

Small-Cap Strategy

While a confirmation of the improvement in trend, the recent surge in 20 and 65-day highs within the Russell 2000 has likely marked a near-term pause in its ascent, as recent readings have breached levels that have historically seen stocks post muted 1 and 3-month forward returns, before eventually resuming their underlying uptrend. We believe that investor patience is warranted, as this blow-off in momentum, coupled with the recent divergence of small-cap performance versus large-cap to be the beginning of this consolidation. With our trend work positive, we will be keeping a close eye on 20-day lows (6% yesterday), as readings north of 50% have historically provided a buyable oversold condition within uptrends. Near-term support resides at the 800 level, with 770 a more substantial level.

Our technical rankings favor those with a cyclical bend, with biotechnology, retail, leisure, banks, transportation and computer services software & systems topping our list of buy candidates during any market consolidations.

We have also included our initial take on some recent IPOs, providing a technical view on some of the new issues that have come to market over the past six months.

Rob Ginsberg

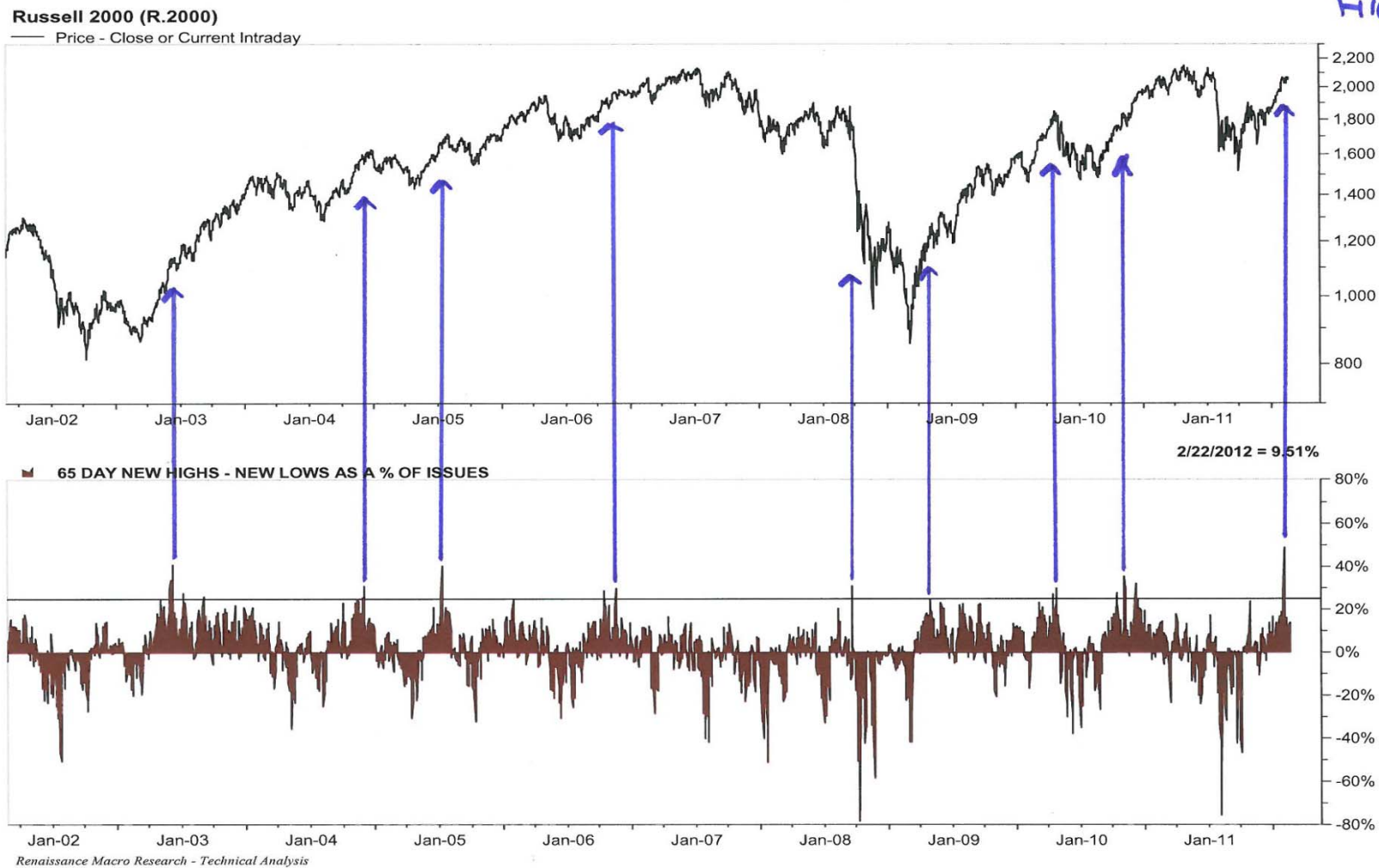
Sector Technical Rankings

<u>Strongest</u>	<u>Weakest</u>
Consumer Discretionary	Healthcare
Producer Durables	Energy
Materials & Processing	Technology

Industry Technical Rankings

<u>Strongest</u>	<u>Weakest</u>
Specialty Retail	Medical & Dental Instruments
Banks: Diversified	Communications Technology
Computer Services Software & Systems	REITs
Biotechnology	Semiconductors & Components

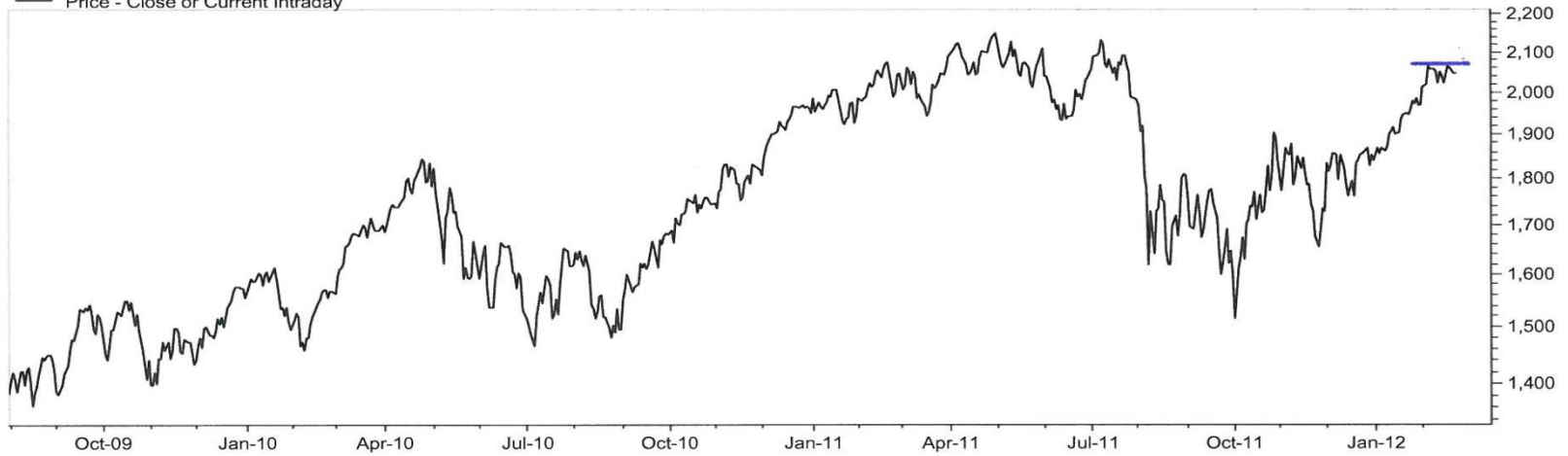
MARKETS TEND TO DIGEST RECENT GAINS FOLLOWING ACCELERATION IN NET 65-DAY HIGHS



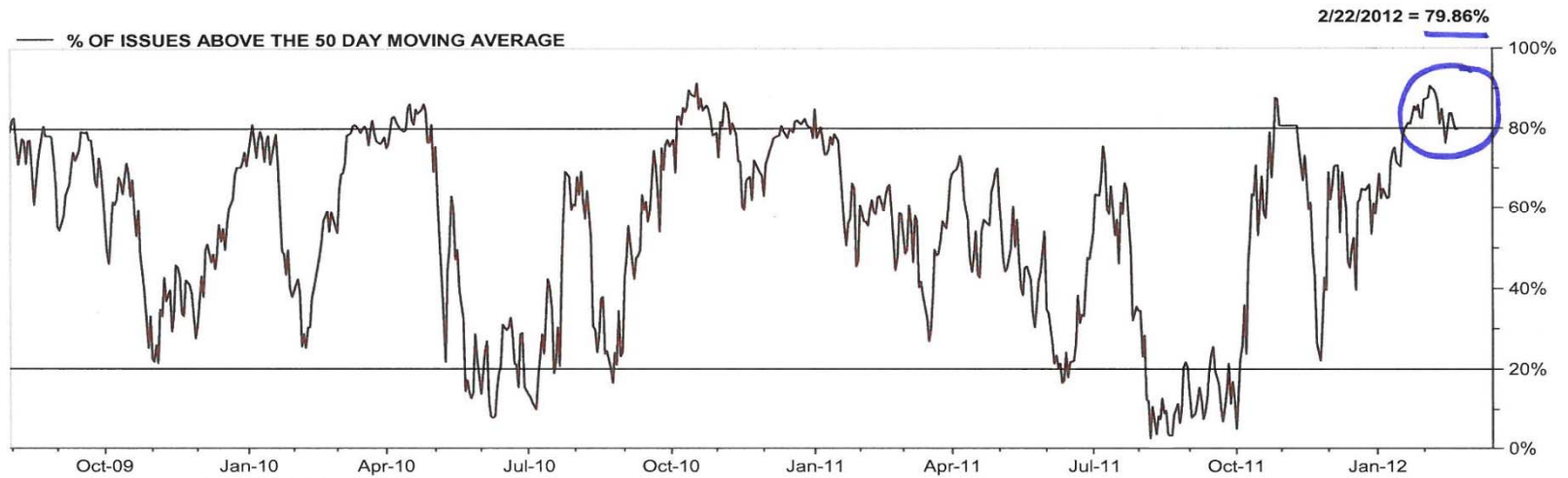
CONSOLIDATION HELPING TO WORK OFF OVERBOUGHT CONDITION

Russell 2000 (R.2000)

— Price - Close or Current Intraday



— % OF ISSUES ABOVE THE 50 DAY MOVING AVERAGE

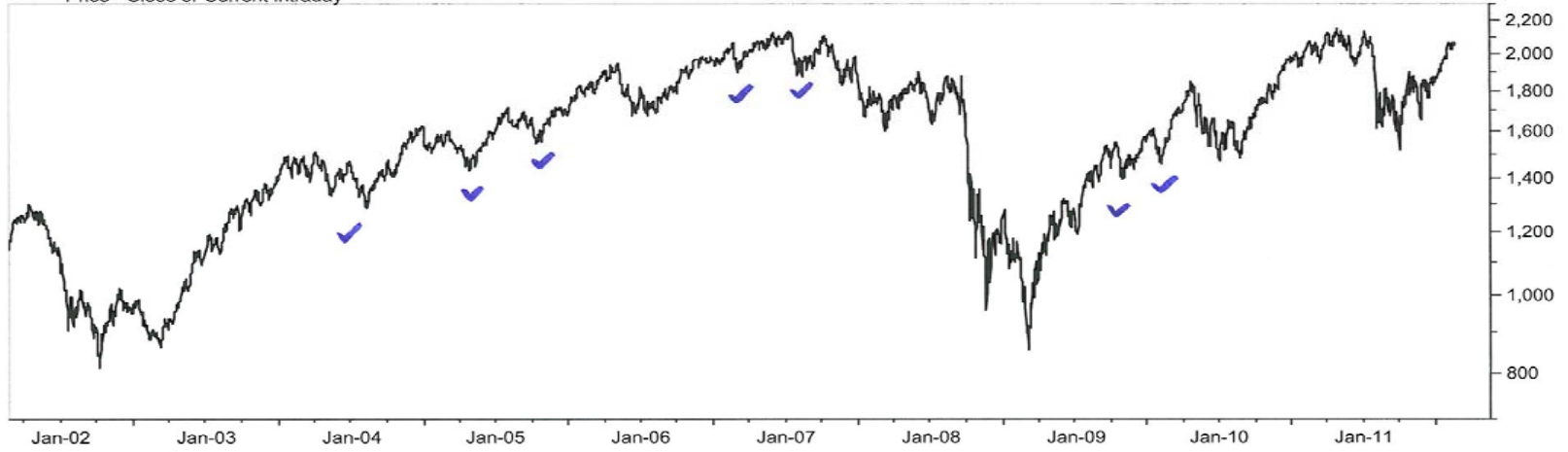


Renaissance Macro Research - Technical Analysis

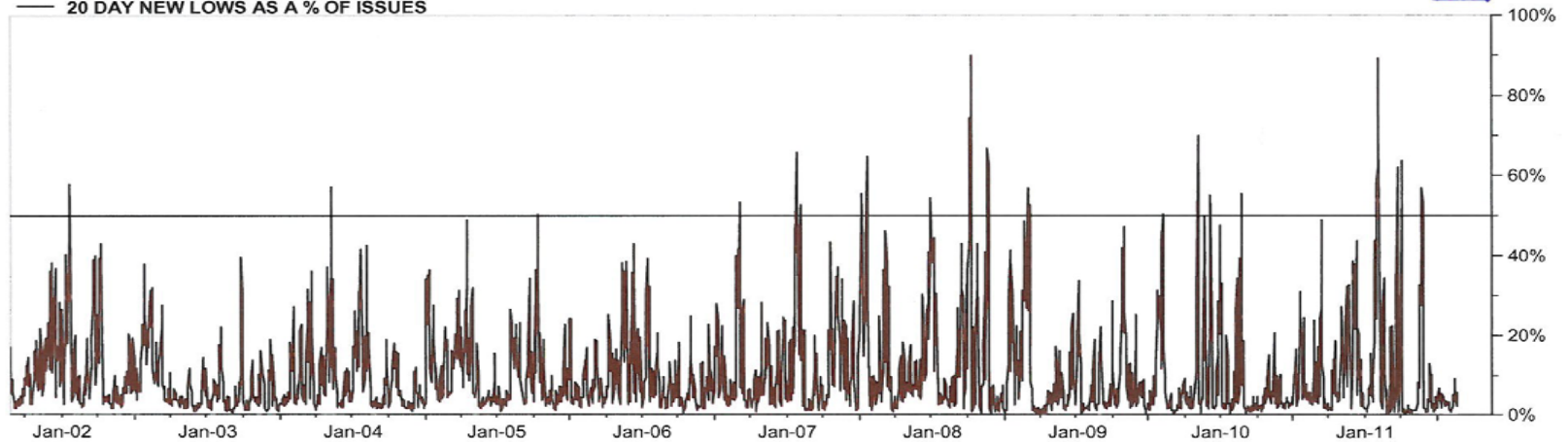
IN UPTREND, SURGE IN 20-DAY LOWS PROVIDES BUYABLE OVERSOLD CONDITION. FURTHER PULLBACK LIKELY.

Russell 2000 (R.2000)

— Price - Close or Current Intraday

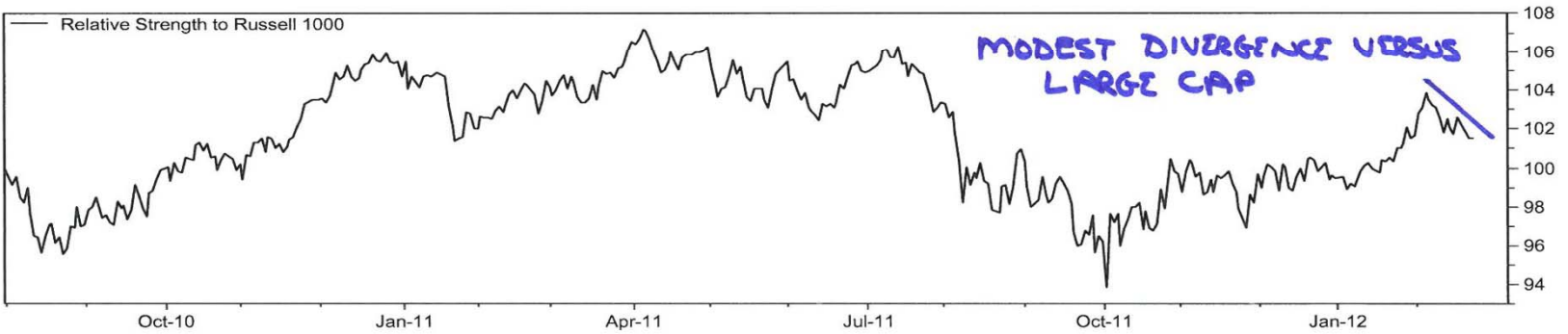
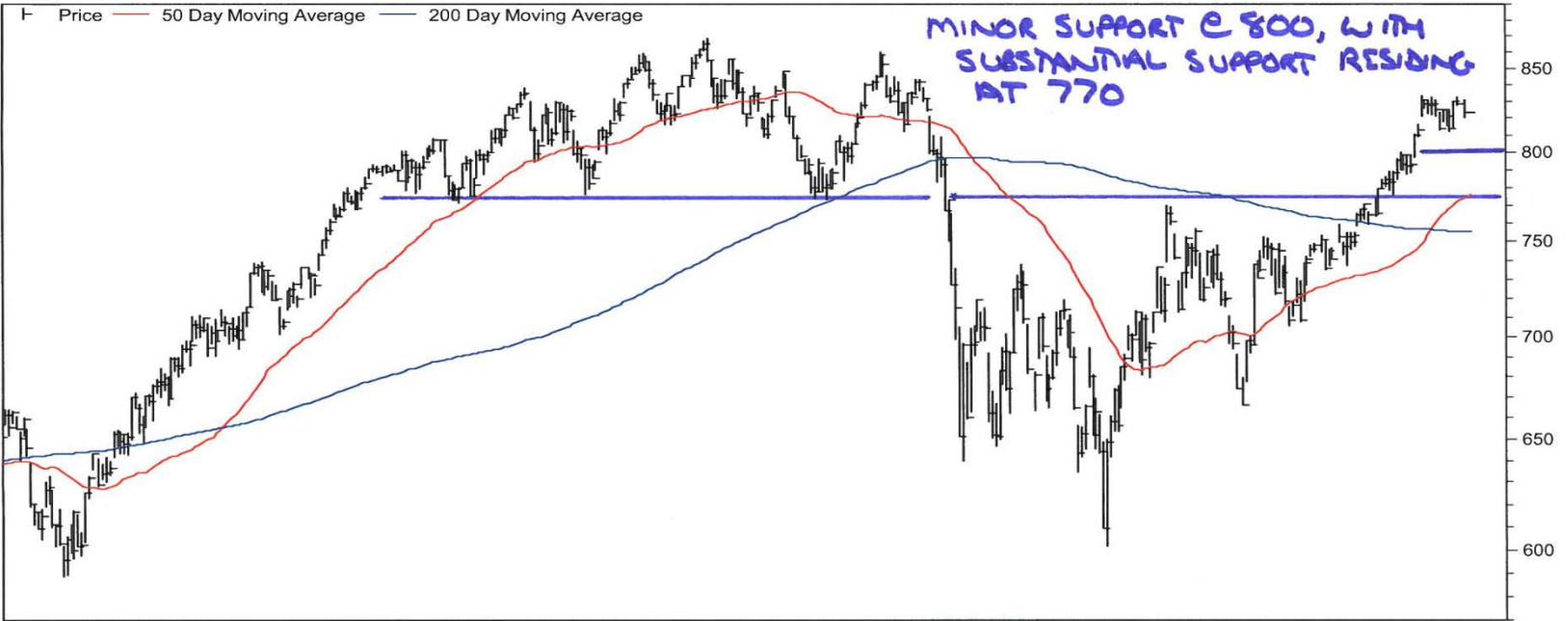


— 20 DAY NEW LOWS AS A % OF ISSUES

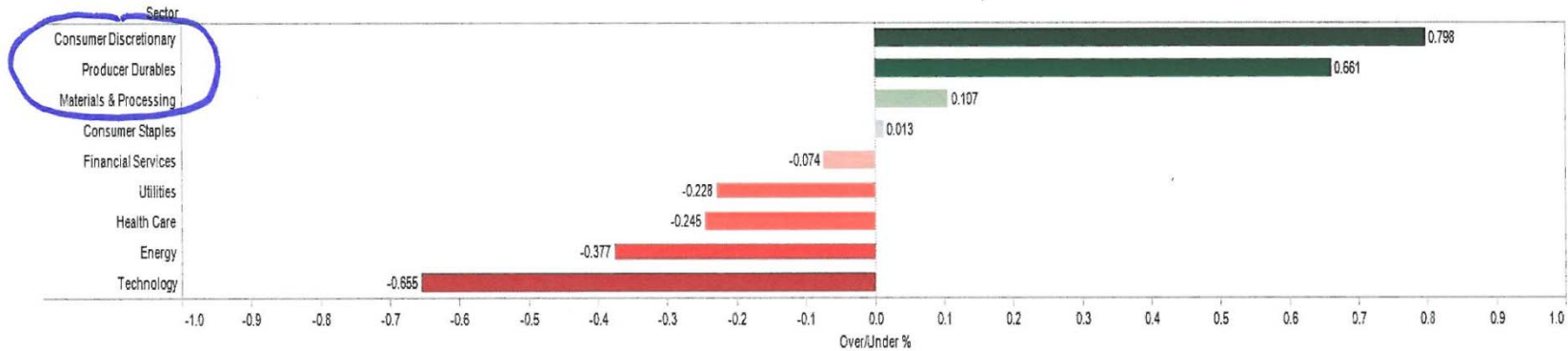


Renaissance Macro Research - Technical Analysis

Russell 2000



Discretionary, Durables Biggest Overweight Tech Biggest Underweight

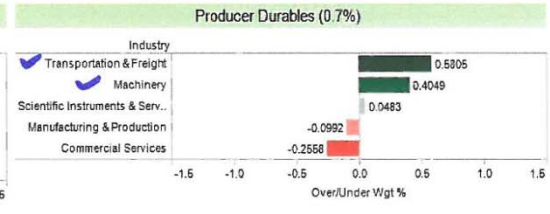
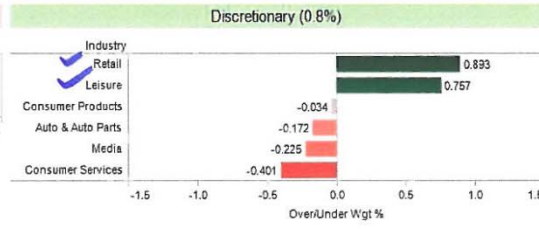
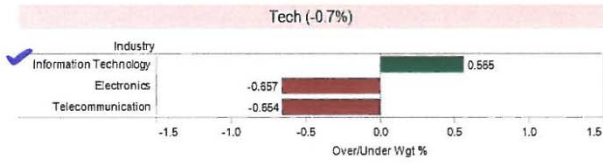


Top Technically Ranked Russell 2000 Names

STMP	SPF	SYX	BBW	PHIK	RRR	AVD	ARIA	SPNC	QADA
DPZ	SIX	DW	ASCMA	MGRC	PRIM	AEP1	MDF	ZOLL	PROJ
GPI	TAST	RGR	SAH	WWD	TAL	SHLM	CBST	AMSWA	TRAK
CPWM	ABG	GCO	CBOU	HEES	WCAA	FUL	WCG	SPSC	CVLT
BEBE	SCSS	HIBB	MNRO	DXPE	ARII	CIA	HALO	FEIC	SABA
CONN	PIR	CRMT	SMP	FARO	AIT	DFG	CNC	ATMI	CNVO
BNHN	BODY	ACAT	MOV	GTLS	RA	MNTA	VPHM	ULTI	
LF	MGAM	PZZA	MW	MRLN	SSD	CRIS	MOH	INSP	
MTH	CHRS	VOXX	GWR	URI	ROCK	IDIX	MITI	MANH	
LAD	SGMS	NUS	AYR	CFX	MYE	MDVN	NRCI	CGNX	
ZUMZ	LGF	SHFL	ALK	ELRC	RTK	EXAS	PRSC	BLKB	
RYL	LZB	ASNA	ALGT	RUSHA	EXP	PGNX	ALOG	TYL	

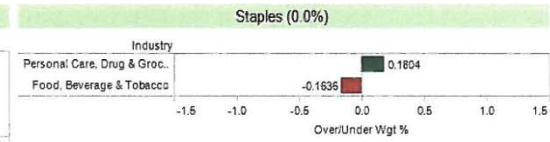
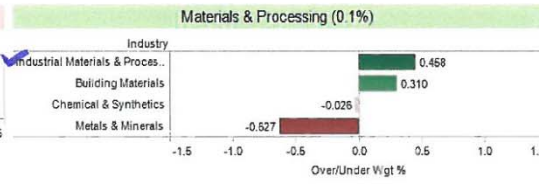
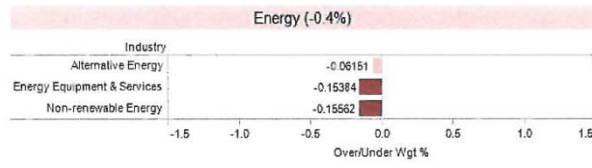
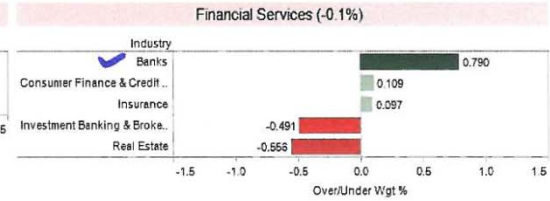
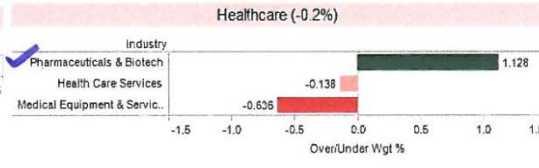
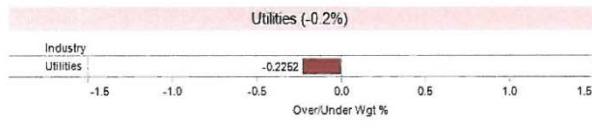
New entrants
highlighted in green

Sub-Sector Over/Under Weights



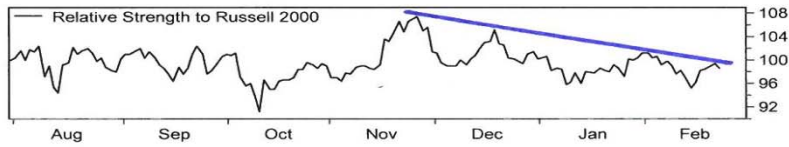
* COMPUTER SVCS SOFTWARE AND SYSTEMS LARGEST INDUSTRY O/W

COMMUNICATIONS, SEMI'S AND COMPONENTS ARE THE BIGGEST U/W'S

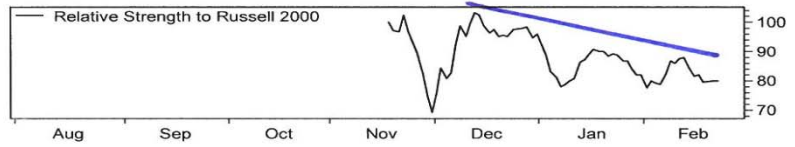


IPOs

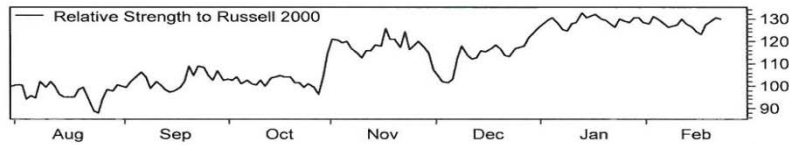
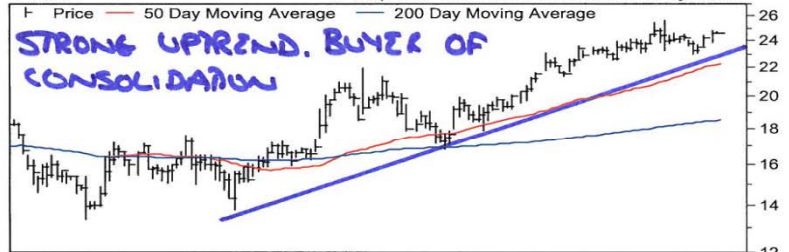
American Assets Trust Inc. RenMac Rank: 3
AAT Real Estate Investment Trusts (REIT)



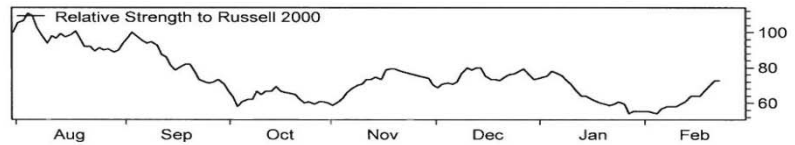
Angie's List Inc. RenMac Rank: @NA
ANGI Back Office Support, HR, and Consulting



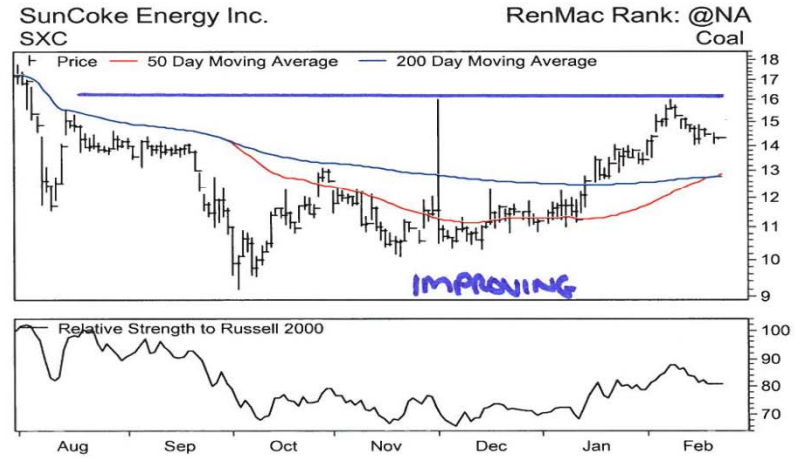
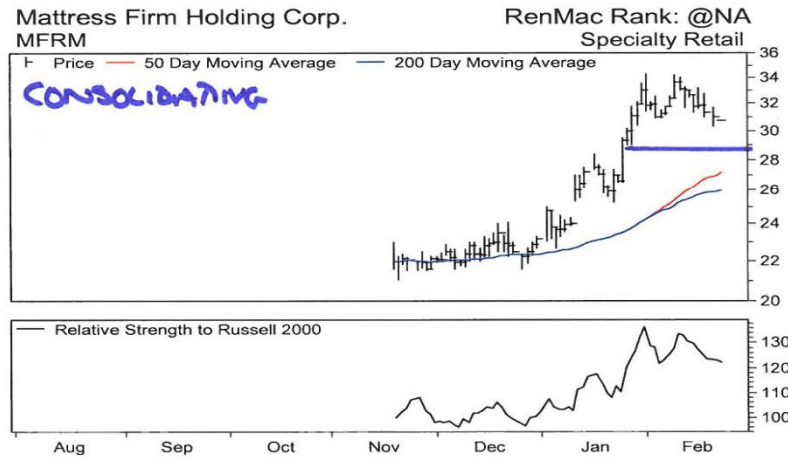
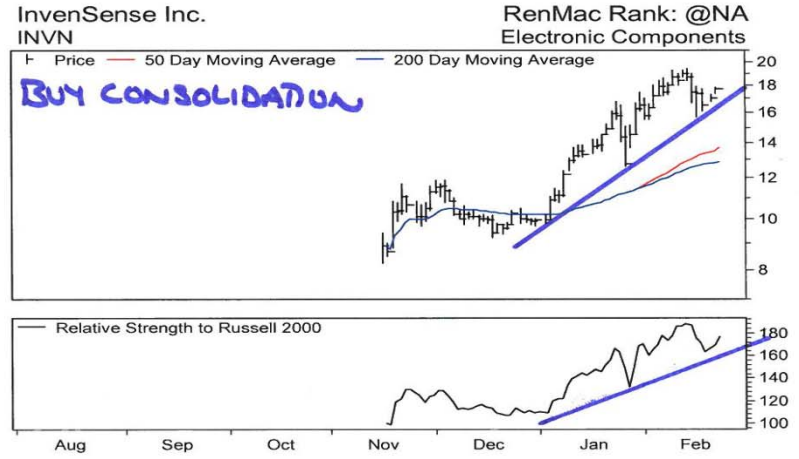
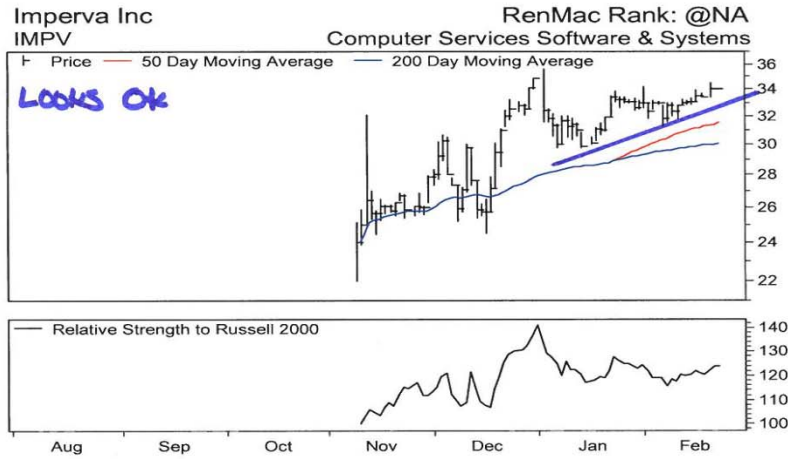
Bankrate Inc. RenMac Rank: @NA
RATE Computer Services Software & Systems



C&J Energy Services Inc. RenMac Rank: @NA
CJES Oil Well Equipment & Services



IPOs



IPOs

Targa Resources Corp.
TRGP

RenMac Rank: 2
Oil: Integrated



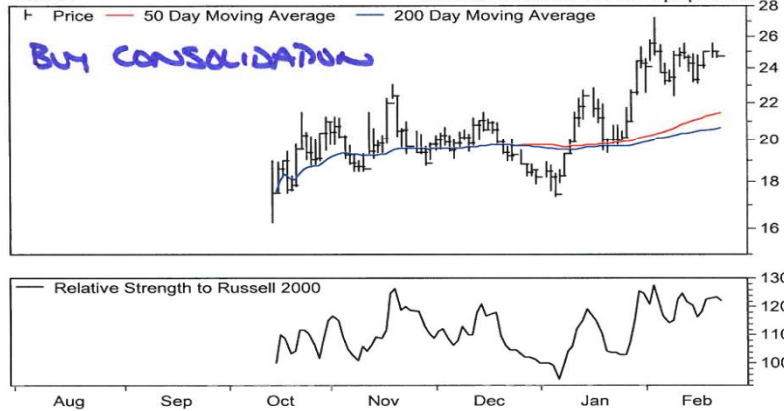
Teavana Holdings Inc.
TEA

RenMac Rank: @NA
Specialty Retail



Ubiquiti Networks Inc.
UBNT

RenMac Rank: @NA
Telecommunications Equipment



Vanguard Health Systems Inc.
VHS

RenMac Rank: @NA
Health Care Facilities



IPOs

Wesco Aircraft Holdings Inc. RenMac Rank: @NA
WAIR Aerospace



Optimal Exit in Producer Durables

Optimal exits are stocks that score poorly (5) in our work and are currently overbought within their downtrend. We would use recent strength to peel back or initiate short positions.

Active Power Inc.

ACPW

RenMac Rank: 5

Power Transmission Equipment



Optimal Exit in Pharma

Zogenix Inc.
ZGNX

RenMac Rank: 5
Pharmaceuticals



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3. Concentration risk: Investing a substantial portion of assets in securities within a single industry or sector of the economy may be subject to greater price volatility or adversely affected by the performance of securities in that particular sector or industry.
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