



For September 18, 2006





Market Overview:

S&P 500 – We had a nice up week and are getting close to a 5 year high. I’m not to sure on what to make of the huge volume that we had Friday, but it could be due to the triple witching facts. The tail that we put in on Friday puts me a bit into the “time for a break” crowd.

Dow Jones Industrial – Coming on the all time high for the Dow here. The big question that’s on everyone mind is to we break or do we fail.

NASDAQ Composite – As we clear a little resistance on the daily chart we are starting to go through the 50 week ma. Will this end up being the holding point – the volume gives the clue that we should take a break and break through.

30 Yr Bonds – We are starting to look like we are putting in a lower high. With the volatility drop we could end up going more sideways than down.

Dollar – The move up continued on Friday. Still looking weak on the weekly chart.

Oil – This move seems to have gone a long way in a short time – could be over for a moment. The big question is how it will act as we come back into old support around the 65 point.

Gold – It looks ready to continue it's slid here. A big test will come at an old support area around 580.

Best Industry Groups:

Catalog & Mail Order, Electronic Stores, Major Airlines, Semis – Memory, Home Furnishing, Rec Goods, Processing Systems, Internet Services, Specialty Eateries, Auto Stores

CAO, FOSL, MU, GME,

Tau List:

OMG, BIG, SEIC, UST

Worse Industry Groups:

Energy, Metals & Mining, Shipping, Heavy Construction

GMR, SGY, WFT, NBL, WTI, PTR, THX, BTU, NX, NUE, RIO, AA

Tau List:

KOMG, NX, HP, NUE