

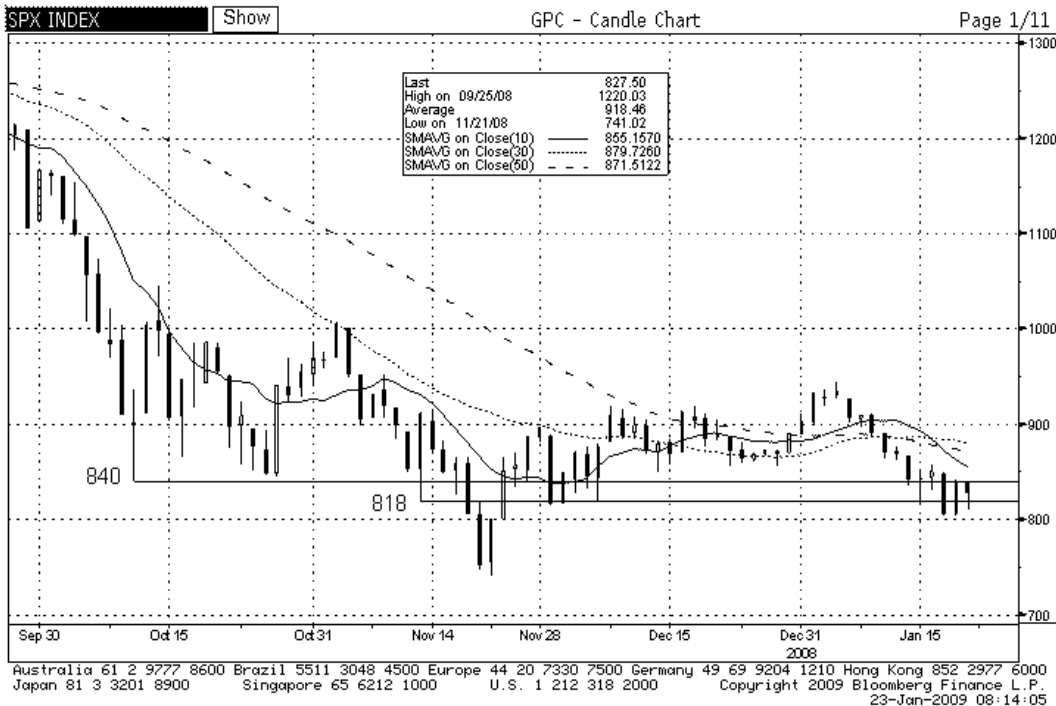
Morning Comments January 23, 2009

SPX prices are building resistance around 840 now this is a minor level currently but bears further watching to see if this level strengthens. The more important level is 855 from which prices broke down near the middle of the range that has prevailed since the post Nov 21 stabilization. We view the level from roughly 815-818 as the most critical level right now for the bulls to hold, we do not believe that the lows made on Nov 20 and 21 have any particular significance. What is significant is pushing the 10/10 buyer out of the money too far we note the 10/10 low at 840. We understand that the seller which can break the market right now is the buyer that stabilized the market in the October climax. Should these buyers be forced to admit that was the wrong price then they will liquidate in a final leg down. The more time that passes and volume builds below this level the greater the propensity to stop out.

The strong belief in aristocratic right that pervades corporate management truly knows no bounds in this country. A million dollar to redecorate one single office?!? While begging taxpayer money?!? Astounding. Truly astounding.

SPX 827.50Y as of close 1/22

Index GPC



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

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