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Monthly Update

2010, volume 3, Year 17, March 2010

Bank Hedge Funds Still

The U.S. equity markets are advancing. Our buys are holding for the S&P500, NDX100, Gold, and US 10 year bond yields. Small caps are still leading large caps indicating that the economic recovery is in an early phase. Financials lead the sectors analyzed indicating that the free money flowing from the Federal Reserve continues.

In terms of new bank regulation, banks oppose the proposed Volker rule. It seems their executives like their low cost FED money and the leverage it affords them. There really is nothing on Wall Street like a bank investing through its own hedge fund.

Rounding out our sector analysis, after financials are: semiconductors, oil, gold, and utilities in that order. Most U.S. long equities are rising. However, some of our other analysis, not presented here, suggests the U.S. markets are in the process of topping at this time.

Emerging markets continue to lead England, Germany, and the U.S. The dollar index is flat.

Our proprietary support and resistance bands for the S&P500 are rising, see figure on page 2.

Our HVI indicators for long funds and indexes are decidedly positive as indicated on pages 4 and 5. Our model portfolios are the same as last months.

**Because the markets can turn quickly, be ready. May the market be with you!
(March 19, 2010)**