

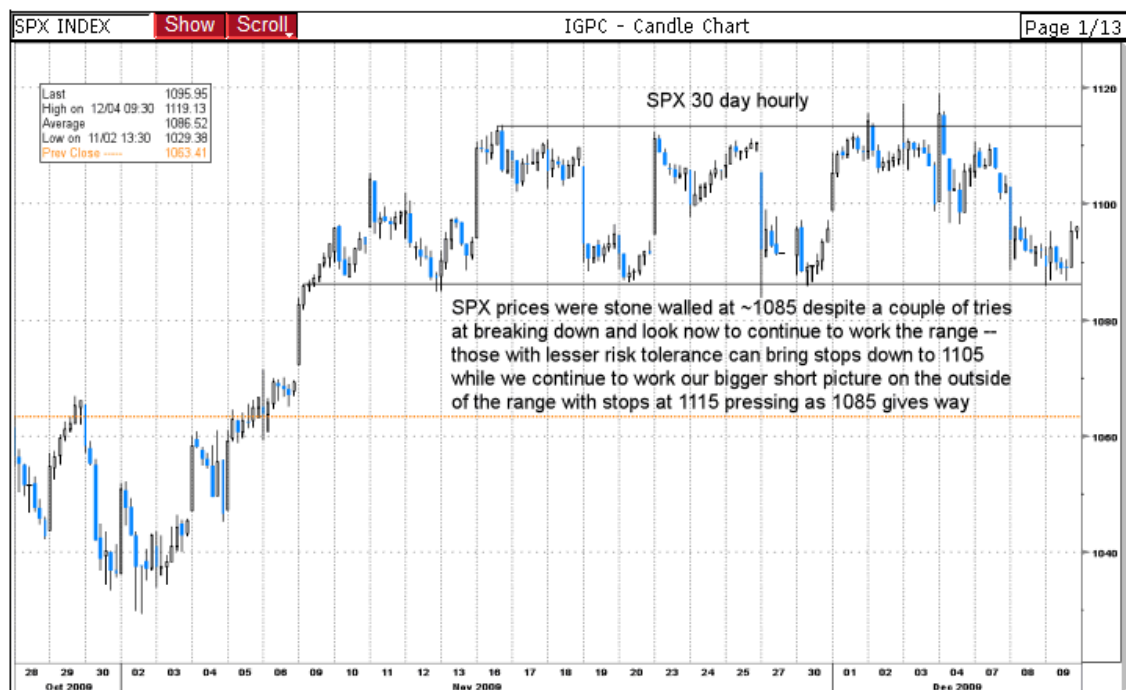
Morning Comments December 10, 2009

Range Roaming

There is not a tremendous amount I can say about the last couple of days' action as SPX prices plumbed the bottom of the recent rectangular trading range we have been talking about. I am a bit surprised that the breakdown in crude has not exerted a more punishing effect on prices; but that notwithstanding, the market did enough work around support to warrant an attempt to move back to resistance up around 1115. Still a steady as she goes market the action levels are on the chart below.

SPX 1095.95Y as of close 12/ 9

Index IGPC



I have been wanting to update some of our old longs, so today let's chat about the industrial semi names we have on. ADI, in particular, is pressing the dominant bear trend line extending back to 2000, and we think is really worth paying attention to at this point. This has been one of the better ones and although the textbook trade now would be to sell this long out v. that major downtrend line, I am blinded by visions of stocks like CHKP and CREE which have been coming out of long term or post-bubble areas of resistance recently. I think the fundamental case for the auto/industrial levered semi complex is still quite valid. Thus, we will give ADI (and the other semis we have on) a chance to prove whether they can overcome resistance leading to meaningful upside. We have been long ADI, ALTR, LLTC, and NSM (which reports tonight by the way). I think they will all trade roughly together and I am attaching some relevant reference.

EquityGPC

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EquityGPC



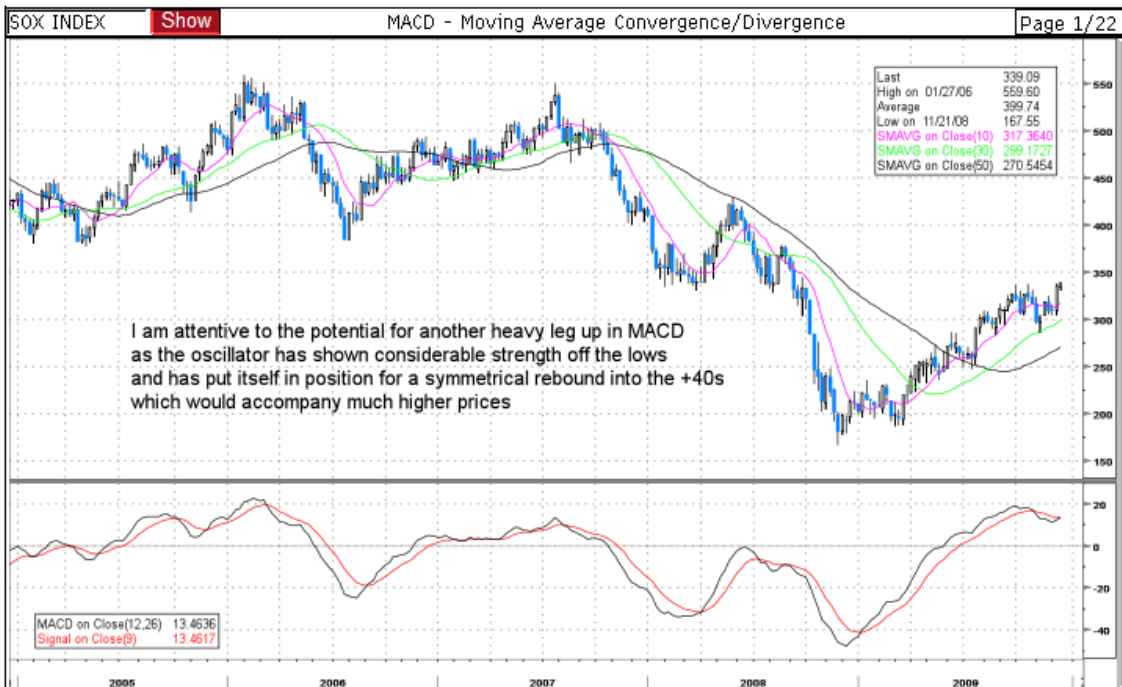
Technical Analysis & Strategy

Equity MACD



SOX 339.09Y as of close 12/ 9

Index MACD



Technical Analysis & Strategy

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