

Morning Comments March 19, 2009

SPX prices have moved into an area of resistance characterized by the 50dMA, a downsloping trend-line as well as lateral resistance as defined by the bottom of the price structure. We continue to get short at current levels now using building value and closing above 805 to stop. The shockingly large moves in a number asset classes yesterday showed just how fast and illiquid this market can be. It also served to demonstrate that one is getting paid to be a step ahead if in need of any real size/liquidity as playing the momentum game meant you were too late there was nothing there to get when you needed it.

We wont fool around here if prices get through 805 because its just too dangerous with the bid in commodities so strong and currency angst swept away in an instant. On the bright side our high volume EPS gap up tech names are absolutely on fire on the long side and some excellent bases are beginning to emerge.



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 Charts courtesy of Bloomberg Finance L.P.

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