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## Monthly Update

2009, volume 10, Year 16, October 2009

# **Bull is still running**

**Our last buy signal for both the S&P500 and NDX100 was on March 20, 2009, a good call. The market continues to show strength. Our HVI indicators show us that the bull is still alive and well. For the year, the S&P500 and NDX indexes are up 19.52 and 44.73% respectively. The average of our three portfolios is up 55.82% YTD.**

**Our HCM resistance and support chart of the S&P500 index on page 2 illustrates that the market remains in an uptrend.**

**Our analysis indicates that: Internet, basic material, and technology are promising. Oil and gold are good. Promising region/country funds are: Emerging Markets, England, US, and Germany. These funds and indexes suggest that the Emerging Markets, as producers of commodities, are thriving to feed growth in China and India. The US dollar continues to be a sell as the US pays its debt in fiat dollars.**

**Our absolute momentum (HVI) comparison for the style box on page 2 indicates that large cap beats small cap stocks. This is reversed from last month and may indicate that the large mutual funds are finally beginning to invest in the 7-month-old bull market. There is discussion on financial TV stations that the recession is over. Our sector line up this month, from best to worst, is: oil, gold, finance, utilities, and semiconductor. We would consider adding new positions only in the first two of these five sectors.**

**We continue to have buys on S&P500, NDX, gold / precious metals. We have a new buy on bond yields (i.e. we are short bonds); see the left column on page 1. Because the markets can turn quickly, be ready. May the market be with you! (October 23, 2009)**