

Charts to Friday 28th December

AIQ's **Chart Profit** eBook

Market Charts, Major ETFs

Market Sentiment Analysis



www.aiqsystems.com

www.chartprofitwebcast.com

terms of service

Stock Market Summary

from eBook 16th November: >>You can see from the Sentiment Indicators that there was a sharp increase in Bearishness last week. Not to an extreme level of pessimism that would strongly suggest limited downside but a big increase in fear nonetheless. By most measures the market is oversold and we are entering a bullish period within the decade cycle. Those are the positives but the negatives still outweigh them. Namely breadth is not supportive and Price location is weak. Both of these would need to improve significantly before I could consider the long side. ES Analysis: Significant Buying was marked on Friday which is the first Significant Buying marked since 15th Oct. New short trades are now eliminated for me at least until Significant Selling is marked again but price location here is too weak for me to consider new longs - I would need to see Significant Buying marked above 1397 for that.<<

from eBook 23rd November: >>The level of measurable pessimism reached at the June price low wasn't exceeded at the time of the recent price low. Indicators based on the AII and Investors Intelligence polls, the ISEE (Equity only) and Rydex data came close but didn't quite make it. Frustrating because a test like this is often seen at market lows that stay established. The rally last week has taken ES and Large Cap indices up to the 1/2 retracement levels off the September high but these levels have, so far, not been exceeded. With breadth indicators not yet supportive and Bonds (TLT) and Dollar Index charts at Support we should wait for a clearer picture. We enter a bullish period in the decade cycle so hopefully the negatives will fall away. Improved technicals would include Significant Buying marked above ES 1408 (poc) and %Stocks>50dyma numbers getting back above 50 for Nyse and Nasdaq. Once again, Significant Selling marked below ES 1397 would be the obvious negative.<<

from eBook 7th December:>>As discussed in the webcast on Friday the analysis is suggesting an unclear picture although in the ST the Bulls may have a slight edge. Sentiment indicators are also not giving much guidance. The majority of major charts are printing close to Key levels so an analysis of strength/weakness based on Price Location could change quickly. I'm looking for things to line up a little better here. QQQ and EURUSD could be KEY charts this week.<<

from eBook 14th December:>>Breadth is supportive (could change quickly). Dollar and bonds (TLT) are currently in weak price location which should be supportive for equities. ES: Sellers were active but in the longer timeframe their activity can be called Responsive as it took place above the maj poc at 1406 with price action generally higher than the previous week and last week's low only probing First Level Support (1413) on Friday. For now I will assume this is corrective price action unless Effective Selling is marked below 1406 which would have negative implications for the longer timeframe. Daily Momentum (price osc) turned down for the majority of stock indices/ETFs.<<

from eBook 21st December:>>More Bulls emerged in the Sentiment readings. AII, NAAIM and OCC Calls%_10dyma particularly indicated that optimism has been increasing fast. Breadth is supportive (could change quickly) and the Dollar and Bonds ETFs are currently in a weak price location which should be supportive for equities....Bulls would want to see ES holding 1406 (see below).<<

w/e 21st Dec we saw an increase in bullish sentiment and last week this continued with lipperusfundflows reporting Equity Fund inflows of \$3 billion and particularly the NAAIM number which showed the money managers indicator reaching a bullish extreme. SPY Closed below Mon-Wed Hi-Lo Range which indicates Sellers Active (and effective) on the weekly timeframe. Of the four major stock index ETFs only IWM finished the week in a strong price location highlighting its current relative strength. ES closed very weak. Breadth deteriorated. A news driven market. Emphasis should be on price location and this has weakened (see below). SPY Closed below Mon-Wed Hi-Lo Range which indicates Sellers Active (and effective) on the weekly timeframe.

***** PRICE PERFORMANCE / LOCATION

Weaker. Of the four major stock index ETFs only IWM finished the week in a strong price location highlighting its current relative strength. Last week's decline brings the 1/2R off November low into play for SPY and DIA (see charts). QQQ is relatively the weakest.

ES analysis: On Friday I marked Responsive (red-at-top) and Aggressive (red-at-bottom) Selling. This was not Effective Selling as the session generated an "inside Value Area". Never-the-less the sharp sell-off to the Close emphasises the fragility in the market. With ES printing below its major poc (1406) the market is subject to further weakness. New long trades have been eliminated for me since Open on 20th December and only Buyers marked above ES 1406 would have me considering the long side at current levels.

***** BREADTH

Chartprofit Market Timing System turned neutral for Nyse (from positive); turned negative for Nasdaq (from positive) and remained positive for UK.

%Stocks>50dyma numbers: Nyse 59% and Nasdaq 53%. UK 77%. US numbers fell but held above 50%. Numbers >50 are supportive.

***** SENTIMENT

Consensus Polls:

12/28: AAI (public poll) reported Bulls% lower at 44.4% from previous week's 46.4% which was the highest since w/e 10th February.

Bears% was up at 30.2% from previous week's 24.8% which was the lowest since w/e 10th February.

12/28: Investor's Intelligence Bulls% was higher for the fifth week running at 48.9% which is a thirteen week high. Bears% was unchanged at 24.5%. The nett (Bulls - Bears) at 24.4 is a thirteen week high.

12/28: Market Vane (advisers) poll was lower at 63 (from 66).

12/28: The NAAIM number (a measurement of average current equity exposure among active money managers) at 88.1 is an extreme reading, being the highest since 2007. Looks like money managers are "all in". This is a contrarian indicator and is therefore a warning sign.

Mutual Fund Flow:

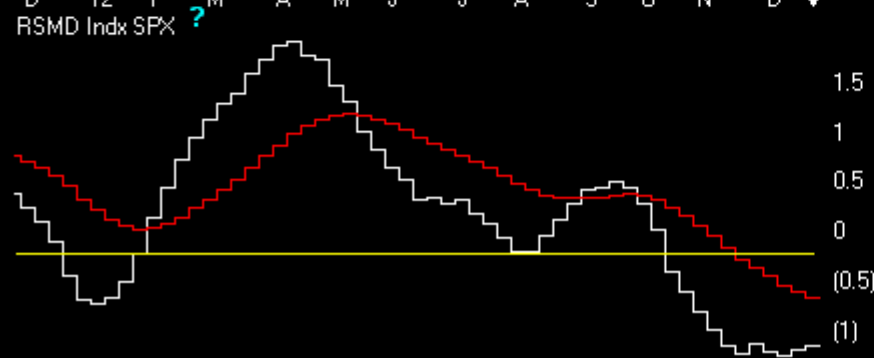
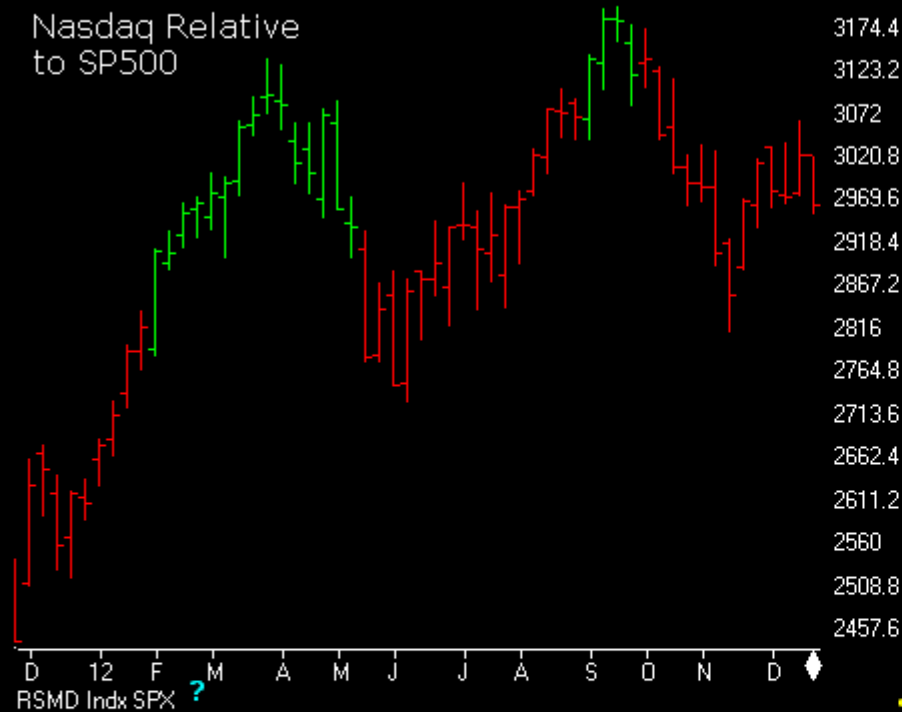
12/28: My version of the Rydex Assets Ratio ended the week at 3.55. This is not a useful number at the moment. However we do know that both Bear Fund Assets and Bull Fund Assets are low indicating low conviction from the retail trader (fear?). Contrast this with the NAAIM number above.

12/28: lipperusfundflows reported Equity Fund inflows of \$3 billion in the week to 26th December

12/28: lipperusfundflows ex ETFs reported Equity Fund inflows of \$508 mil in the week to 26th December. (Previous week's 4week Flow number was the lowest since December 2011.)

NASDAQ COMPOSITE (Weekly)

Nasdaq Relative to SP500



ChartProfit Breadth System - wk ending 12/28

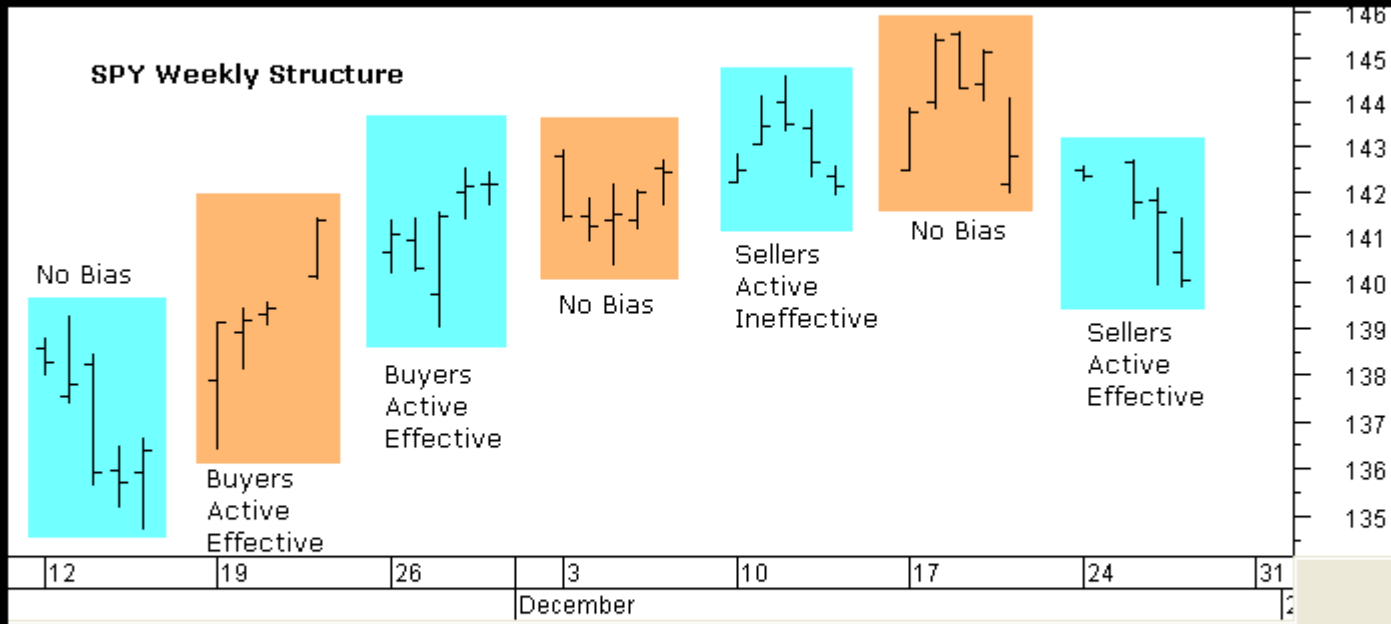
	-5	-4	-3	-2	-1	↓
NYSE	46	56	62	58	74	59
NasDaq	35	46	45	49	64	53
SP500	48	56	65	63	74	54
ND100	46	60	60	66	75	59
R2000	36	49	52	65	71	60
UK	53	67	72	74	76	77

number = % stocks >50day ma

Relative to SPX wk ending 12/28

	-5	-4	-3	-2	-1	↓
NasDaq Comp	■	■	■	■	■	■
NasDaq 100	■	■	■	■	■	■
SOX	■	■	■	■	■	■
Russell 2000	■	■	■	■	■	■

SPY Weekly Structure

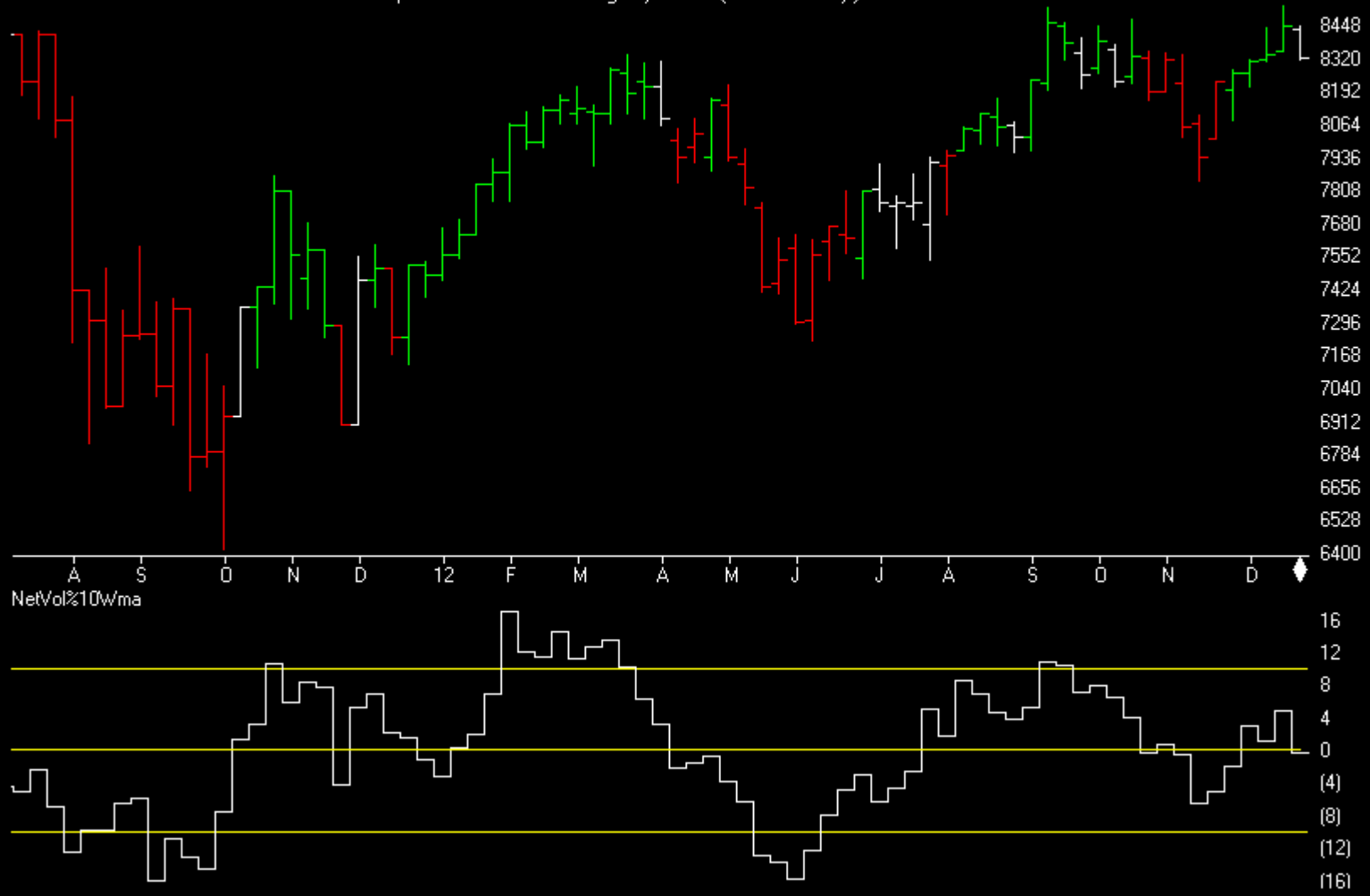




Market Charts

Charts by AIQ TradingExpert

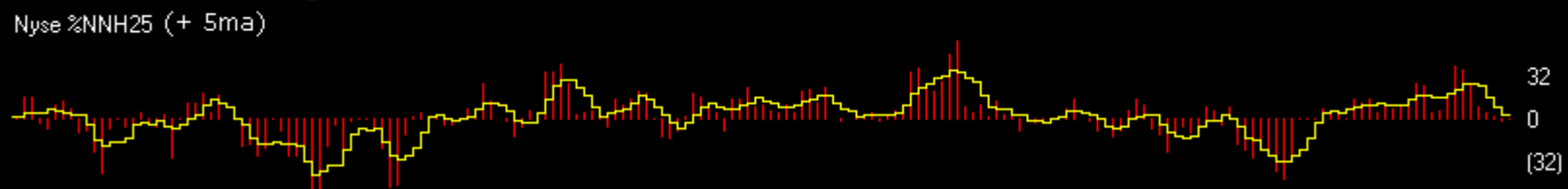
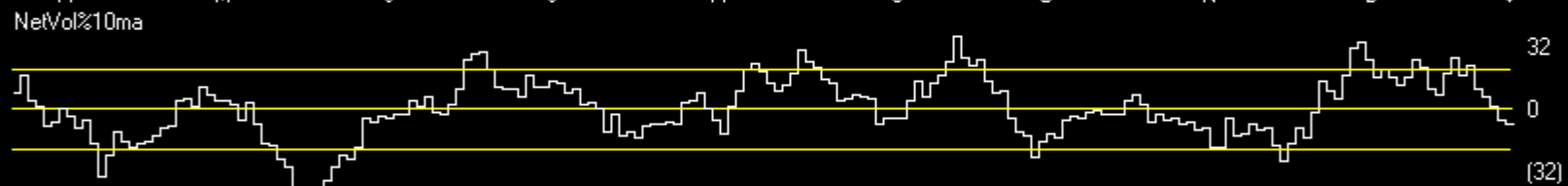
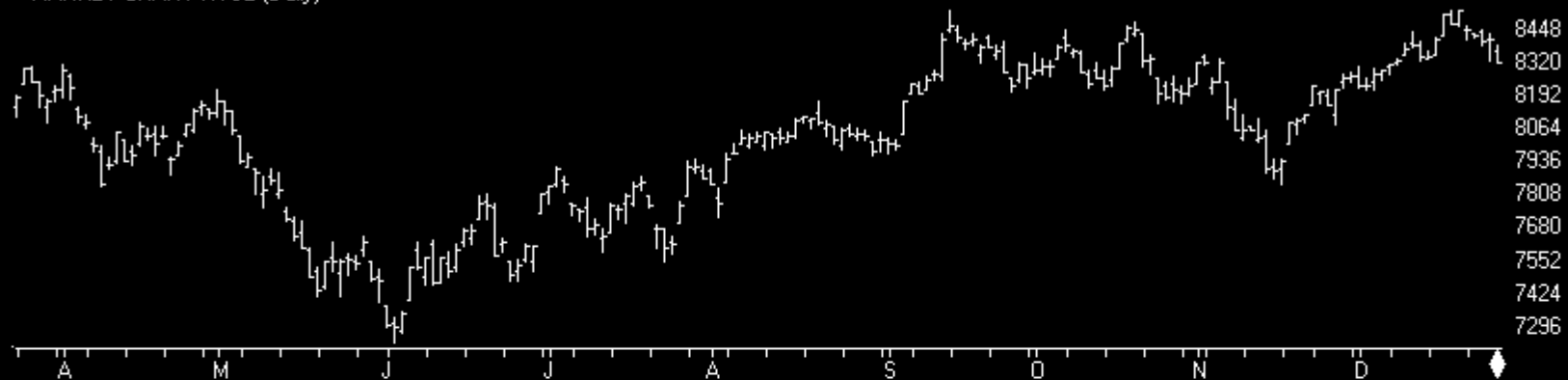
MARKET CHART NYSE (Weekly) + Chartprofit Market Timing System (color study)



Market Charts

Charts by AIQ TradingExpert

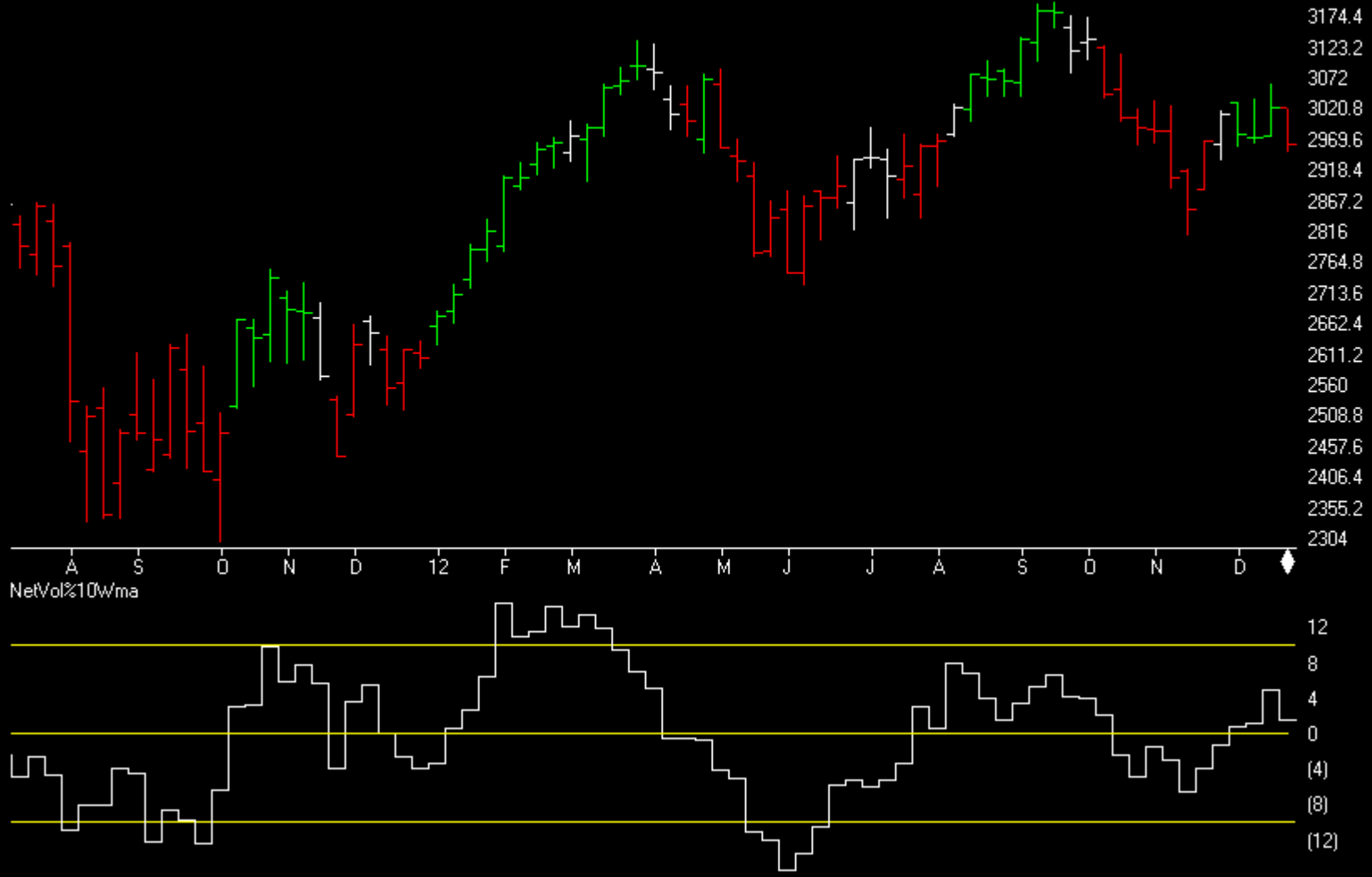
MARKET CHART NYSE (Daily)



Market Charts

Charts by AIQ TradingExpert

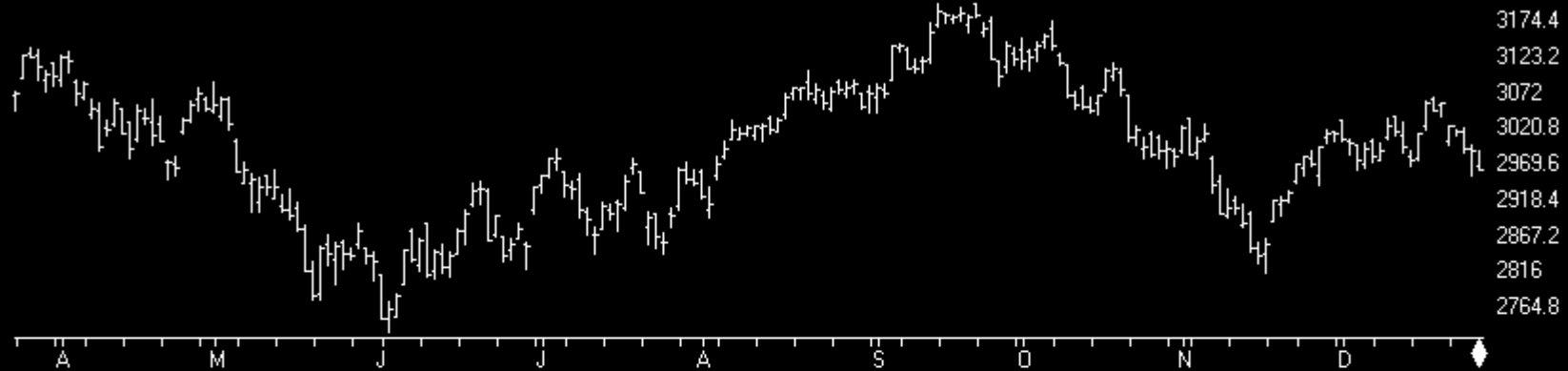
MARKET CHART NASDAQ 1800 (Weekly) + Chartprofit Market Timing System (color study)



Market Charts

Charts by AIQ TradingExpert

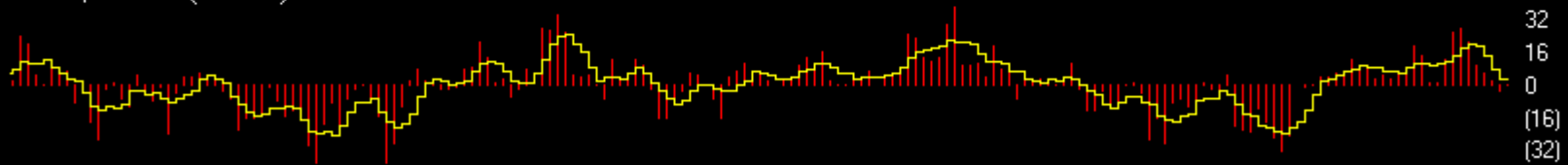
MARKET CHART NASDAQ 1800 (Daily)



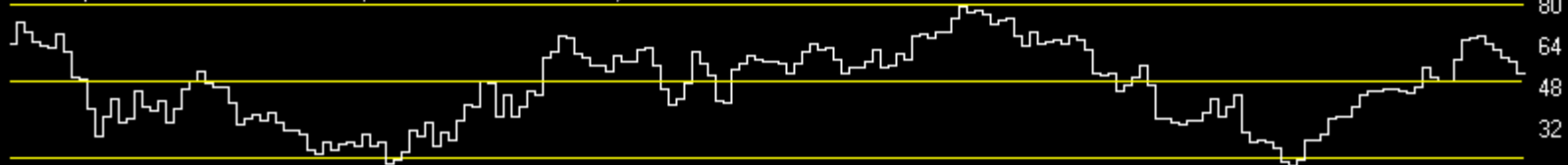
NetVol%10ma



Nasdaq %NNH25 (+ 5ma)



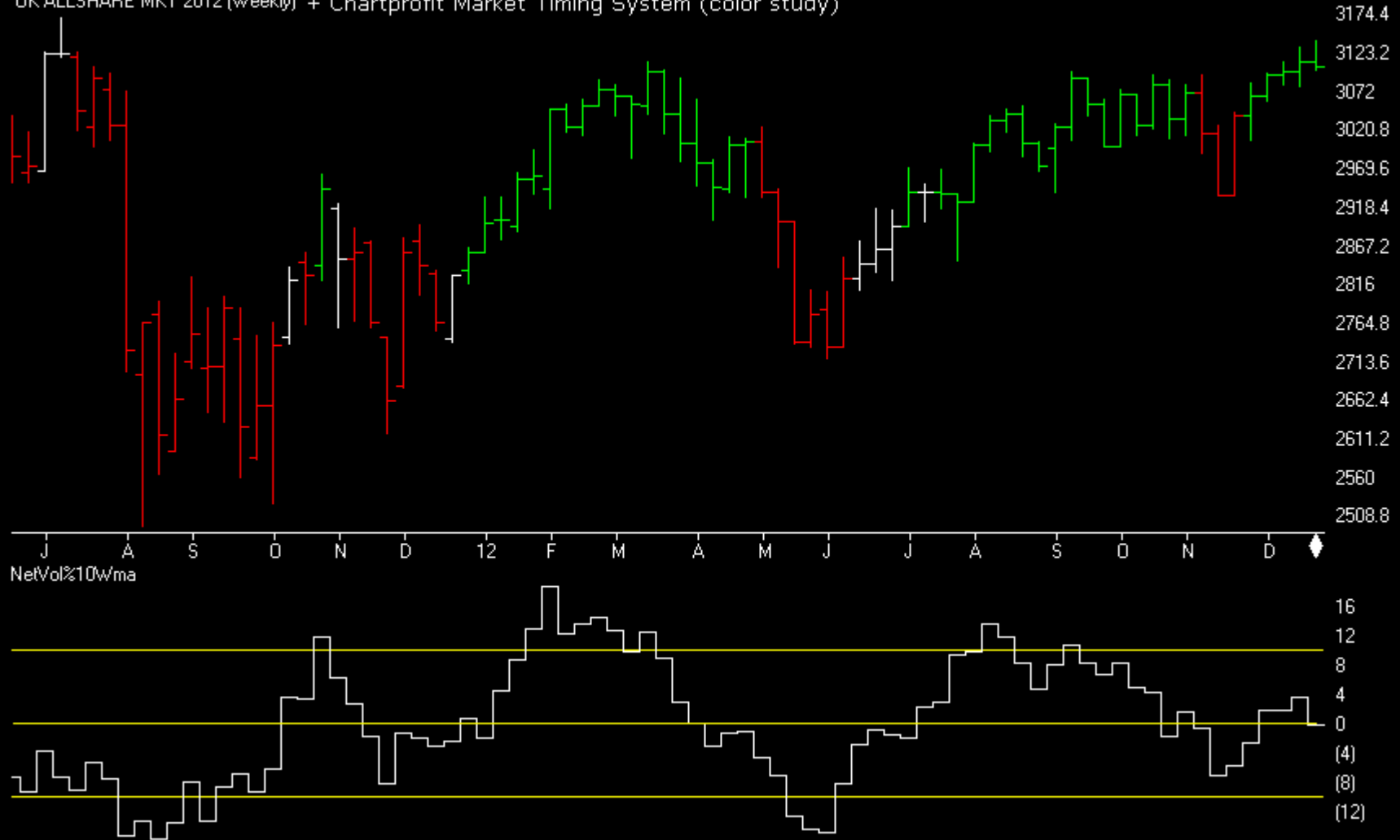
Nasdaq Bullish% *bullish % shows percent stocks > 50day ma*



Market Charts

Charts by AIQ TradingExpert

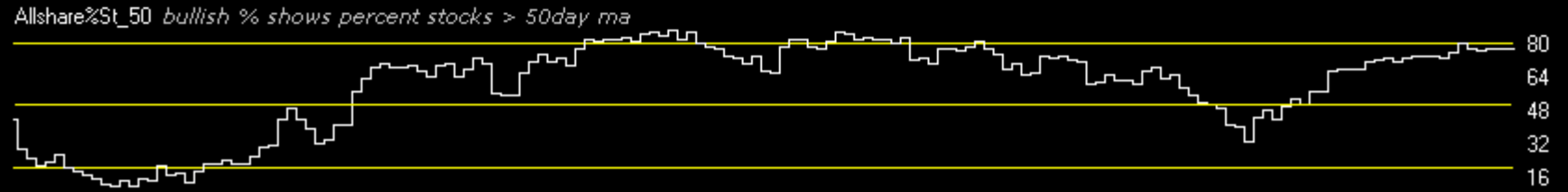
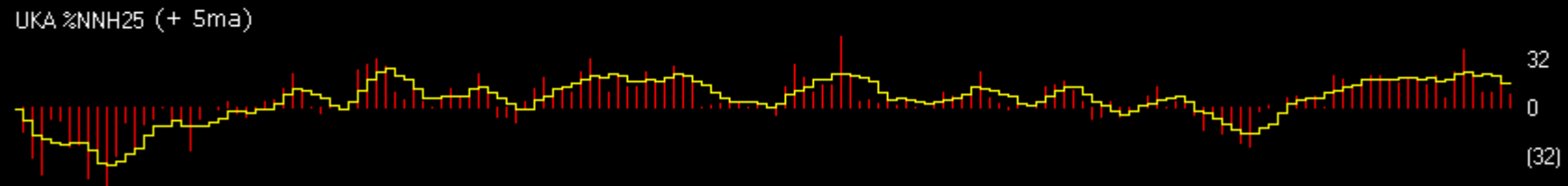
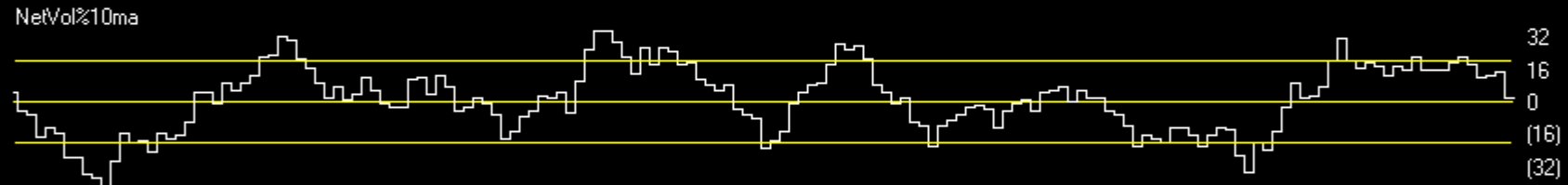
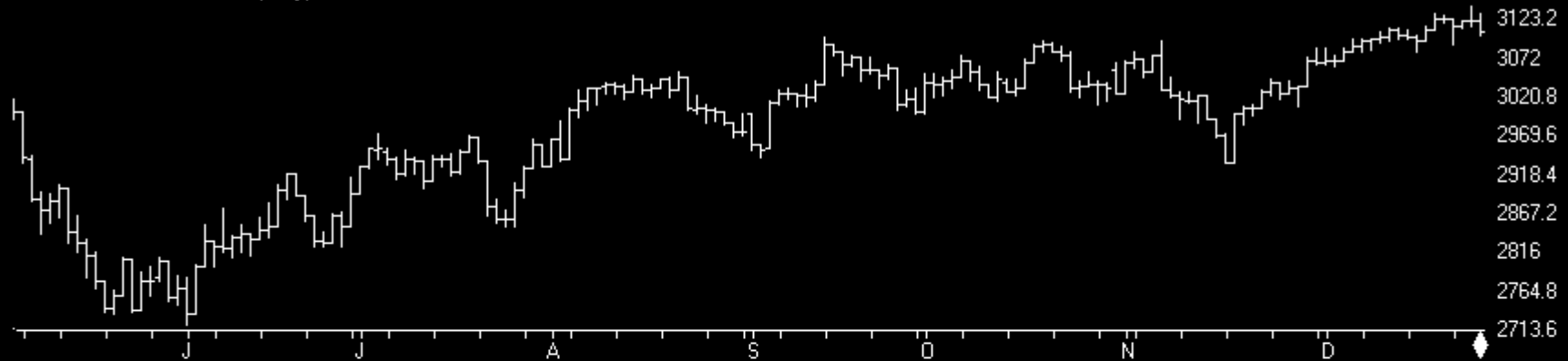
UK ALLSHARE MKT 2012 (Weekly) + Chartprofit Market Timing System (color study)



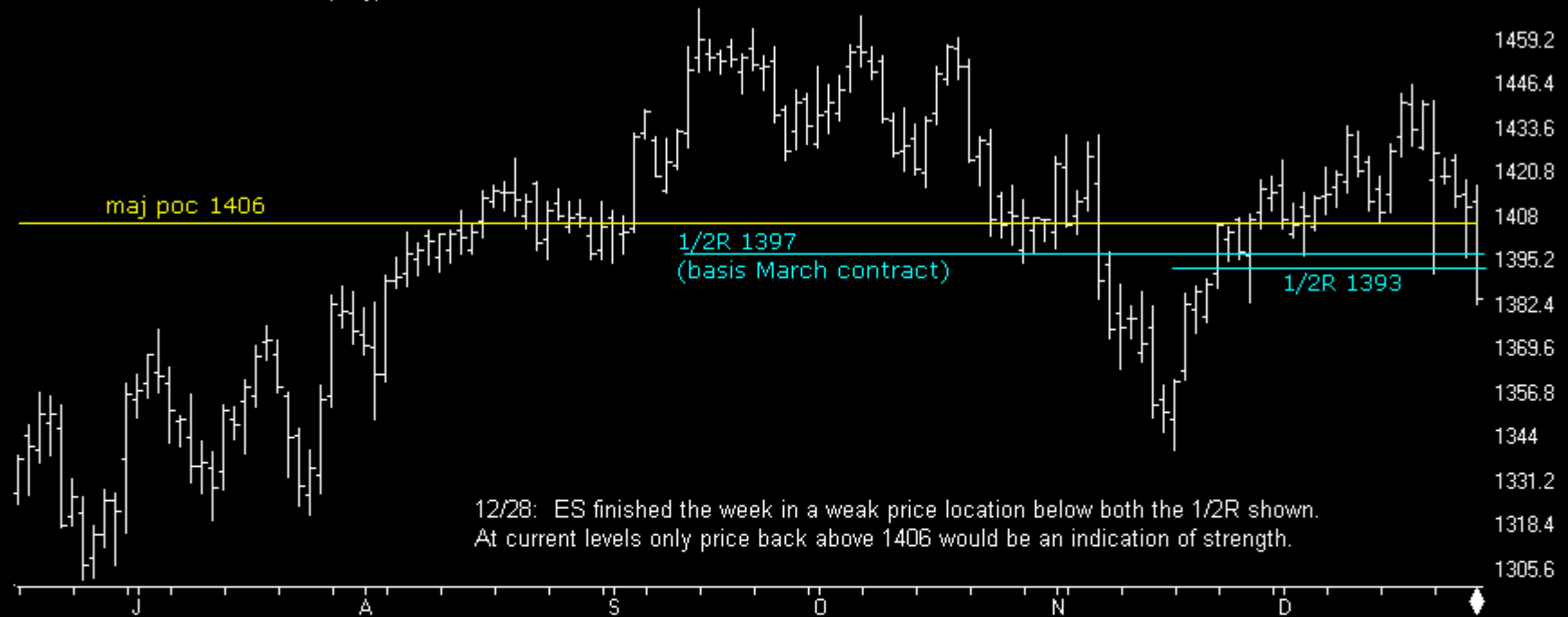
Market Charts

Charts by AIQ TradingExpert

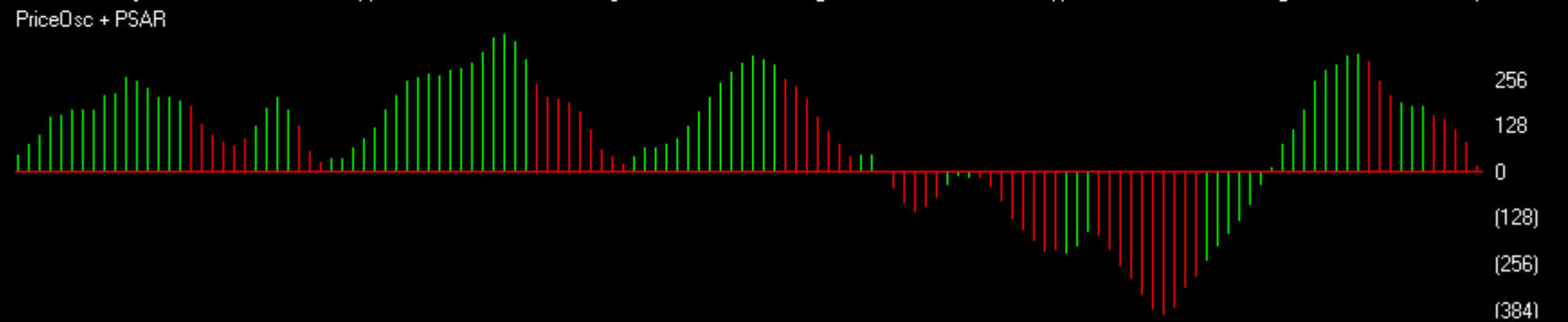
UK ALLSHARE MKT 2012 (Daily)



E-MINI S&P NEAREST FUTURES (Daily)



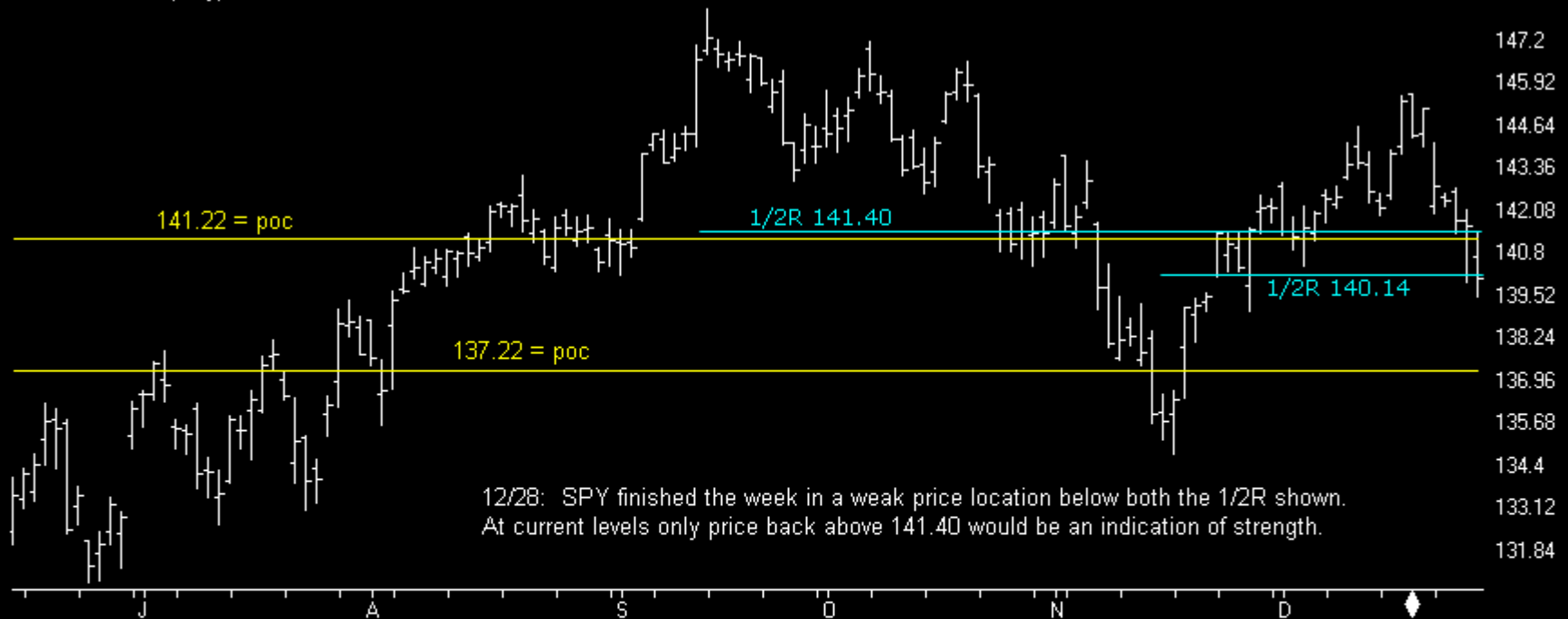
12/28: ES finished the week in a weak price location below both the 1/2R shown. At current levels only price back above 1406 would be an indication of strength.



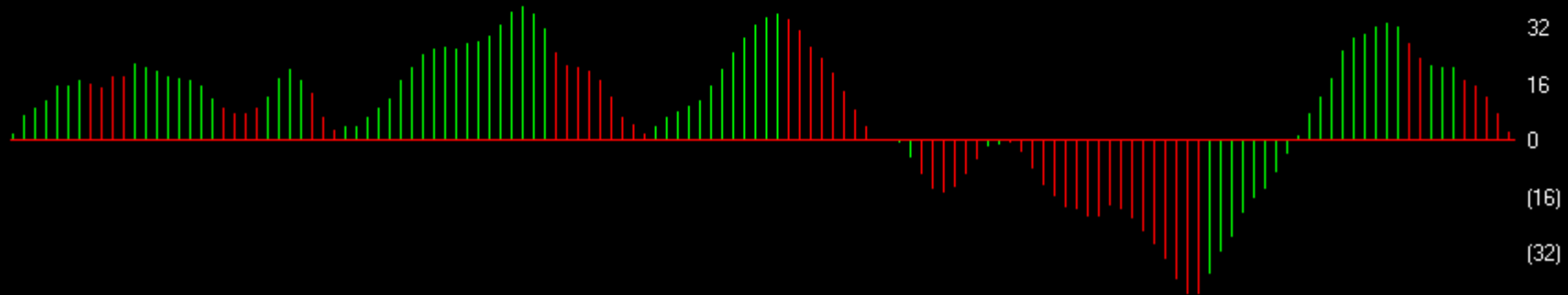
Index ETFs

Charts by AIQ TradingExpert

SPY SP500 ETF (Daily)



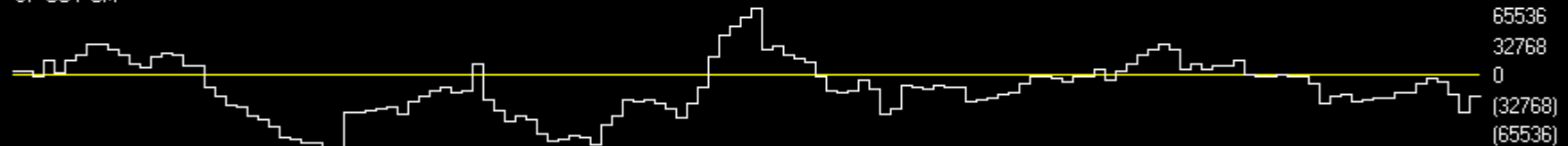
PriceOsc + PSAR



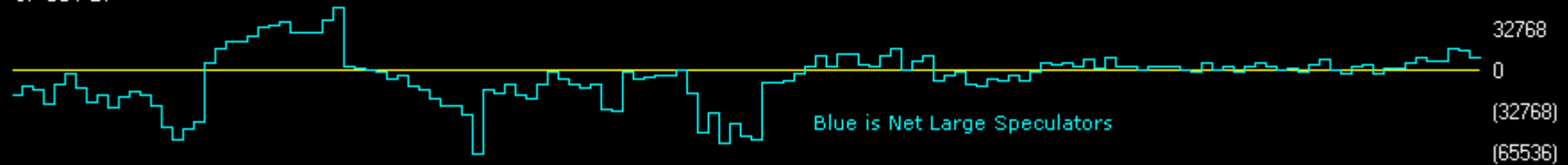
SP500	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	31.9	21.1	74.2	62.6	41.9	0.0	62.4	66.0	37.7
12/18/12	0.0	38.6	100.0	95.4	90.2	23.2	88.4	0.0	0.0



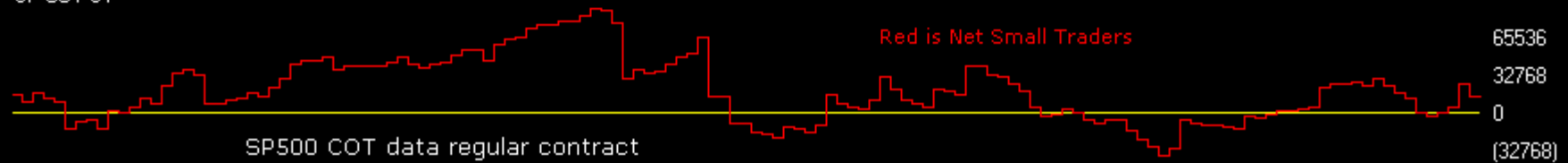
SP COT CM



SP COT LT



SP COT ST

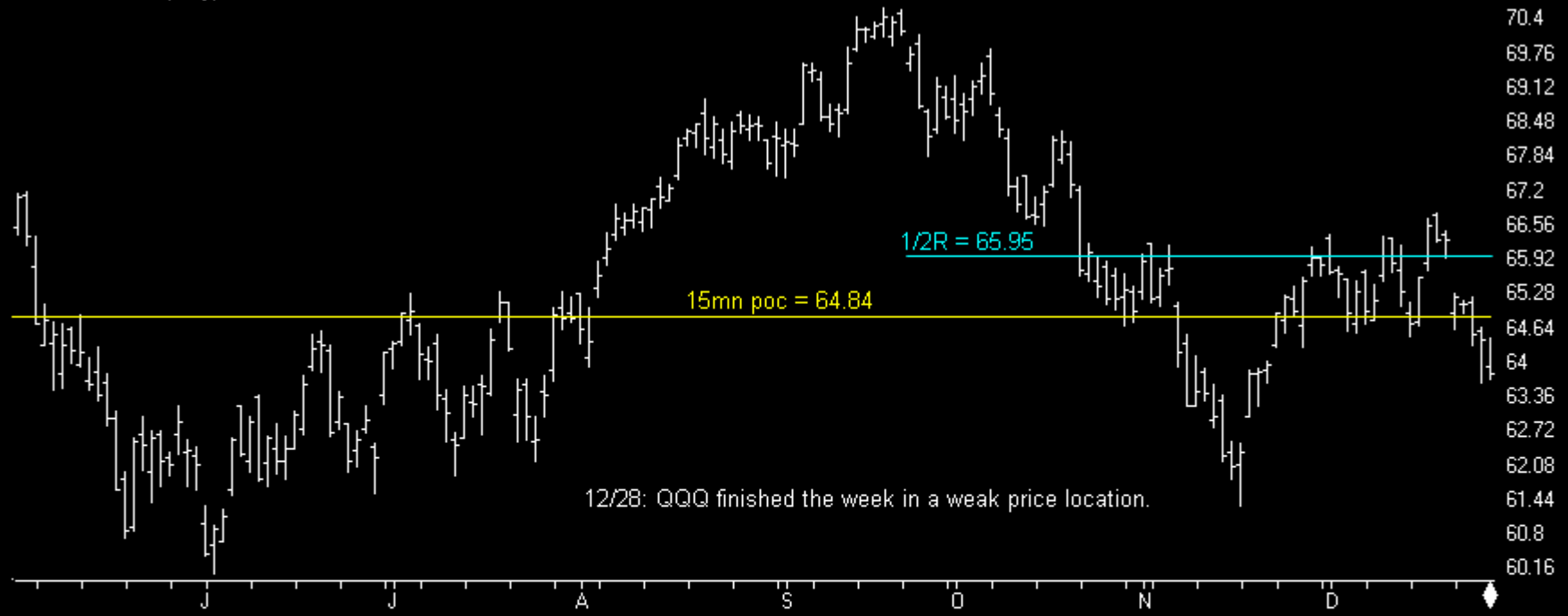


SP500 COT data regular contract
commitments of traders data

Index ETFs

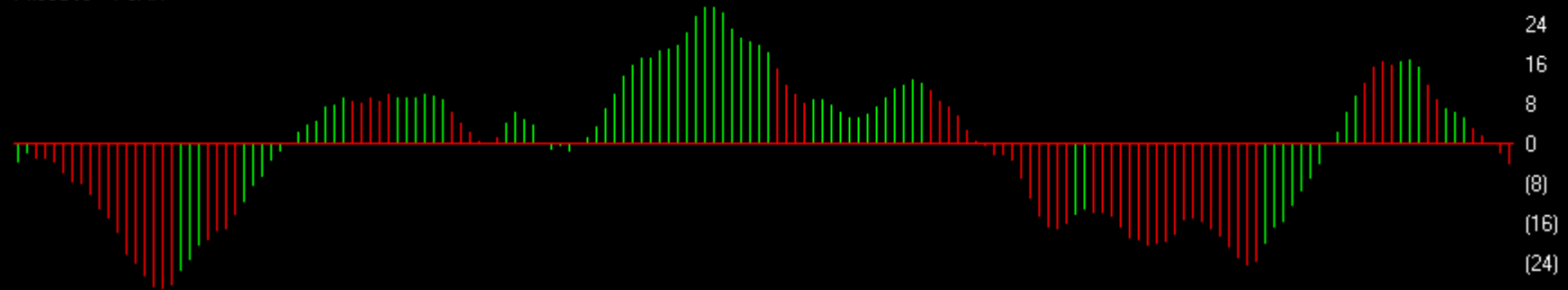
Charts by AIQ TradingExpert

QQQ N100 ETF (Daily)



12/28: QQQ finished the week in a weak price location.

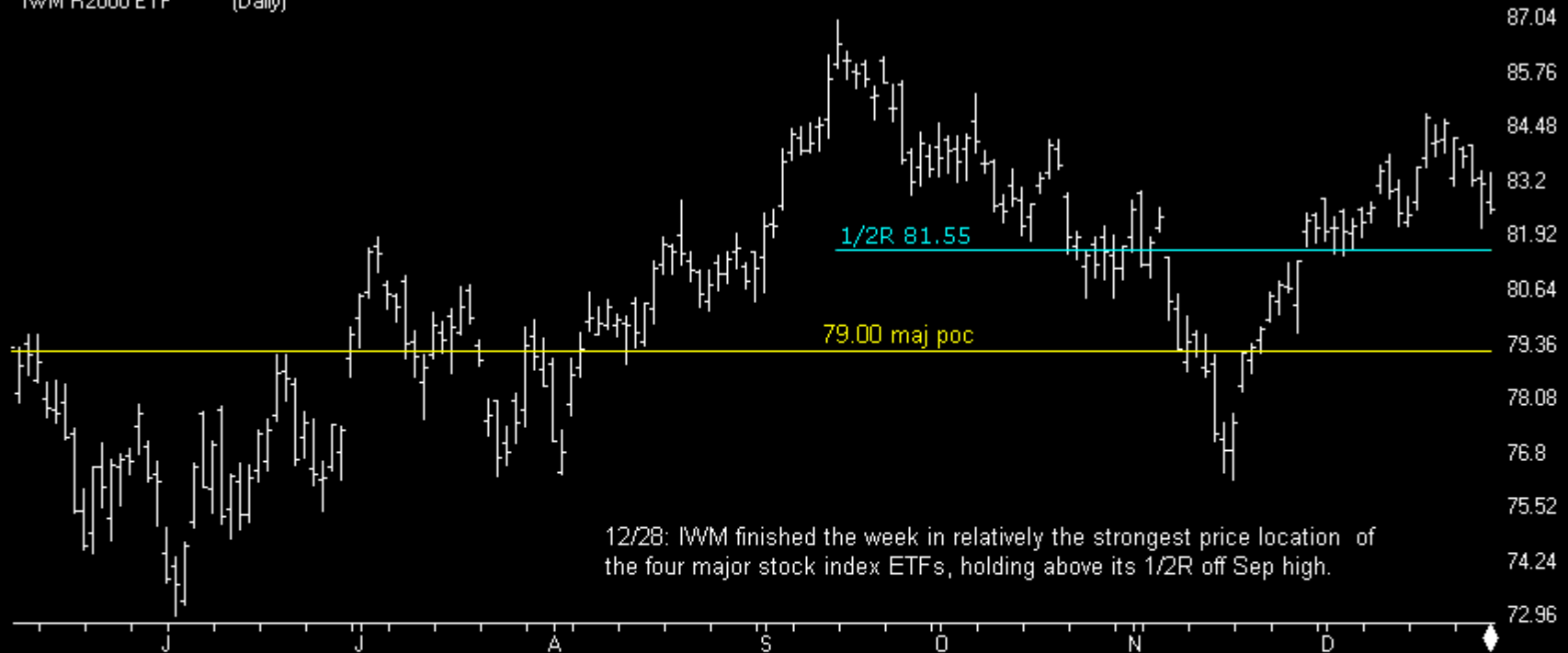
PriceOsc + PSAR



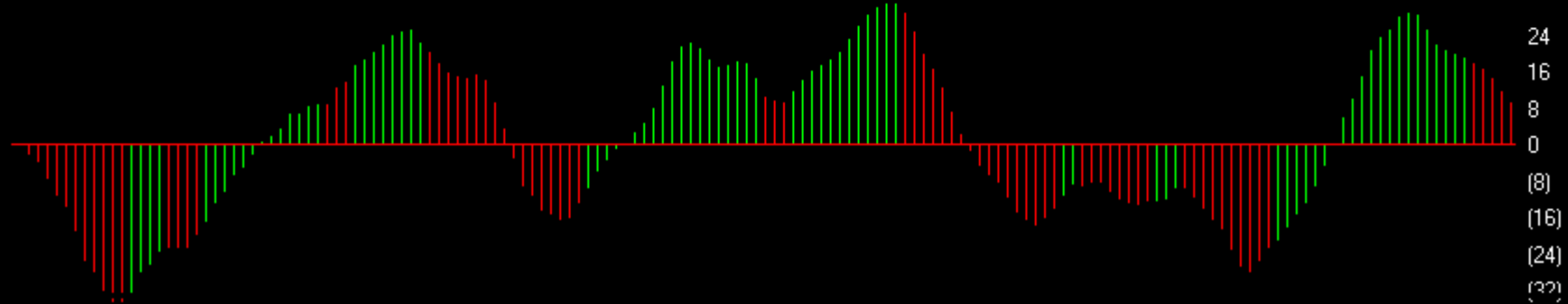
Index ETFs

Charts by AIQ TradingExpert

IWM R2000 ETF (Daily)



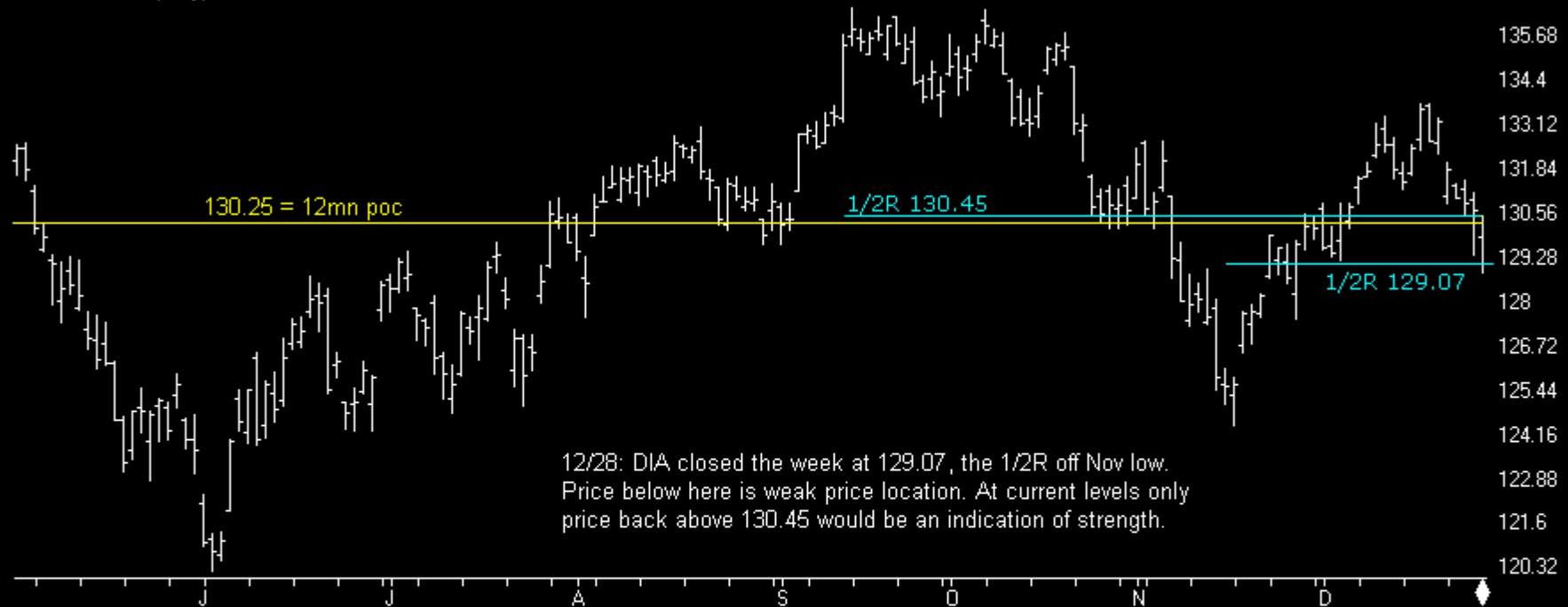
PriceOsc + PSAR



Index ETFs

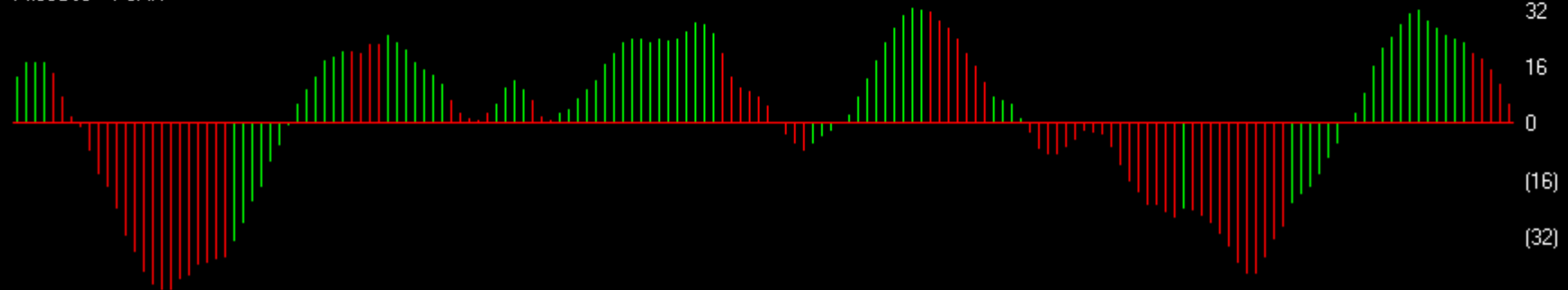
Charts by AIQ TradingExpert

DIA DOW ETF (Daily)



12/28: DIA closed the week at 129.07, the 1/2R off Nov low. Price below here is weak price location. At current levels only price back above 130.45 would be an indication of strength.

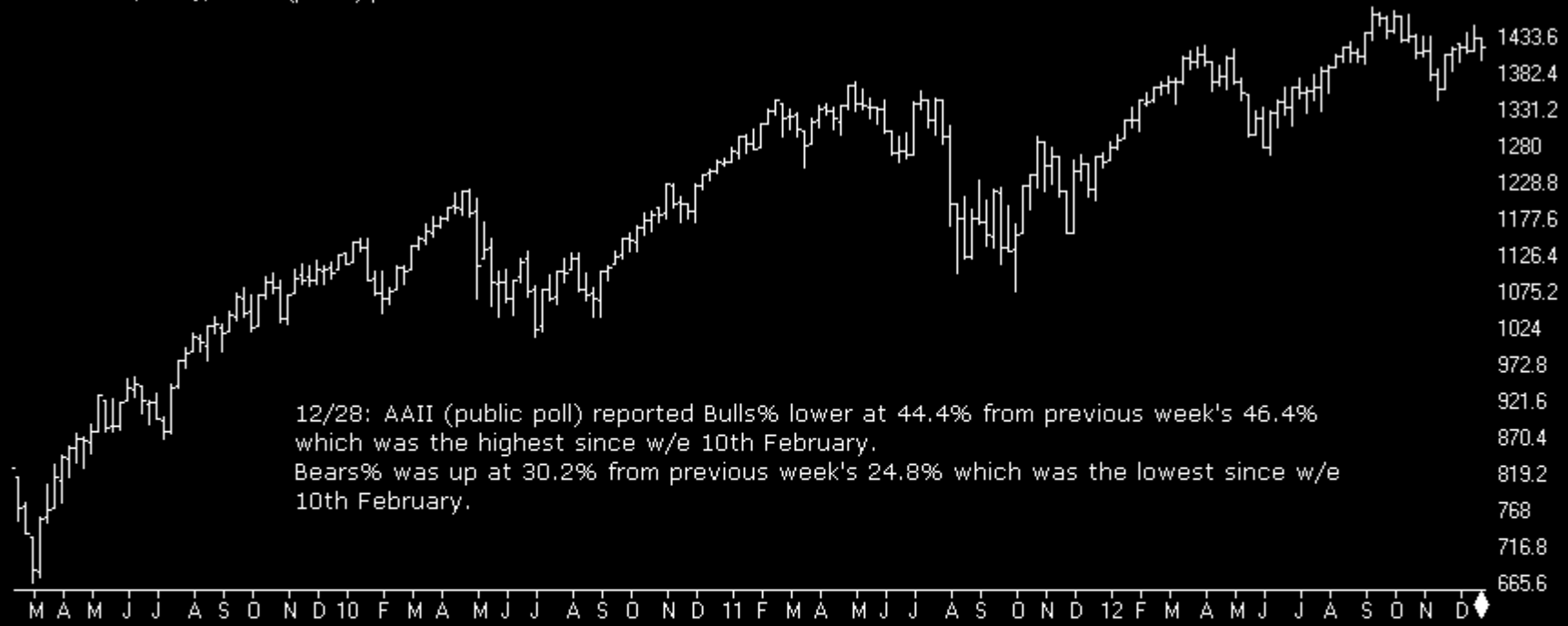
PriceOsc + PSAR



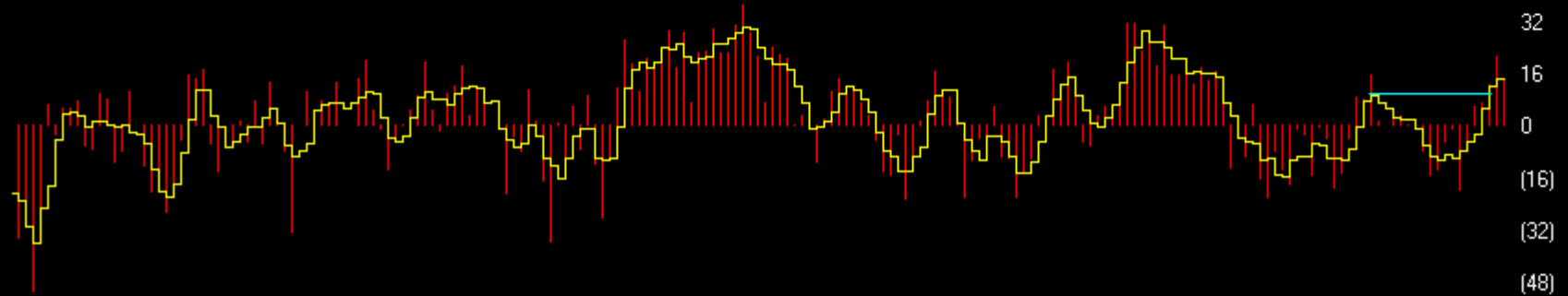
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly) + AAI (public) poll



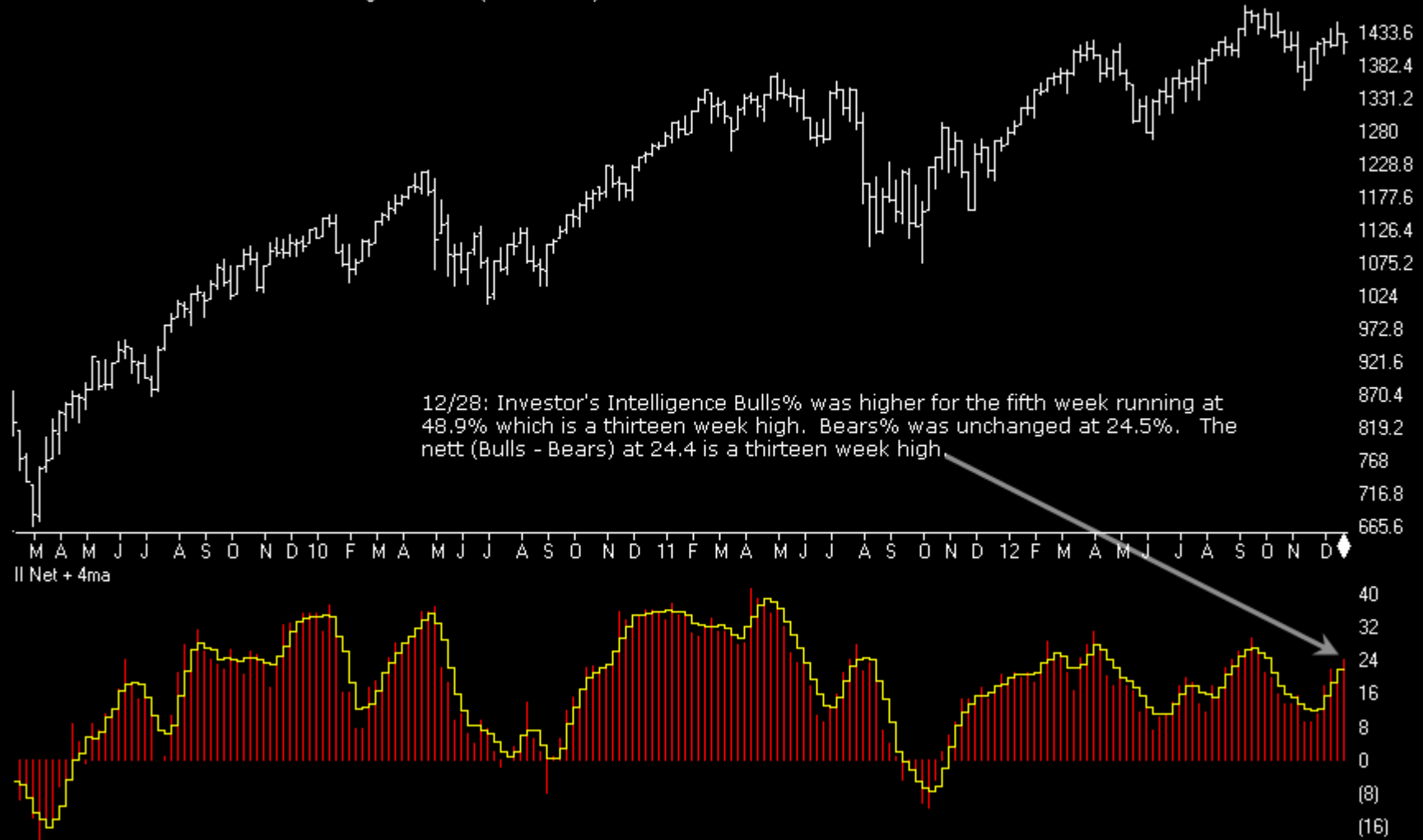
AAII NETT + 4ma



Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly) + Investors Intelligence Poll (newsletters)

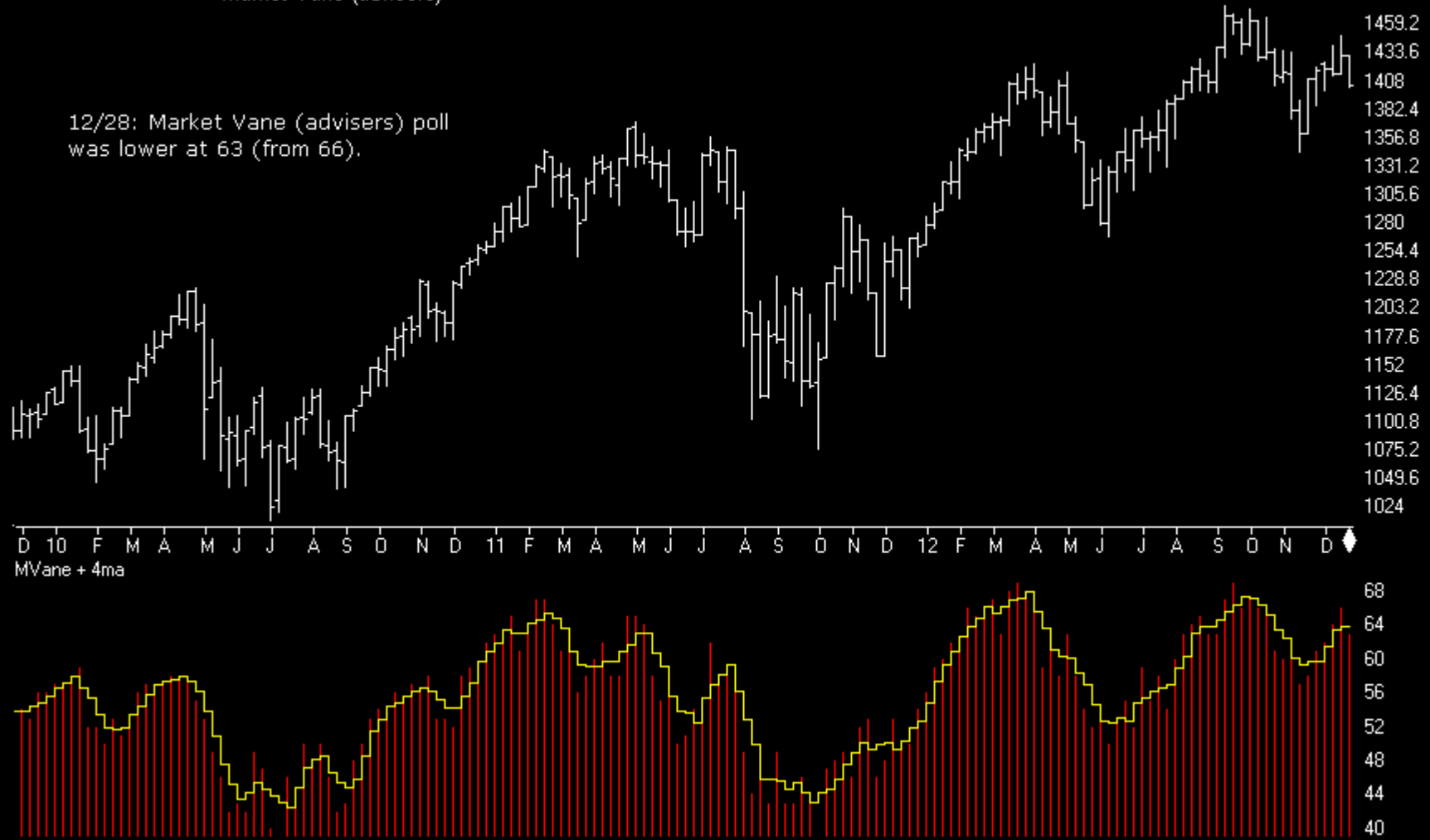


Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly) + Market Vane (advisers)

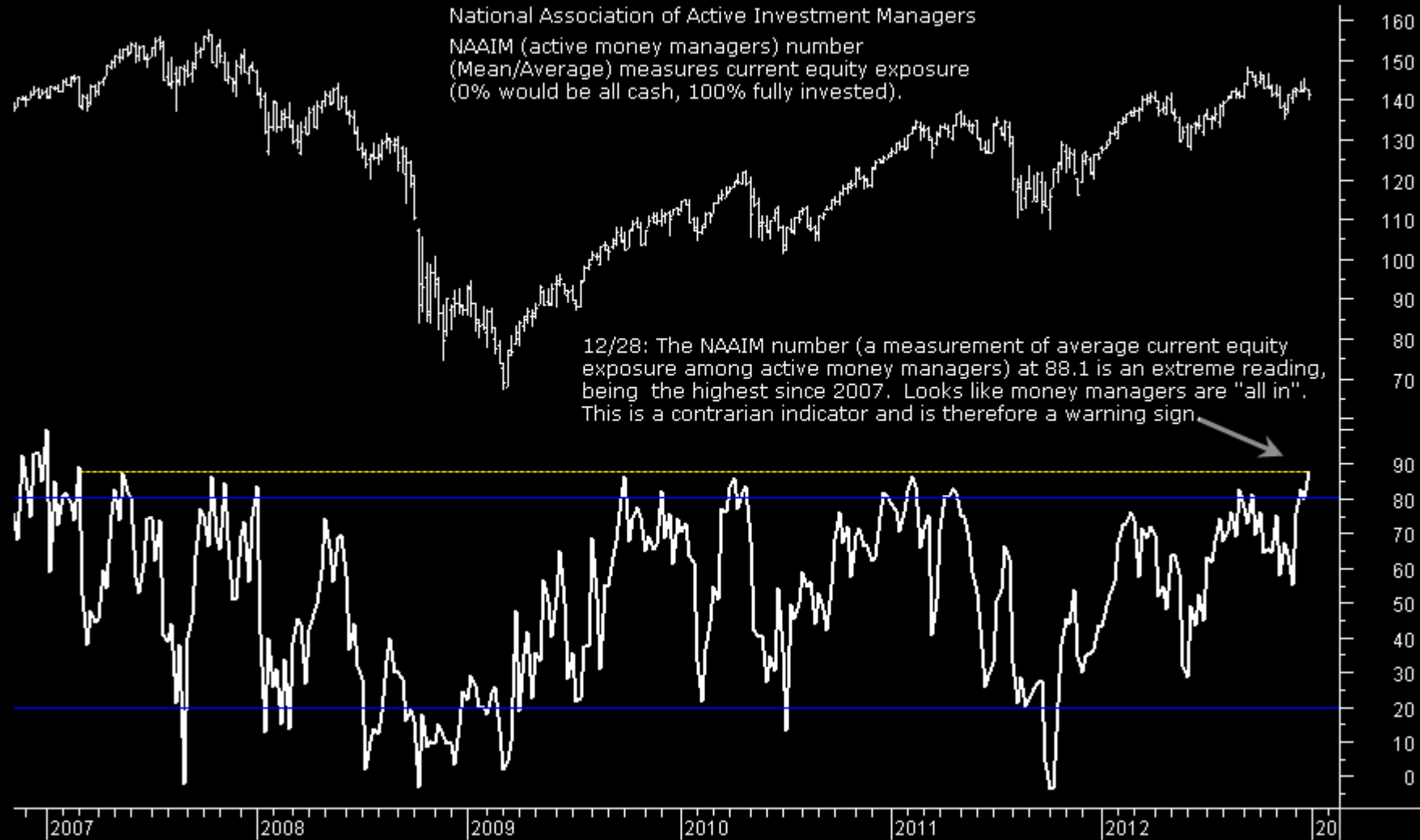
12/28: Market Vane (advisers) poll was lower at 63 (from 66).



Sentiment

Charts by AIQ TradingExpert

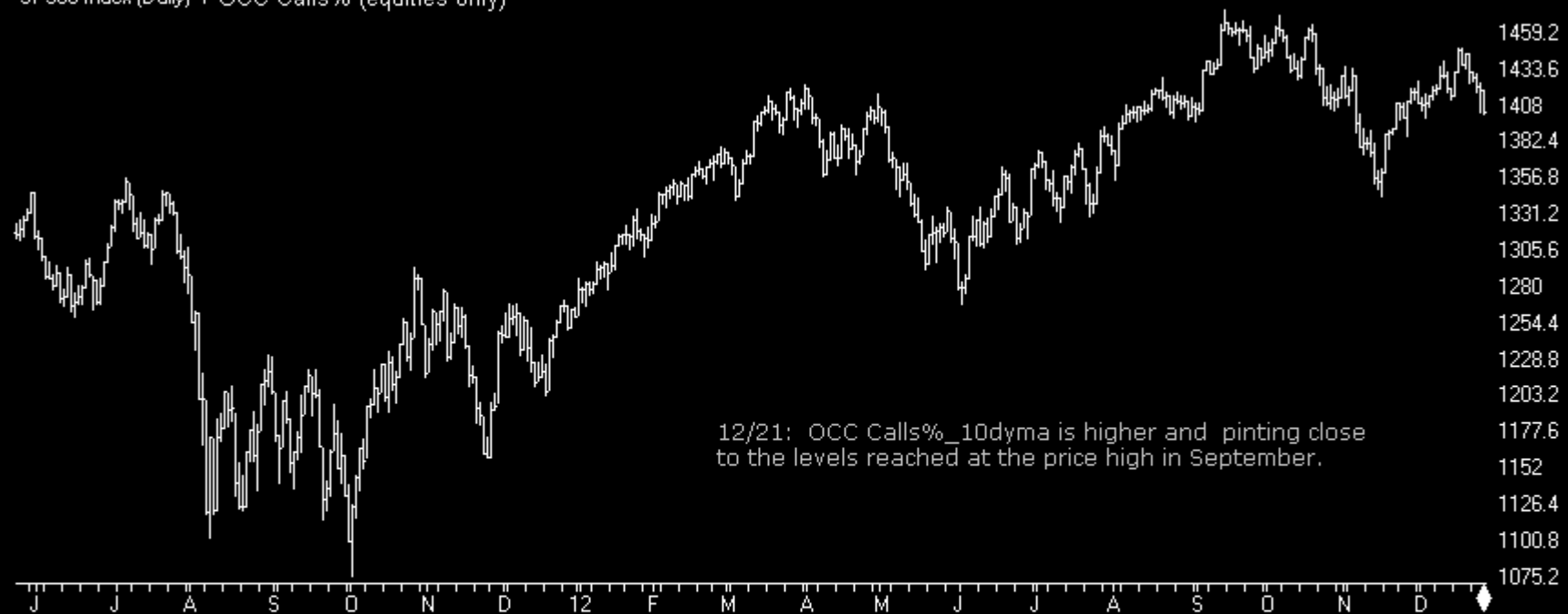
SPY + NAAIM Number
National Association of Active Investment Managers
NAAIM (active money managers) number
(Mean/Average) measures current equity exposure
(0% would be all cash, 100% fully invested).



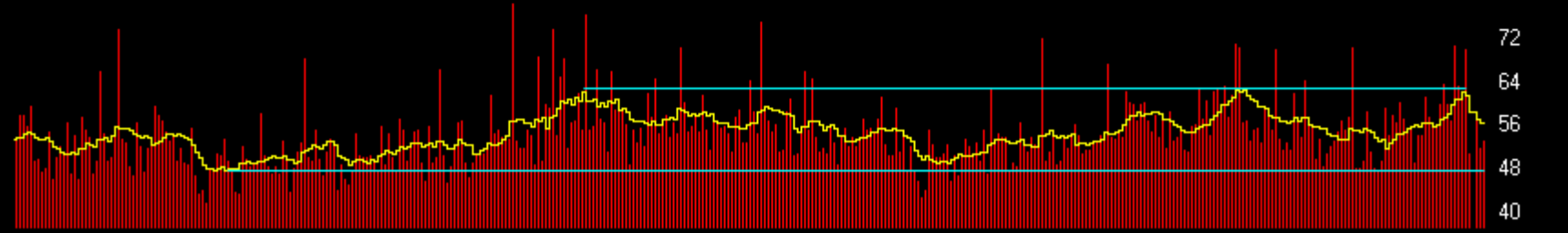
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Daily) + OCC Calls% (equities only)



OCC call% + 10ma



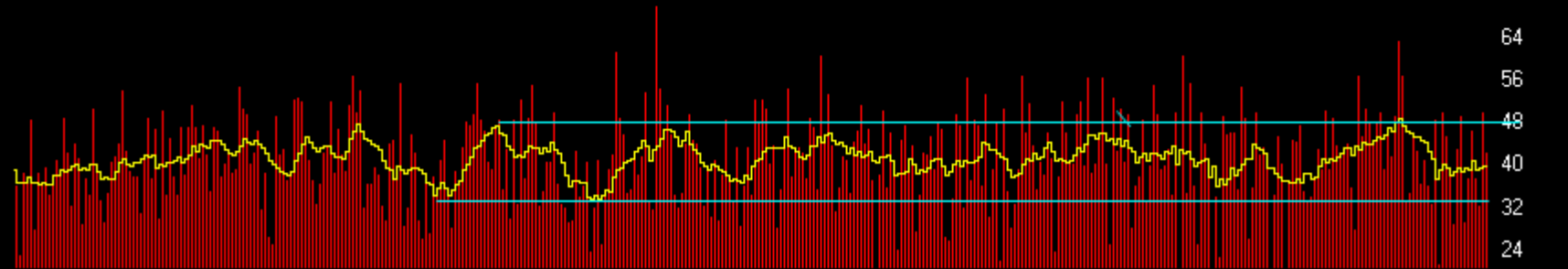
Sentiment

Charts by AIQ TradingExpert

{SP500 Index (Daily) + OEX Calls%



OEX Call% + 10ma

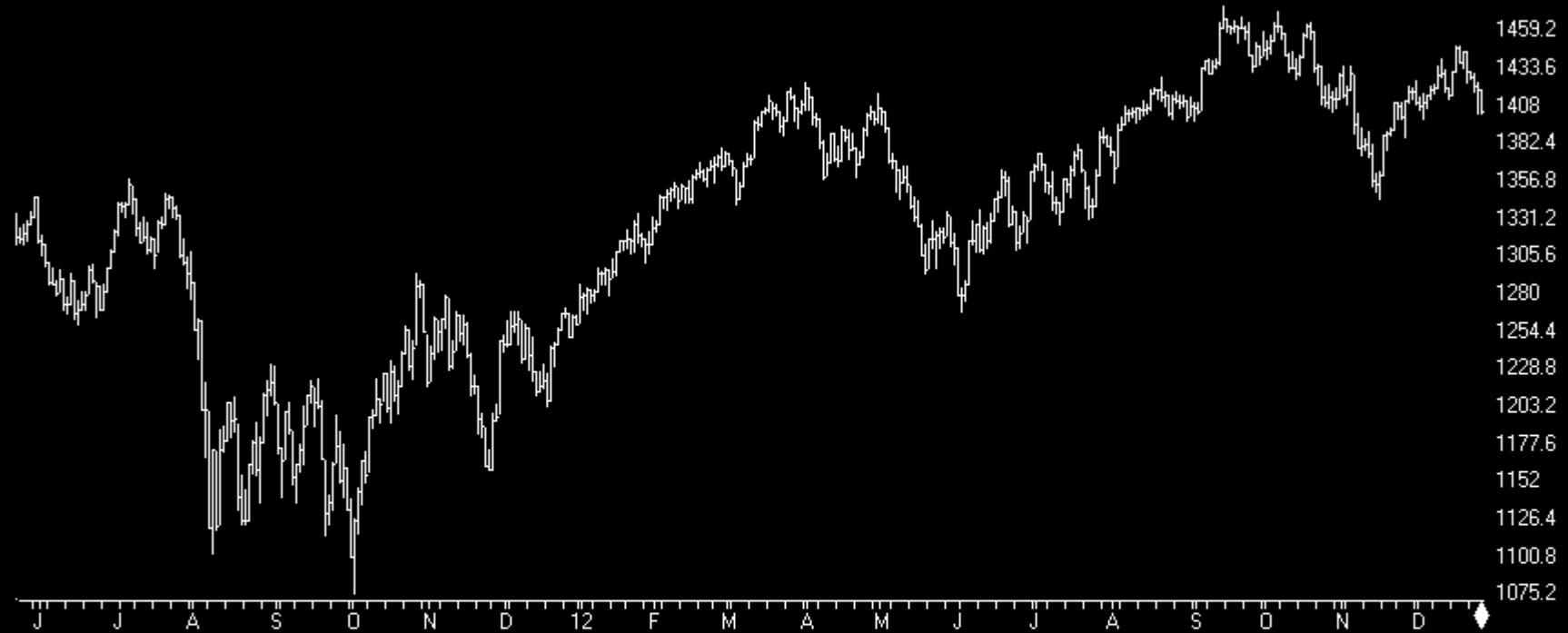


unlike other option ratios, OEX is usually considered a smart-money indicator.

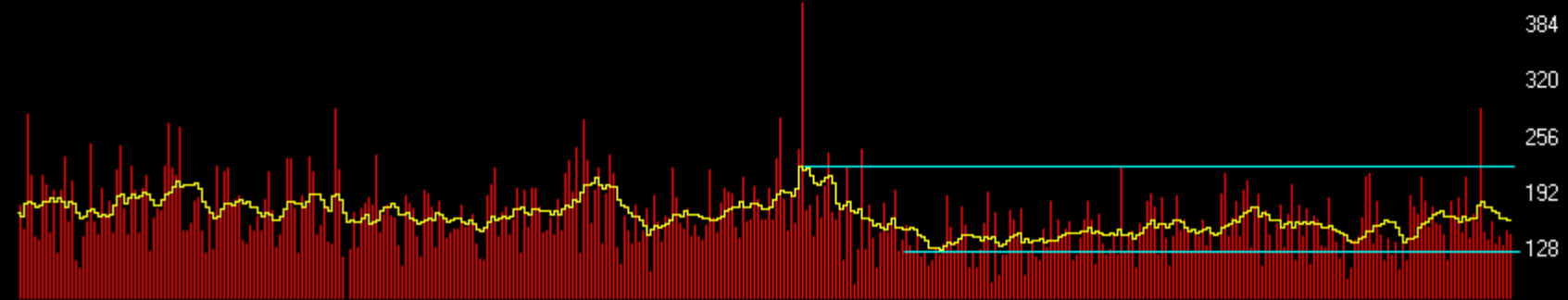
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Daily) + ISEE (equities only)



ISEE Equity+10ma



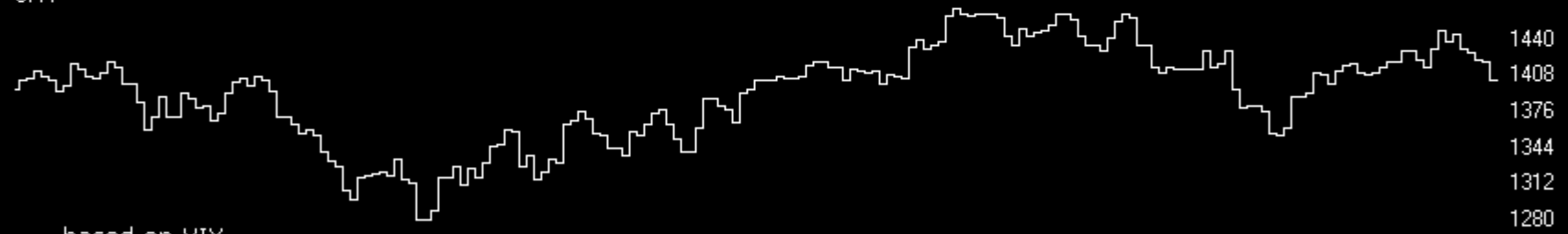
Sentiment

Charts by AIQ TradingExpert

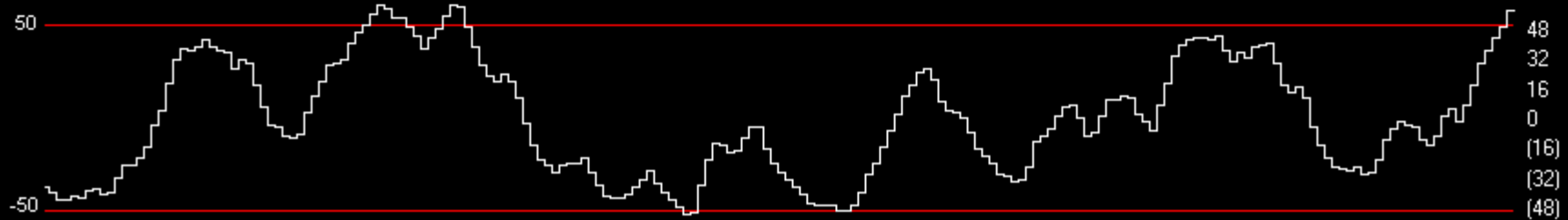
VIX - S&P 500 Volatility Index (Daily)



SPX



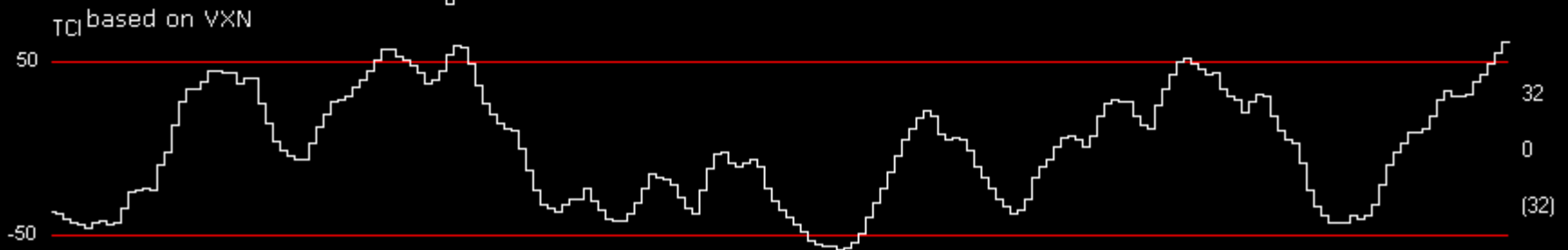
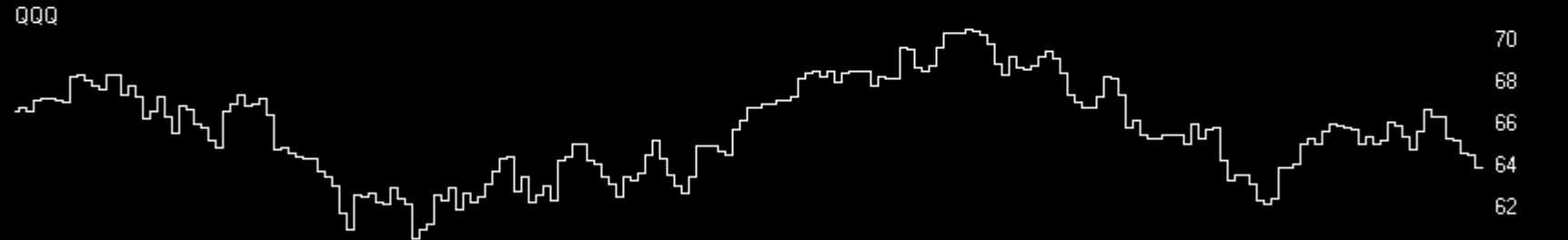
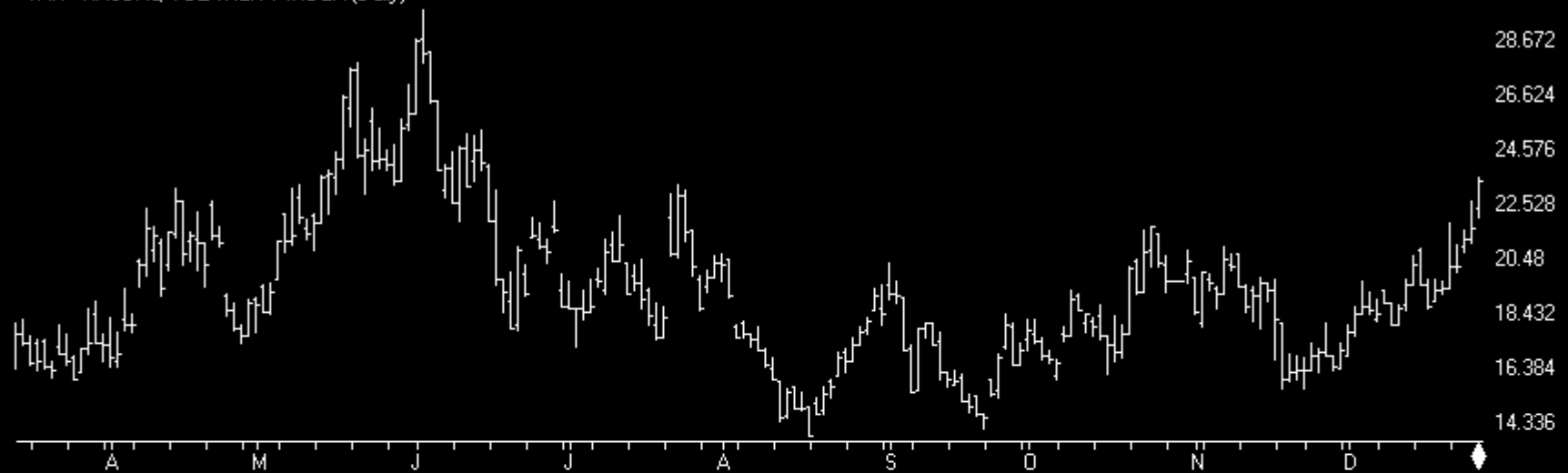
TCI based on VIX



Sentiment

Charts by AIQ TradingExpert

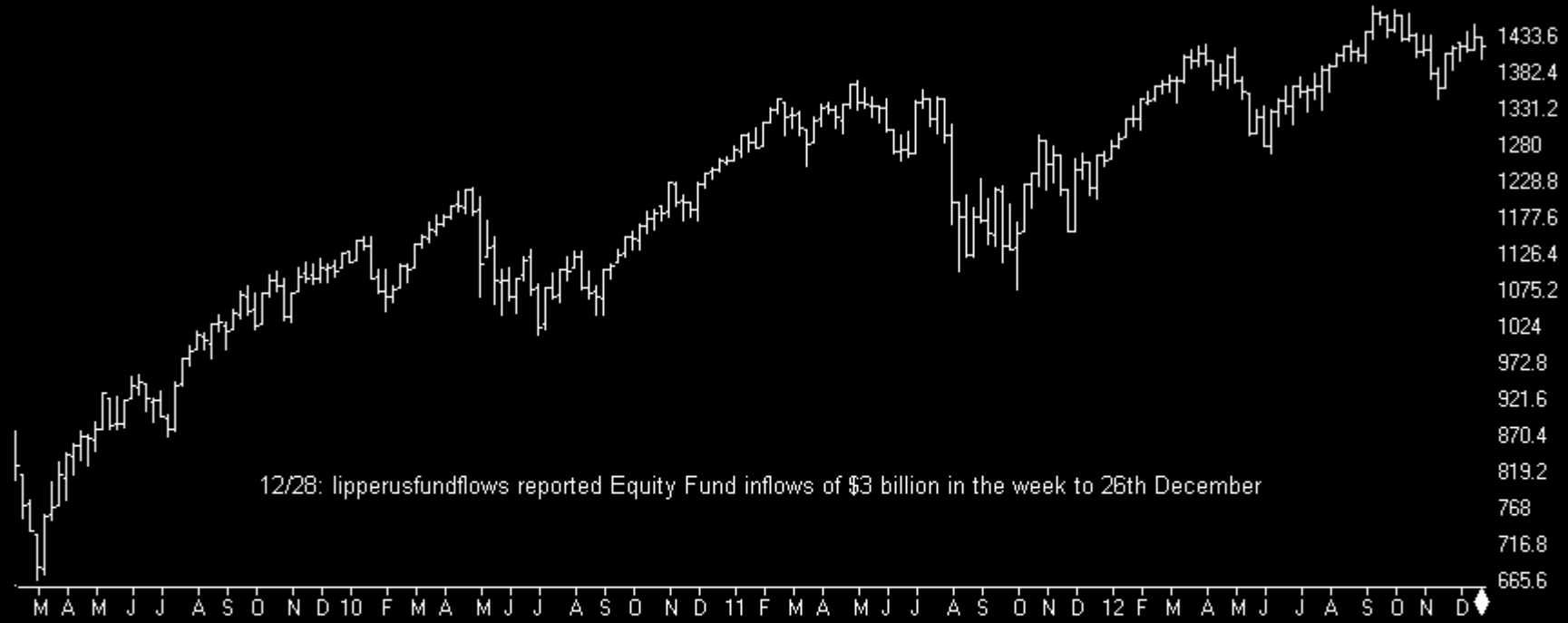
VXN - NASDAQ VOLATILITY INDEX (Daily)



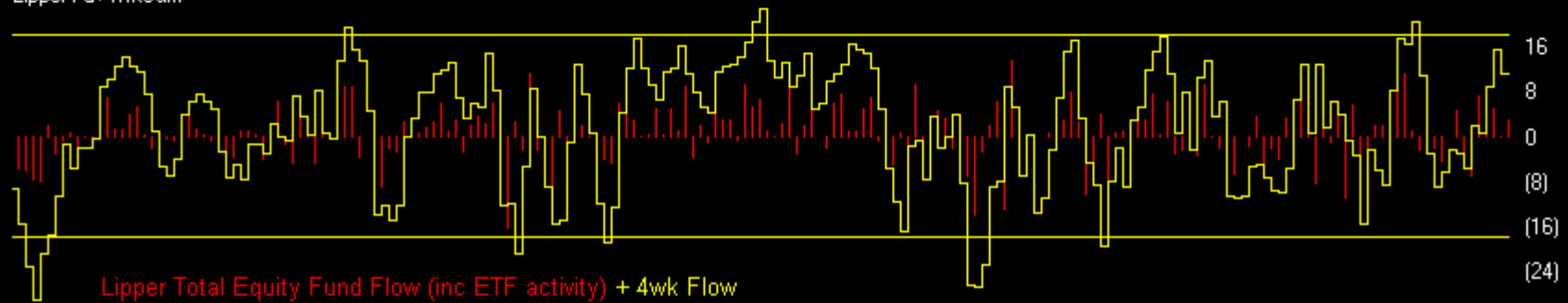
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly)

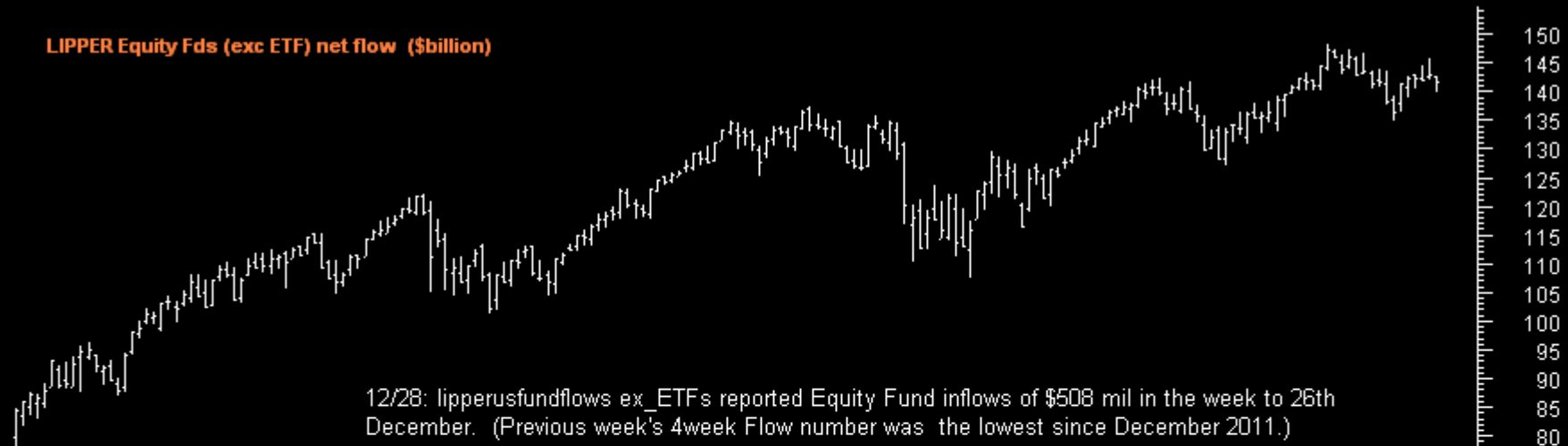


Lipper Fd+4wkSum

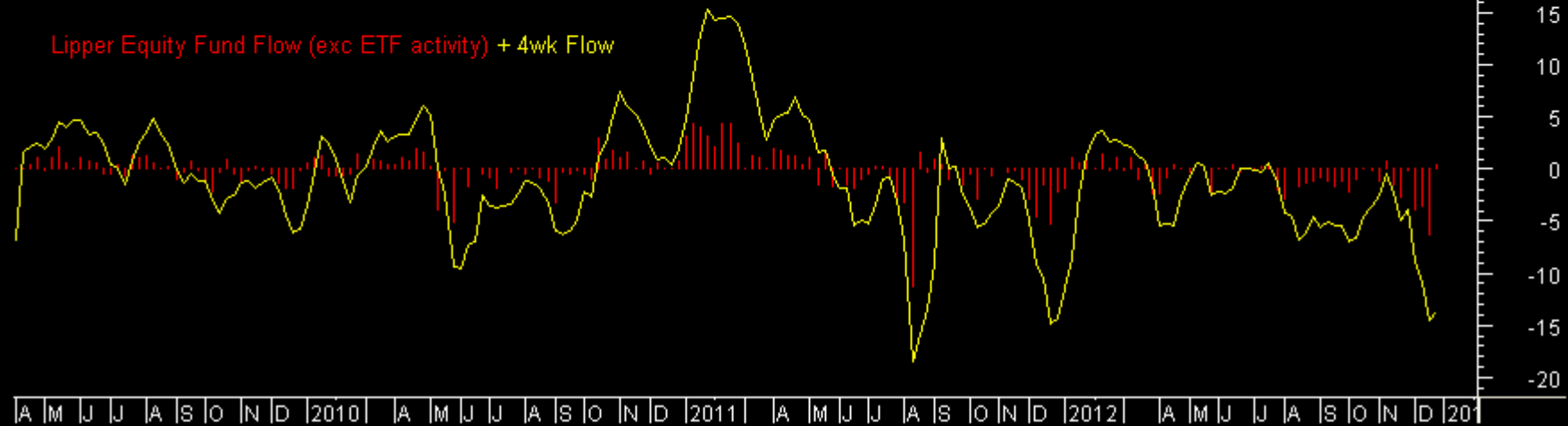


Sentiment

LIPPER Equity Fds (exc ETF) net flow (\$billion)



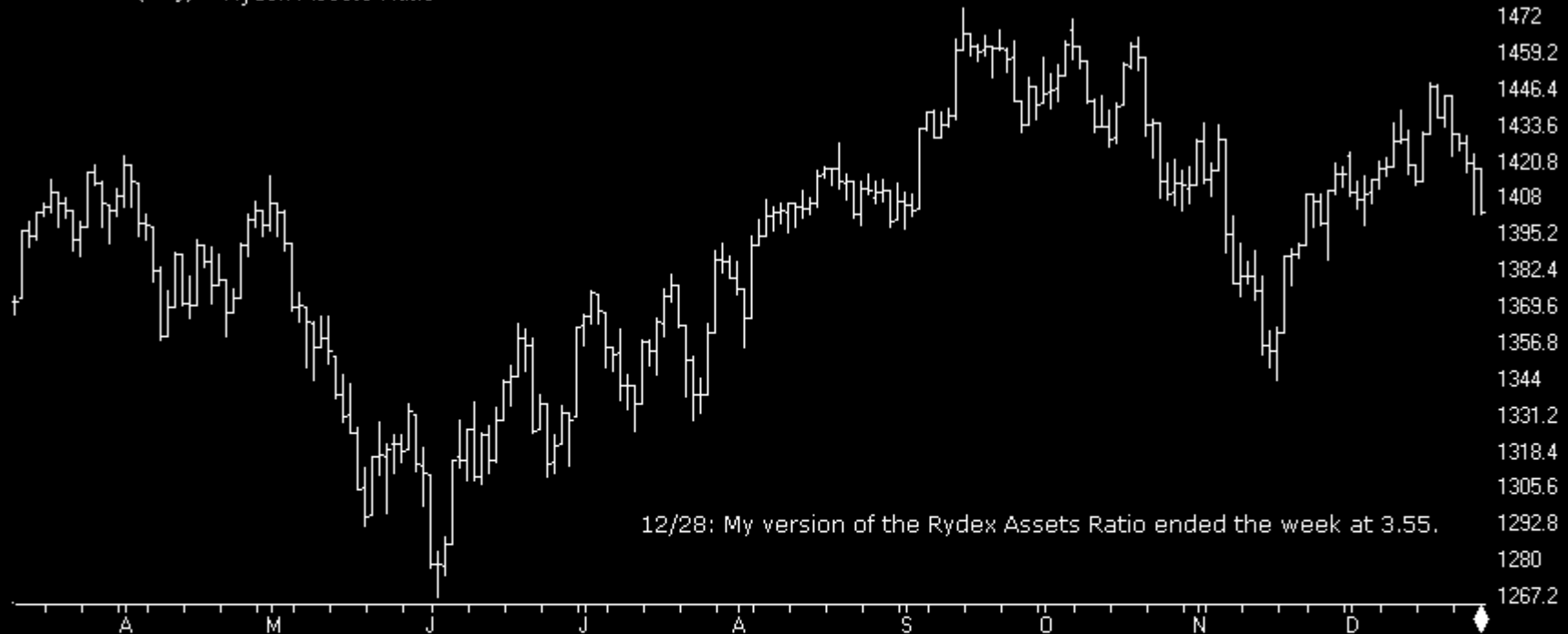
Lipper Equity Fund Flow (exc ETF activity) + 4wk Flow



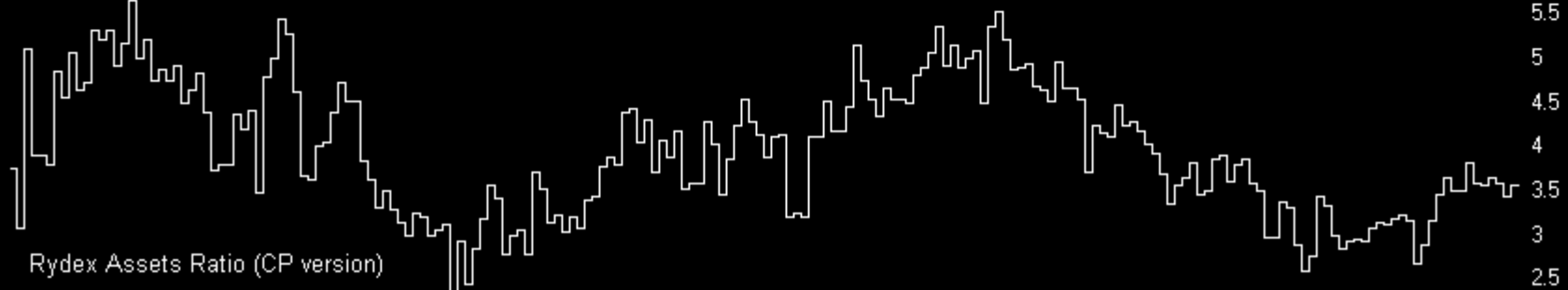
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Daily) + Rydex Assets Ratio



RyMajAssetsRatio

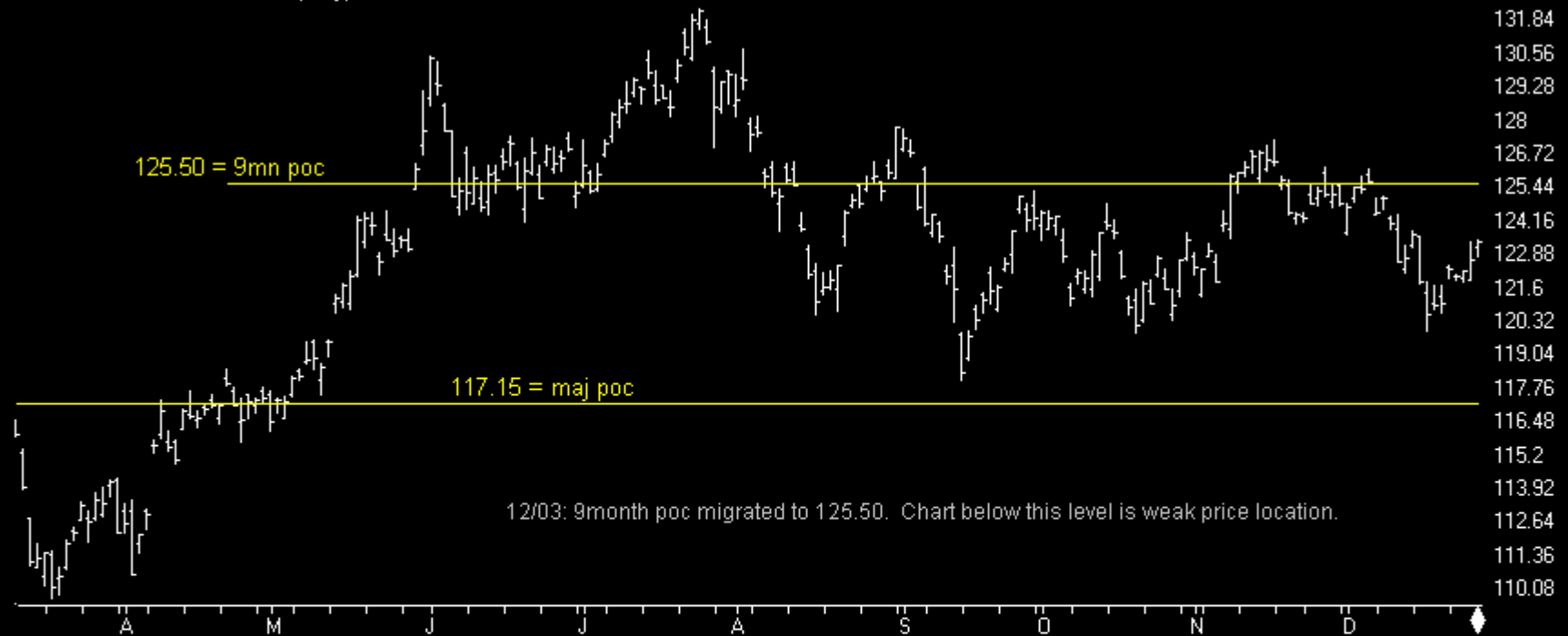


Rydex Assets Ratio (CP version)

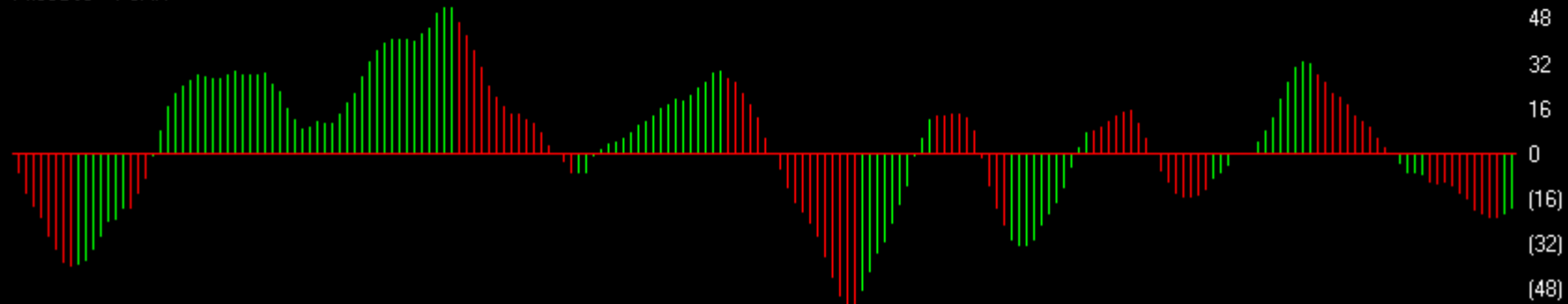
Bonds

Charts by AIQ TradingExpert

Lehman 20+ Year T Bond ETF (Daily)



PriceOsc + PSAR

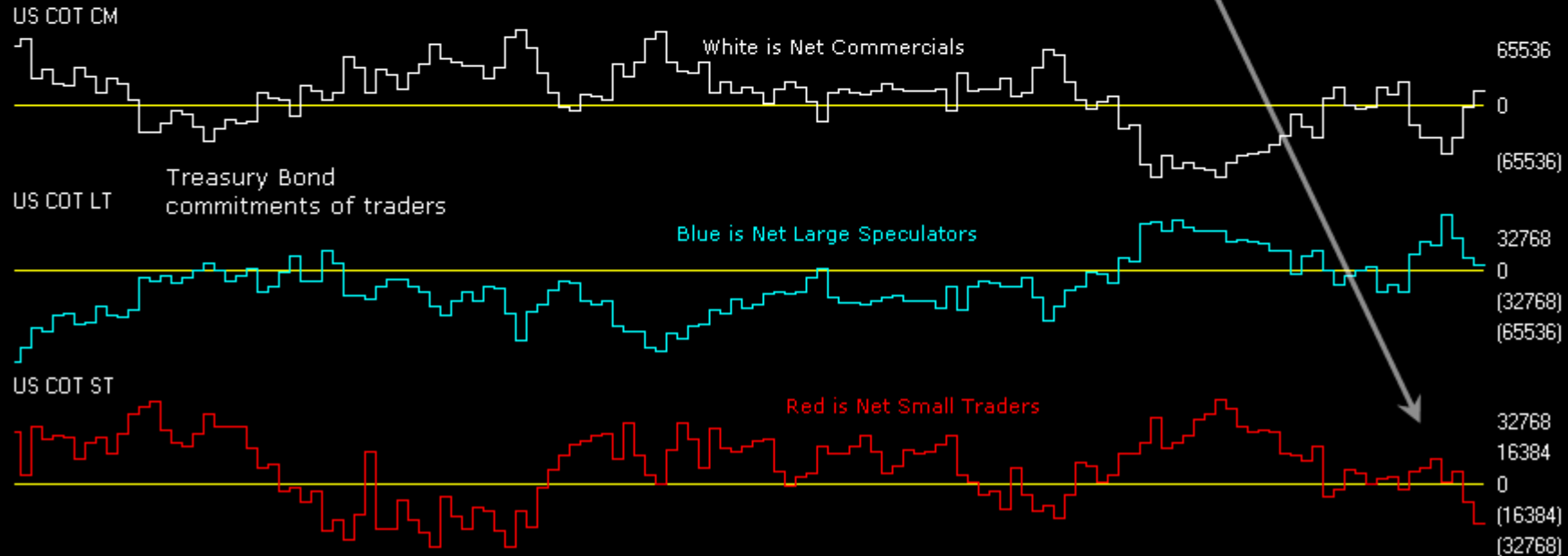


Bonds

Charts by AIQ TradingExpert

T-BONDS	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	91.0	64.7	0.0	34.9	41.7	50.9	0.0	41.9	100.0
12/18/12	74.4	30.7	0.0	44.0	90.6	100.0	0.0	19.0	82.1

T-Bonds	CM Net	LT Net	ST Net
12/24/12	16401	4705	-21106
12/18/12	-2028	12165	-10137



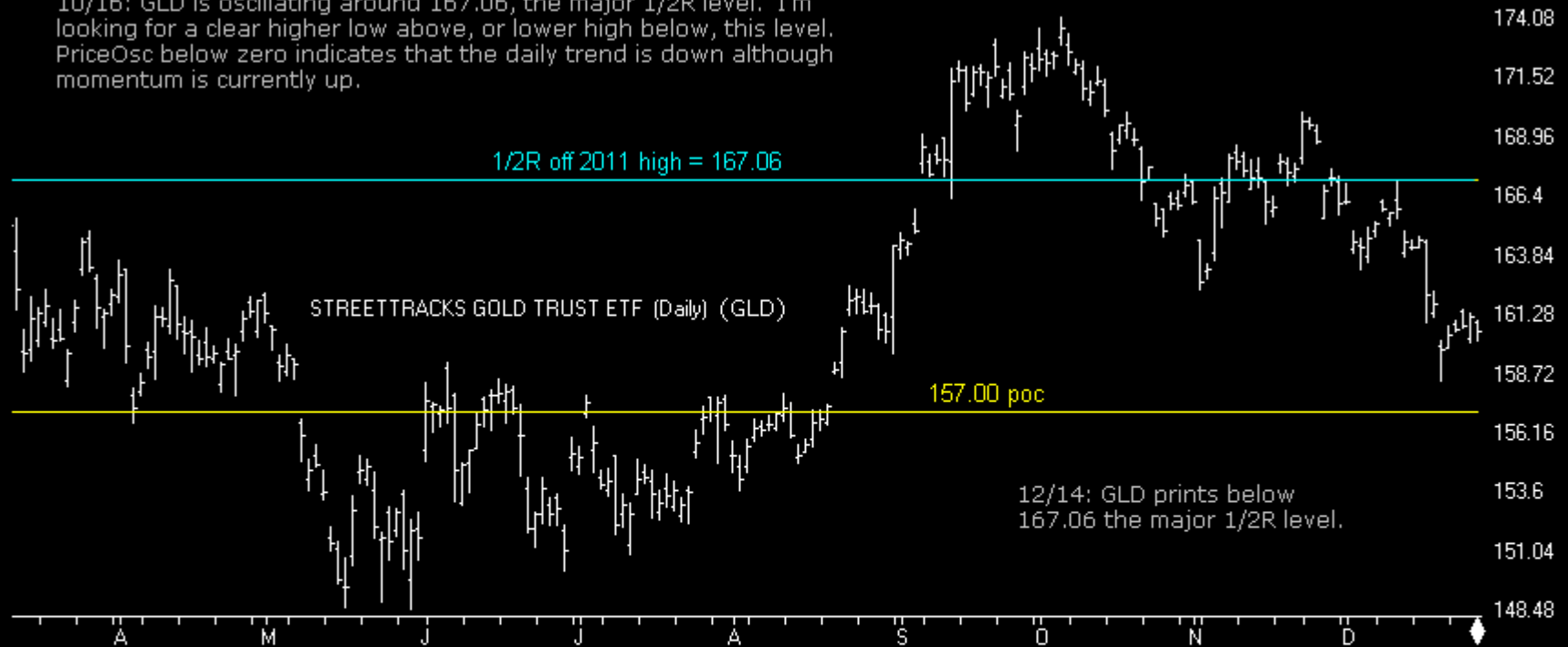
Gold

Charts by AIQ TradingExpert



10/16: GLD is oscillating around 167.06, the major 1/2R level. I'm looking for a clear higher low above, or lower high below, this level. PriceOsc below zero indicates that the daily trend is down although momentum is currently up.

1/2R off 2011 high = 167.06

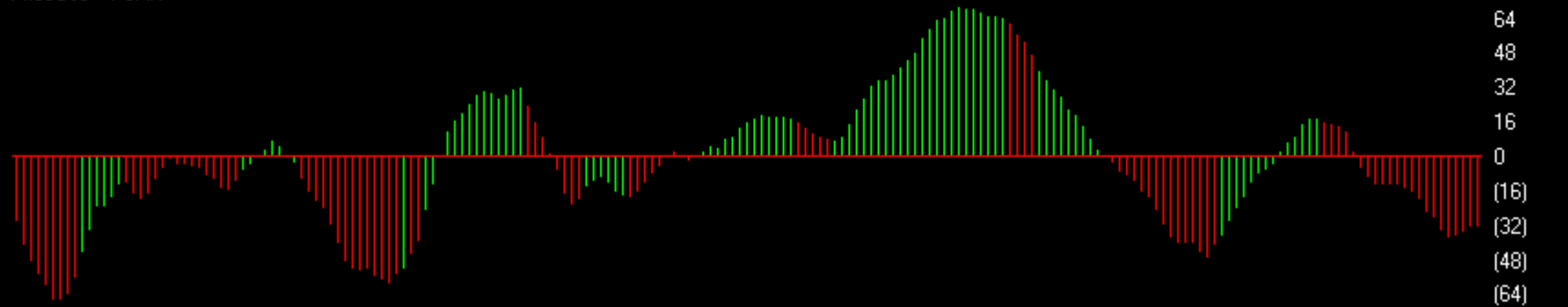


STREETTRACKS GOLD TRUST ETF (Daily) (GLD)

157.00 poc

12/14: GLD prints below 167.06 the major 1/2R level.

PriceOsc + PSAR



Gold

Charts by AIQ TradingExpert

GOLD	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	61.3	44.5	38.4	38	64.9	82.5	38	46.2	58.2
12/18/12	50.5	35.7	48.7	45.3	60.4	60.4	57.9	74	50.4



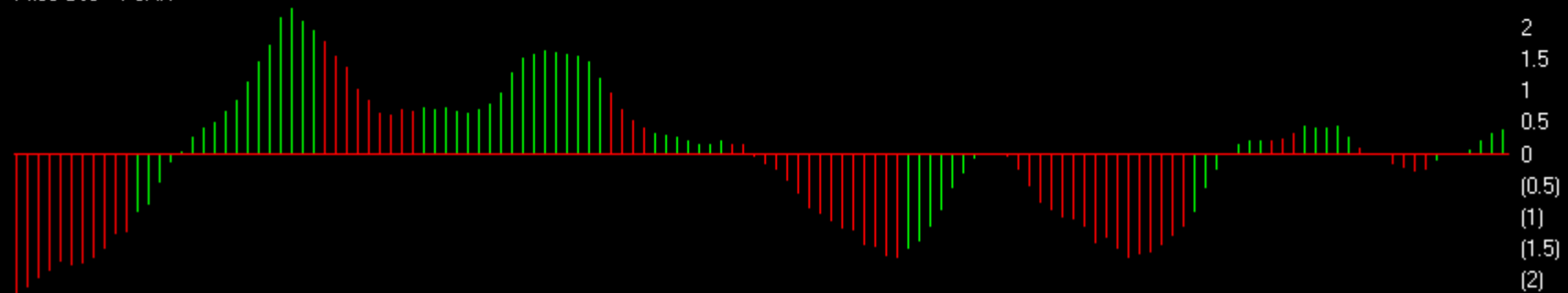
oil

Charts by AIQ TradingExpert

UNITED STATES OIL FUND (Daily) (USO)



Price Osc + PSAR



Oil

Charts by AIQ TradingExpert

CRUDE OIL	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	59.7	0.0	26.5	46.6	45.4	41.1	21.0	29.2	90.8
12/18/12	60.4	0.0	21.4	45.4	49.8	49.8	38.1	43.8	86.3

CRUDE OIL	CM Net	LT Net	ST Net
12/24/12	-192305	194707	-2402
12/18/12	-183952	182911	1041



38.4
35.84
33.28
30.72
(65536)
(131072)
(196608)
(262144)
262144
196608
131072
65536
49152
32768
16384
0

Dollar

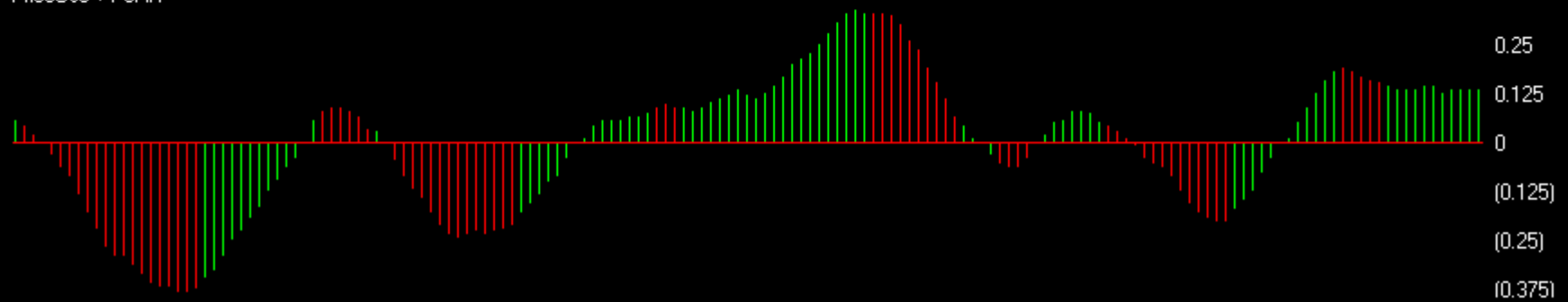
Charts by AIQ TradingExpert

EURUSD (Daily)



12/14: Chart is now probing above the 24mn poc at 1.2777. Time printed above this level would indicate further strength.

PriceOsc + PSAR

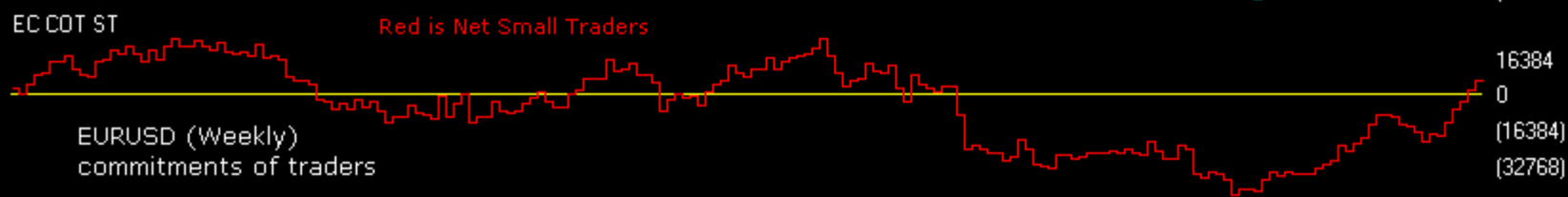
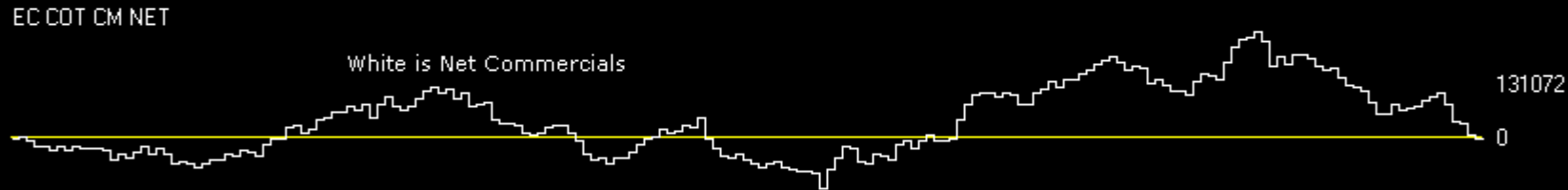


Dollar

Charts by AIQ TradingExpert

EURUSD	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	0.0	0.0	87.4	100.0	100.0	14.3	100.0	100.0	52.2
12/18/12	0.0	0.0	69.9	100.0	100.0	23.3	100.0	100.0	76.4

EURUSD	CM Net	LT Net	ST Net
12/24/12	-4070	-2549	6619
12/18/12	7751	-9736	1985



EURUSD (Weekly)
commitments of traders

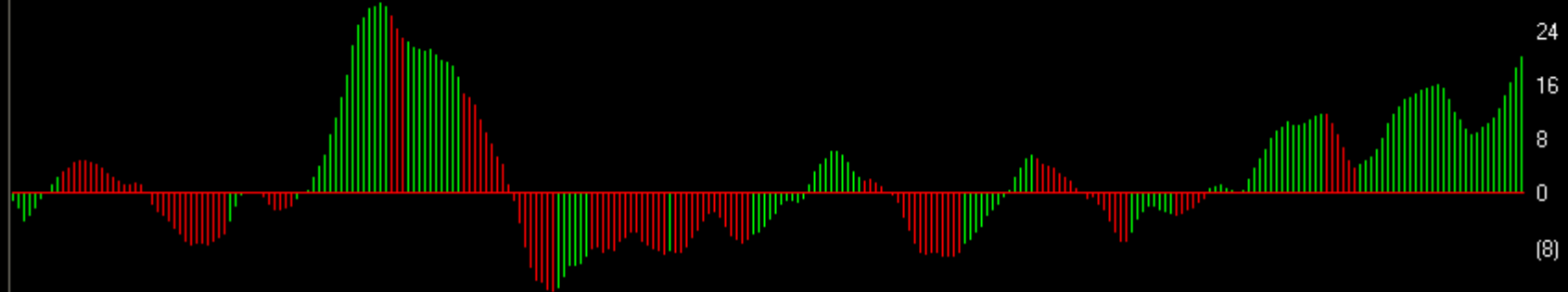
Dollar

Charts by AIQ TradingExpert

USD.JPY (Daily)



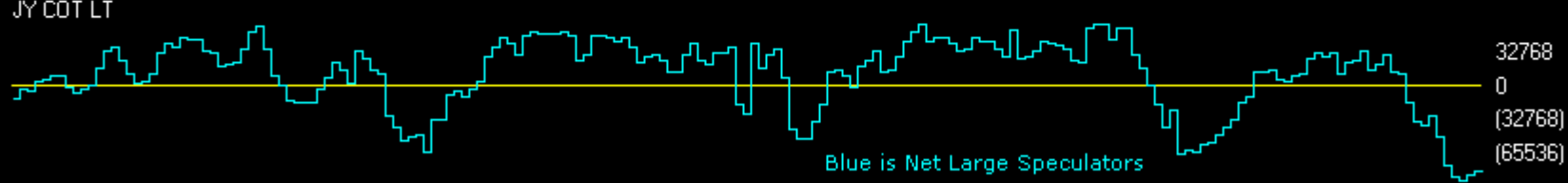
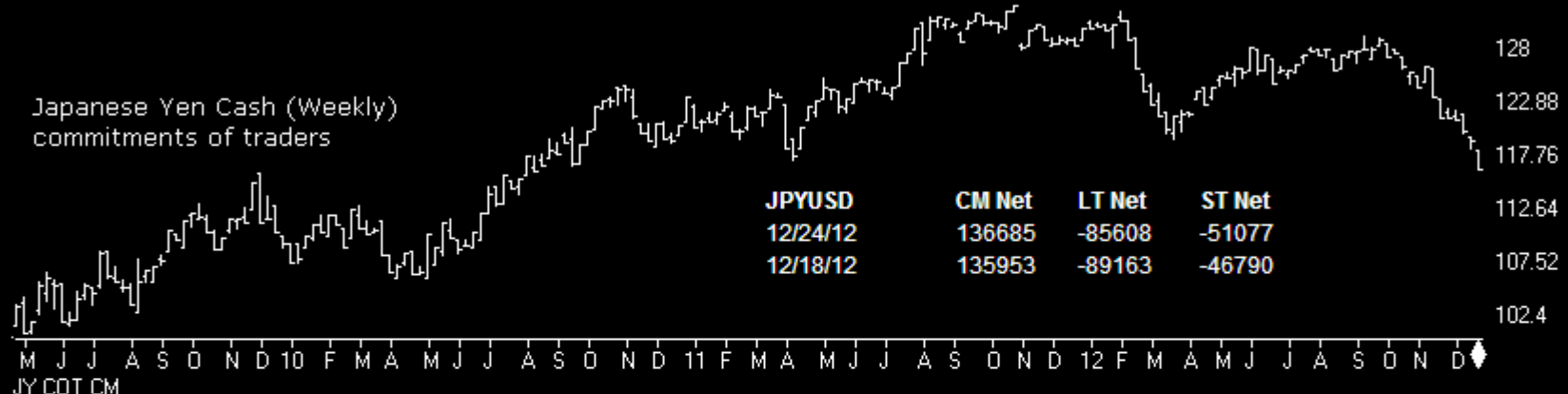
PriceOsc + PSAR



Dollar

Charts by AIQ TradingExpert

JPYUSD	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	97.3	90.2	0.4	6.9	23.4	95.1	0.0	5.8	86.9
12/18/12	96.8	87.8	0.0	4.1	25.0	100.0	9.2	8.5	73.2



Dollar

Charts by AIQ TradingExpert

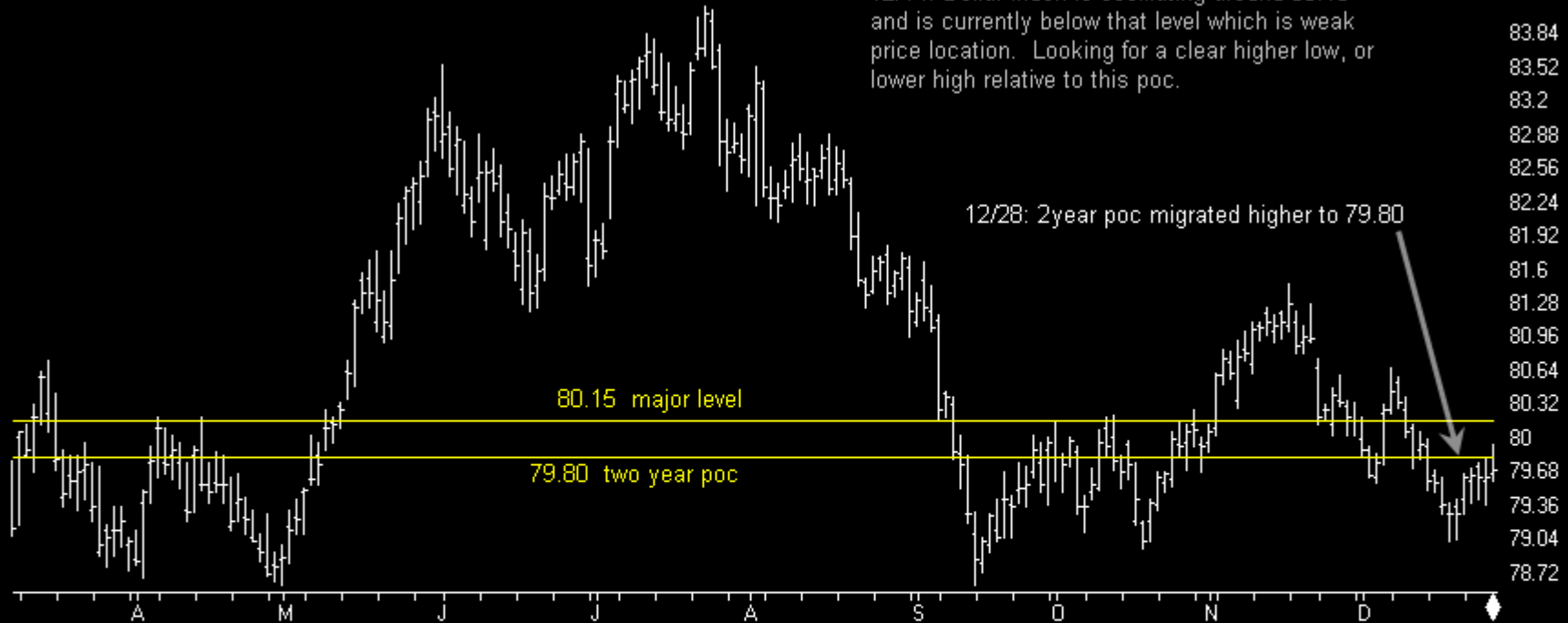
US DOLLAR INDEX (Daily)

12/14: Dollar Index is oscillating around 80.15 and is currently below that level which is weak price location. Looking for a clear higher low, or lower high relative to this poc.

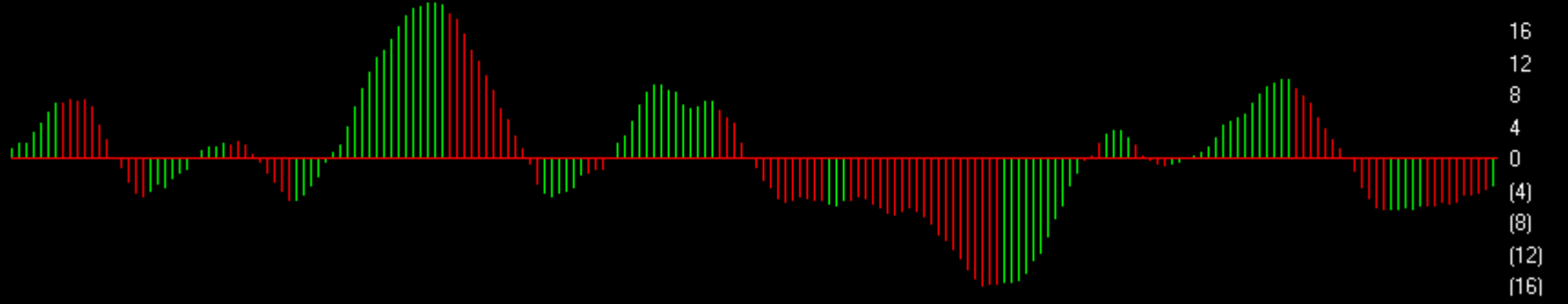
12/28: 2year poc migrated higher to 79.80

80.15 major level

79.80 two year poc



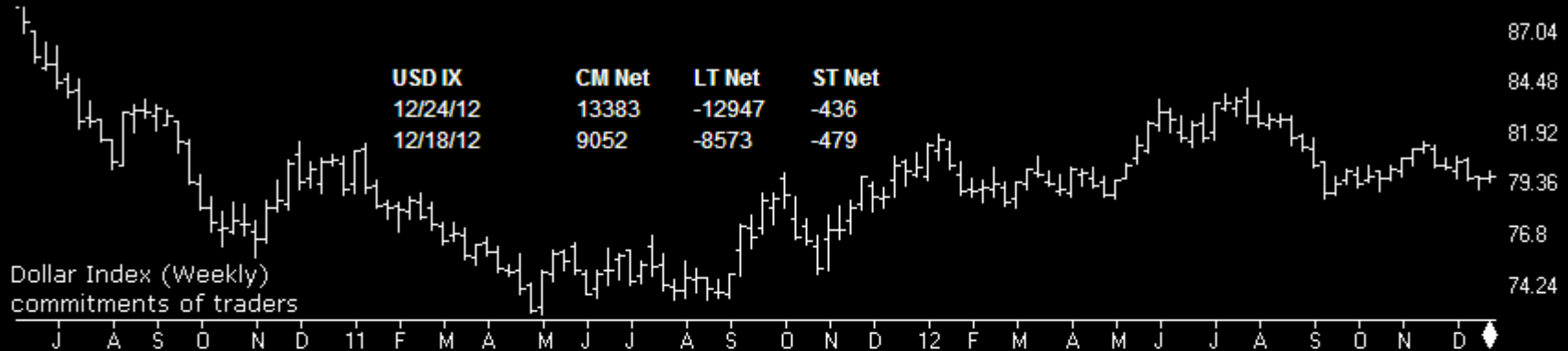
PriceOsc + PSAR



Dollar

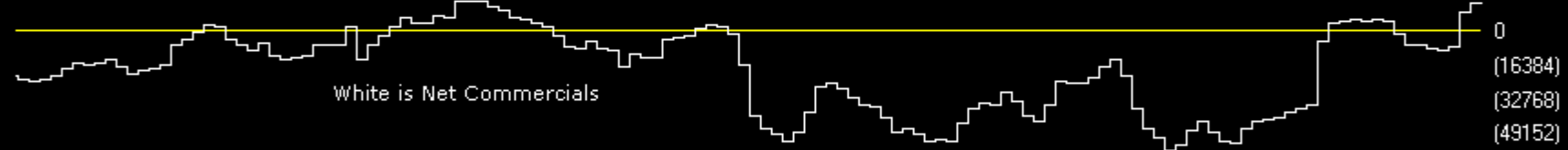
Charts by AIQ TradingExpert

USD IX	CM Net	CM Long	CM Short	LT Net	LT Long	LT Short	ST Net	ST Long	ST Short
12/24/12	100.0	100.0	0.0	0.0	0.0	100.0	1.8	0.0	78.8
12/18/12	100.0	97.5	0.0	0.0	15.1	100.0	1.2	14.7	98.1

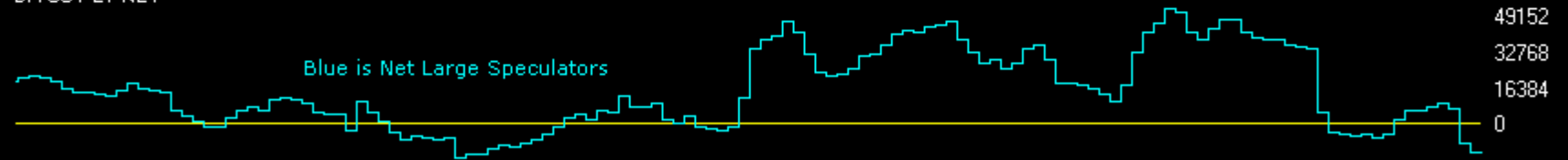


Dollar Index (Weekly)
commitments of traders

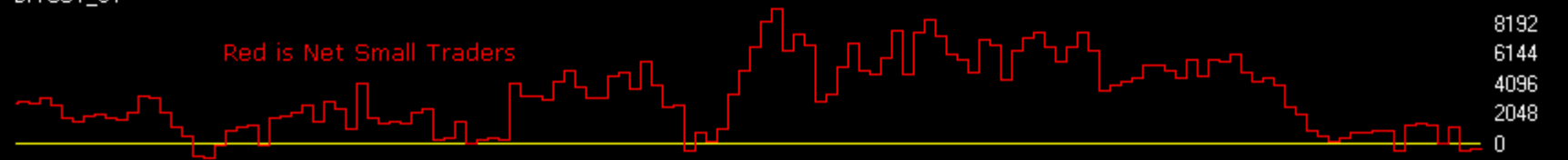
DX.COT.CM



DX.COT.LT.NET



DX.COT.ST



<http://www.chartprofitwebcast.com>