

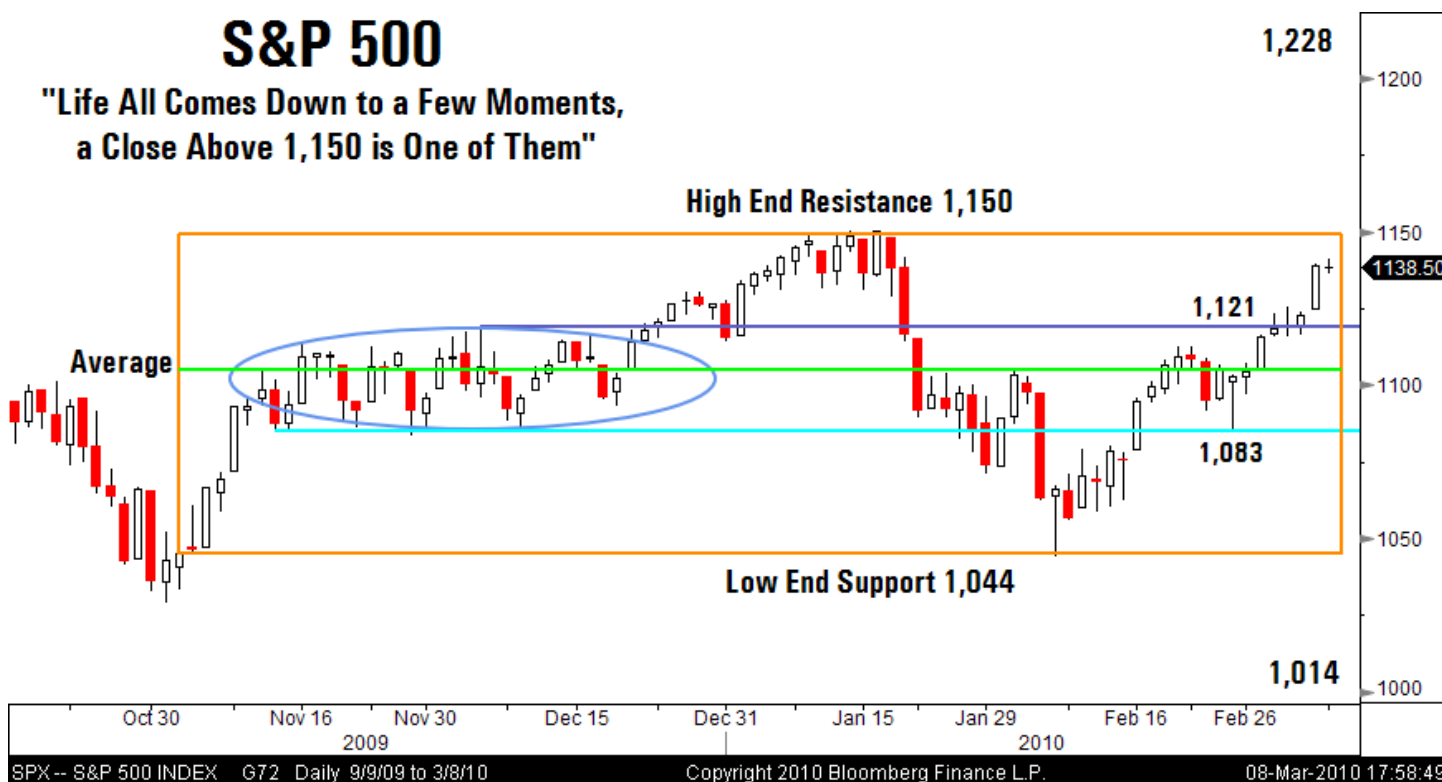
"Life All Comes Down to a Few Moments"

S&P 500, Gold, Palladium, Crude Oil, VIX, Nordic 30, EURO, GBP, DXY, MXEF, Dubai, FTSE 100, Russell 2000, CSCO, XRT Retail ETF, NYSE A/D, % of Stocks > 200 Day MA

"Life all comes down to a few moments." And with many markets boasting double digit gains from their February 5th lows as they approach critical resistance on the 1 Year Anniversary of the climactic bottom in the S&P; "this is one of them!" Throughout the recent advance, momentum has been strong, selling pressure non existent, and fears of the EU's demise greatly exaggerated. Participation has been broad based; agnostic to sector, market cap and geography. If we apply Newton's First Law to trading, markets tend to stay in motion unless acted upon by an "unbalanced" force. However, technically speaking, numerous "unbalanced forces" are lurking and may wreak havoc at any time as they did in February at the market's nadir. The VIX has fallen to a 22 month low, volumes are anemic, the % of NYSE stocks above their 200 day moving average (80) remains elevated, and the NYSE cumulative advance decline line has pushed out to a new all time high while prices remain well below peak levels! Yet with each passing day, resistance continues to fall as ranges are pierced to the upside. While this confluence of factors makes this one of those "moments", opportunities will continue to exist on both the long and short side of the market in every corner of the world (see charts).

S&P 500

"Life All Comes Down to a Few Moments, a Close Above 1,150 is One of Them"

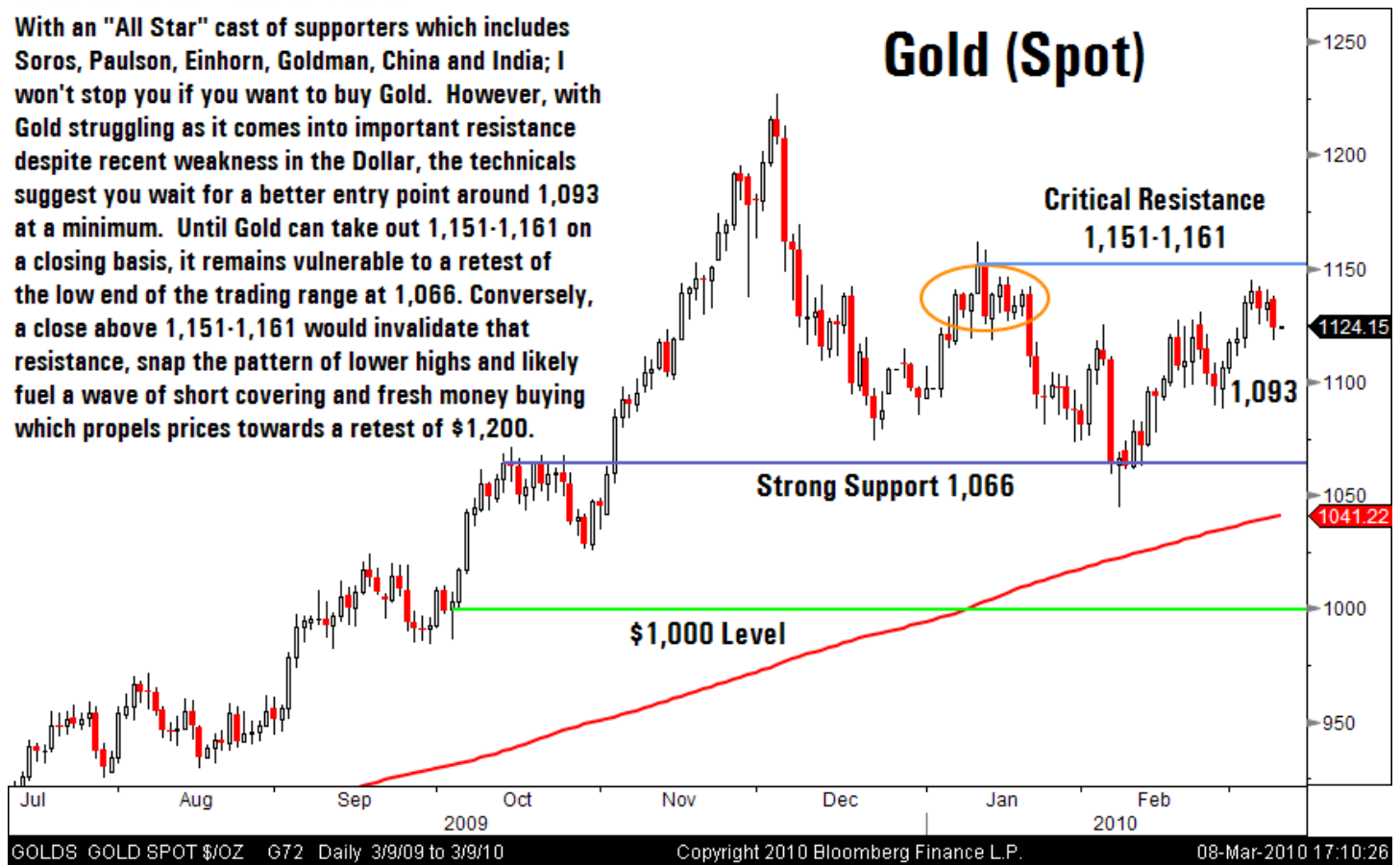


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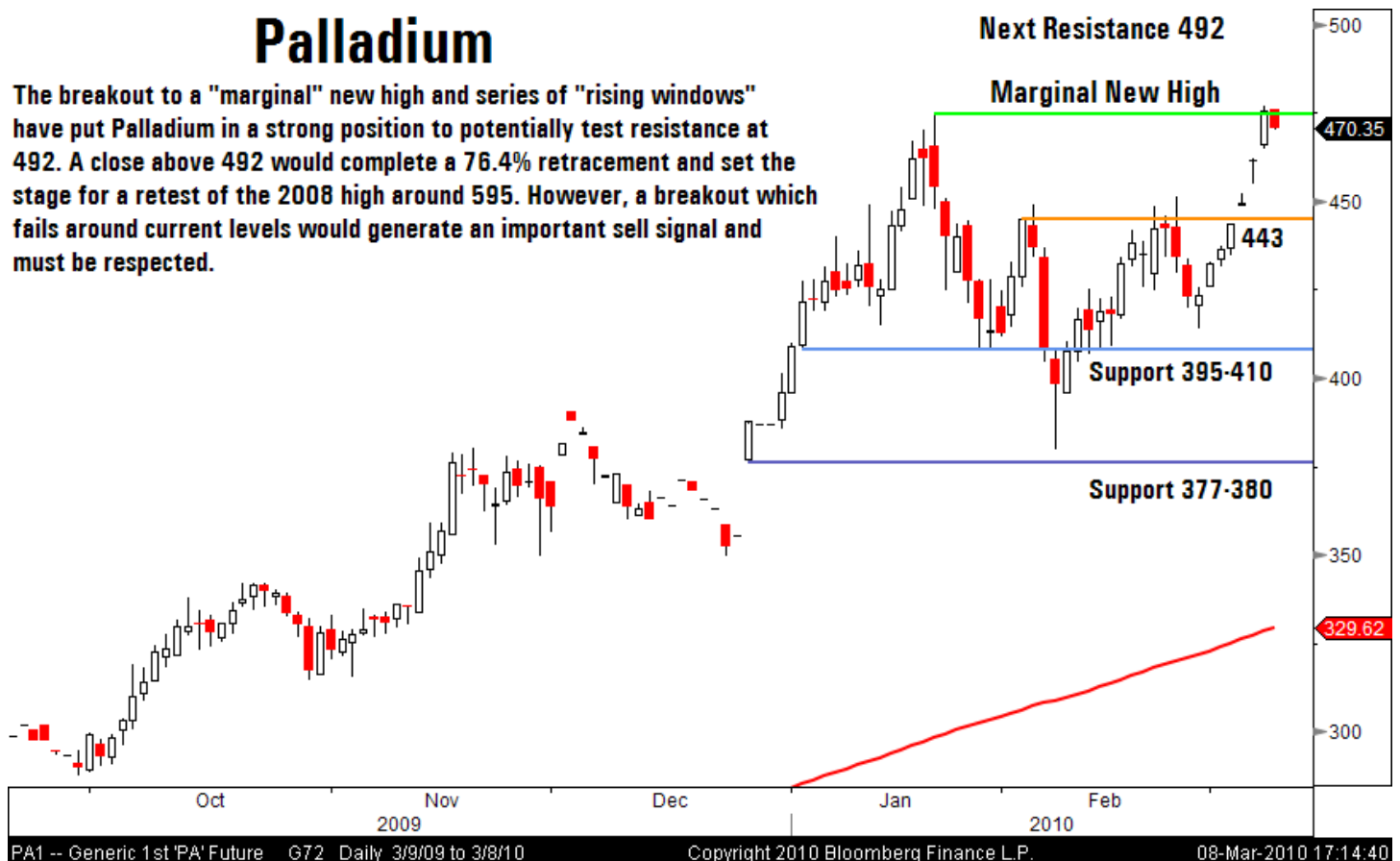
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With an "All Star" cast of supporters which includes Soros, Paulson, Einhorn, Goldman, China and India; I won't stop you if you want to buy Gold. However, with Gold struggling as it comes into important resistance despite recent weakness in the Dollar, the technicals suggest you wait for a better entry point around 1,093 at a minimum. Until Gold can take out 1,151-1,161 on a closing basis, it remains vulnerable to a retest of the low end of the trading range at 1,066. Conversely, a close above 1,151-1,161 would invalidate that resistance, snap the pattern of lower highs and likely fuel a wave of short covering and fresh money buying which propels prices towards a retest of \$1,200.



Palladium

The breakout to a "marginal" new high and series of "rising windows" have put Palladium in a strong position to potentially test resistance at 492. A close above 492 would complete a 76.4% retracement and set the stage for a retest of the 2008 high around 595. However, a breakout which fails around current levels would generate an important sell signal and must be respected.



Crude Oil

The improbable march in Crude Oil prices is approaching its zenith. With Oil up 18% from the February low and into significant resistance between \$82-\$84, the trend is no longer your friend and Oil is vulnerable to a swift decline. A failure here could lead to a retest of the 200 Day MA around 72.89 at a minimum. From there, Oil could trade as low as 68.50 to test the low end of the well defined trading range.



VIX

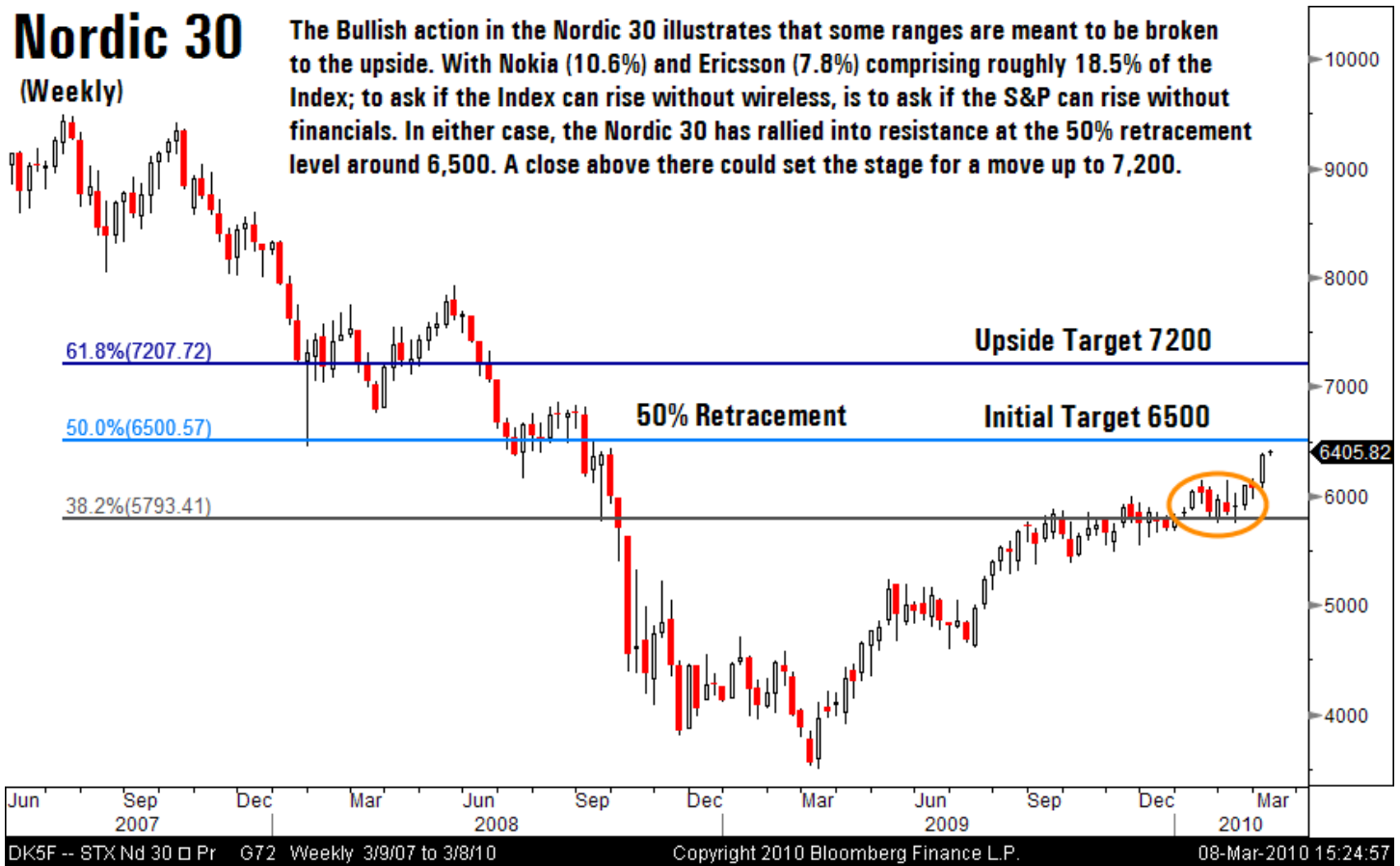
The VIX, like all technical indicators, should not be used as a buy or sell signal in isolation. However, when you have an aging Bull Market in the midst of a low volume, double digit rally into significant resistance while the VIX is simultaneously making a new low which just happens to coincide with the previous high in equities; then you might want to listen.



Nordic 30

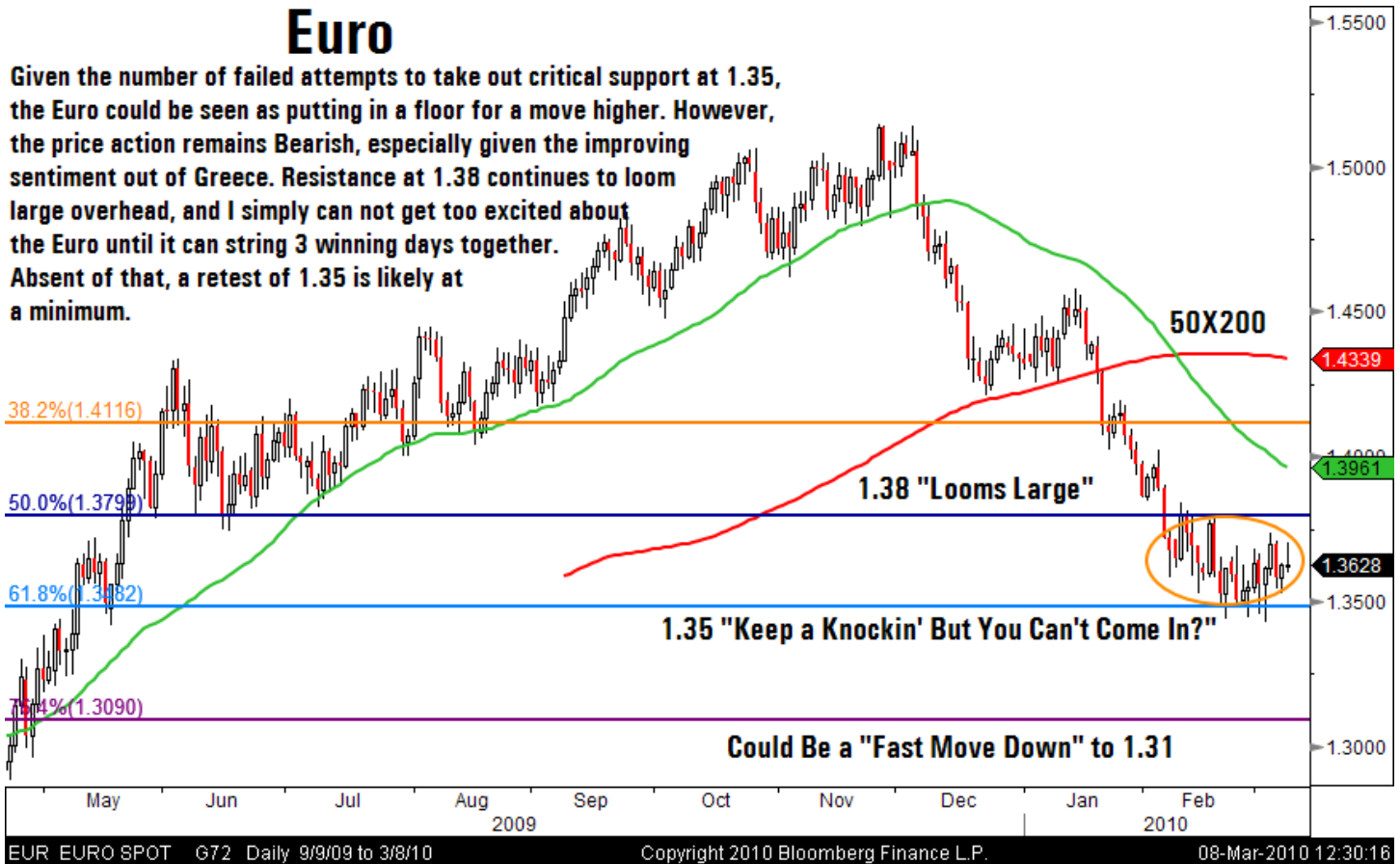
(Weekly)

The Bullish action in the Nordic 30 illustrates that some ranges are meant to be broken to the upside. With Nokia (10.6%) and Ericsson (7.8%) comprising roughly 18.5% of the Index; to ask if the Index can rise without wireless, is to ask if the S&P can rise without financials. In either case, the Nordic 30 has rallied into resistance at the 50% retracement level around 6,500. A close above there could set the stage for a move up to 7,200.

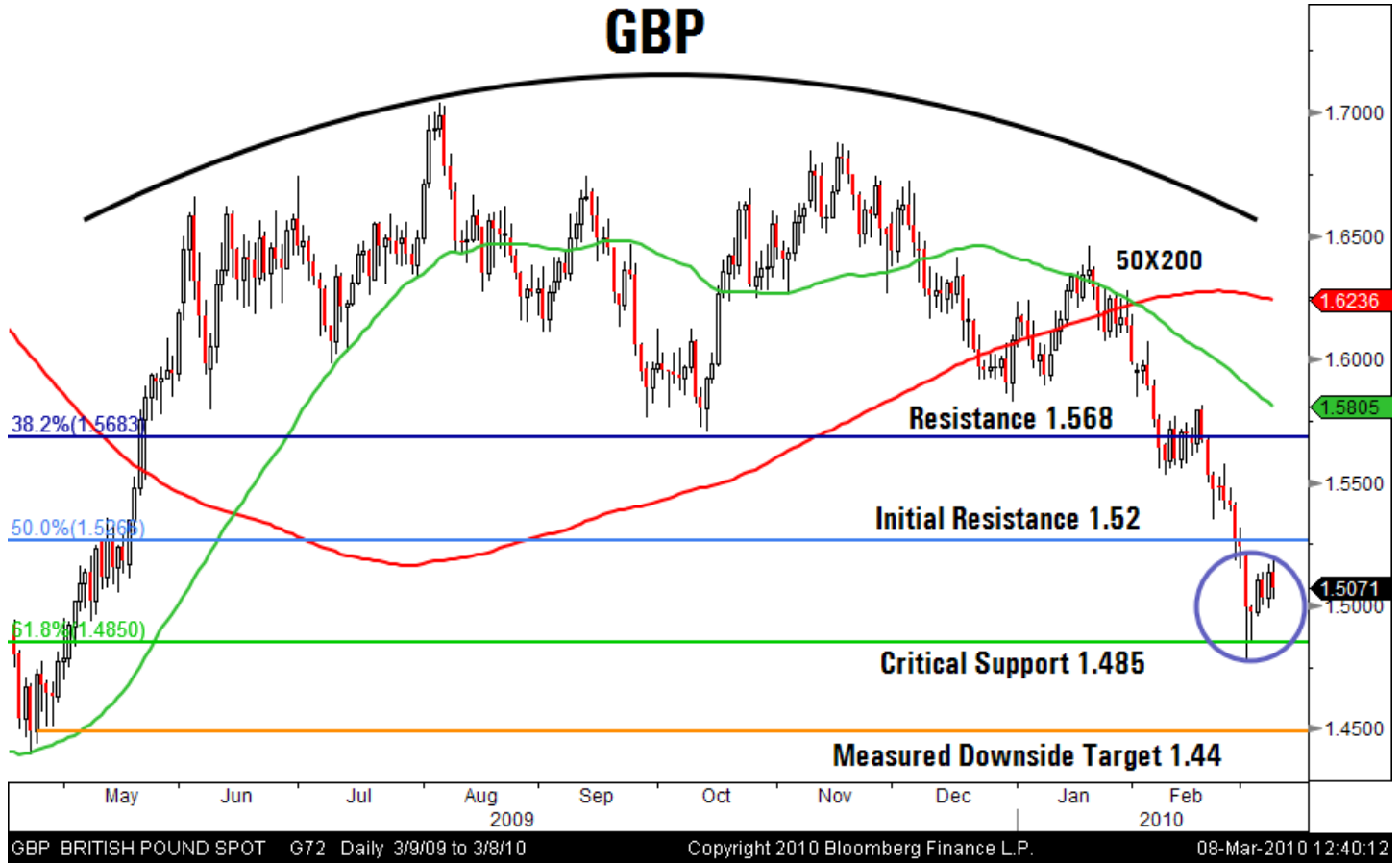


Euro

Given the number of failed attempts to take out critical support at 1.35, the Euro could be seen as putting in a floor for a move higher. However, the price action remains Bearish, especially given the improving sentiment out of Greece. Resistance at 1.38 continues to loom large overhead, and I simply can not get too excited about the Euro until it can string 3 winning days together. Absent of that, a retest of 1.35 is likely at a minimum.



GBP



DXY

The DXY has availed itself quite well over recent sessions. Strong support continues to hold as the Index consolidates within the well defined trading range. Our analysis suggests that an upside break out from this range is imminent and I reiterate my 82 target.

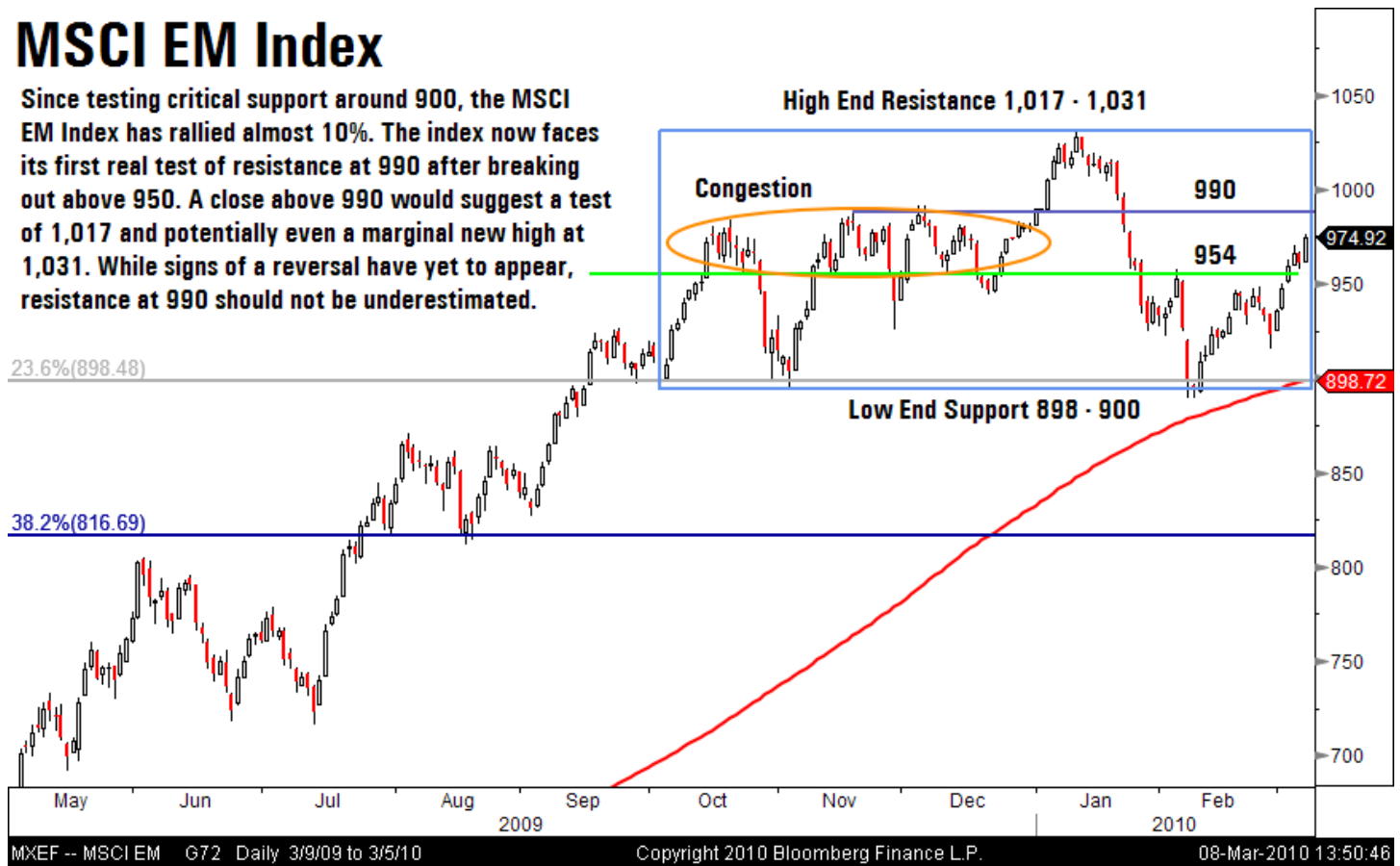


MSCI EM Index

Since testing critical support around 900, the MSCI EM Index has rallied almost 10%. The index now faces its first real test of resistance at 990 after breaking out above 950. A close above 990 would suggest a test of 1,017 and potentially even a marginal new high at 1,031. While signs of a reversal have yet to appear, resistance at 990 should not be underestimated.

23.6%(898.48)

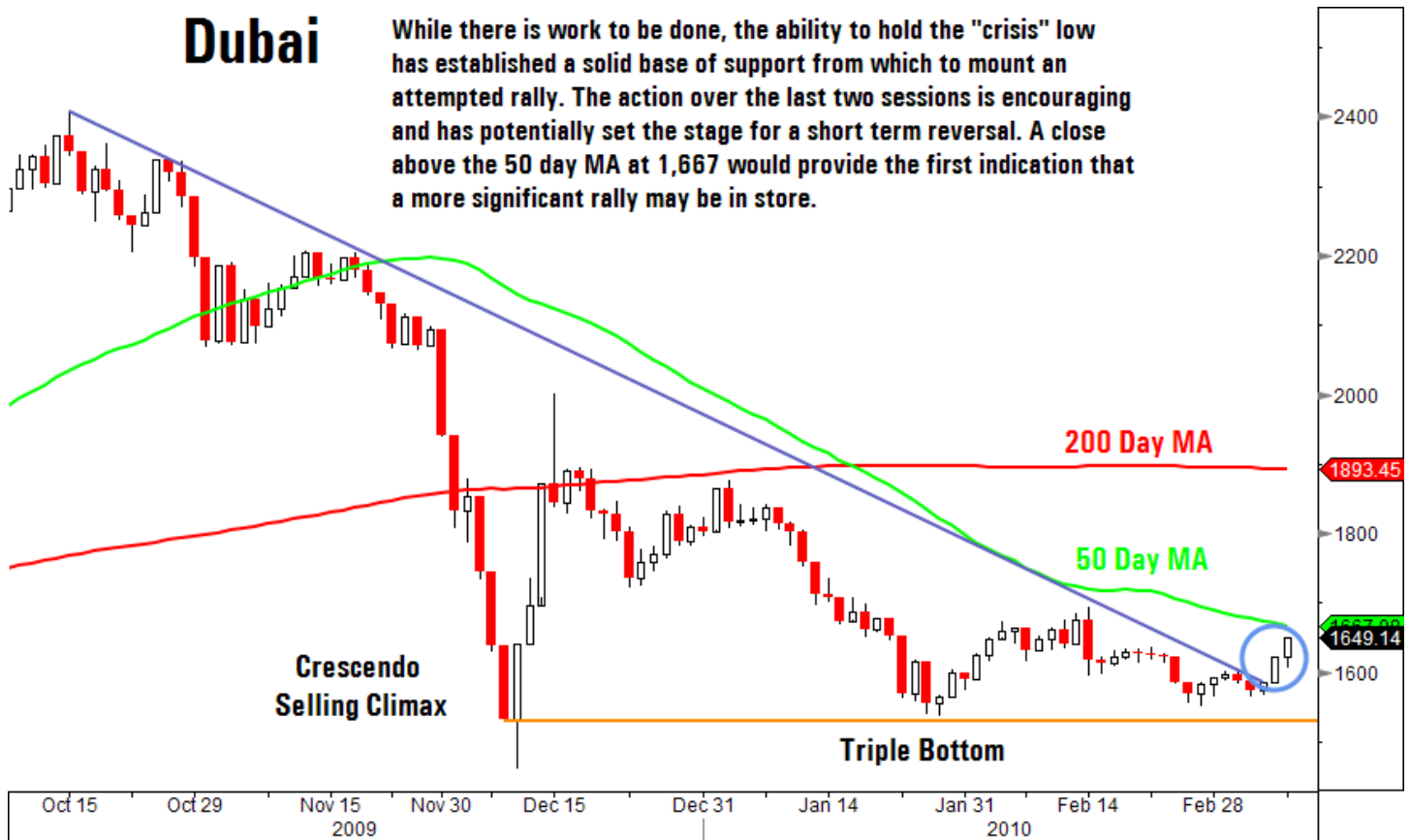
38.2%(816.69)



MXEF -- MSCI EM G72 Daily 3/9/09 to 3/5/10 Copyright 2010 Bloomberg Finance L.P. 08-Mar-2010 13:50:46

Dubai

While there is work to be done, the ability to hold the "crisis" low has established a solid base of support from which to mount an attempted rally. The action over the last two sessions is encouraging and has potentially set the stage for a short term reversal. A close above the 50 day MA at 1,667 would provide the first indication that a more significant rally may be in store.



DFMGI -- DFM GENERAL INDEX G72 Daily 9/9/09 to 3/8/10 Copyright 2010 Bloomberg Finance L.P. 08-Mar-2010 14:04:19

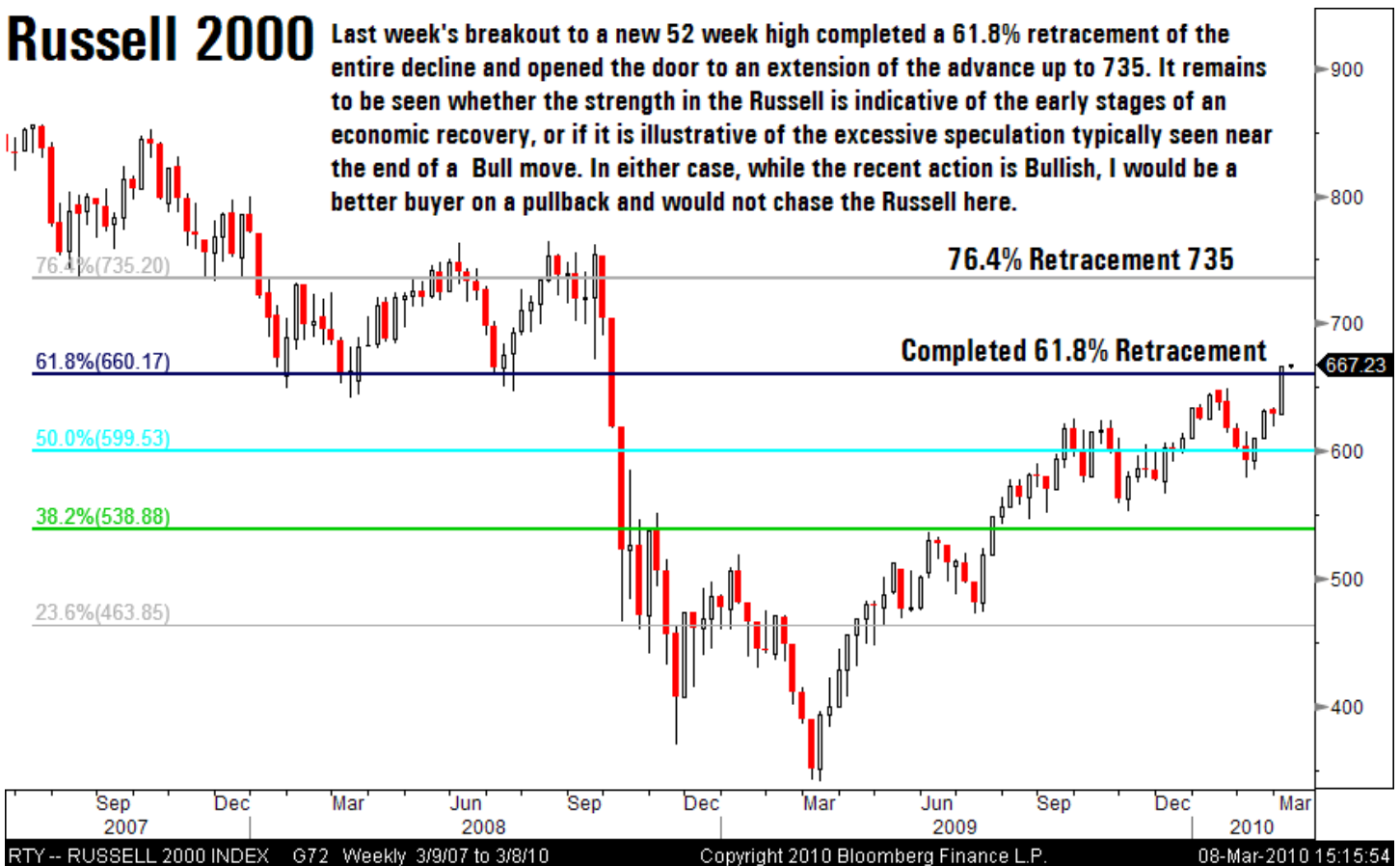
FTSE 100

Last week's Bullish break out to a new 52 week high also reclaimed the 61.8% retracement level at 5,496 and set the stage for an extension of the advance up to 5,976. While the potential for a false breakout must be respected, so must the FTSE's outstanding relative strength.



Russell 2000

Last week's breakout to a new 52 week high completed a 61.8% retracement of the entire decline and opened the door to an extension of the advance up to 735. It remains to be seen whether the strength in the Russell is indicative of the early stages of an economic recovery, or if it is illustrative of the excessive speculation typically seen near the end of a Bull move. In either case, while the recent action is Bullish, I would be a better buyer on a pullback and would not chase the Russell here.



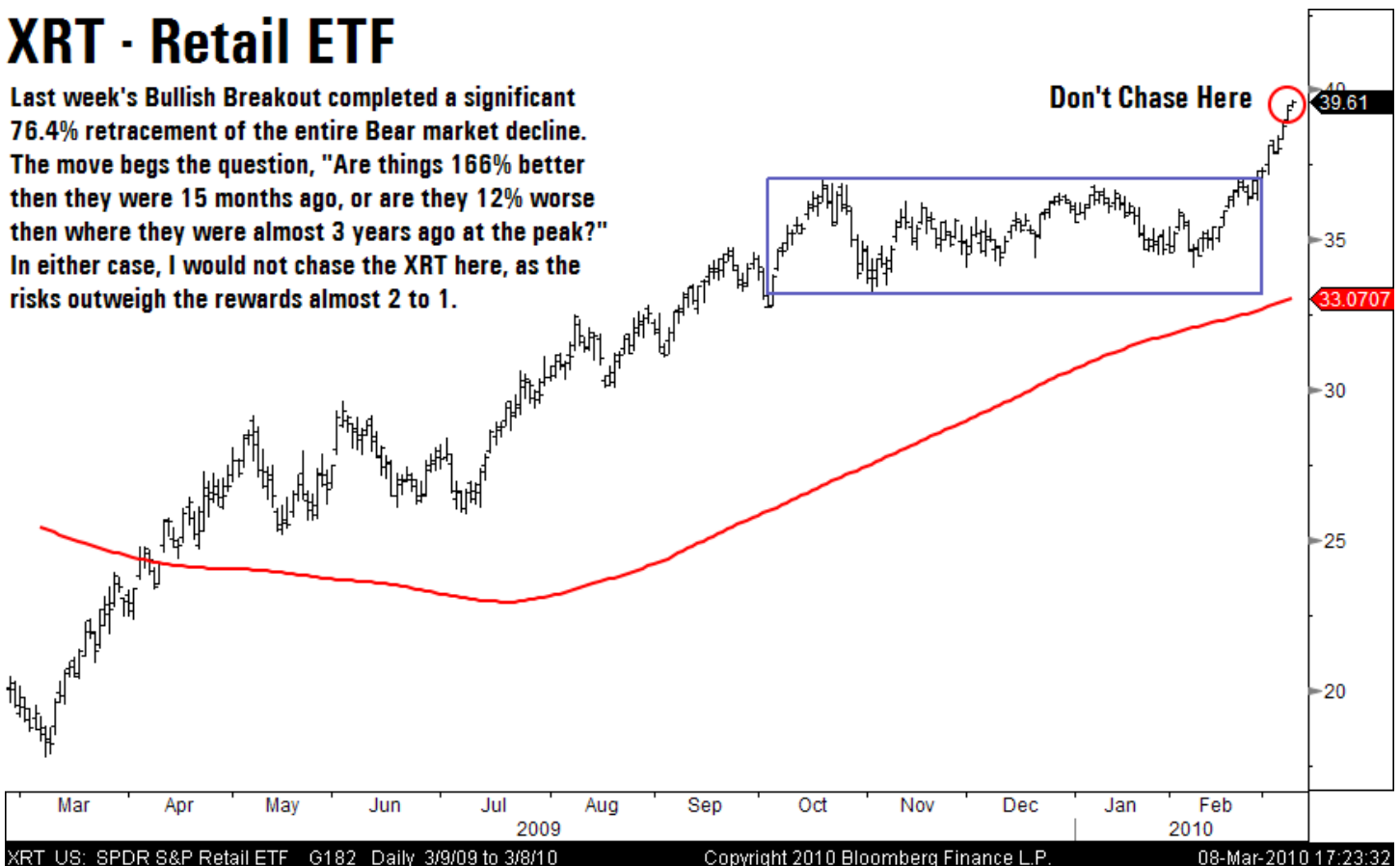
Cisco Systems

Cisco will reportedly host a webcast Tuesday that will "forever change the internet." While that remains to be seen, news of the announcement was enough to break the shares out of a 6 month trading range to a new 52 week high. While the price action is Bullish, the stock has rallied into resistance around 26.35 and any disappointment here could send the stock back into the well defined trading range.



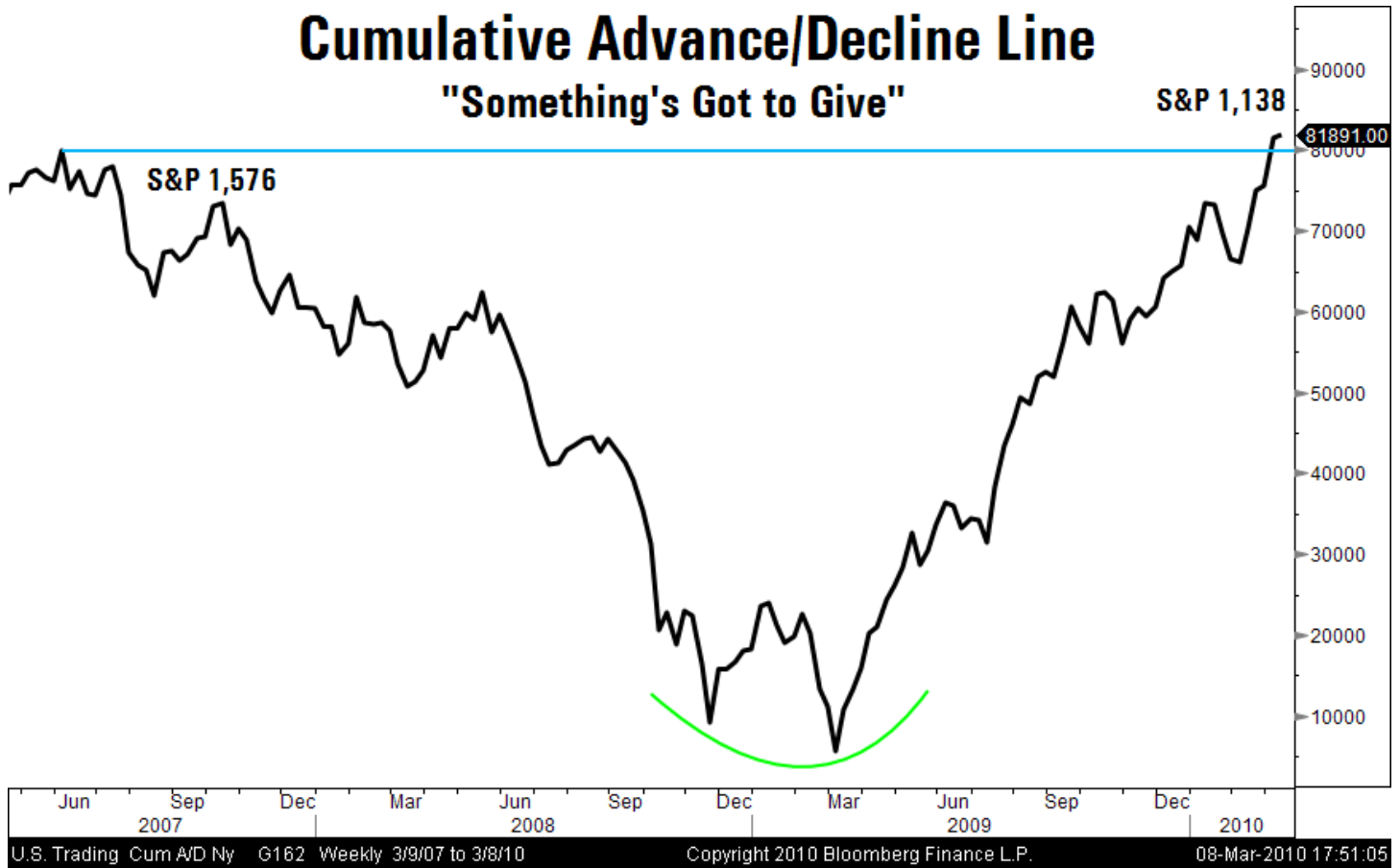
XRT - Retail ETF

Last week's Bullish Breakout completed a significant 76.4% retracement of the entire Bear market decline. The move begs the question, "Are things 166% better then they were 15 months ago, or are they 12% worse then where they were almost 3 years ago at the peak?" In either case, I would not chase the XRT here, as the risks outweigh the rewards almost 2 to 1.

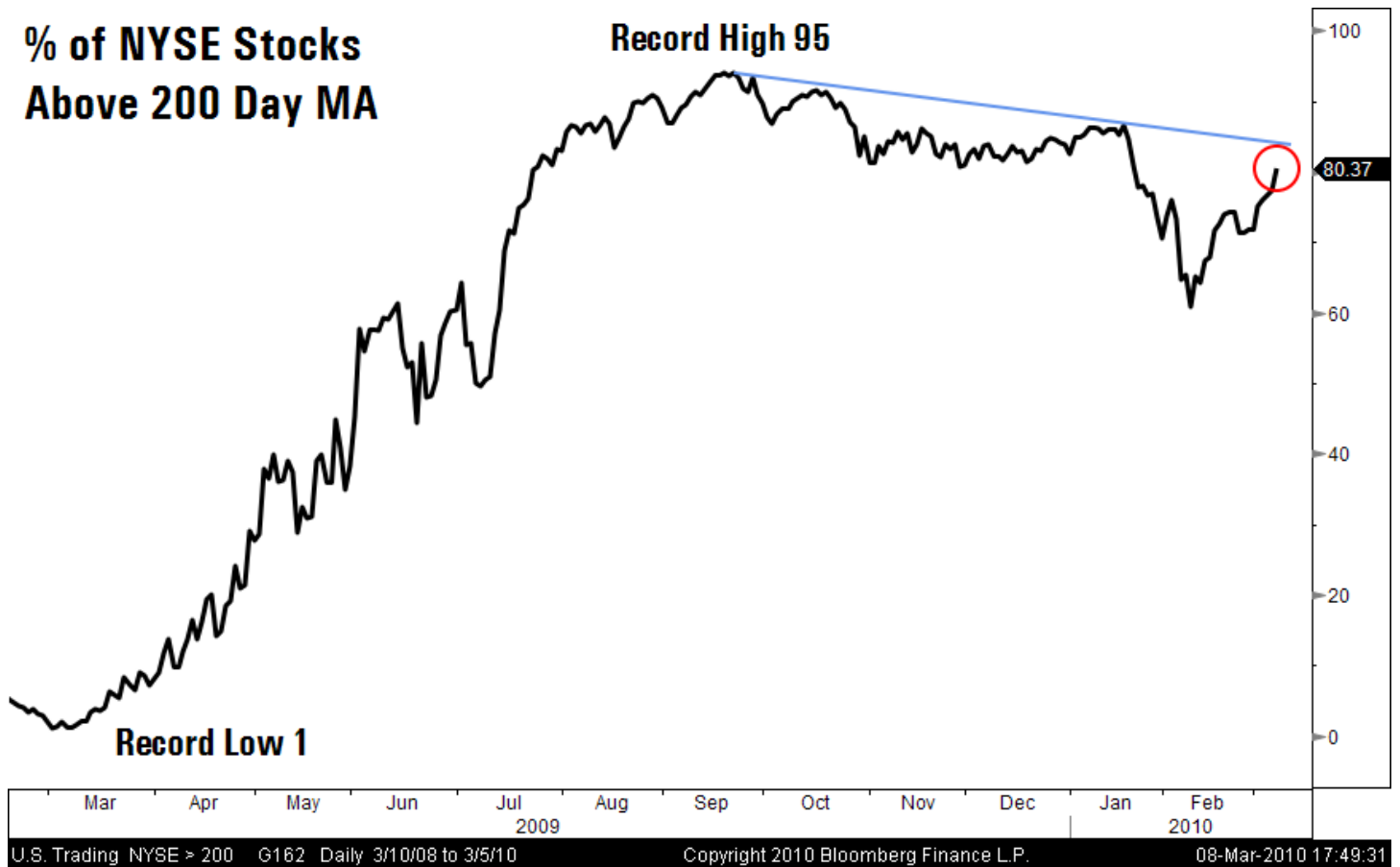


Cumulative Advance/Decline Line

"Something's Got to Give"



% of NYSE Stocks Above 200 Day MA



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Buy: 0.0% Neutral: 0.0% Sell: 0.0%

Definitions of Ratings Revised November 1, 2009

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Neutral: The security is expected to perform in-line with its relevant benchmark on a risk adjusted basis
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