

Morning Comments March 15, 2010

TWSE Sinking Semis?

Today I would like to update my position on some of the industrial semi names we have had on. The exceptionally poor market action we have been seeing in TWSE is a major precipitator of today's call. Although I always strive to evaluate each issue on its own technical and fundamental merits, I feel strongly that the action in the Taiwan equity markets bears witness to elevated risk in the semi space in general. The clear lagging nature of the TWSE index and many of the individual semi names has now made the longs that I recommended untenable. Today I will close out long recommendations in ADI, LLTC, and NSM while maintaining the long in ALTR, the only real winner of these four picks. Traders can consider getting short TWSE using the 50dMA as a stop in the same fashion as we have recently spoken about in SPX. Although the strategy failed in the SPX, that does not preclude it from working here.



Notice how easily TWSE daily MACD broke down through the zero line, which had supported prices for many months. Prices have rebounded now to test the broken 50dMA, which had guided prices perfectly throughout the June – January advance, and are now rolling even as MACD retests the zero line from below. The technical condition of this market is showing a dramatic rise in risk levels overall.

Technical Analysis & Strategy

ADI US \$ C **28.98** -.19 N 28.99/28.99 12x78 Equity**MACD**
 As of Mar12 Vol 3,475,398 Op 29.31 T Hi 29.51 Z Lo 28.95 N

ADI US EQUITY **Advanced** **Show** Moving Avg Conv/Div Page 1/19



ADI US \$ C **28.98** -.19 N 28.99/28.99 12x78 Equity**GPC**
 As of Mar12 Vol 3,475,398 Op 29.31 T Hi 29.51 Z Lo 28.95 N

ADI US EQUITY **Advanced** **Show** GPC - Candle Chart Page 1/30



Technical Analysis & Strategy

LLTC US \$ C **27.60** **-.08** Q **↑27.59/27.60** 55x26 EquityGPC
 As of Mar12 Vol 2,943,941 Op 27.69 Q Hi 27.79 P Lo 27.44 B

LLTC US EQUITY Advanced Show GPC - Candle Chart Page 1/19



NSM US \$ C **14.38** **+.04** N 14.35/14.35 686x17 EquityGPC
 As of Mar12 Vol 21,356,613 Op 14.64 T Hi 14.65 T Lo 14.28 D

NSM US EQUITY Advanced Show GPC - Candle Chart Page 1/19



Technical Analysis & Strategy

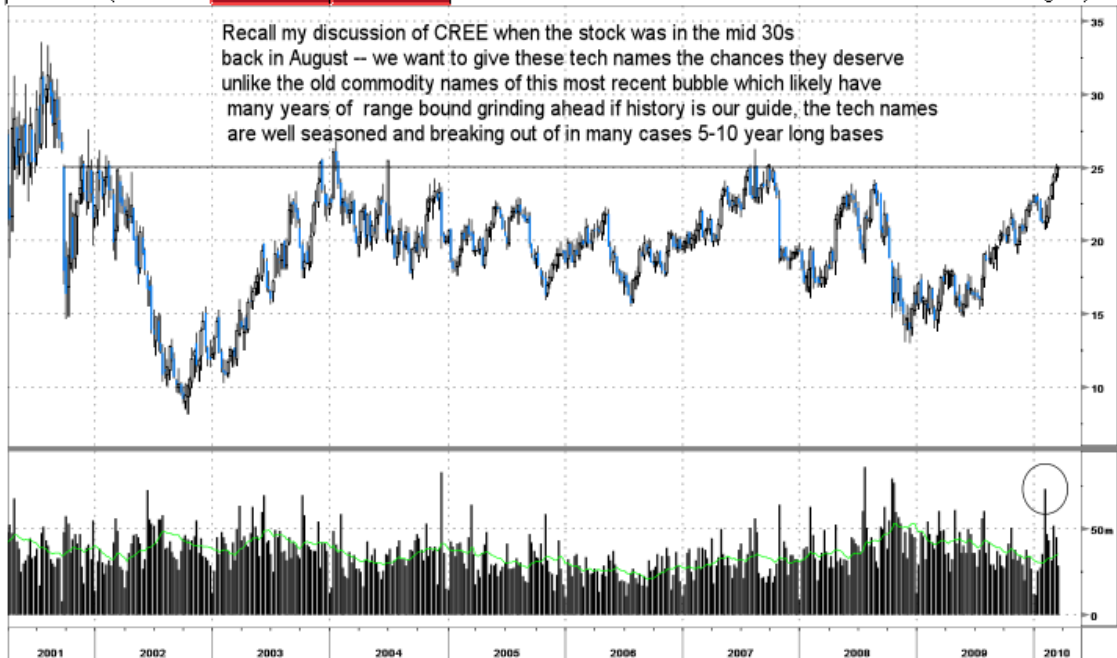
ALTR US \$ C **24.99** +.06 Q ↓24.97/24.99 69x77 EquityGPC
 As of Mar12 Vol 4,396,718 Op 24.94 Q Hi 25.06 Q Lo 24.80 Q

ALTR US EQUITY Advanced Show GPC - Candle Chart Page 1/19



ALTR US \$ C **24.99** +.06 Q ↓24.97/24.99 69x77 EquityGPC
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ALTR US EQUITY Advanced Show GPC - Candle Chart Page 1/38



Technical Analysis & Strategy

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