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Morning Comments
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XOM Breakout

A couple of weeks back we talked about XOM and I wanted to freshen that up this morning as prices broke out on the weekly chart last week (The 9/23 note is attached for reference). There was an initial shake out to the downside on the daily chart, but the strength in the sector was too compelling and prices have now broken above a clear and well defined downtrend. We think prices are set to test lateral resistance which resides just above 80 in line with Fibonacci resistance. Therefore, we will be using any weakness towards the 70 level to accumulate shares but not a full position until after EPS have been released. Obviously XOM going to 80+ would have bullish implications for the market and we continue to think the stock will provide us with important timing information.

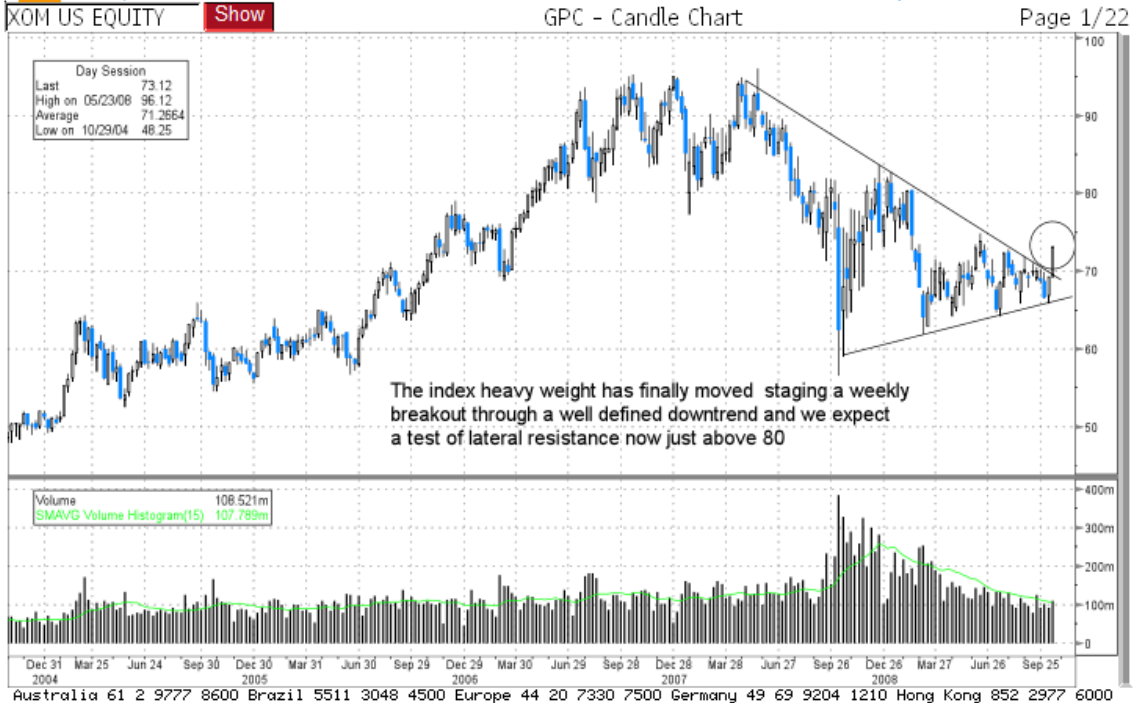
Also I have that long DFI trade on with GD and NOC long. BA reports Wednesday and I think it will likely have a heavy hand in deciding the fate of this trade as it bends easily to the shape of the DFI - FYI if you have participated with me.



Technical Analysis & Strategy

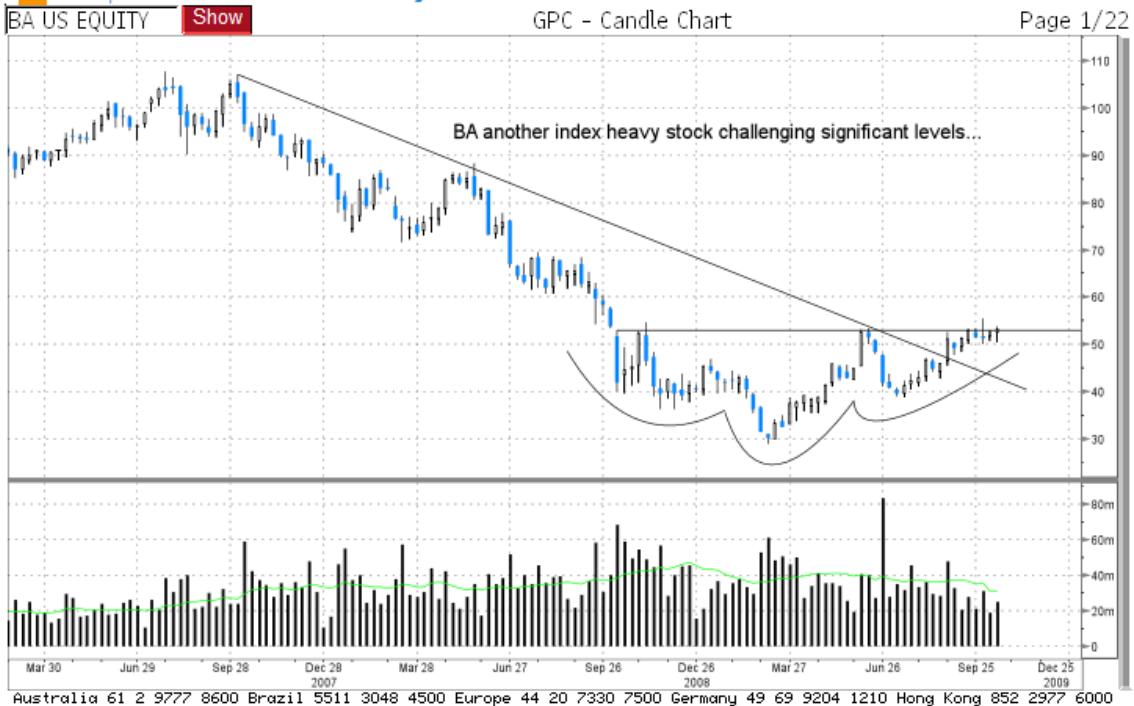
EquityGPC

XOM US \$ Market P 73.1800/73.3500 T 1x3 Vol 4,140 Prev 73.12



EquityGPC

BA US \$ Market P 53.19/53.29 P 1x1 Vol 300 Prev 53.19



Technical Analysis & Strategy

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