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Morning Comments March 12, 2009

BKX prices are showing some signs of wanting to snap the dominant downtrend line controlling prices for this most recent leg. The positive divergence and falling wedge favor a shift to neutral from bearish and things can improve quickly here. The market is clearly working up an opinion on who the real survivors will be. This needs a little bit more time and we will look for prices to try to turn up and show a higher low in the coming days after fading off this downtrend line immediately.

I will note again my opinion that the shares of bombed out asset managers are well worth your time investigating fundamentally. We see signs of early accumulation.

The rotational destruction in presumably safe and defensive areas of the market continues unabated and the PBM space is the latest to manifest this reality. The weekly charts of these names show plenty of room for further deterioration with the biggest PBMs still being propped up, we sell any material strength. We expect that the realities of near double digit unemployment and labor cost concessions will weigh on healthcare generally for years to come. The idea propagated on Wall St that healthcare demand is inelastic will be shown to be as foolish as peak oil.



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 Charts courtesy of Bloomberg Finance L.P.

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