

deGraaf's Weekly
Survival Guide to
the Markets
September 5, 2012

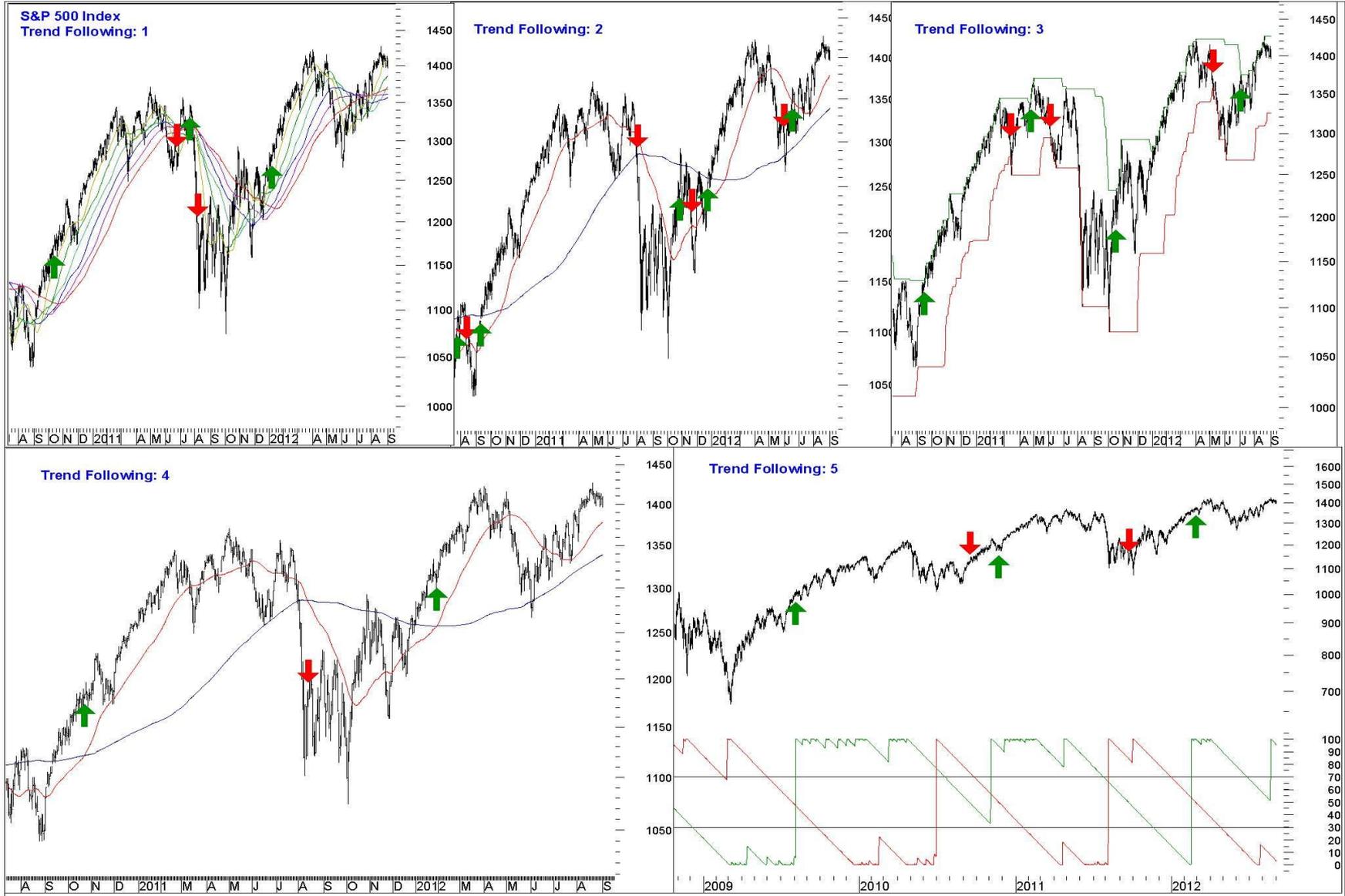
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Positive Trend



Created in MetaStock from Equis International

Little Improvement In Breadth

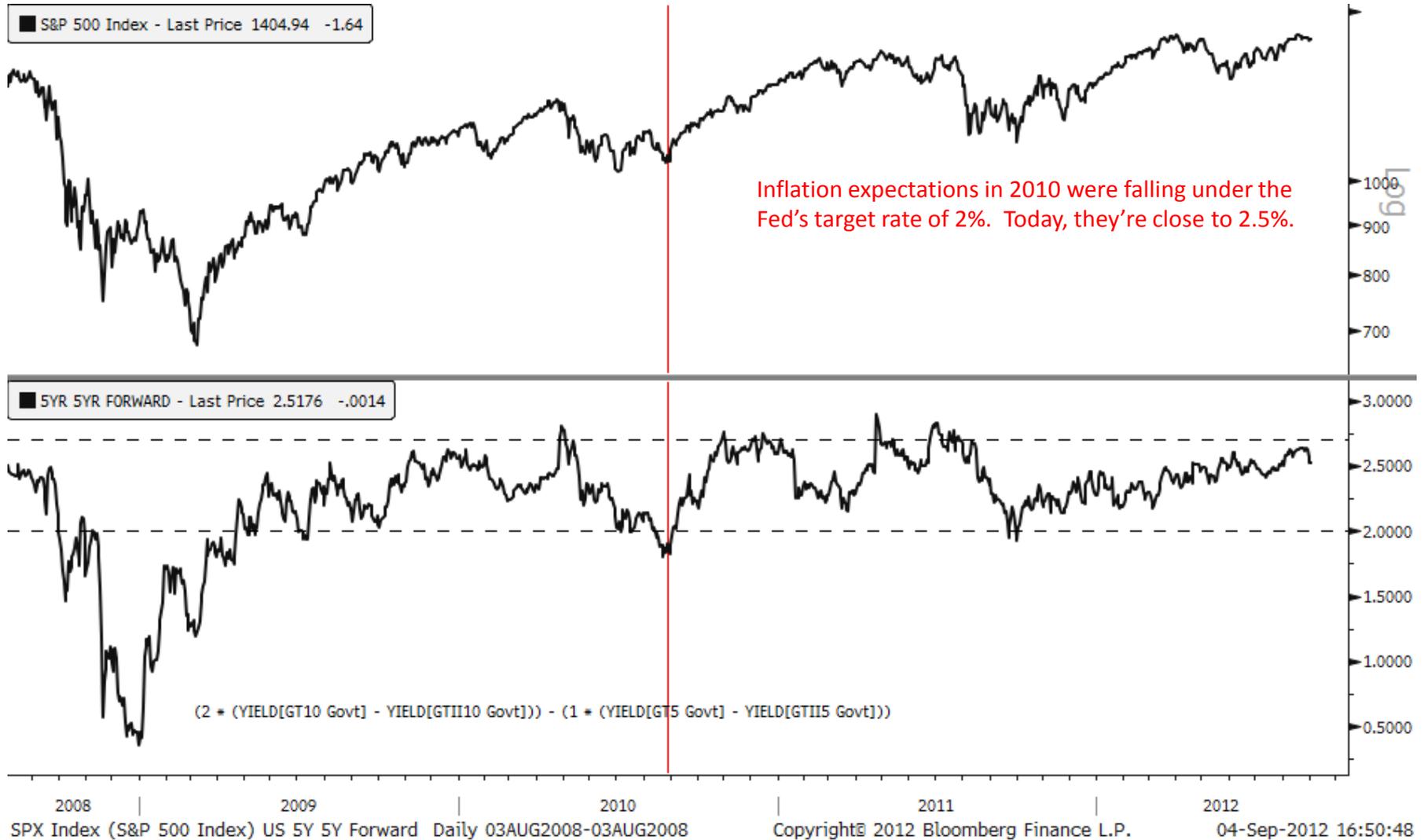


SPX Index (S&P 500 Index) SPX vs NYSE Breadth

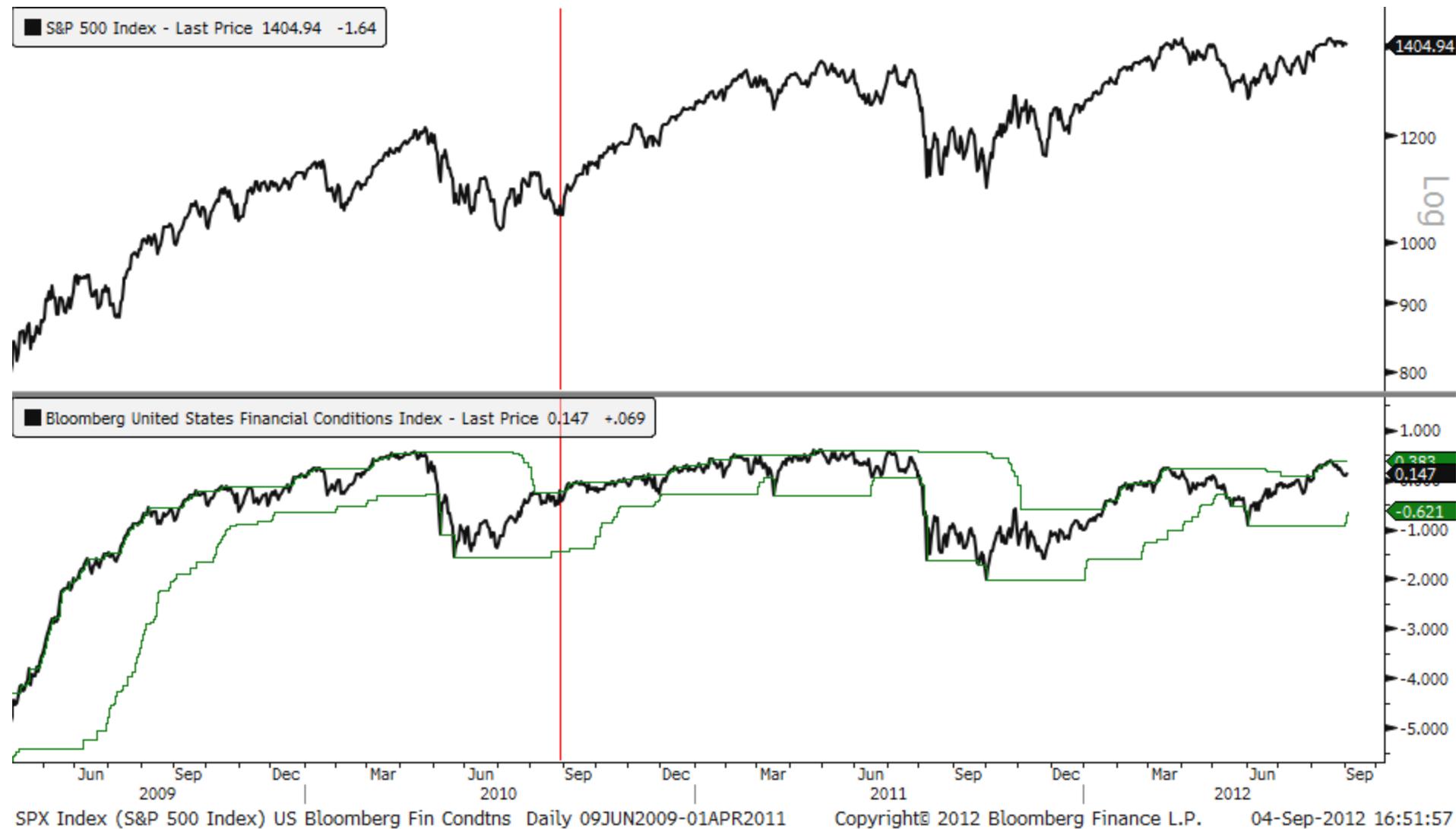
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Inflation Expectations

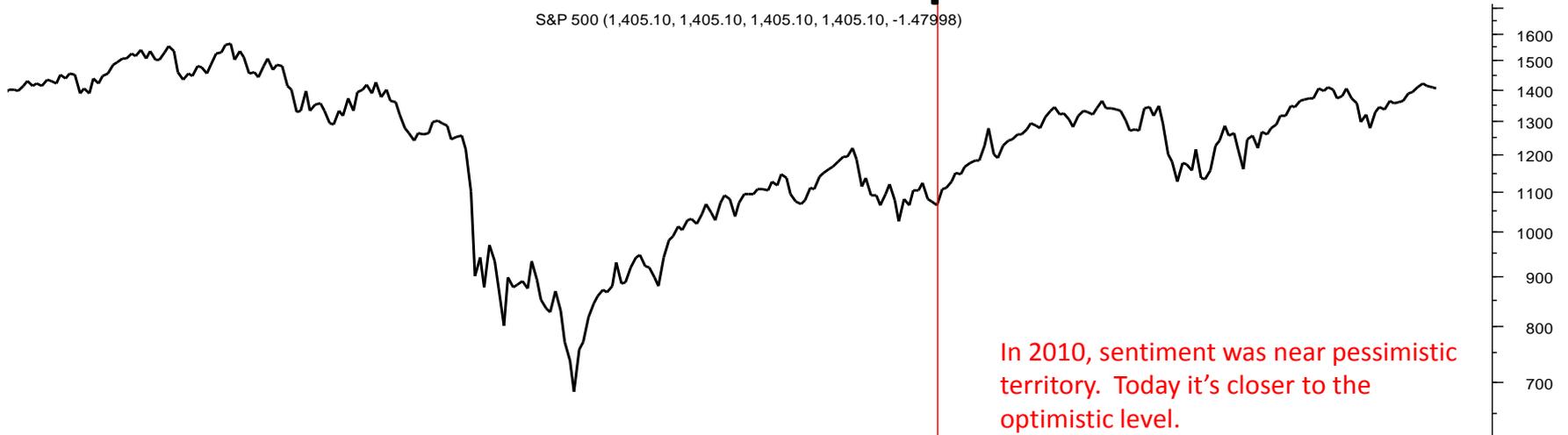


Financial Conditions Very Similar

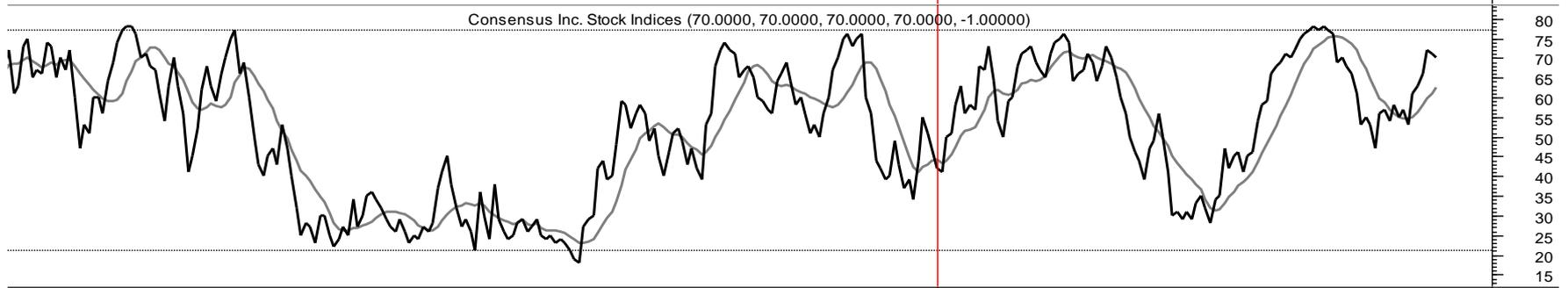


Sentiment Comparison

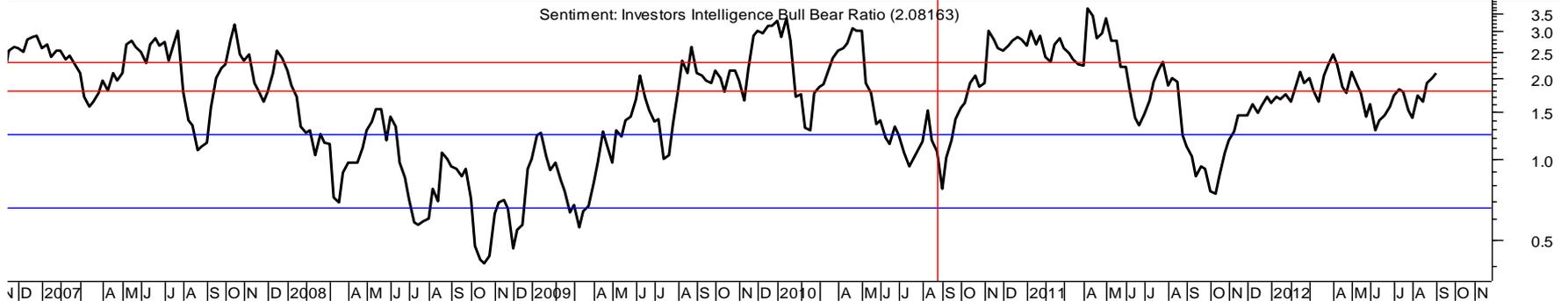
S&P 500 (1,405.10, 1,405.10, 1,405.10, 1,405.10, -1.47998)



Consensus Inc. Stock Indices (70.0000, 70.0000, 70.0000, 70.0000, -1.00000)

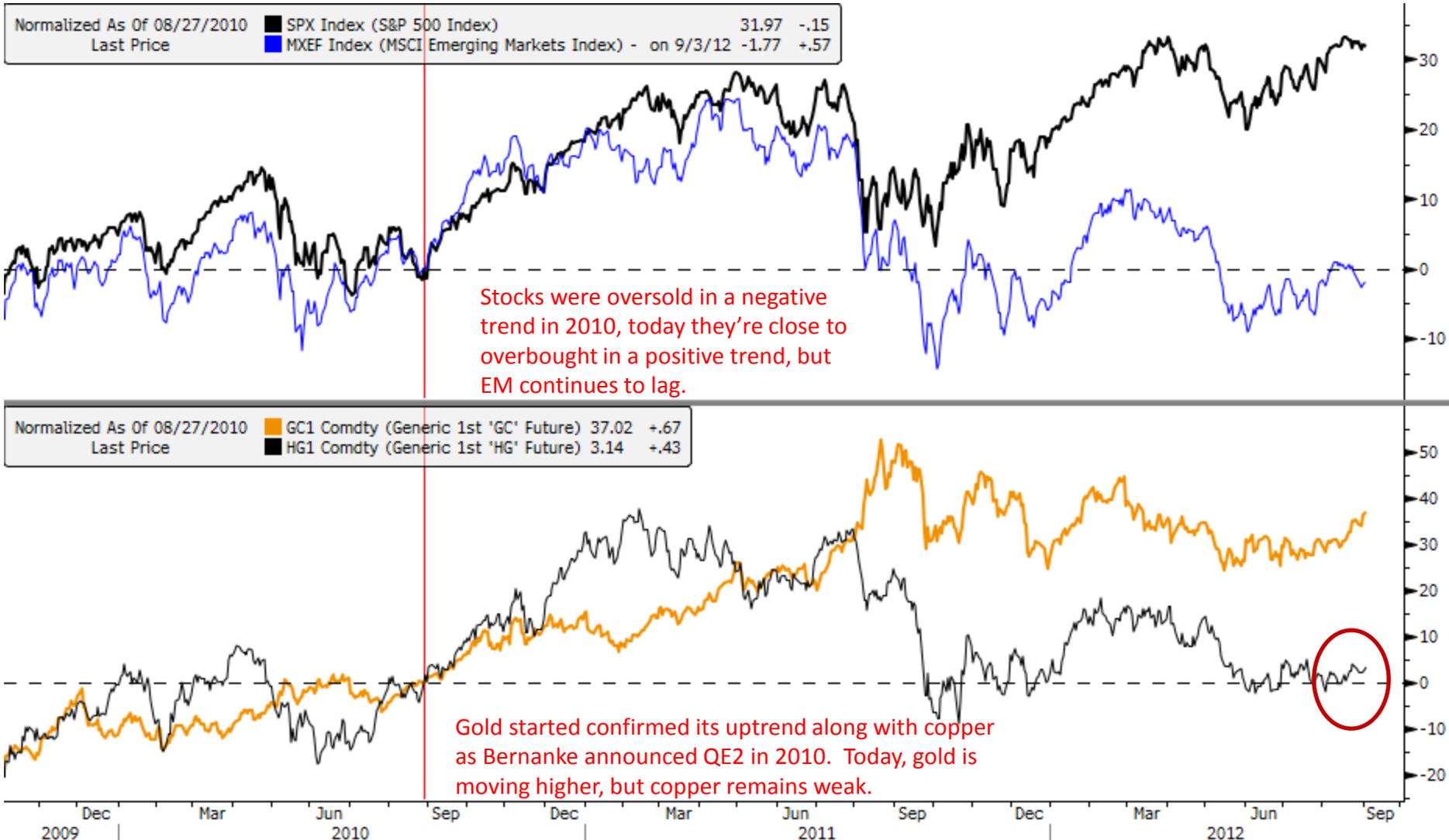


Sentiment: Investors Intelligence Bull Bear Ratio (2.08163)

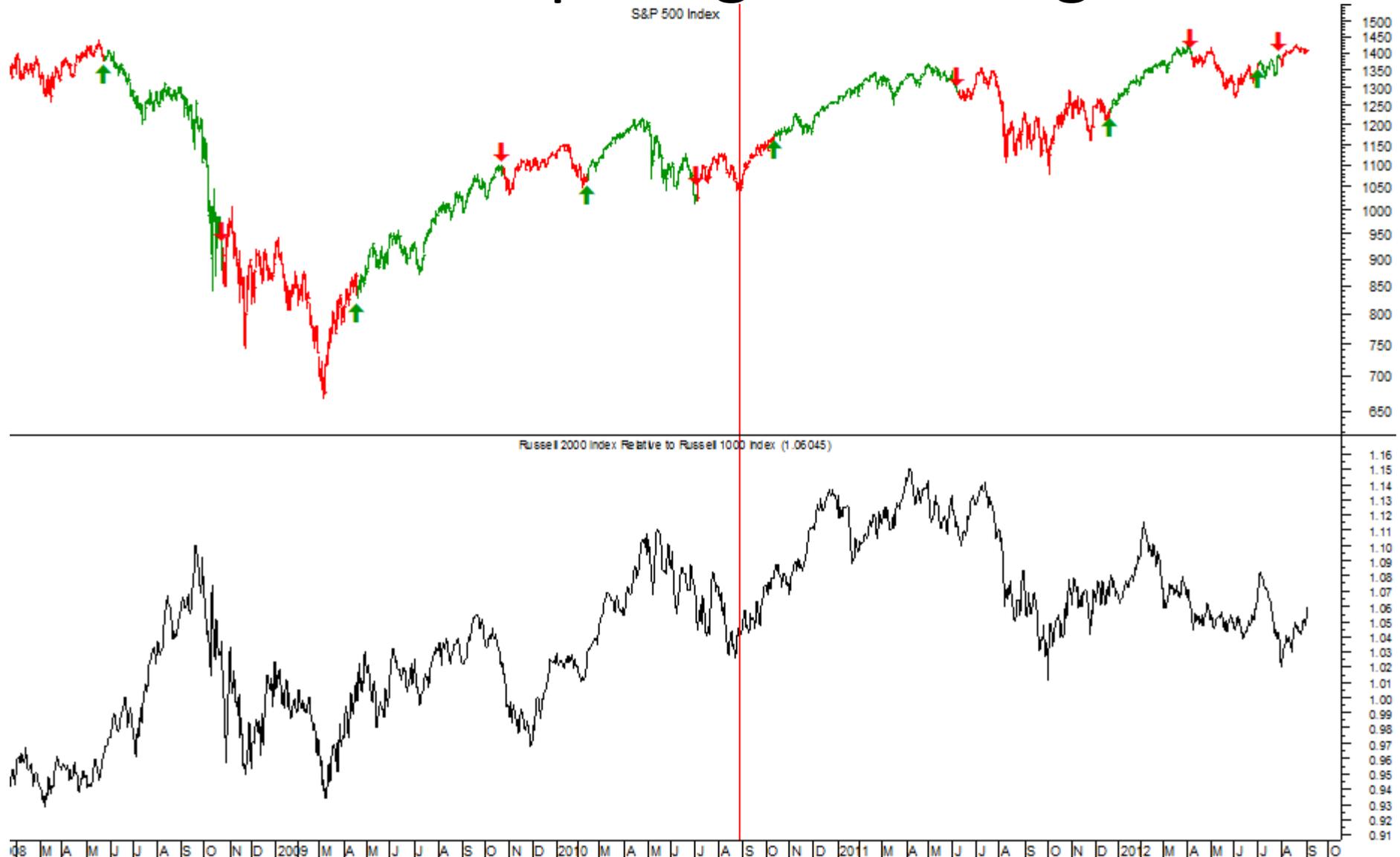


J D 2007 | A M J J A S O N D 2008 | A M J J A S O N D 2009 | A M J J A S O N D 2010 | A M J J A S O N D 2011 | A M J J A S O N D 2012 | A M J J A S O N

Equities and Metals



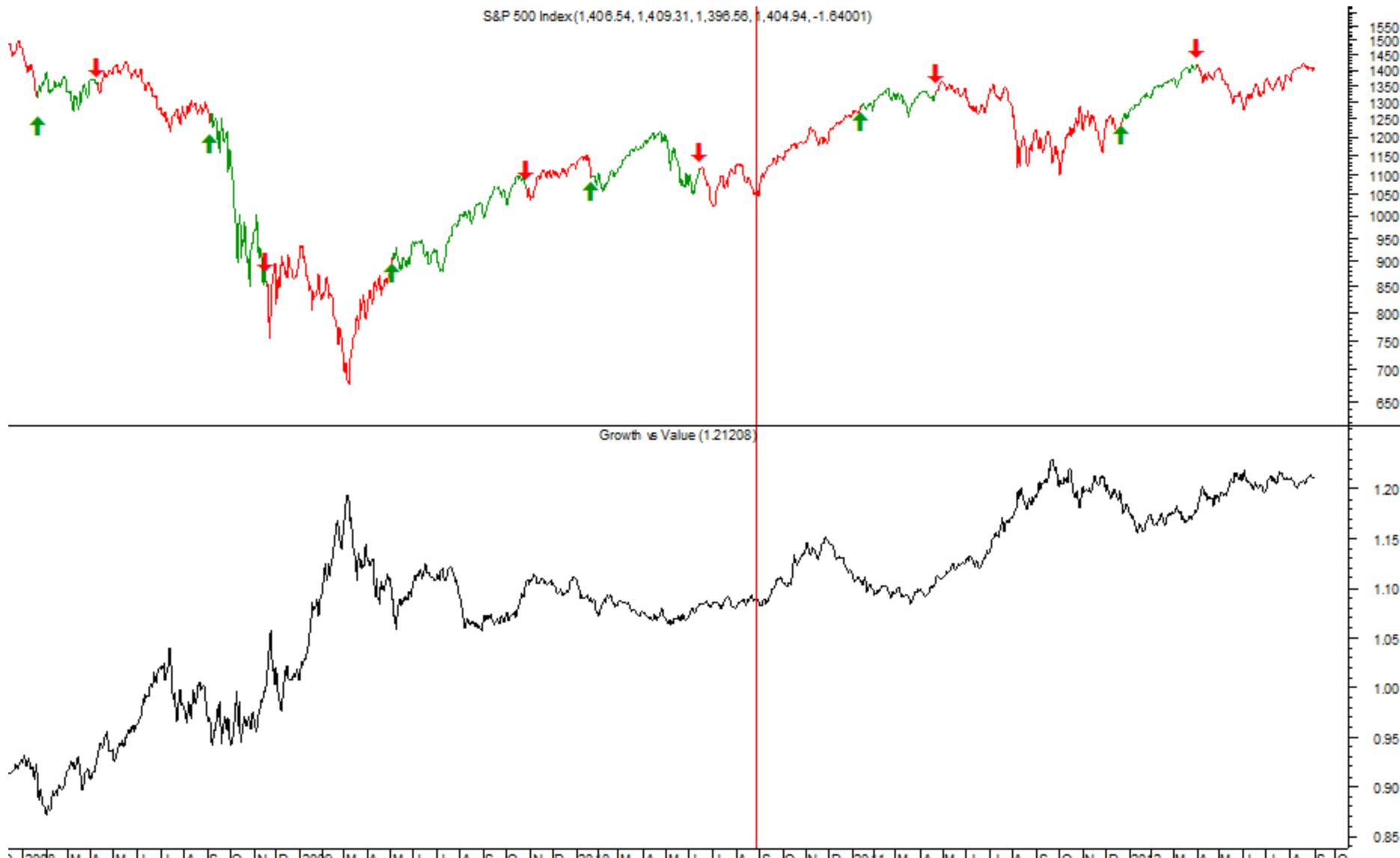
Small Cap Surged vs. Large



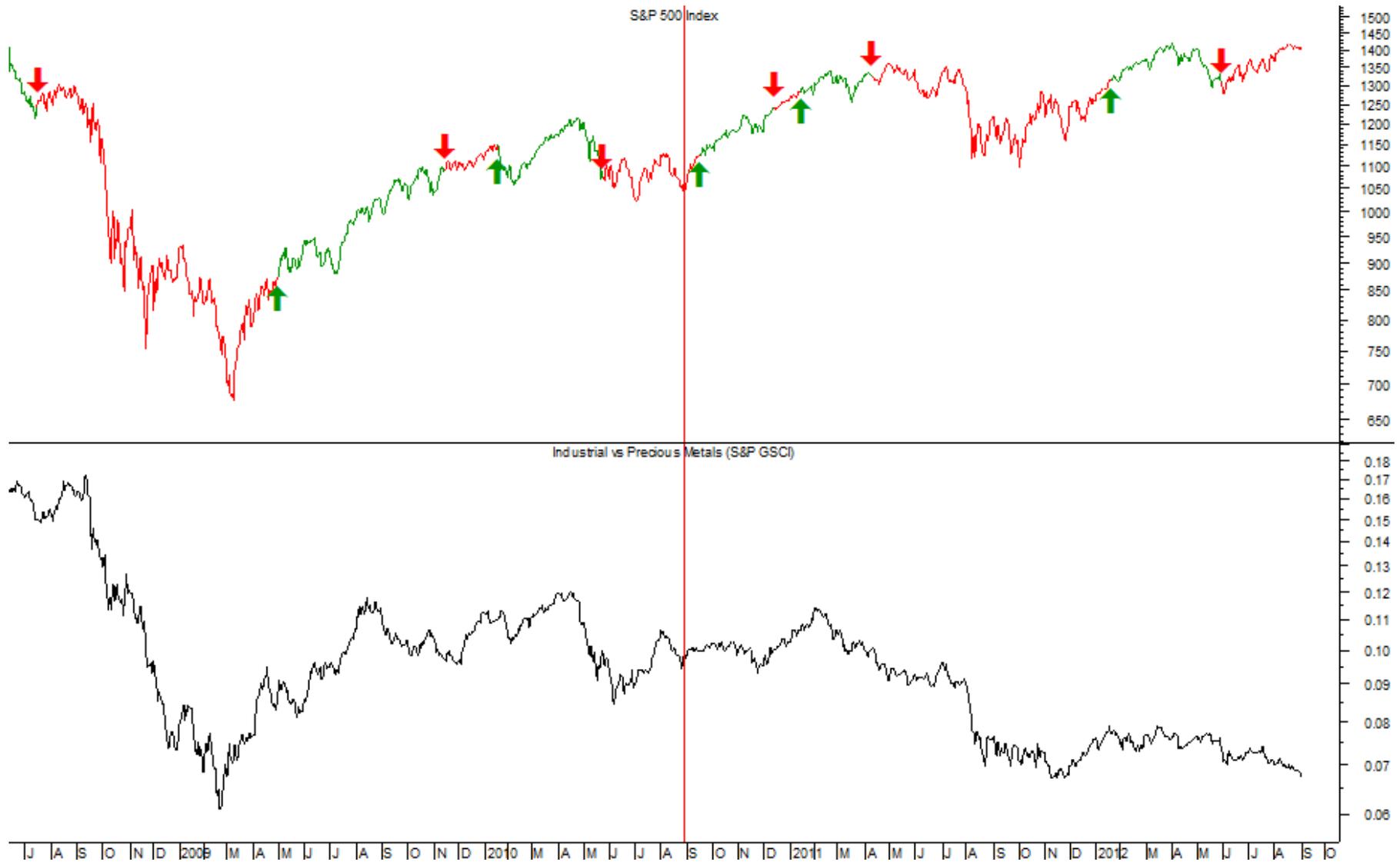
Low Quality Surged Post QE2



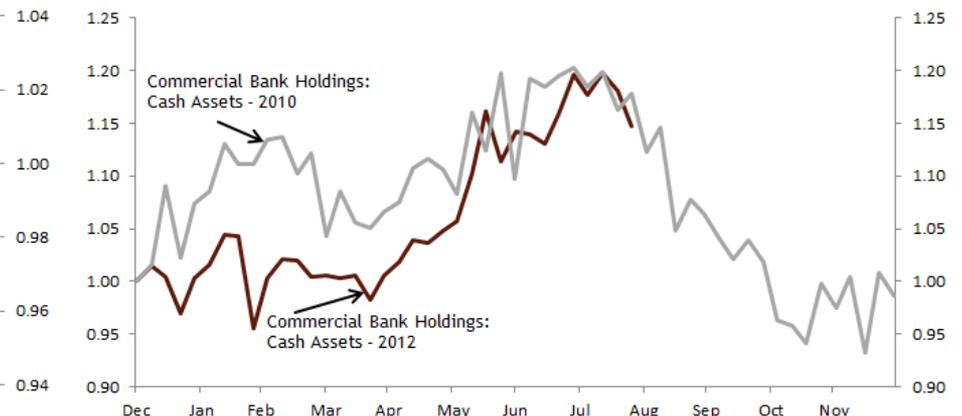
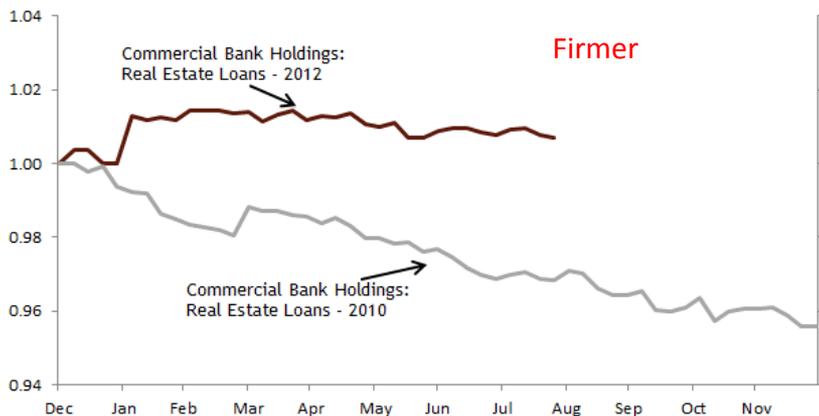
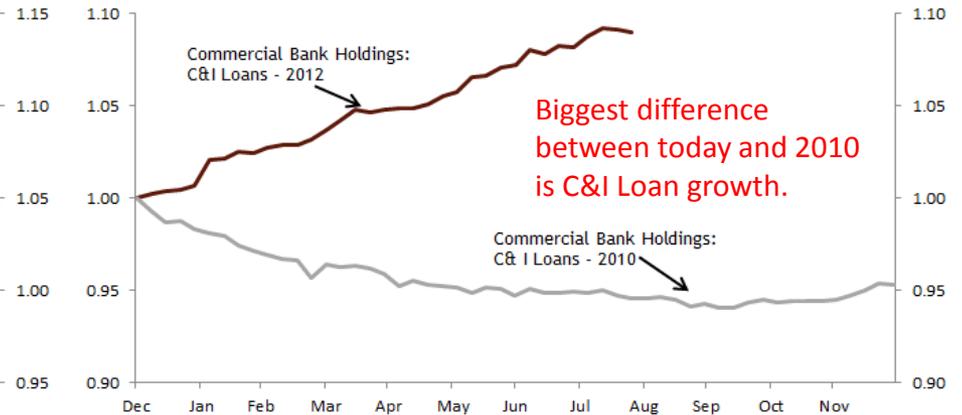
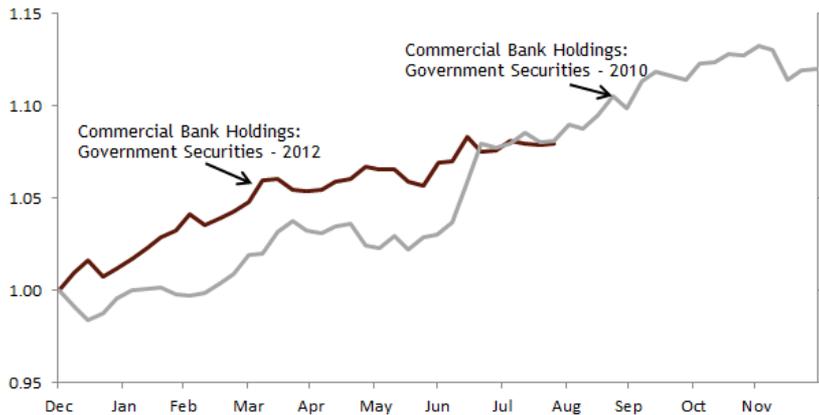
Growth Outperformed Value (Odd)



Industrial Metals Picked Up vs. Precious



Credit Condition Comparison

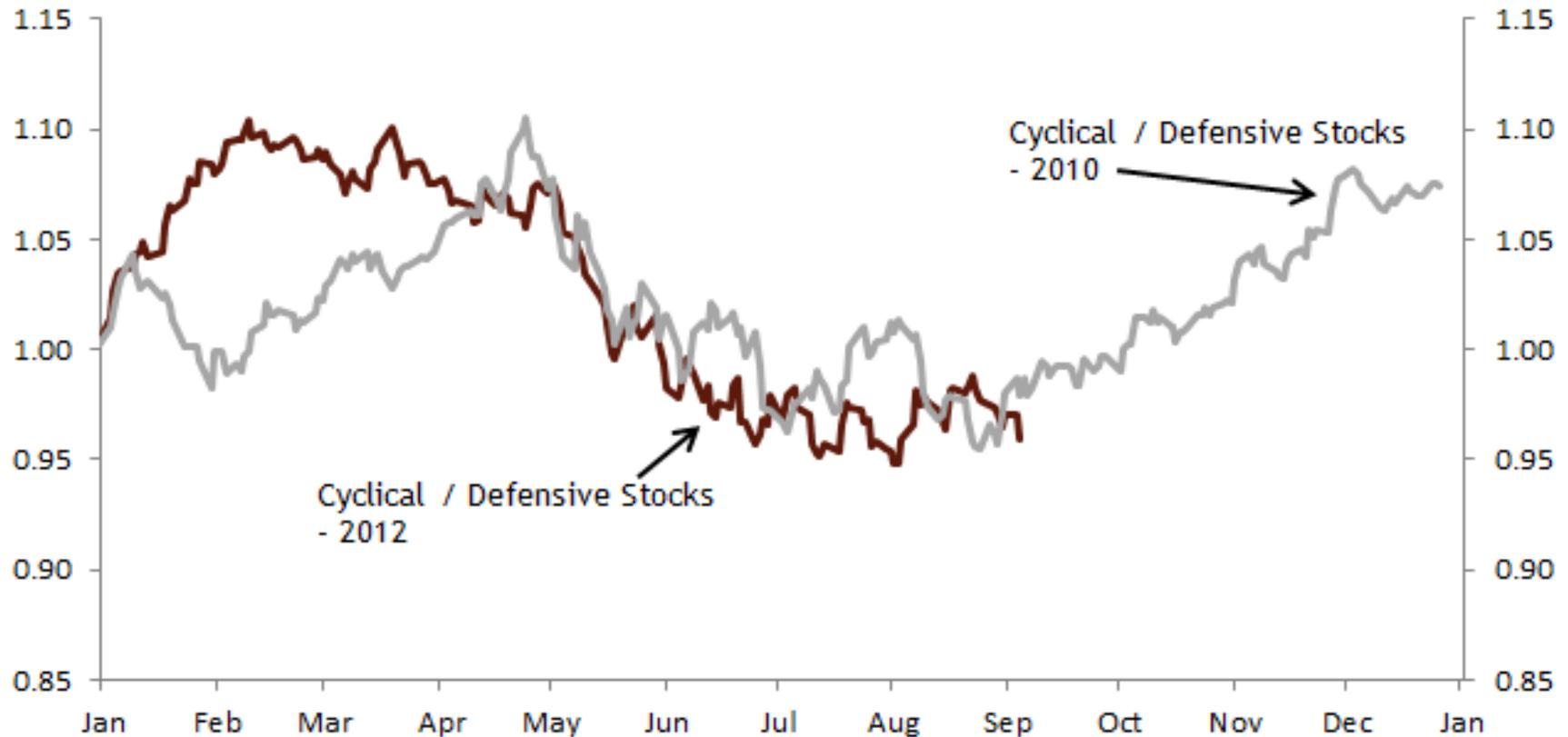


Velocity Model Stronger Than 2010

Macro Velocity Model

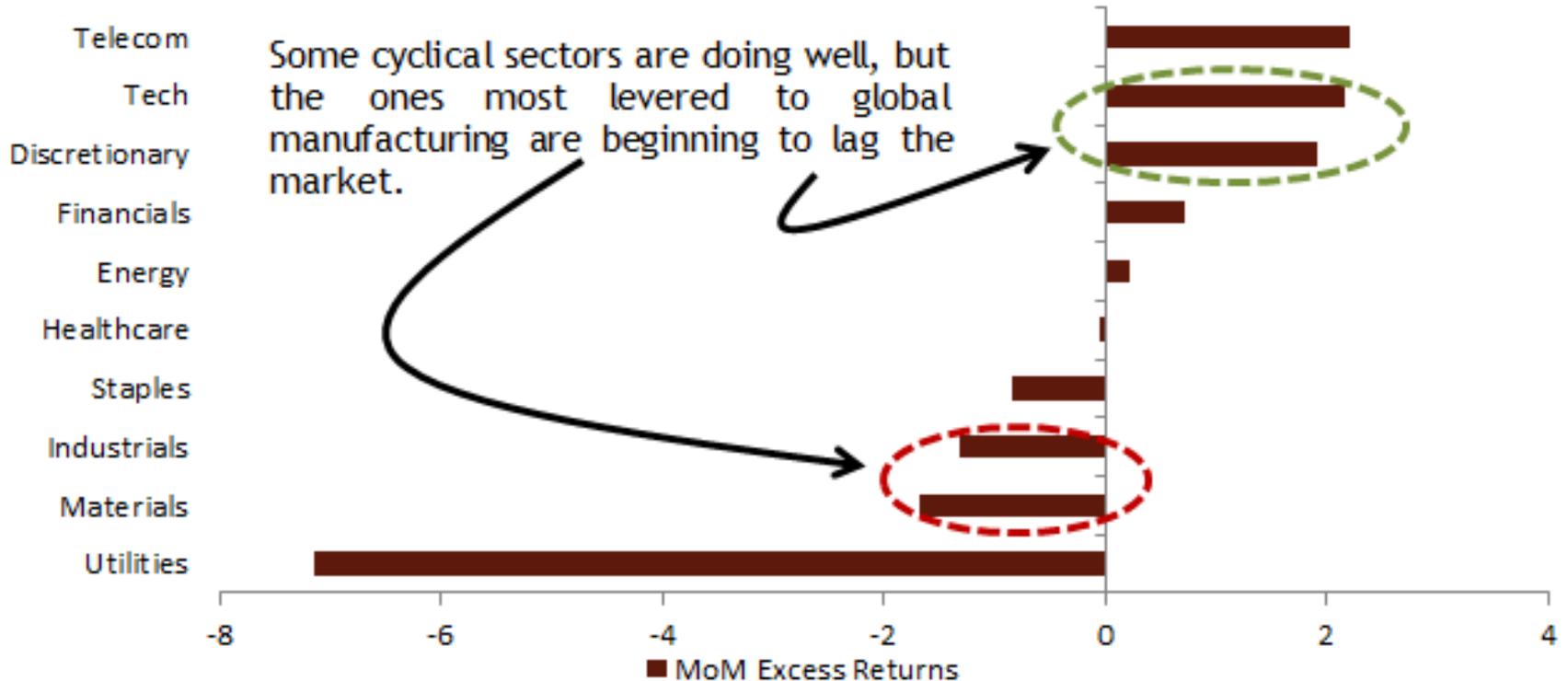


Should We Favor Cyclicals?

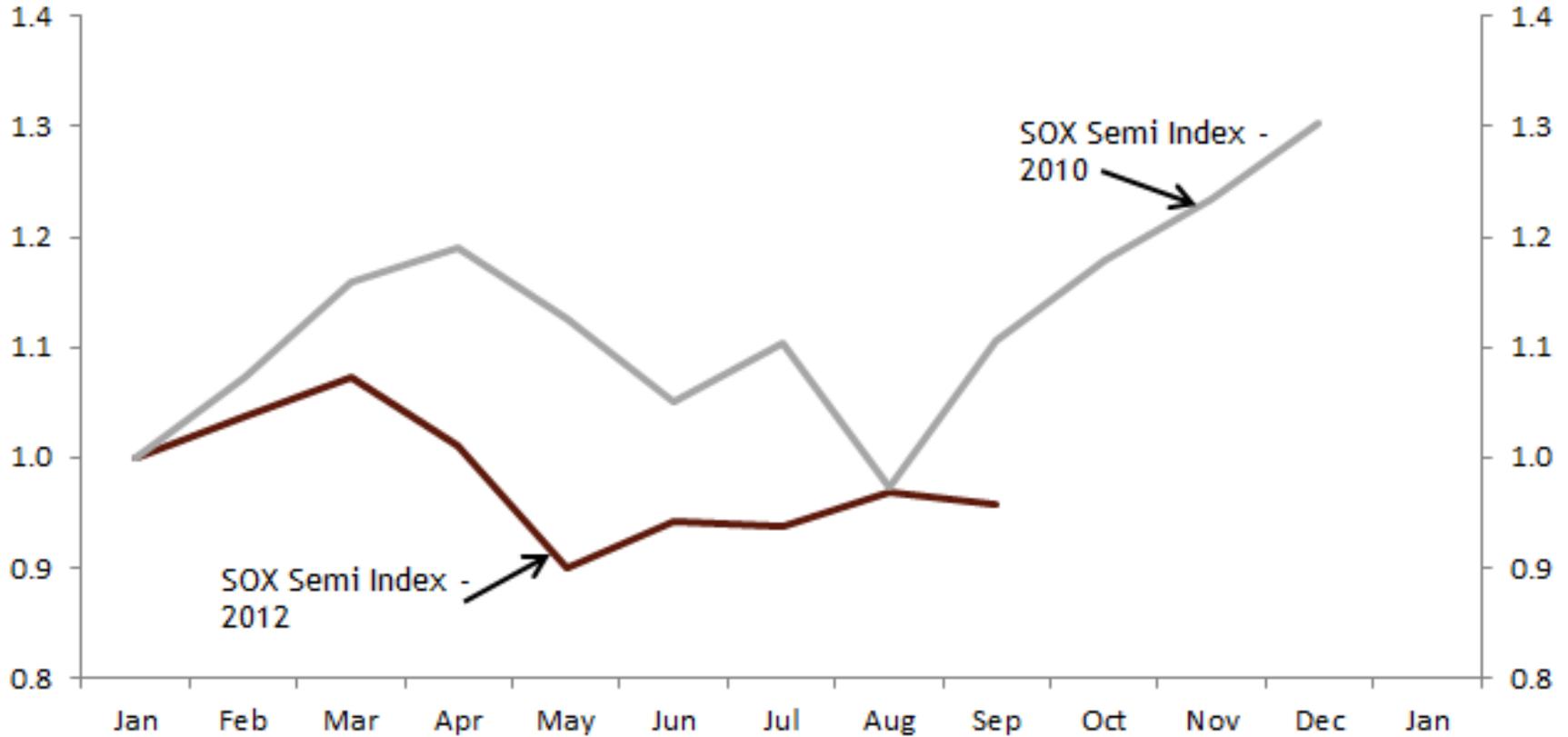


Cyclical vs. Defensive

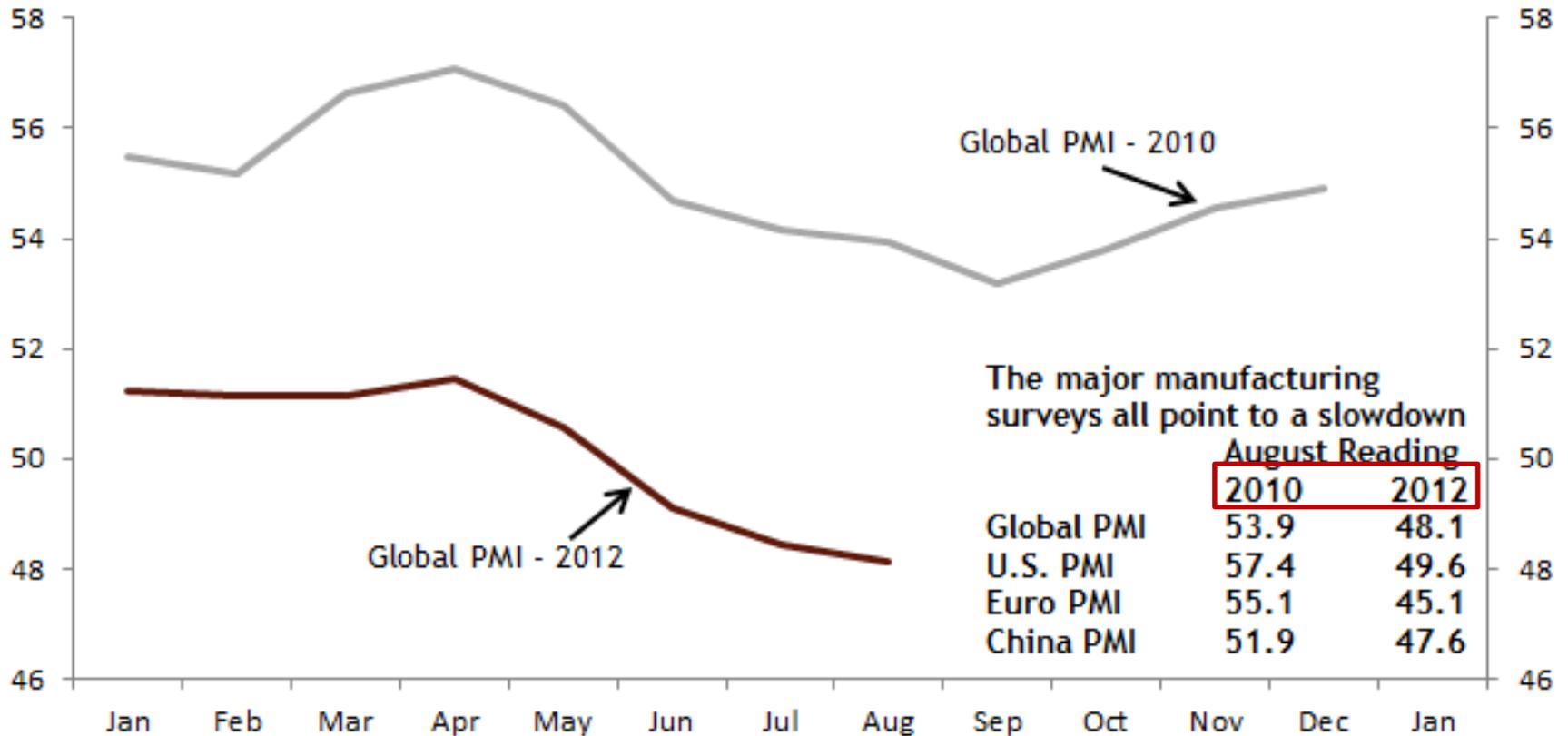
S&P 500 MoM Return - Excess (Equally Weighted)



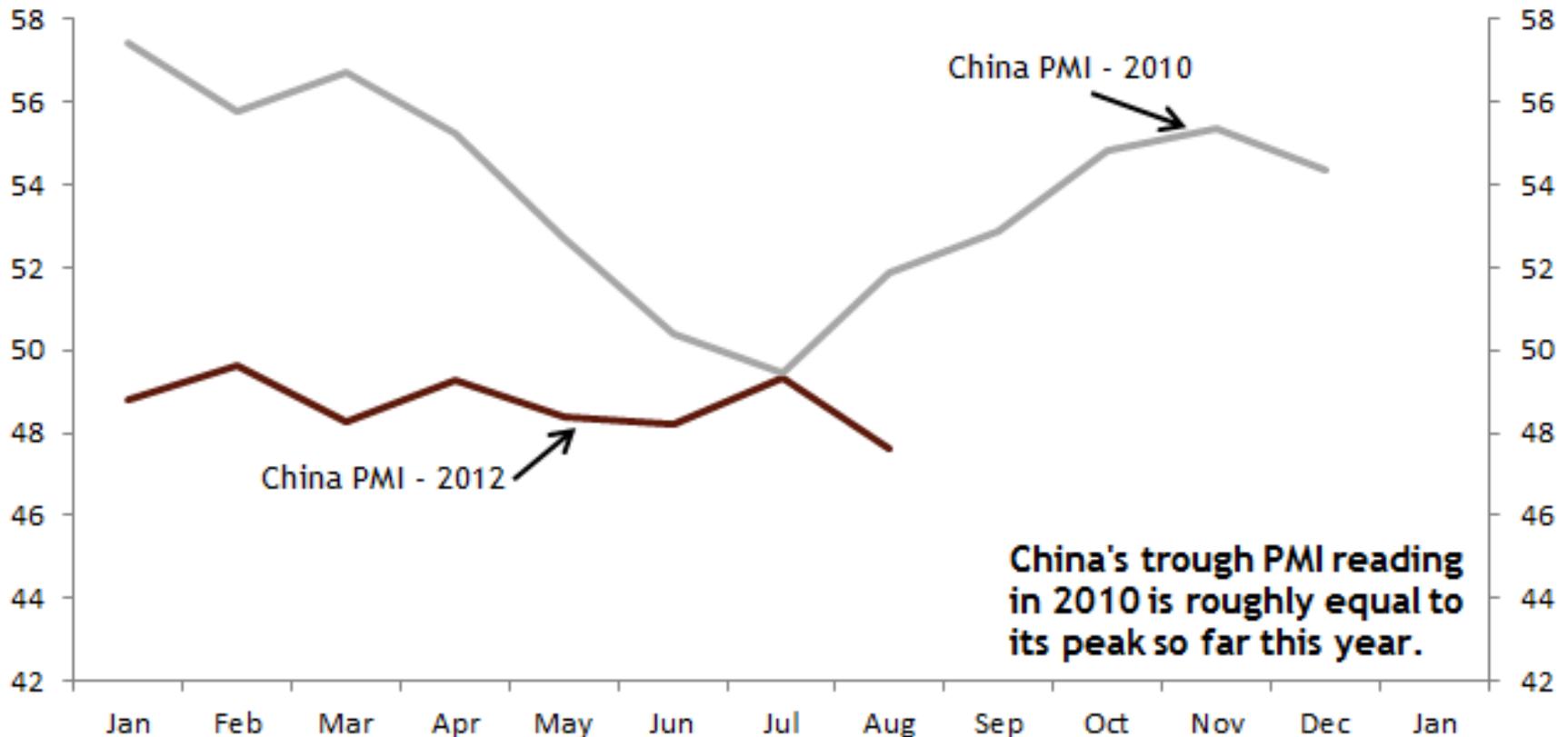
Semi's Ripped in 2010, Rolling Today



Global PMI Comparison

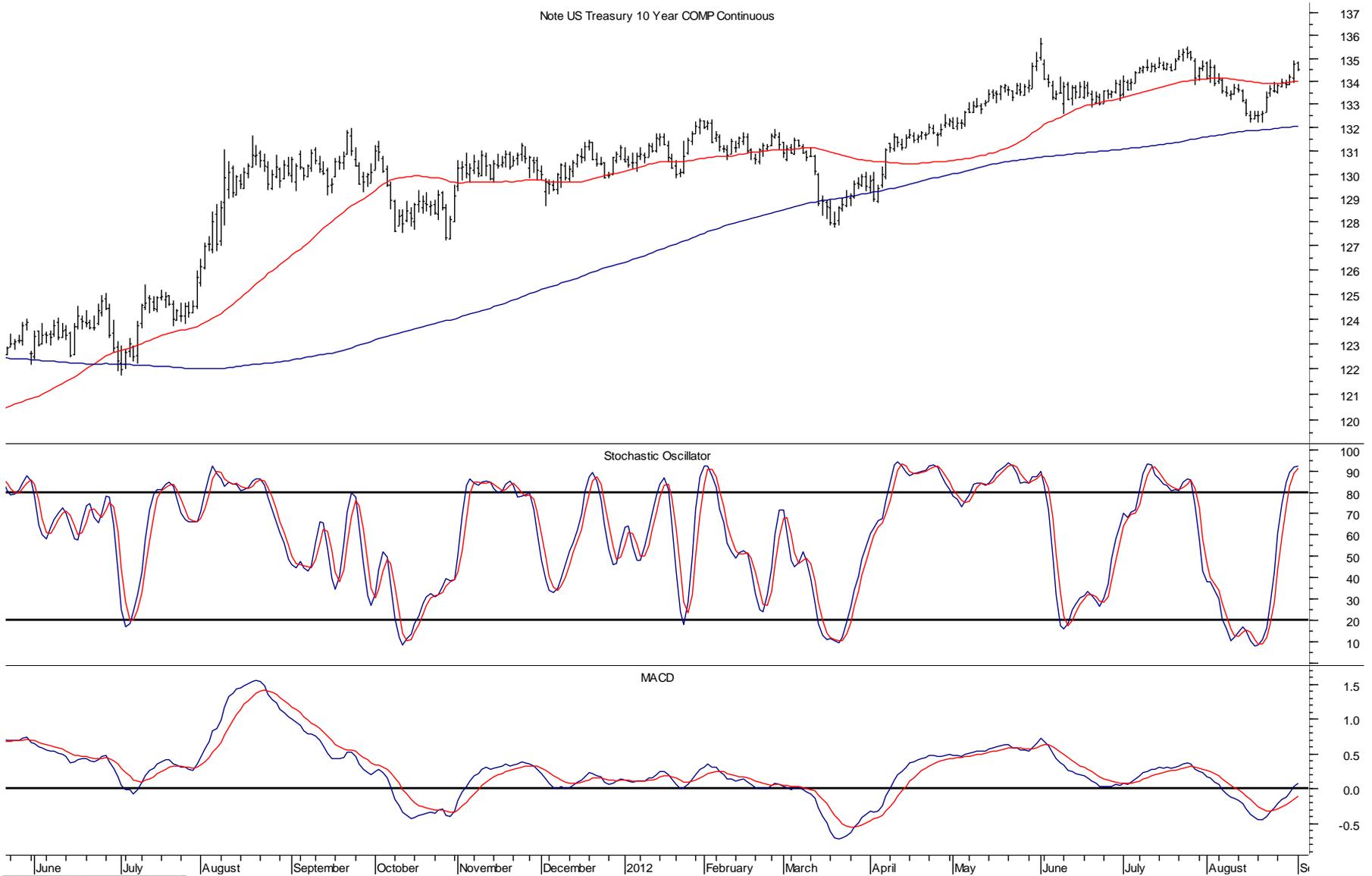


China Much Weaker Than 2010



10 Year Still in Uptrend

Note US Treasury 10 Year COMP Continuous



\$ Oversold and at Support

US Dollar Index ICE FUT US Continuous

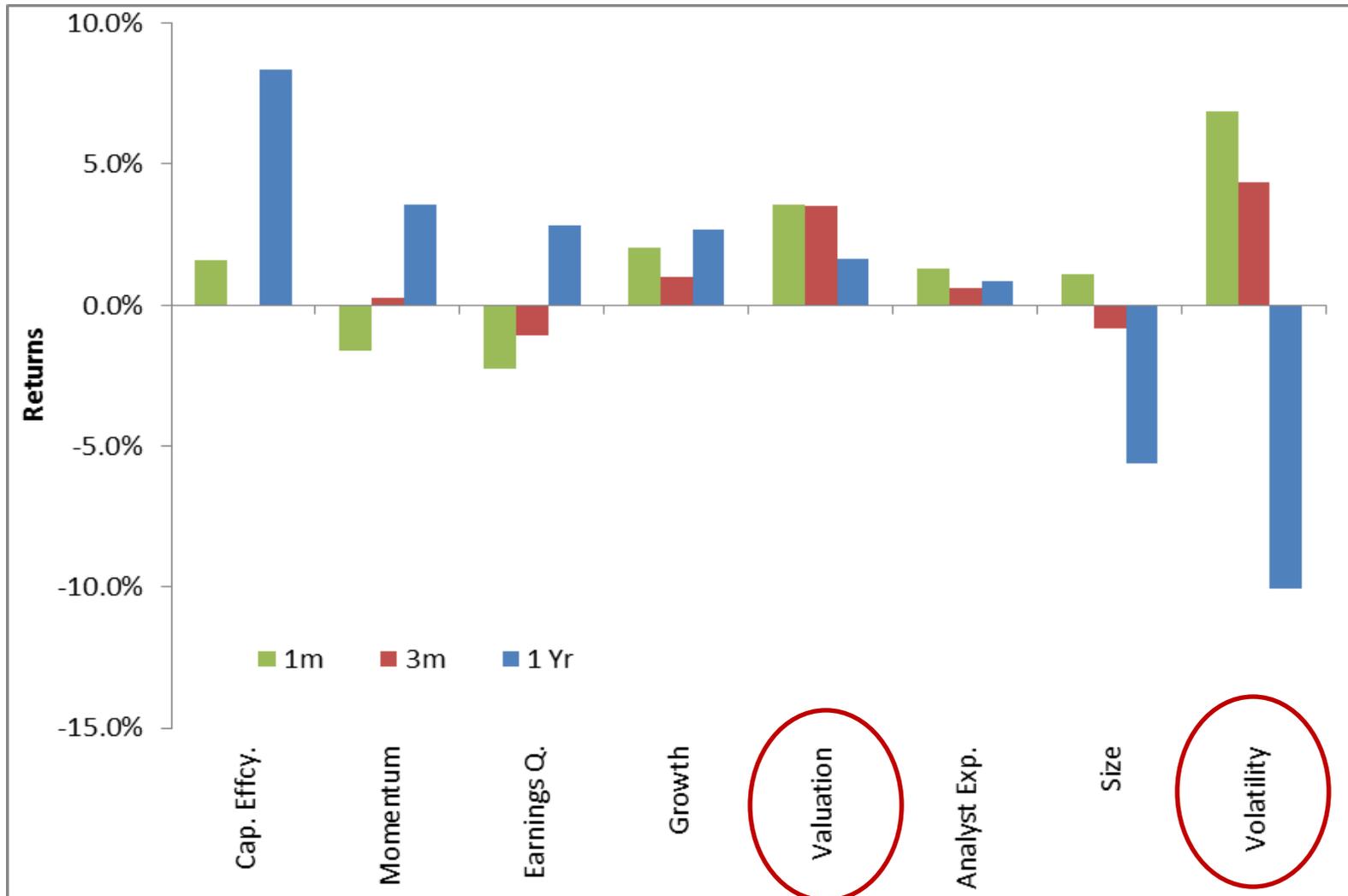


Gold Looks to be Starting a New Trend Higher

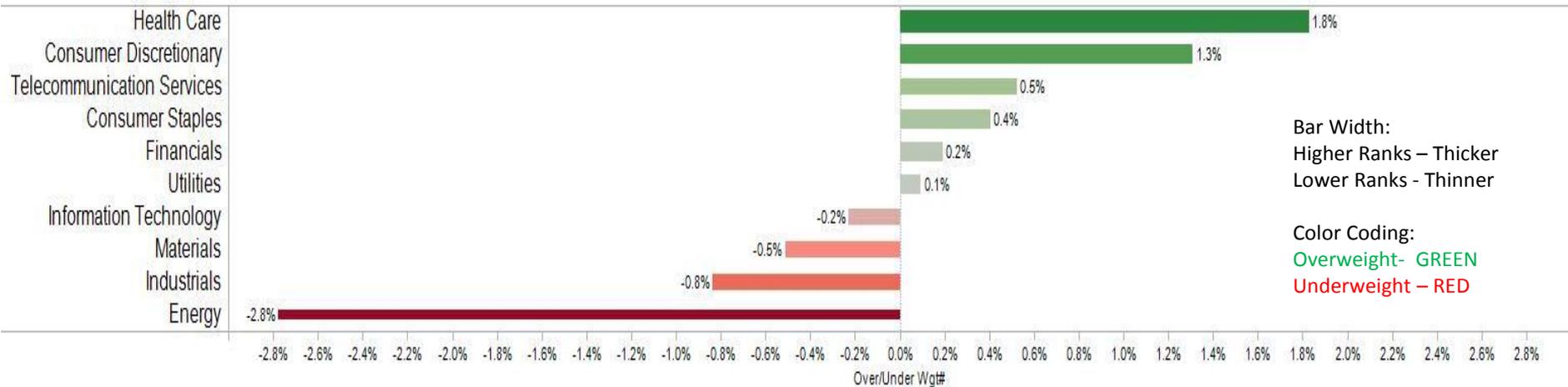
Gold 100 Troy Oz. COMEX Continuous



Attribution Suggests Anticipated QE



Healthcare, Discretionary Biggest Overweights Energy Biggest Underweight



Top Technically Ranked S&P 500 Names

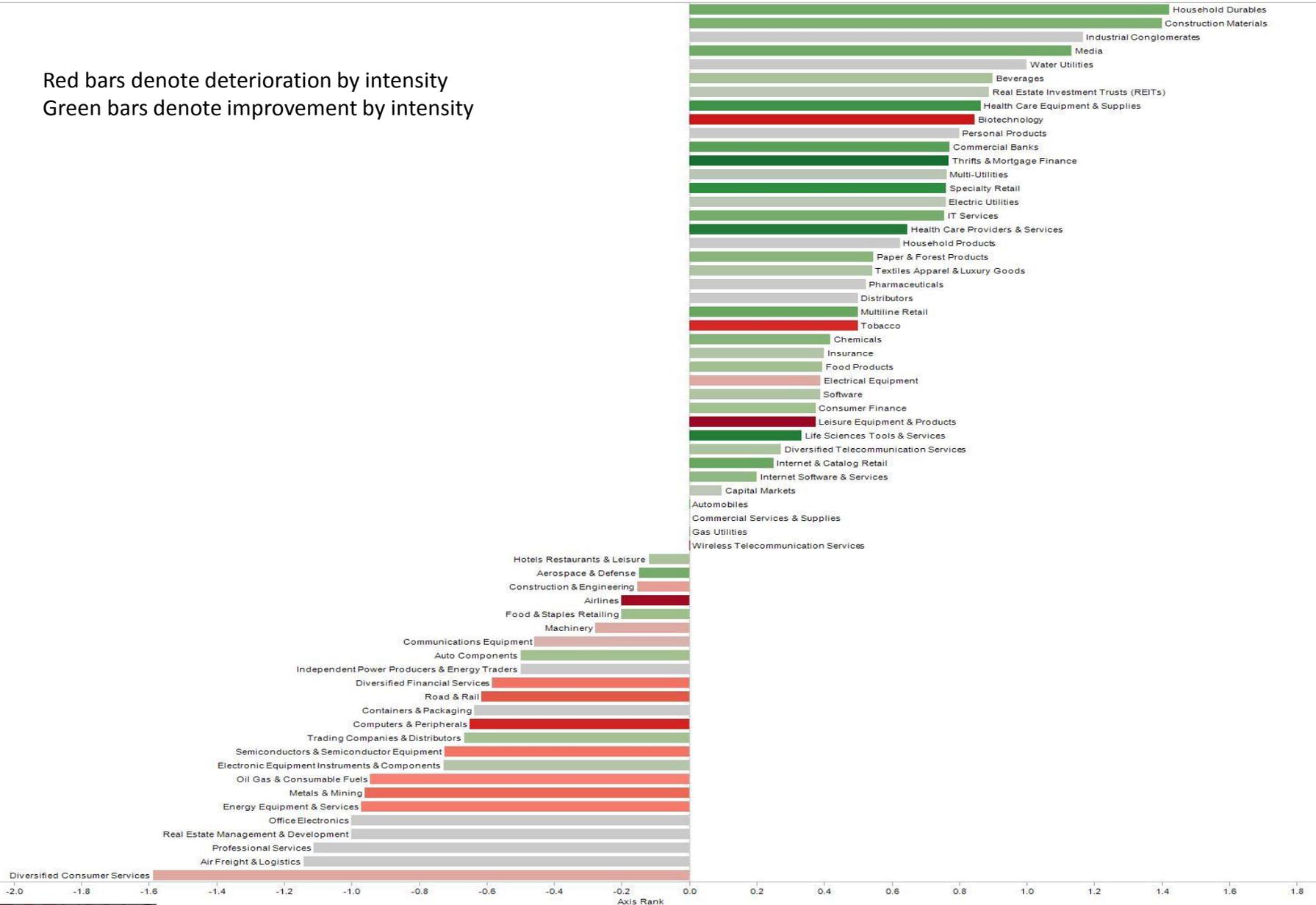
New entrants highlighted in green

Optimal entry points outlined in blue

Healthcare:	Discretionary:	Telecom:	Financials:	Tech:	Materials:	
DVA	LTD	NWSA	T	WFC	V	PPG
BIIB	OMC	TWC	S	ALL	YHOO	FMC
ALXN	DTV	SNI	CCI	FITB	VRSN	SHW
GILD	LEG	TJX		BBT	EBAY	
AMGN	URBN	ROST	Staples:	CINF	AKAM	Industrials:
	WHR	MAT	BEAM	RF	GOOG	ROP
	DISCA	DHI	HSY	USB		CBE
	NWL	LEN	MKC	DFS		MAS
	CMCSA	GPS				
	DIS	CBS				
	GCI	HD				
	TWX	PHM				

Equal Weight Industry Ranking

Red bars denote deterioration by intensity
Green bars denote improvement by intensity

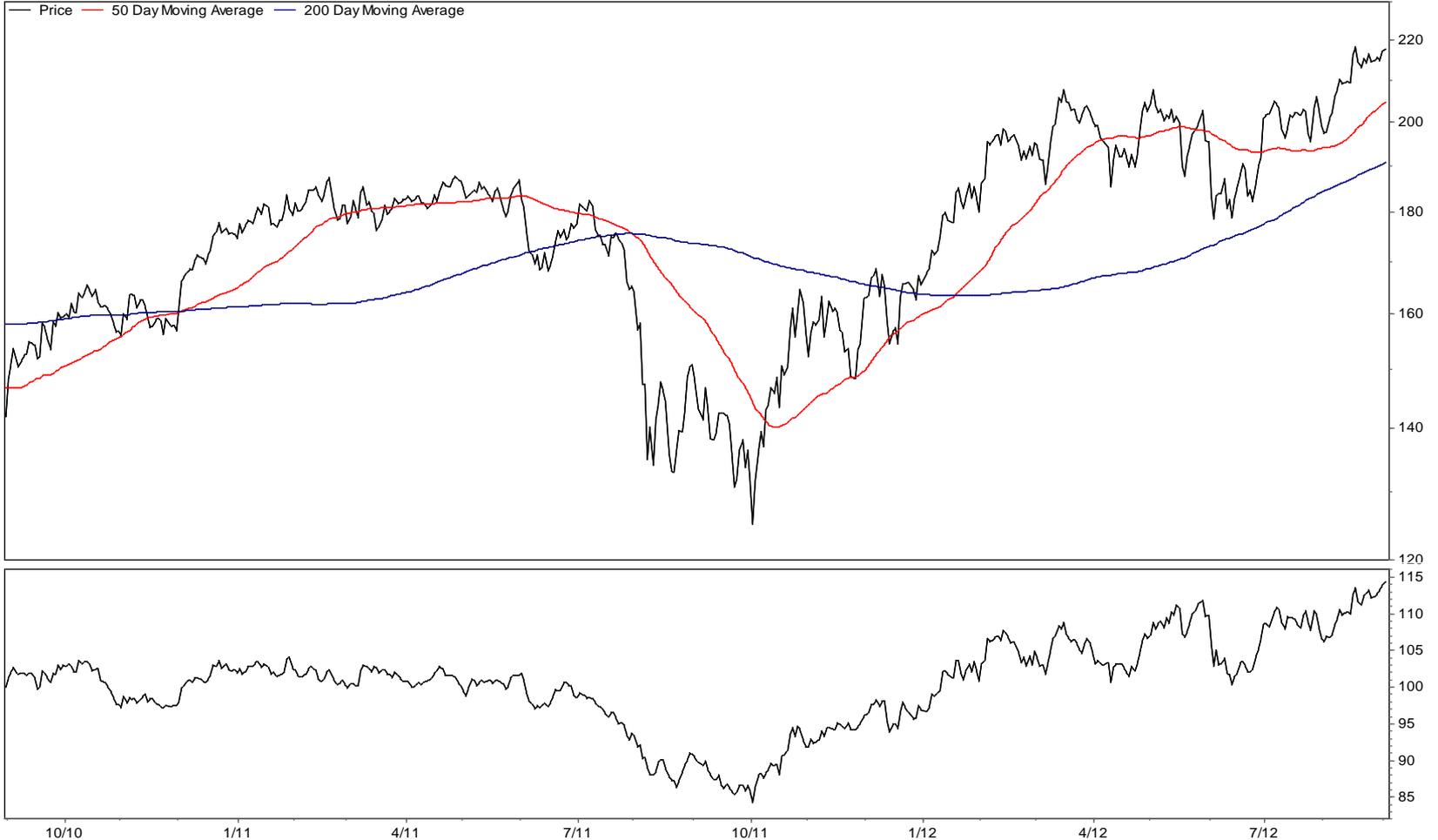


Household Durables

SP922

S&P Composite 1500 / Household Durables -IND

@NA



Construction Materials

SPN71

S&P Composite 1500 / Construction Materials -IND

@NA



Industrial Conglomerates

SP171

S&P Composite 1500 / Industrial Conglomerates -IND

@NA



Big Base Breakout

DTV-US
DIRECTV

RenMac Rank: 1

Cable & Satellite



WHR Trying to Breakout

WHR-US

RenMac Rank: 1

Whirlpool Corp.

Household Appliances



Big Base in Banks

WFC-US

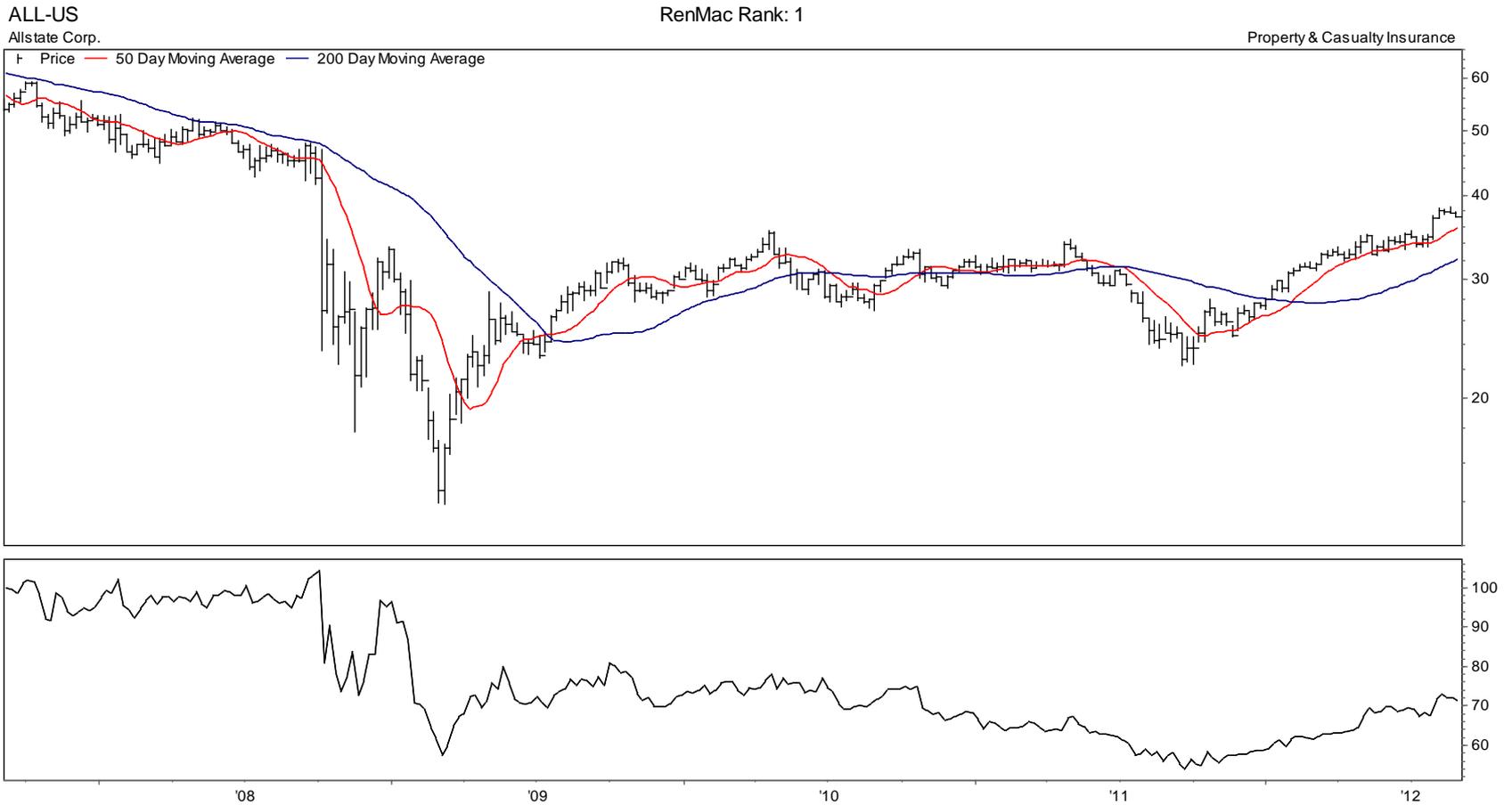
RenMac Rank: 1

Wells Fargo & Co.

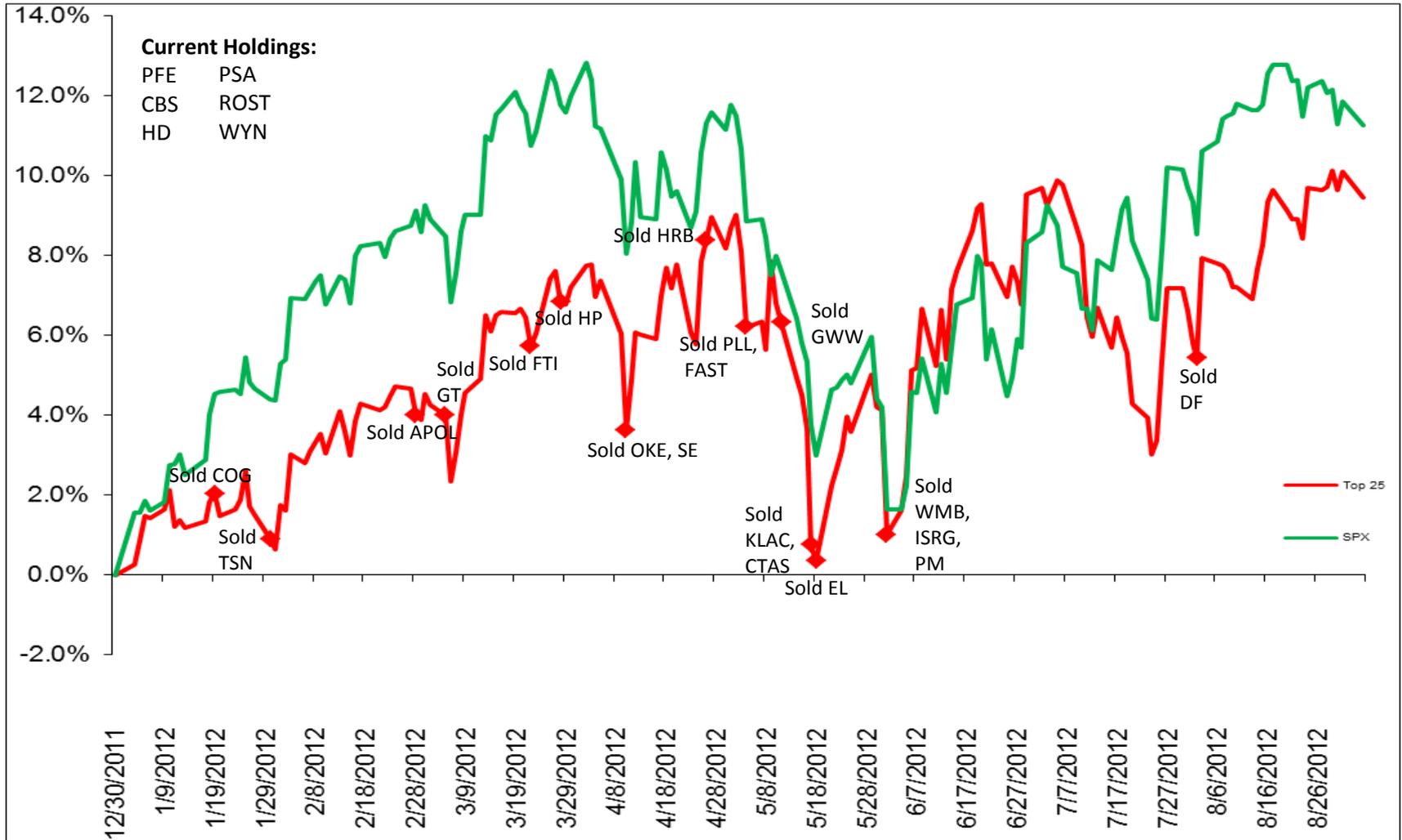
Diversified Banks



Breakout in P&C



Top-25 Portfolio



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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.
4. Leverage Risk: Fluctuations in interest rates on borrowings or the dividend rates on preferred shares as a result of changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on the common shares. There is no assurance that a leverage strategy will be successful.
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