

Morning Comments February 27, 2009

SPX prices are heavy and have been working off recent oversold conditions through time rather than price, at this point a condition which we think can persist for only a few more days at most before prices must make an effort at direction. The big defensive names that we have been most negative on really took it on the chin yesterday and paring back a bit of the shorts as they come in seems prudent. Tech which has been performing fairly well YTD was stopped in its tracks yesterday as NDX v. SPX outperformance has recently reached levels synonymous with pretty big turns and its influence is being felt. We have been using tech longs and while we continue to believe that the longer term trade on the long side uses a lot of tech the message of the market is expect convergence now. Tech should begin to underperform for a bit here as convergence occurs.

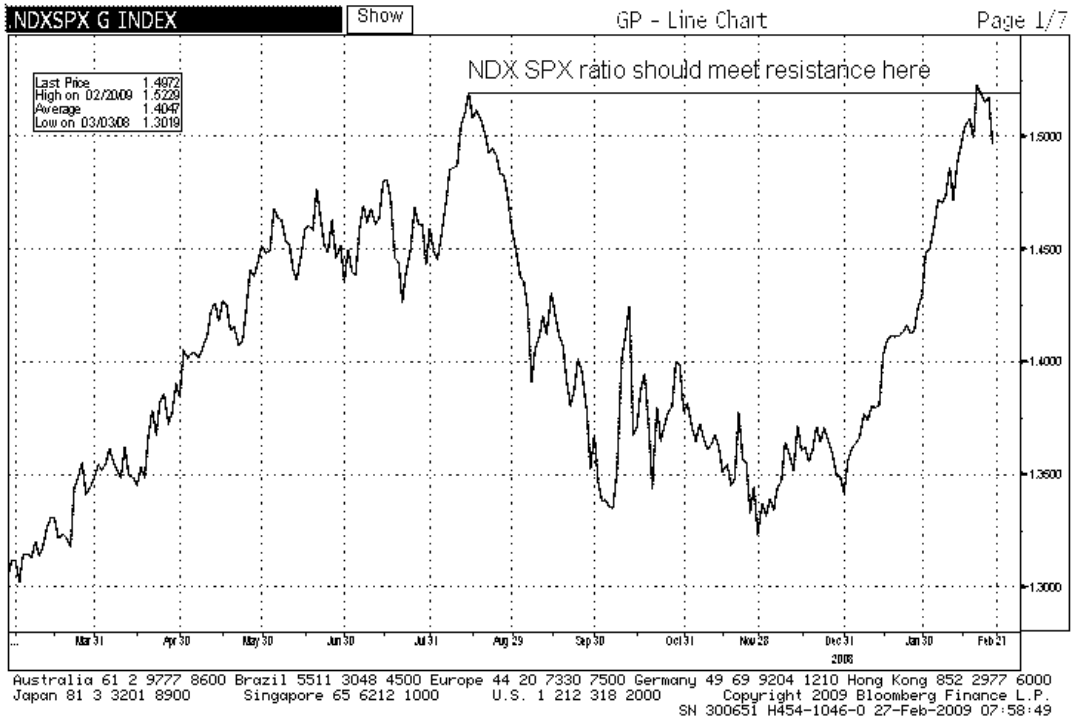
.NDXSPX G 1.50Y as of close 2/26 Index **GPC**



The results presented should not and cannot be viewed as an indicator of future performance.
 Charts courtesy of Bloomberg Finance L.P.

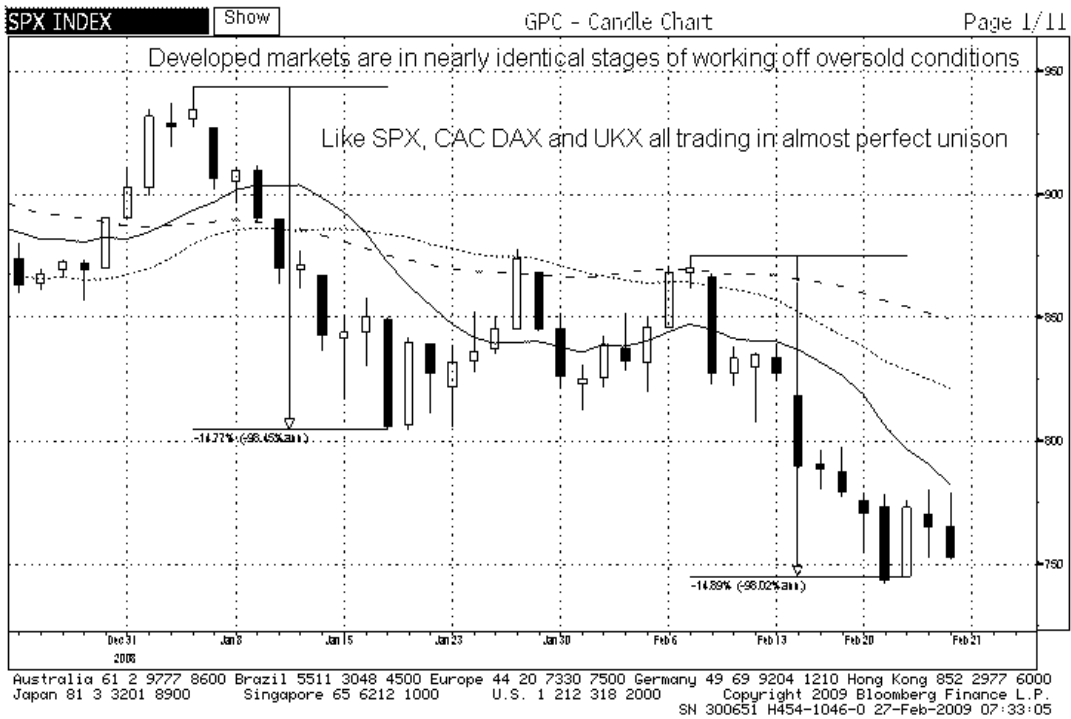
.NDXSPX G 1.50Y as of close 2/26

Index **GP**



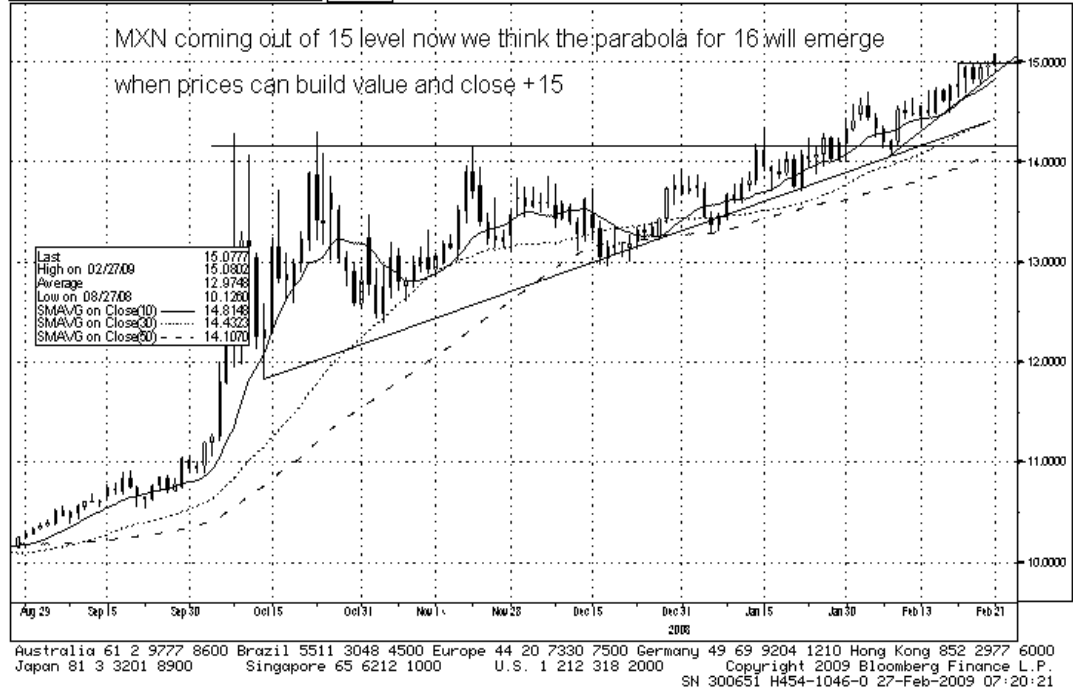
SPX 752.83Y as of close 2/26

Msg:J.IVARONE



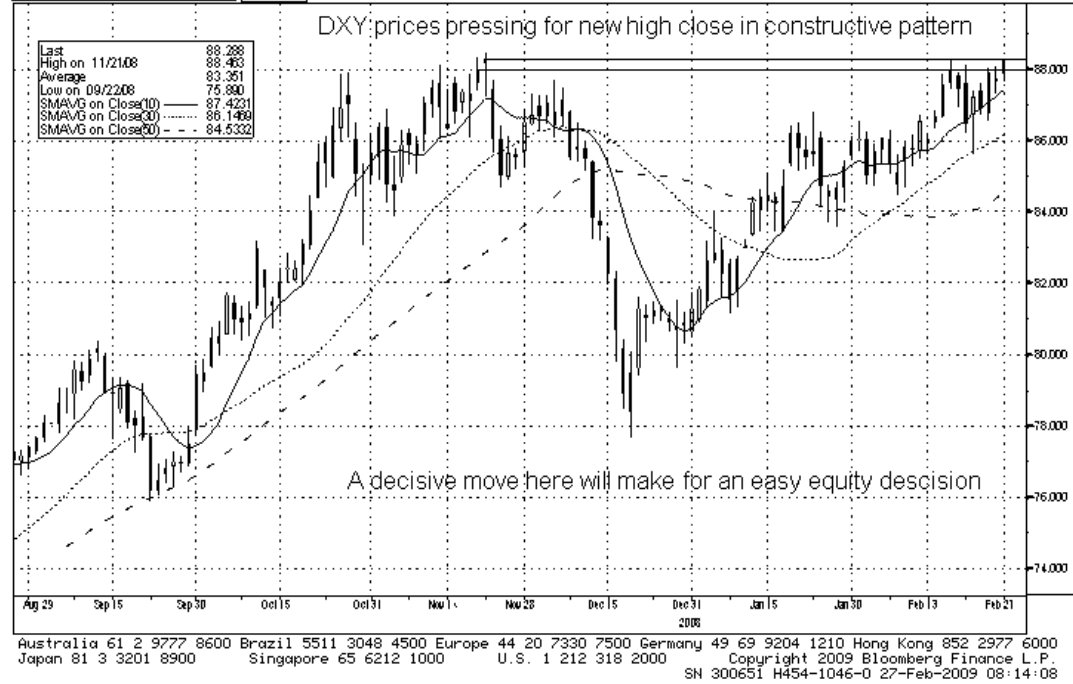
MXN ↑ **15.0777** +.1103 BGN 15.0680/15.0873 BG CurncyGPC
 At 7:20 Op 14.9707 Hi 15.0802 Lo 14.9503 Close 14.9674 Value 3/ 3/09

MXN BGN CURRENCY Show GPC - Candle Chart Page 1/11



DXY ↑ **88.288** +.561 Y / Msg:R.FRIEDLAND
 At 8:14 Op 87.915 Hi 88.328 Lo 87.681 Prev 87.727

DXY CURRENCY Show GPC - Candle Chart Page 1/11



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