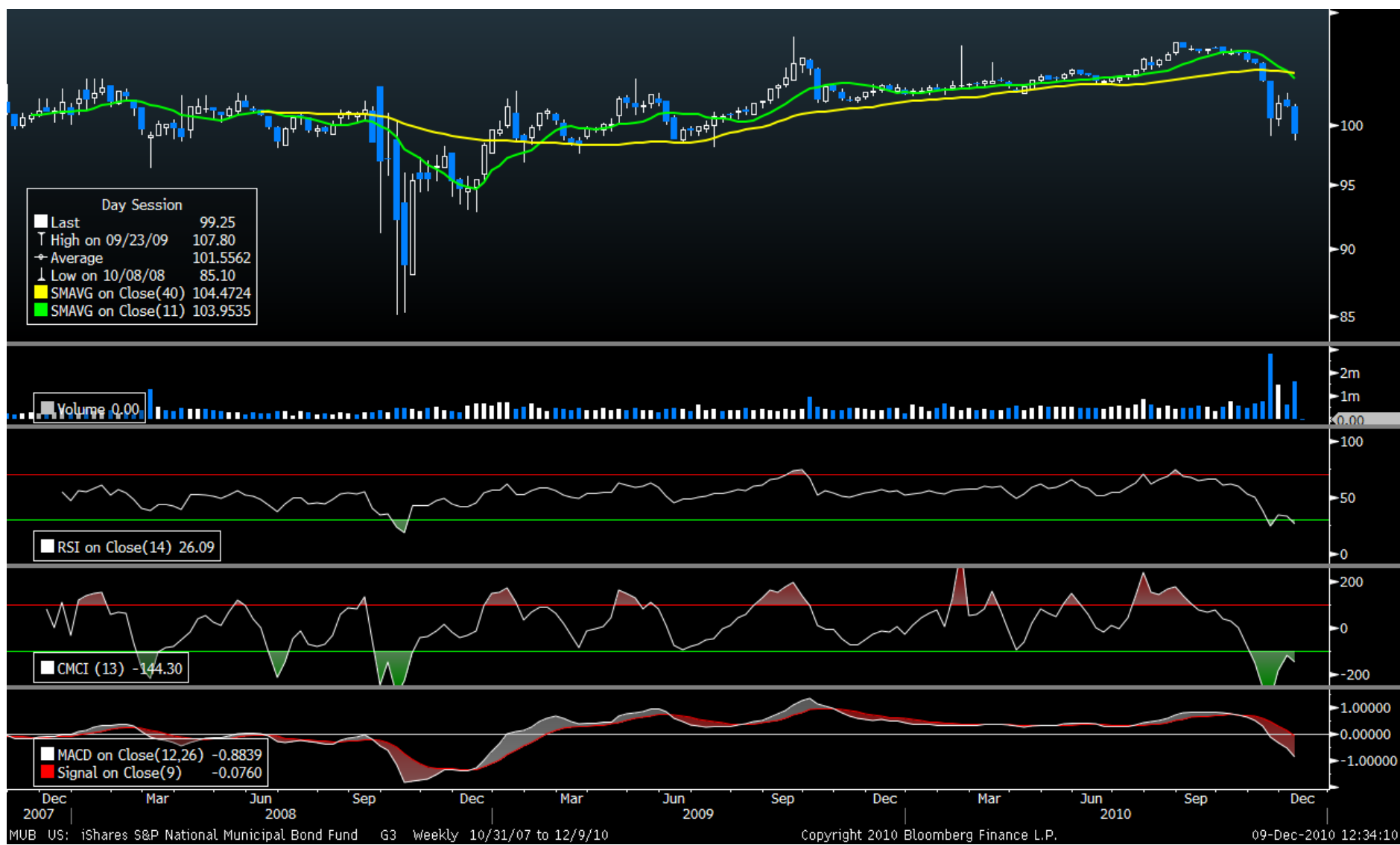
2 – TLT- POM – ST - Price , Volume & Pattern Analysis

TLT –Our price target of 89 - 90 should be CZ and test to be with 40 M shares weekly

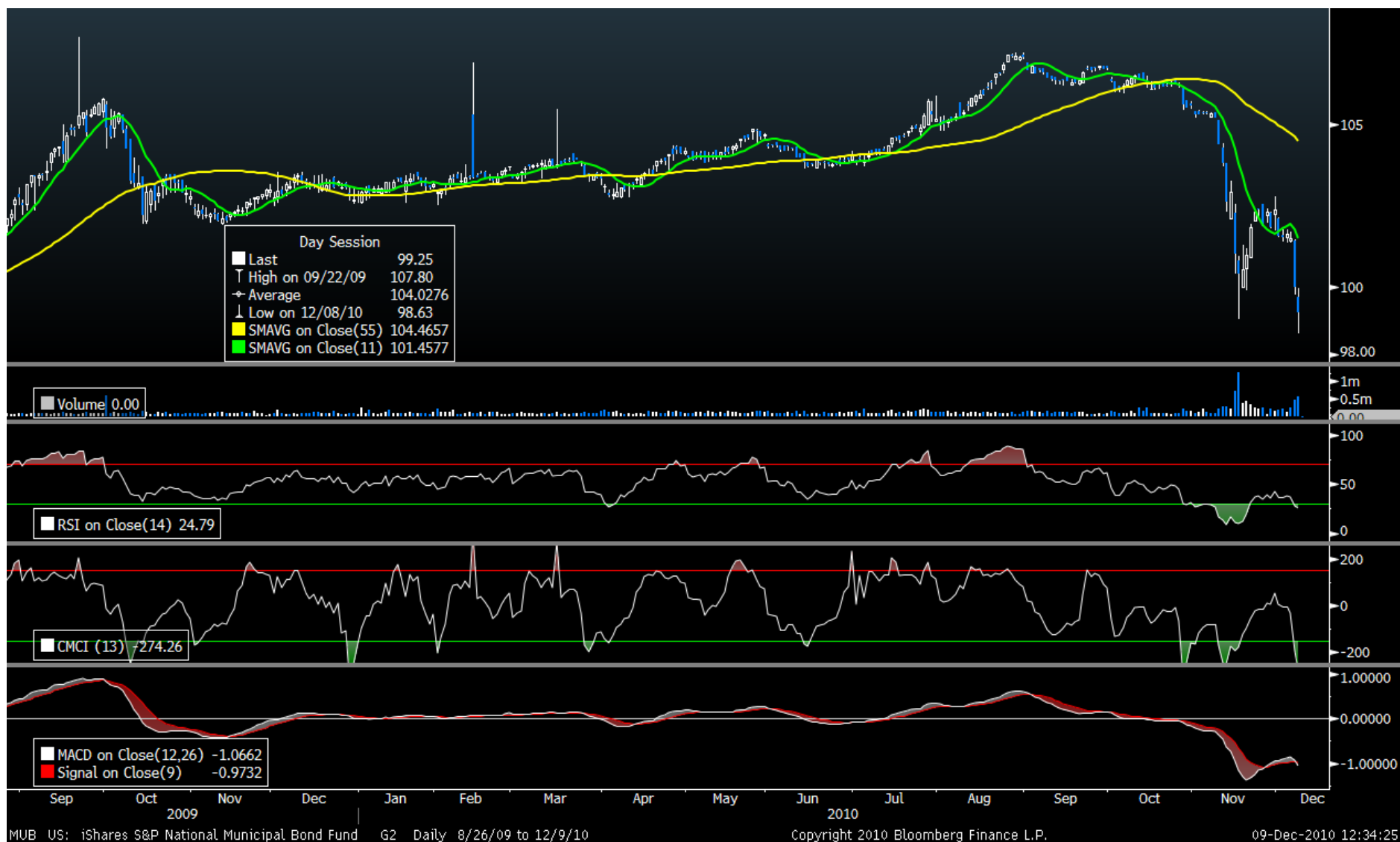


ETF's Qualified – Special situation

1- MUB - Weekly– 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

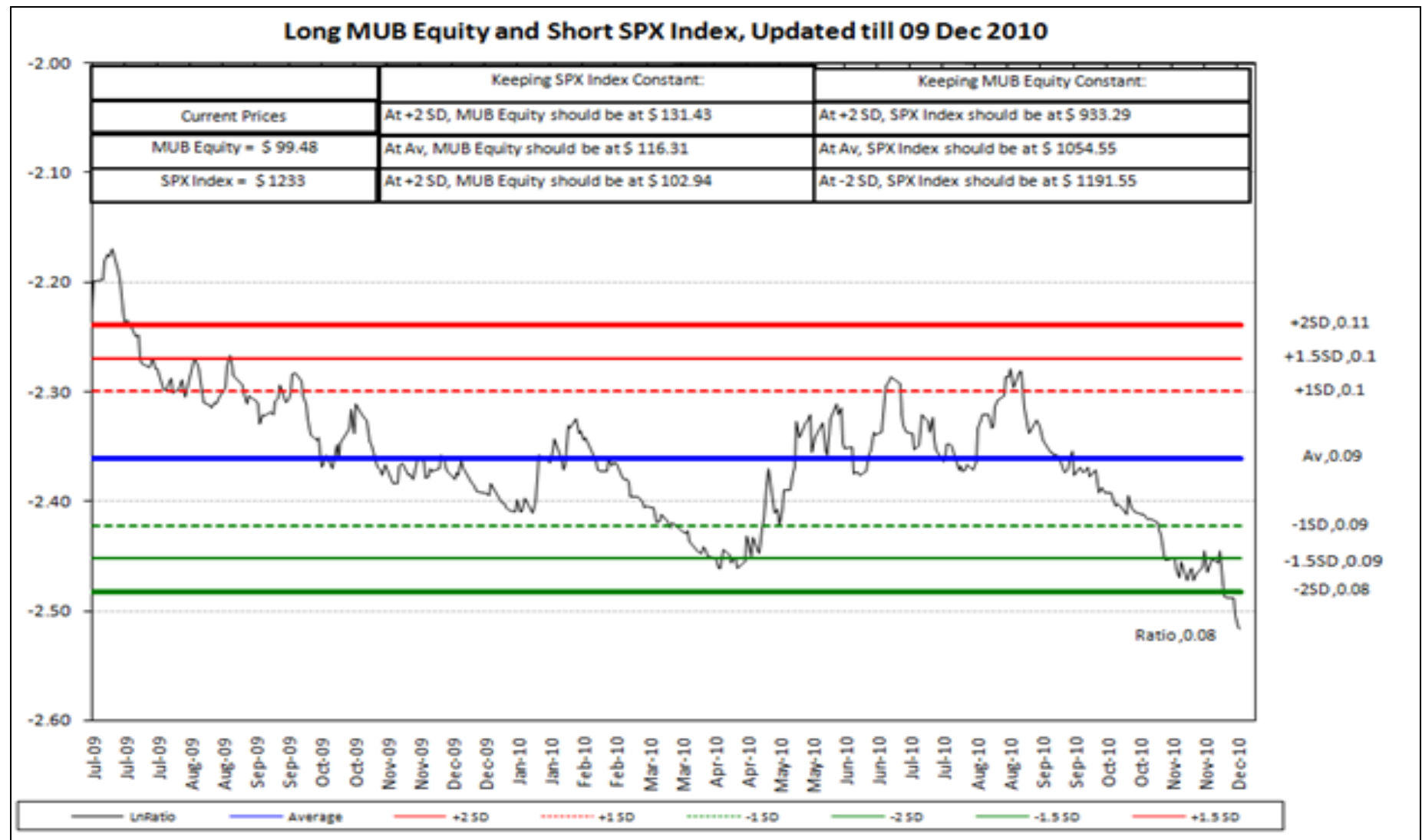


1- MUB - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



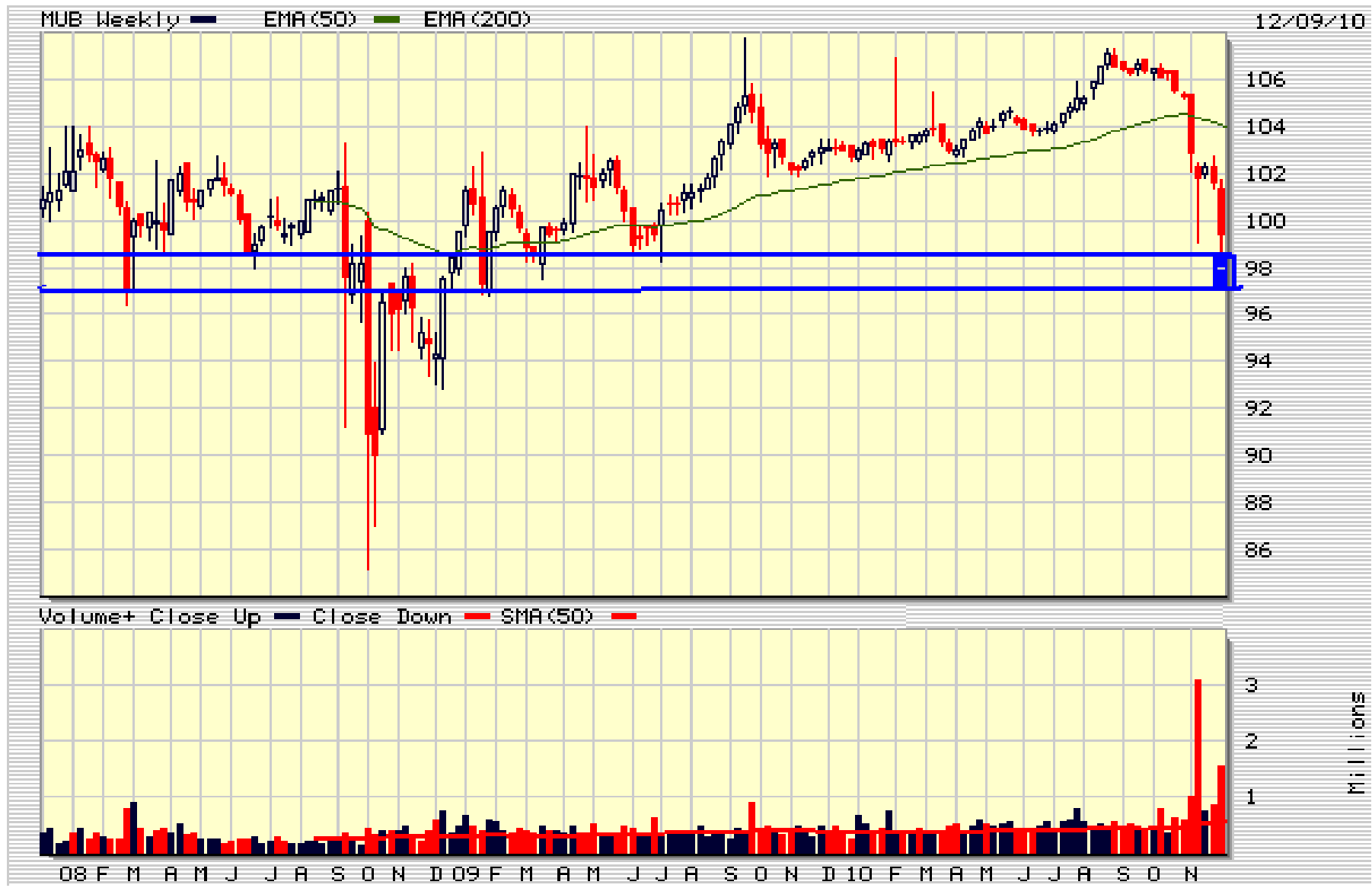
MUB – Correlation Ratio Analysis with SPX – 365 days Time basis

SD # 2.0 has just reached extremes



MUB – 3 Yrs - Technical & Pattern Analysis –

Long term CZ 97- 98 is being tested, however we had a climax volume at lows

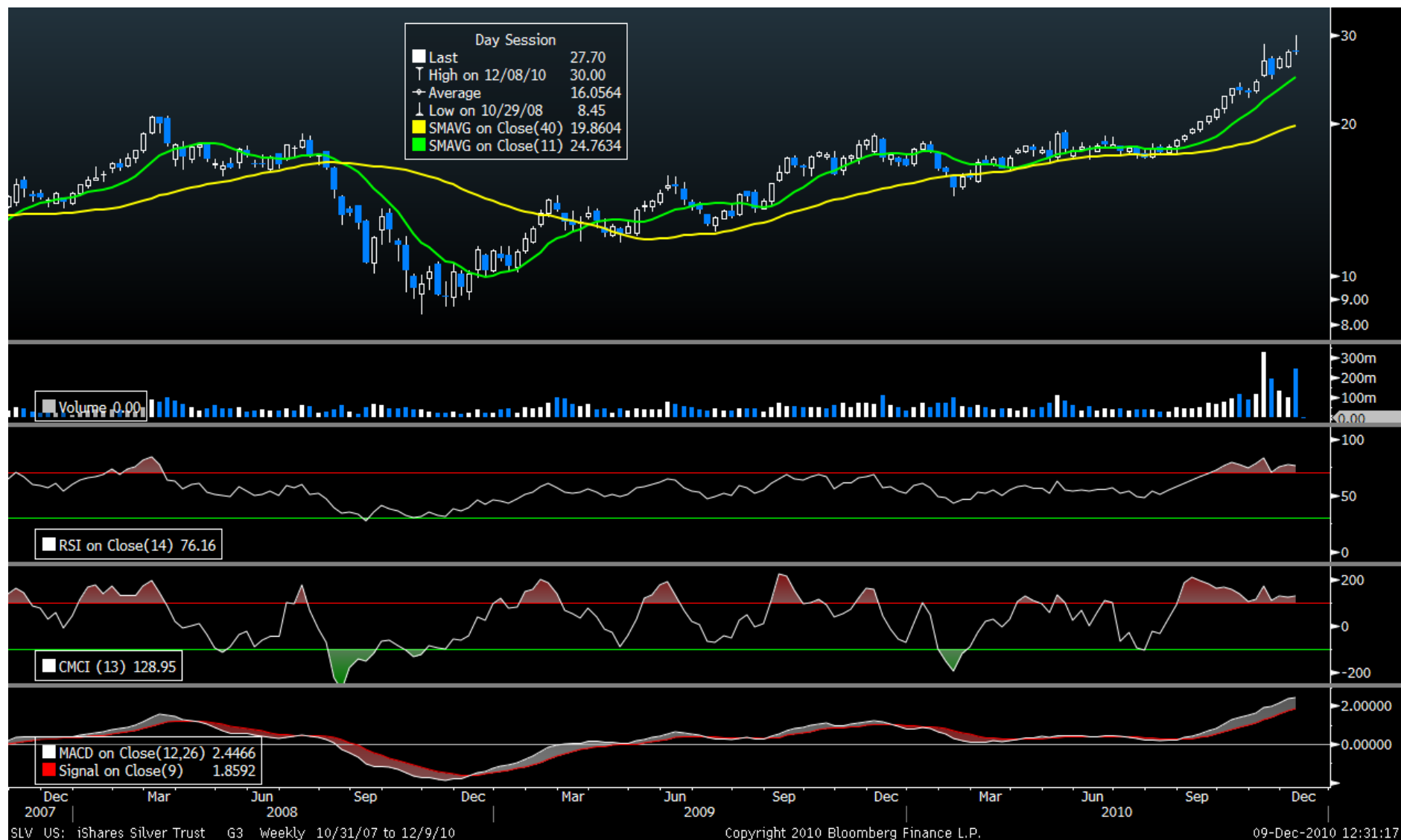


MUB – 3 Yrs - Technical & Pattern Analysis –

Currently very oversold. SD is at - 2.0 undervalued. **In fact this is classic example of how the high volume reversal gets tested after the bounced** as we had indicated in our previous report. The test of 99 was with 40% lighter volume but 3X3 increased, suggest the new lows of 98 should be tested again in **the CZ 97-98 at 350k volume, if rejected and close above 99 should give a bullish signal**. RSI has diverged bullishly on the 2nd re test, this is bullish as well we will move this **in our PQV report with CZ** in the PQV Validated watch list, this is slow moving but may get some Yield with it (Stop outside CZ)

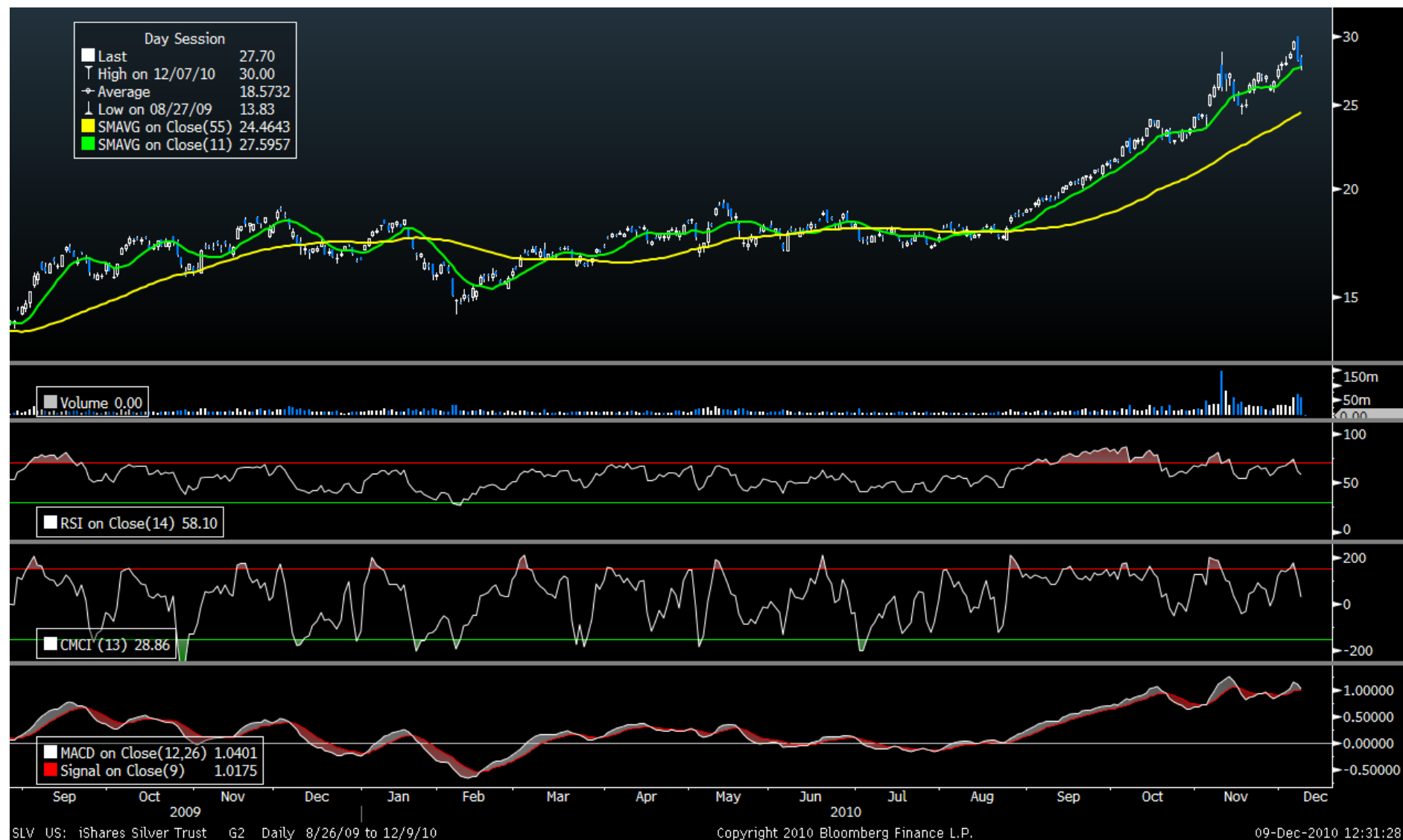


- **SLV - Weekly- 3 Year with RSI, CCI, MACD**
(11 W / 40 W SMA)



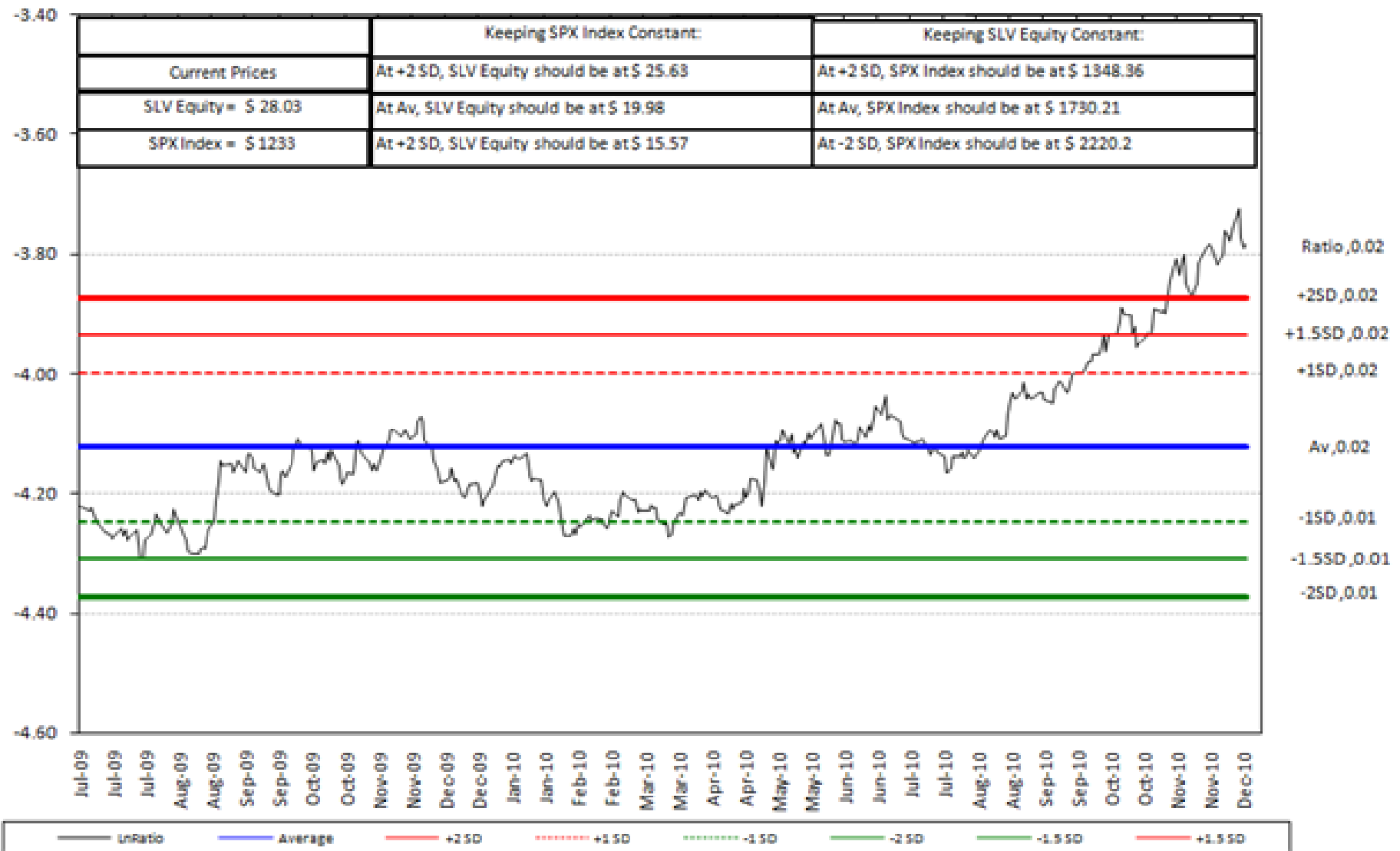
SLV - Daily - 3 Year with RSI, CCI, MACD

(11D / 55D)



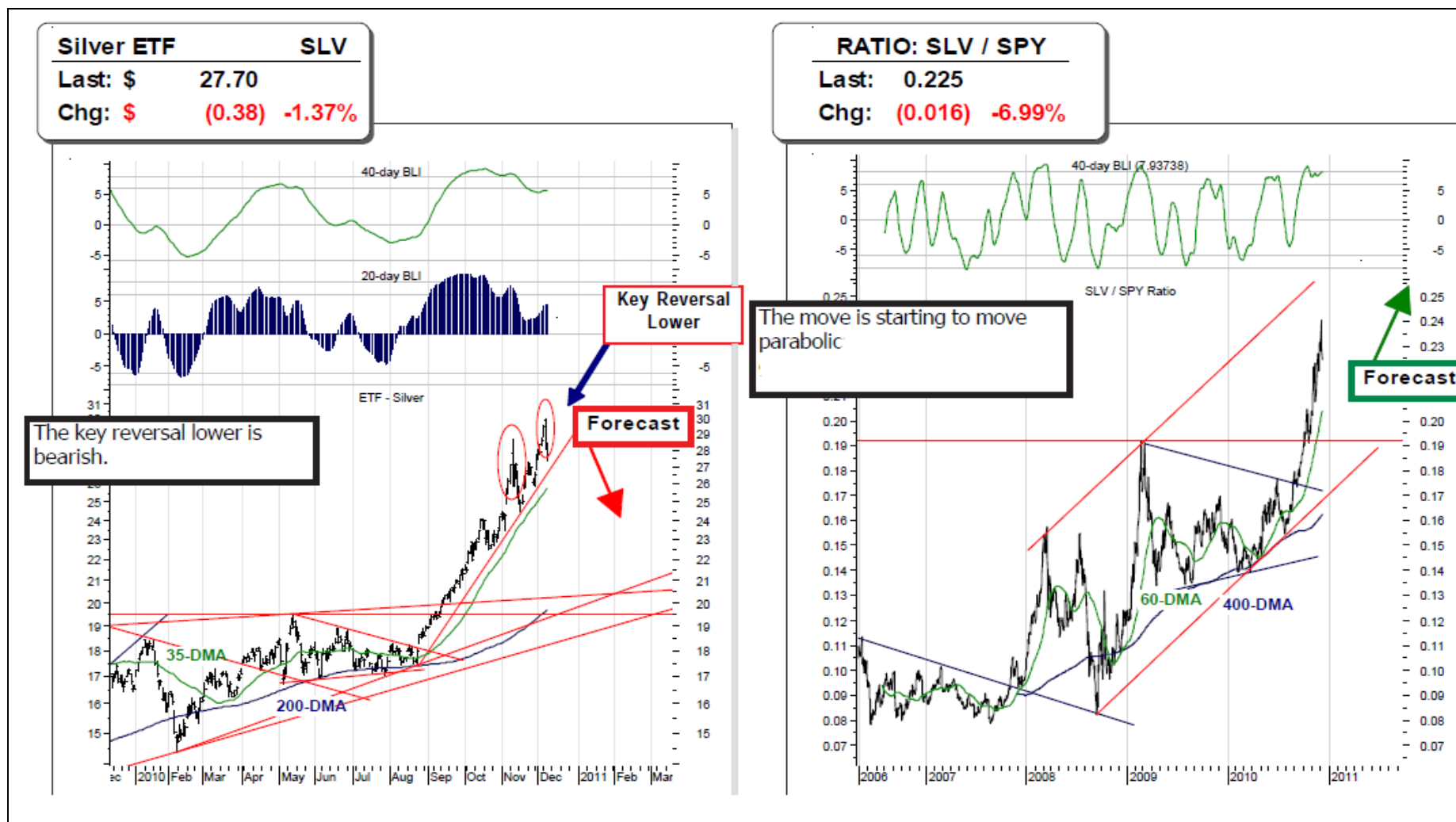
SLV – Correlation Ratio Analysis with SPX – 365 days Time basis

Long SLV Equity and Short SPX Index, Updated till 09 Dec 2010



1 – SLV- Pattern & Trend line Analysis

The SLV / SPX ratio chart looks bearish and should trend down in RH side chart below, confirms the relative fall in SLV / SPX (hence overvalued) by this matrix in Sync with SD Analysis.



Inter market Analysis with GDX, SLV

- In search of clues to support the thinking on SLV top and its stoppage above the extended crossed line of false break upside, GDX gave a better clue for rejection of highs
- Stoppage of highs by GDX resulted in 2nd Double Bearish Engulfing with Huge price spread of 10% from highs to lows in SLV
- For the break below we continue to look for clues from GDX and this week's closing price and 3X3 / 9EMA closes are critical. Once the decline begins here SLV will follow.
- Now the Analysis below on SLV are on its own independent to get all sides of the story but should be viewed in concert with above key points
- To summarize if we had our way in market (Which we don't) GDX to close another \$ 1.00 point by Friday, SLV by 70 cents would be weekly bearish
- Like any other processes POM , PEC, GIC, PQV has its limitations and Probability
- On the Risk Reward Scale, the highs can very well be above the 2nd Bearish Engulf, where the back is against this wall

1- SLV – Technical & Pattern Analysis & Price / Volume

SLV - POM 15 at 27 on 11/10. - The first Target of pull back was achieved at 25, leaving behind a heavy volume, while the RSI diverged bearishly on that fall & rise suggest the trend has shifted to downside. The bigger trend is down, MACD has crossed over

The bounce on lighter volume put in another (very rare extended Double Bearish Engulfing and came right back, The area marked with pink line 1 with lighter volume compared to previous highs line 2 and failed. This could set up next ABC down. and the 2 - highs are exhaustion highs. This is a failure. 3X3 / 9EMA is at 28, close below would bearish. The volume at line 3 on this decline 2 days ago picked up suggests bearish scenario.

On bigger scale, SLV broke 20 – 22 on higher volume along with previous 2 occasion hit the swing on high volume suggests that 20 – 22 could stop the fall below, that should be a equilibrium (Mid term) target



1- SLV – Weekly - Technical & Pattern Analysis & Price / Volume

Weekly signal in such cases tends to be more confirmation – On weekly chart below, A close under (pink line of 1st reversal highs at 27 would suggest a good strong Bearish signal. Mostly weekly volume today should come in with 40 % -50% lighter compared the test of green line at reversal 28.75 highs

3X3 / 9EMA is at 28 a break below would be bearish as well and good confirmation



1- GDX Daily - For clues Technical & Pattern Analysis & Price / Volume POM's

See the chat below – GDX closed below the pink trend line 3 with heavy volume indicated in blank suggest the down side force, earlier the top came in pink line 1 compared to 2 (from exhaustion with lighter volume) . **This is a failure. 3X3 / 9EMA is at 61.25 close under would bearish**

The first Target of pull back was achieved at 58 then 54 , leaving behind a heavy volume (Indicates this area will be tested again), whiles the RSI diverged bearishly on that fall & rise . Now the bounce on lighter volume put in double top, The area marked with top pink line with lighter volume compared to previous highs and failed. This could set up next ABC down. The bigger trend is down , MACD has crossed and the highs of 64 exhaustion volume.



.. GDX – Weekly - For clues Technical & Pattern Analysis & Price / Volume

Weekly signal in such cases tends to be more confirmation – On weekly chart below, A close under (green line of 1st natural highs at 60.75 would suggest a good Bearish signal. Mostly weekly volume should come in with 40 % - 50% lighter compared the test of pink line at reversal 63.75 highs

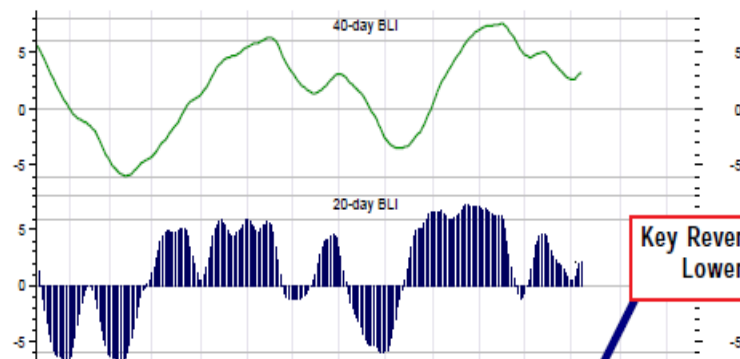
3X3 / 9EMA is at 61.25 a break below would be bearish as well and good confirmation



GDX – - For clues Technical & Pattern Analysis & Price / Volume

Gold Miners GDX

Last: \$ 61.20
Chg: \$ (1.18) -1.93%



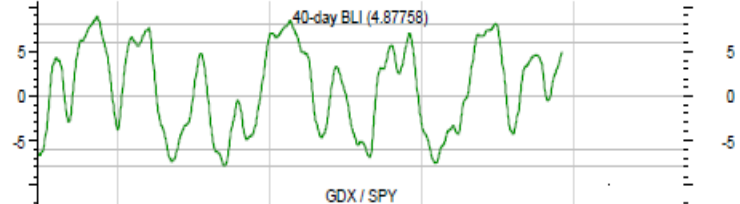
Key Reversals
Lower

The second key reversal lower
suggests a topping phase.



RATIO: GDX / SPY

Last: 0.496
Chg: (0.023) -4.69%



The bearish wedge is
ongoing

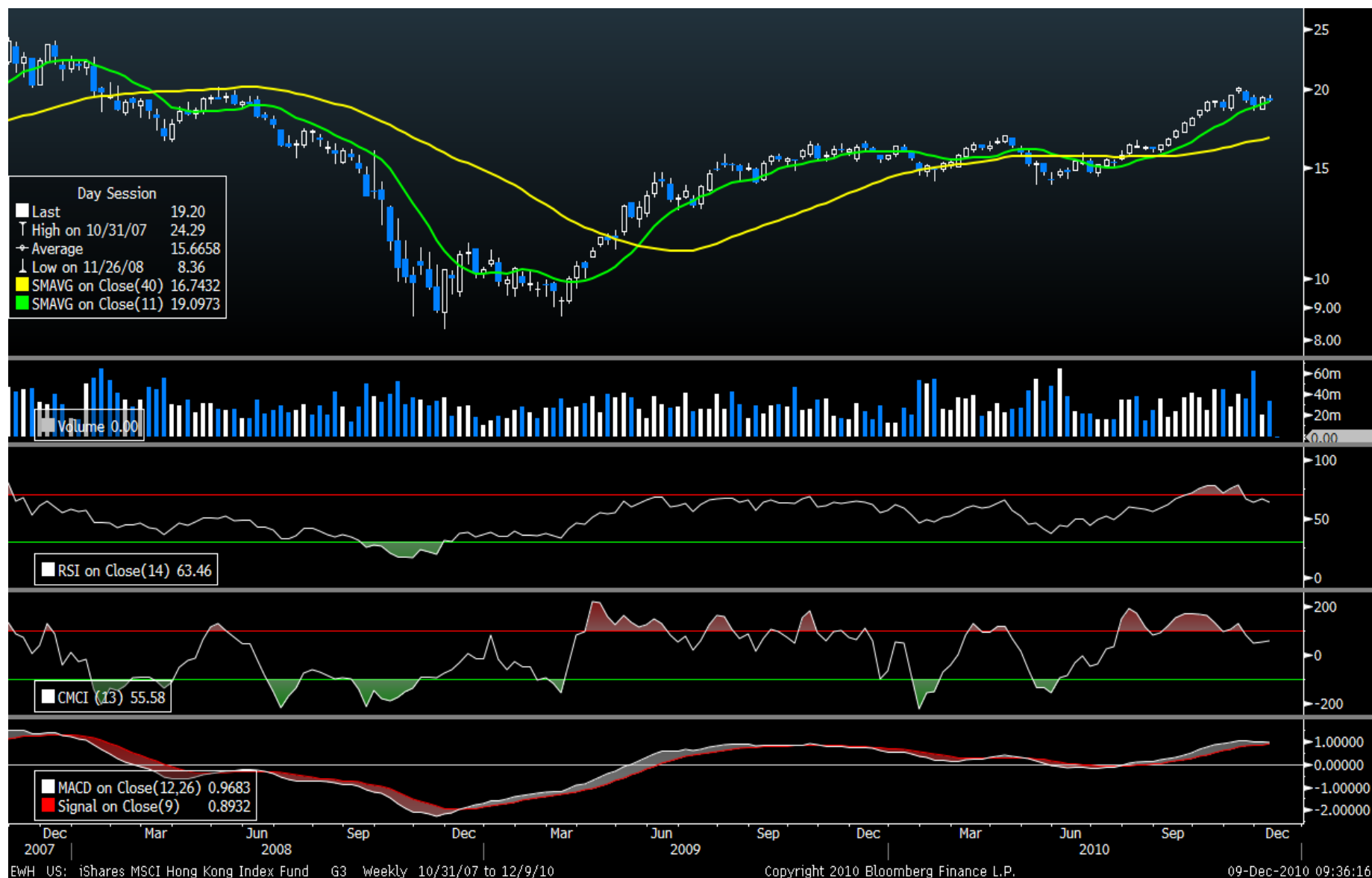
Forecast



EWH- POM – LT / ST – Key points

- Due to growing bubble in China, let us visit Hong kong market ETF – EWH
- EWH is closely correlated EEM and EEM is closely correlated with SPX on downside when SPX signal is at POM 15, EEM / EWH acts with the texture of POM 14. and we do not have POM 15 Signal yet on SPX.
- However our indept Analysis suggest on Buys Side - SPX 's POM 11,12 are closely related with the buys of EEM / EWH 's.
- SD # Levels on EWH is at # 1.25 SD, but any bounce should take to Target Zone into +2.0 SD, we should monitor this
- Charts below gives different possibility in different time frame with volume study

1. EWH - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

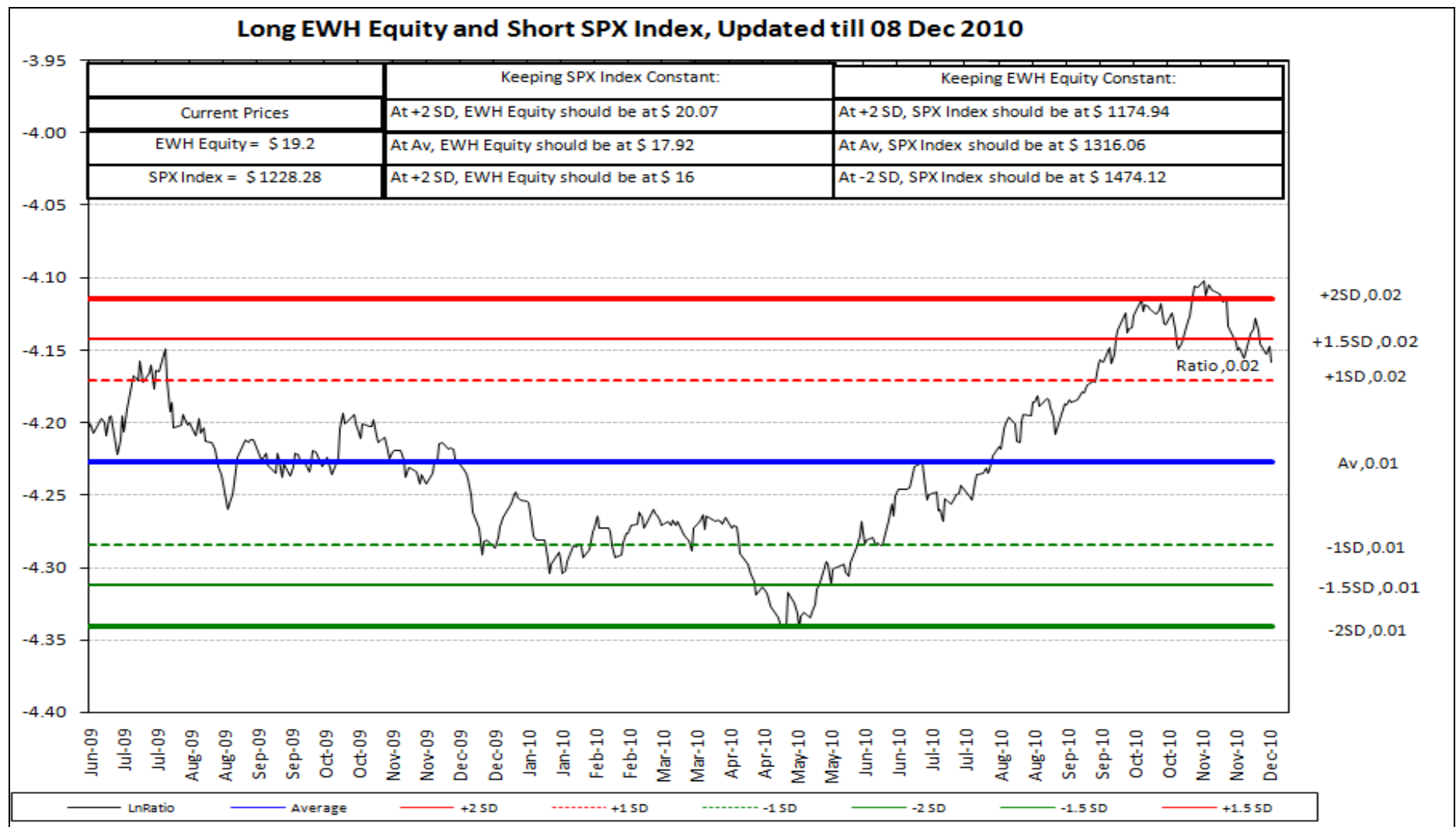


EWJ - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



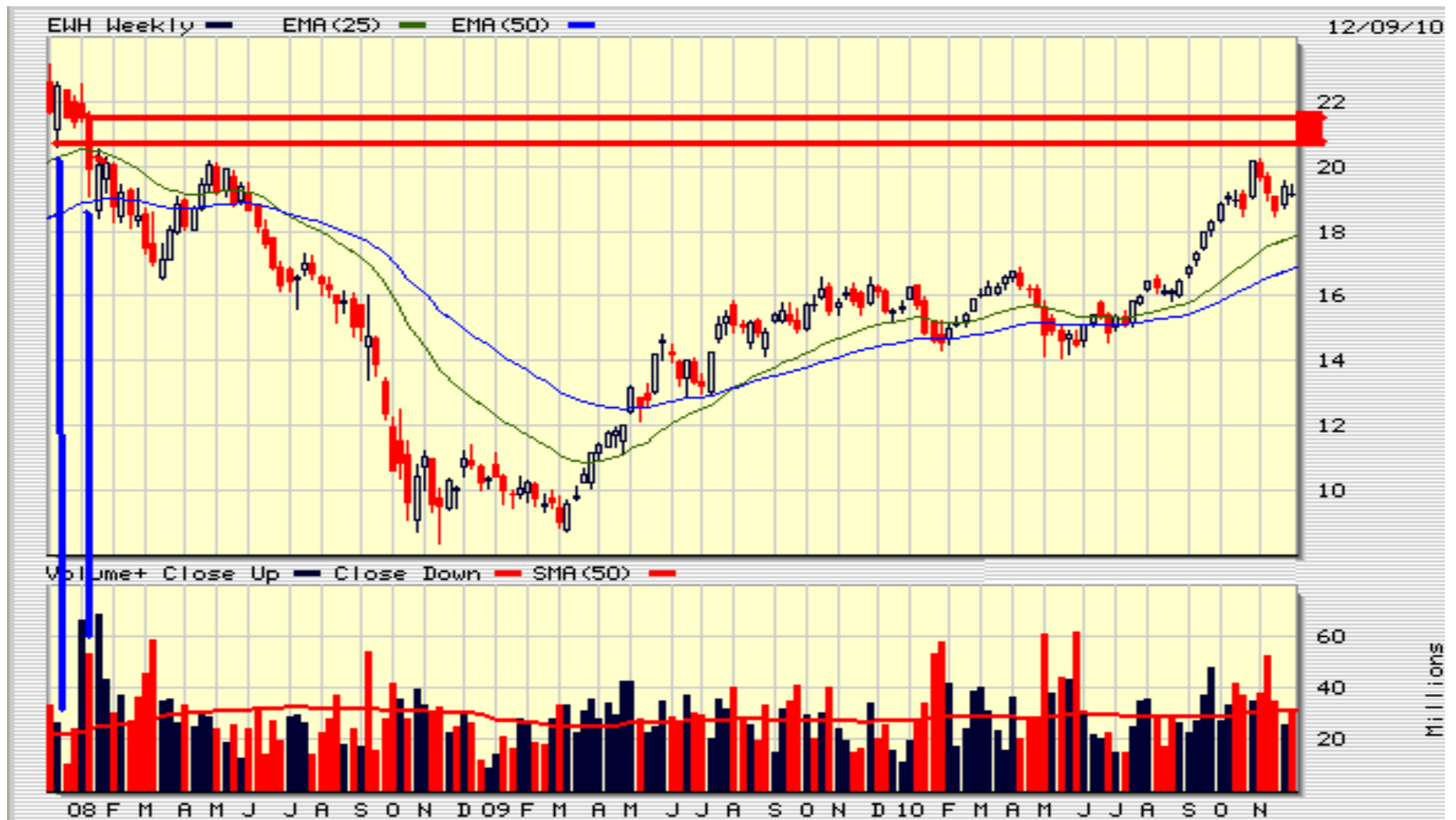
EWH – Correlation Ratio Analysis with SPX – 365 days Time basis

SD# is at + 1.25 for overvaluation



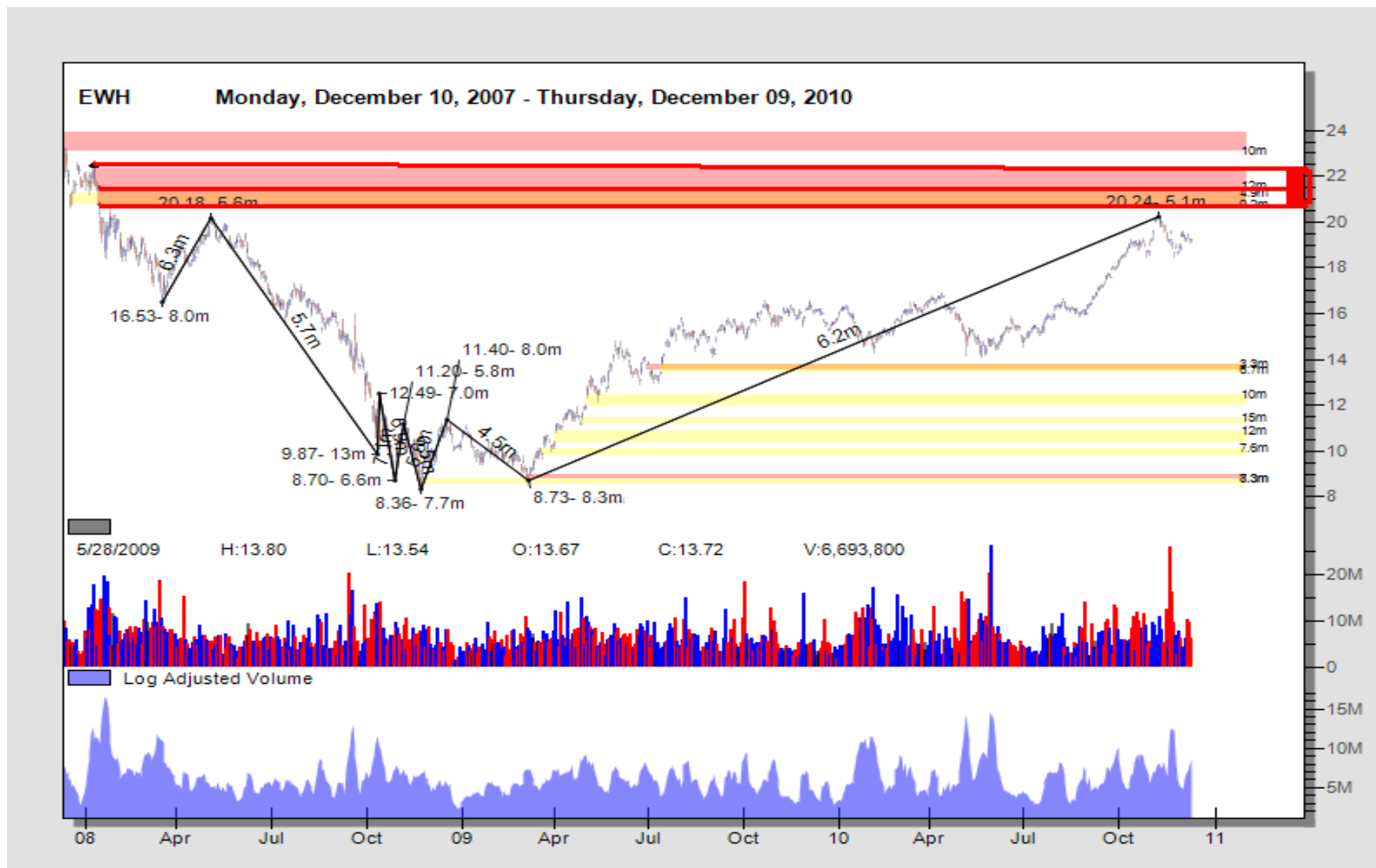
EWH - POM - LT - Price , Volume & Pattern Analysis

Backdrop - as a worst case scenario EWH may test the Previous breakdown area of Dec 07 of 22 & Jan 08 at 21. We don't know yet it will get there or not in prices but (This will be a better failure) , as this would depend on SPX failure. If EWH gets to these price point , we may as well get SD # 2 and above, currently SD is at # 1.25



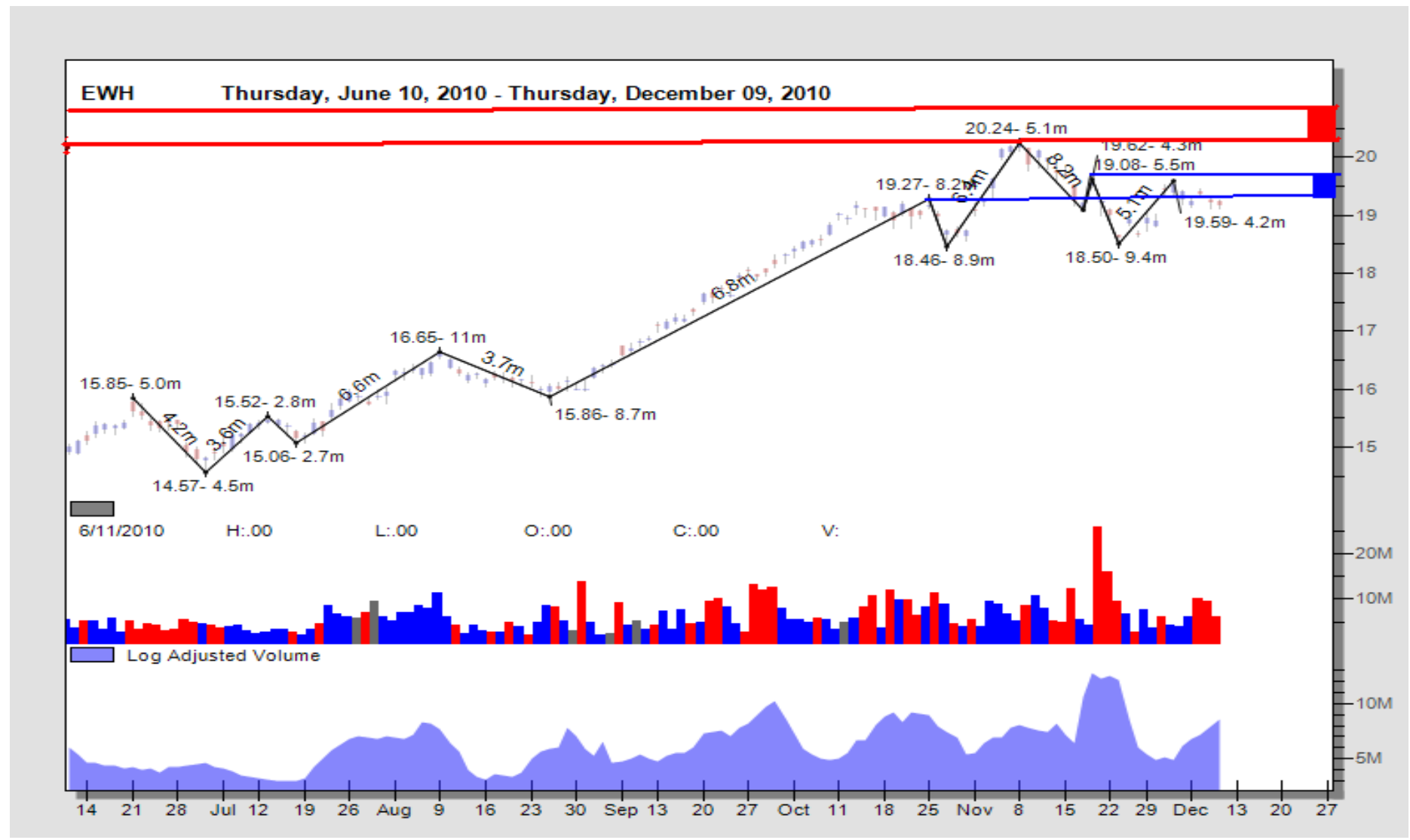
EWH- POM – MT - Price , Volume & Pattern Analysis

The CZ is 21- 22 and needs 5 M for test and price close below 21.5 . That would Top , On risk reward as always the stop on other side of CZ. If there is one final seasonality rally



EWH - POM - ST - Price , Volume & Pattern Analysis

There is a possibility, if SPX fails, then we look for EWH to enter is in this area of H & S 's CZ of 19.25 to 19.75 to fail, the volume should come in at 4.5 M and close under 19.25 . On Shorter term, there is a H & S Top is in place .

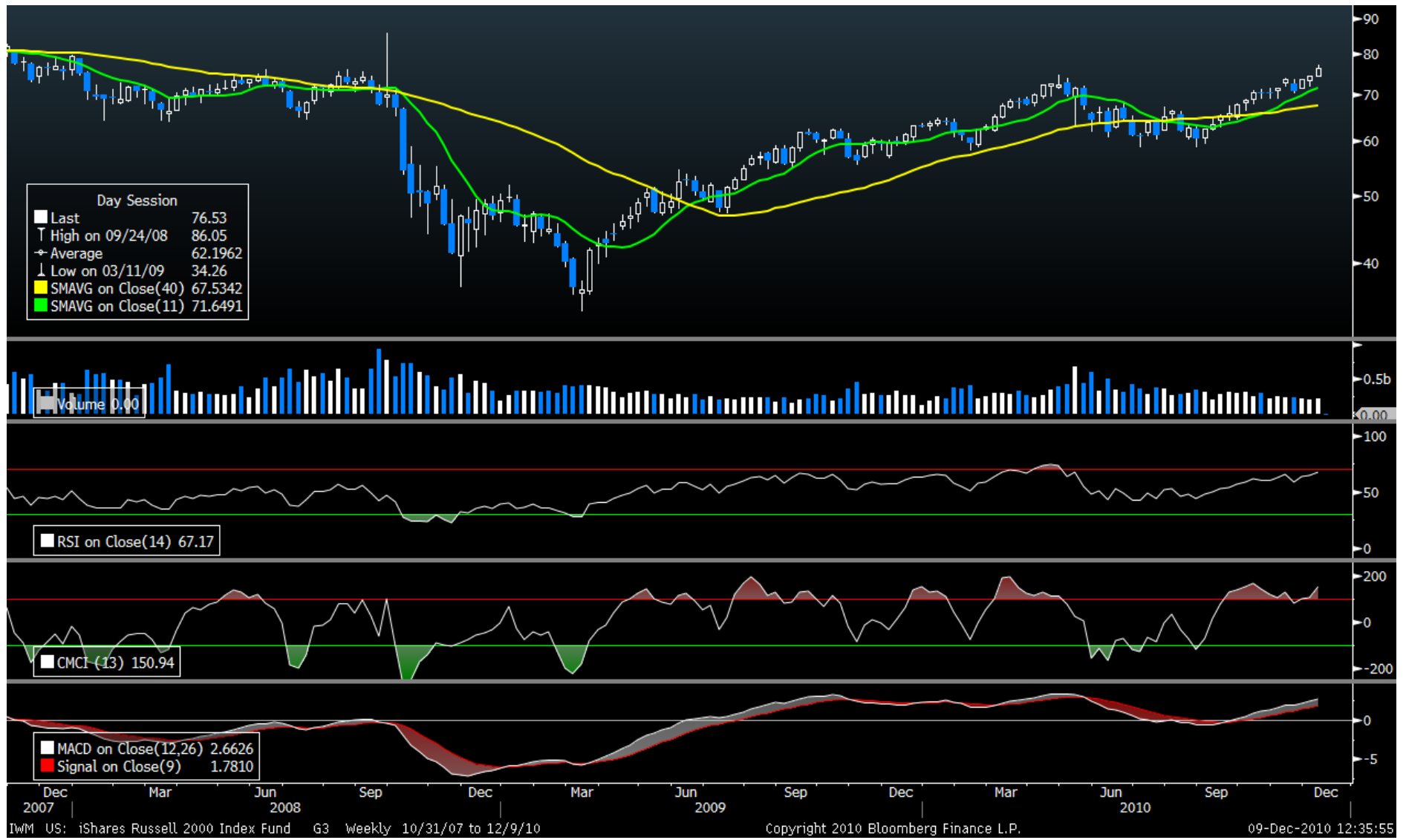


EWH – Technical & Pattern Analysis & Price / Volume

On Daily charts , It is a Bearish Head and Shoulder pattern with volume confirming it as well on the secondary test . **RSI Diverging with at Head Level** and has diverged at Shoulder level. Volume came out of this ETF on Sell side as circled in Red . This a bearish Set up. If SPX put in a Top here, it might coincide with it this as well at Head & Shoulder CZ might prove its merit .



IWM - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

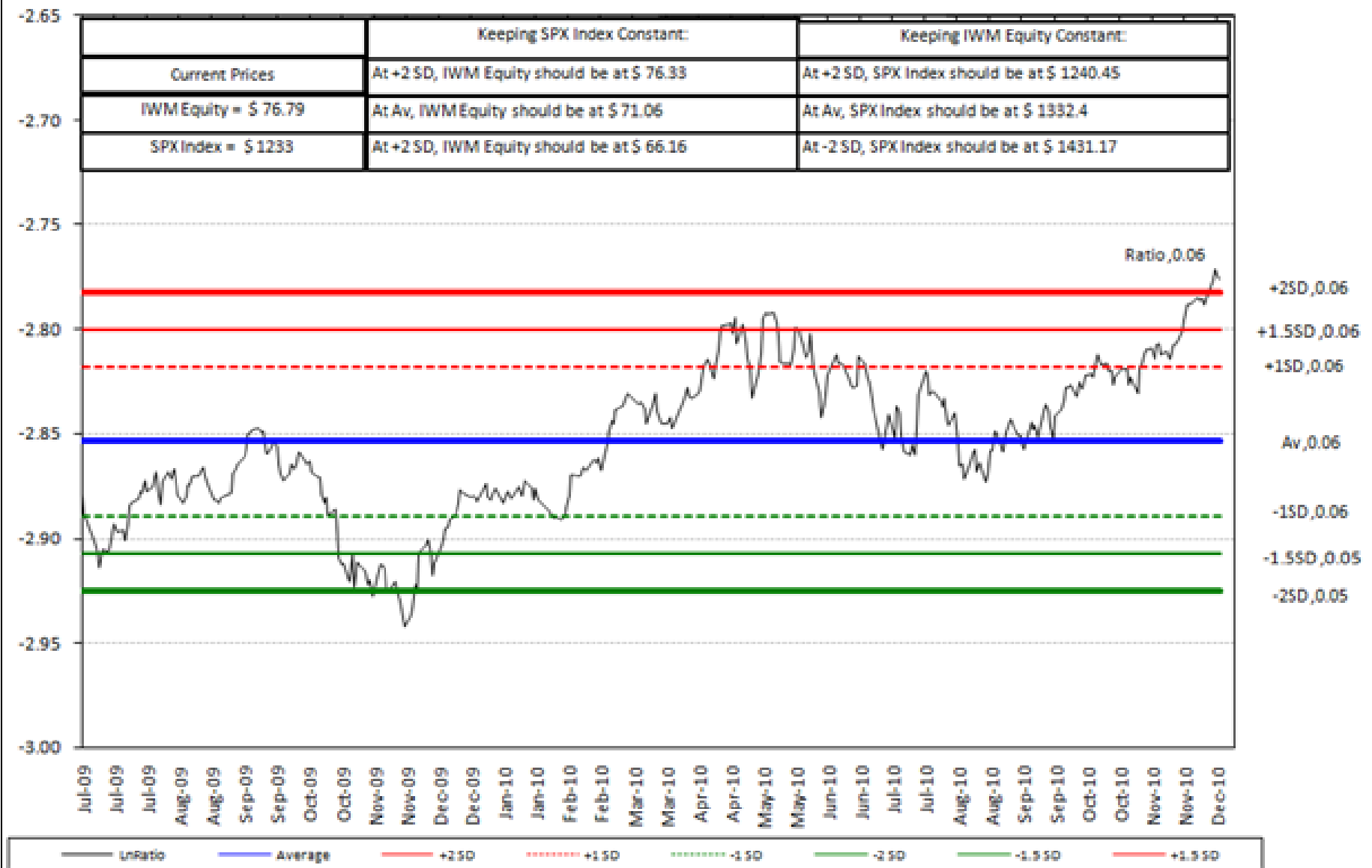


IWM - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



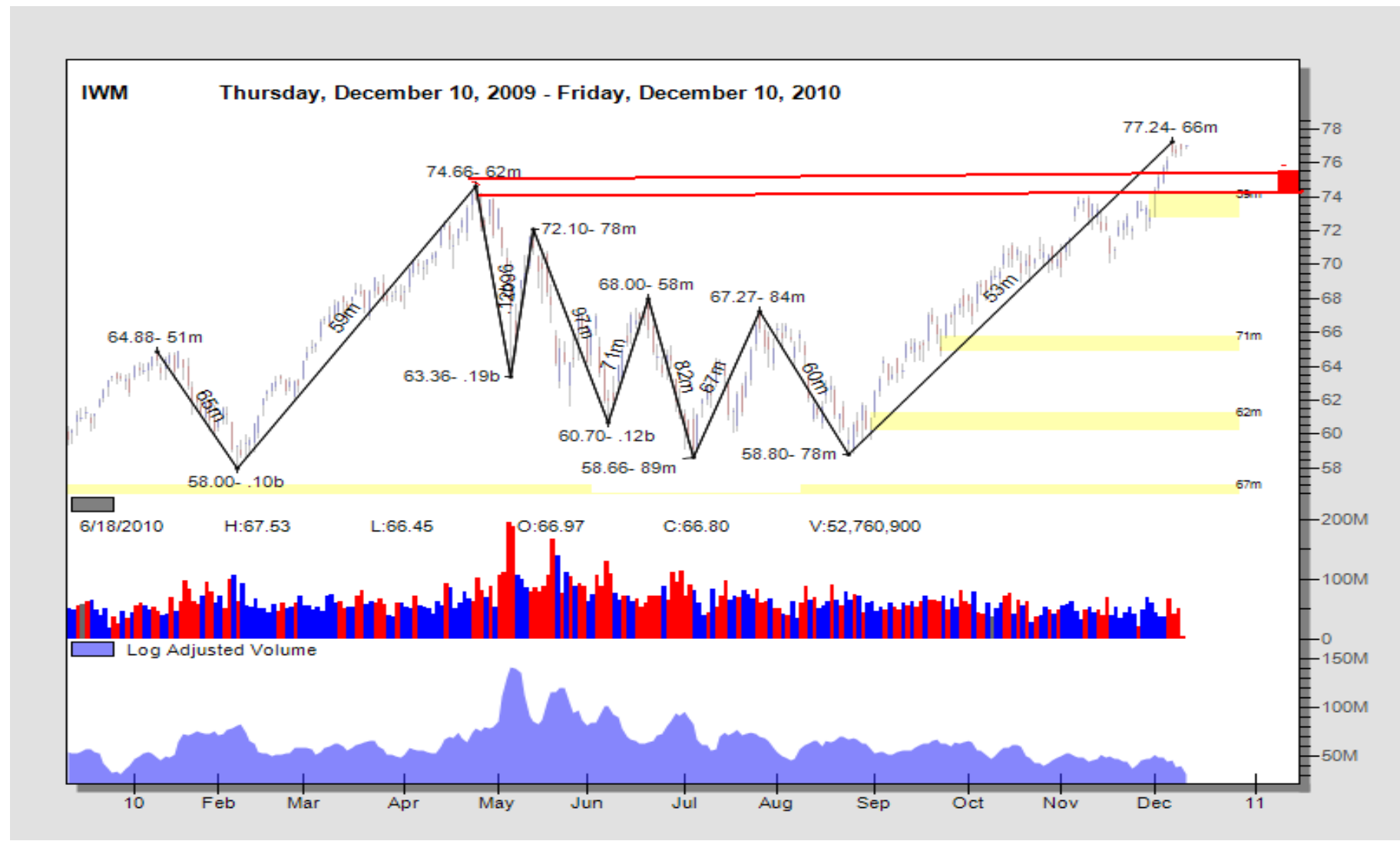
IWM – Correlation Ratio Analysis with SPX – 365 days Time basis

Long IWM Equity and Short SPX Index, Updated till 09 Dec 2010

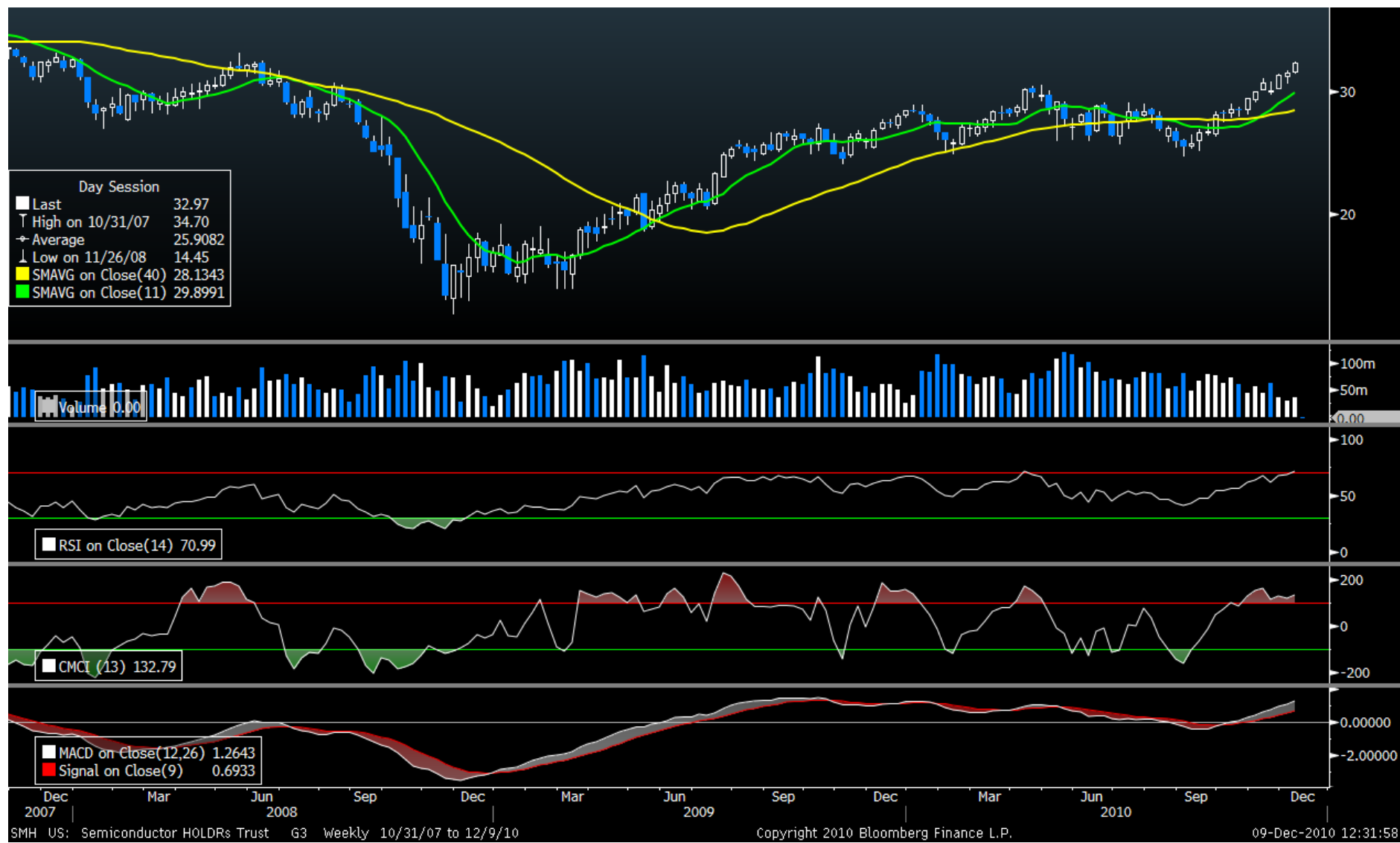


IWM- POM – LT - Price , Volume & Pattern Analysis

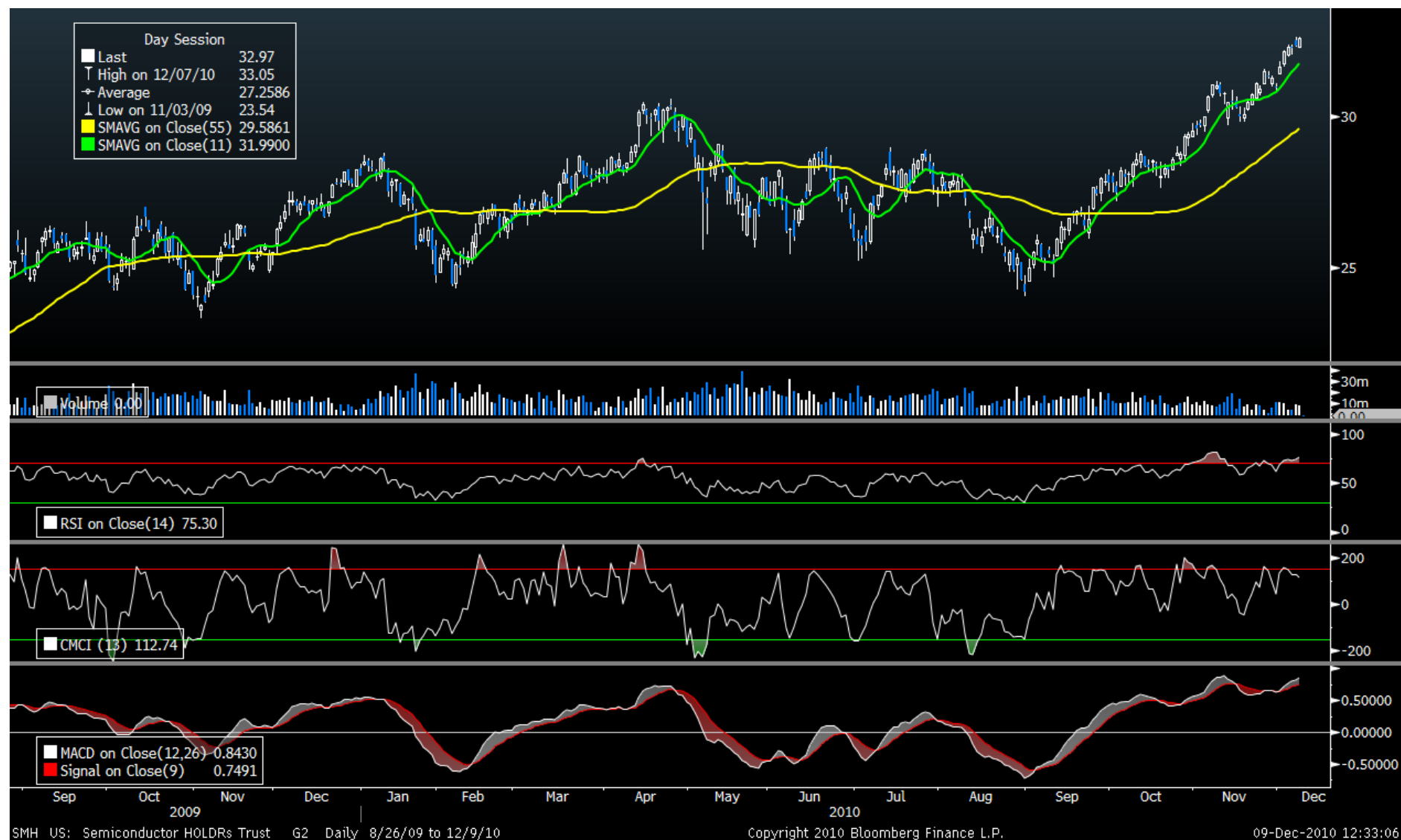
IWM is tested and extended April 010 highs of 75 and in CZ with 25% higher volume then our test volume of 50M and it failed to close below 74, the test was not completed, we will re visit when IWM calms down. If SPX declines this will follow



SMH - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

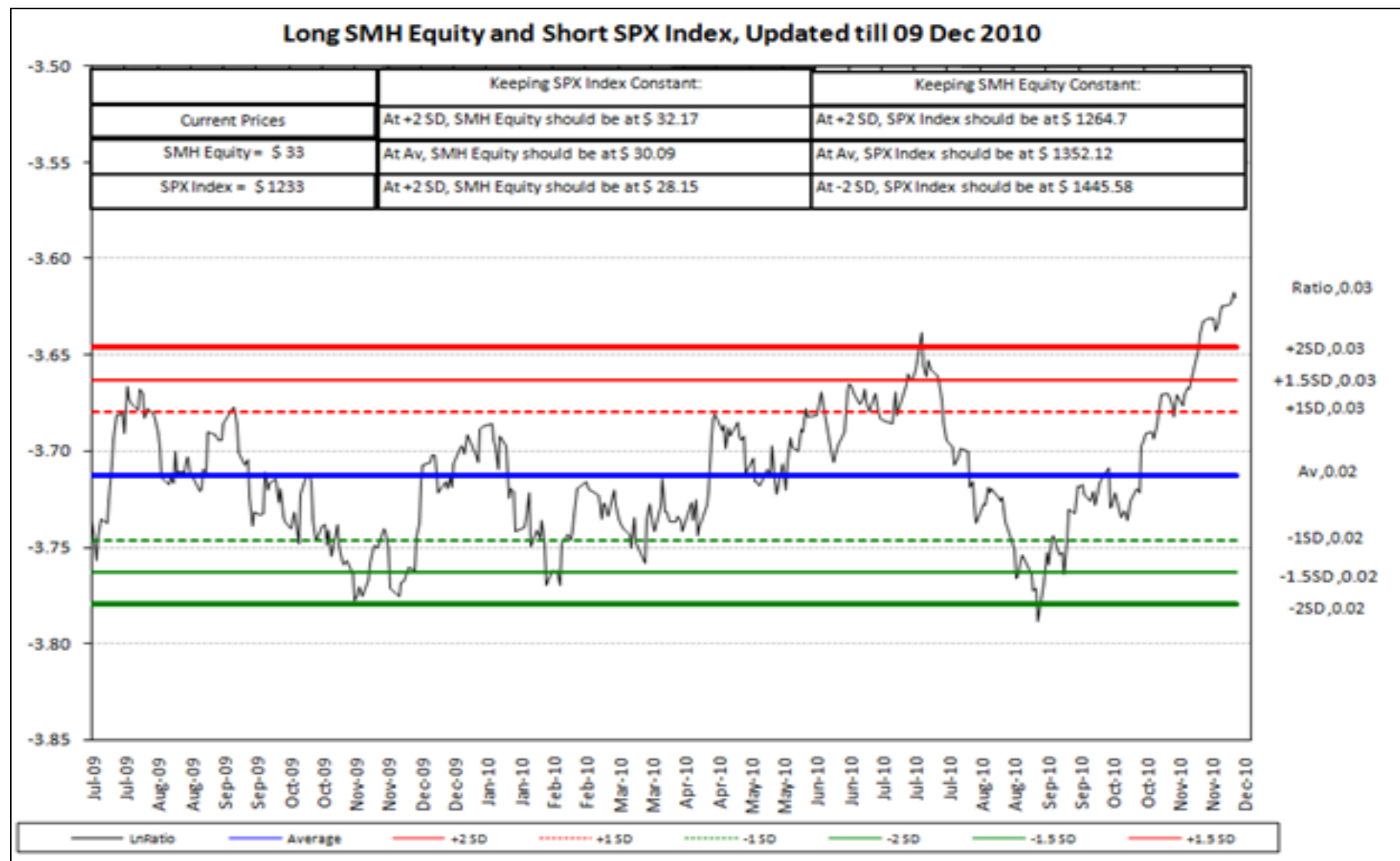


SMH - Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



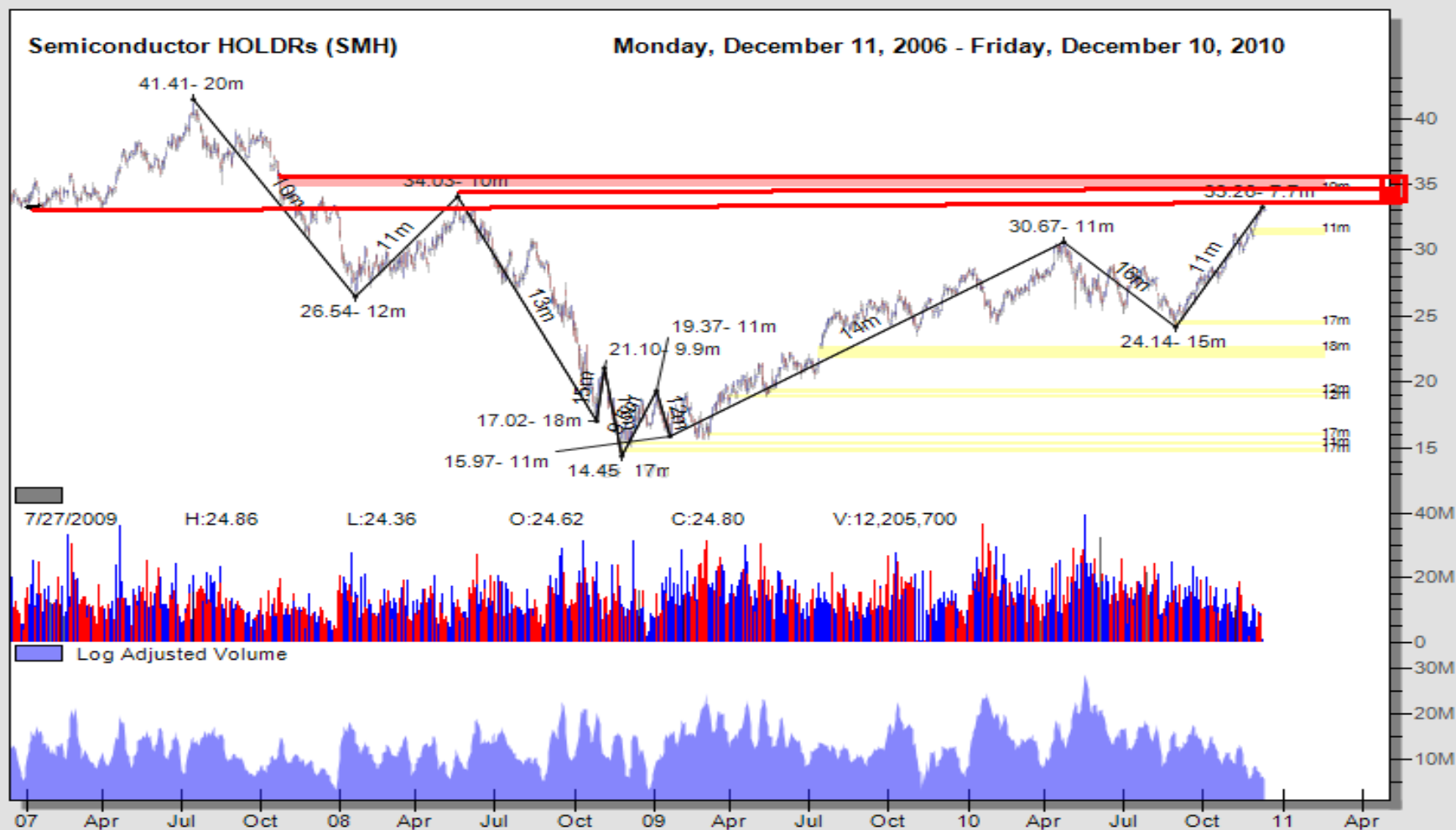
SMH – Correlation Ratio Analysis with SPX – 365 days Time basis

Although the sector is in SD # 2.0 , Its sub part of XLK /QQQQ – SD # 2



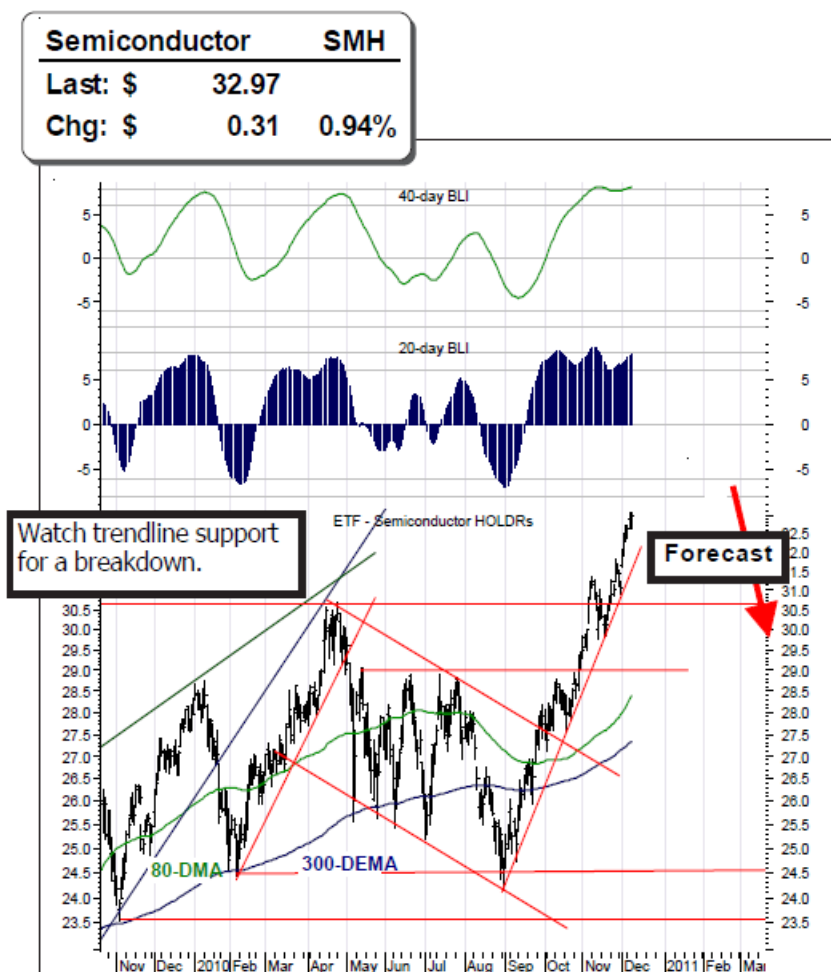
1- SMH – Technical & Pattern Analysis & Price / Volume

SMH came very close to our test zone defined by May 08 at 34 and breakdown area of Jan 08 of 33 as this would depend on SPX failure. There is a possibility, if SPX fails, then we look for SHM to fail as well and CZ might not get tested. CZ for SMH is 34 -36 and volume on test to be 8M and close below 34. That would Top, On risk reward as always the stop on other side of CZ.

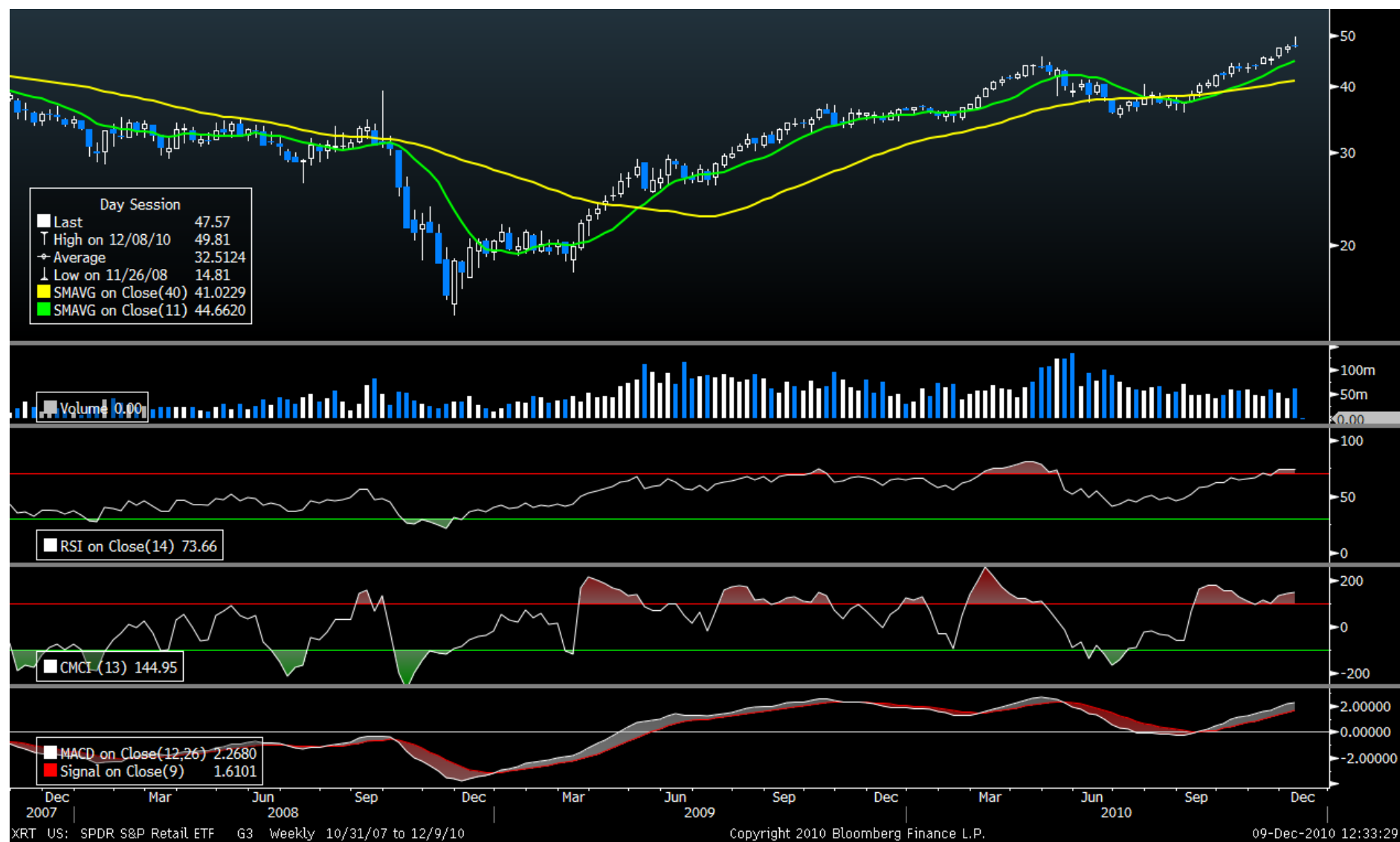


SMH– Technical & Pattern Analysis – Trim Tab Reports highest Insiders selling in the group but prices going up

The SMH / SPX ratio chart looks bearish and should trend down in RH side chart below, confirms the relative fall in SMH / SPX (**hence overvalued**) by this matrix in Sync with SD Analysis. (**We consider this as Sub part of QQQQ / XLK – Technology**)



XRT - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

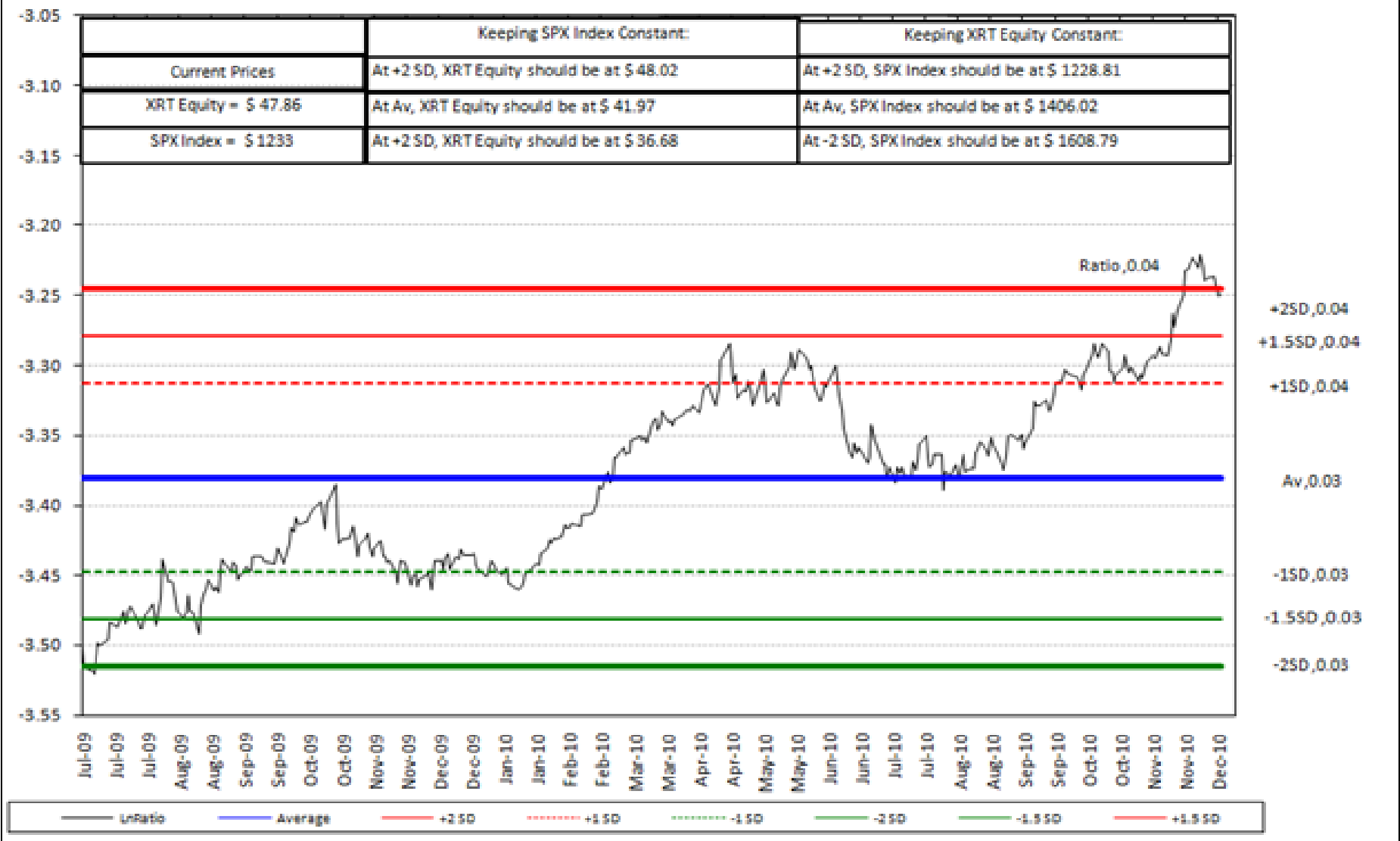


XRT - Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



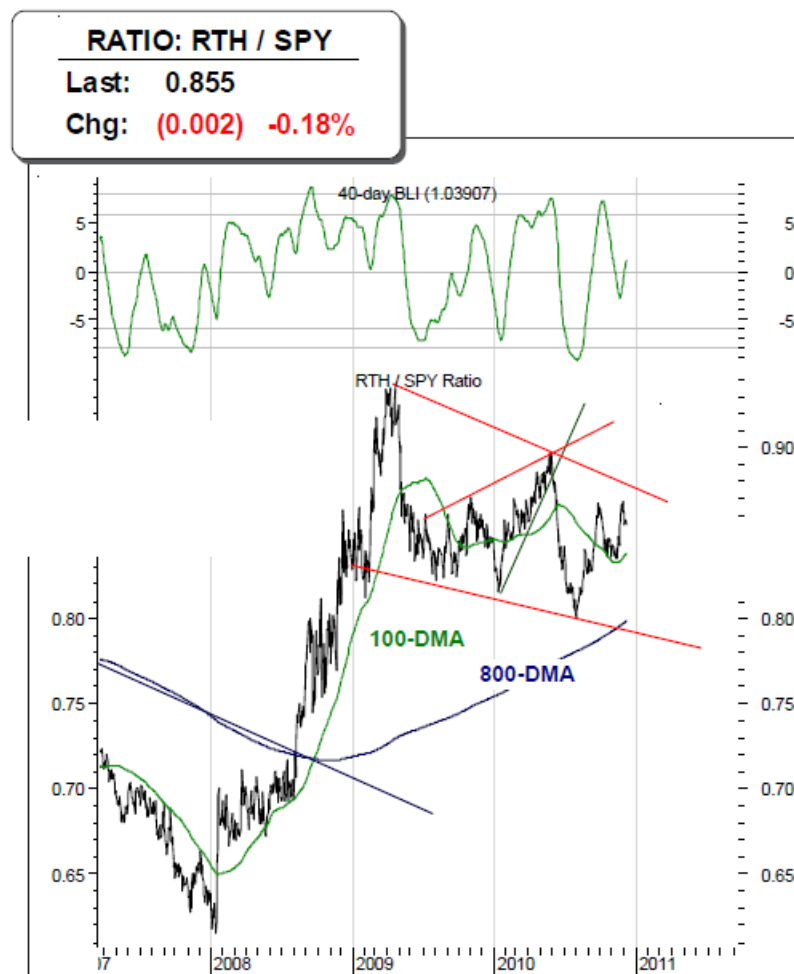
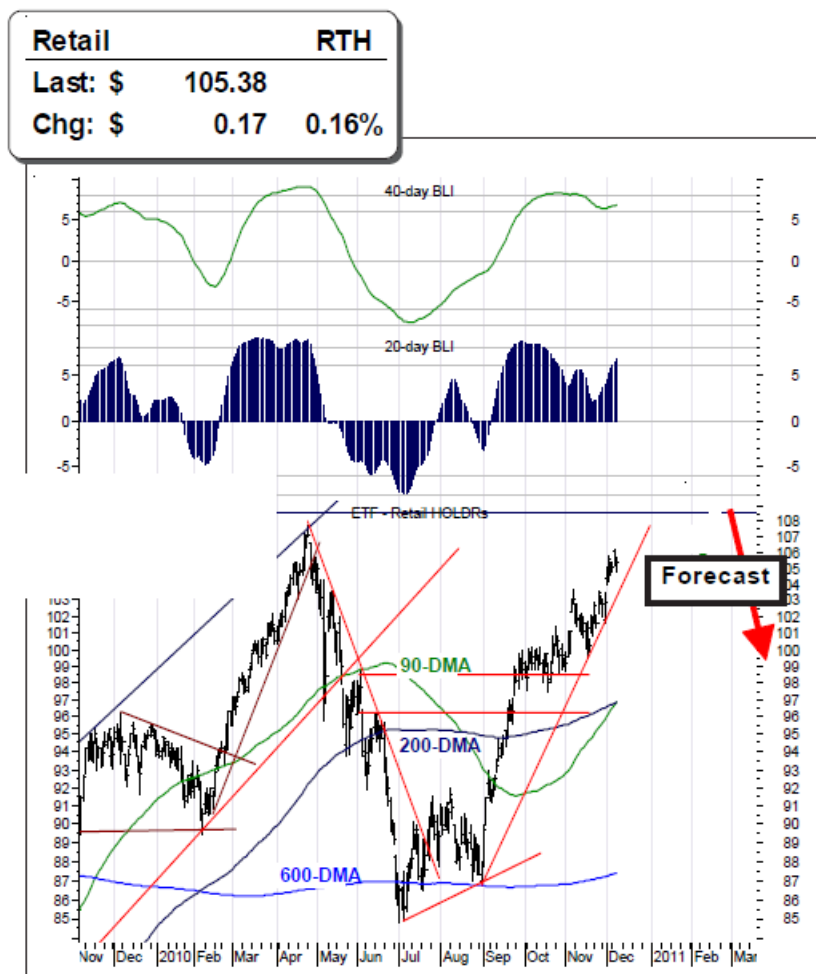
XRT – Correlation Ratio Analysis with SPX – 365 days Time basis

Long XRT Equity and Short SPX Index, Updated till 09 Dec 2010

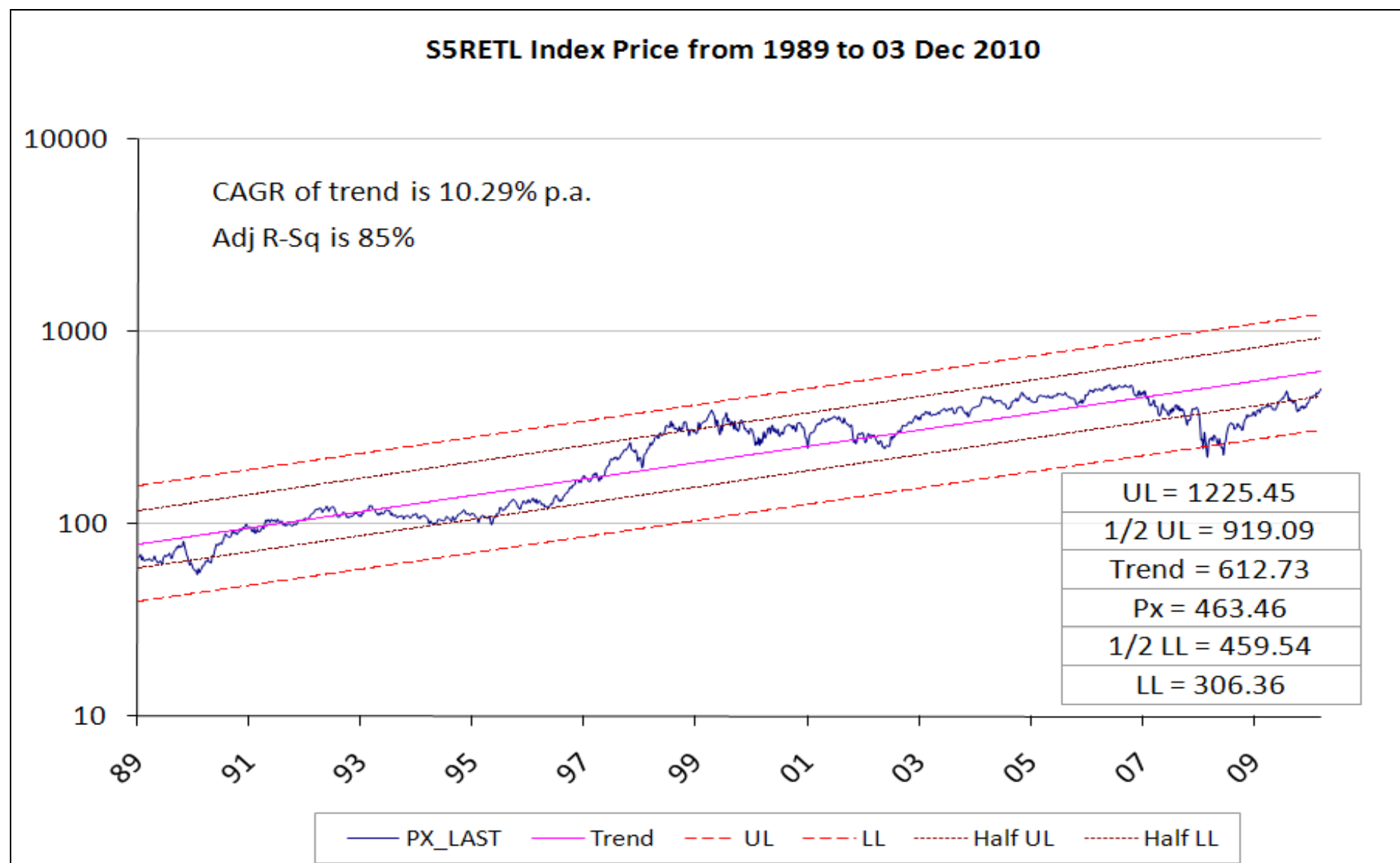


2 - XRT (RTH) – Technical & Pattern Analysis

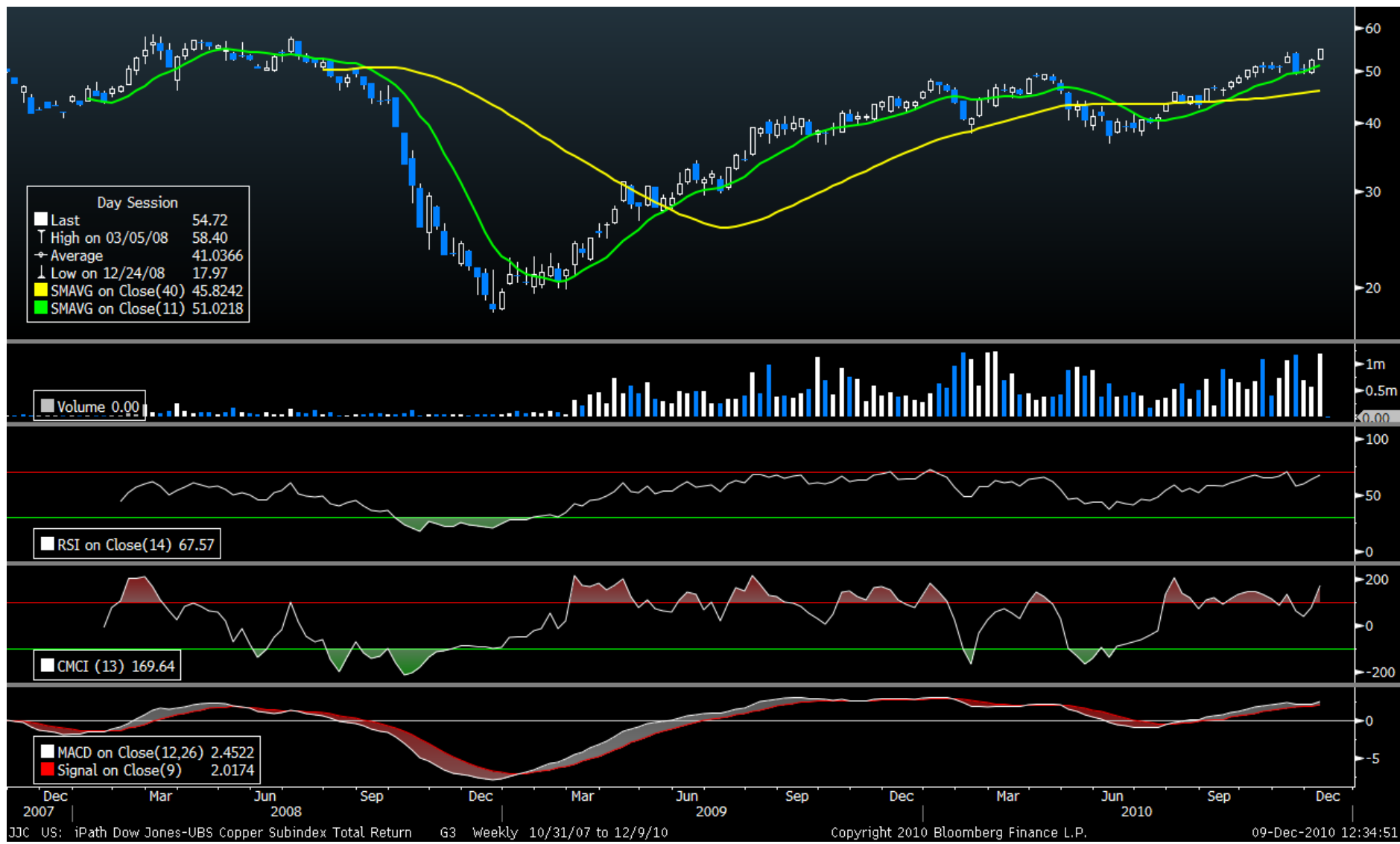
The RTH / SPX ratio chart hit a resistance, bearish and should trend down in RH side chart below, this confirms the relative drop in RTH / SPX (hence overvalued) by this matrix in sync with SD Analysis
But Ratio is not as overbought – NEURAL



XRT – Trend Reversion Analysis – Long Term



JJC - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

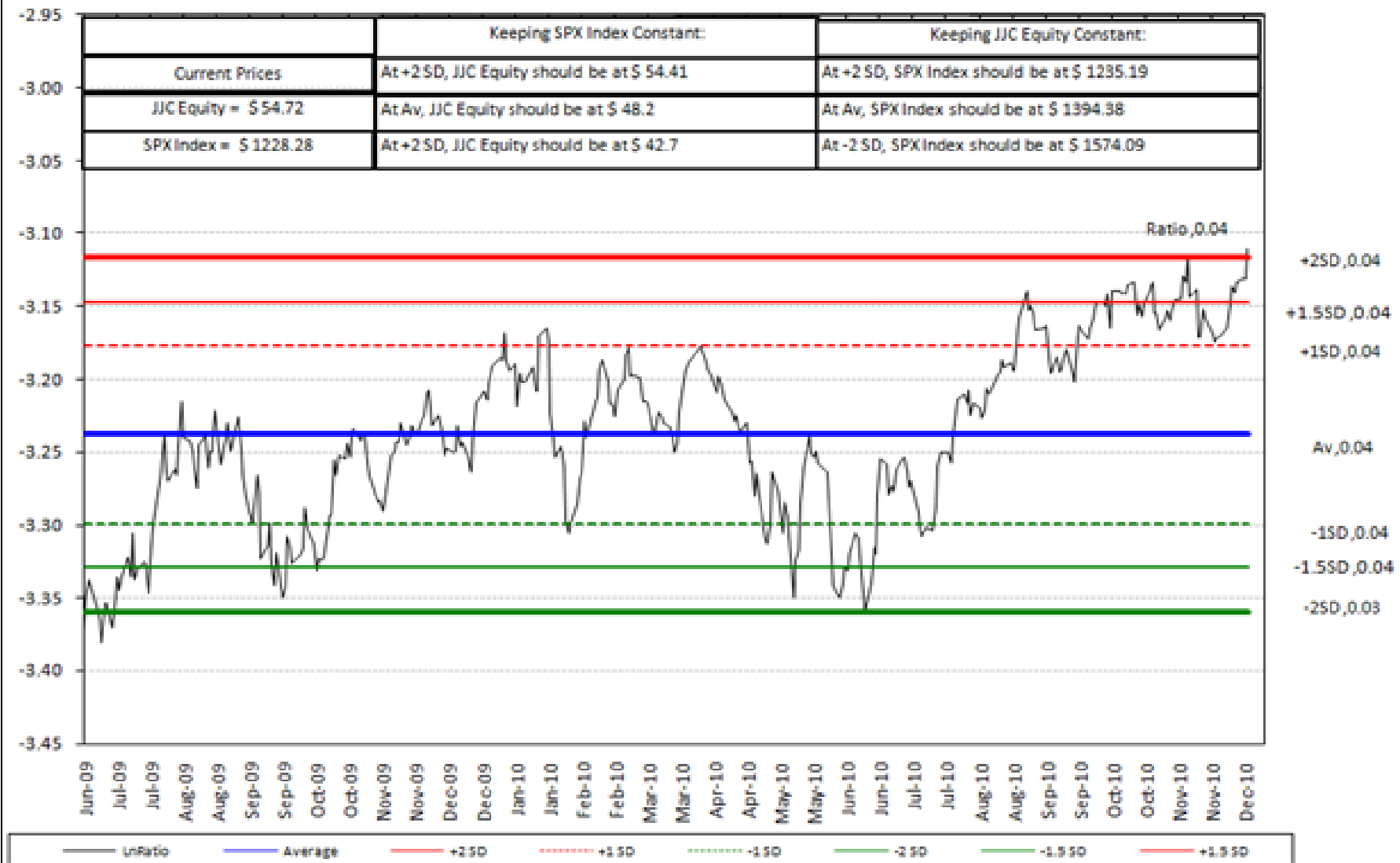


JJC- Daily – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



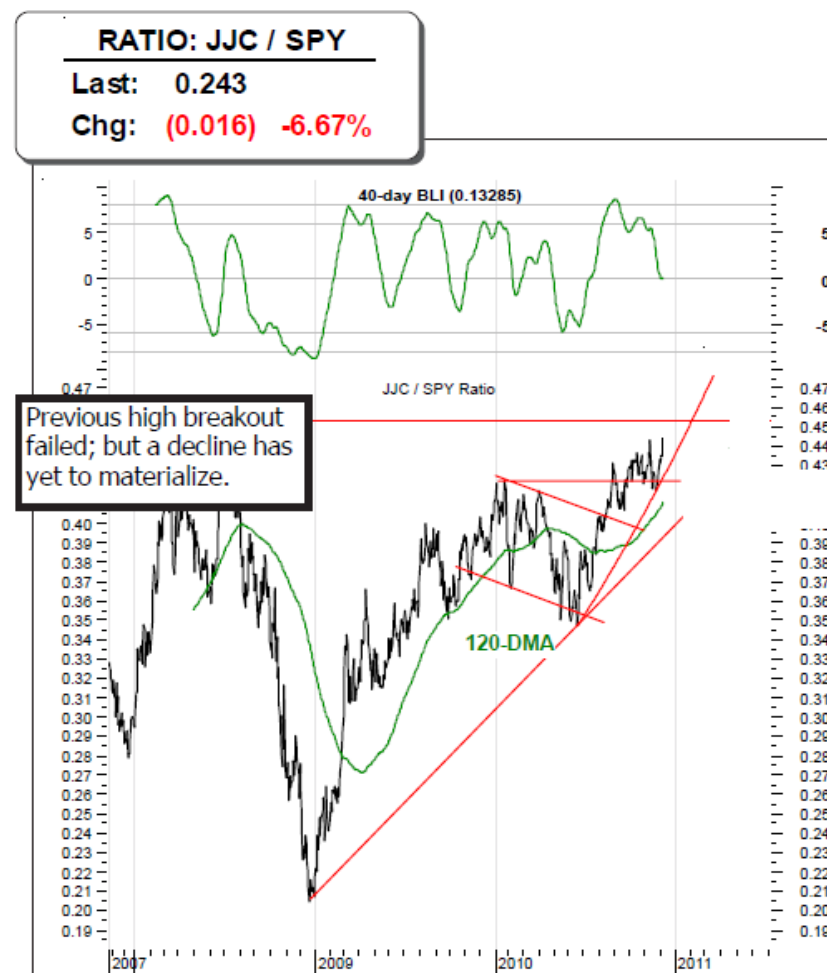
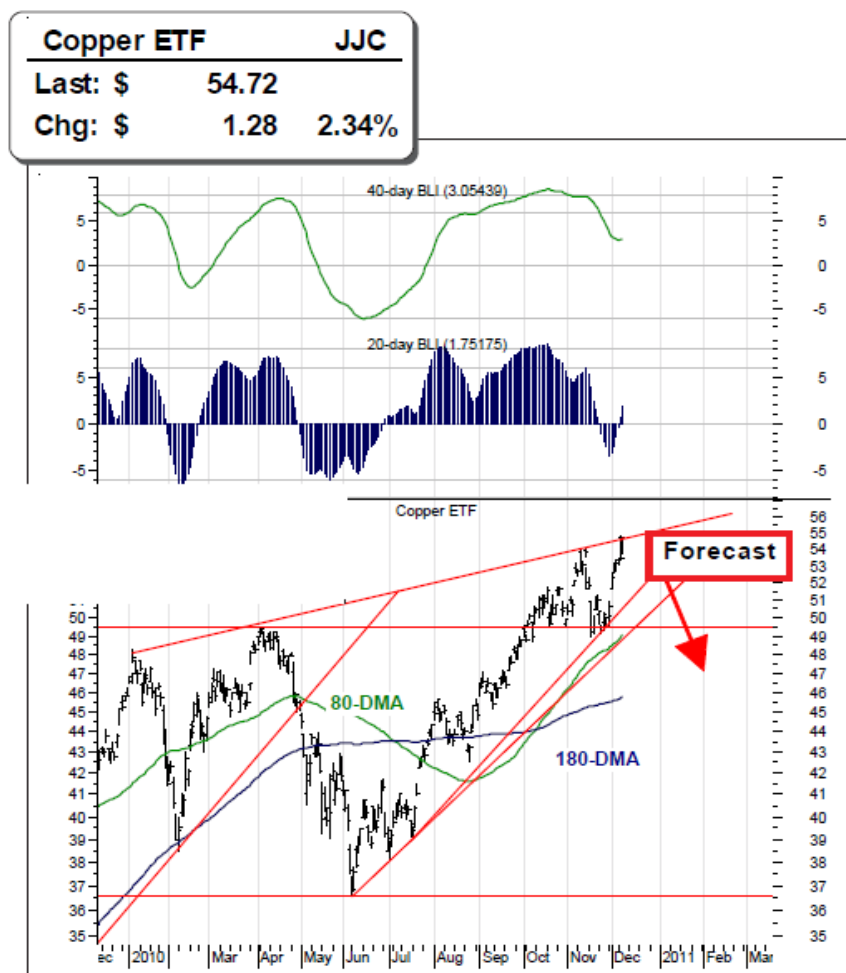
JJC – Correlation Ratio Analysis with SPX – 365 days Time basis

Long JJC Equity and Short SPX Index, Updated till 08 Dec 2010

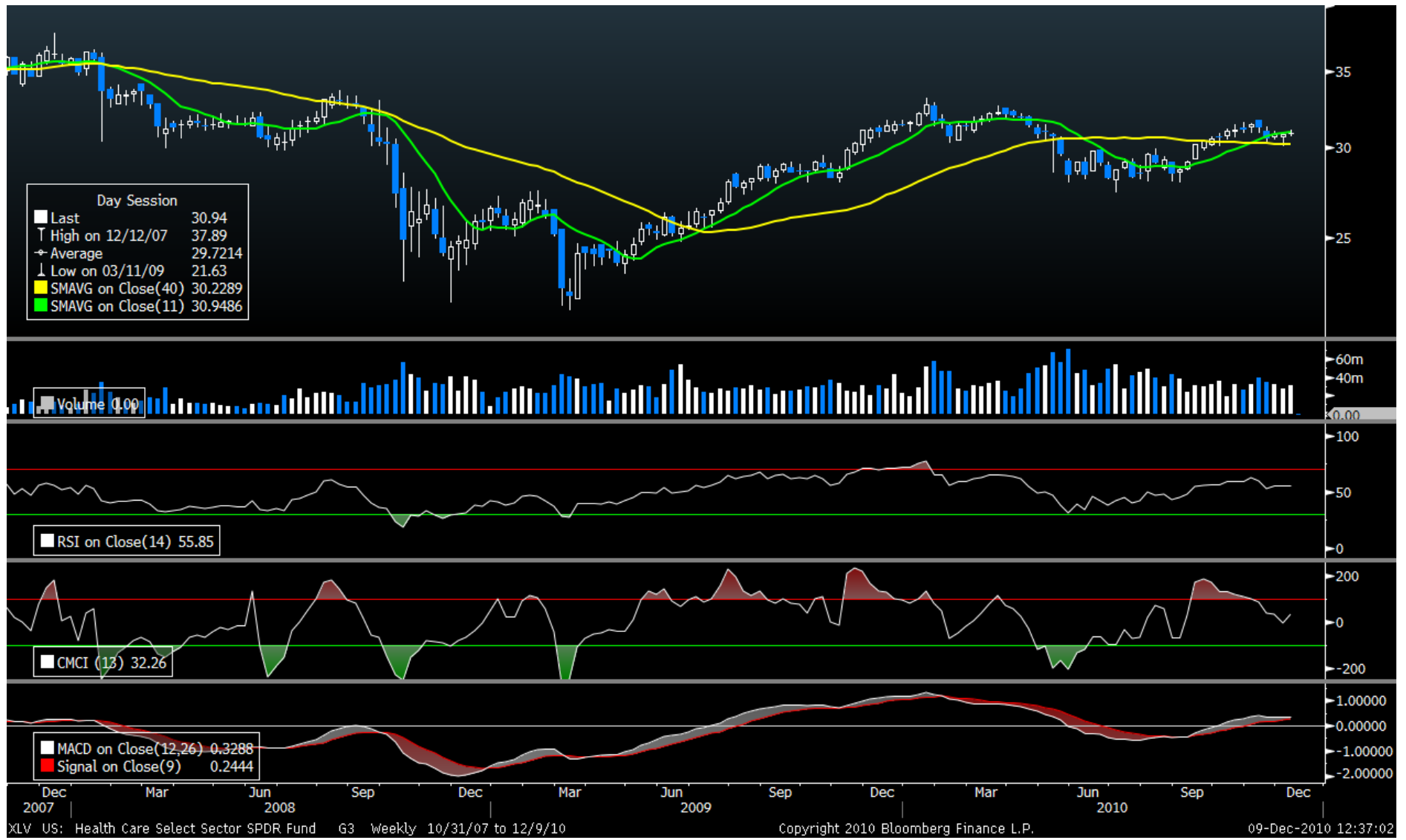


JJC – Technical & Pattern Analysis -

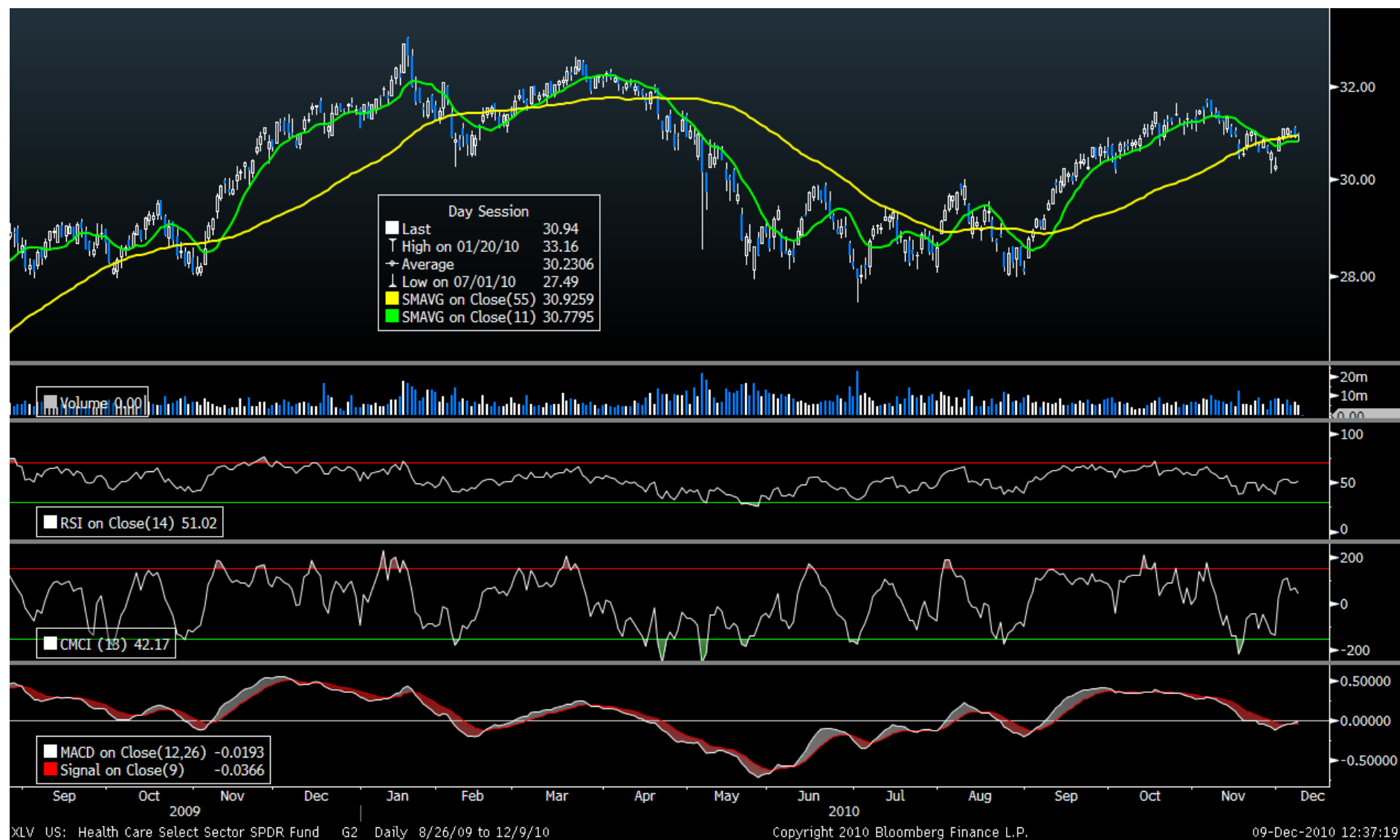
The JJC / SPX ratio chart hit a resistance, bearish and should trend down in RH side chart below, this confirms the relative drop in JJC / SPX (hence overvalued) by this matrix in sync with SD Analysis
But JJC with respect to CRB is not as overbought – NEURAL



XLV - Weekly- 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD

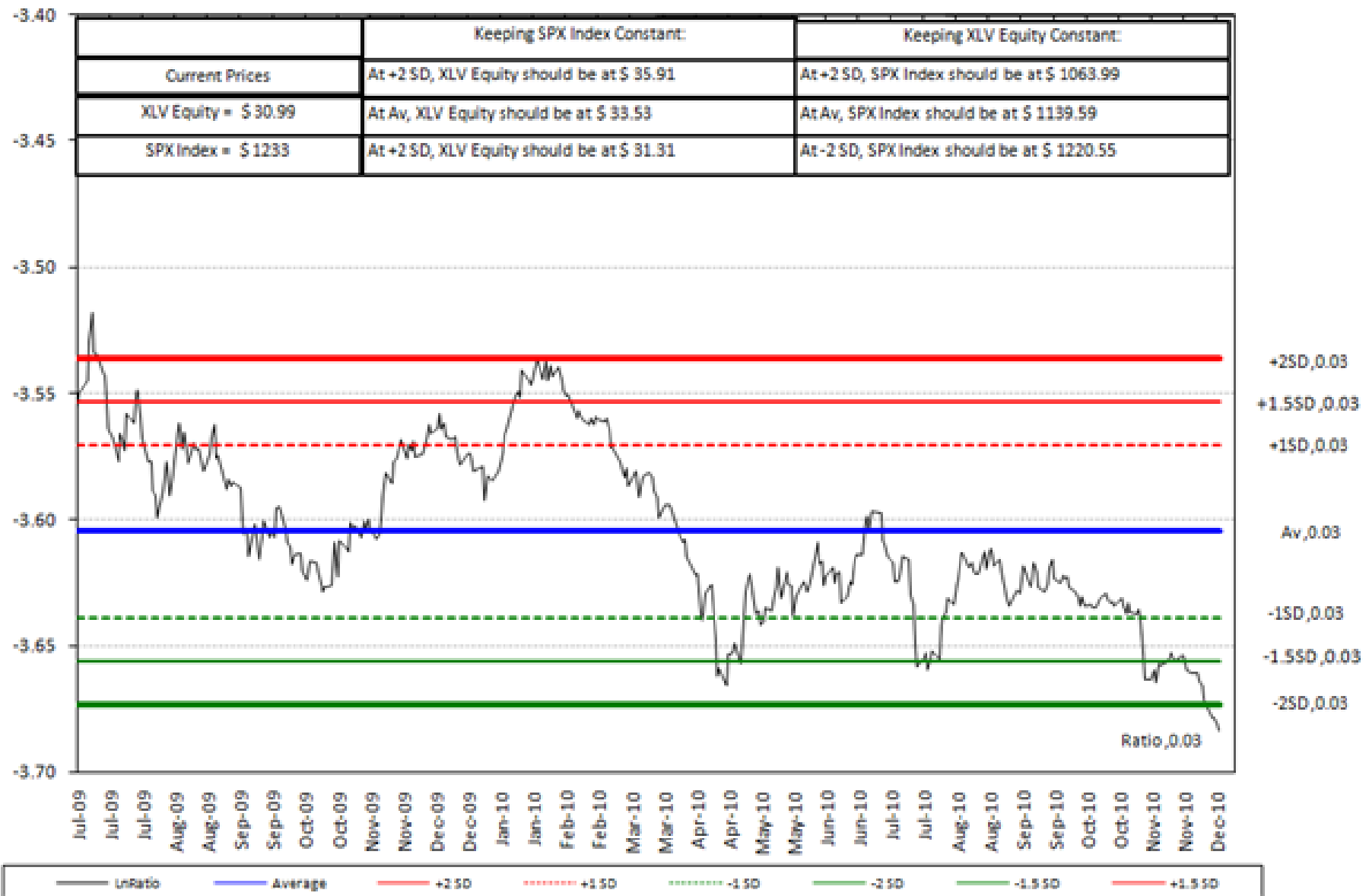


XLV - Daily - 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD



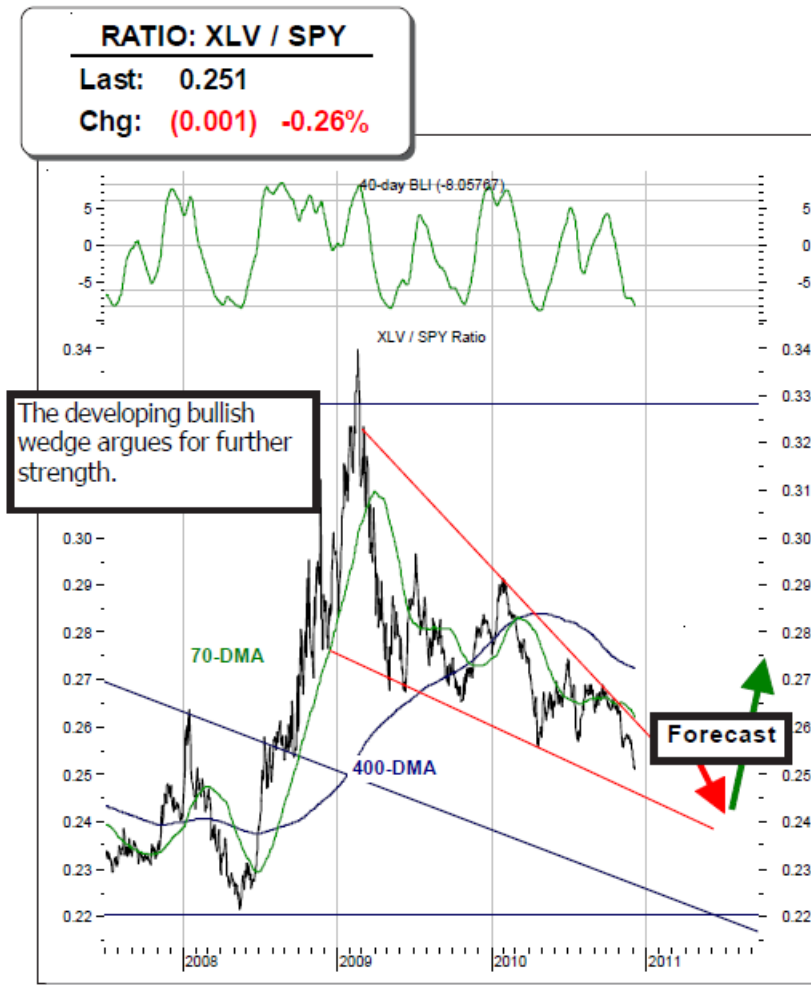
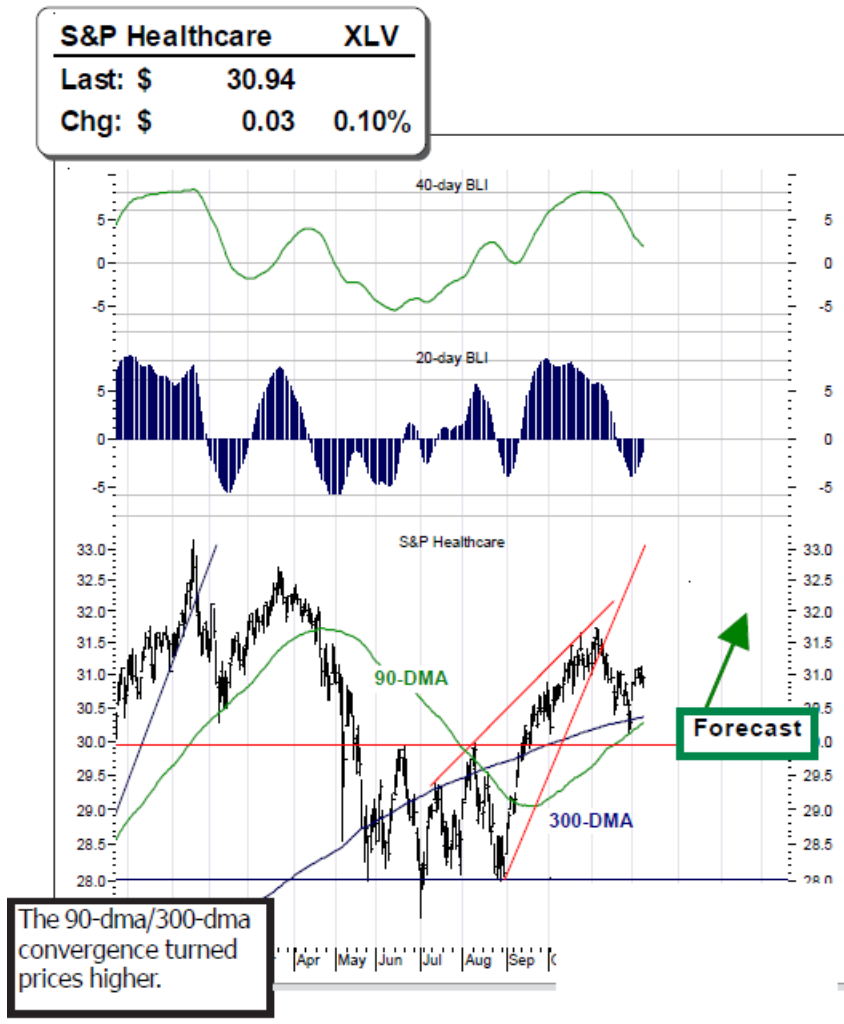
XLV – Correlation Ratio Analysis with SPX – 365 days Time basis

Long XLV Equity and Short SPX Index, Updated till 09 Dec 2010

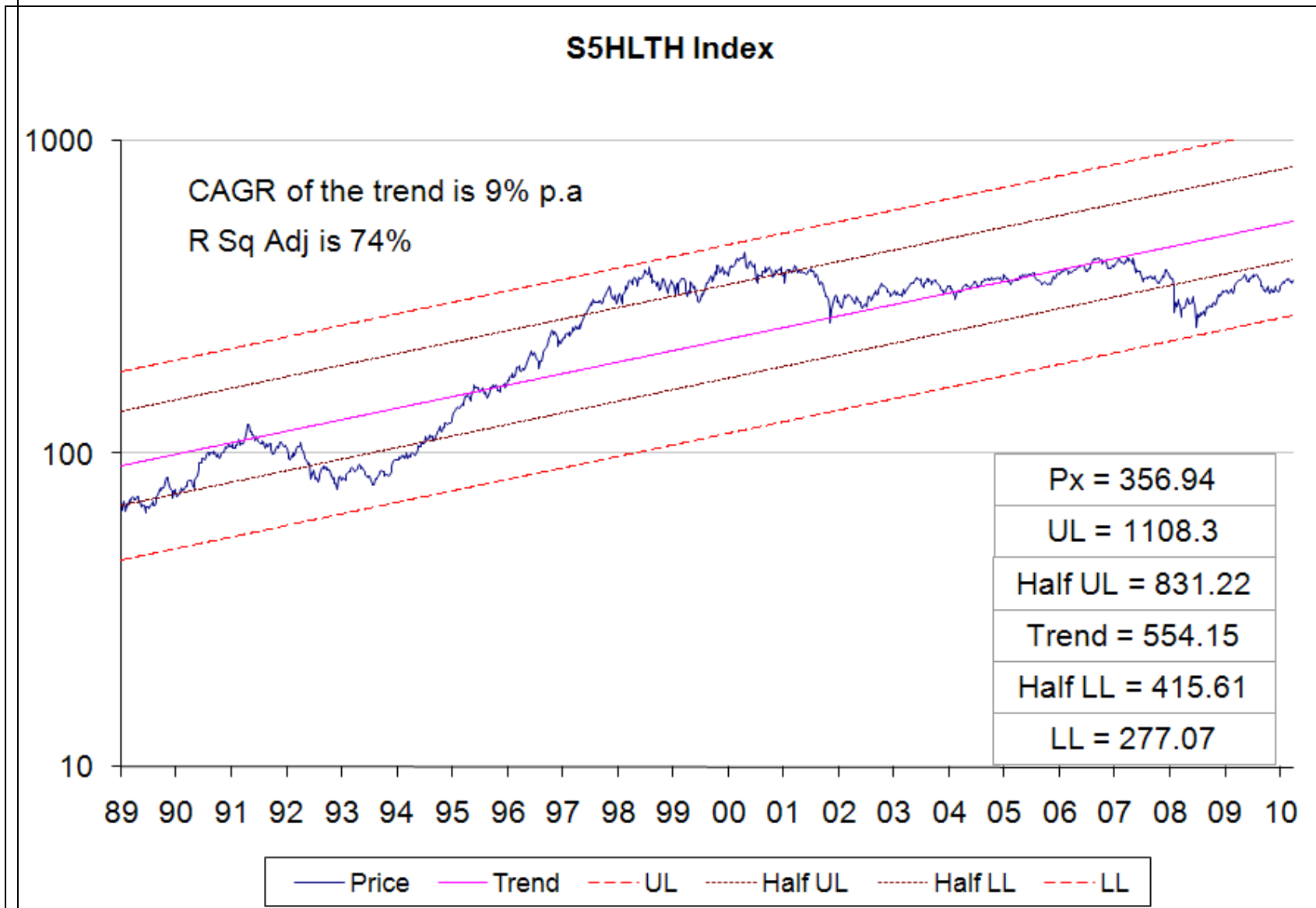


XLV – Technical & Pattern Analysis -

The XLV / SPX ratio chart looks Bullish and should trend upin RH side chart below, confirms the relative rise in **XLV / SPX (hence undervalued)** by this matrix **in Sync with SD Analysis**.



XLV – Trend Reversion Analysis – Long Term



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