

## “U.S.A Beats England 1-1”

In trading, as in soccer, the final score does not always reflect the “action” on the field. In financial markets, it is the path of prices which grabs the headlines, but it is the final “score” by which success is measured. While the Bears have seemingly dominated of late, the performance of many Indices reveals that the match is much closer than recent action might otherwise suggest. This potentially Bullish divergence reinforces our stated belief that the backdrop for “risky” assets remains favorable and that the recent correction has created a compelling entry point on the long side. In the United States, all three major Indexes are down 2% or less year to date. In Europe, where the locus of the current crisis resides, the picture is far more mixed, but the benchmark Euro STOXX 600 is down less than 1%, the DAX is up almost 3% and the Nordic 30 is up 13%. Of the major emerging markets; Brazil -7%, Russia -2.5%, India -.06%, China -21%; all but the latter have availed themselves relatively well in 2010 given the triple digit returns of 2009. In addition, so called Frontier markets throughout Asia and Africa have thrived amidst the chaos and uncertainty in the “developed” world. Technically speaking, critical support has been repeatedly tested and has remained intact in the face of one of the most dramatic reversals of price and sentiment in recent memory. Oil and Copper have firmed, Gold is strong, and the action in the “Aussie”, “Kiwi”, Pound Sterling and even the Euro, all suggests that market psychology is healing and an appetite for risk is returning. Finally, the S&P 500 is on a two day “heater”, MACD registered a fresh Buy signal, upside volume hit 98% on Thursday, and the 200 Day MA at 1,108 is once again in play. At the end of the day, price is the final arbiter, and there is a reason we keep score.



SPX -- S&P 500 INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 09:40:31

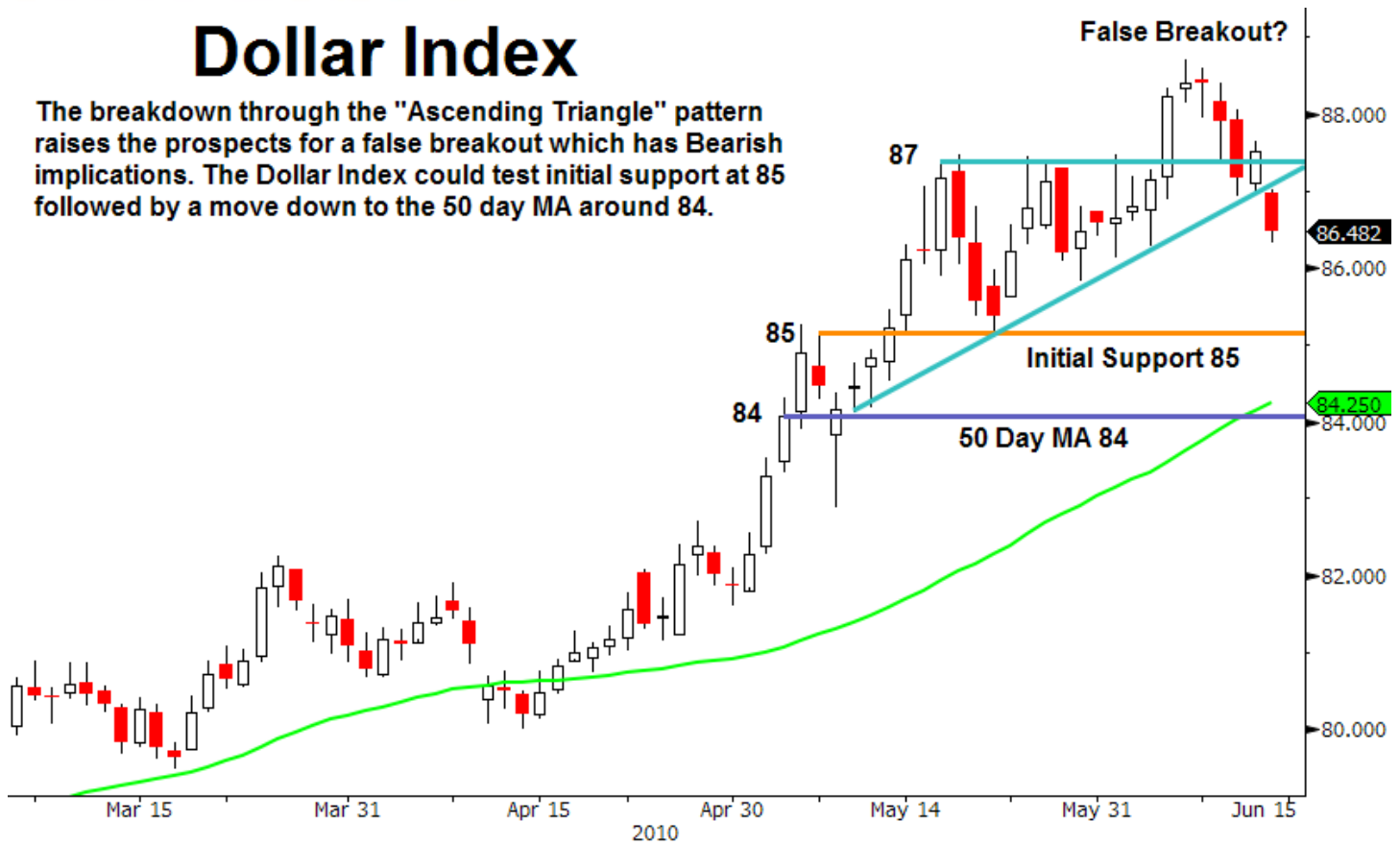
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# Dollar Index

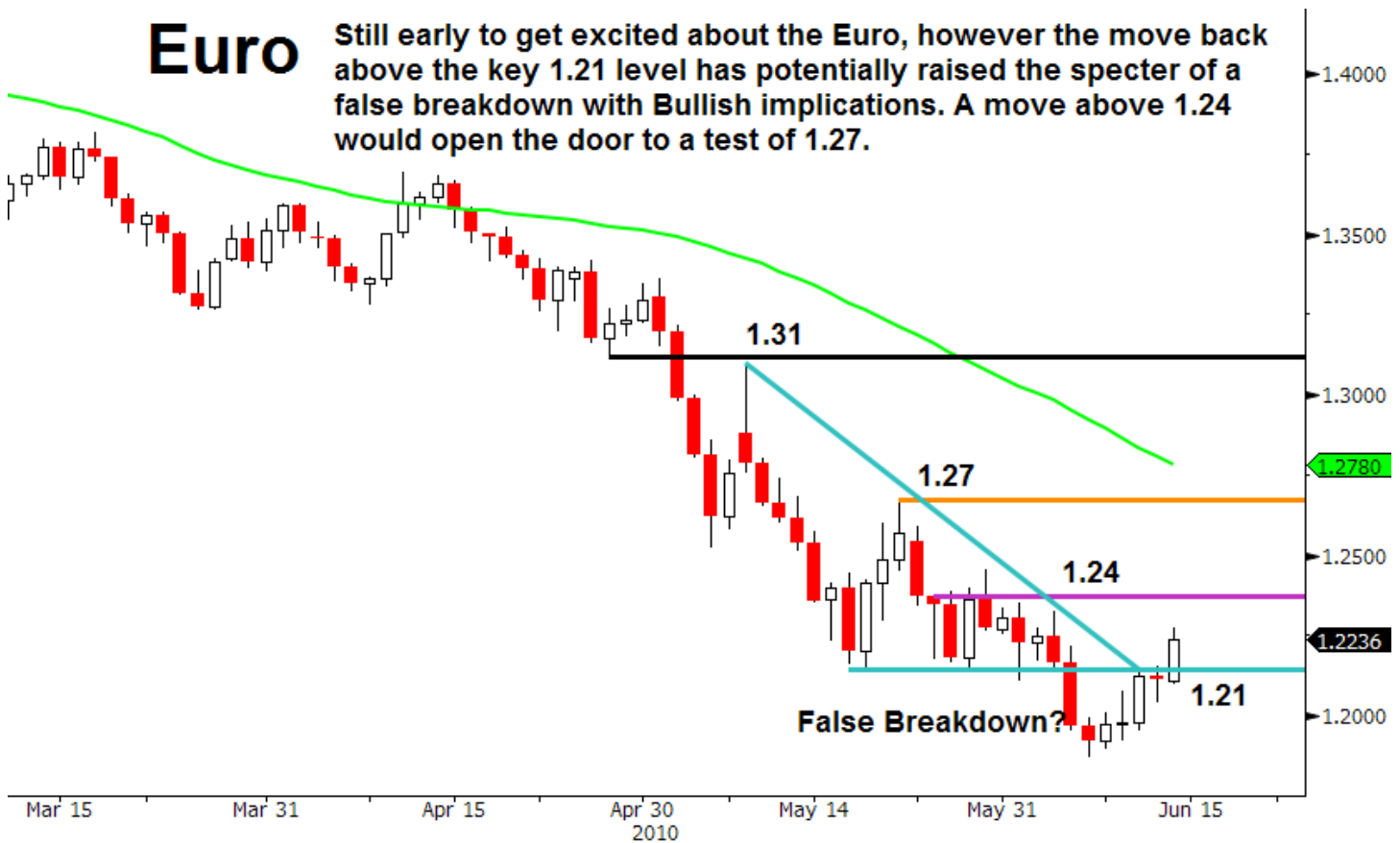
The breakdown through the "Ascending Triangle" pattern raises the prospects for a false breakout which has Bearish implications. The Dollar Index could test initial support at 85 followed by a move down to the 50 day MA around 84.



DXY -- DOLLAR INDEX SPOT G72 Daily 4/15/10 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 09:47:26

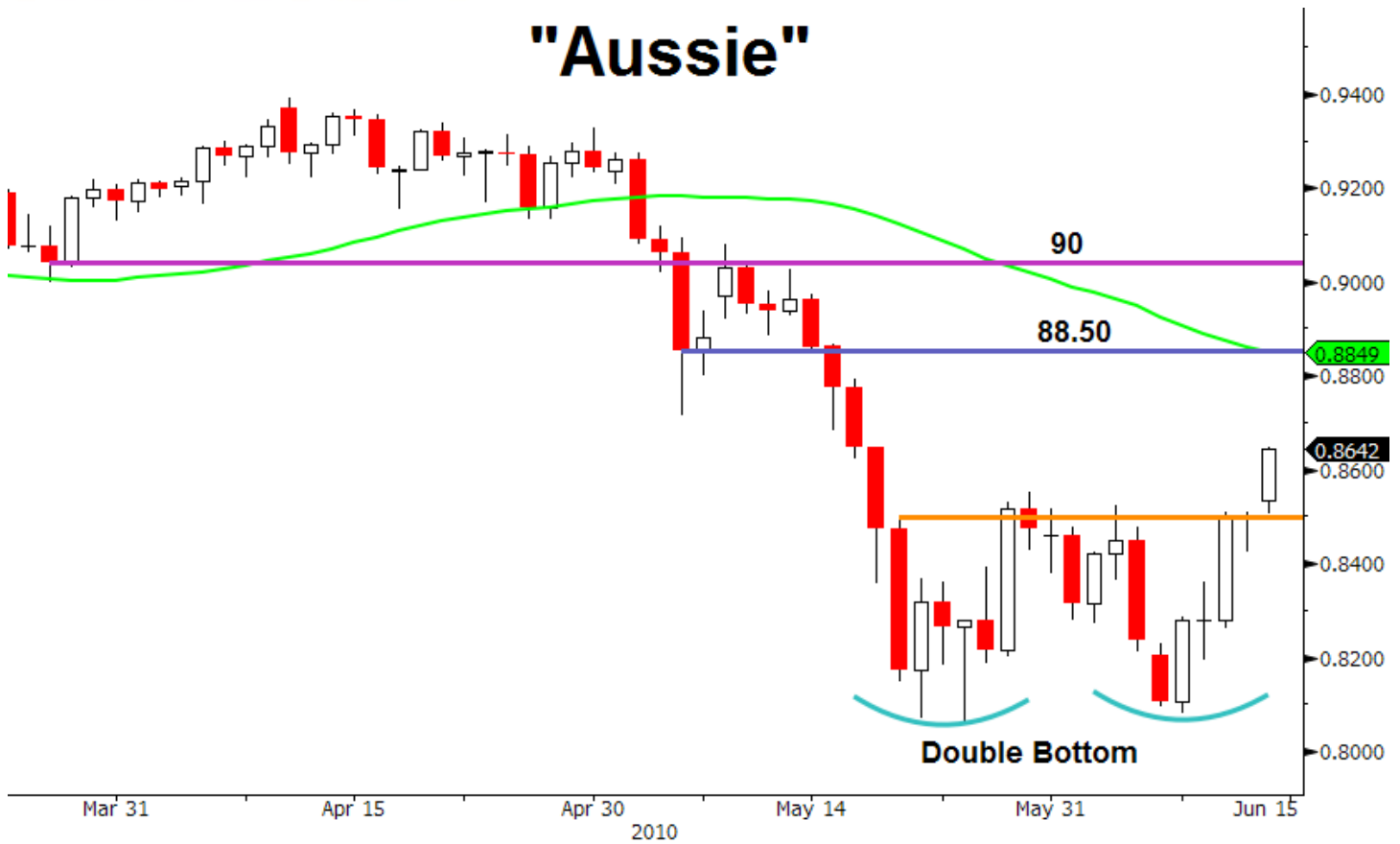
# Euro

Still early to get excited about the Euro, however the move back above the key 1.21 level has potentially raised the specter of a false breakdown with Bullish implications. A move above 1.24 would open the door to a test of 1.27.



EUR EURO SPOT G72 Daily 4/15/10 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 09:57:25

# "Aussie"



AUD AUSTRALIAN DOLLAR SPOT G72 Daily 4/15/10 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:01:39

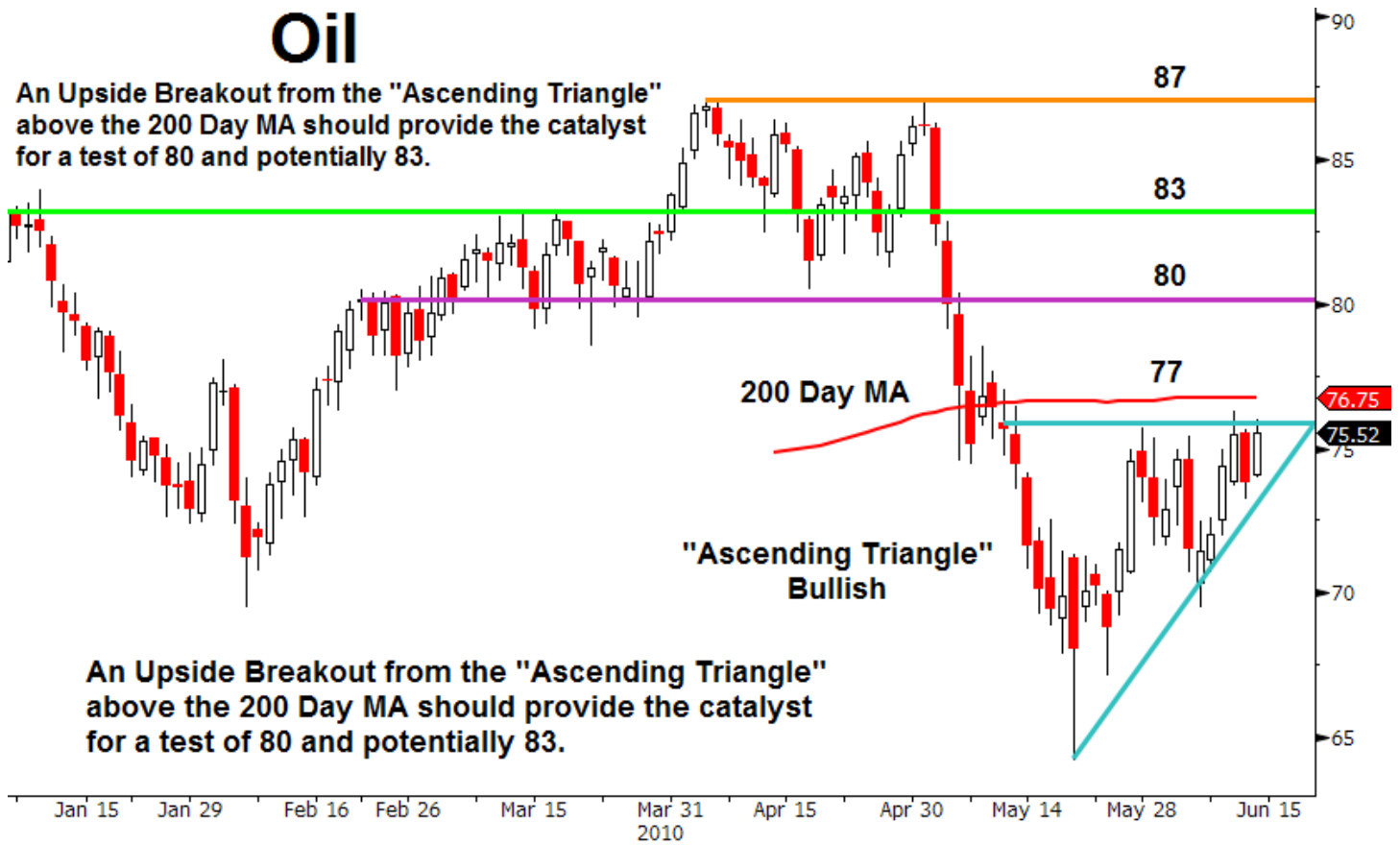
# "Kiwi"



NZD NEW ZEALAND DOLLAR SPOT G72 Daily 4/15/10 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:05:08

# Oil

An Upside Breakout from the "Ascending Triangle" above the 200 Day MA should provide the catalyst for a test of 80 and potentially 83.



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CL1 -- Generic 1st 'CL' Future G72 Daily 4/15/10 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:10:56

# Gold

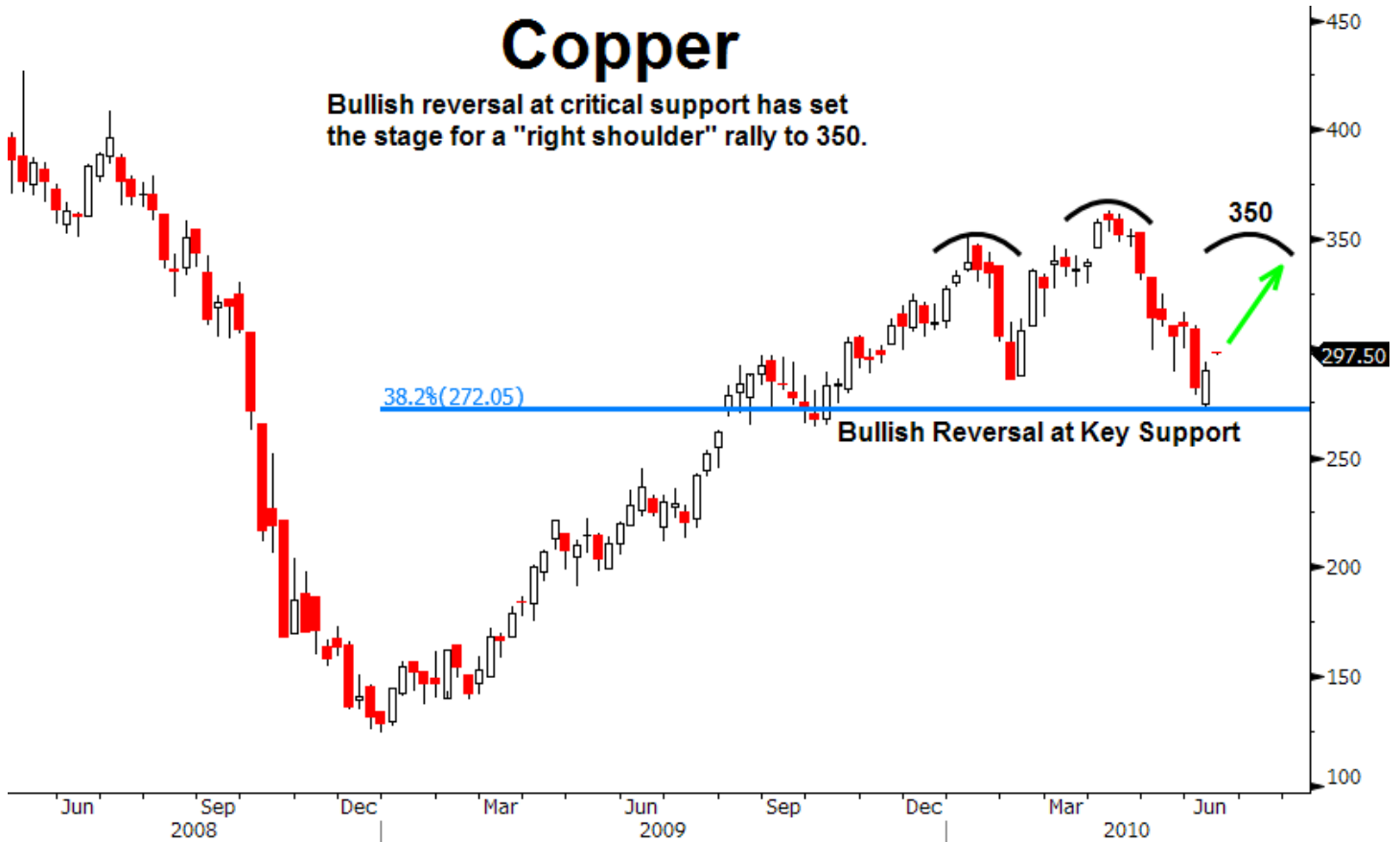
Get there and stay there. Gold is in a strong technical position to retest 1,250 and push out to an all time high in Dollar terms. We reiterate our initial \$1,300 target.



GOLDS GOLD SPOT \$/OZ G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:14:21

# Copper

Bullish reversal at critical support has set the stage for a "right shoulder" rally to 350.



HG1 -- Generic 1st 'HG' Future G72 weekly 6/15/07 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:16:12

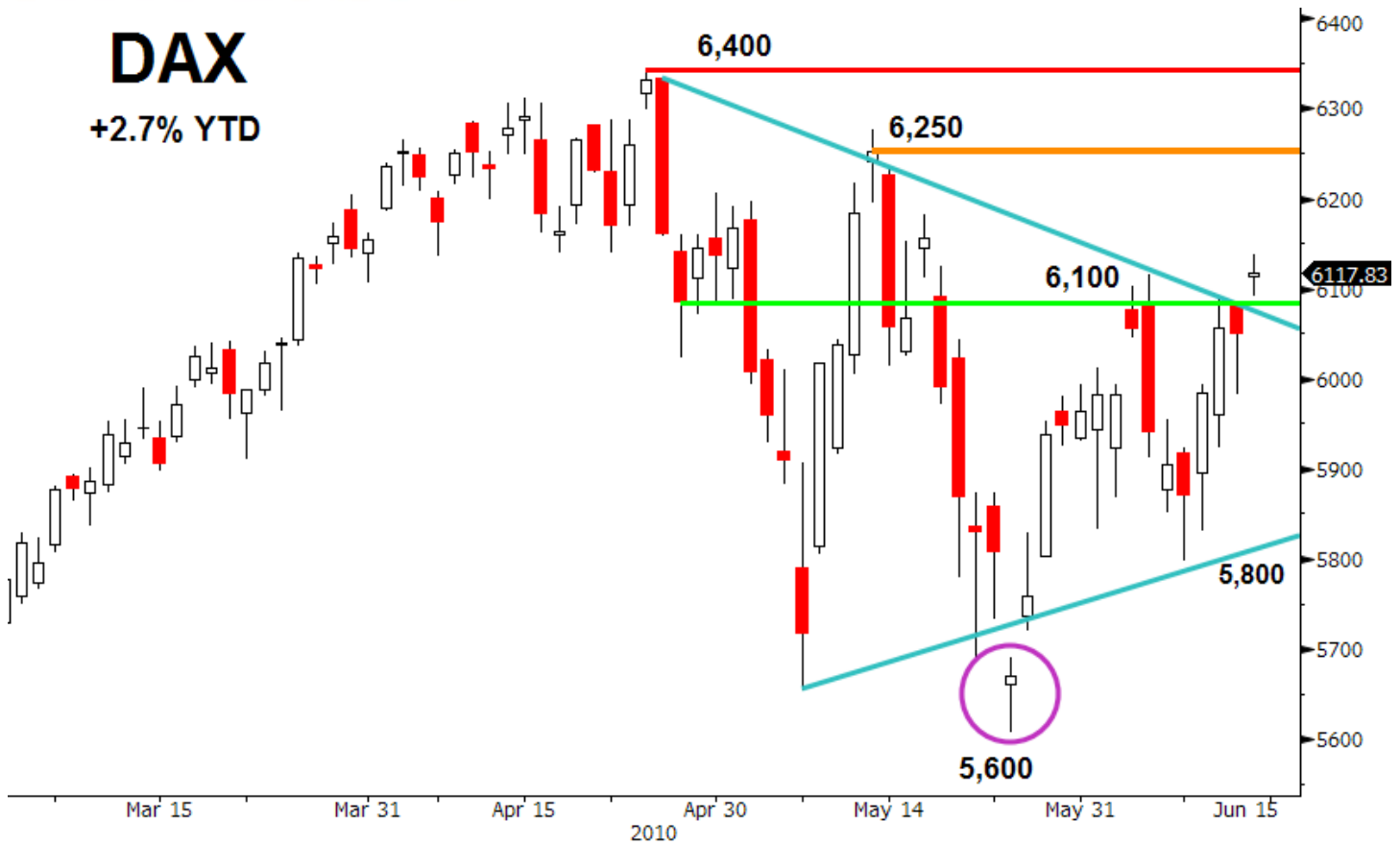
# GSCI



SPGSCI - S&P GSCI Index Spot Indx G72 weekly 6/15/07 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:18:55

# DAX

+2.7% YTD



DAX -- DAX INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:21:32

# STOXX Nordic 30

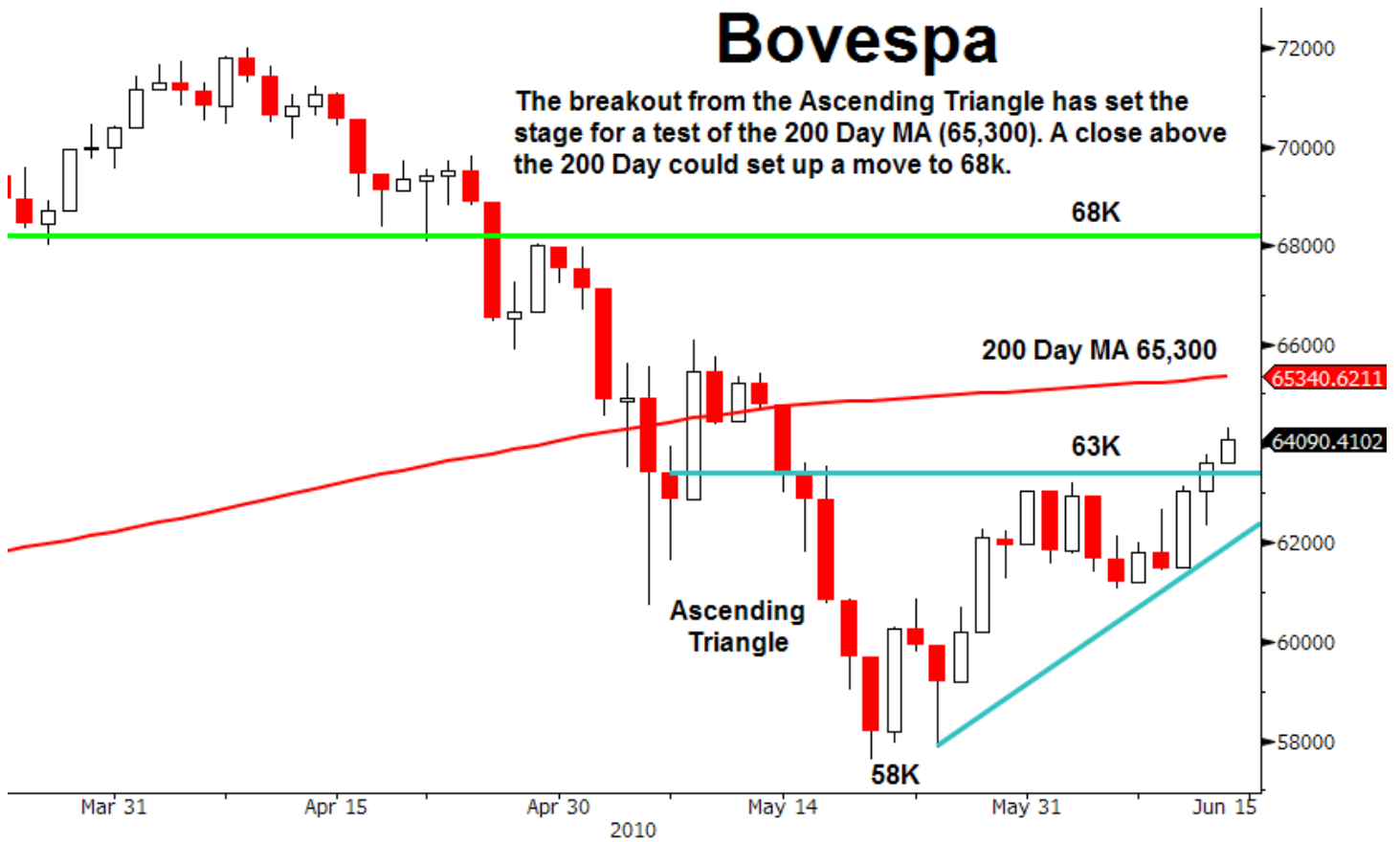
+13% YTD



DK5F -- STX Nd 30 € Pr G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:23:31

# Bovespa

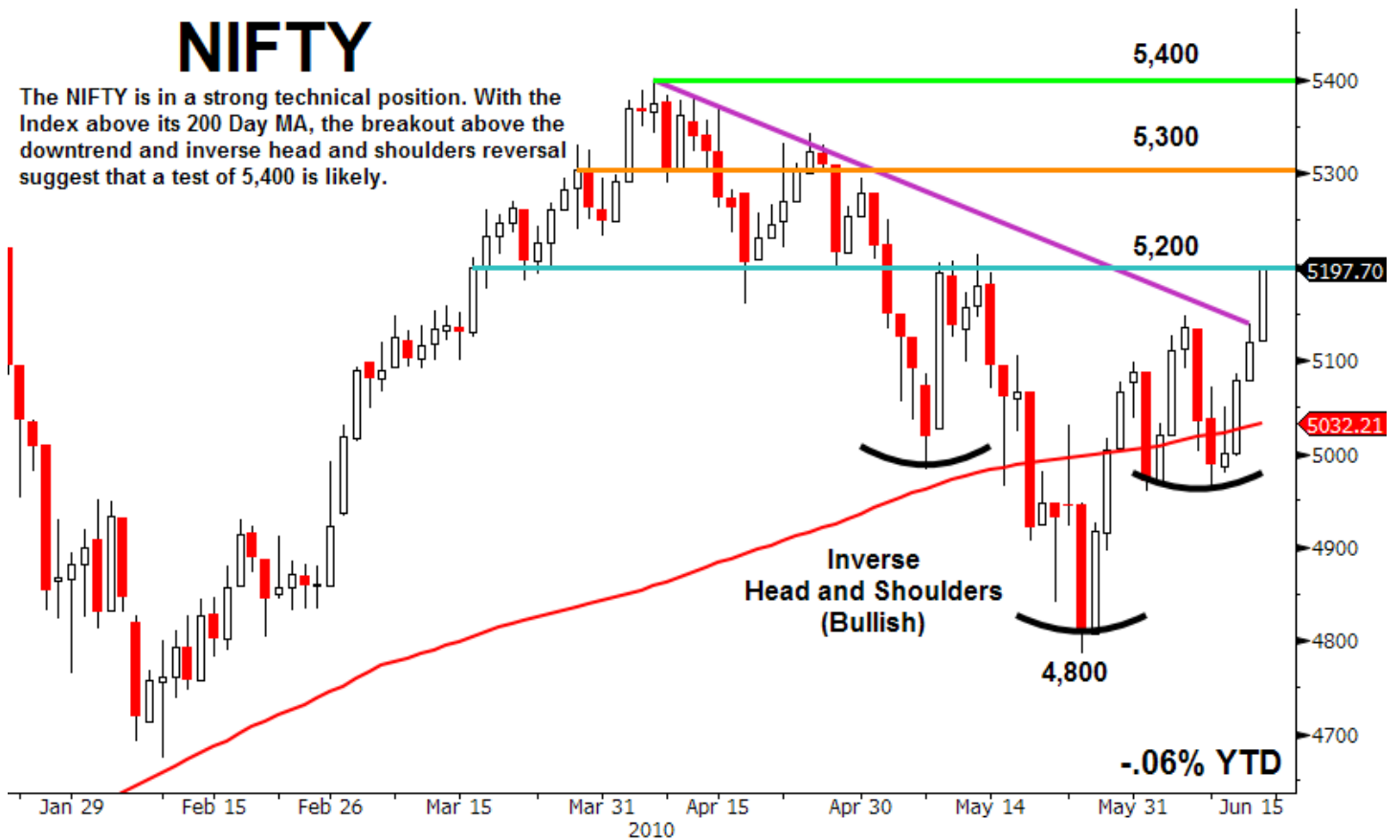
The breakout from the Ascending Triangle has set the stage for a test of the 200 Day MA (65,300). A close above the 200 Day MA could set up a move to 68k.



IBOV -- BRAZIL BOVESPA INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:27:13

# NIFTY

The NIFTY is in a strong technical position. With the Index above its 200 Day MA, the breakout above the downtrend and inverse head and shoulders reversal suggest that a test of 5,400 is likely.



NIFTY -- NSE S&P CNX NIFTY INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:33:56

# ISE 100

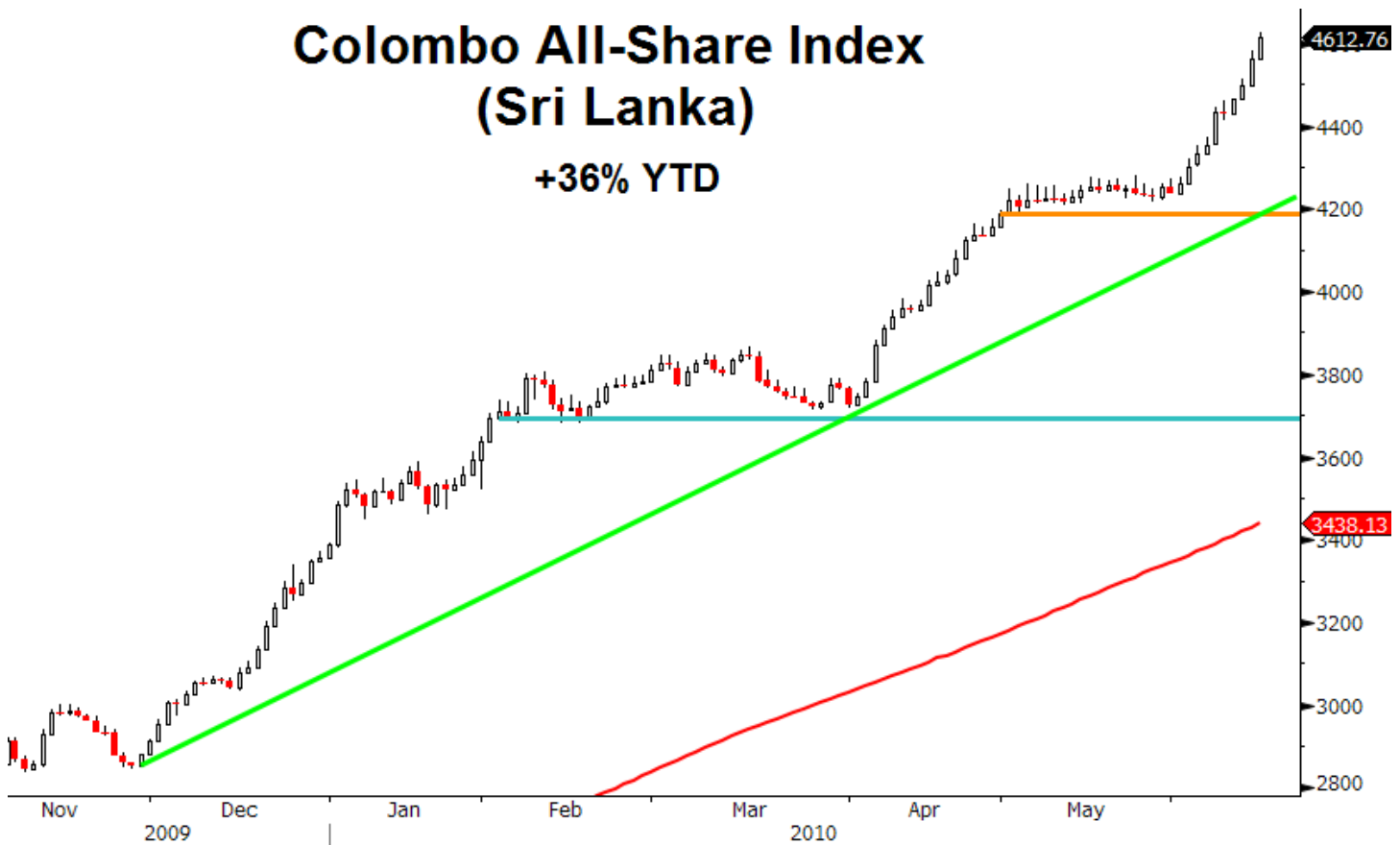
Up over 5% YTD, Turkey displays very nice relative strength. An upside breakout from the wedge formation could lead to a test of 59,000.



XU100 -- ISE NATIONAL 100 INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:39:15

# Colombo All-Share Index (Sri Lanka)

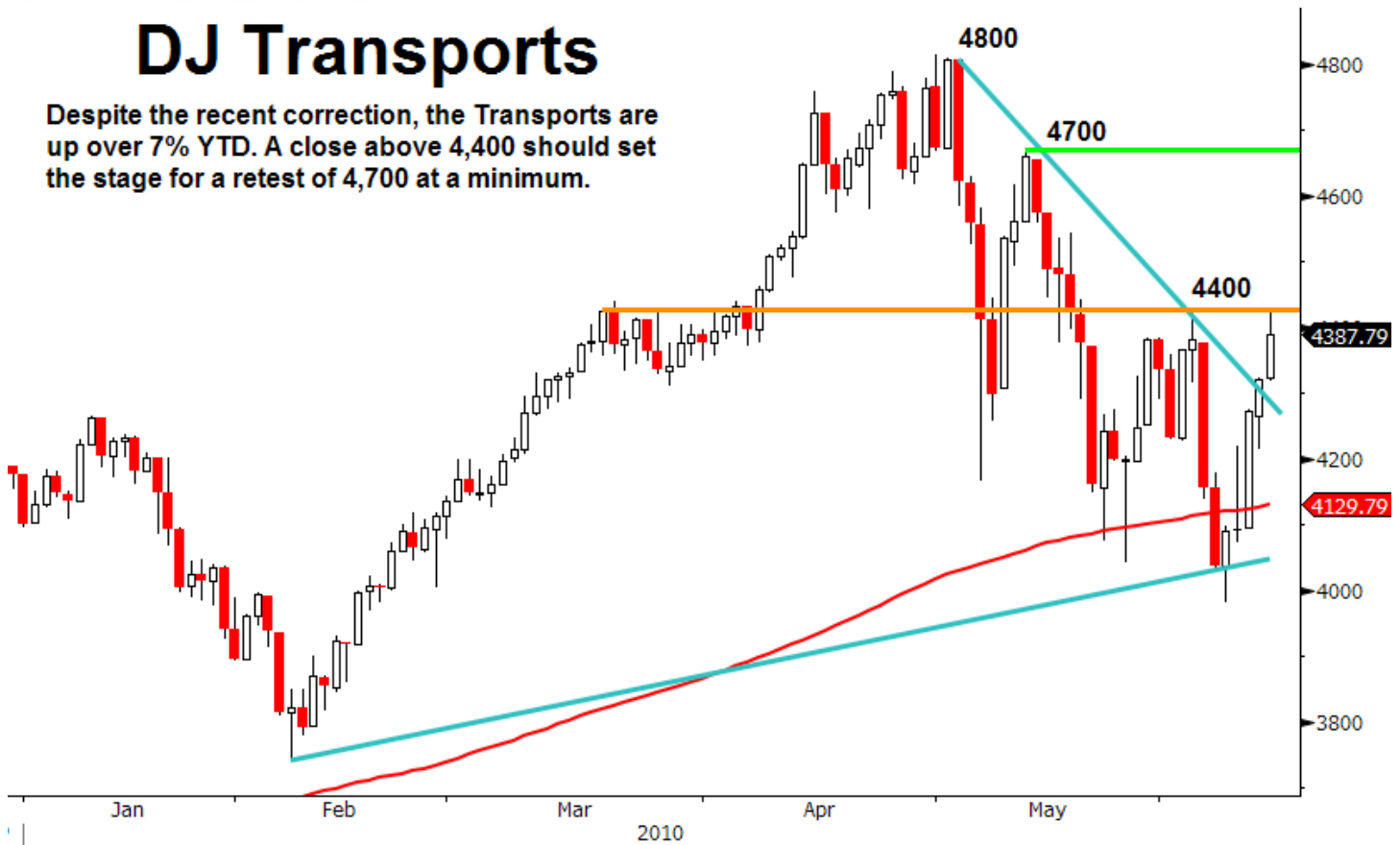
+36% YTD



CSEALL - SRI LANKA COLOMBO ALL SH G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:42:49

# DJ Transports

Despite the recent correction, the Transports are up over 7% YTD. A close above 4,400 should set the stage for a retest of 4,700 at a minimum.



TRAN -- DOW JONES TRANS. AVG G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:47:42

# Bloomberg World Airlines Index

"Rich Enough to Have Your Own Jet.  
Rich Enough to Not Waste Time.  
A Player. Or Nothing."  
Gekko

+5% YTD



BWAIRL - BBG WORLD AIRLINES INDEX G72 Daily 12/16/09 to 6/14/10 Copyright 2010 Bloomberg Finance L.P. 14-Jun-2010 10:59:40



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