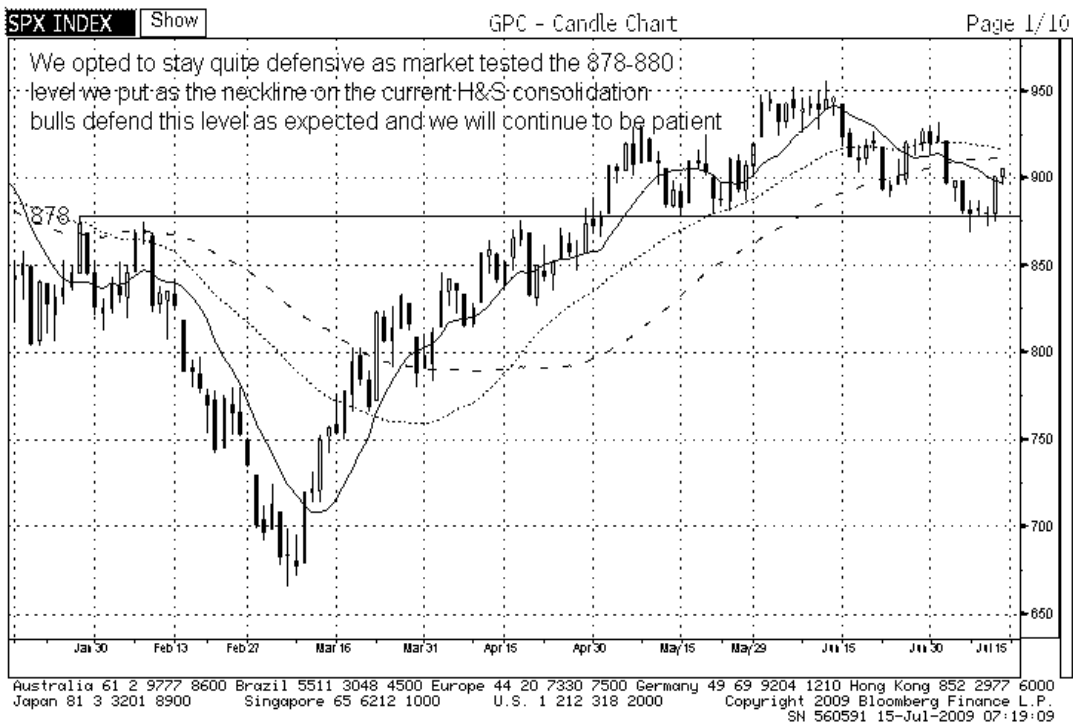


Morning Comments July 15, 2009

SPX prices have rallied predictably off the neckline of the current consolidation pattern around the 878-880 level coincident with a 200dMA that has been cradling prices nicely thus far as bulls defend their side of the trading range. We continue to sit with smaller commitments long big cap tech while hedged or mildly net short SPX and old bubble leaders. The hedge becomes more uncomfortable certainly when surpassing ~925 and pushing us out of the money and indeed prices building value and closing above this level will force us to rethink our position here. SHCOMP has been rising on heavy volume into what appears to be quite important economic figures out of China tonight and we are inclined to look for signs of recent increasing parabolic price activity as climactic. We continue to believe that deterioration in Asian risk markets is paramount to any real break in developed market prices. I am content to let these economic figures be released and digested before making any major policy changes. Ultimately the market is searching for resolution of whether continued government stimulus alone is worth investing in. Can government borrowing and spending bridge the gap to bona fide demand? I only know what the market tells me and that has yet to be revealed to this humble trader.

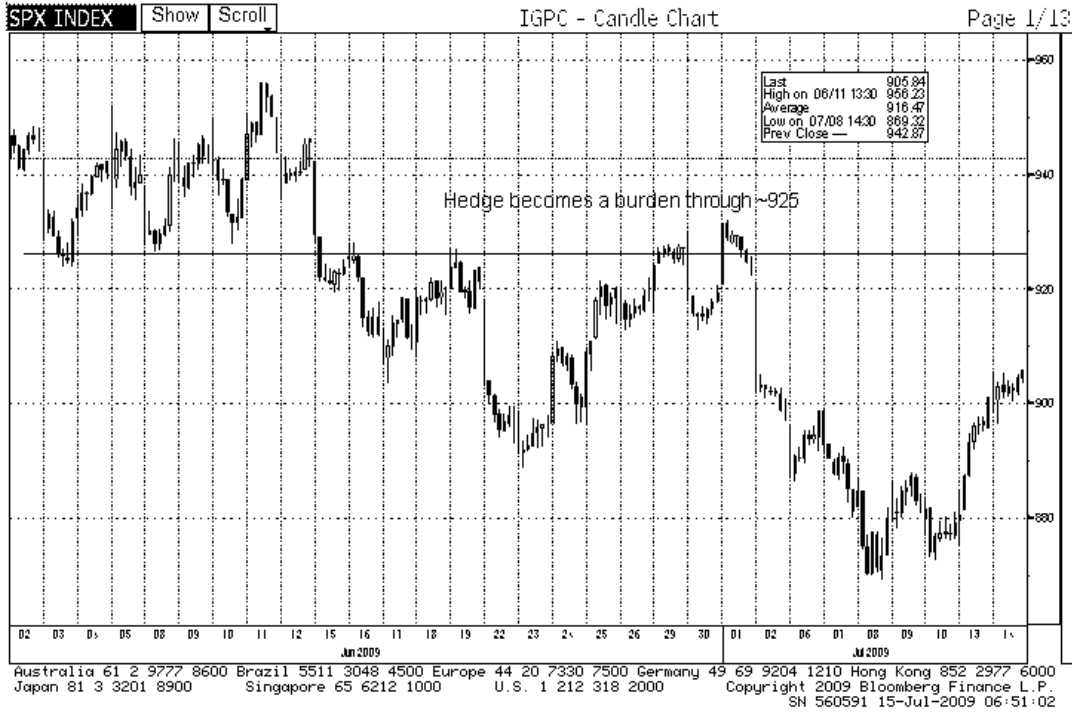
SPX 905.84Y as of close 7/14 Index GPC



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

SPX 905.84Y as of close 7/14

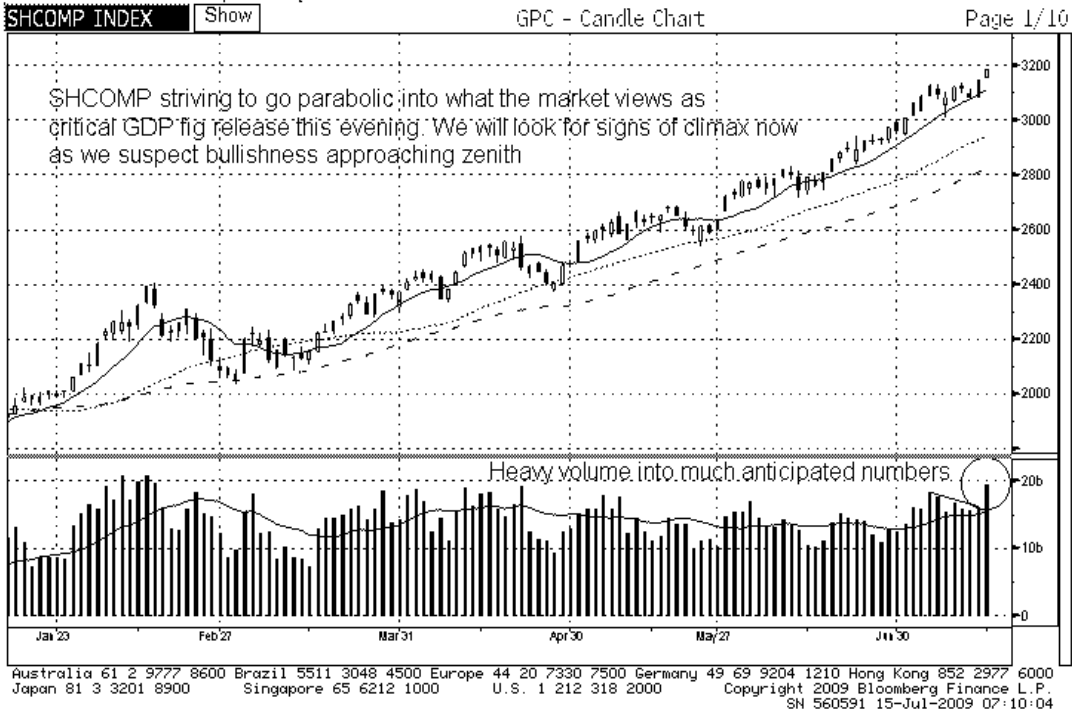
Index **IGPC**



SHCOMP ↑3188.551 +43.394

Index **GPC**

At 03:15 Vol 195,911 Op 3156.625 Hi 3188.910 Lo 3156.625



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