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## 9/17/2010 After the Close



### Where's the excitement?

10:07 p.m. EDT 09/17/10			
Markets Diary	NYSE	Nasdaq	Amex
<b>Issues</b>			
Advancing	1,792	1,555	257
Declining	1,236	1,118	225
Unchanged	99	120	27
<b>Total</b>	<b>3,127</b>	<b>2,793</b>	<b>509</b>
<b>Issues at</b>			
New 52 Week High	249	103	19
New 52 Week Low	14	42	6
<b>Share Volume</b>			
<b>Total</b>	1,855,761,354	2,432,489,747	32,921,615
Advancing	803,571,526	1,328,068,242	10,846,484
Declining	1,028,216,427	1,083,771,521	20,897,201
Unchanged	23,973,401	20,649,984	1,177,930

Quadruple witching options created little volatility in today's market despite the rebalancing of many indices near the close. While volume rose, it does raise a question about the distribution day for the NYSE Composite.

#### Economic News

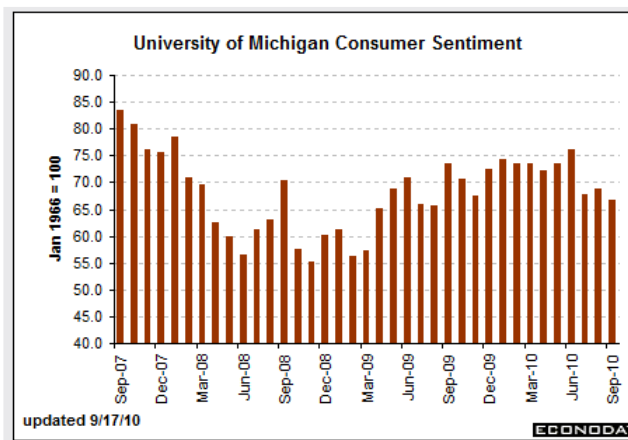
Oracle, Research in Motion and Texas Instruments earnings helped tech stocks move higher today. However, the consumer price data was higher while consumer sentiment took a tumble as shown in the following:

**Consumer Price Index Categories**

		Data displayed as m/m percent change						
Released on	Relative	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	
Released for	Importance	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	
CPI	100.0%	0.1%	-0.1%	-0.2%	-0.1%	0.3%	0.3%	
Food & Beverages	15.1%	0.2%	0.2%	0.0%	0.0%	0.0%	0.1%	
Housing	42.4%	0.0%	-0.1%	0.0%	-0.1%	0.1%	0.0%	
Apparel	3.8%	-0.4%	-0.7%	0.2%	0.8%	0.6%	-0.1%	
Transportation	17.4%	-0.1%	-0.5%	-1.2%	-1.0%	1.3%	1.2%	
Medical Care	6.2%	0.3%	0.2%	0.1%	0.3%	-0.1%	0.2%	
Recreation	5.6%	-0.1%	0.3%	0.0%	0.1%	-0.1%	-0.2%	
Education & Comm.	6.0%	0.3%	0.2%	0.1%	0.1%	0.2%	0.0%	
Other goods & Service	3.5%	0.1%	0.0%	0.2%	0.4%	0.7%	0.3%	
Addendum								
CPI less food & energy	77.4%	0.0%	0.0%	0.1%	0.2%	0.1%	0.0%	
Energy	8.7%	0.0%	-1.4%	-2.9%	-2.9%	2.6%	2.3%	
Commodities	40.8%	-0.1%	-0.4%	-0.6%	-0.4%	0.5%	0.5%	
Services	59.2%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	

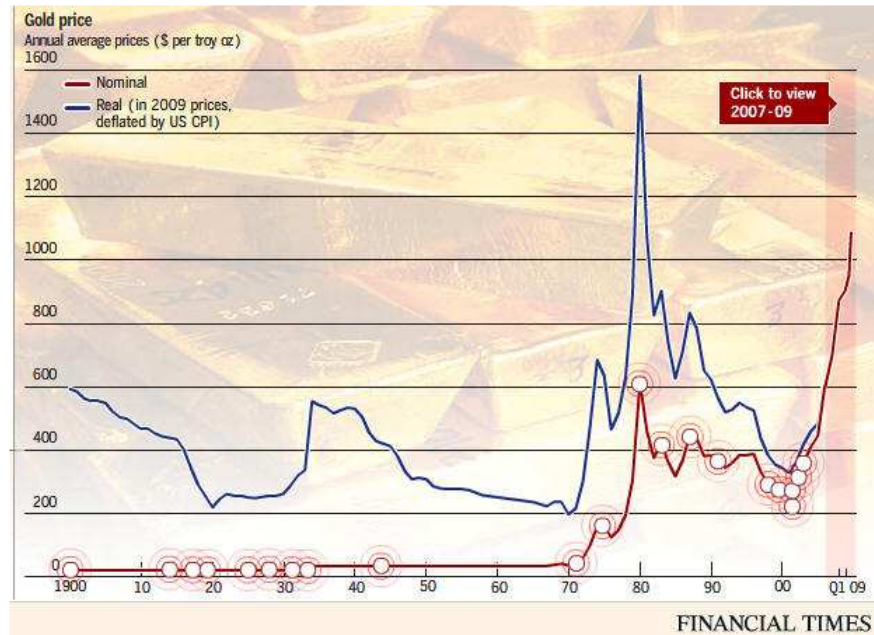
Data Source: Haver Analytics

**Consumer Sentiment**



**Financial News**

Worries about continued quantitative easing measures continued to help gold and silver stay strong today. Overseas there was growing concern about the U.S. economy and China's efforts to broaden its participation in the gold market. The following chart from the Financial Times shows the nominal and real in 2009 dollars the price of gold since 1900.



Gold went through the \$1,280/oz. level today for the first time in history.

Last week, foreign central bank holdings of U.S. Agency debt fell \$57 billion. Is this an omen of dumping for all U.S. government debt as countries seek to replace the dollar as the world's reserve currency? If so, the outlook for the U.S. has just gotten more difficult.

**Portfolio comments**

An Action Point violation saw AU being sold from the Precious Metals portfolio today. There were no other changes in the portfolios. The Simple Timing Indicators remain on a positive signal.

### 9/16/2010 After the Close

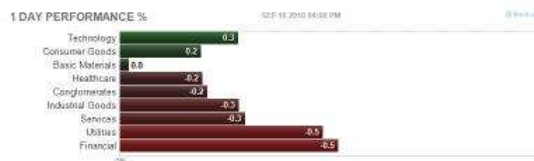


### Struggled to close mix ...

Markets Diary				5:54 p.m. EDT 09/16/10
<b>Issues</b>	<b>NYSE</b>	<b>Nasdaq</b>	<b>Amex</b>	
Advancing	1,276	975	221	
Declining	1,741	1,636	246	
Unchanged	123	123	32	
<b>Total</b>	<b>3,140</b>	<b>2,734</b>	<b>499</b>	
<b>Issues at</b>				
New 52 Week High	153	72	18	
New 52 Week Low	11	30	4	
<b>Share Volume</b>				
Total	906,120,039	1,809,286,270	11,382,864	
Advancing	418,023,755	957,331,509	6,234,948	
Declining	475,069,340	824,762,124	4,321,651	
Unchanged	13,026,944	27,192,637	826,265	

The indices struggled to closed mixed today on lower volume and low volatility before triple-witching occurs tomorrow. The number of declining issues were higher than those advancing. However, volume was different and mixed between the indices.

Group performance as shown in the following chart from finviz.com shows the scattergram of today's meandering.



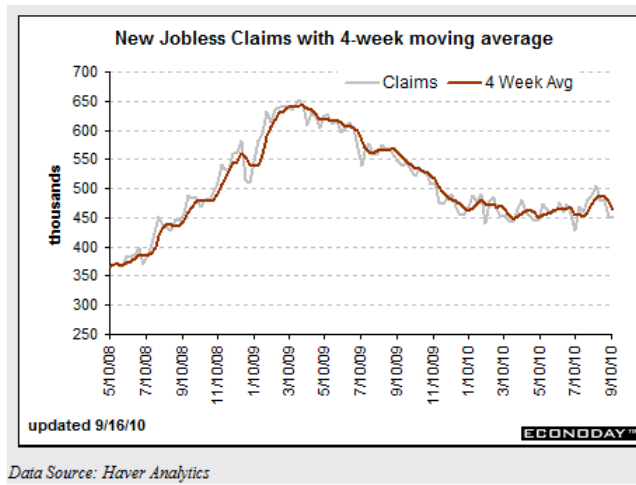
### Economic News

The market reacted negatively to a higher than expected increase in the Producer Price Index. The August increase of 0.4% in the core rate was twice the 0.2% rate in July.

		data displayed as monthly percent change						
Released on	Relative	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	
Released for	Importance	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	
PPI, Finished Goods	100.0	0.8	-0.1	-0.2	-0.5	0.2	0.4	
Consumer goods	75.3	1.1	-0.2	-0.4	-0.6	0.1	0.6	
Food (consumer)	20.2	2.4	-0.3	-0.5	-2.2	0.7	-0.3	
Energy	20.1	1.2	-0.5	-1.6	-0.5	-0.9	2.2	
Nonfood, nonenergy (consumer)	34.9	0.2	0.2	0.3	0.2	0.4	0.1	
Capital Equipment	24.7	0.0	0.1	0.3	0.0	0.3	0.1	
PPI less food & energy	59.7	0.1	0.1	0.3	0.1	0.3	0.1	
PPI, Intermediate goods	100.0	0.7	0.8	0.3	-0.9	-0.4	0.3	
less food & energy	75.1	0.7	1.1	0.2	-0.4	-0.4	0.1	
PPI, Crude Materials	100.0	1.9	-0.8	-2.8	-2.4	2.7	2.3	
less food & energy	17.5	5.8	3.2	-1.5	-4.8	-1.4	4.1	

Data Source: Haver Analytics

New jobless claims for the week ending 9/11 were lower by 3,000 to 450,000, hardly inspiring and confirms the fact that the job market is not improving. New jobless claims appear stuck in a 450-475,000 range. Continuing claims fell to 4.485 million but likely largely due to expiration of benefits. The total number receiving assistance on unemployment remains near 10 million.



Data Source: Haver Analytics

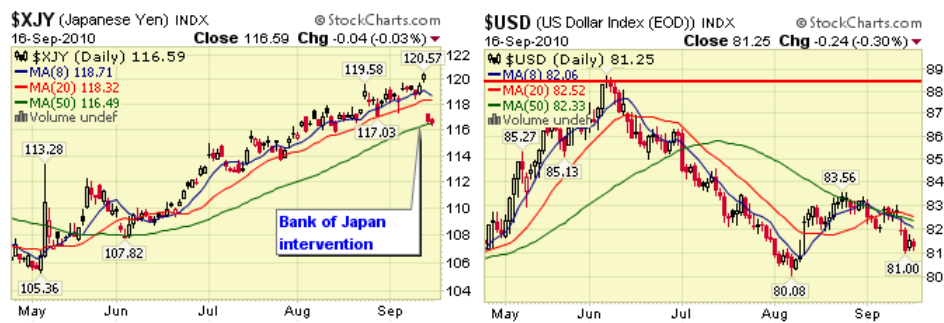
The Philadelphia Fed Survey painted a picture of a slowing economy as the headline number turned negative.

		Data displayed as monthly level					
Released on		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Released for		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Philadelphia Fed Survey		20.2	21.4	8.0	5.1	-7.7	-0.7

Data Source: Haver Analytics

**Finance News**

It was against a less than helpful set of economic reports that the indices rallied in the afternoon. The Japanese yen continued to show strength while the US dollar index fell.



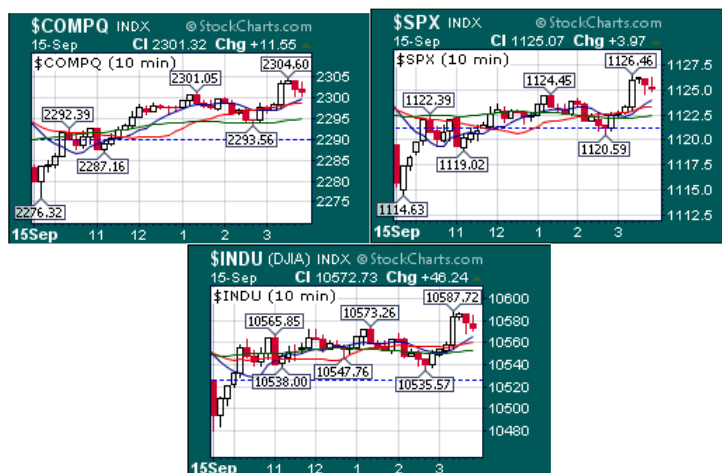
Gold and silver both had good days despite attempts to slow the advance as both metals made new highs during the day and continue higher in the Access market.



**Portfolio comments**

In the Aggressive portfolio, we bought F in the morning as it was showing a pivot point and a Power of 3 condition. Based upon historical analysis, we shorted IDA and will hope to cover in the 25 area. There were no other changes in the portfolios.

**9/15/2010 After the Close**



**Yen intervention**

Markets Diary				4:33 p.m. EDT 09/15/10
Issues	NYSE	Nasdaq	Amex	
Advancing	1,591	1,480	191	
Declining	1,406	1,109	263	
Unchanged	111	157	33	
Total	3,108	2,746	487	
<b>Issues at</b>				
New 52 Week High	163	75	23	
New 52 Week Low	8	26	9	
<b>Share Volume</b>				
Total	900,629,453	2,082,723,251	11,503,969	
Advancing	492,164,567	1,366,337,480	5,719,617	
Declining	396,806,485	683,236,649	4,821,304	
Unchanged	11,658,401	33,149,122	963,048	

The Bank of Japan intervened in the currency markets today but the impact on the equity markets was minimal at the end of the day. Overall volume dropped today. Maybe, we should have stayed in bed.

The following chart via Lewis McLain shows the minute by minute intervention by Japan this morning. Wonder how many million yen, the Bank of Japan wasted on that move. Of course, it might just be the initial move by various trading partners to impact the China yuan.



**Economic News**

The outlook for the housing recovery continues to look bleak. Mortgage applications fell 0.4% in the September 10th week for purchases. Refinancing applications also dropped 10.8%. The average 30 year mortgage is now at 4.47%. Moody's Analytics expects that shadow inventory -- those homes in default or foreclosure that may be offered for sale -- is preventing prices from bottoming and could lead to further price erosion.

Owners cut prices on 26% of homes for sale last month, up from 25% in July and the highest since October 2009, real estate Trulia.com reported today.

Business activity reported by the Empire State survey was positive but the growth in the region was slowing as shown in the following table.

Released on:	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Released for:	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Empire State	31.9	19.1	19.6	5.1	7.1	4.1

*Data Source: Haver Analytics*

The Industrial Production report for August also confirmed a slowing of the economy.

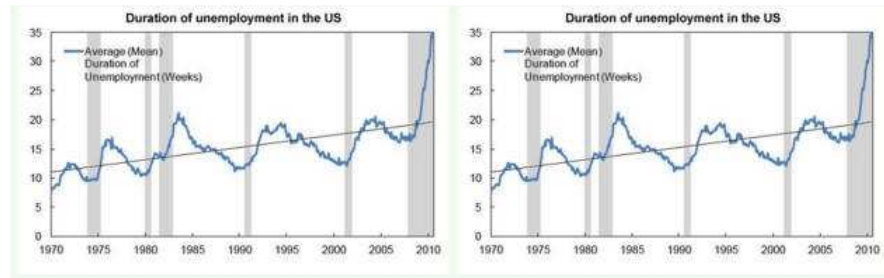
Released on	2009	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Released for	Proportions	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
<b>Industrial Production</b>	<b>100.0%</b>	0.0%	0.6%	0.4%	1.1%	0.1%	0.6%	0.2%
<b>Major Market Groups</b>								
Consumer goods	31.7%	-0.7%	0.5%	-1.2%	2.2%	-0.2%	0.8%	-0.4%
Business equipment	9.5%	-0.2%	1.0%	1.8%	1.4%	0.7%	1.0%	0.7%
Construction Supplies	4.7%	-0.5%	2.3%	4.3%	-0.1%	0.1%	-0.3%	0.8%
<b>Major Industry Groups</b>								
Manufacturing (non-NAICS)	79.8%	-0.2%	1.1%	0.9%	1.0%	-0.4%	0.7%	0.2%
Durables (NAICS)	36.4%	-0.3%	1.4%	1.6%	1.3%	-0.1%	1.5%	-0.1%
Nondurables (NAICS)	39.8%	-0.1%	0.8%	0.2%	0.6%	-0.7%	-0.2%	0.5%
Mining (non-NAICS)	8.4%	1.1%	1.4%	1.6%	-0.8%	-0.6%	0.9%	1.2%
Utilities (non-NAICS)	11.9%	0.5%	-3.5%	-3.8%	4.1%	4.0%	-0.3%	-1.5%
<b>Addendum</b>								
Selected High Tech Industries	3.7%	2.0%	1.1%	1.2%	0.9%	0.1%	0.8%	1.0%
Motor Vehicles and parts	3.7%	-2.5%	2.1%	-1.4%	5.7%	-2.5%	9.5%	-5.0%
Capacity utilization rate	NA	72.4	72.8	73.2	74.0	74.1	74.6	74.7

*Data Source: Haver Analytics*

Both of these reports suggest that the GDP increase from the inventory rebuild cycle is about over. The economy will now be reliant upon final demand and in a deleveraging environment, the consumer continues to make cautious spending decisions.

Perhaps, David Rosenberg of Gluskin Sheff is saying it best ... **"I don't know about you, 15 million unemployed and another 11 million underemployed doesn't exactly give me the warm fuzzies?"**

**Ambrose Evans-Pritchard** had two graphs in the Telegraph.co.uk using data from the US Bureau of Labor Statistics in an article today that shows the reason this recession is unlike previous recessions and why the economy might take a while to unwind.



The question of whether we are in deflation or inflation is open to debate. However, import prices in August rose faster than expected as petroleum and food costs rose at the highest level in four months.

**Financial News**

Silver took the lead from gold today as it closed at \$20.54/oz. while gold was down \$3 from yesterday's close.

The rise in gold has finally caused AngloGold Ashanti enough pain on its hedges that it plans to sell 14.8 million new shares and offer bonds that convert in the same number of American depository receipts to fund an end to its gold hedges. AngloGold has about 91 tons of gold loans from the bullion banks that are going to be covered.

From Richard Russell ... **"What we see here is one of the greatest, least loved, and least recognized primary bull markets in history.... This great gold bull market is something that one sees maybe once or twice in a lifetime."**



The contrast between the gold price movement since 1999 and that of the US dollar index is most interesting.



**Portfolio comments**

We made no changes in the portfolios today.



### 9/14/2010 After the Close



#### Ended mixed

Markets Diary				4:34 p.m. EDT 09/14/10			
Issues	NYSE	Nasdaq	Amex				
Advancing	1,369	1,108	217				
Declining	1,581	1,486	233				
Unchanged	125	144	32				
Total	3,075	2,738	482				
<b>Issues at</b>							
New 52 Week High	202	81	23				
New 52 Week Low	3	27	4				
<b>Share Volume</b>							
Total	922,959,200	2,102,565,230	13,686,049				
Advancing	400,354,077	1,089,147,551	7,690,632				
Declining	507,464,974	987,805,472	5,471,497				
Unchanged	15,140,149	25,612,207	523,920				

The markets closed mixed despite spending most of the day in positive territory. At the end of the session, the markets were little changed on the day despite increasing overall volume. Of course, it is also triple-witching Friday this week which might have something to do with the volume level.

#### Economic News

Retail sales beat expectations for August. They were higher by 0.4% over July 2010. The increase in gasoline costs helped the index ... otherwise, it was just barely above the inflation rate.

Released On:	Percent	Monthly percent change						
		Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	
Released For:	of Total	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Aug-10
Retail Sales & Food Services	100%	2.1%	0.3%	-1.0%	-0.3%	0.3%	0.4%	
Sales ex autos	83.0%	1.2%	0.3%	-1.3%	0.0%	0.1%	0.6%	
Sales ex autos less gasoline	73.3%	1.2%	0.3%	-1.1%	0.3%	-0.1%	0.5%	
Motor vehicle dealers	17.0%	6.6%	0.5%	0.0%	-1.6%	1.0%	-0.7%	
Furniture & home furnishing stores	2.1%	2.4%	-2.5%	-0.9%	-1.0%	0.6%	-0.5%	
Electronics & appliances	2.4%	-1.4%	-0.3%	0.9%	0.7%	-0.3%	-1.1%	
Building materials	6.4%	8.1%	8.0%	-8.9%	-0.7%	-0.4%	0.0%	
Food & beverage stores	13.7%	-0.3%	-0.5%	-0.3%	-0.2%	-0.5%	1.3%	
Health & personal care	6.1%	0.7%	0.4%	-0.6%	1.3%	0.2%	0.6%	
Gasoline stations	9.7%	1.2%	0.1%	-2.7%	-2.4%	2.2%	1.9%	
Clothing & accessories	5.0%	2.7%	-1.3%	-0.5%	-0.1%	-0.3%	1.2%	
Sporting goods, hobby, etc	2.0%	1.5%	-1.5%	0.8%	0.4%	-0.1%	0.9%	
General merchandise	14.1%	0.1%	-0.3%	-1.2%	0.6%	0.3%	0.4%	
Miscellaneous retailers	2.7%	2.9%	-0.2%	1.3%	1.1%	0.0%	-0.9%	
Nonstore retailers	7.9%	1.1%	-0.7%	1.1%	1.3%	-0.6%	0.6%	
Food services & drinking places	10.9%	0.5%	0.0%	-0.2%	0.0%	-0.1%	0.1%	

Data Source: Haver Analytics

However, business inventories were also higher than expected suggesting that consumer demand is somewhat lower than that of retailers and wholesalers.

**Financial News**

Gold jumped to a new high today despite an attempt in the overnight Access market to put pressure on silver. The following charts from Kitco show the action.



Both corn and soybeans were also higher today as rain and hail hit the Midwest overnight.

The US dollar index continued under pressure falling to 81.17 today while the POMO operations helped moved the yield on the 10 year US Treasury lower also ... it closed at 2.666%. It would appear the FED is moving QE2 into play.



**Portfolio comments**

We made no changes in the portfolios today. The Simple Timing Indicators are both on positive signals now.

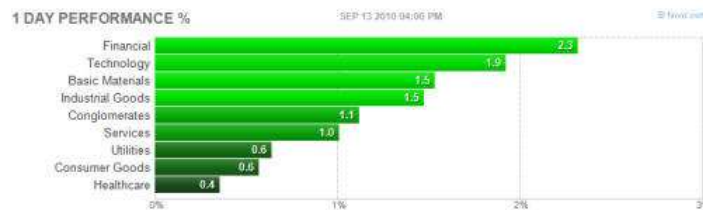
### 9/13/2010 After the Close



Up again ...

Markets Diary				4:34 p.m. EDT 09/13/10
Issues	NYSE	Nasdaq	Amex	
Advancing	2,297	2,098	287	
Declining	725	547	165	
Unchanged	83	124	36	
Total	3,105	2,769	488	
<b>Issues at</b>				
New 52 Week High	262	100	25	
New 52 Week Low	5	21	2	
<b>Share Volume</b>				
Total	934,020,667	1,965,760,444	12,837,534	
Advancing	797,372,576	1,745,395,739	9,117,122	
Declining	130,778,439	193,181,114	2,775,809	
Unchanged	5,869,652	27,183,591	944,603	

The market opened and closed near its highs for the day after a mid-day slump. Advancing issues and volume were winners today as volume also increased and definitely on the up side of the market. New 52 week highs were also in control. The uncertainty over the Basel III accords was removed today and the financials were higher by 2.3%. It was a good day for all the groups as shown in the following chart from finviz.com.



All of the major averages we track except the NYSE Composite rating are now positive for the year as shown in the following table.

Market Summary				
	12/31/09	9/13/10	Change	%
AMEX Comp	1824.95	1,977.37	152.4	8.4%
DJIA	10428.05	10,544.13	116.1	1.1%
HUI	429.41	479.88	50.5	11.8%
Nasdaq 100	1860.31	1,921.67	61.4	3.3%
Nasdaq Comp	2269.15	2,285.71	16.6	0.7%
NYSE Comp	7184.96	7,156.18	-28.8	-0.4%
Russell 2000	625.39	652.28	26.9	4.3%
S&P 400	726.67	777.13	50.5	6.9%
S&P 500	1115.10	1,121.90	6.8	0.6%
S&P 600	332.63	347.45	14.8	4.5%

#### Economic News

The Basel III banking rules are out and will try to increase capital ratios while giving banks the ability to price their assets at mark to fantasy valuations. The new rules probably will result in less money available to lend to businesses and consumers in the future. Moreover, the time line to meet the new requirements is less than many creditor nations wanted.

"In the end, bankers took care of bankers and continued to sweep the liquidity problem and toxic assets into a dark hole where they hope that nobody can see the smoke and mirrors.

What is interesting to me is that Bear Stearns, Washington Mutual, Lehman Brothers, Wachovia and Merrill Lynch had higher regulatory capital ratios as of their last quarterly report than the new Basel III rules require and they still failed! Of course, the concentration of assets in mortgage backed securities that were given AAA ratings might have been a contributing factor.

In 2005, **banks owned 45% of all subprime mortgage backed securities.** Prior to the crisis, bank exposure to mortgage backed securities was three times as high as the other, non-bank US investors, according to political scientist Jeffrey Friedman's forthcoming book "Engineering The Perfect Storm."

Jay Butler, head of Realty Studies at Arizona State University, believes that the number of underwater homes in Phoenix may be as high as 66-67%. If true, there is certainly room for housing prices to head lower.

#### Financial News

To stave off the imminent bankruptcy of Harrisburg, the capital of Pennsylvania, **Governor Ed Rendell announced that he was speeding up state funds and grants in the amount of \$4.4 million to enable Harrisburg to avoid default on a \$3.3 million bond payment due this week.** Harrisburg is also behind \$68 million in debt payments on a trash incinerator bond it issued in the 1970's which is now \$288 million. To my mind, Governor Rendell has just thrown good money (?) after bad.

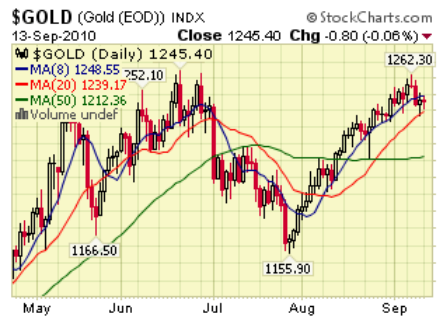
In Fort Worth, Texas, \$13.2 million in tax-exempt bonds issued by the Tarrant County Housing Finance Corporation failed to pay interest to the bondholders on September 1st and are now in default. Tarrant County taxpayers are now on the hook for the complex which is not cash-flowing enough revenue to pay the interest. Another sign of difficulty for municipal bond-holders.

Do you have any tax-free municipals? The risk may have increased.

The star of the day was silver which broke through the \$20 level again as shown in the following chart.



Gold did not have the move of silver but managed to remain close to its previous close. The US dollar index was under pressure and closed down over 1% at 81.86. Yields on the 10 year US Treasury fell to 2.74%. Copper managed to climb higher by 1% as China reported higher industrial production, closing at 349.65. Crude oil closed higher at 78.05, its highest level since early August. Thanks to the Basel III guidelines, the Philly Bank Index was higher by over 3% today.

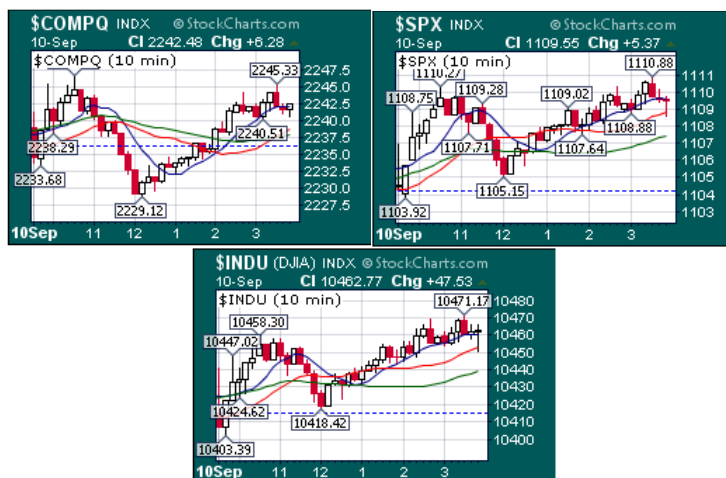


We are beginning to get harvest reports from the Midwest and the outlook for corn prices looks higher. Yields are down in many areas as are test weights. It is still early for soybeans.

**Portfolio comments**

We made no changes in the portfolios today.

**9/10/2010 After the Close**

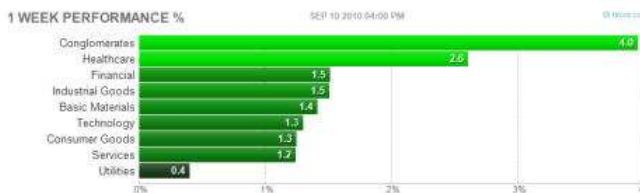


**Ending the week higher!**

Markets Diary		5:55 p.m. EDT 09/10/10		
Issues	NYSE	Nasdaq	Amex	
Advancing	1,941	1,410	286	
Declining	1,063	1,161	176	
Unchanged	117	153	40	
Total	3,121	2,724	502	
Issues at				
New 52 Week High	183	39	18	
New 52 Week Low	6	43	5	
Share Volume				
Total	756,175,491	1,692,471,362	8,476,282	
Advancing	494,286,076	742,456,511	5,598,153	
Declining	222,360,973	899,432,667	2,391,664	
Unchanged	39,528,442	50,582,184	486,465	

Despite lower volume, the major averages ended higher after three straight days of positive closes. It appears to be a market lacking any conviction in the strength of the move. While the lack of distribution is welcome, the enthusiasm also does not appear overwhelming.

Performance of the various groups for the week was positive as shown in the following chart courtesy of finviz.com.

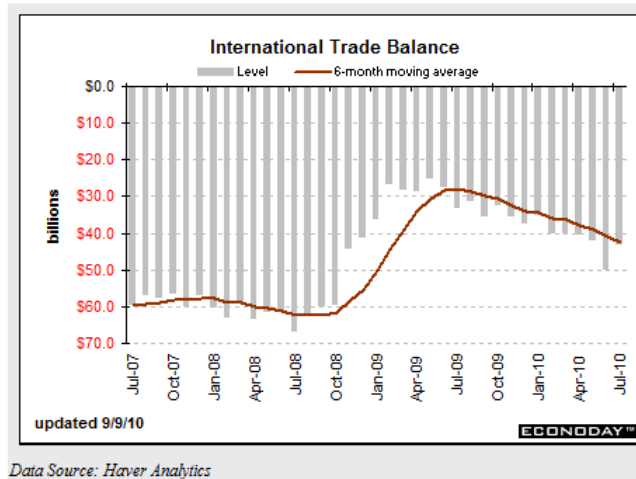


**Economic News**

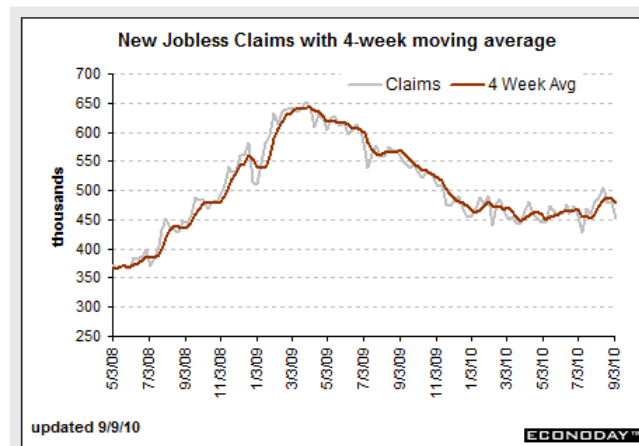
Yesterday, the trade deficit report for July showed exports increasing and imports falling by a net \$7 billion to \$42.8 billion.

Balances, billions of dollars; exports & imports in monthly %						
Released on:	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Released for:	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Trade balance	-39.9	-39.7	-40.0	-41.8	-49.8	-42.8
Exports	-0.1%	3.9%	-0.8%	2.5%	-1.3%	1.8%
Imports	2.7%	3.0%	-0.5%	2.9%	3.1%	-2.1%
Merchandise trade	-51.7	-52.4	-52.8	-54.6	-62.2	-55.2
Imports	-0.2%	4.9%	-0.9%	2.9%	-2.1%	2.7%
Exports	2.8%	3.7%	-0.4%	3.1%	3.3%	-2.5%
Service trade	11.8	12.7	12.7	12.8	12.5	12.5

*Data Source: Haver Analytics*



Much was made of a decline in new jobless claims to 451,000 in the w/e September 4th. Of course, the data is somewhat suspect since nine states including California were estimated due to the Labor Day holiday. Moreover, in the 2003 recession, the average of new jobless claims was only about 300-325,000 jobs per week. The data now is much worse.



Continuing claims for the current reporting week ending August 28, 2010 were at 4,052,572. Extended claims were at 959,368. The EUC number was 4,510,645. In total, combined UI benefits are just below 10M for the week ending August 21, 2010.

Wholesale inventories increased in the latest month. Perhaps, the growth is due to a lack of demand. If so, that could spell problems for the so-called recovery. Remember the Beige book reported a significant slowing of the "recovery." The 1.3% increase in the value of inventories was three times the median estimate in a Bloomberg News survey and followed a 0.3% gain the prior month, Commerce Department figures showed today in Washington. Sales at distributors climbed 0.6%, the most since April, after falling 0.5%.

Commercial real estate remains a problem and "extend and pretend" loans have hidden some of the damage. However, the hotel sector is becoming a major focal point. The latest monthly CMBS Market Trends update from Fitch states that the hotel delinquency rate has just passed the psychological 20% delinquency threshold for the first time. As of August, 20.80% of all hotel-backed loans is in some

stage of delinquency (up from 18.64% in July): that means that one in five (and rising) hotel-backed loans will likely never be repaid and proceed to liquidation.

**Financial News**

Corn with prospects for lower yields showing up moved higher in today's trading and could be challenging \$5.00 per bushel shortly. Initial reports are not encouraging about test weights and yields.

The US dollar index closed at \$82.75, almost flat on the week. The yield on the 10 year US Treasury note ended at 2.795%. The sharp increase in the yield on the US Treasuries this week is of concern. Crude oil closed higher for the week at \$76.50/bbl. Gold was slightly lower on the week at \$1246.20 /oz. Silver continued strong and after rising above \$20 closed the week at \$19.80/oz. Copper took a haircut and closed the week at 343.10.



If you are thinking about that little IPO from GM, be careful. The prospectus shows that GM is valuing its goodwill at \$30.2 billion and its total equity including goodwill is only \$23.9 billion. Would you pay for GM's goodwill? If not, the company remains bankrupt! Another smoke and mirrors job from your federal government transparency agency, the SEC.

**Portfolio comments**

We made no changes in the portfolios today. The Simple Timing Indicators (STI) for both the NASDAQ and S&P 500 appear about ready to give positive signals. However, the lack of volume concerns us. While we have moved into stocks the past week and done well, we are concerned about the strength of this market and will be monitoring the market next week closely.

Tomorrow, we head back east and hopefully will be back in Dallas sometime Tuesday.

• **Fred Richards / Strategic Investing**



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