


Home Strategic Investing Upcoming Events Talks and Workshops Subscribers Only Adrich Corporation Login

**STRATEGIC INVESTING**  
A Service of Adrich Corporation

Strategic Investing focuses on stocks with increasing revenues and profits.  
KISS + SF!

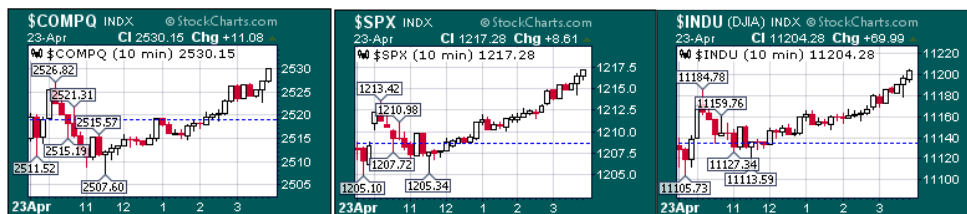
>> Your subscription will expire in **645 days** on January 31, 2012 <<



- Daily Market Musings
- Archive
- Daily Stock Watch List
- Archive
- Technical Notes
- Simple Timing
- Indicator
- Market Trends
- Portfolio Review
- Stock Selection in
- Down Markets
- Selling Rules
- Power of 3
- Dow Jones Earnings
- Gold Stocks
- Homebuilders
- Shorting Strategies
- Foreign Bank Accounts
- CRB Changes
- Economic Indicators
- Accumulation/Distribution
- Data
- Portfolios
- Aggressive
- Conservative
- Precious Metals
- Renew Subscription

**Market Musings**

**4/23/2010 After the Close**



**At new highs for the year!**

**Markets Diary** 5:51 p.m. EDT 04/23/10

Issues	NYSE	Nasdaq	Amex
Advancing	2,185	1,717	324
Declining	886	1,004	169
Unchanged	132	117	29
Total	3,203	2,838	522

**Issues at**

New 52 Week High	634	363	28
New 52 Week Low	12	7	2

**Share Volume**

Total	1,208,839,881	2,517,014,791	17,957,714
Advancing	794,037,361	1,586,650,667	12,011,434
Declining	399,658,120	761,650,260	4,742,880
Unchanged	15,244,400	168,713,964	1,203,400

The market indices closed at new highs for the year! It was a day where after early jitters, the market decided about 11 a.m. in New York to begin a relentless advance towards closing higher for the eighth week in a row. While it was an orderly advance, volume on the day declined from Thursday but advancing volume was definitely in control.

Greece decided to implement the aid package from the EU and the IMF and that may have helped investors to push the market higher. Thursday Eurostat had revised Greece's deficit higher and in response, Greece activated the emergency aid package. The news helped to rally European markets and that spilled over to the US market. The question still remains if Germany will go along with the deal.

**Economic News**

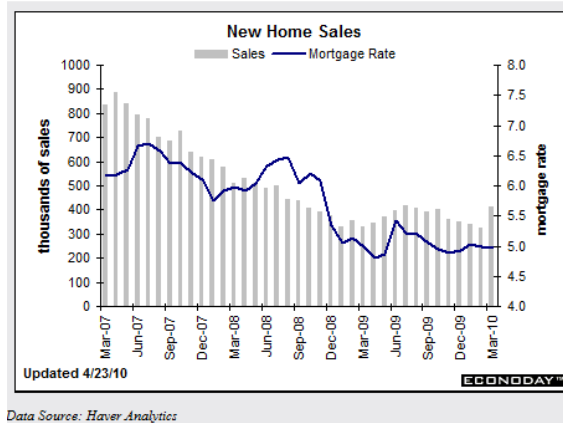
Durable goods orders were down 1.3% in March on a m/m basis as aircraft orders fell. On a y/y basis, durable goods orders remain positive growing at a 11.9% rate.

Released On:	Percent	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
Released For:	of Total	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
<b>New Orders</b>	<b>100.0%</b>	-0.1%	-0.4%	1.8%	3.8%	1.1%	-1.3%
less transportation	75.5%	-0.5%	2.0%	1.9%	-0.8%	1.7%	2.8%
less defense	94.2%	1.2%	0.1%	1.7%	1.6%	2.4%	-1.2%
<b>Industry Groups</b>							
Primary metals	7.7%	5.7%	2.6%	10.1%	2.5%	1.3%	3.5%
Fabricated Metals	14.1%	0.7%	2.2%	-2.1%	0.5%	3.5%	-1.2%
Machinery	13.5%	-8.1%	3.2%	7.3%	-9.9%	6.9%	8.6%
Computers & electronic prod	15.2%	0.4%	1.3%	0.5%	0.9%	-1.6%	3.4%
Electrical Equipment	5.1%	3.2%	3.5%	-4.1%	3.3%	-0.9%	4.9%
Transportation	24.5%	1.3%	-7.8%	1.6%	19.4%	-0.4%	-12.9%
Unfilled Orders	NA	-0.4%	-0.7%	-0.9%	0.2%	0.4%	-0.3%

Data Source: Haver Analytics

New home sales were higher but the gains were helped by the approaching expiration of the stimulus tax credits which expire at the end of April. New home sales in March surged 26.9% to a 411,000 annual rate. The large percentage jump should be viewed in context. **Year/year new home sales are up a sharp 23.8% but remain 70.4% from their July '05 peak.**

Supply on the market eased to a 6.7 months' supply from 8.6 in February 2010. The median price fell 3.4% from the previous month and is up 4.3% year/year.

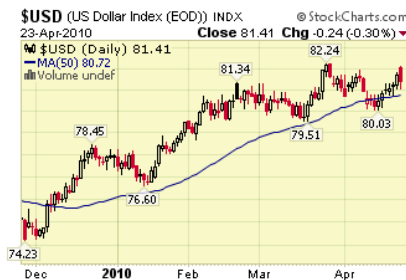


**Financial News**

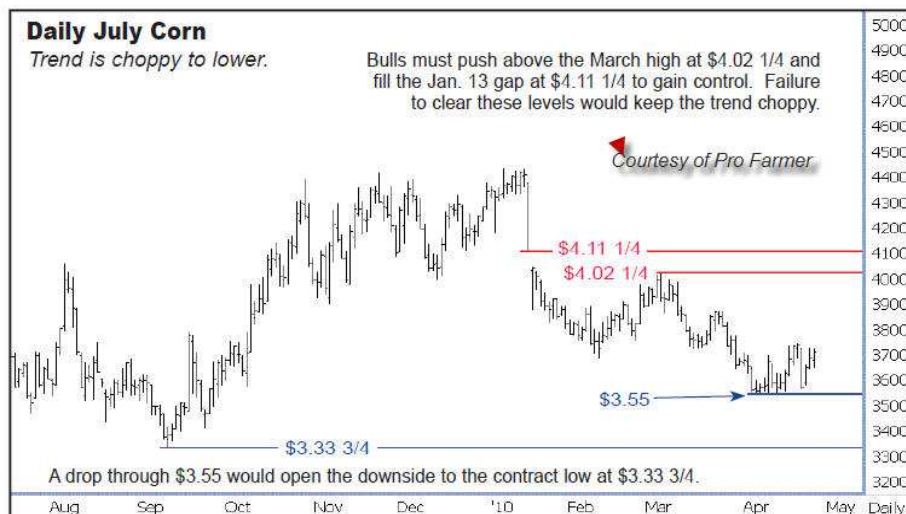
Next week, the US Treasury is to auction off \$129 billion in U.S. coupon debt. That is substantially more than the aid package to Greece. The yield on the 10 year Treasury rose today to close at 3.82 %. Since the beginning of the year the yield on the 3 month T-bills has continued to move higher and closed today at 1.55%.



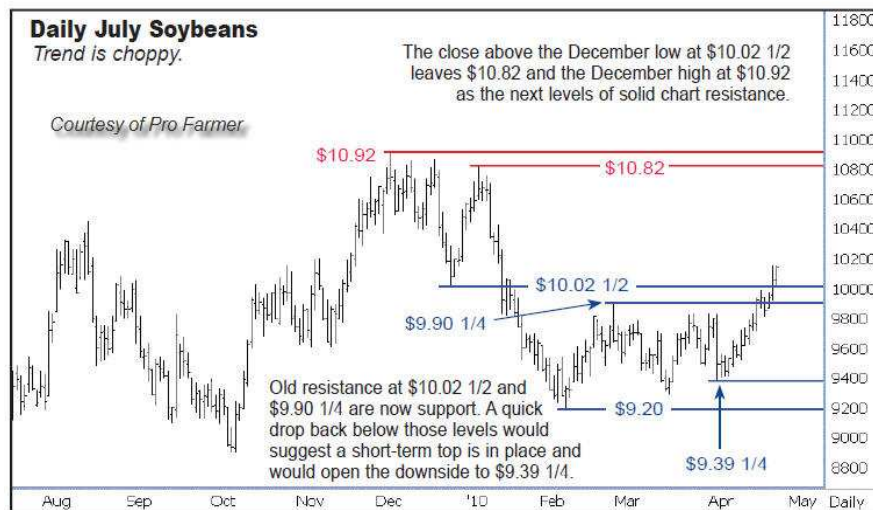
The US dollar index closed at 81.41. West Texas crude oil closed higher at 85.12 following the bounce off its 50 day moving average on Thursday.



Planting season is going extremely well in the Midwest. Corn planting is running ahead of most years and soil conditions are reported to be near perfect. An informal poll conducted by the Pro Farmer organization suggests that planting is considerably ahead of most years. Corn yield expectations are growing as quickly as the corn crop is being planted.

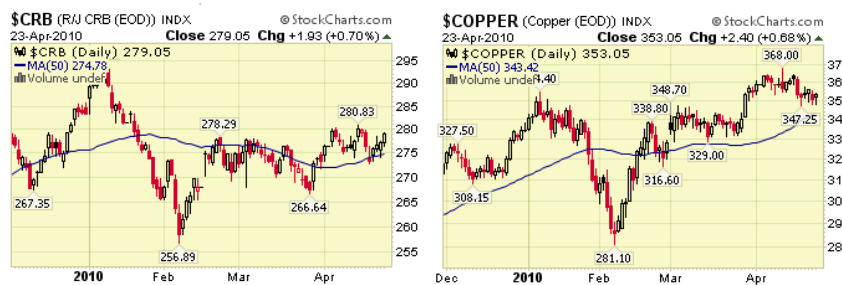


Soybean harvest in South America is not as good as expected according to some reports. However, soybean planting in most of the U.S. Midwest does not occur until after corn is planted. Many expect soybean planting to begin shortly after May 1st in the Midwest. China continues to actively buy U.S. soybeans. While recent purchases have been for new-crop delivery, old-crop contracts continue to lead price gains.



The agricultural commodities have not had a material impact upon the CRB index in recent weeks. There remains strong interest in export demand so prices have not reacted negatively in the past few weeks despite the excellent planting reports that suggest that a bumper corn crop could occur in 2010.

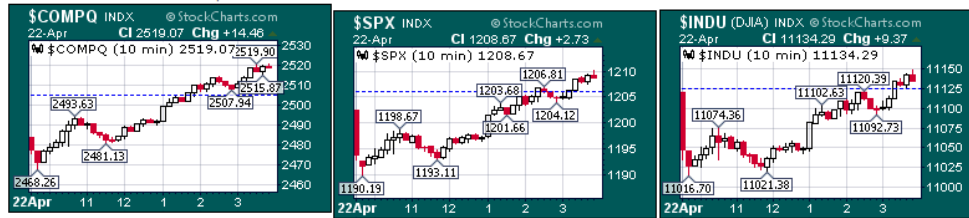
Other components have managed to help offset the gains in the CRB which has been in a horizontal range since the middle of February 2010 as shown below. Copper has been declining since the peak of 368 two weeks ago.



**Portfolio comments**

Shortly after the opening, we closed our short positions in the SPY and QQQQ in the Aggressive portfolio and went long. There were no other changes in the portfolios today.

### 4/22/2010 After the Close



### Volatility increasing.

Markets Diary				6:03 p.m. EDT 04/22/10			
Issues	NYSE	Nasdaq	Amex				
Advancing	2,036	1,674	268				
Declining	1,065	1,014	216				
Unchanged	100	130	36				
Total	3,201	2,818	520				
<b>Issues at</b>							
New 52 Week High	451	314	14				
New 52 Week Low	11	14	4				
<b>Share Volume</b>							
Total	1,292,993,394	2,800,843,772	15,101,607				
Advancing	758,527,404	1,714,421,887	9,936,477				
Declining	520,680,630	919,398,536	4,110,110				
Unchanged	13,785,360	167,023,349	1,065,020				

Only the broader NYSE composite index failed to close in positive territory today after opening lower on sovereign debt worries. Overall volume rose and advancing issues were dominant. New 52 week highs continued to show exceptional strength. However, the DJIA rose about 100 points from its lows .... perhaps, it was the PPT at work. The range in today's indices would suggest that volatility is increasing.

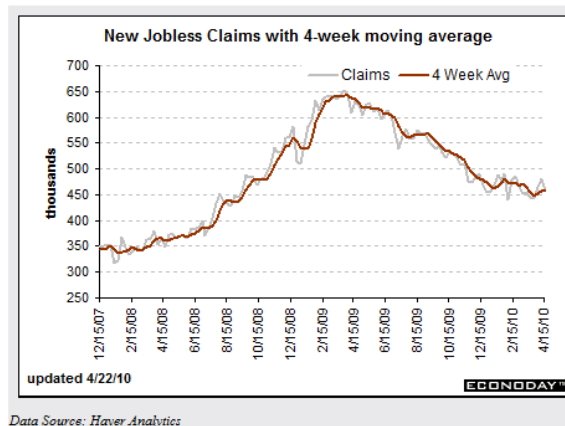
### Economic News

The Producer Price Index was higher in March as some commodity prices rose. For the year, the PPI is showing a 6.1% increase. Food and energy were the major contributors to the increase in March 2010.

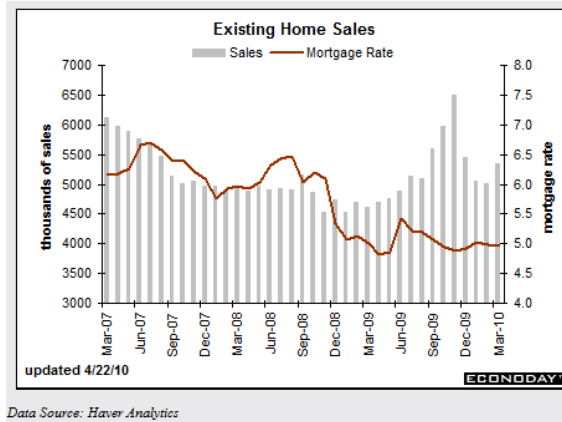
Released on 4/22/2010 8:30:00 AM For Mar, 2010

	Prior	Consensus	Consensus Range	Actual
PPI - M/M change	-0.6 %	0.4 %	0.0 % to 0.8 %	0.7 %
PPI - Yr/Yr change	4.6 %			6.1 %
PPI less food & energy - M/M change	0.1 %	0.1 %	0.0 % to 0.2 %	0.1 %
PPI less food & energy - Yr/Yr change	0.9 %			0.8 %

New jobless claims moved back to the previous trend line and stood at 465,000. Continuing claims for the April 10 week fell 40,000 to 4.646 million with the four-week average down slightly to 4.644 million although many of those were added to the extended benefit rolls.



Sales of existing home were less than expected in March and remain below the artificially levels caused by the termination of the first buyer incentive program last fall. The FHFA reported continued decreases in the prices of homes getting government-sponsored mortgages in February. Apparently the supply of homes continues to put downward pressure on the market.



**Financial News**

The dollar continues to benefit from problems with Greece and the Euro. The real problem facing the EU and the IMF is that if Greece defaults, will the other domino's falter in succession. The dollar rose .38 to 81.58. The euro fell .0078 to 1.3310. The pound lost .0032 to 1.5381. The yen sank .54 to 93.55.

Crude oil was up 2 cents to \$83.70 per barrel.

**Portfolio comments**

We arrived in San Diego in time to give our talk at noon. We once again made no changes in the portfolios.

**4/21/2010 After the Close**



**Up and down but ending mixed**

Markets Diary				6:02 p.m. EDT 04/21/10
Issues	NYSE	Nasdaq	Amex	
Advancing	1,759	1,426	203	
Declining	1,334	1,281	262	
Unchanged	108	106	41	
Total	3,201	2,813	506	
<b>Issues at</b>				
New 52 Week High	387	289	14	
New 52 Week Low	10	12	4	
<b>Share Volume</b>				
Total	1,213,400,572	2,715,908,573	16,055,201	
Advancing	523,732,250	1,295,494,895	7,618,201	
Declining	682,608,822	1,289,098,115	7,045,600	
Unchanged	7,059,500	131,315,563	1,391,400	

It was a teeter totter day in the market today and the S&P 500 barely recorded a distribution day. Volume increased over yesterday's level significantly. Apple's strong earnings failed to give a lift to the stock market which instead is seeing profit taking following two solid months of gains.

**Economic News**

The Mortgage Bankers Association reported a large increase in the number of mortgage applications due to the approaching termination of the stimulus payment. A slight dip in interest rates also helped the purchase index to a 10.1% gain in the latest report for the ending April 16th. The refinancing index also rose by 15.8% as some consumers started using their homes as an ATM machine again.

**Financial News**

The situation in Greece continues to cause concern as the interest rate spreads continue to increase.

**Portfolio comments**

We made no changes in the portfolios today as we did not have any stops activated as we drove from Denver to Las Vegas on the way to San Diego for the John Mauldin conference beginning Thursday.

## 4/20/2010 After the Close



## An up day for the market.

Markets Diary			
6:04 p.m. EDT 04/20/10			
<b>Issues</b>	<b>NYSE</b>	<b>Nasdaq</b>	<b>Amex</b>
Advancing	2,529	2,060	309
Declining	575	654	172
Unchanged	102	110	28
<b>Total</b>	<b>3,206</b>	<b>2,824</b>	<b>509</b>
<b>Issues at</b>			
New 52 Week High	296	195	20
New 52 Week Low	4	9	2
<b>Share Volume</b>			
Total	1,136,114,166	2,157,106,196	15,584,297
Advancing	927,591,316	1,593,895,727	9,361,397
Declining	201,125,990	450,897,676	5,405,900
Unchanged	7,396,860	112,312,793	817,000

The market advanced today on mixed volume but advancing issues were definitely leading the market recovery. The S&P added 0.8% on the session to end at 1,207 so the concern over Goldman Sachs appears to have been moved out of investor's minds.

**Economic News**

The ICSC Goldman retail sales and Redbook's data seems to indicate that the consumer is continuing to inch back into the nation's stores.

**Financial News**

Goldman Sachs reported huge profits and the news that the SEC split 3-2 over charging Goldman Sachs on a civil complaint seems to have taken some of the wind out of the furor.

**Portfolio comments**

We made no changes in the portfolios today. We arrived safely in Denver and gave two talks today to the AAI chapters in Boulder and Denver on "Looking at the Markets using CAN SLIM®". As it was late and we were tired, we decided to not write the Musings today as there was little news to report.

## 4/19/2010 After the Close



## Market closed mixed

Markets Diary			
	4:34 p.m. EDT 04/19/10		
Issues	NYSE	Nasdaq	Amex
Advancing	1,324	1,009	202
Declining	1,681	1,672	258
Unchanged	136	109	33
Total	3,141	2,790	493
Issues at			
New 52 Week High	104	137	19
New 52 Week Low	12	17	2
Share Volume			
Total	1,263,053,551	2,150,998,057	17,542,496
Advancing	701,179,721	802,578,539	5,402,786
Declining	547,771,530	1,274,349,814	11,118,910
Unchanged	14,102,300	74,069,704	1,020,800

The market closed mixed as it reacted to the Goldman news after a weekend of conjecture. Volume shrank from Friday's panic selling although declining issues were still dominant. Bottom-fishers in some way may have been buyers on the NYSE as advancing volume was higher on the day.

**Economic News**

The Index of Leading Indicators came in with good news for the economy today. The manufacturing component lead the way although unemployment continues to be a drag.

**Financial News**

There still remains a question-mark about the Greece bailout as credit default spreads continued to rise.

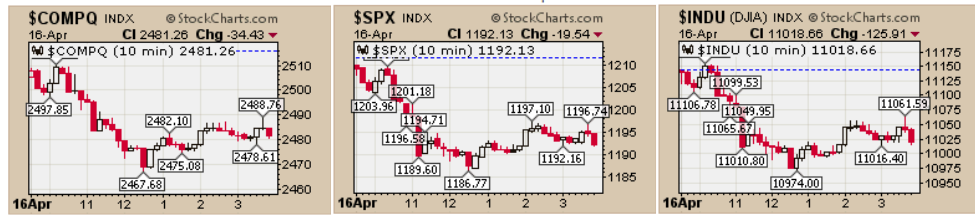
The spinners were out in force debating the Goldman mess hoping to keep the damage done to the economy by all those "special derivative transactions that no one really understands" hidden.

The housing bubble in China and its role in pushing GDP higher might be in trouble as banks are being directed to no longer make mortgage loans for 3rd houses. Time will tell if this move slows down the China boom.

**Portfolio comments**

Today, we were driving on the road most of the day and our hard-stops sold LULU from the Conservative portfolio and TEN from the Aggressive portfolio. there were no other changes in the portfolios. We have now arrived in Denver where we will be giving talks tomorrow before the AAI Boulder and Denver groups. Then it is on to San Diego.

### 4/16/2010 After the Close



### Goldman charged with fraud by SEC

Markets Diary				6:12 p.m. EDT 04/16/10		
<b>Issues</b>	<b>NYSE</b>	<b>Nasdaq</b>	<b>Amex</b>			
Advancing	608	728	173			
Declining	2,500	1,972	302			
Unchanged	86	117	35			
<b>Total</b>	<b>3,194</b>	<b>2,817</b>	<b>510</b>			
<b>Issues at</b>						
New 52 Week High	218	198	17			
New 52 Week Low	9	15	6			
<b>Share Volume</b>						
Total	1,753,834,891	2,960,951,925	22,196,509			
Advancing	124,878,380	445,594,617	5,517,749			
Declining	1,617,614,201	2,391,961,897	15,859,680			
Unchanged	11,342,310	123,395,411	819,080			

The market chalked up serious distribution today. As soon as the announcement was made, we were fortunate to close our long positions in the financial stocks held in the **Aggressive portfolio** and go short. We also went short in the Aggressive portfolio our positions in the SPY and QQQQ as the SEC action is a game-changer and provides the market with its reason to retreat from the overbought rally conditions.

Nuff said.

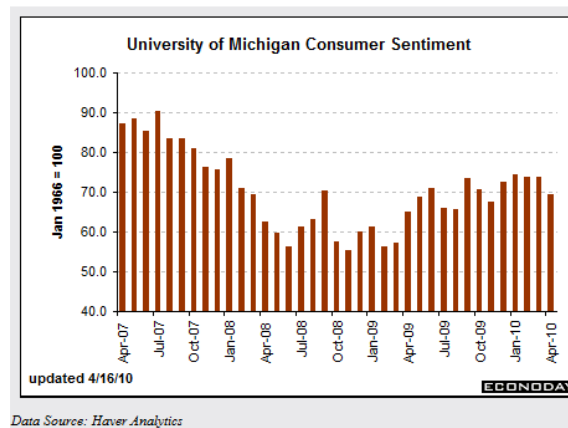
#### Economic News

March housing starts were up slightly by 1.6% from a snow impacted February which is not a strong showing in my book.

Data displayed as levels in thousands, SAAR							
Released on:	Percent	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
Released for:	of total	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Housing Starts	100%	524	579	573	609	616	626
Single Family	85.9%	471	492	481	507	536	531
Multi Family	14.1%	53	87	92	102	80	95
Housing Permits	NA	551	589	653	622	637	685

Data Source: Haver Analytics

Despite the retail numbers of the past few days, it would appear that the consumer remains unconvinced about the future as the consumer sentiment index fell in the latest reading.



#### Financial News

The big news, of course, was the SEC charge against Goldman Sachs for its role in selling AAA paper to its clients while another arm of the bank was in effect betting that the AAA paper would go south. Some might think that is not a proper thing to do and apparently, now the SEC has come to the same conclusion. Watch for the next shoe to fall in the financials.

The JPMorgan earnings is probably also overstated as is Bank of America. Of course, the bone of contention is that if the FDIC is able to auction off collateral assets seized from failed banks the mark to fantasy values placed on a lot of bank assets would not have to be priced at market prices. Watch out below.

**Portfolio Comments**

Prior to the announcement of the Goldman SEC action, we had purchased CERN in the Aggressive portfolio. We made no other changes other than those noted above in the portfolios today.

Next week's Musings will be erratic as we will be on the road.

• **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, Econodav, Prudent Bear and/or Big Charts.

All rights reserved. © 2001 - 2010 Adrich Corporation

Last updated - November 17, 2009

ui