

Market Musings

01/09/2009 After the Close from Marina del Rey



With the rally under pressure, did today terminate the rally?

Markets Diary 5:56 p.m. EST 01/09/09

Issues	NYSE	Nasdaq	AMEX
Advancing	943	717	282
Declining	2,200	2,076	299
Unchanged	55	112	59
Total	3,198	2,905	640

Issues at	NYSE	Nasdaq	AMEX
New 52 Week High	3	12	3
New 52 Week Low	7	10	6

Share Volume	NYSE	Nasdaq	AMEX
Total	1,149,705,700	1,931,144,712	10,193,012
Advancing	168,185,430	458,040,209	3,884,422
Declining	975,577,870	1,458,263,791	5,458,090
Unchanged	5,942,400	14,840,712	850,500

The markets closed the week at the lowest level of the year for many of the indices and at the lows of the day. The only saving grace was that volume was lighter than yesterday and no distribution days were added to the count.

The employment numbers were not good and the unemployment rate from the Ministry of Truth rose to 7.2%, the highest level in 16 years while the actual number of those losing jobs (2.6 million) in 2008 was the highest since WWII.

Market Musings by Fred Richards – January 9th, 2009

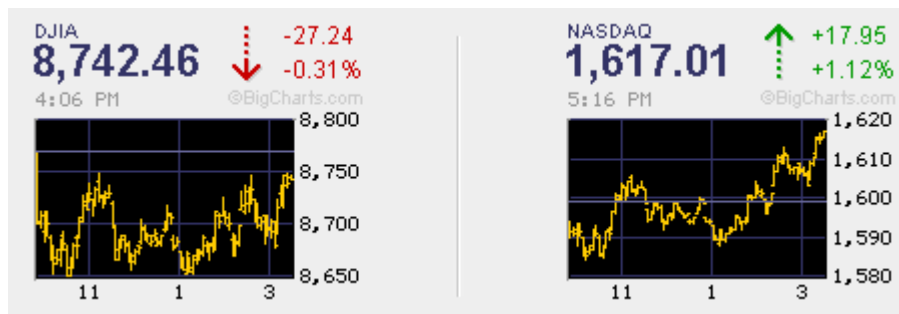
Moreover, January will probably be worse. Boeing is cutting 4,500 jobs, and GM is talking about huge layoffs to be announced shortly. Let alone all those part-time retail people who are getting pink slips after the dismal holiday shopping season.

The Obama stimulus package is running into problems with members of his own party in Congress. Is the honeymoon over before the inauguration?

As we have been unable to watch the markets during our travels this week, we decided to let the stocks play out without stop losses as the first few days of January are often full of gyrations. As Friday closed, we find that was not a good idea and should have executed our plan to have hard stops in place. Oh, well, we will be home on Monday and will begin to be more involved in the market.

We made no changes in the portfolios today.

01/08/2009 After the Close from Las Vegas



Lower volume saw a mixed market today.

Markets Diary		5:52 p.m. EST 01/08/09		
Issues	NYSE	Nasdaq	AMEX	
Advancing	1,944	1,700	368	
Declining	1,178	1,082	211	
Unchanged	71	128	57	
Total	3,193	2,910	636	
Issues at				
New 52 Week High	1	12	4	
New 52 Week Low	9	9	4	
Share Volume				
Total	1,187,165,868	1,986,296,345	13,541,991	
Advancing	743,161,218	1,388,339,819	9,279,320	
Declining	427,360,750	586,061,093	2,685,071	
Unchanged	16,643,900	11,895,433	1,577,600	

The DJIA ended in the red today as the other indices moved higher on lower volume. Blame the DJIA troubles on Wal-Mart's lousy December ... but what does that say about the rest of the retail sector? Guess the Holiday season was not good ... so expect to see more store closings, layoffs, and further distress in commercial real estate and ultimately, in commercial loan portfolios.

Market Musings by Fred Richards – January 9th, 2009

We spent the day at the Consumer Electronics Show where the attendance was down and for the first time since I began going to COMDEX and then CES, there was plenty of sitting room set up for tired walkers throughout all the venues. If I were to guess, the official estimates are overly optimistic. Last year, the wait time for the shuttles were between 15 and 30 minutes ... today, less than 3 minutes.

Tomorrow's jobs number should be interesting. Today with WMT hitting the skids, the rest of the market managed to eke out a gain, albeit on lower volume. You have to wonder if the Ministry of Truth is playing games with the numbers again. New jobless claims fell significantly by 24,000 in the Jan. 3 week to 467,000 while continuing claims rose. The prior week was non adjusted ... the first time in weeks. Perhaps, they were so bad the Ministry of Truth did not want to start a panic. Of course, they are different than the ADP report and the Monster Employment report showing job postings falling.

Obama's proposed stimulus plan will probably pass ... as he believes that putting additional weight on a drowning taxpayer is the solution. Trillion dollar deficits are here and Obama expects them to last for a few years. Anyone wonder who will pay the bill ... and what the dollar will buy going forward?

Consumer credit declined a record \$7.9 billion for November -- the third decline in four months.

Crude oil fell yesterday and today although energy stocks diverged and were higher. The LIBOR rate has fallen to 1.35%. The 10 year Treasury note yields 2.45%. The U.S. dollar index fell against the Euro and closed at 81.54.

We made no changes in the portfolios today. Now it is time to watch Oklahoma and Florida play football.

01/07/2009 After the Close from Las Vegas

There was no Market Musings today as a computer failure occurred.

01/06/2009 After the Close from Kingman, AZ.



Waffling above yesterday's close ... the O.E.R. still intact!

Market Musings by Fred Richards – January 9th, 2009

Markets Diary		5:53 p.m. EST 01/06/09		
Issues	NYSE	Nasdaq	AMEX	
Advancing	2,462	2,045	457	
Declining	692	790	152	
Unchanged	69	127	36	
Total	3,223	2,962	645	
Issues at				
New 52 Week High	8	12	3	
New 52 Week Low	5	4	2	
Share Volume				
Total	1,327,651,477	2,165,505,420	15,894,418	
Advancing	992,680,820	1,740,209,474	11,930,480	
Declining	317,256,907	411,831,897	2,776,638	
Unchanged	17,713,750	13,464,049	1,187,300	

Listening to Bloomberg radio most of the day will really get you confused. It is obvious that the so-called experts are greatly divided about when the rally started, what the Obama stimulus plan is and most importantly, will it get the economy out of the recession. At least it made the drive from Amarillo to Kingman interesting.

Volume on the big board was barely above yesterday's level although advancing issues outpaced declining issues. For a change we had more new 52 week highs than lows on all three boards. NASDAQ volume grew and it was definitely the better behaved market today.

Economic news was dismal. Retail sales continue to falter. November factory orders fell 5.5%. The ISM non-manufacturing index showed a slight improvement in December. The pending home index in November did not suggest that a bottom was in sight.

So now Obama wants to reward entrepreneurs with zero capital gains taxes ... but more regulation ... go figure. The stimulus plans being put forth have most of us dizzy trying to keep up with the nuances and the effect upon the taxpayer and the U.S. Treasury.

With interest rates at historic lows, why the Treasury does not call all the high-end paper is beyond me. Of course, in addition to selling \$35 billion in cash management bills today, the Treasury will sell \$8 billion ten-year TIPS. Tomorrow the Treasury will sell \$30 billion three year notes and \$16 billion ten-year notes Thursday.

Market participants are looking at this as the tip of a large iceberg as the Treasury plans to sell \$2 trillion in debt this fiscal year compared to \$892 billion in FY08. With many bailouts already in place with more likely to come in addition to a fiscal stimulus package that is approaching \$800 billion, the amount of debt the Treasury needs to issue is unlikely to shrink.

Placing this magnitude of debt may be challenging as buying from foreign governments is likely to shrink as they are using their money at home.

We made no changes in the portfolios today.

01/05/2009 After the Close from Amarillo

Market Musings by Fred Richards – January 9th, 2009



With the holiday's over, volume rose as commodity indices rebalanced.

Markets Diary 5:51 p.m. EST 01/05/09

Issues	NYSE	Nasdaq	AMEX
Advancing	2,099	1,535	420
Declining	1,056	1,296	195
Unchanged	59	126	43
Total	3,214	2,957	658

Issues at	NYSE	Nasdaq	AMEX
New 52 Week High	8	13	1
New 52 Week Low	1	7	5

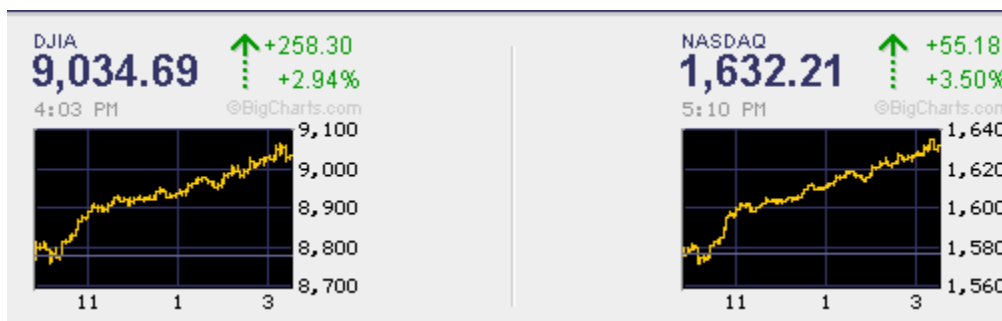
Share Volume	NYSE	Nasdaq	AMEX
Total	1,313,898,568	1,782,914,709	16,892,162
Advancing	709,995,178	882,261,115	12,018,180
Declining	594,624,860	861,080,548	4,206,882
Unchanged	9,278,530	39,573,046	667,100

Today's gyrations probably had more to do with commodity rebalancing than economic news. We made no changes in the portfolios.

Auto sales remained in the doldrums in December, barely changed from November. Construction spending fell in December again.

With heavy rain, sleet, icy roads and a full schedule getting off today, we finally arrived in Amarillo with clear skies, winds blowing above 30 mph, and chilly weather but clear skies.

01/02/2009 After the Close



The O.E.R. is underway!

Market Musings by Fred Richards – January 9th, 2009

Markets Diary		5:10 p.m. EST 01/02/09		
Issues	NYSE	Nasdaq	Amex	
Advancing	2,590	2,030	435	
Declining	512	736	101	
Unchanged	58	88	44	
Total	3,160	2,854	580	
Issues at				
New 52 Week High	11	16	2	
New 52 Week Low	3	14	2	
Share Volume				
Total	1,046,760,877	1,466,412,136	13,971,152	
Advancing	920,695,517	1,325,316,488	10,249,042	
Declining	118,335,610	129,343,434	2,037,410	
Unchanged	7,729,750	11,752,214	1,684,700	

The market moved ahead despite economic news and lower volume as the Obama Enthusiasm Rally (O.E.R.) continued. It would seem that it is all just hope and when the big hitters return from their vacations on Monday, will it continue? I forgot that most of them were Obama supporters so it very well might.

The ISM manufacturing index in December fell to 32.4 vs. 36.2 the previous month, its lowest level since June '80. Who cares, we don't manufacture much of anything anymore!

The European zone manufacturing index also fell to 33.9 in December from 35.6 last month, the lowest level since the index began in 1998.

The dollar rose against the yen while crude moved higher as concerns about the Middle East rose.

Trying to take advantage of the O.E.R. and get the three Strategic Investing portfolios off to a good start, we added to the Aggressive, Conservative and Precious Metals portfolios today. The initial Action Point was set at 3% below the purchase point.

It might look good to see a positive year to date comparison for most indices but are you fooling yourself?

We will begin a trip to Las Vegas and California on Monday. As a result, the Musings may be short and delayed depending upon weather, meetings and other interruptions.

Fred Richards
Strategic Investing

This issue of Market Musings is a feature of the Strategic Investing website. It is for the education of our subscribers and does not constitute a recommendation to buy or sell any particular security.

Charts are courtesy of IBD®, Daily Graphs Online®, Halkin Services, Martin Capital, Kitco.com, GM Bolser, Stockcharts.com, Econoday, Prudent Bear and/or Big Charts.

Market Musings by Fred Richards – January 9th, 2009

All rights reserved. © 2001 - 2009 Adrich Corporation