

“No Free Lunch on Wall Street”

MSCI EM Index, China, India, Russia, Brazil, Turkey, Mexico, Indonesia, Philippines, Pakistan, Sri Lanka, Egypt, Dubai, Korea, Hong Kong, Germany, Greece, S&P 500, NASDAQ Composite, DJ Transports, Crude Oil, Gold, Copper, Cotton, Sugar, Euro, Dollar Index

Proving once again that there is “No Free Lunch on Wall Street”, the hefty bill for July’s gluttonous feast on risky assets finally arrived last week. Admittedly, my technical analysis suggested that there was another course on the menu and I’ve never been one to leave a party while I’m still having fun. Undaunted, we remain steadfast in our belief that opportunities abound around the world (see charts). This is not our first rodeo and we have no intention of letting a classic low volume, thin market, late summer squall on the heels of the best month (July) in a year, throw us from our Bullish stance. Nothing has changed from a week ago and today we reiterate many of the same emerging, frontier and developed market themes which we have espoused for months in markets both up and down.



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Auerbach Grayson & Company Incorporated 25 W 45th Street New York, NY 10036

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Shanghai Composite

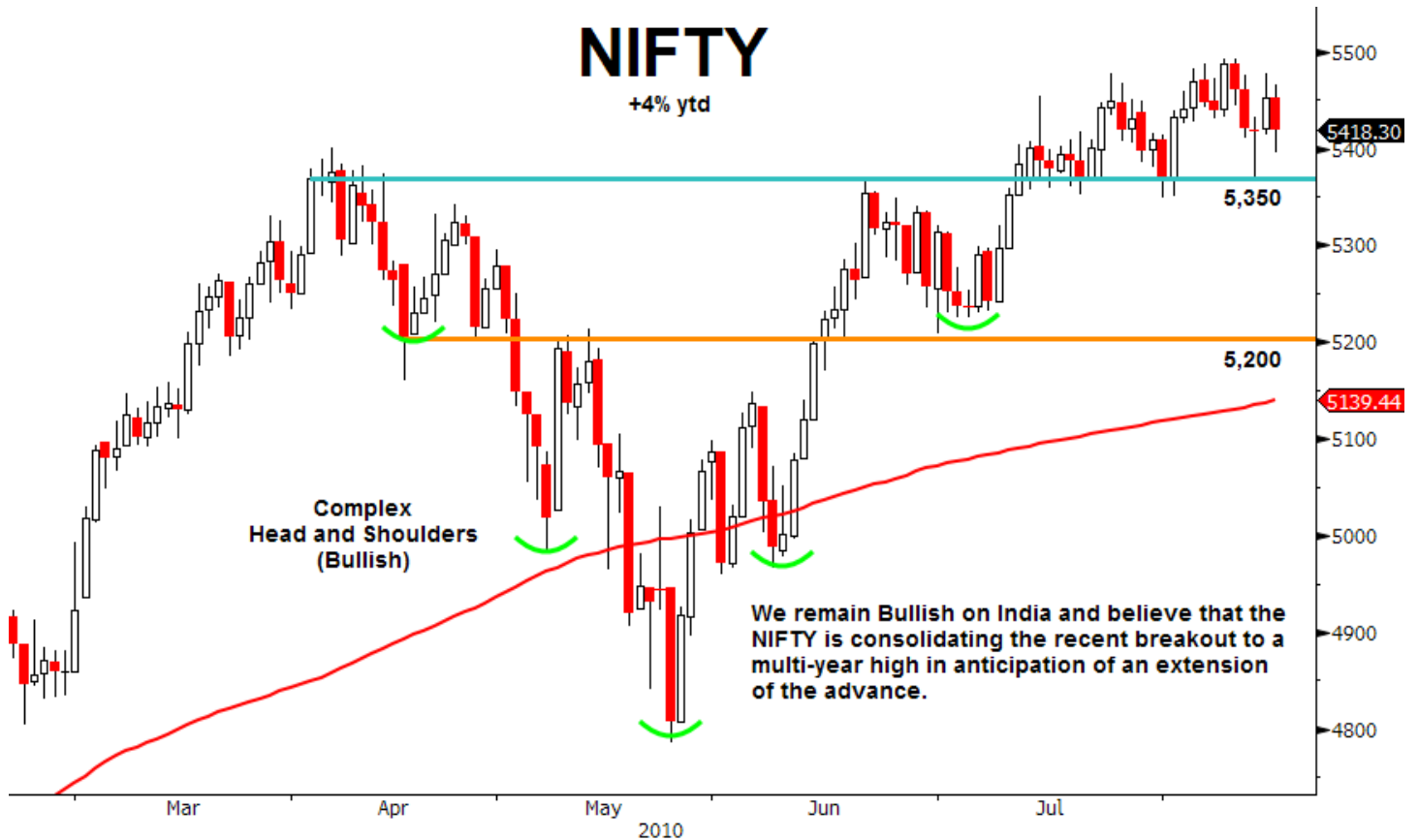
"Double, double, toil and trouble", the Chinese market is not a bubble. A breakout above 'neckline' resistance at 2,700 should unlock the door to higher prices and provide the catalyst for a fast move higher.



SHCOMP - SHANGHAI SE COMPOSITE G72 Daily 2/22/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 08:50:00

NIFTY

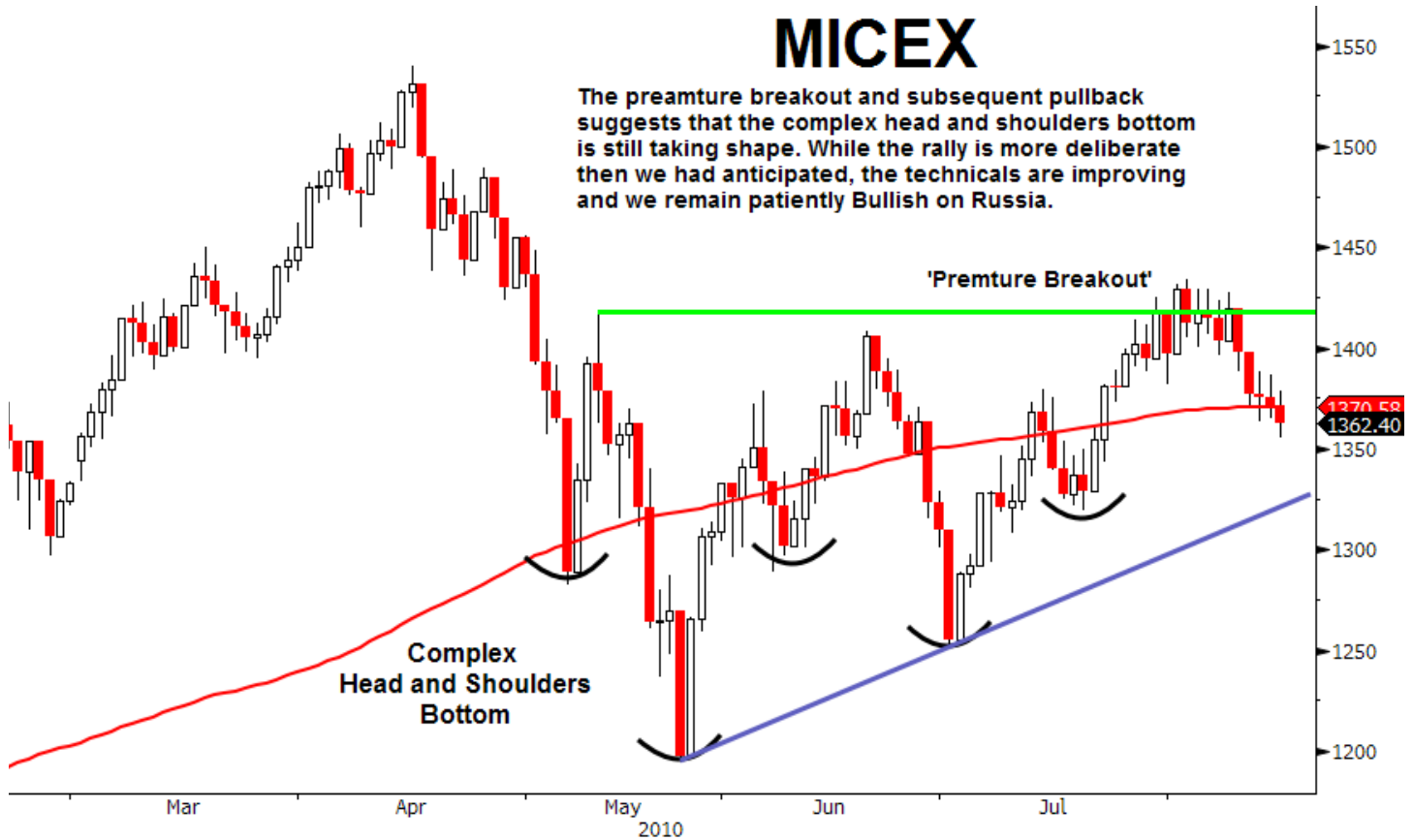
+4% ytd



NIFTY -- NSE S&P CNX NIFTY INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 08:58:04

MICEX

The preamture breakout and subsequent pullback suggests that the complex head and shoulders bottom is still taking shape. While the rally is more deliberate then we had anticipated, the technicals are improving and we remain patiently Bullish on Russia.



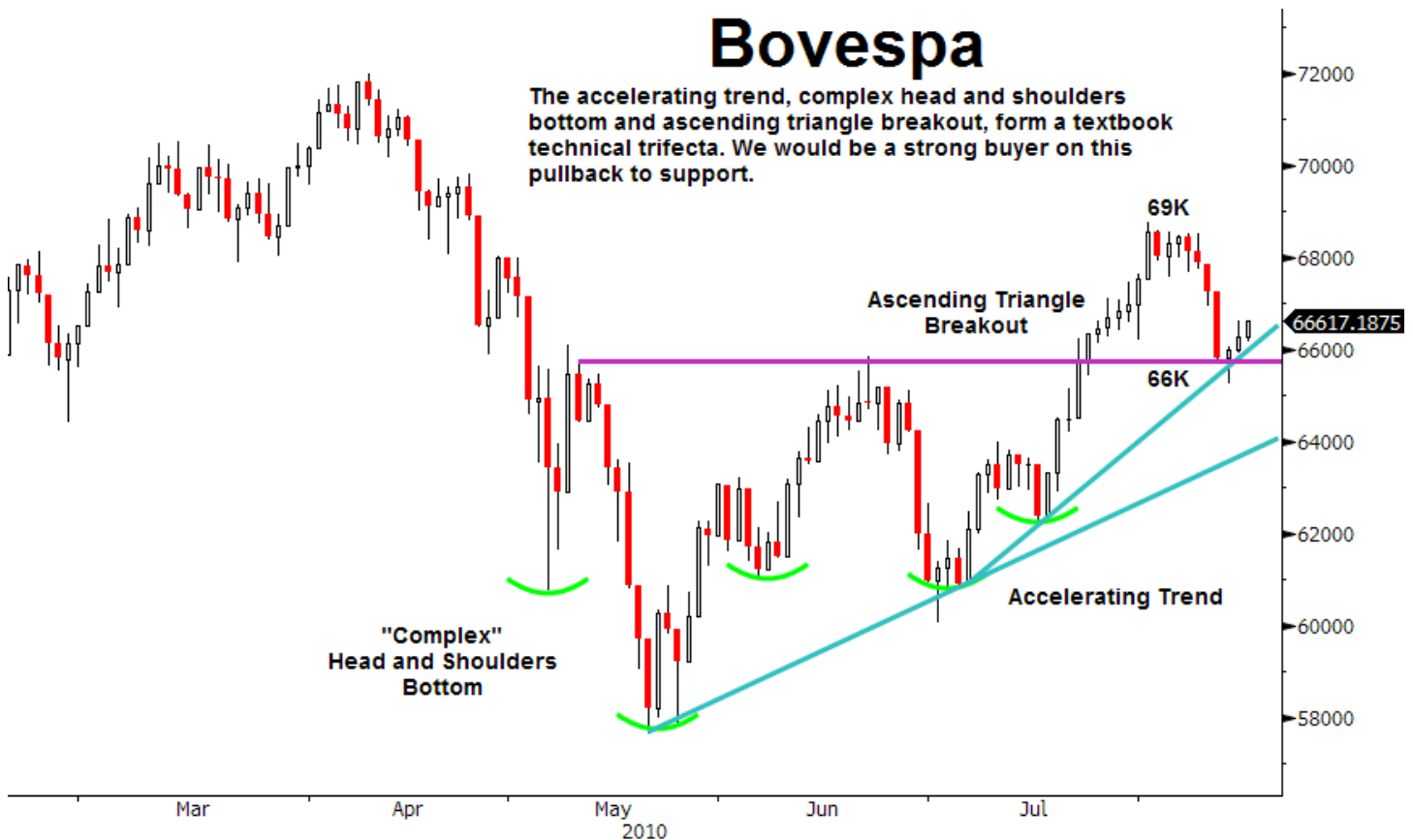
INDEXCF - MICEX INDEX 672 Daily 2/17/10 to 8/16/10

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16-Aug-2010 09:05:34

Bovespa

The accelerating trend, complex head and shoulders bottom and ascending triangle breakout, form a textbook technical trifecta. We would be a strong buyer on this pullback to support.



IBOV -- BRAZIL BOVESPA INDEX 672 Daily 2/17/10 to 8/16/10

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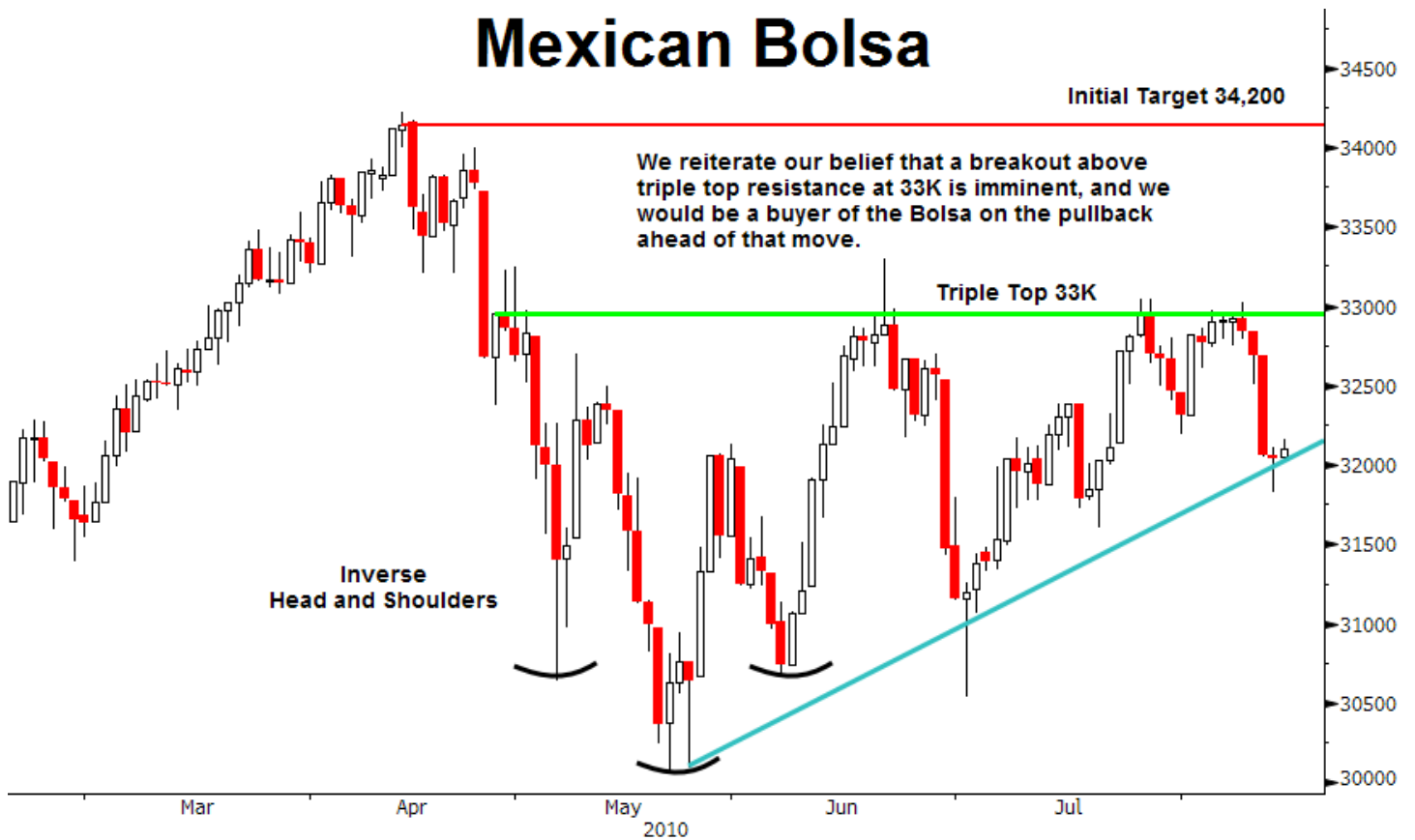
16-Aug-2010 12:06:17

ISE 100



XU100 -- ISE NATIONAL 100 INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 12:08:06

Mexican Bolsa



MEXBOL - MEXICO IPC INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 09:23:41

Indonesia +20% ytd

The ability to hold key support on the pullback was Bullish, and Indonesia is now in the process of building a higher base for an extension of the advance up to our initial 3,300 target. We see upside to 3,500.



JCI -- JAKARTA COMPOSITE INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 09:30:23

Philippines

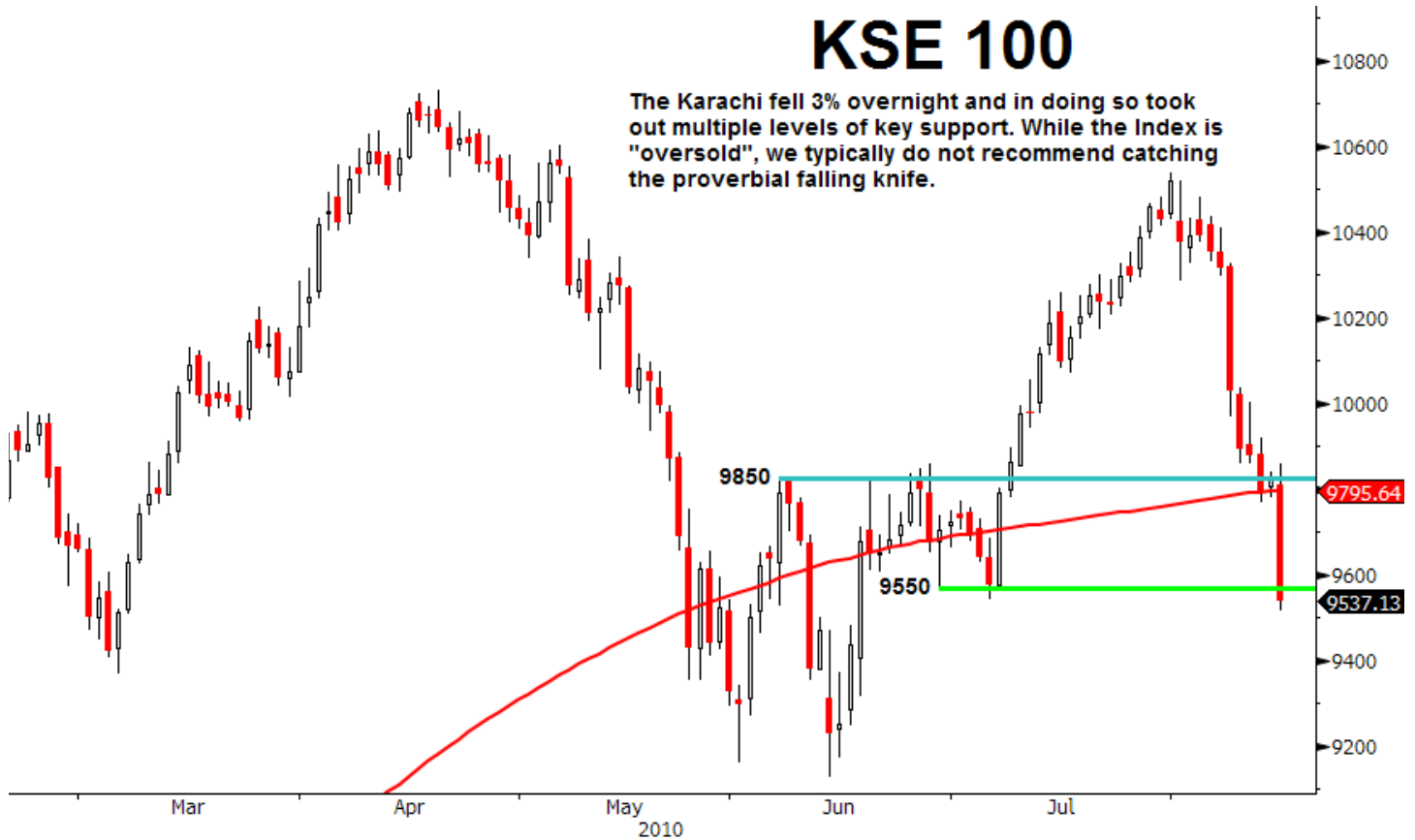
Trends are accelerating and the Index remains in a strong position. Support exists down below at 3,350 and we would be a buyer on any pullback to that level.



PCOMP -- PSEi - PHILIPPINE SE IDX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 09:36:03

KSE 100

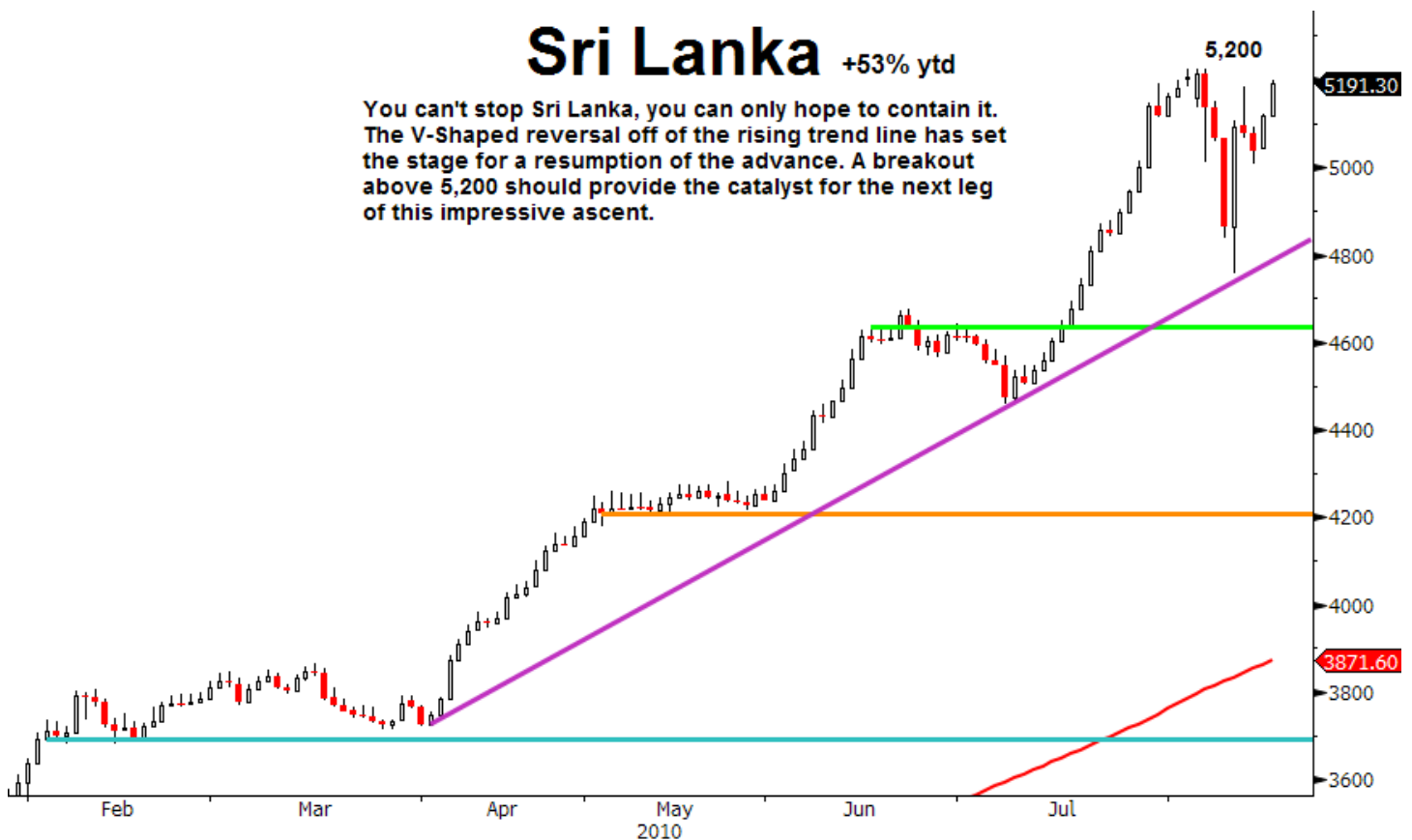
The Karachi fell 3% overnight and in doing so took out multiple levels of key support. While the Index is "oversold", we typically do not recommend catching the proverbial falling knife.



KSE100 - KARACHI 100 INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 09:43:27

Sri Lanka +53% ytd

You can't stop Sri Lanka, you can only hope to contain it. The V-Shaped reversal off of the rising trend line has set the stage for a resumption of the advance. A breakout above 5,200 should provide the catalyst for the next leg of this impressive ascent.



CSEALL - SRI LANKA COLOMBO ALL SH G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 09:48:02

EGX30

Egypt is acting better, but the bottoming process remains a work in progress. The 50 day sma at 6,214 should provide support on the pullback and we still anticipate a test of 6,600.



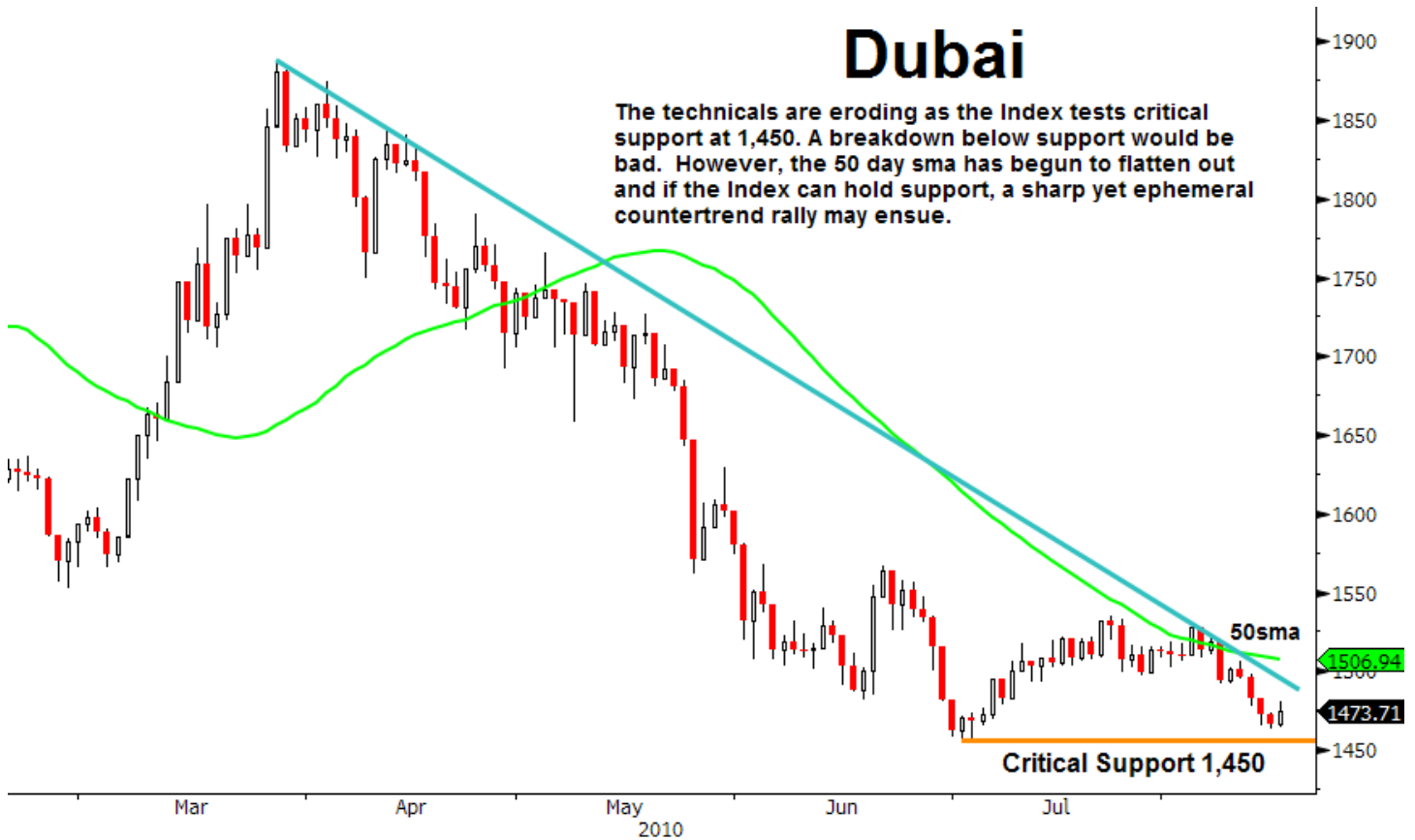
CASE -- EGX 30 Index G72 Daily 2/17/10 to 8/16/10

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16-Aug-2010 09:53:02

Dubai

The technicals are eroding as the Index tests critical support at 1,450. A breakdown below support would be bad. However, the 50 day sma has begun to flatten out and if the Index can hold support, a sharp yet ephemeral countertrend rally may ensue.



DFMGI -- DFM GENERAL INDEX G72 Daily 2/17/10 to 8/16/10

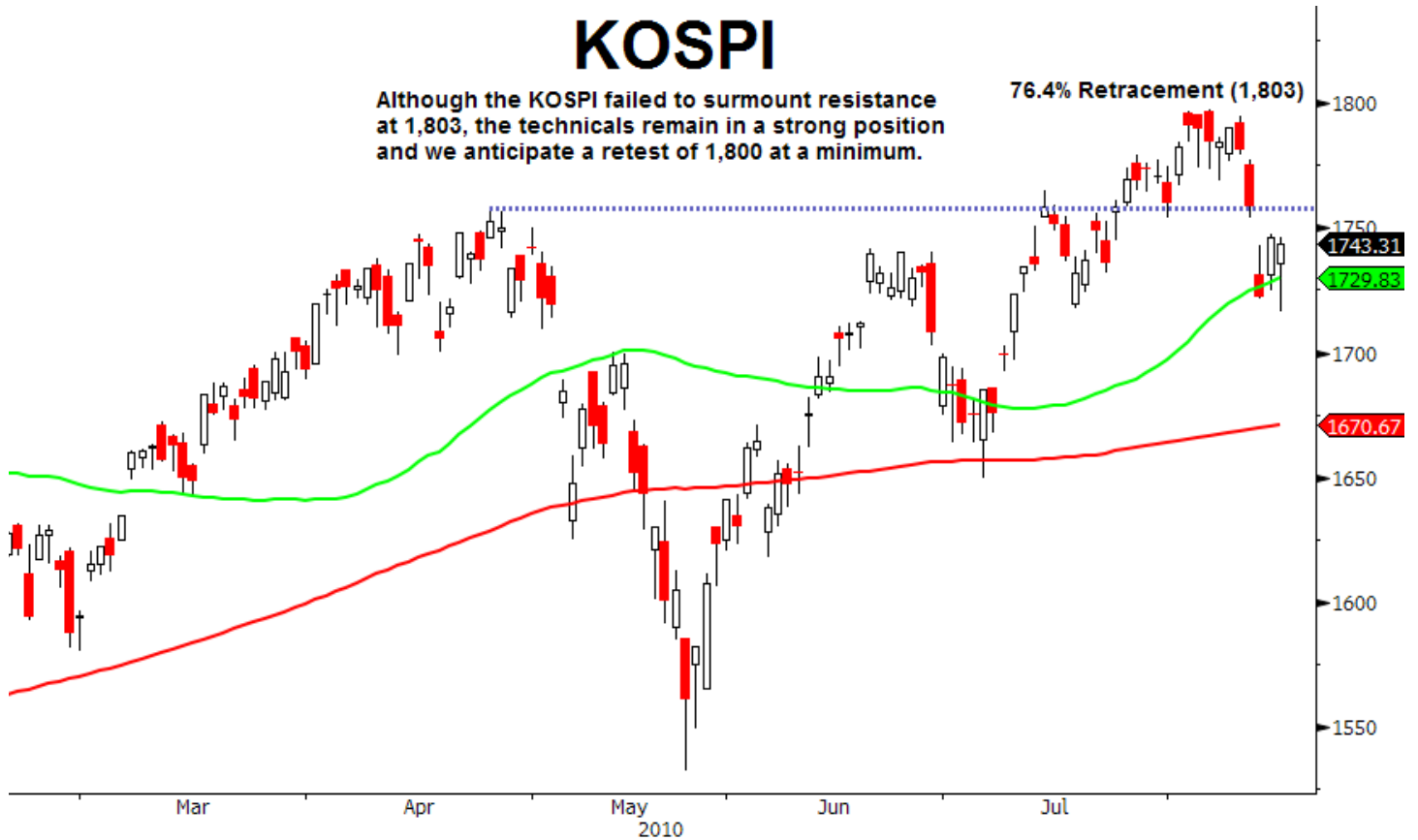
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16-Aug-2010 10:00:17

KOSPI

Although the KOSPI failed to surmount resistance at 1,803, the technicals remain in a strong position and we anticipate a retest of 1,800 at a minimum.

76.4% Retracement (1,803)

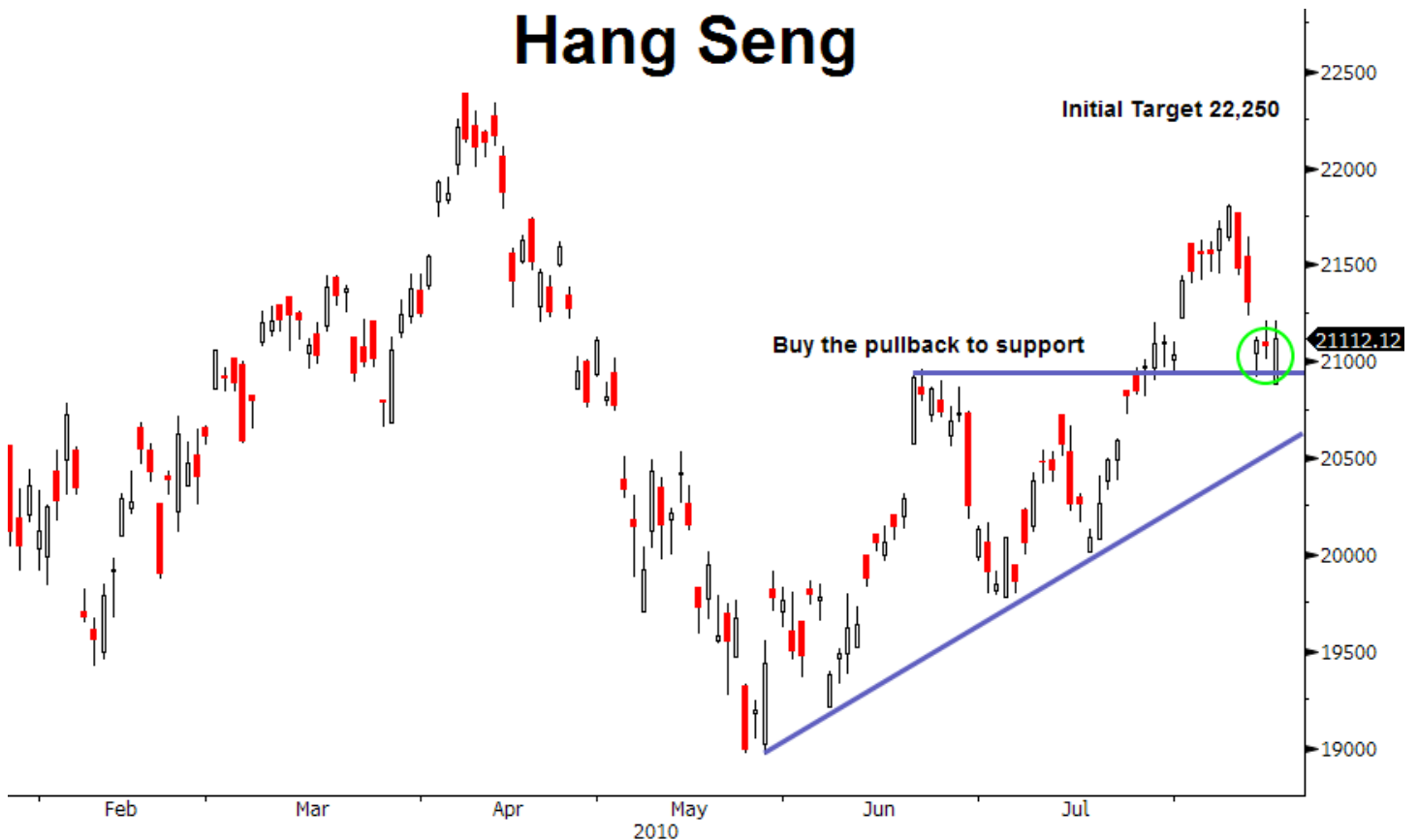


KOSPI -- KOSPI INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 10:05:02

Hang Seng

Initial Target 22,250

Buy the pullback to support



HSI -- HANG SENG INDEX G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 10:07:24

DAX

Although the DAX failed to take out key resistance, we remain Bullish on Germany and would be a buyer on the pullback to the rising trendline.

61.8% Retracement 6,387



DAX -- DAX INDEX G72 Daily 2/17/10 to 8/16/10

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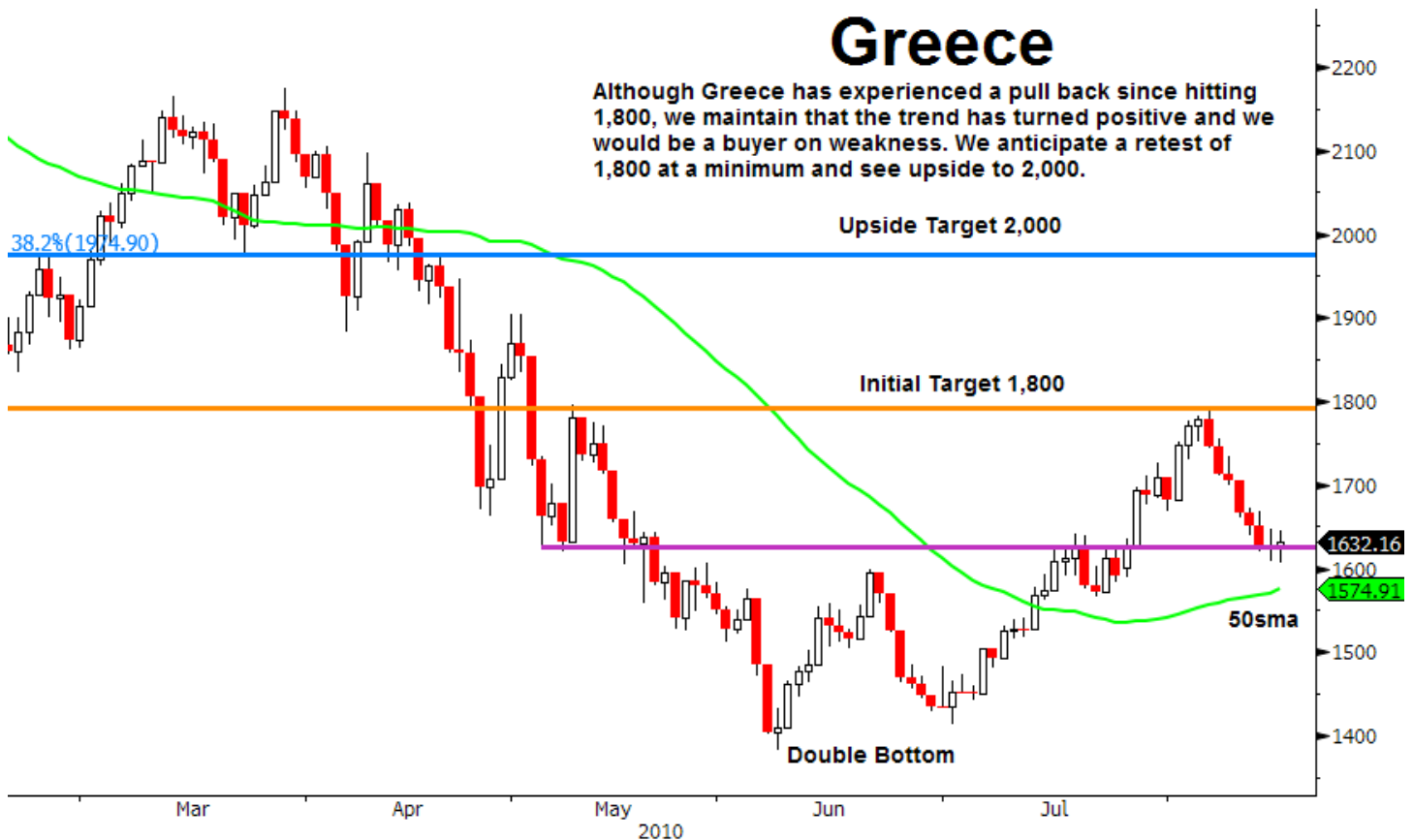
16-Aug-2010 10:10:01

Greece

Although Greece has experienced a pull back since hitting 1,800, we maintain that the trend has turned positive and we would be a buyer on weakness. We anticipate a retest of 1,800 at a minimum and see upside to 2,000.

Upside Target 2,000

Initial Target 1,800



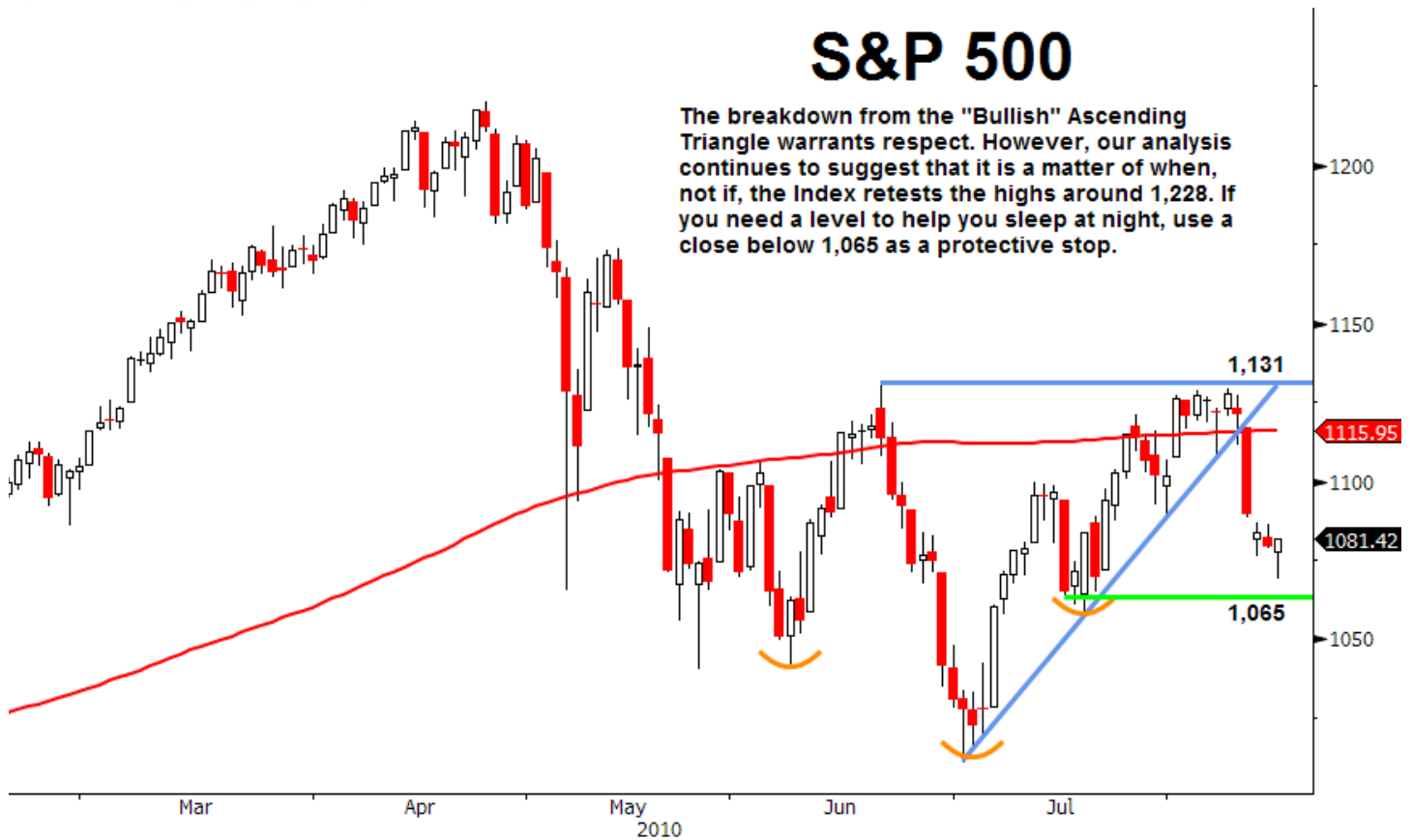
ASE -- Athex Composite Share Pr G72 Daily 2/17/10 to 8/16/10

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16-Aug-2010 12:11:22

S&P 500

The breakdown from the "Bullish" Ascending Triangle warrants respect. However, our analysis continues to suggest that it is a matter of when, not if, the Index retests the highs around 1,228. If you need a level to help you sleep at night, use a close below 1,065 as a protective stop.



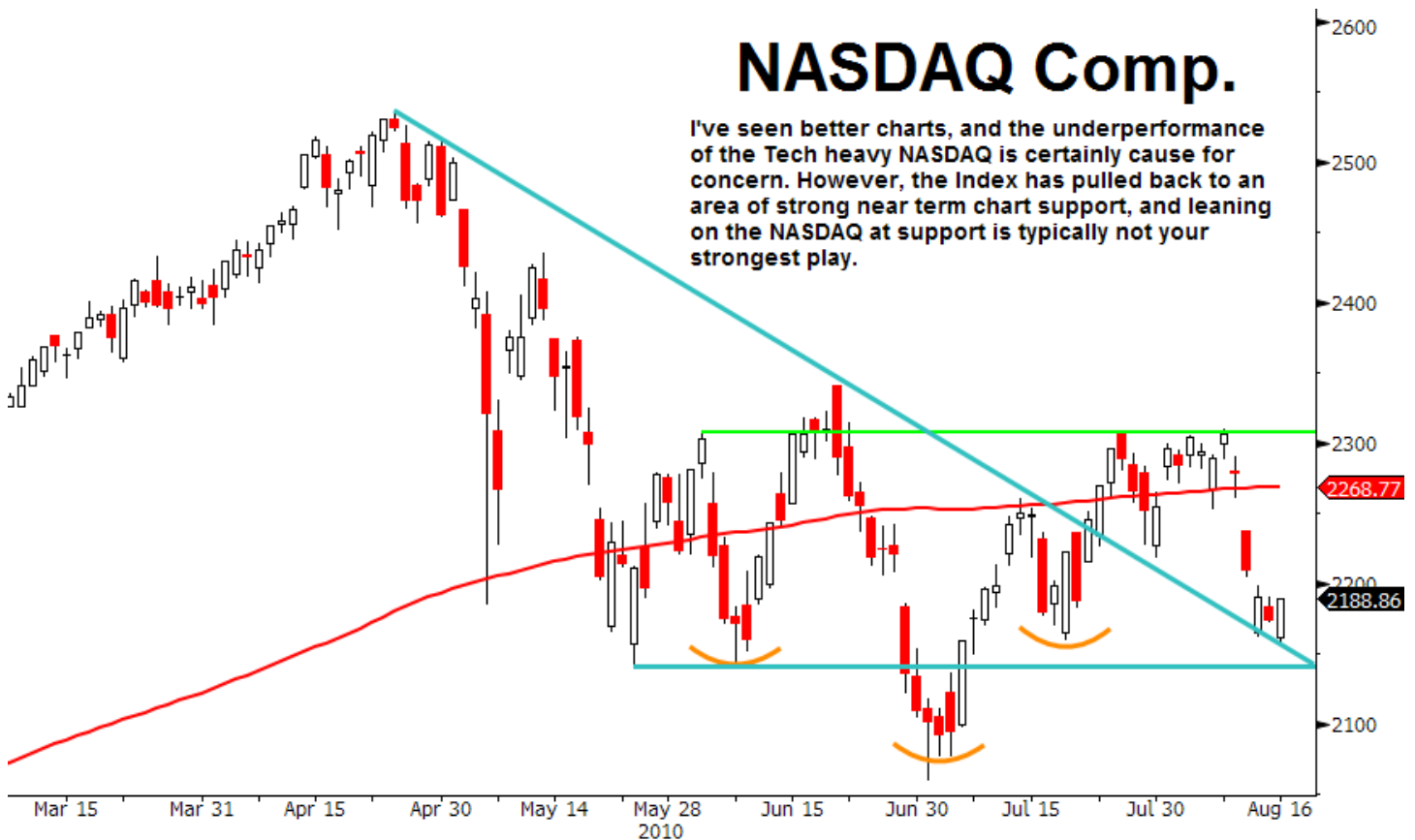
SPX -- S&P 500 INDEX G72 Daily 2/17/10 to 8/16/10

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16-Aug-2010 12:13:22

NASDAQ Comp.

I've seen better charts, and the underperformance of the Tech heavy NASDAQ is certainly cause for concern. However, the Index has pulled back to an area of strong near term chart support, and leaning on the NASDAQ at support is typically not your strongest play.

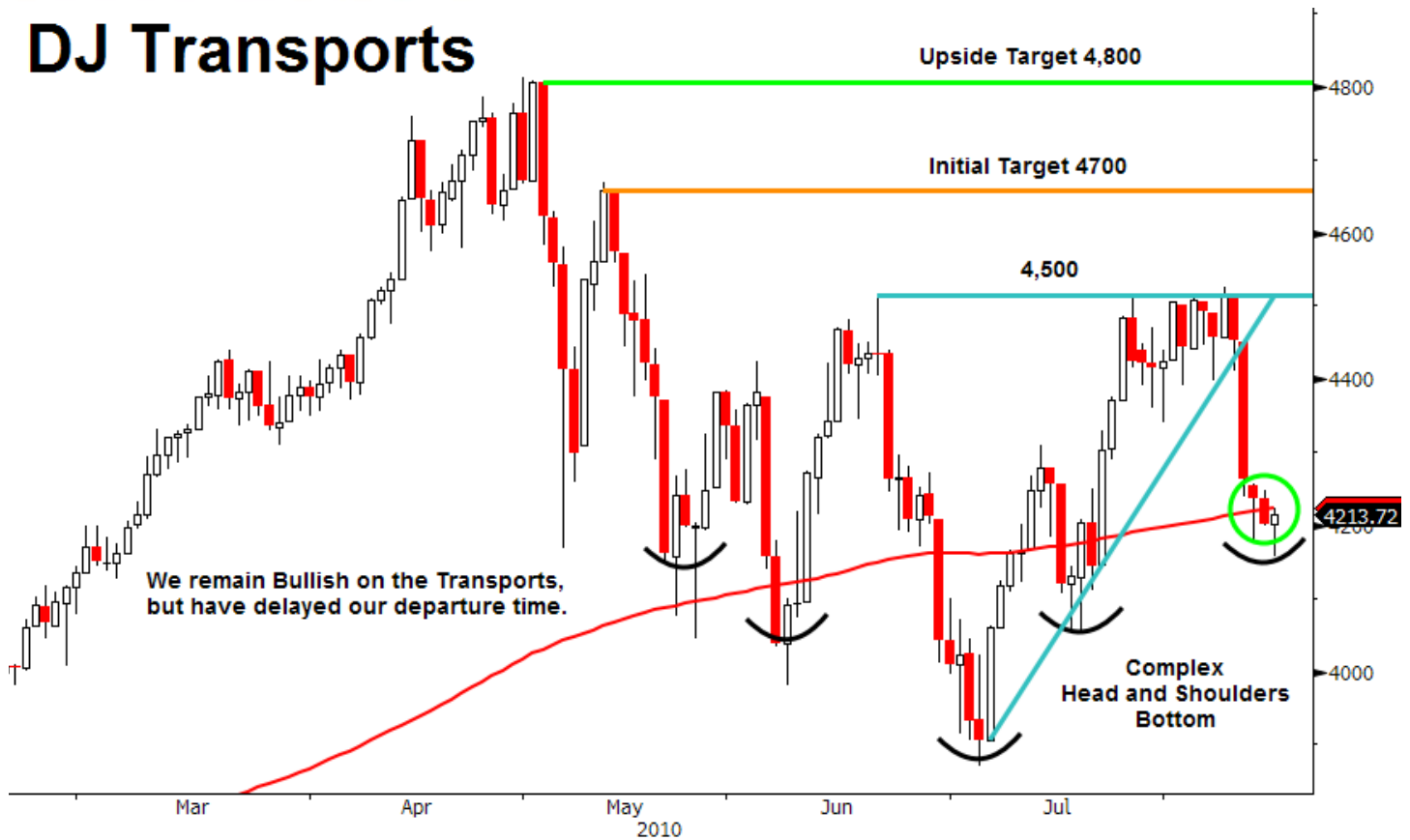


CCMP -- NASDAQ COMPOSITE INDEX G72 Daily 2/17/10 to 8/16/10

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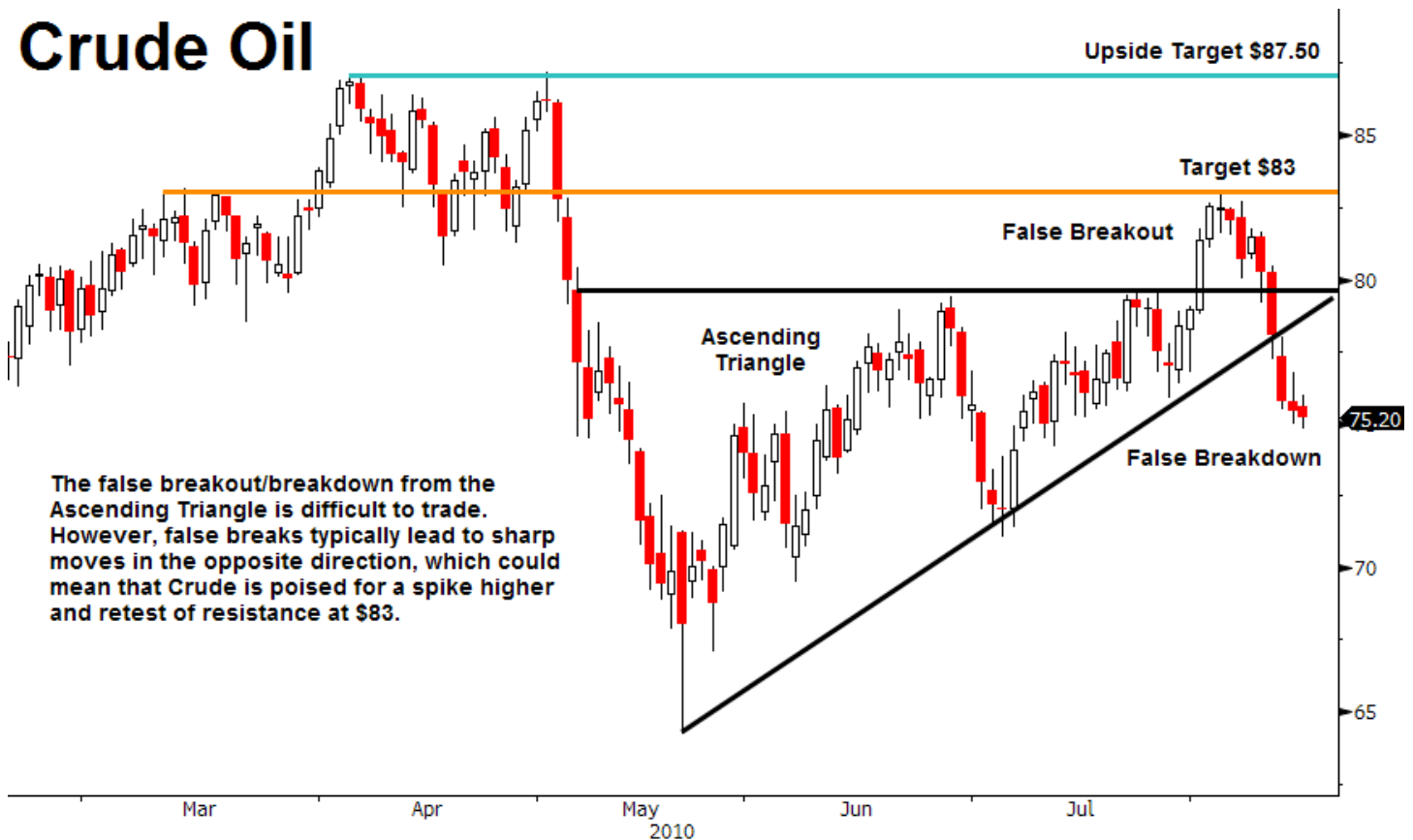
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DJ Transports



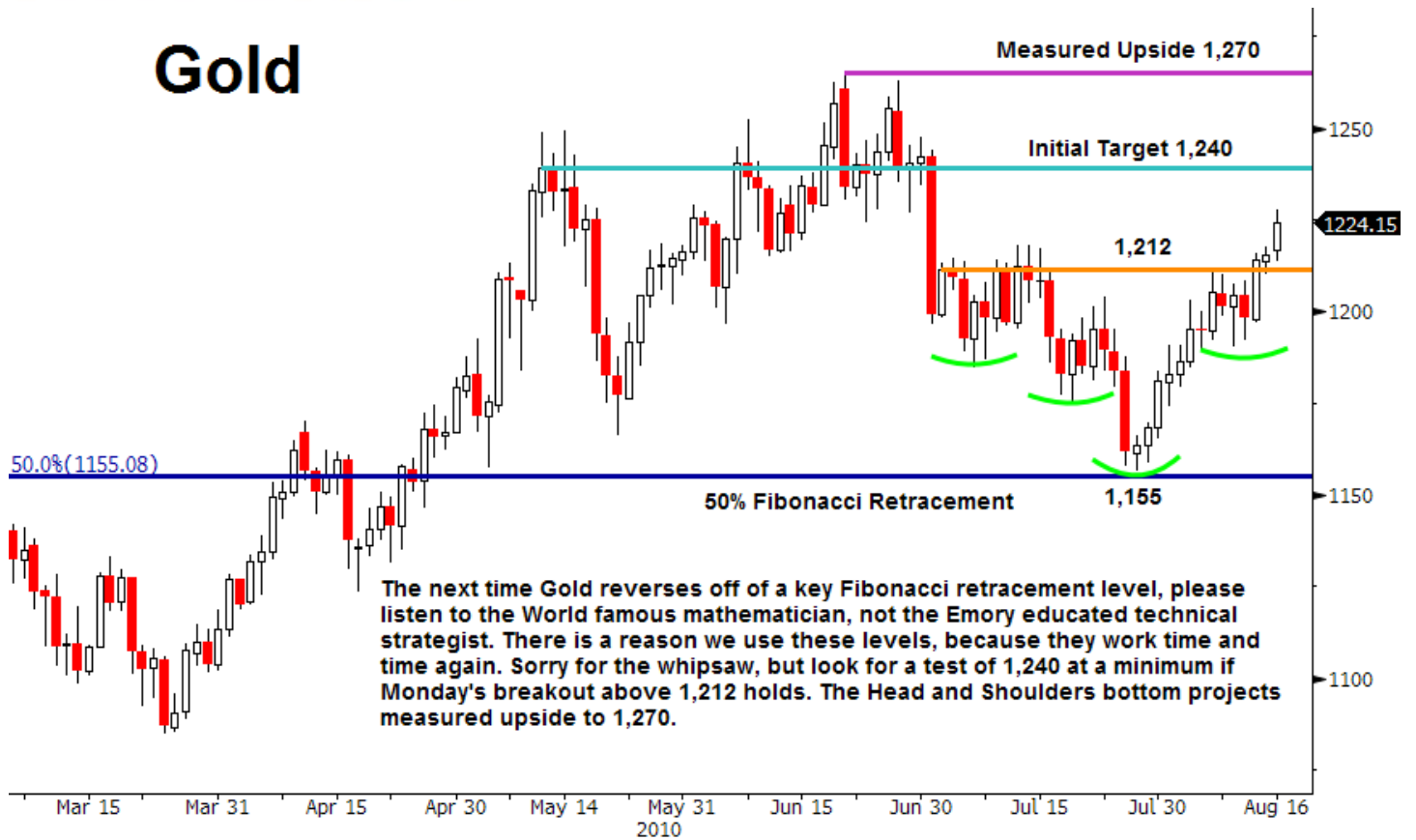
TRAN -- DOW JONES TRANS. AVG G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 12:15:35

Crude Oil



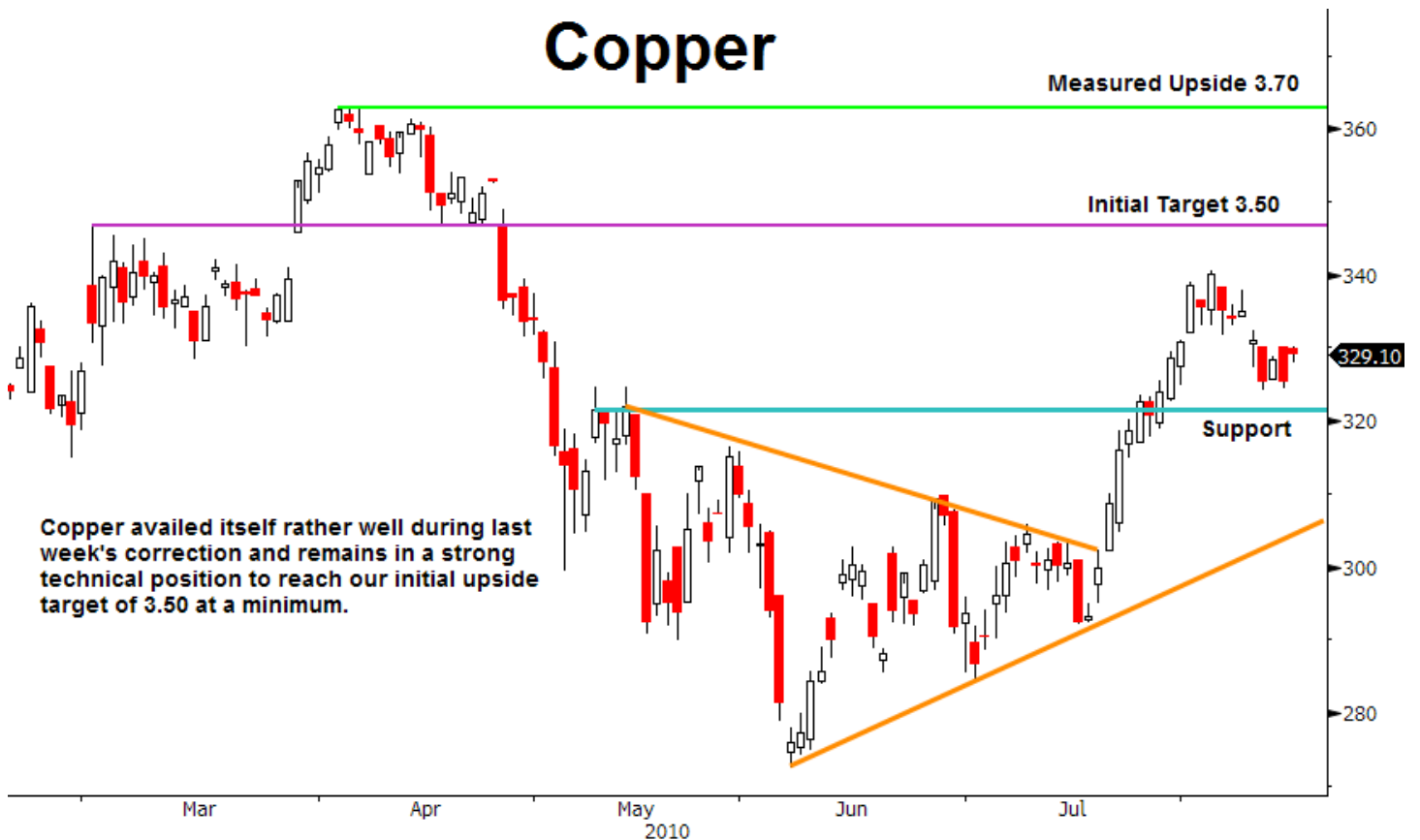
CL1 -- Generic 1st 'CL' Future G72 Daily 2/17/10 to 8/16/10 Copyright 2010 Bloomberg Finance L.P. 16-Aug-2010 12:18:37

Gold



The next time Gold reverses off of a key Fibonacci retracement level, please listen to the World famous mathematician, not the Emory educated technical strategist. There is a reason we use these levels, because they work time and time again. Sorry for the whipsaw, but look for a test of 1,240 at a minimum if Monday's breakout above 1,212 holds. The Head and Shoulders bottom projects measured upside to 1,270.

Copper



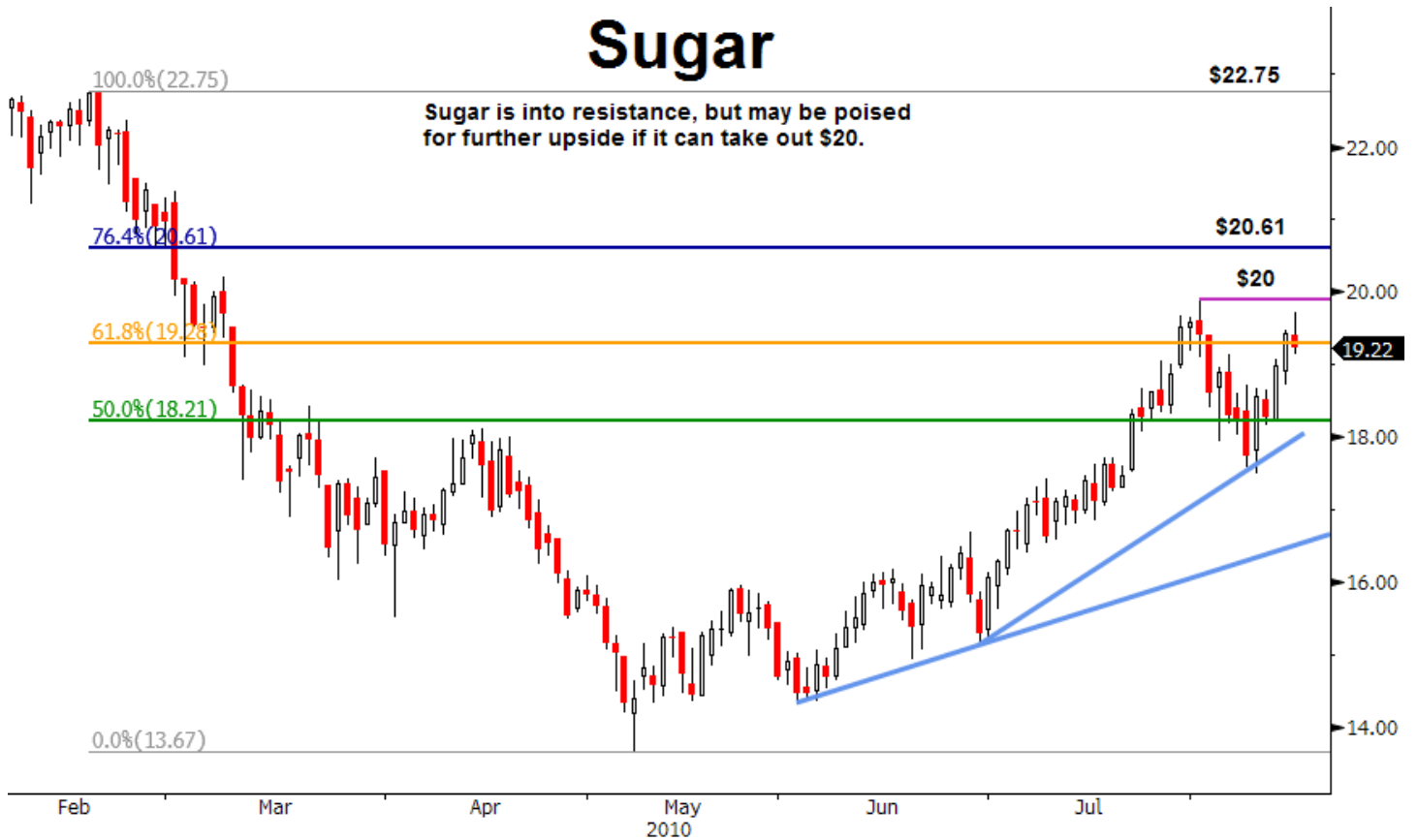
Copper availed itself rather well during last week's correction and remains in a strong technical position to reach our initial upside target of 3.50 at a minimum.

Cotton

"High Cotton?"

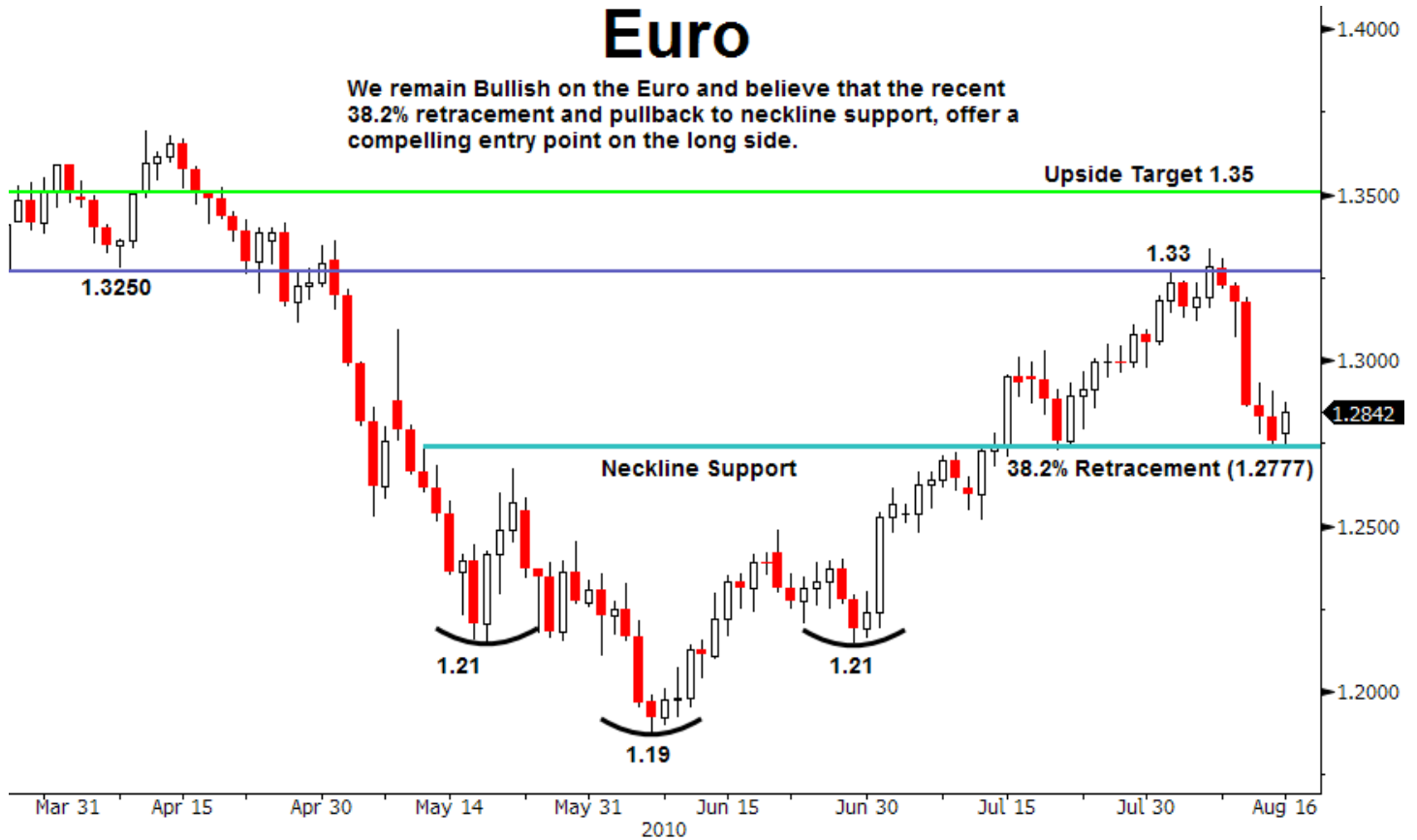


Sugar



Euro

We remain Bullish on the Euro and believe that the recent 38.2% retracement and pullback to neckline support, offer a compelling entry point on the long side.



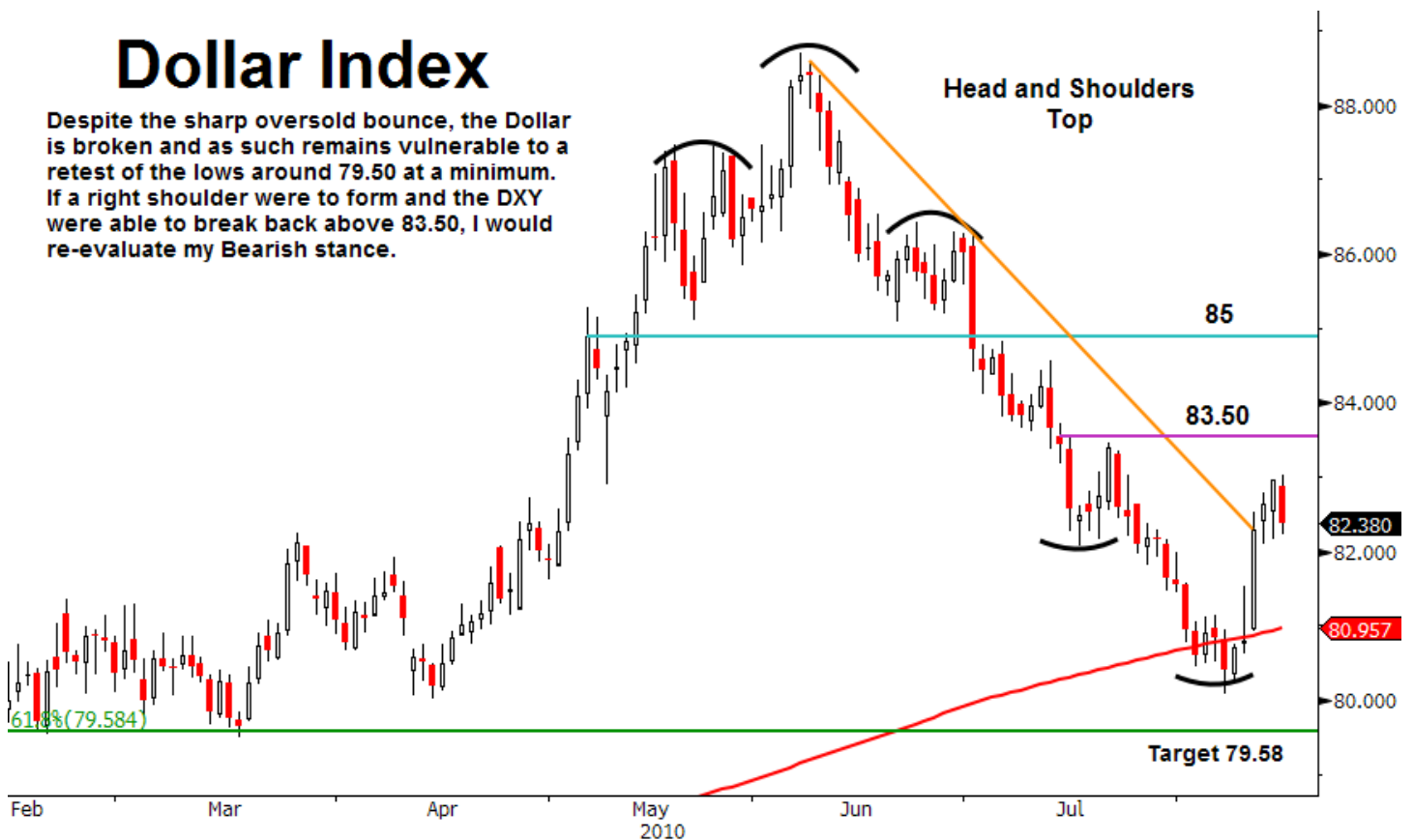
EUR EURO SPOT G72 Daily 2/17/10 to 8/16/10

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16-Aug-2010 11:09:28

Dollar Index

Despite the sharp oversold bounce, the Dollar is broken and as such remains vulnerable to a retest of the lows around 79.50 at a minimum. If a right shoulder were to form and the DXY were able to break back above 83.50, I would re-evaluate my Bearish stance.



DXY -- DOLLAR INDEX SPOT G72 Daily 2/17/10 to 8/16/10

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16-Aug-2010 11:15:16

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