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Morning Comments February 4, 2009

SHCOMP continues to ramp volume and price action to the upside. We have been bullish here for a while and now its starting to work a bit so we will look for spots to press up linked ETFs. Oscillator work shows real potential. Its been hard to find any decent longs but this definitely qualifies as having legitimate potential.

Crude prices continue to trade in a tight line and our work suggests a big move is coming in the very near term. We are positioned bullishly and have been early in this trade but continue to believe the risk is to the upside we will be looking to press when breaking up or stop out should recent lows fail to hold.

We have seen some bull comments surrounding both the Baltic Dry and DRAMeX-change Indexes recently and while we certainly find it encouraging that some activity has returned to these spaces we would point out the longer term charts to our readers.

Our foray into TLT worked great for one day and stops were immediately elected yesterday. The level still seems appropriate to me but truth to tell I haven't traded bonds well in some time so Ill step aside for a bit here until the picture clears up.

SPX prices are testing the band of congestion ~840-855 and should be sold w stops versus +855 close. Should prices begin to build value and close above 855 we think a trip towards the top of the entire consolidation pattern is possible. We will reassess at that point.

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

SHCOMP ↑2107.749 +46.941
 At 02:15 Vol 151,785 Op 2068.086 Hi 2108.257 Lo 2067.786

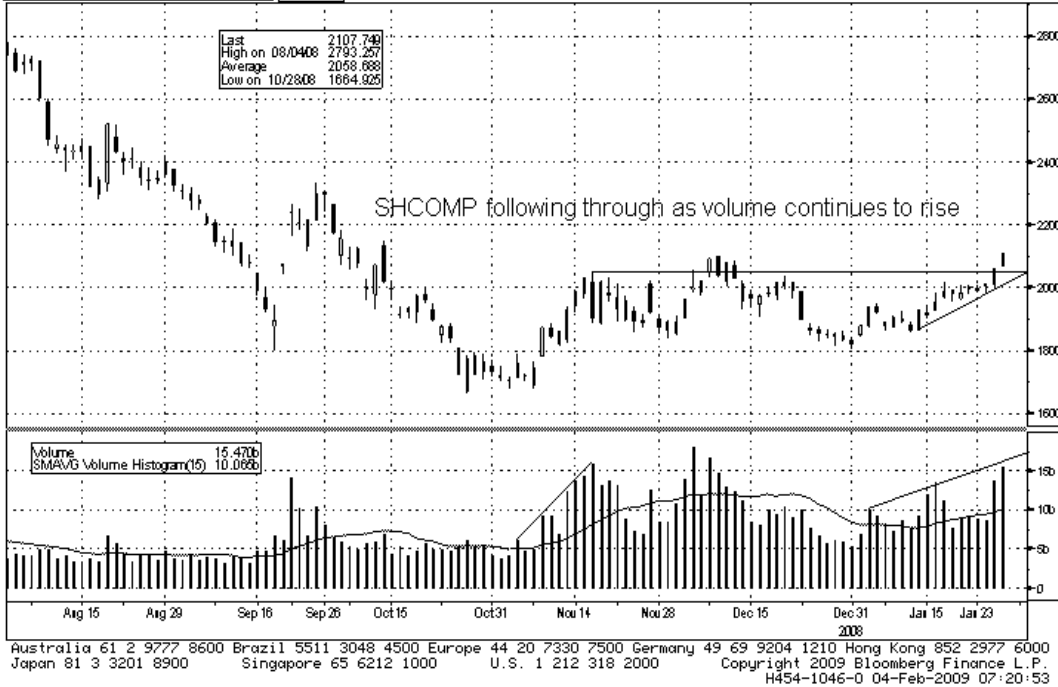
Index **GPC**

SHCOMP INDEX

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GPC - Candle Chart

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SHCOMP ↑2107.749 +46.941
 At 02:15 Vol 151,785 Op 2068.086 Hi 2108.257 Lo 2067.786

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SHCOMP ↑2107.749 +46.941 Index **MACD**
At 02:15 Vol 151,785 Op 2068.086 Hi 2108.257 Lo 2067.786

SHCOMP INDEX Show MACD - Moving Average Convergence/Divergence Page 1/19



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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Equity**MACD**

USO US \$ Market P 29.27/29.28 T 1x50 Vol 50,540 Prev 28.87

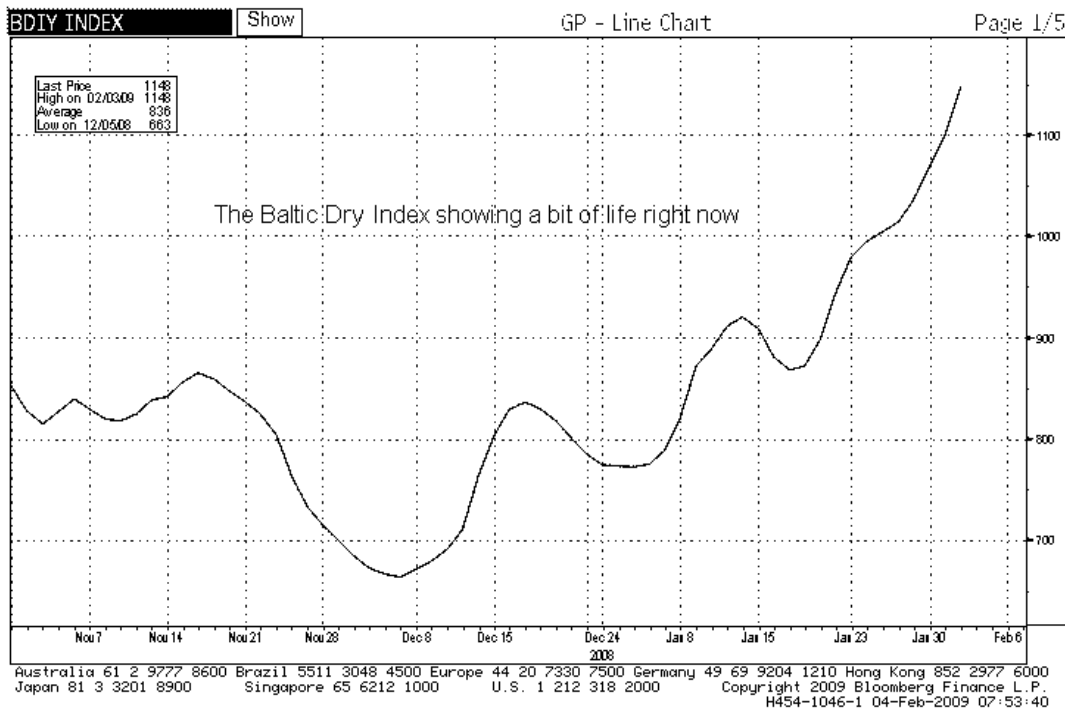
USO US EQUITY Show MACD - Moving Average Convergence/Divergence Page 1/11



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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BDIY 1148Y as of close 2/3

Msg:R.FRIEDLAND



BDIY 1148Y as of close 2/3

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DRAMDXI ↓2480.19 -1.87

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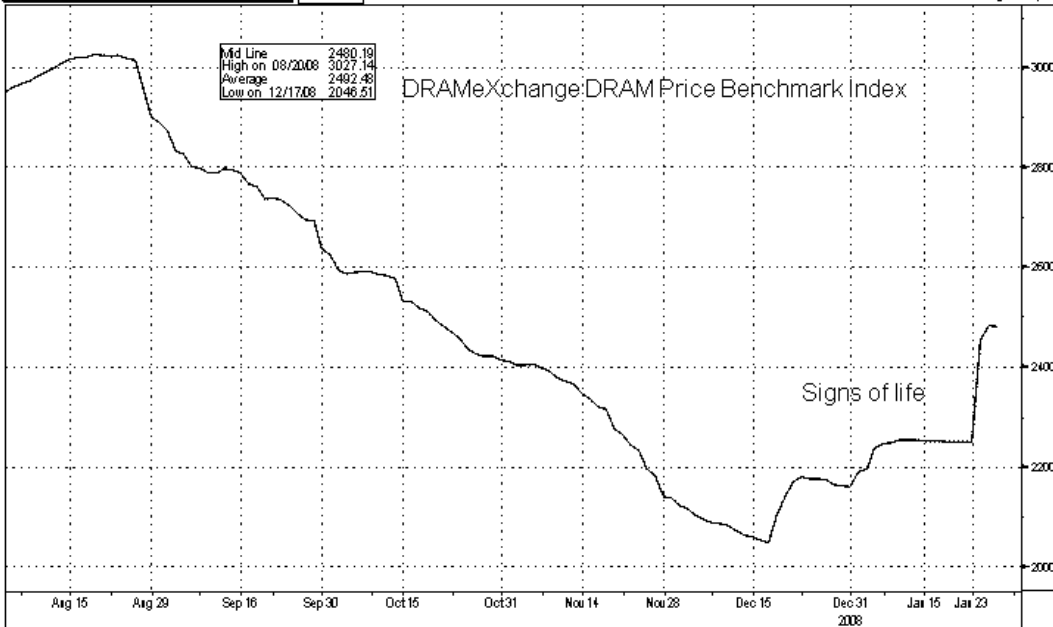
At 05:22 Op 2481.75 Hi 2481.75 Lo 2480.19

DRAMDXI INDEX

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GP - Line Chart

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Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
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DRAMDXI ↓2480.19 -1.87

Index GP

At 05:22 Op 2481.75 Hi 2481.75 Lo 2480.19

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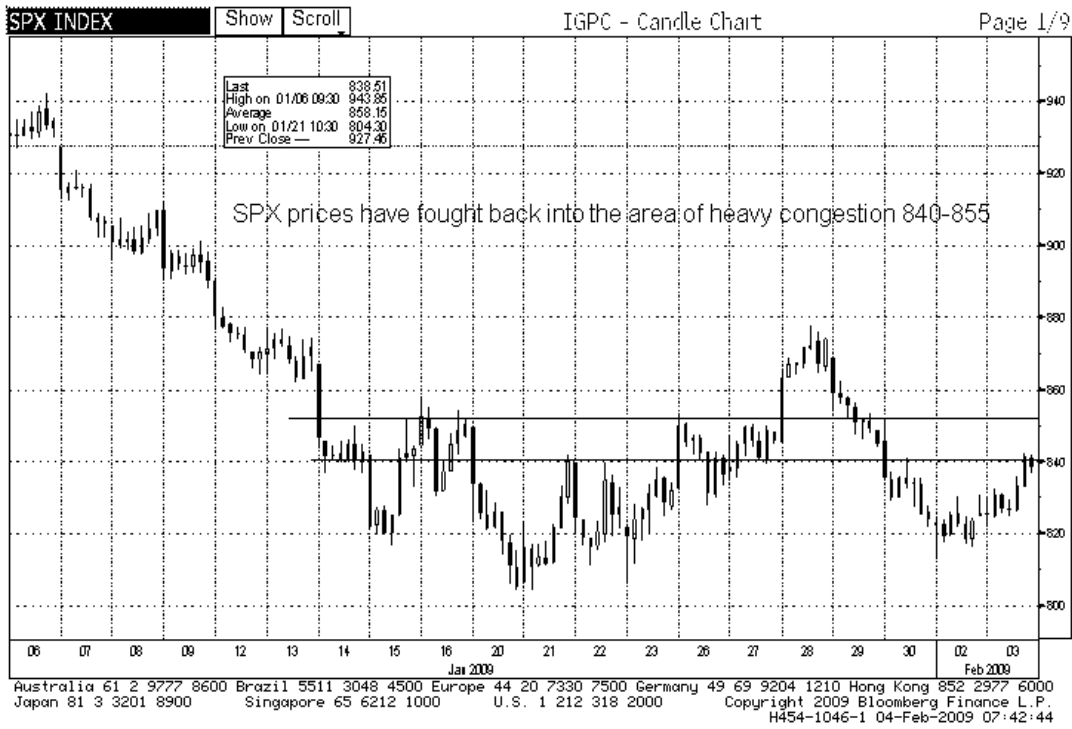
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Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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SPX 838.51Y as of close 2/3

Msg:R.FRIEDLAND



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