

## deGraaf's Daily

Energy has been a laggard in our work, with recent signs of relative performance giving it the best glimmers of hope as of late. It remains essentially neutral in our sector weightings, but nearly 42% of the names made 65-day highs on Tuesday. Refiners are clear leaders with 98% of the industry group at a 65-day high, but other segments of the sector are on the mend. Buying the names that aren't performing is tempting as a catch-up play, but we find chasing the relative strength names is a better strategy as a group improves. We've put a host of our 1s and 2s on a weekly basis in today's piece. Energy is important because it signifies an important input to inflation which is, in itself, an important input to forward multiples for equities. This will be a relative call for the sector, particularly against discretionary names, as that performance differential tends to closely follow inflation. For now, crude oil still appears locked in a neutral trend, and while we are willing to increase exposure to the sector, we do not believe that it represents leadership.

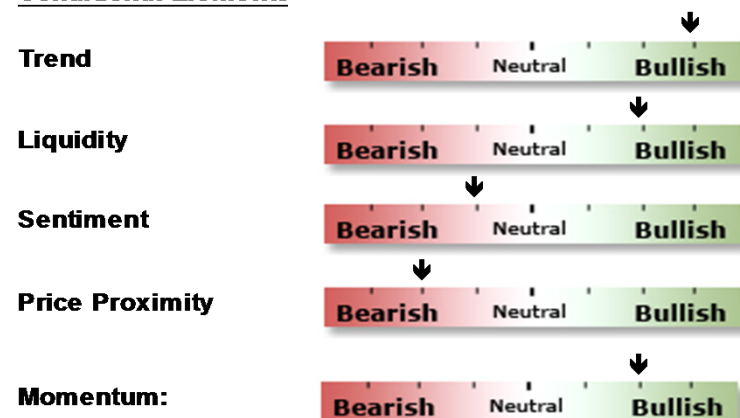
IPOs performance reflects confidence and liquidity. The index was an early and timely indication of the bullish environment for stocks back in the 4<sup>th</sup> quarter, and it continues to do well (with and without FB). We have put in some of our favorite new issues in today's piece to give you some fresh ideas, mostly growth related, that should serve as a proxy for overall market health.

### Industry Group Technical Rankings

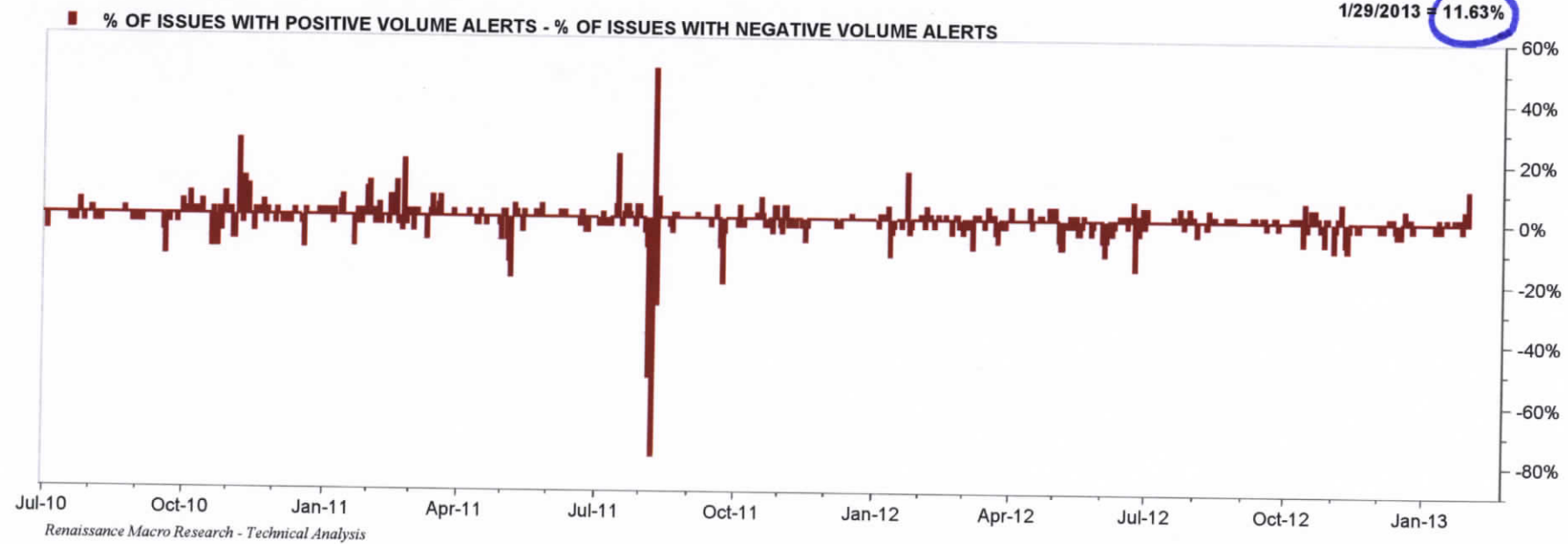
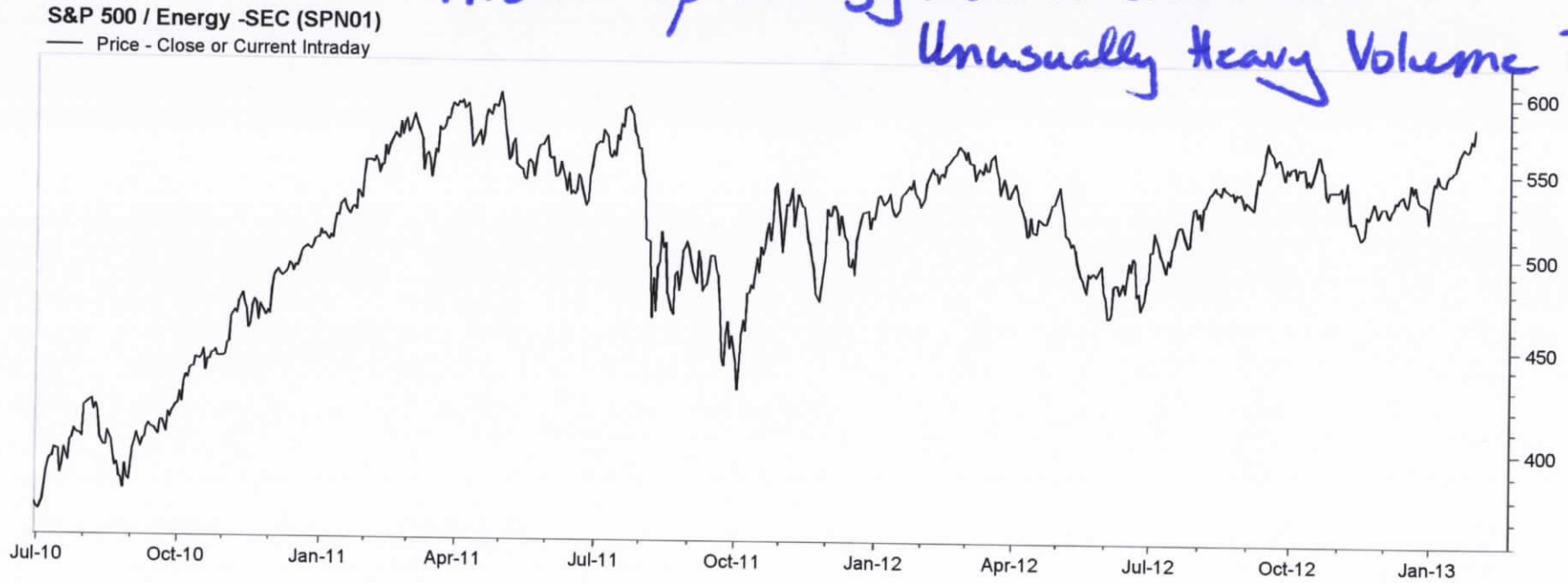
<u>Strongest</u>	<u>Weakest</u>
Automobiles	Diversified Consumer Services
Construction Materials	Multi-Utilities
Real Estate Management & Development	Multiline Retail
Building Products	Electric Utilities
Capital Markets	Tobacco

### Intermediate Term Barometer

#### Conditional Elements



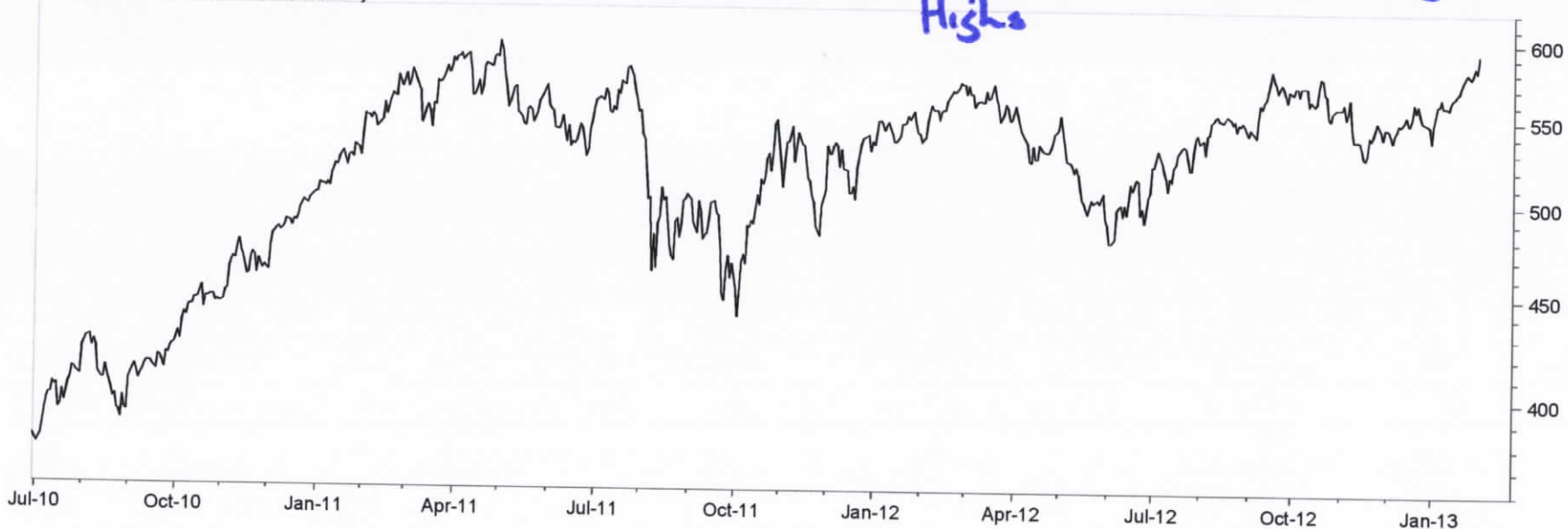
11.637. of Energy Names (Net) had Unusually Heavy Volume Tues.



S&P 500 / Oil Gas & Consumable Fuels -IND (SPN21)

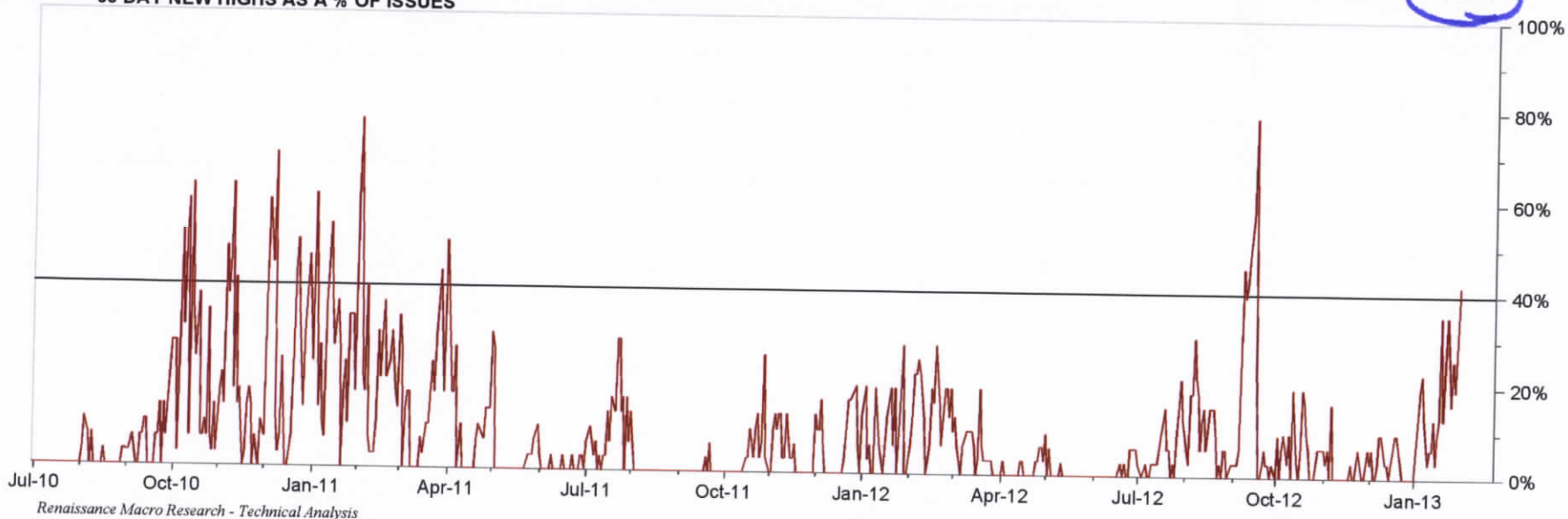
— Price - Close or Current Intraday

Energy leadership in 65-day  
Highs



65 DAY NEW HIGHS AS A % OF ISSUES

1/29/2013 = 41.94%

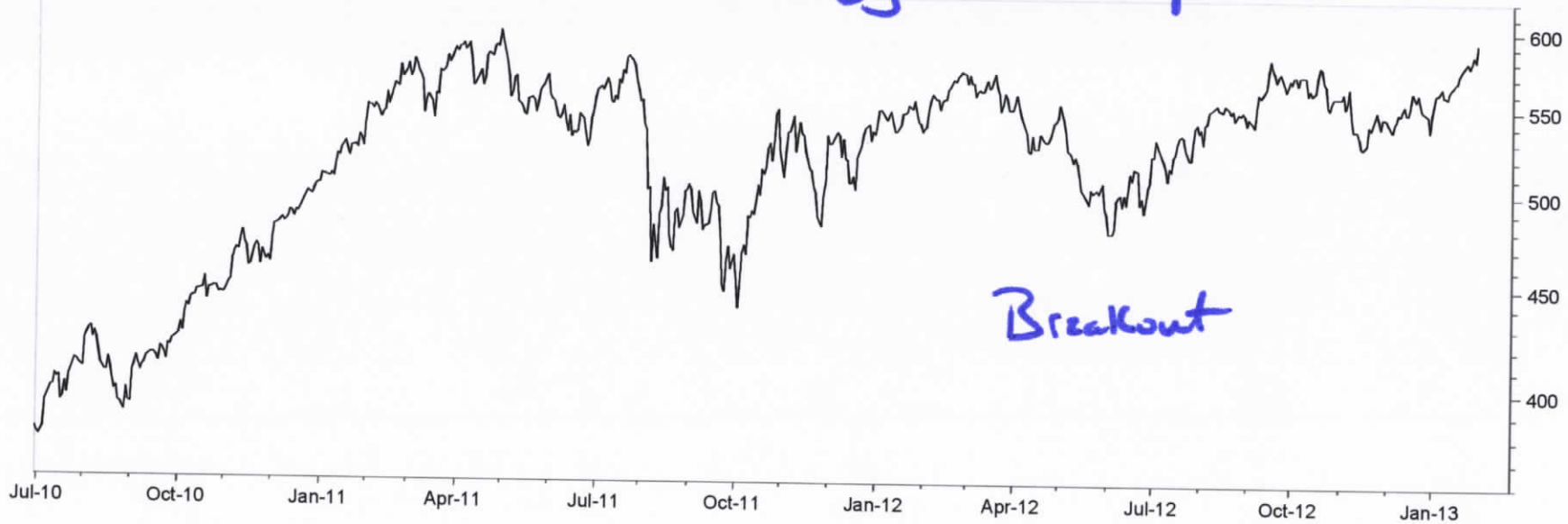


# S&P 500 / Oil Gas & Consumable Fuels -IND (SPN21)

— Price - Close or Current Intraday

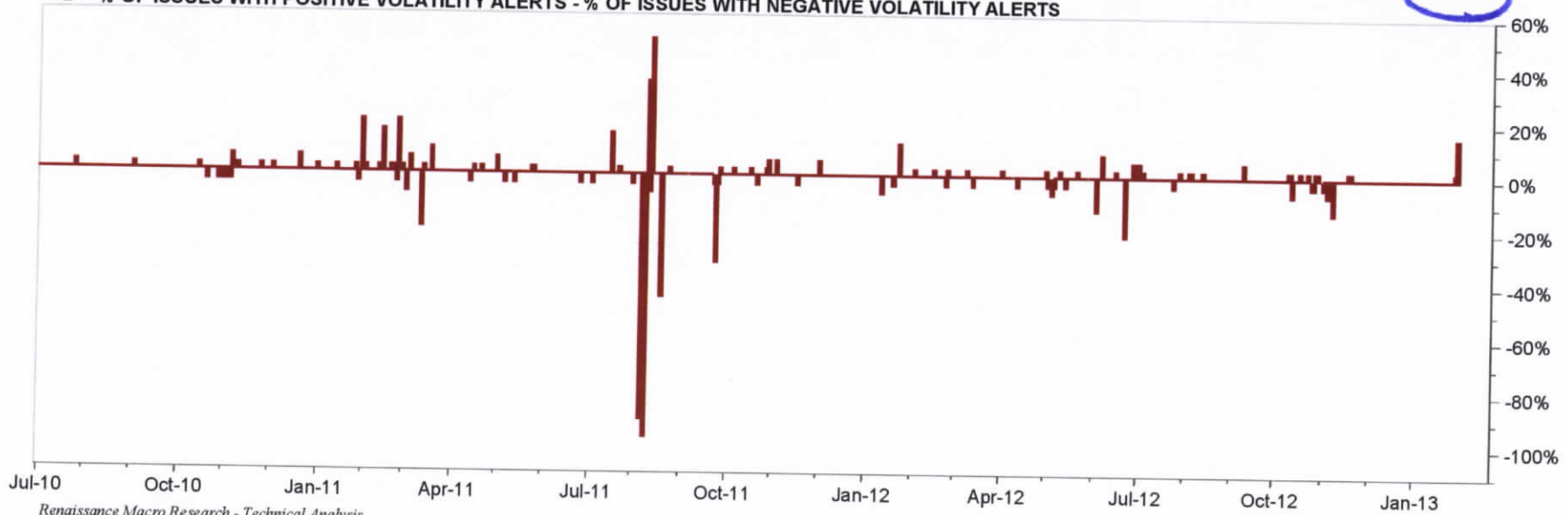
Energy leadership

Breakout

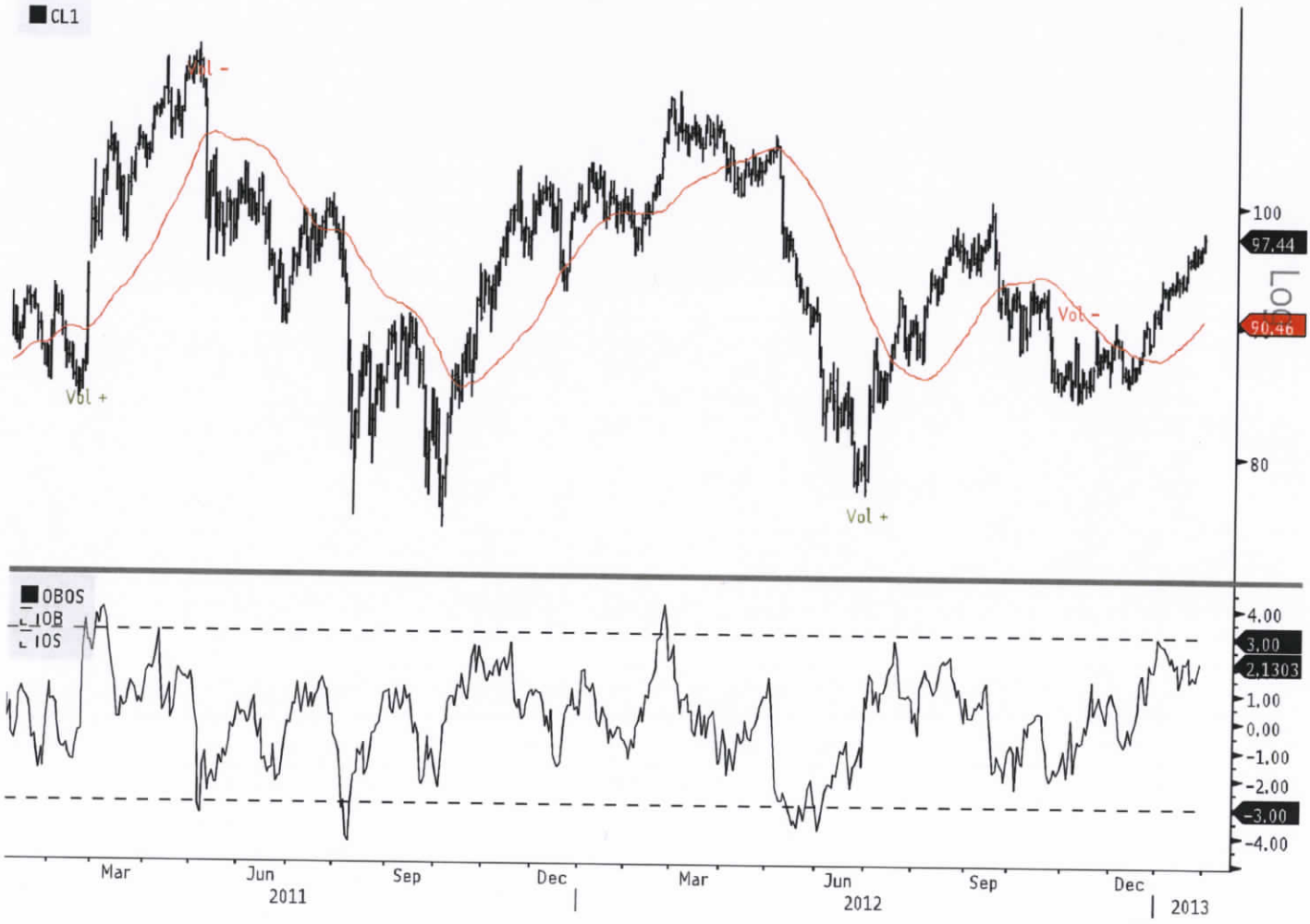


■ % OF ISSUES WITH POSITIVE VOLATILITY ALERTS - % OF ISSUES WITH NEGATIVE VOLATILITY ALERTS

1/29/2013 = 16.13%

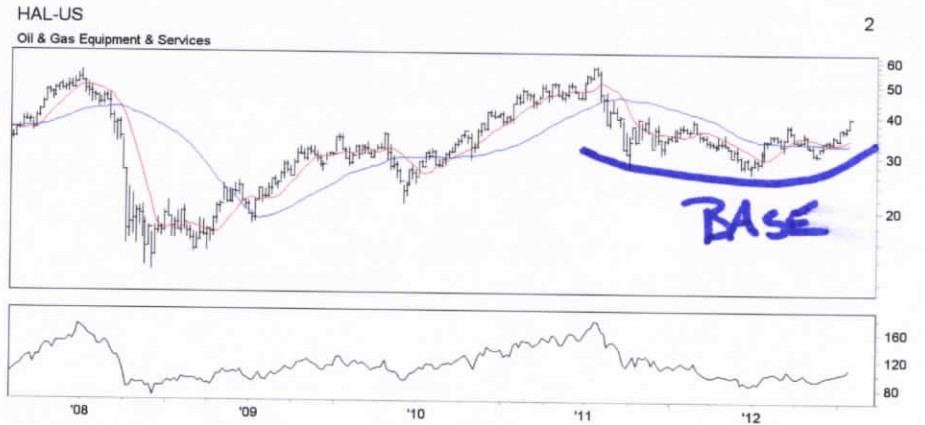


Crude Oil Still Trendless, but  
 Important Factor to Inflation  
 and Therefore Multiple Compression.



The format and content of this report may not be modified or altered (including, but not limited to, via deletion or addition) in any way. The BLOOMBERG PROFESSIONAL service and BLOOMBERG Data are owned and distributed locally by Bloomberg Finance L.P. ("BFLP") and its subsidiaries in all jurisdictions other than Argentina, Bermuda, China, India, Japan and Korea (the "BLP Countries"). BFLP is a wholly-owned subsidiary of Bloomberg L.P. ("BLP"). BLP provides BFLP with all global marketing and operational support and service for the Services and distributes the Services either directly or through a non-BFLP subsidiary in the BLP Countries. BFLP, BLP and their affiliates do not provide investment advice or guarantee the accuracy of prices or information in the Services. Nothing on the Services shall constitute an offering of financial instruments by BFLP, BLP or their affiliates.

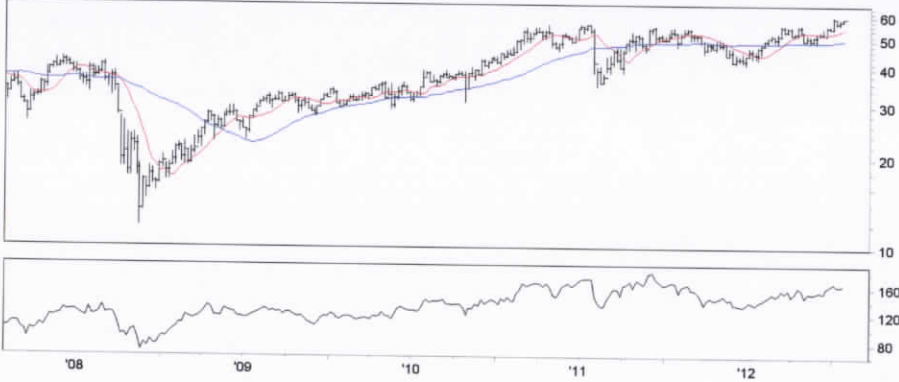
# 5 yr Charts of 2 Ranked Energy Names



# More Improving Energy Names

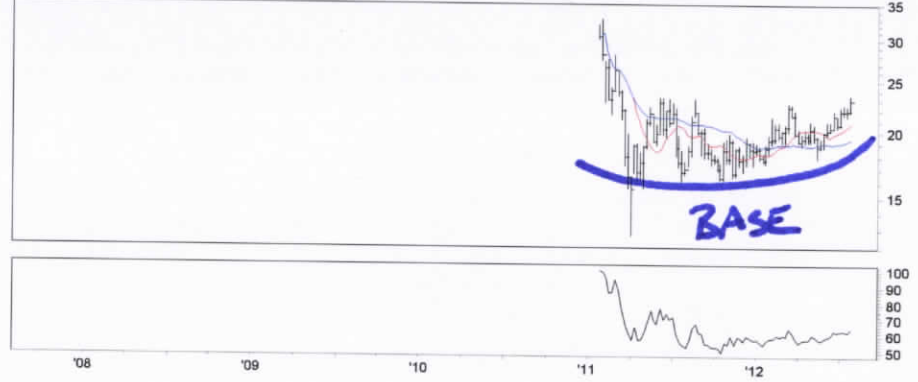
DRC-US  
Oil & Gas Equipment & Services

2



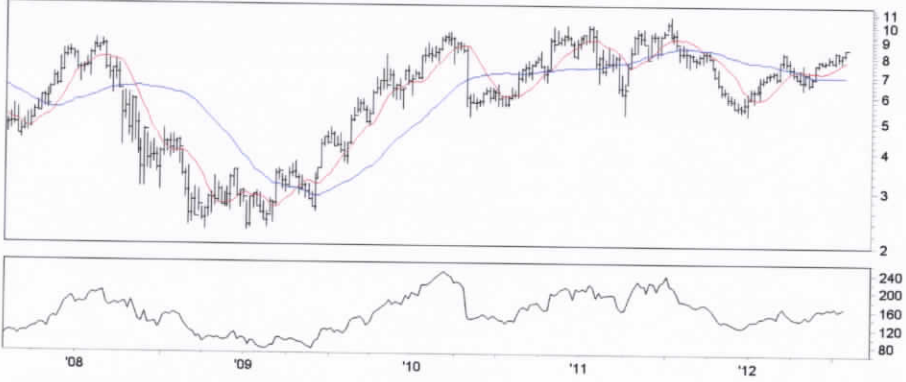
CJES-US  
@NA

2  
@NA



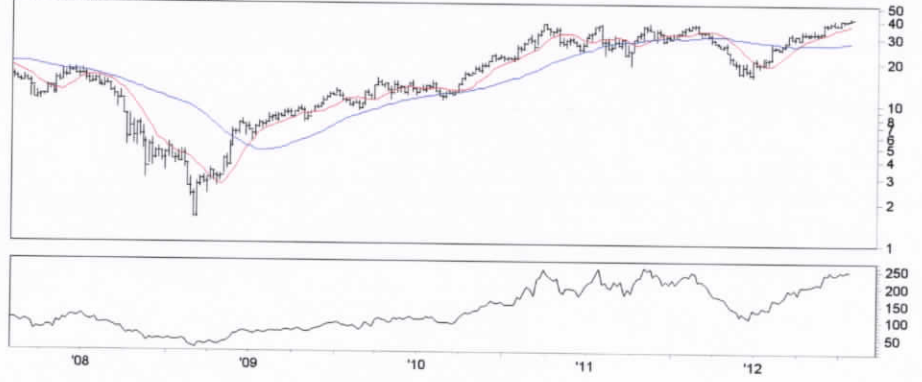
NR-US  
@NA

2  
@NA



GPOR-US  
Oil & Gas Exploration & Production

2



MPC-US  
Oil & Gas Refining & Marketing

2



VLO-US  
Oil & Gas Refining & Marketing

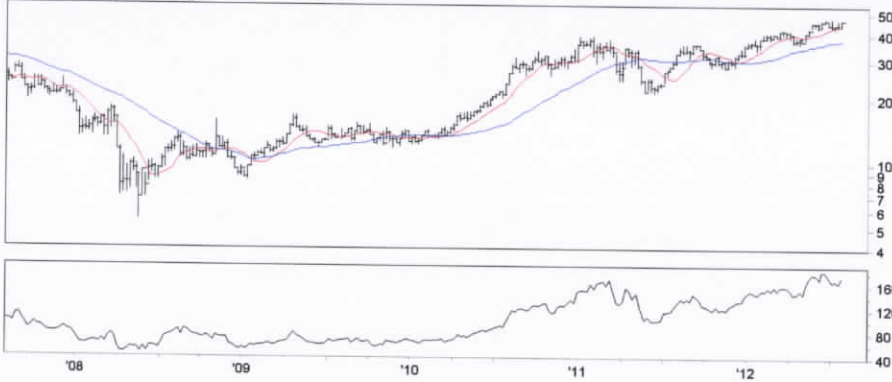
2



# last of the Improving Charts

HFC-US  
Oil & Gas Refining & Marketing

2



TSO-US  
Oil & Gas Refining & Marketing

2





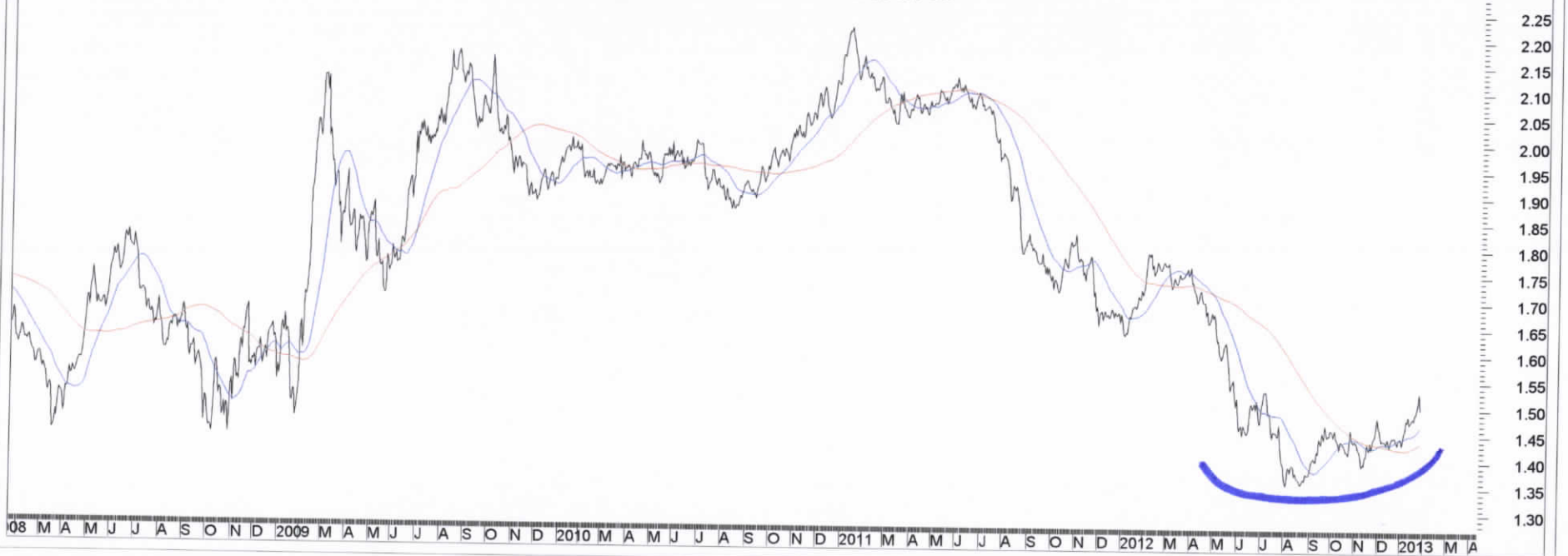
# IPO Index Was Early Condition

Suggesting Better Market Environment.

S&P 500 Index

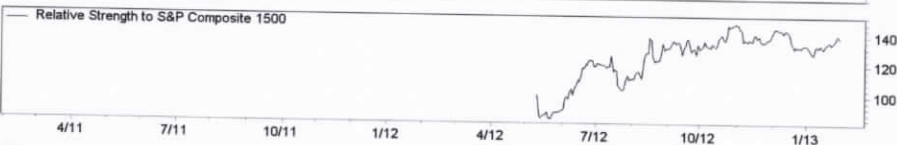
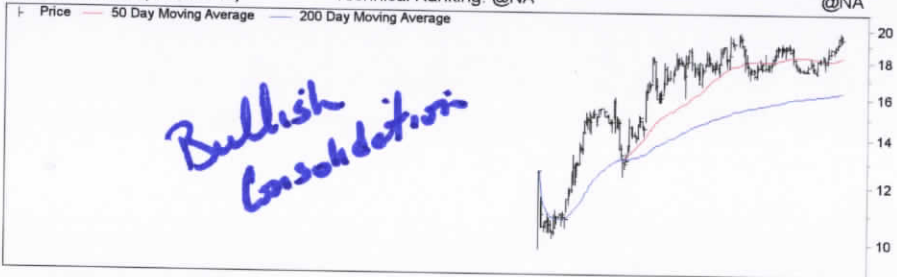


Bloomberg IPO Index Relative Performance to the S&P 500

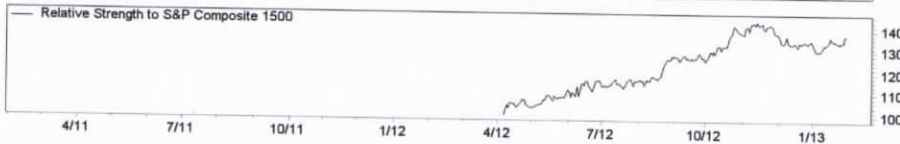
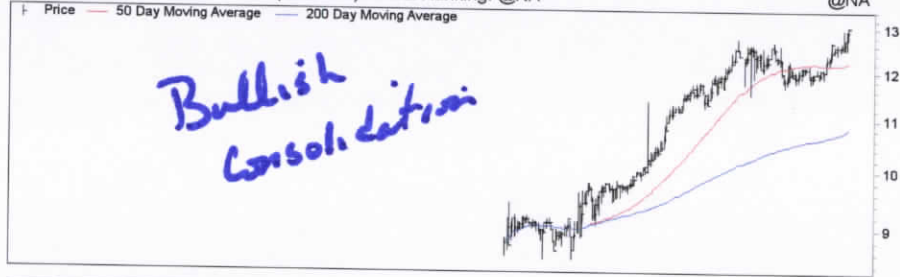


# Bullish IPO Names

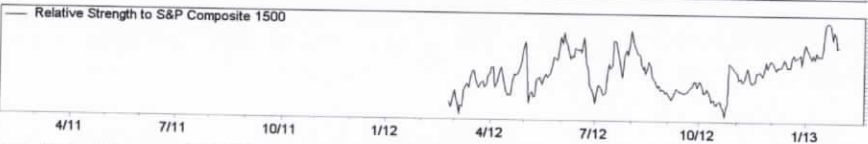
WageWorks Inc (WAGE-US) Technical Ranking: @NA @NA



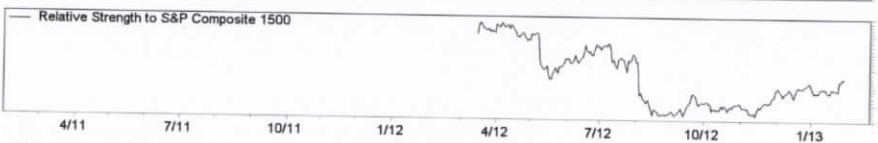
Retail Properties of America Inc. (RPAI-US) Technical Ranking: @NA @NA



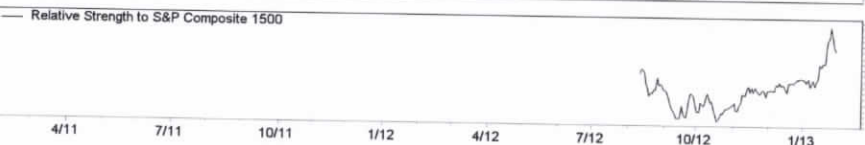
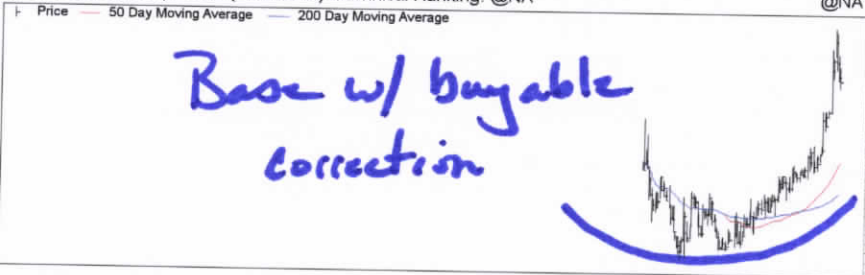
Proto Labs Inc. (PRLB-US) Technical Ranking: @NA @NA



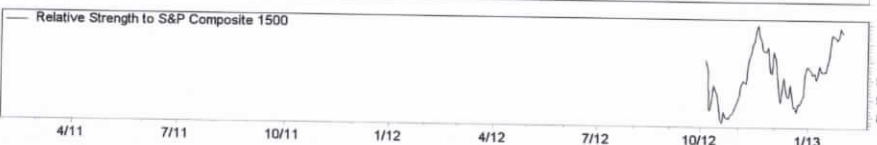
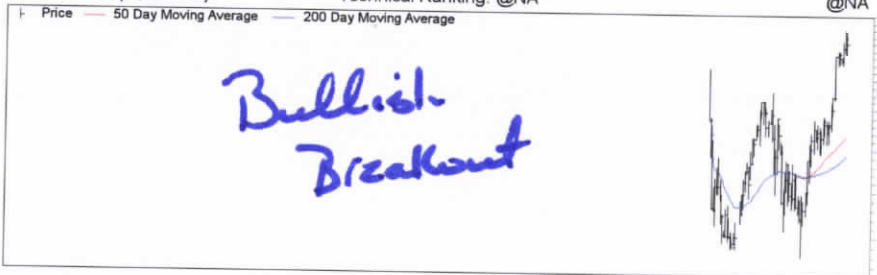
MA-Com Technology Solutions Holdings Inc. (MCSH-US) Technical Ranking: @NA @NA



Manchester United plc Cl A (MANU-US) Technical Ranking: @NA @NA



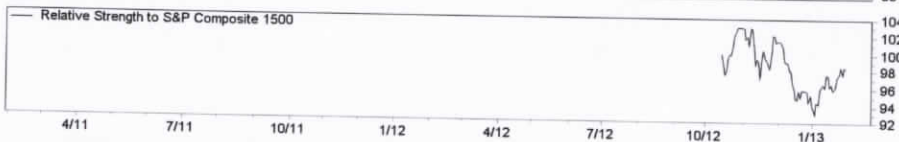
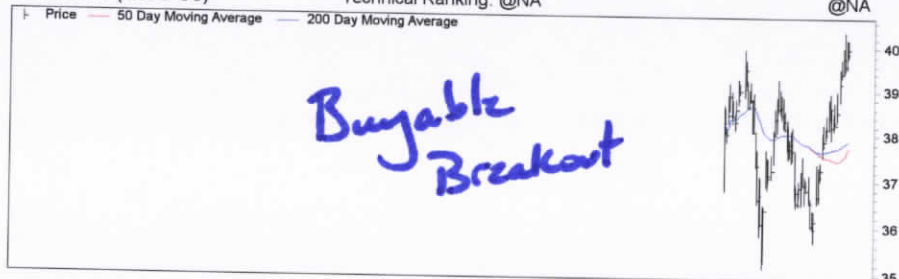
LifeLock Inc. (LOCK-US) Technical Ranking: @NA @NA



LinnCo LLC (LNCO-US)

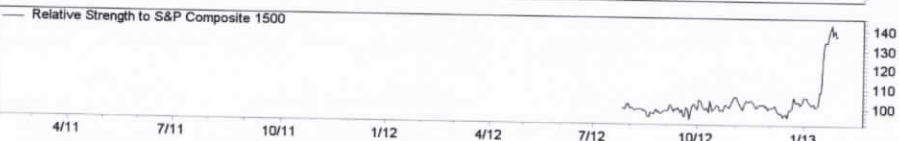
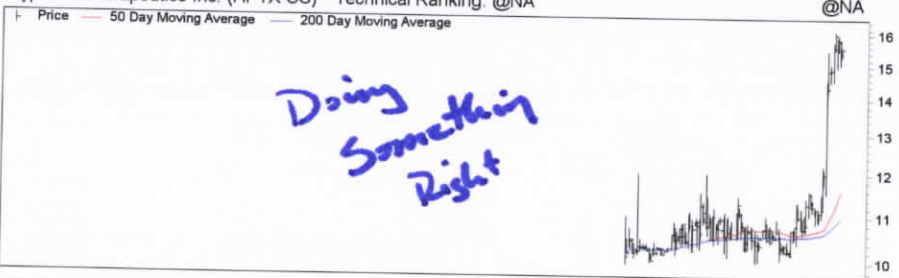
Technical Ranking: @NA

@NA



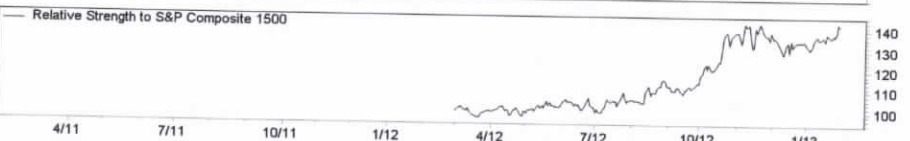
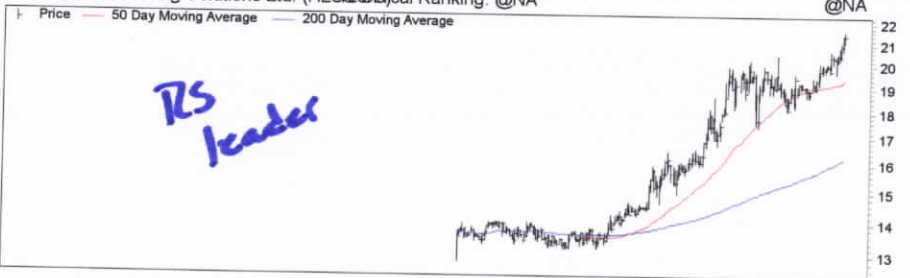
Hyperion Therapeutics Inc. (HPTX-US) Technical Ranking: @NA

@NA



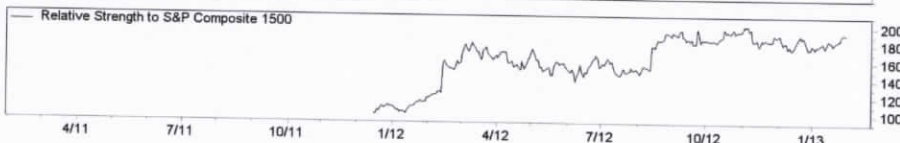
Home Loan Servicing Solutions Ltd. (HLSS-US) Technical Ranking: @NA

@NA



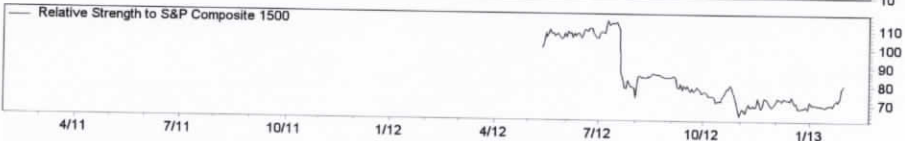
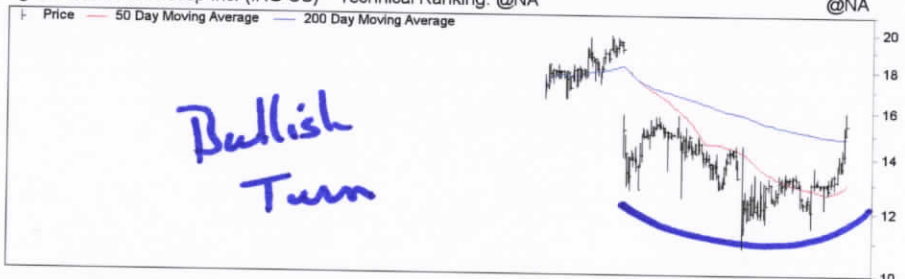
Michael Kors Holdings Ltd. (KORS-US) Technical Ranking: @NA

@NA



Ignite Restaurant Group Inc. (IRG-US) Technical Ranking: @NA

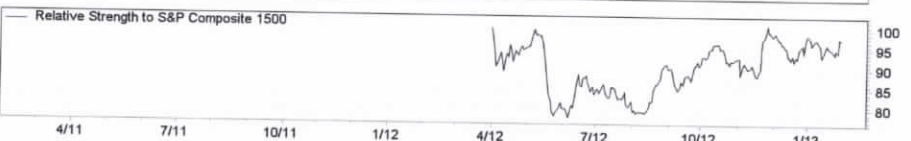
@NA



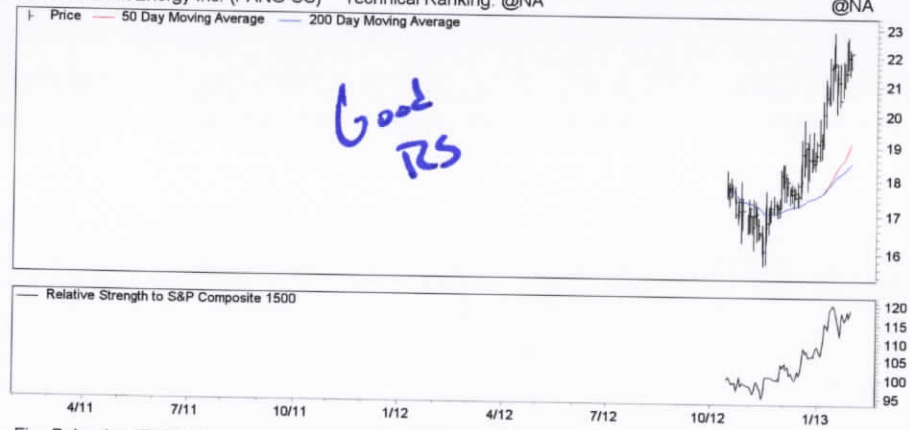
GasLog Ltd. (GLOG-US) Technical Ranking: @NA

Technical Ranking: @NA

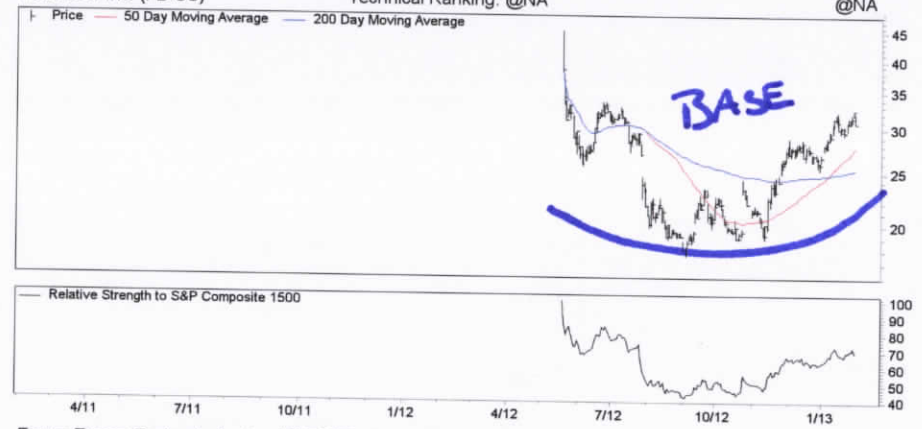
@NA



Diamondback Energy Inc. (FANG-US) Technical Ranking: @NA



Facebook Inc. (FB-US) Technical Ranking: @NA



Five Below Inc (FIVE-US) Technical Ranking: @NA



Forum Energy Technologies Inc. (FET-US) Technical Ranking: @NA

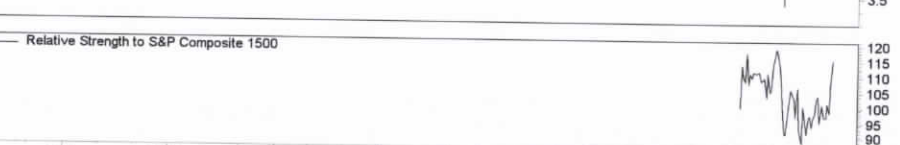
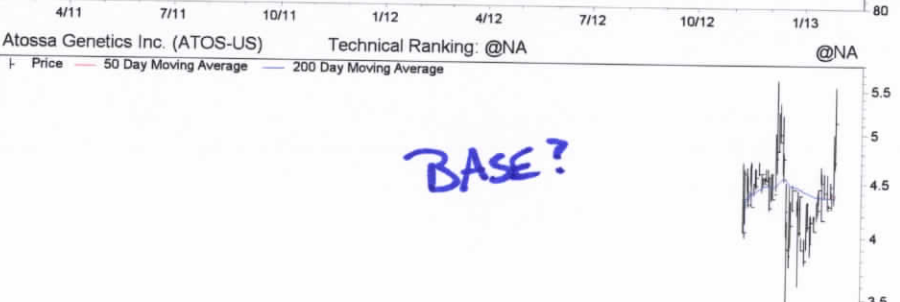
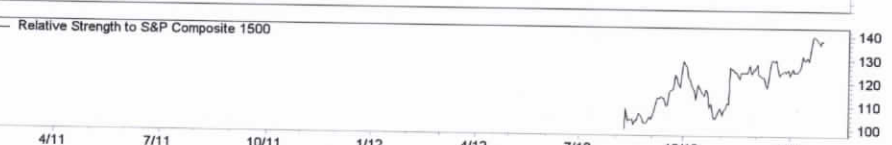
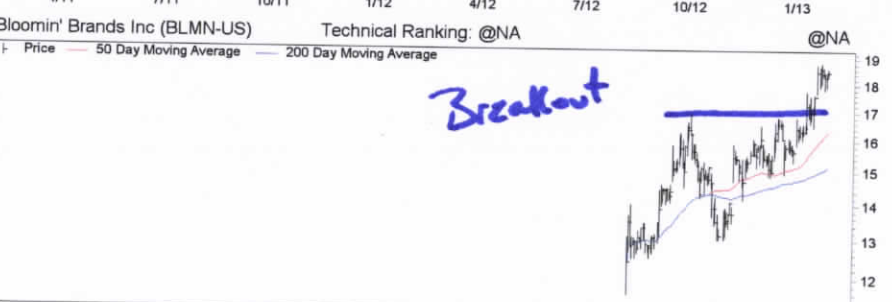
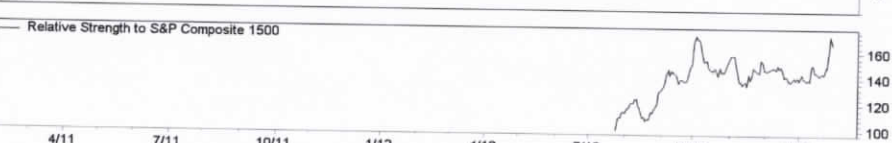
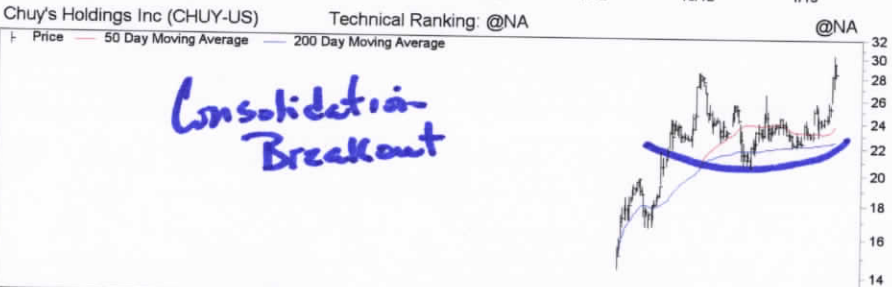
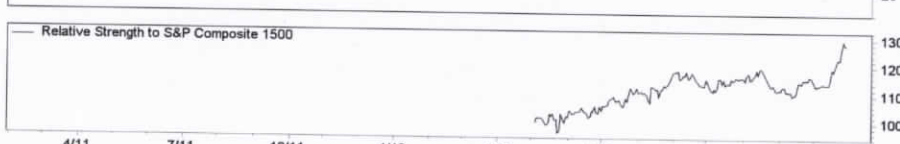
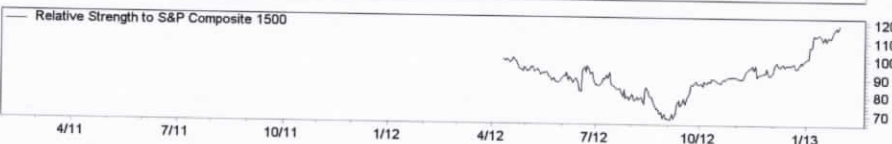
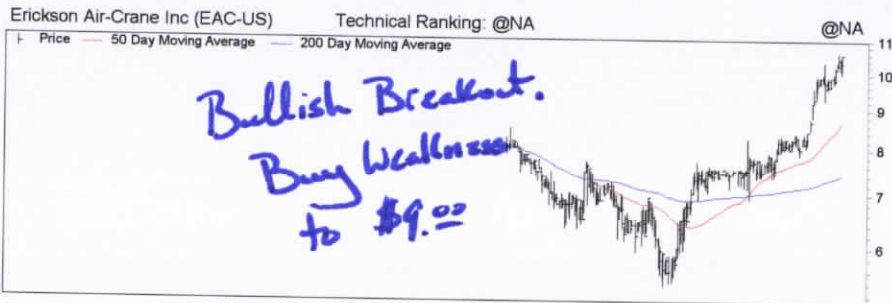


EPAM Systems Inc (EPAM-US) Technical Ranking: @NA



Demandware Inc (DWRE-US) Technical Ranking: @NA



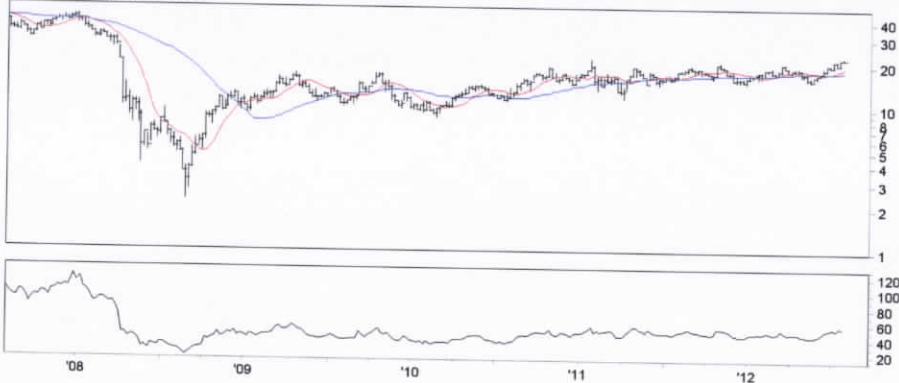


# 1 Ranked Energy Names (5yr Charts)

HLX-US

Oil & Gas Equipment & Services

1



TRGP-US

@NA

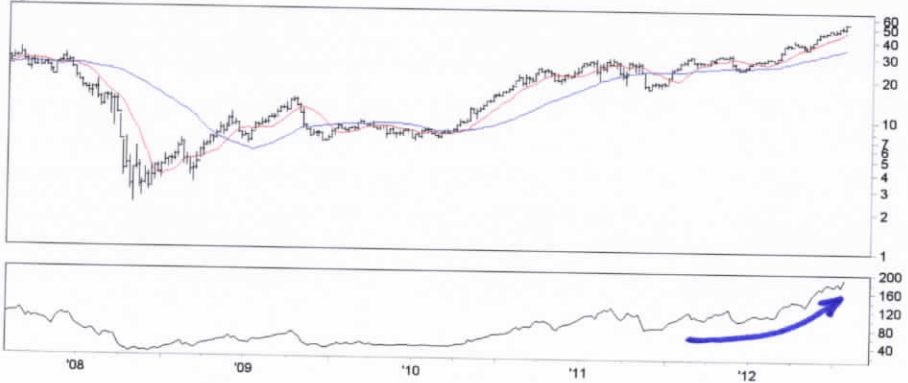
@NA



CVI-US

@NA

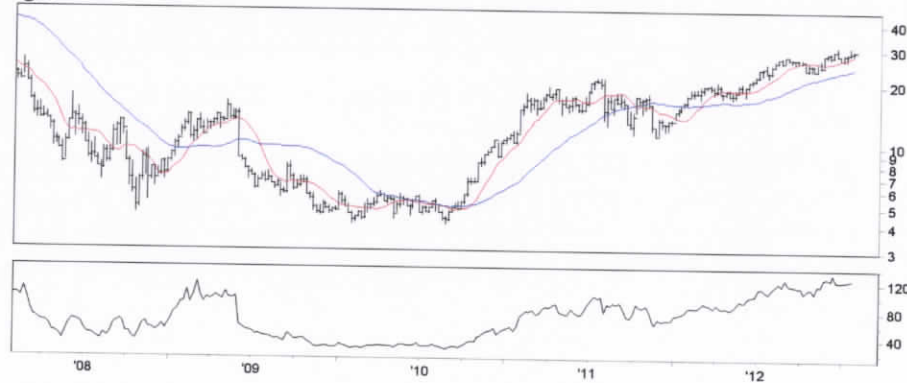
@NA



WNR-US

@NA

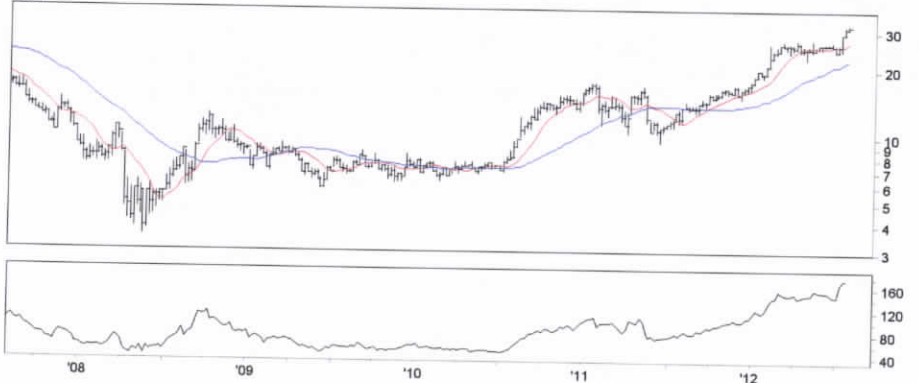
@NA



DK-US

@NA

@NA



ALJ-US

@NA

@NA



# Legal Disclaimer

**Analyst Certification:** The analyst(s) principally responsible for the preparation of this research report certify that the views expressed in this research report accurately reflect his/her (their) personal views about the subject security (ies) or issuer(s) and that his/her (their) compensation was not, is not, or will not be directly or indirectly related to the specific recommendations or views contained in this research report.

**Analyst:** The analyst does not serve as an officer, director, or advisory board member of the subject company.  
The analyst or a member of the analyst's household does not have a long position in shares or derivatives of the subject company.  
The analyst or a member of the analyst's household does not have a short position in shares or derivatives of the subject company.  
Rafferty Capital Markets, LLC has not acted as an investment banker for the company(s) mentioned in this report in the past or will solicit in the future.  
The person(s) responsible for preparing this report regularly trade the constituents of the CRB index, currencies, fixed income securities and stock indices.

**Receipt of Compensation:** The research analyst responsible for preparation of this report has not received any compensation from the subject company in the past 12 months. Rafferty Capital Markets, LLC, Member SIPC, FINRA, (the "Firm") does not perform or seek to perform investment-banking services for these companies in the future. Analysts receive no direct compensation in connection with the firm's investment banking business. All Rafferty Capital Markets, LLC employees, including the analyst(s) responsible for preparing this research report, may be eligible to receive non-product or service specific monetary bonus compensation that is based upon various factors, including total revenues of Rafferty Capital Markets, LLC and its affiliates as well as a portion of the proceeds from a broad pool of investment vehicles consisting of components of the compensation generated by directors, analysts or employees and may effect transactions in and have long or short positions in the securities (options or warrants with respect thereto) mentioned herein. Analysts are not eligible for bonus compensation. Although the statements of fact in this report have been obtained from and are based upon recognized statistical services, issuer reports or communications, or other sources that the firm believes to be reliable, we cannot guarantee their accuracy. All opinions and estimates included constitute the analyst's judgment as of the date of this report and are subject to change without notice. The firm may effect transactions as agent in the securities mentioned herein. This report is offered for information purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited.

Additional information available upon request.

**Additional Significant Risk Factors and Investment Considerations:** The securities or trading strategies discussed in this report may not be suitable for some investors. Investors must independently evaluate each issuer, security, or instrument discussed in this report and consult independent advisors where necessary.

1. Past Performance is not indicative of future results.
2. Market Risk: Securities may decline in value due to factors affecting securities markets generally or particular industries. The value of a security may be worth less than the original investment.
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.
5. Foreign Investment Risk: Investment in foreign securities (both governmental and corporate) may involve a high degree of risk. In regards to debt securities, such risks may impair the timely payment of principal and/or interest.
6. Short selling involves an inordinate amount of risk including the theoretical potential for unlimited losses and losses that can greatly exceed the principal amount invested. In contrast, the potential gain from short selling is generally limited to the principal amount invested. Short sellers can have their stock called away by the lender of the shares shorted, subjecting the short seller to incremental risk. Short sellers by definition must borrow shares, subjecting short sellers to margin risk. The risks cited here with respect to short selling are not all inclusive and investors should consult with their independent advisors prior to engaging in any recommended short selling strategies, including, if applicable, the short sale recommended in this report.

The risks detailed above are not inclusive. Other significant risk factors not identified here may be equally or more important to any particular investor in terms of assessing the overall risks associated with these securities. The information contained herein is illustrative and is not intended to predict actual results, which may differ substantially from those reflected herein. Investors should consider this report as only a single factor in making their investment decision.

Copyright © Renaissance Macro Research, LLC. 2011. All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Renaissance Macro Research, LLC. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of Renaissance Macro Research, LLC.