

## Morning Comments March 30, 2009

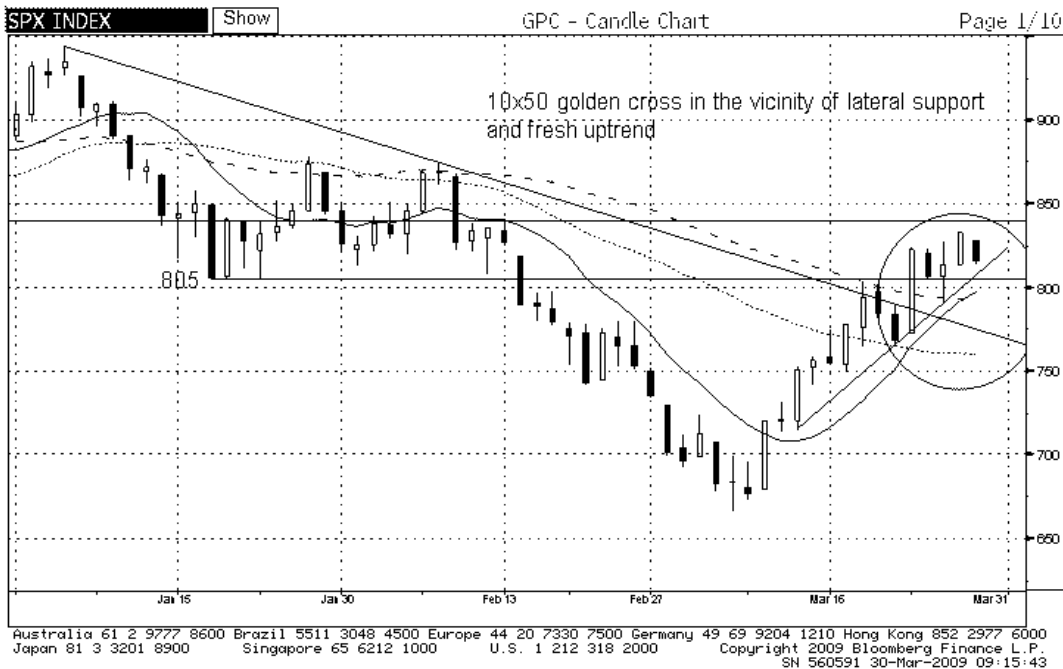
SPX prices reacted sharply when in the vicinity of the 10/10 climax lows as should be expected. Building value and closing above the ~805 level keeps prices up on the shelf closing a large bear trap and we are bullish in this context with stops underneath this pivotal level. Building value and closing below the SPX ~805 pivot level opens the door to ~770 initially. The calendar is volatile with quarter end and FASB mark to market rule changes being voted 4/2 on top of the G20 meeting this week.

All eyes are on the G20 meeting statements and we believe that retreating prices into this event are more bullish than not given the gravity of the situation. Central bankers and policy makers are nearly out of cards in our view and any mistake in communicating clearly with global investors here is ill advised. We believe this point is not wasted on G20 representatives thus our opinion that fading prices into the meeting are likely to be following a more bullish scenario. Reinvigorating shorts with poorly coordinated policy talk or outright gaff is potentially deadly and in no ones interest. Conversations with customers lead us to believe expectations for the meeting are low.

We will be watching DXY prices carefully now as the recent strength here has once again been indicative of risk aversion leading to weaker SPX prices and inverse correlation between the two remains robust year to date. DXY prices are moving back to an area which should supply buyers near the mid 86 level and this dovetails with our thinking on SPX prices fading into the G20 as a bullish scenario.

SPX 815.94Y as of close 3/27

Msg:R.LYONS



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

**DXY** ↑ **85.696** **+.558** Y /  
 At 9:05 Op 85.331 Hi 85.812 Lo 85.229 Prev 85.138

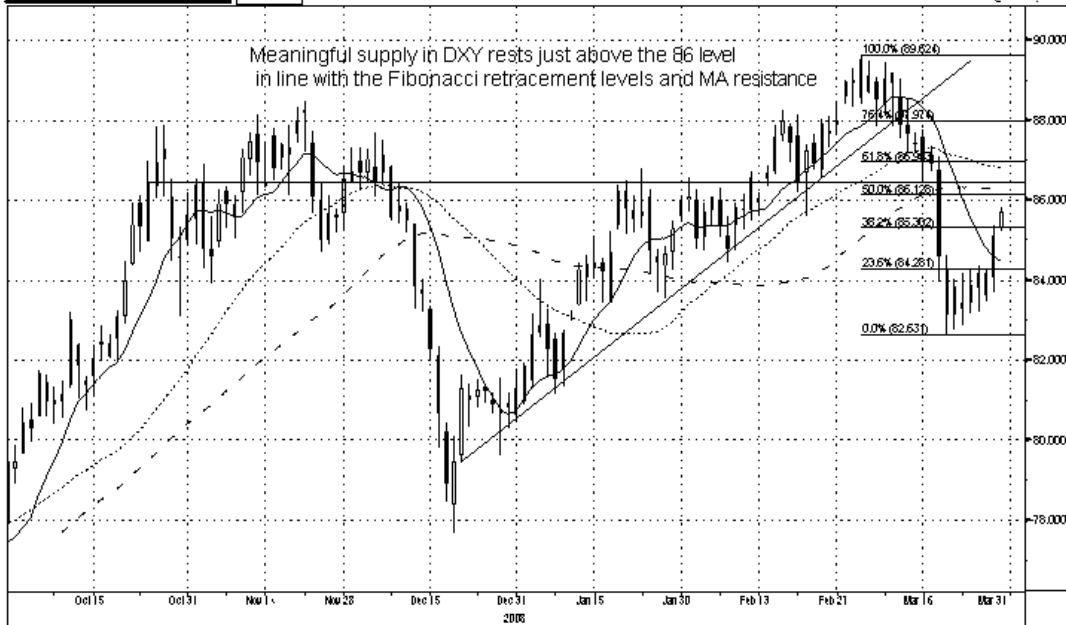
Msg:R.LYONS

**DXY CURRENCY**

Show

GPC - Candle Chart

Page 1/10



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.  
 SN 560591 30-Mar-2009 09:06:00

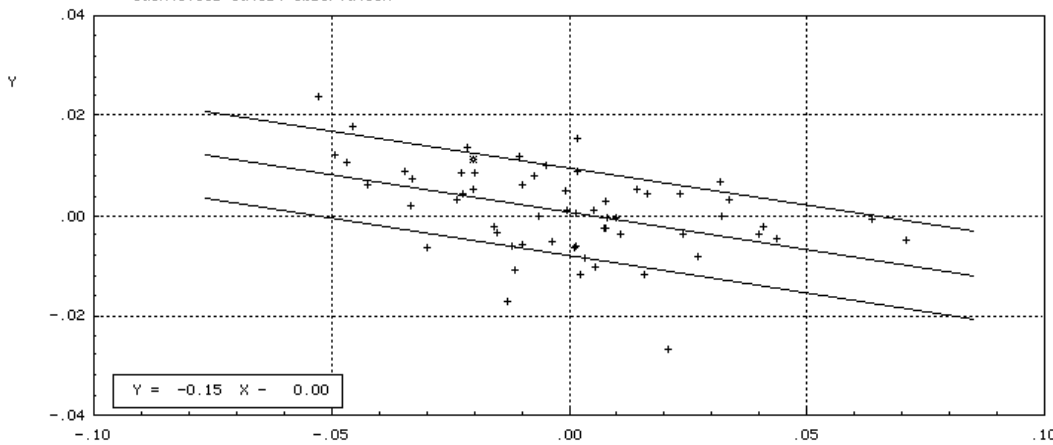
<HELP> for explanation.

Equity**MRA**

<PAGE> for historical data, <MENU> to Update Matrix.

<b>HISTORICAL</b>		Name :DXY/SPX		Page 1of 5	
<b>REGRESSION ANALYSIS</b>		Set # 2			
RANGE	12/31/08 TO 3/27/09	Correlation	R2	Standard Error	Observations
PERIOD	D (D-W-M-Q-Y)	-0.44723	0.20002	0.00796	60
Y =	DXY -- DOLLAR INDEXUSD	Slope	Intercept	t-Test	Coefficient Error
X =	SPX -- S&P 500 INDEUSD	-0.14967	0.00072	-3.80811	0.03930

\*Identifies latest observation



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.  
 SN 560591 30-Mar-2009 09:06:40

---

### Important Disclosures

**Analyst Certification** - The author certifies that this research report accurately states his/her personal views about the subject securities, which are reflected in the substance of this report. The author certifies that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. The research provided in this report is based on technical analysis provided by Bay Crest Partners LLC. Technical analysis is the study of price and volume and the interpretation of trading patterns associated with such studies in an attempt to project future price movements. The investments discussed in this report may not be suitable for all investors. Investors should use technical analysis as one input into formulating an investment opinion.

### Potential Conflicts of Interest

Analysts employed by Bay Crest Partners LLC are compensated from revenues generated by the firm. Bay Crest Partners LLC generally prohibits any research analyst and any member of his or her household from executing trades in the securities of a company that such research analyst covers. Additionally, Bay Crest Partners LLC generally prohibits any research analyst from serving as an officer, director or advisory board member of a company that such analyst covers.

### Company Specific Disclosures

Bay Crest Partners LLC does not expect to receive or intend to seek compensation for investment banking services from any or all companies listed.

### Additional Information

Please write to Bay Crest Partners LLC 40 Wall Street, 45th Floor, New York, NY 10005 Attention: Compliance Department.

### Other Disclosures

This report is issued and approved by Bay Crest Partners LLC, a registered member of NYSE, FINRA, ARCA, ISE, NASDAQ, NFA. This report does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account the investment objectives, financial situation or specific needs of any particular client of Bay Crest Partners LLC. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein, if any, as a substitution for the exercise of independent judgment of the merits and risks of investments. The analyst writing the report is not a person or company with actual, implied or apparent authority to act on behalf of any issuer mentioned in the report. Before making an investment decision with respect to any security recommended in this report, the recipient should consider whether such recommendation is appropriate given the recipient's particular investment needs, objectives and financial circumstances.

---

We recommend that investors independently evaluate particular investments and strategies. Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report. The price of the securities mentioned in this report and the income they produce may fluctuate and/or be adversely affected by exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Bay Crest Partners LLC accepts no liability for any loss arising from the use of information contained in this report. All information, opinions and statistical data contained in this report were obtained or derived from public sources believed to be reliable, but Bay Crest Partners LLC does not represent that any such information, opinion or statistical data is accurate or complete, and they should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change without notice. Nothing in this report constitutes legal, accounting or tax advice. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice on the tax consequences of investments. This report may provide addresses of, or contain hyperlinks to, Internet web sites. Bay Crest Partners LLC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

This report or any portion hereof may not be reprinted, sold, or redistributed without the written consent of Bay Crest Partners LLC.