

Charts to Friday 11th January

AIQ's *Chart Profit* eBook

Market Charts, Major ETFs

Market Sentiment Analysis



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Stock Market Summary

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. AAIL, 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<<

from eBook 28th December:>> 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.<<

from eBook 4th January:>> Last week was volatile and saw a sharp rally putting the major index ETFs back in a much stronger price location. Can this be sustained? Positives: 1) Stronger price location. 2) There was no obvious increase in bullish sentiment with the rally although VIX collapsed last week. 3) LT Breadth is supportive. Negatives: 1) Big gaps up on the major index ETF charts, the majority of the time these are filled. 2) Market is overbought e.g. Nyse %stocks>50dyma is well above 80. 3) Possible negative is the Supporting charts which are not conclusively supportive.<<

Although the market is overbought both the LT and ST analysis is supportive. First indication of weakness would be Significant Sellers marked below ES 1453. Sentiment shows extreme complacency, not quite extreme optimism, but bullishness is rapidly increasing. Supporting Charts are mixed - Bonds were weak Nov/Dec but "may" have found support. Dollar is in a weak position. TLT (Bonds) breaking below 117.15 or Dollar Index rallying back above 80.15 would more clearly indicate the bias for equities.

***** PRICE PERFORMANCE / LOCATION

Unlike Equity Index/ETF charts, the following KEY Charts are printing very close to useful reference levels. Monitoring price relative to these levels should give us a good idea about the markets current appetite for risk; mixed at the moment but will hopefully give better indication soon.

Bonds TLT: Seems to have found Support just above the major poc (117.15). Closed at an eight day high on Friday and momentum has turned up.

Commodities: Oil USO Rallied to important 1/2R and poc Resistance around 34.17 eight days ago but has not overcome this level. Price printing above this level would indicate further strength and "risk on". Gold GLD finished the week "at" the 161 major poc.

EURUSD: Chart finished the week back above 1.3117, the 24mn poc. This is strong price location and a positive for equities but today chart is approaching the next Resistance at 1.3416, the 1/2R off 2010 low.

Dollar Index: Finished the week in a weak price location below the 2yrpoc at 79.80.

ES analysis:
from pre-open 2nd Jan. >>Until we see a VA printed entirely below the maj poc at 1406 we can say that the longer term trend has not broken down.<<

Through Friday, Significant Sellers had not been marked for nine days. The four month poc moved up to 1453 last week and this is now First Level Support. Significant Selling marked below that level would suggest further weakness but only

Significant Selling marked below 1406 would suggest the LT trend has turned down.

***** BREADTH

Chartprofit Market Timing System is positive for all Major Market Charts.
%Stocks>50dyma numbers: Nyse 88% and Nasdaq 80%. UK 87%. Numbers >50 are supportive. Numbers>80 usually considered overbought.

***** SENTIMENT

Consensus Polls:

01/11: AAI (public poll) reported Bulls% higher at 46.4% (from 38.7%) that's quite a jump and equal with w/e 21st December as the highest Bulls% since Feb 2012. Bears% was sharply lower at 26.9% (from 36.2%) The nett (Bulls - Bears) at 19.5 approaches the recent high three weeks ago at 21.6 which was the highest since Feb 2012.

01/11: Investor's Intelligence Bulls% was higher at 51.1%, a seventeen week high. Bears% at 23.4% is the equal lowest (with four weeks ago) since w/e 18th May.

01/11: Market Vane (advisers) poll was lower at 66 (from 68).

01/11: The NAAIM number (a measurement of average

current equity exposure among active money managers) and has moved back up to 83.27 which is a sharp increase from previous week's 75.98 but a little below the reading of 88.1 w/e 28th Dec which was the highest since 2007

Mutual Fund Flow:

01/11: My version of the Rydex Assets Ratio ended the week at 4.40. Wednesday's 4.44 was a 60day high.

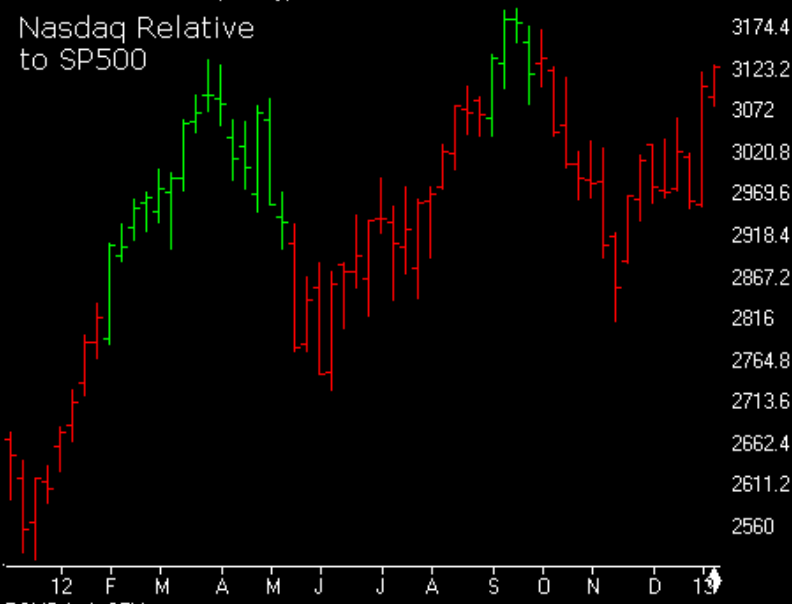
01/11: lipperusfundflows reported Equity Fund inflows of \$18.3 billion in the week to 9th January. That is the largest (by far) single weekly inflow for years. I have to go back to September 2007 to find one higher. Excessive bullishness which lifted the 4wk flow to its highest level for years as well.

01/11: lipperusfundflows ex ETFs reported Equity Fund inflows of \$7.5 bill in the week to 9th January. The largest single week's inflow in my database.

Volatility:

01/11: Closed at 13.36 which is the lowest since 2007.

NASDAQ COMPOSITE (Weekly)
Nasdaq Relative to SP500

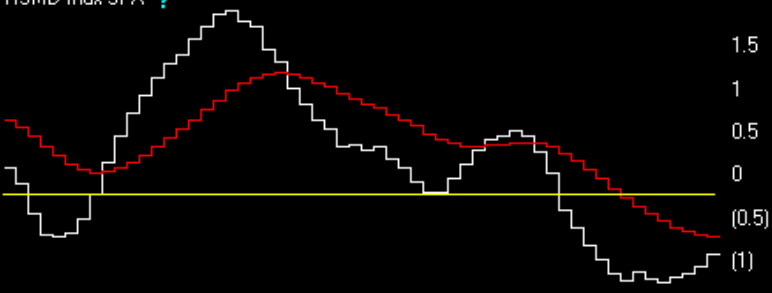


ChartProfit Breadth System - wk ending 01/11

	-5	-4	-3	-2	-1	↓
NYSE	62	56	74	59	87	88
NasDaq	45	49	64	53	81	80
SP500	65	63	74	54	89	81
ND100	60	66	75	59	84	73
R2000	52	65	71	60	87	84
UK	72	74	76	77	87	87

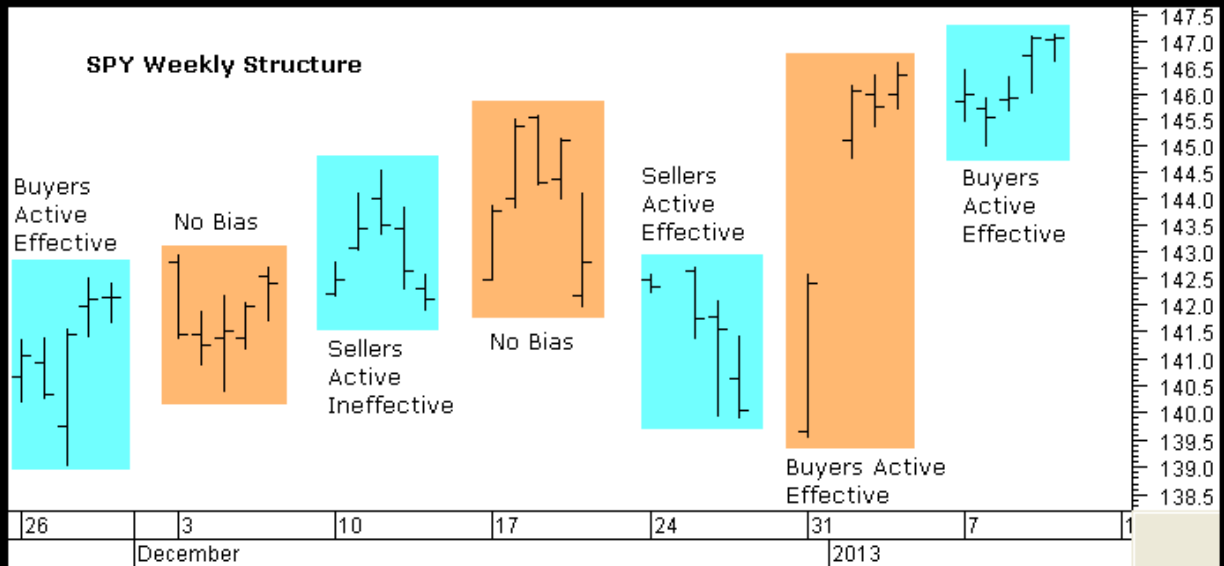
number = % stocks >50day ma

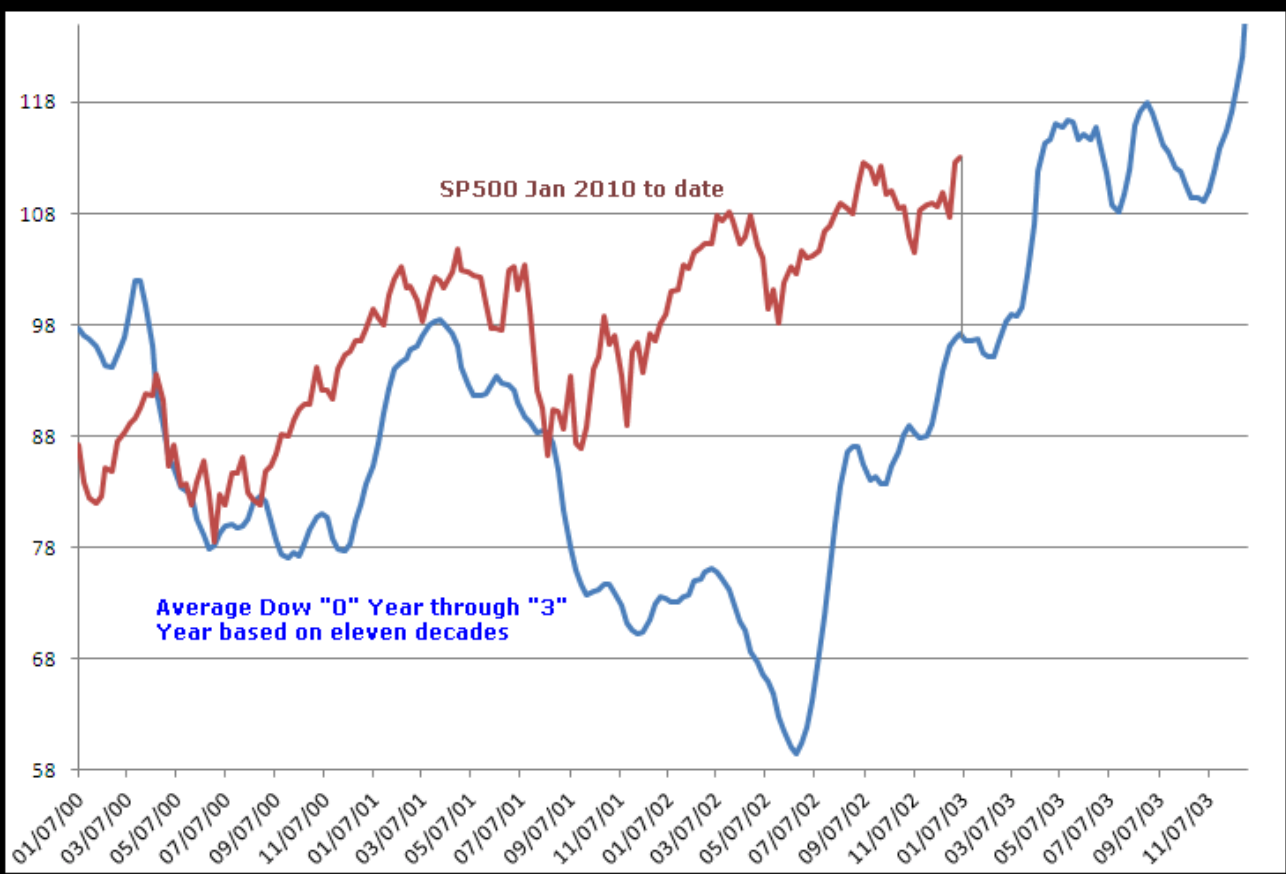
RSMD Indx SPX ?



Relative to SPX wk ending 01/11

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





Market Charts

Charts by AIQ TradingExpert

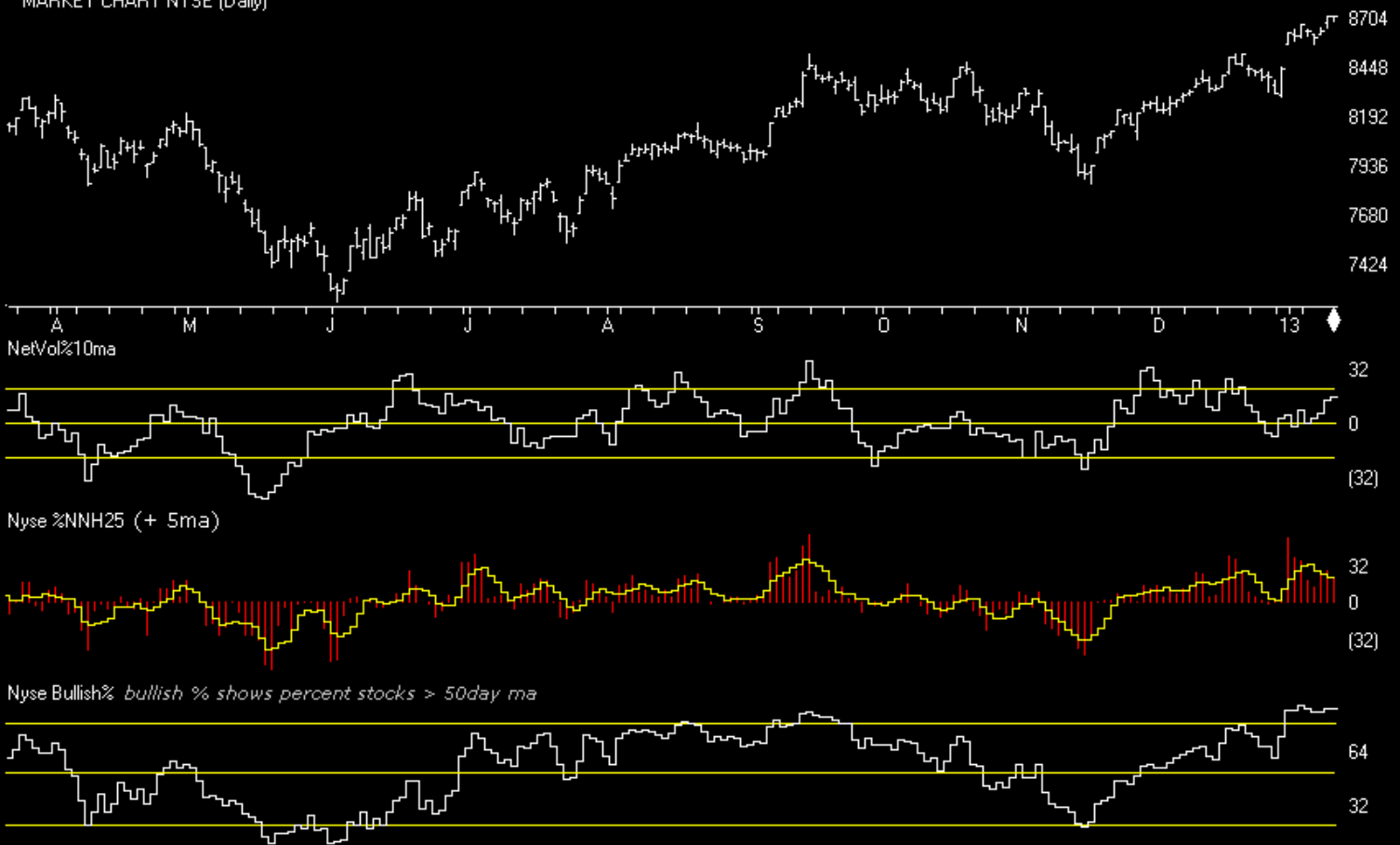
MARKET CHART NYSE (Weekly) + Chartprofit Market Timing System (color study)



Market Charts

Charts by AIQ TradingExpert

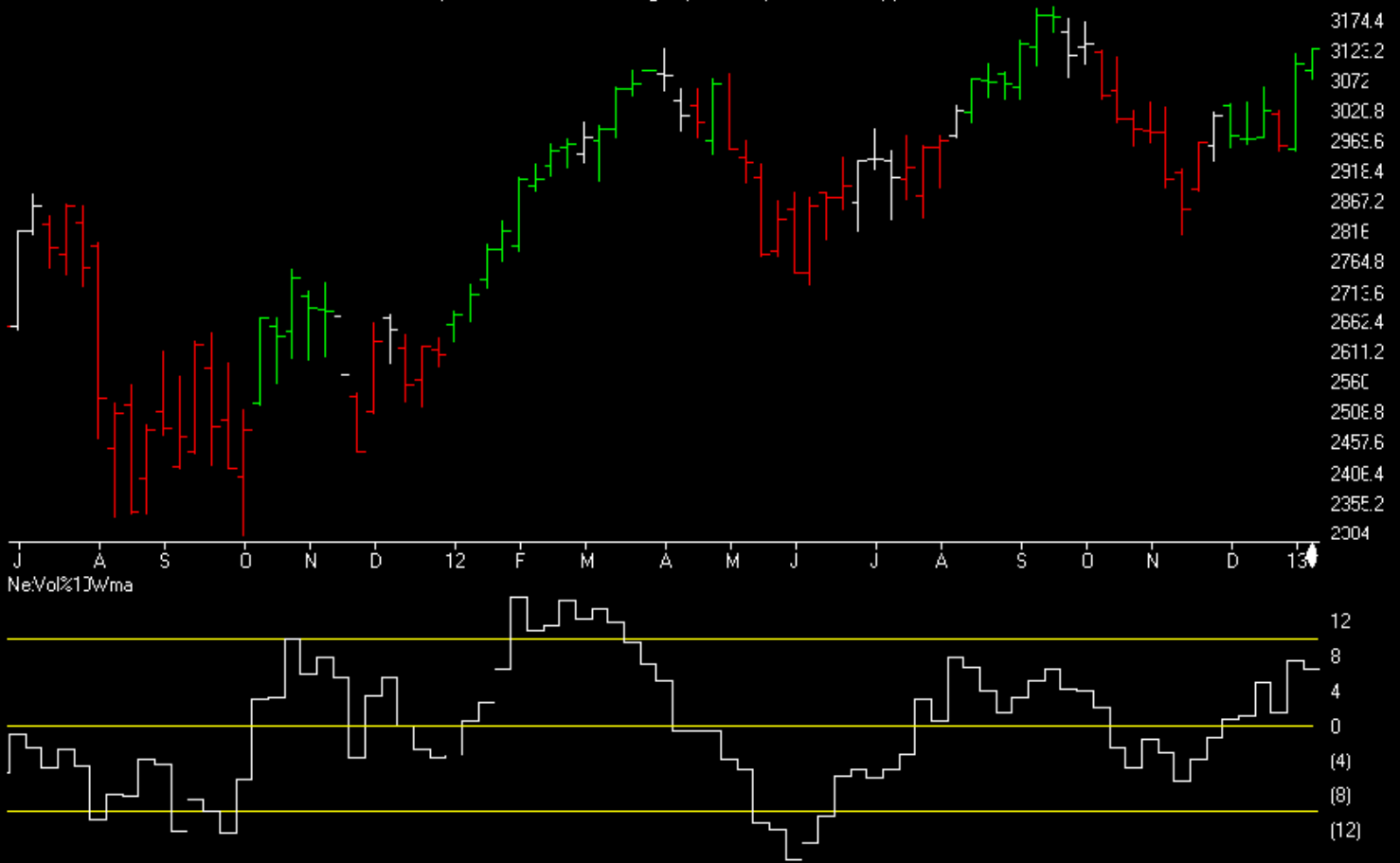
MARKET CHART NYSE (Daily)



Market Charts

Charts by AIQ TradingExpert

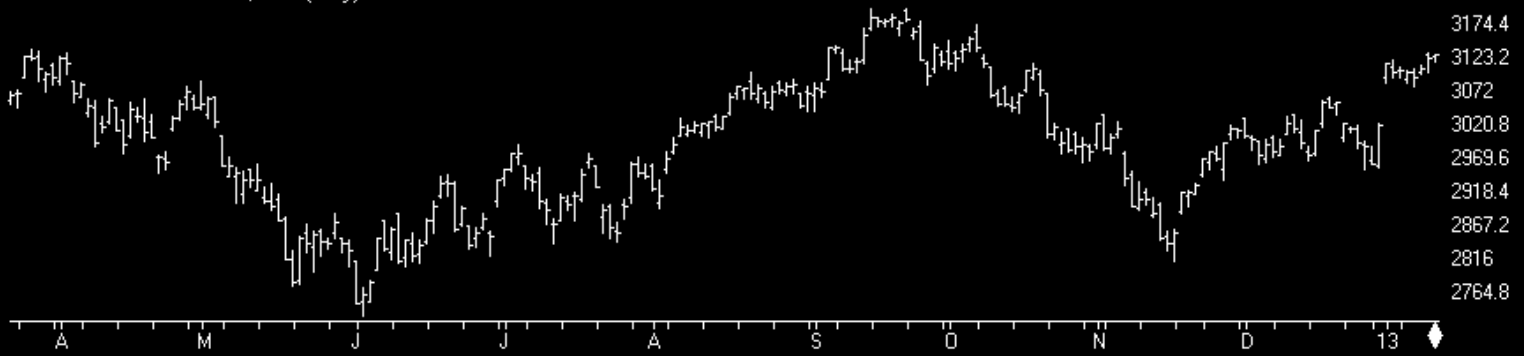
MARKET CHART NASDAQ 1800 (Weekly) + Chartprofit Market Timing System (color study)



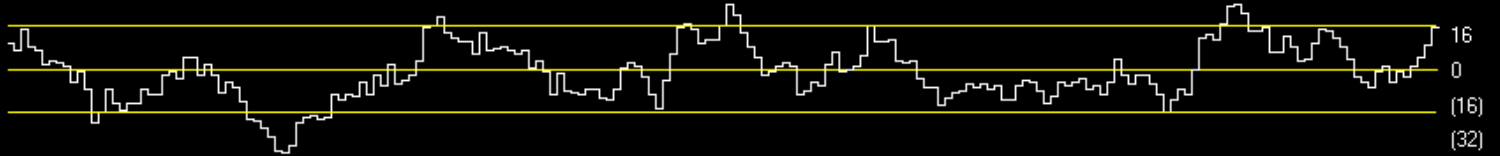
Market Charts

Charts by AIQ TradingExpert

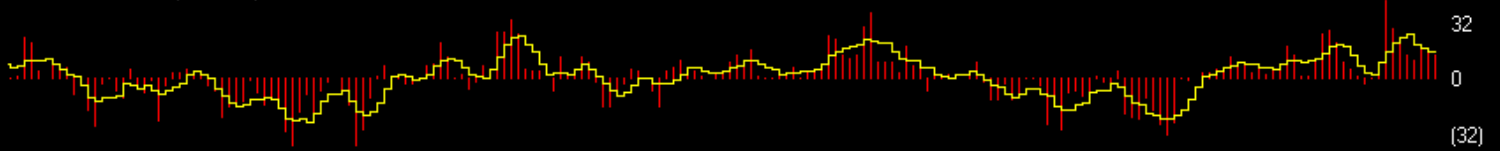
MARKET CHART NASDAQ 1800 (Daily)



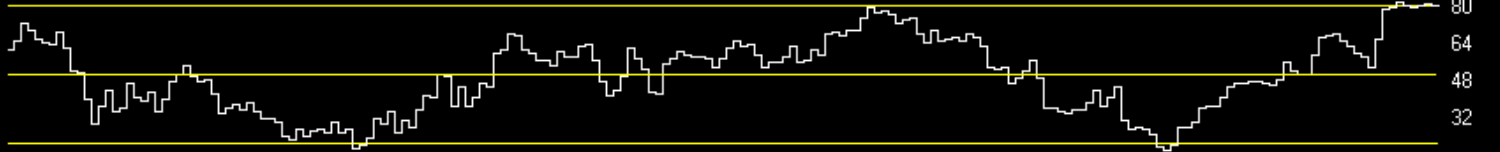
NetVol%10ma



Nasdaq %NNH25 (+ 5ma)



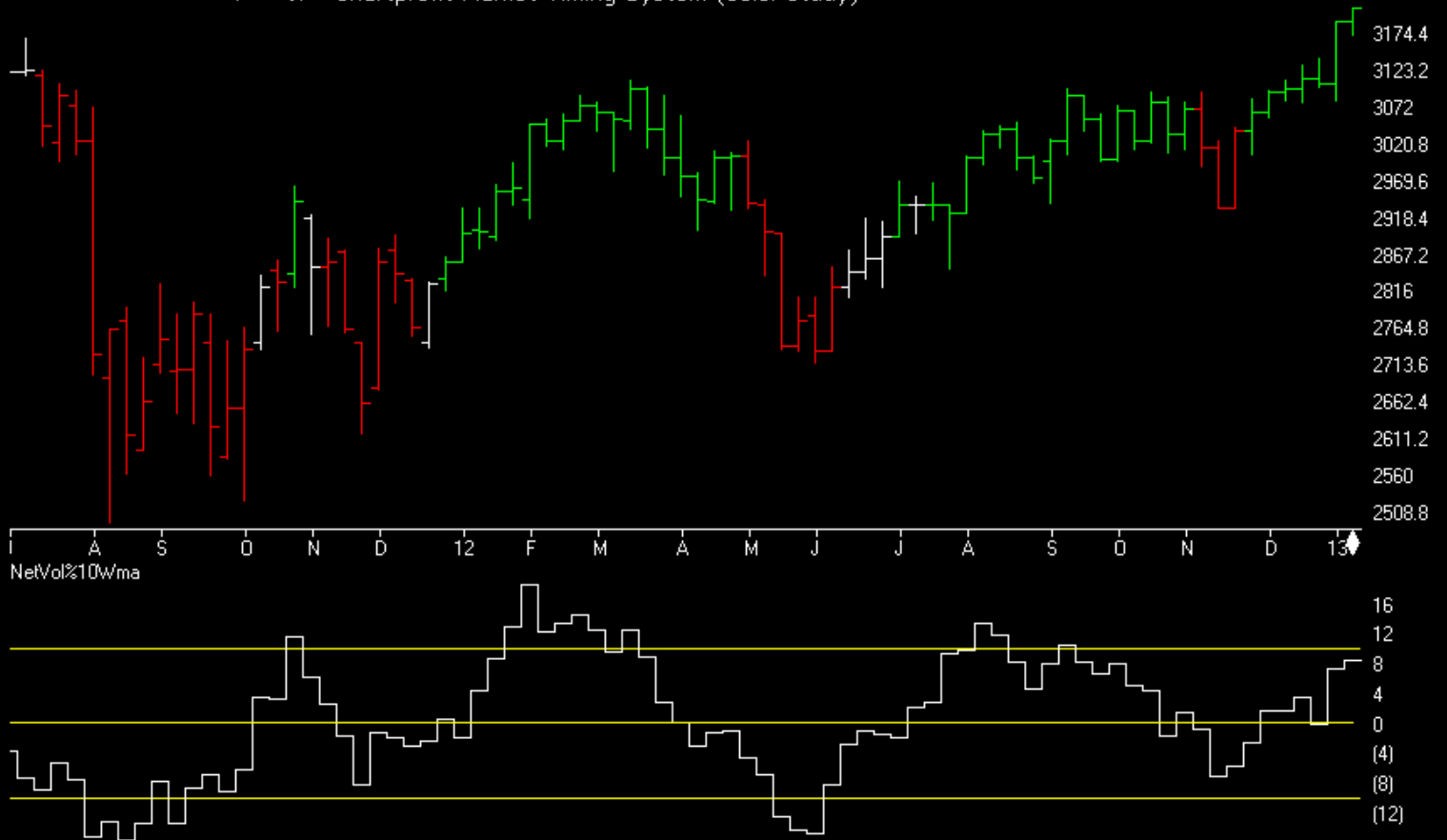
Nasdaq Bullish% *bullish % shows percent stocks > 50day ma*



Market Charts

Charts by AIQ TradingExpert

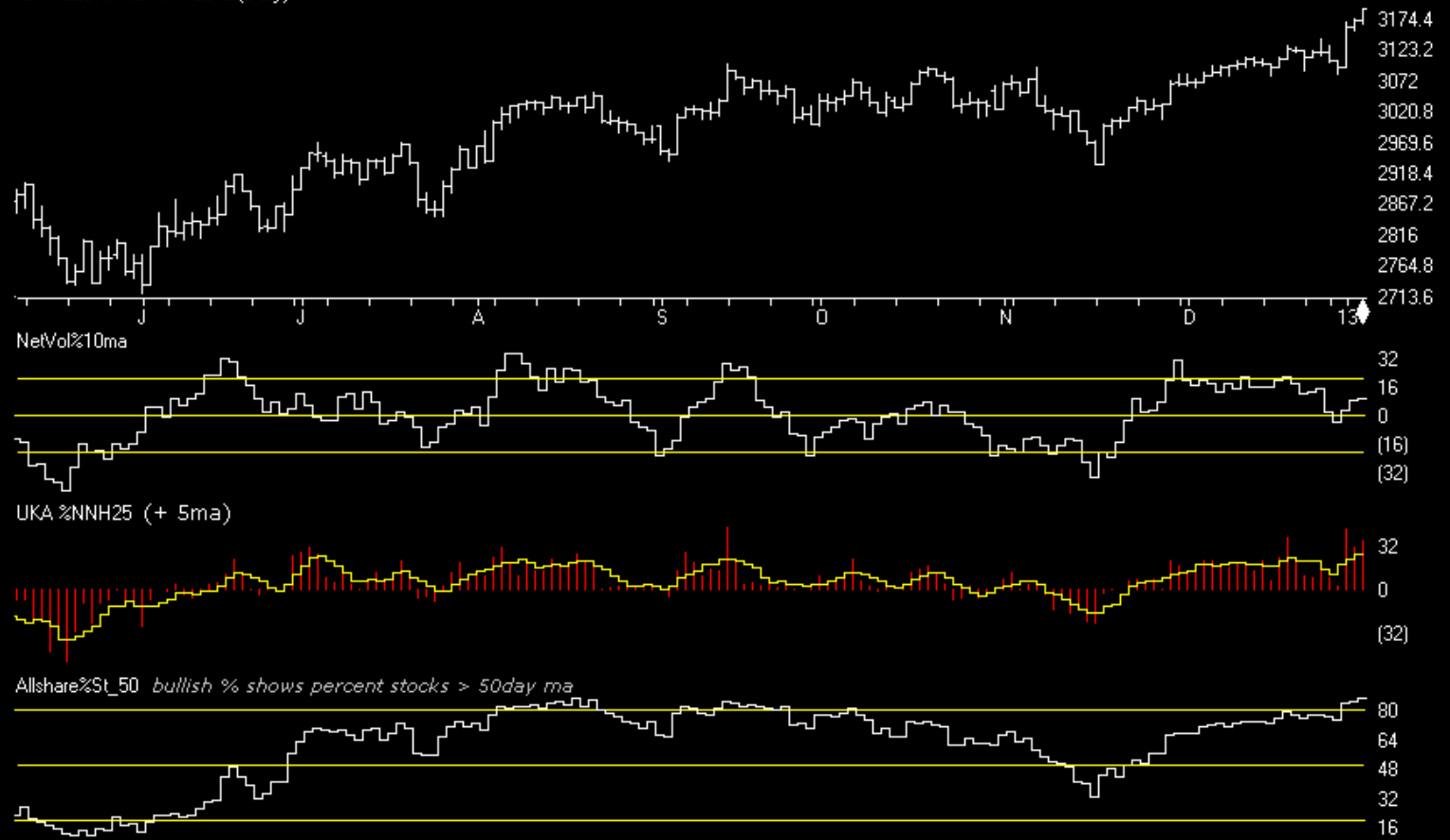
UK ALLSHARE MKT 2013 (Weekly) + Chartprofit Market Timing System (color study)



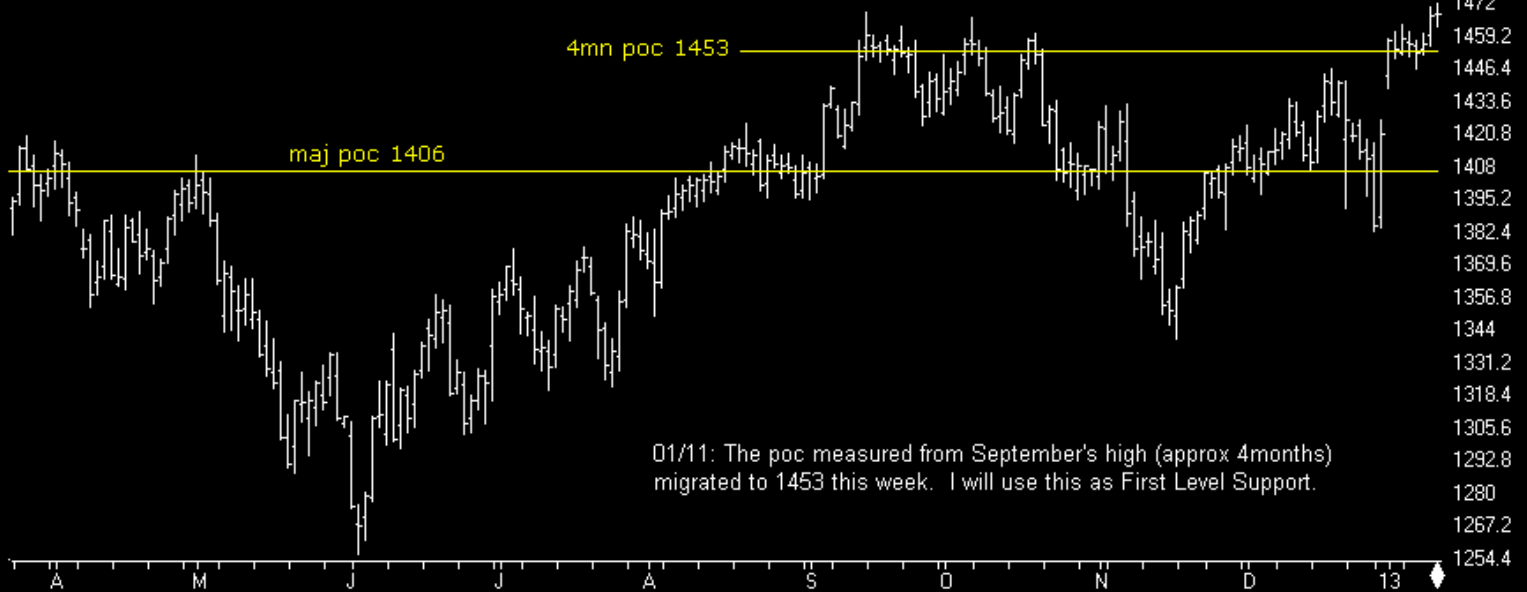
Market Charts

Charts by AIQ TradingExpert

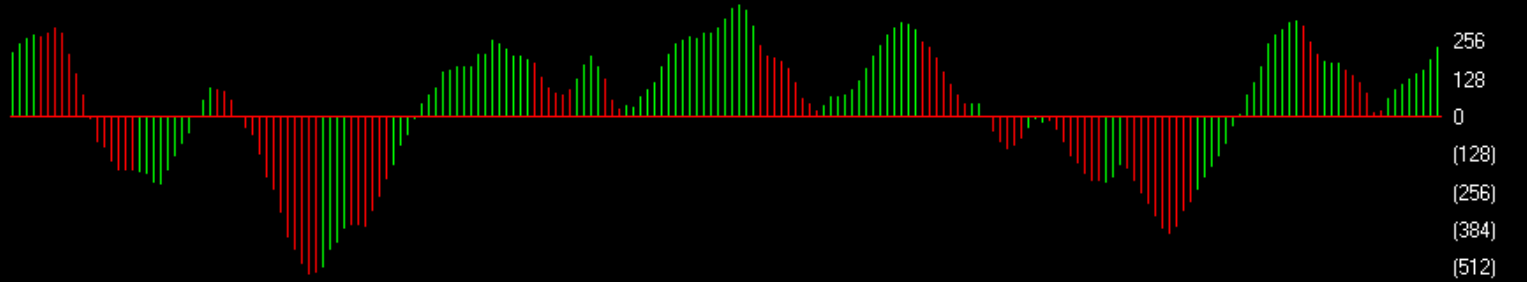
UK ALLSHARE MKT 2012 (Daily)



E-MINI S&P NEAREST FUTURES (Daily)



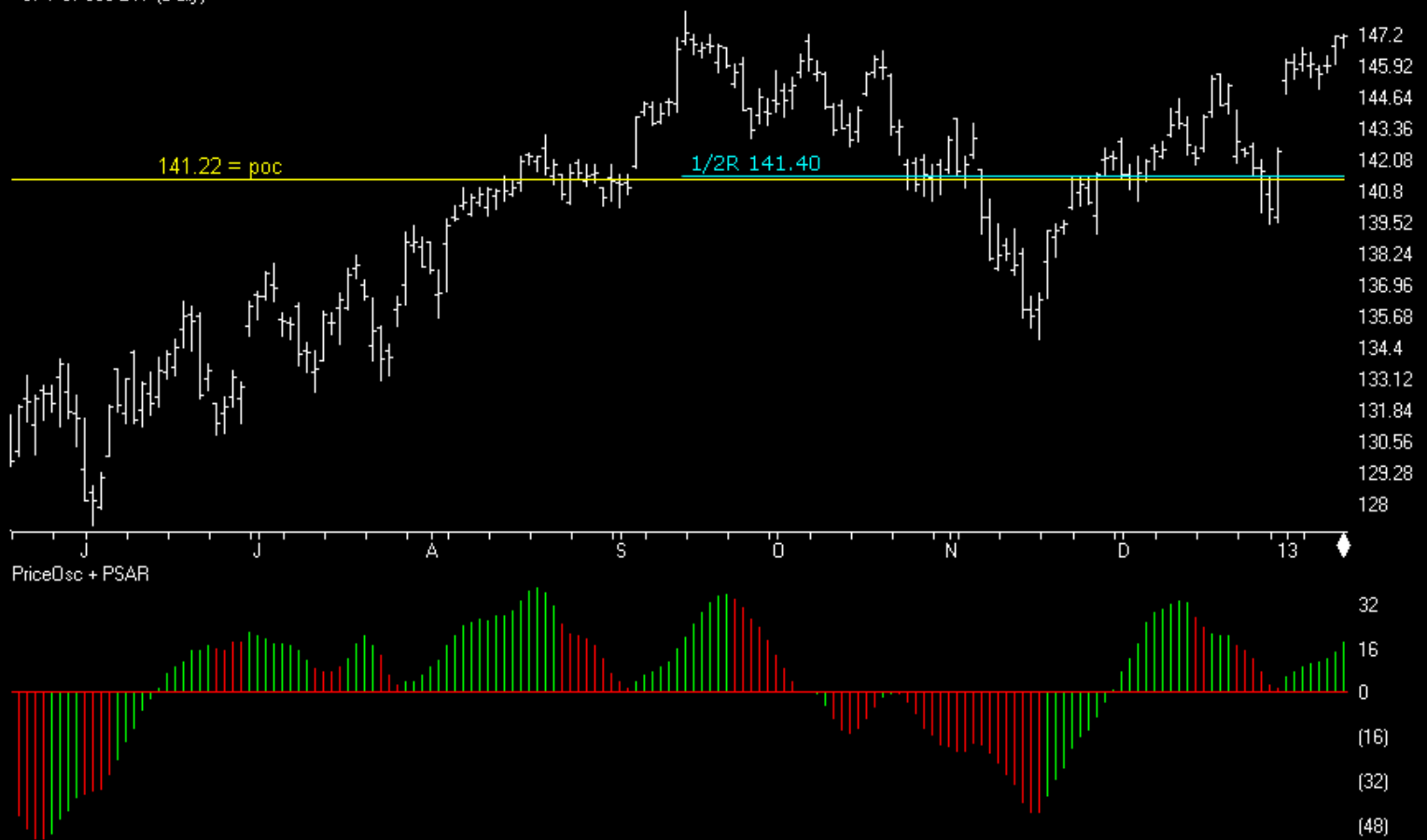
PriceOsc + PSAR



Index ETFs

Charts by AIQ TradingExpert

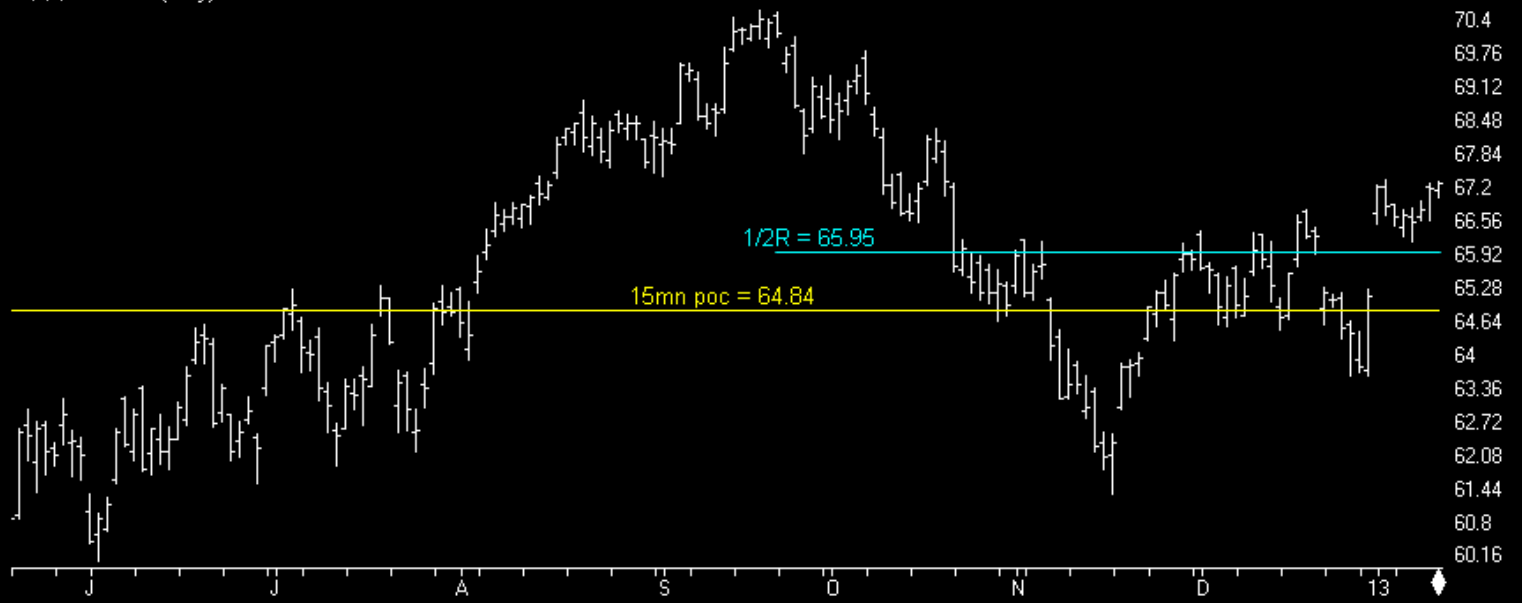
SPY SP500 ETF (Daily)



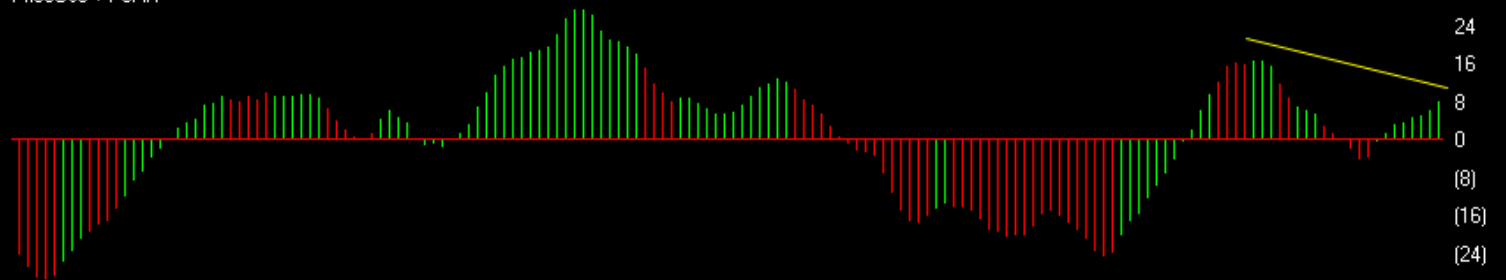
Index ETFs

Charts by AIQ TradingExpert

QQQ N100 ETF (Daily)



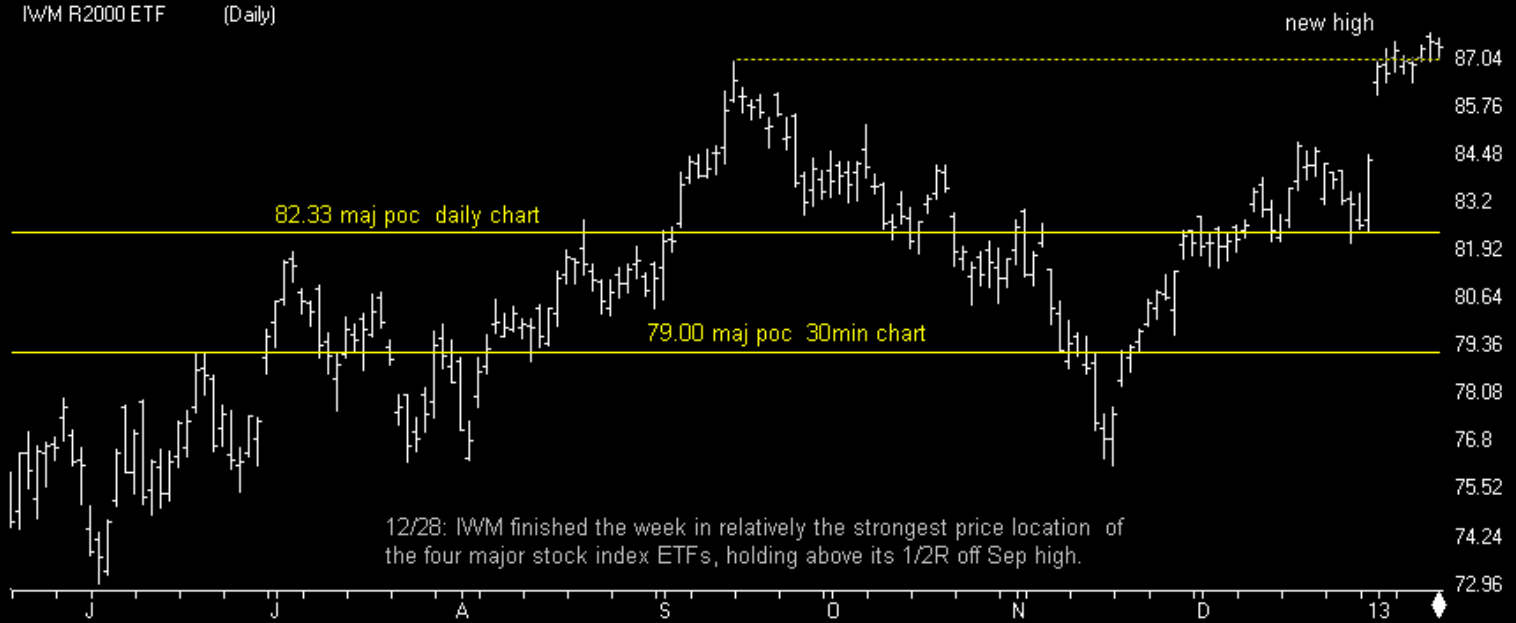
PriceDsc + PSAR



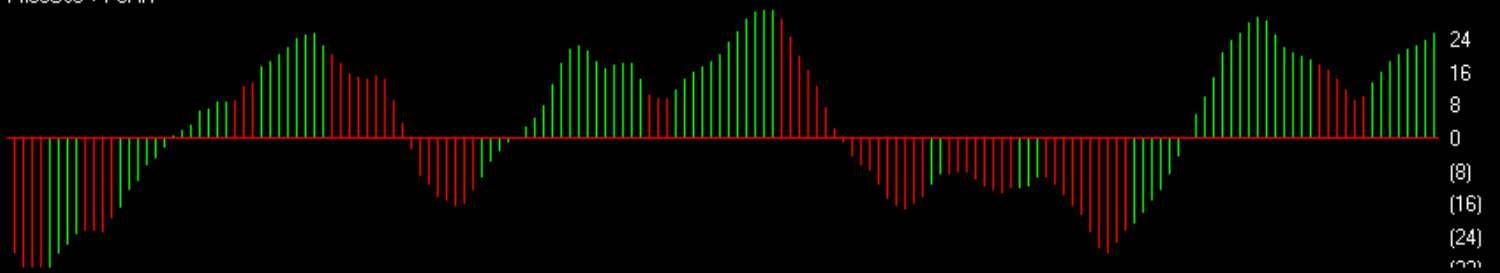
Index ETFs

Charts by AIQ TradingExpert

IWM R2000 ETF (Daily)



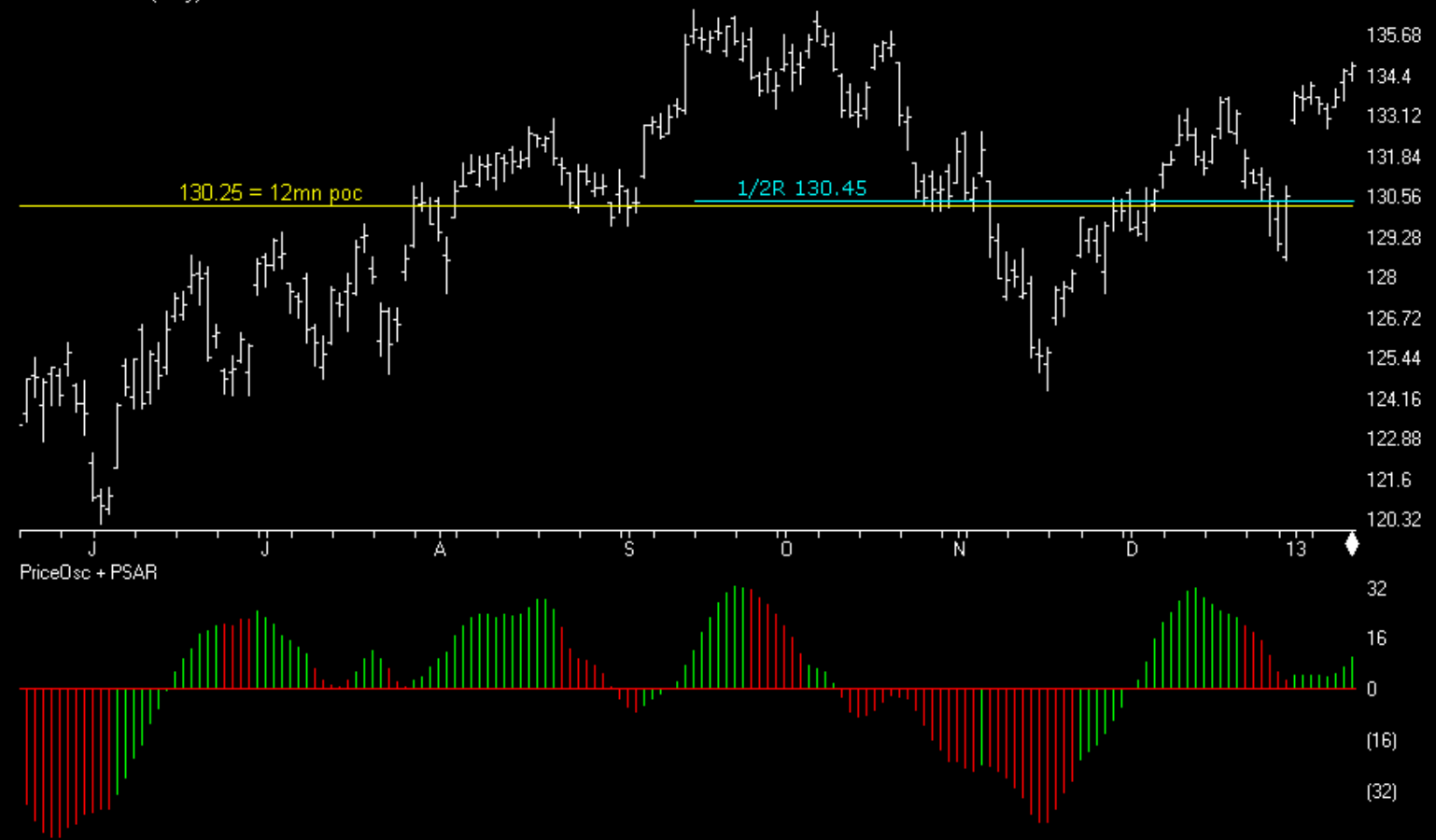
PriceOsc + PSAR



Index ETFs

Charts by AIQ TradingExpert

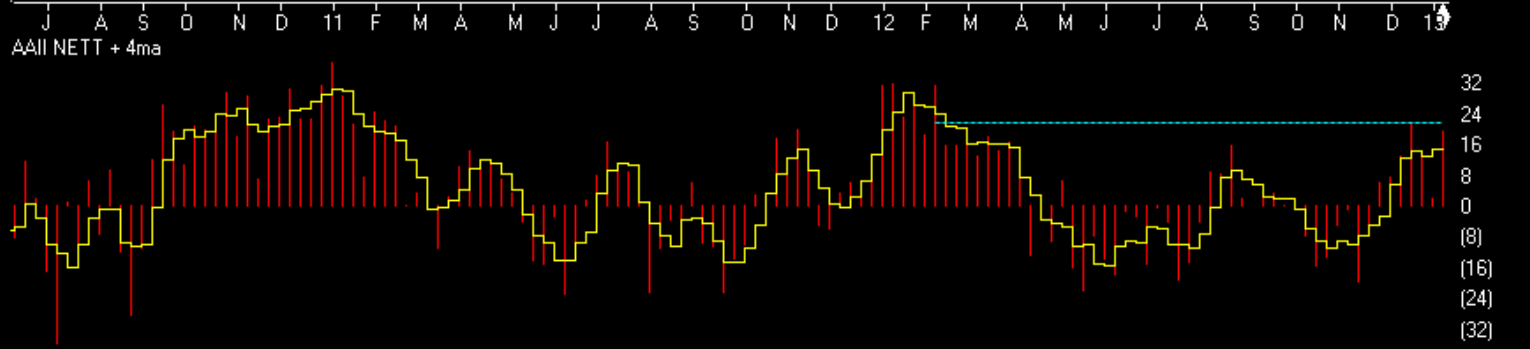
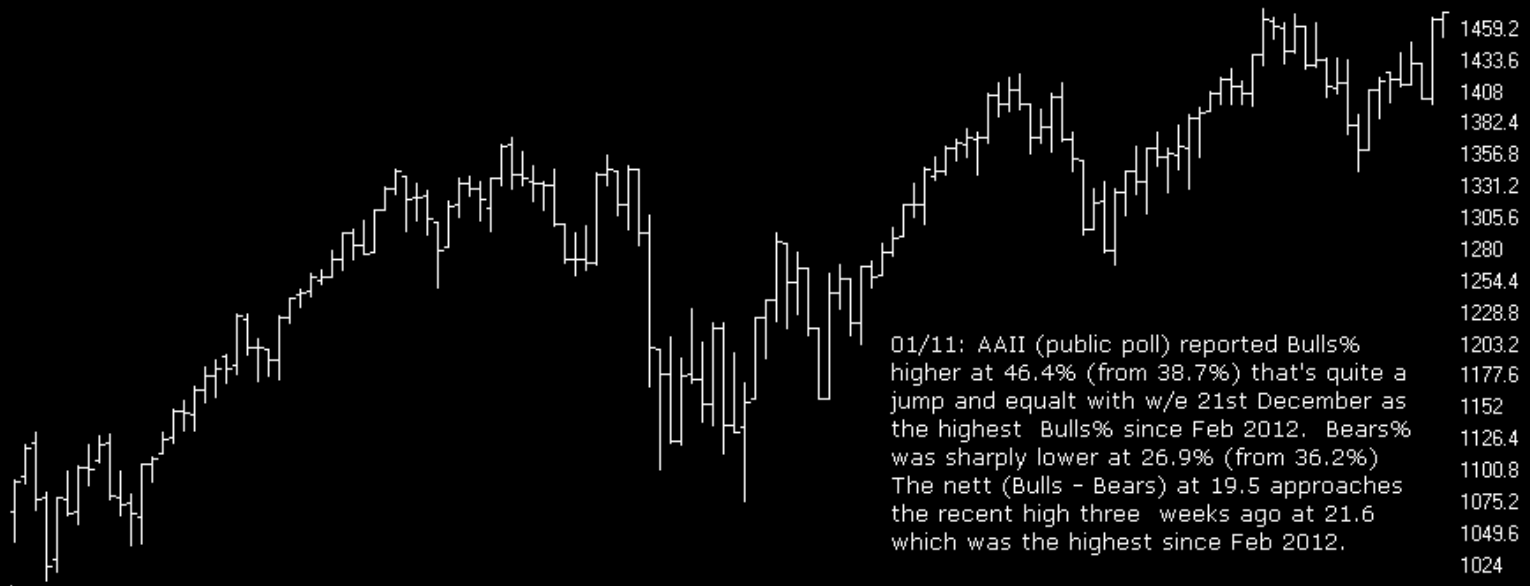
DIA DOW ETF (Daily)



Sentiment

Charts by AIQ TradingExpert

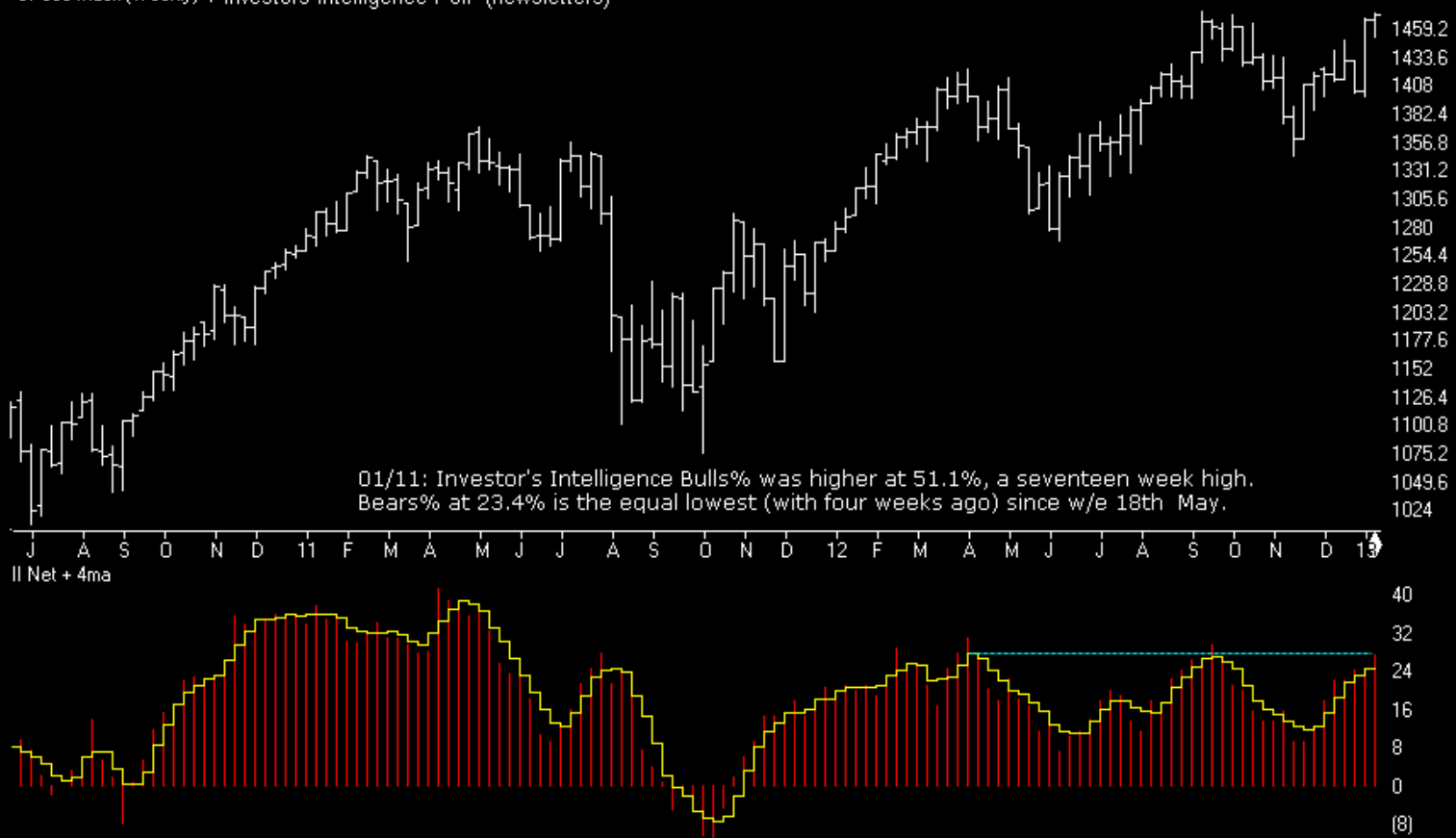
SP500 Index (Weekly) + AAll (public) poll



Sentiment

Charts by AIQ TradingExpert

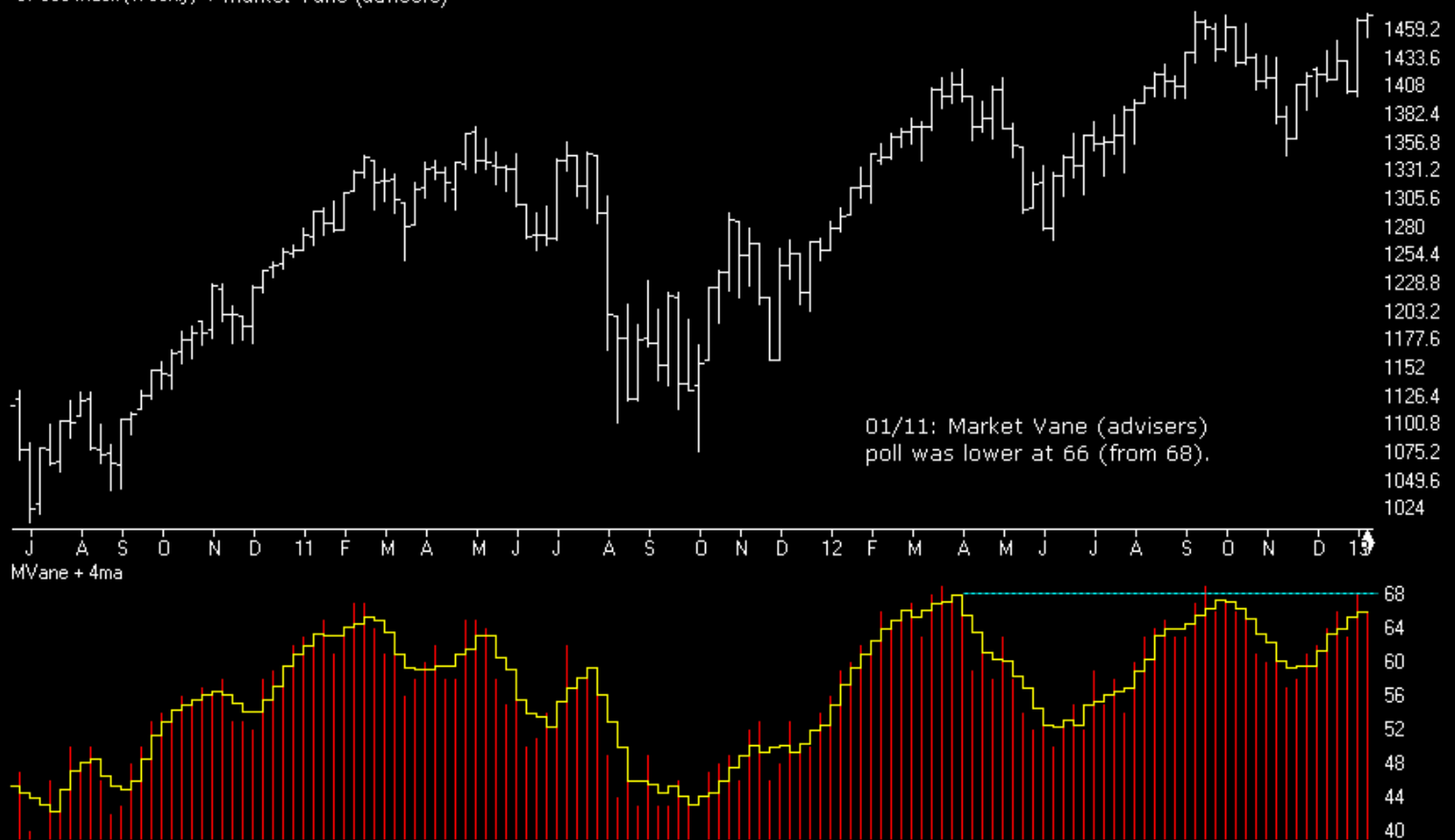
SP500 Index (Weekly) + Investors Intelligence Poll (newsletters)



Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly) + Market Vane (advisers)

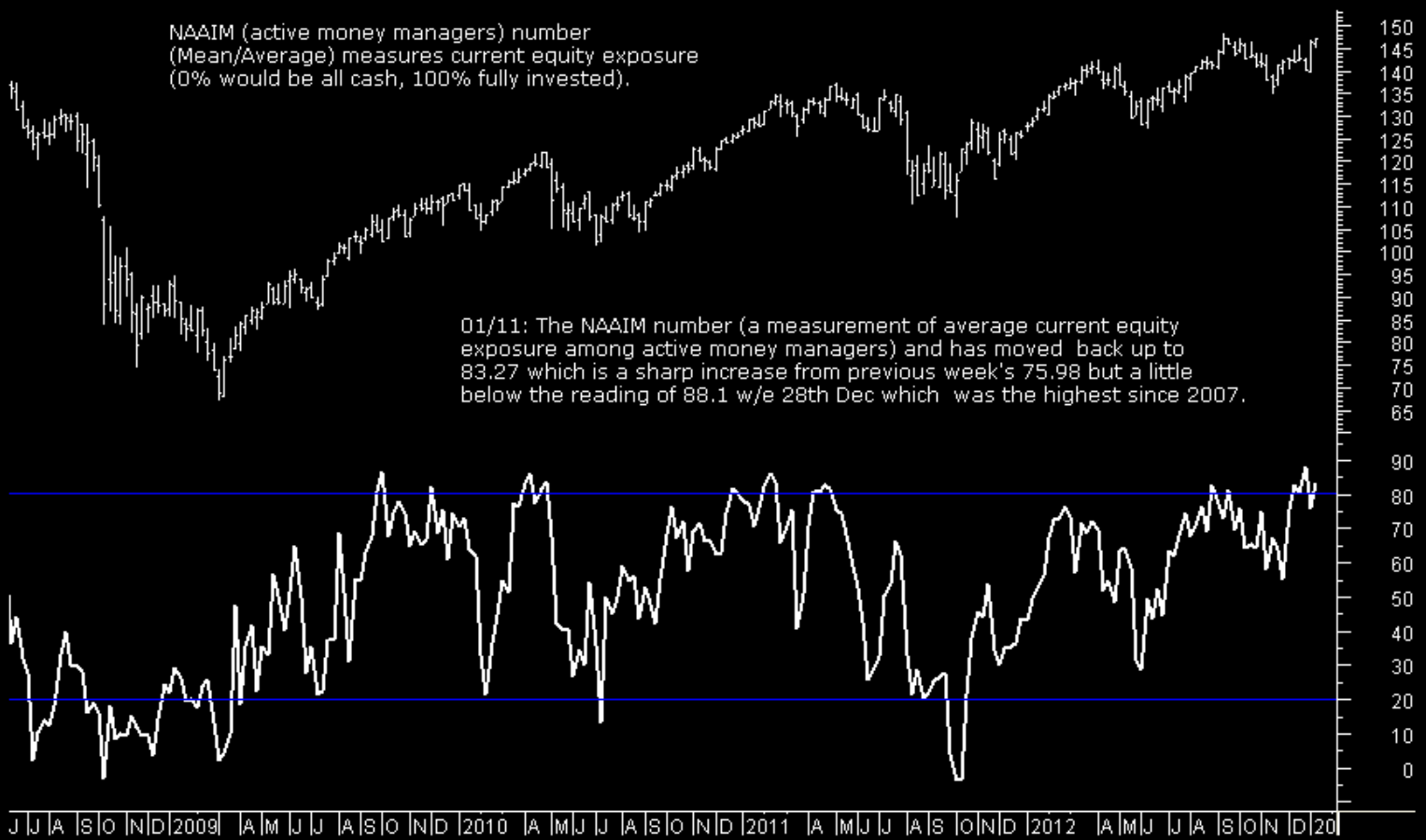


Sentiment

Charts by AIQ TradingExpert

SPY + NAAIM Number
National Association of Active Investment Managers

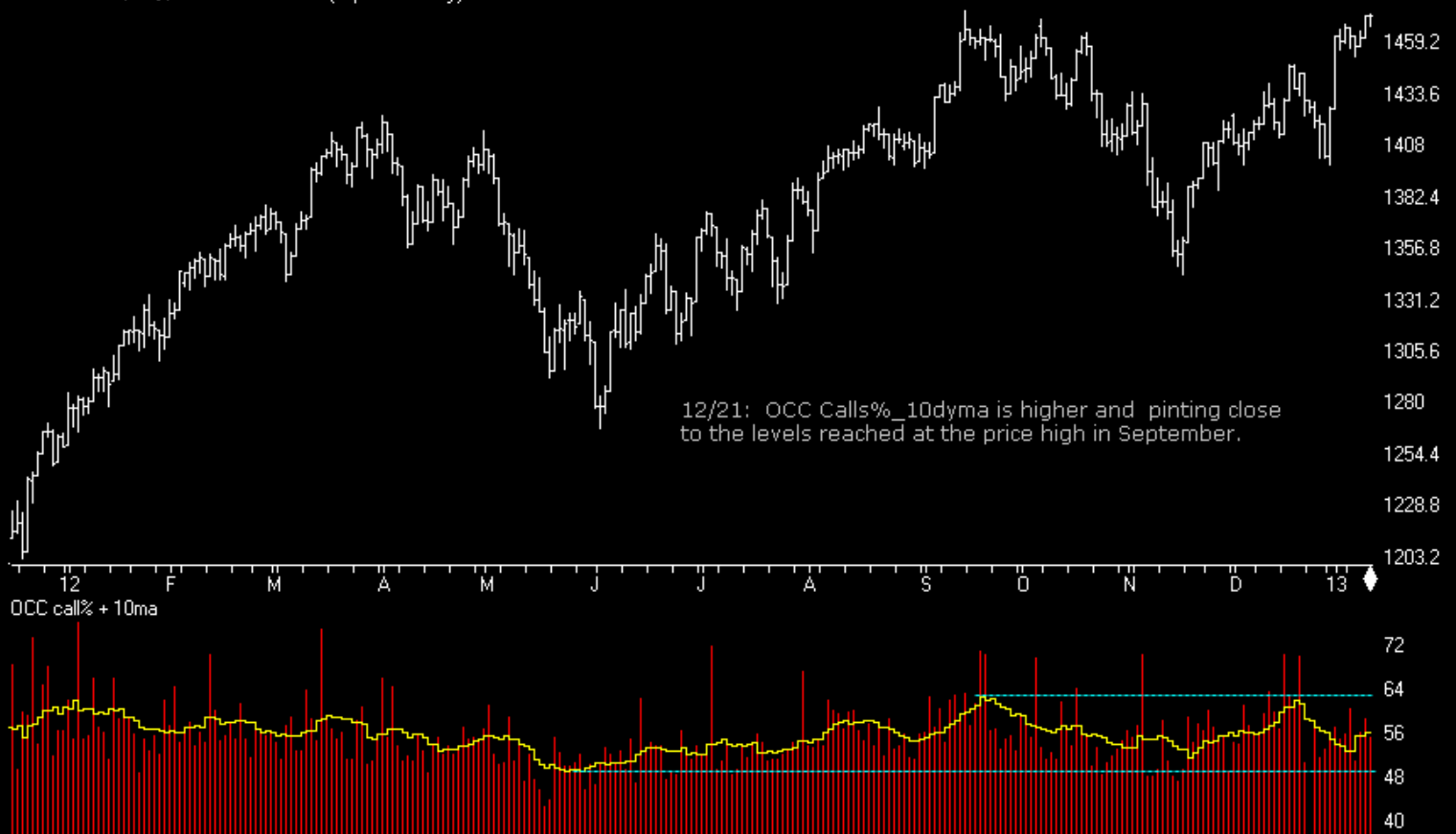
NAAIM (active money managers) number
(Mean/Average) measures current equity exposure
(0% would be all cash, 100% fully invested).



Sentiment

Charts by AIQ TradingExpert

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



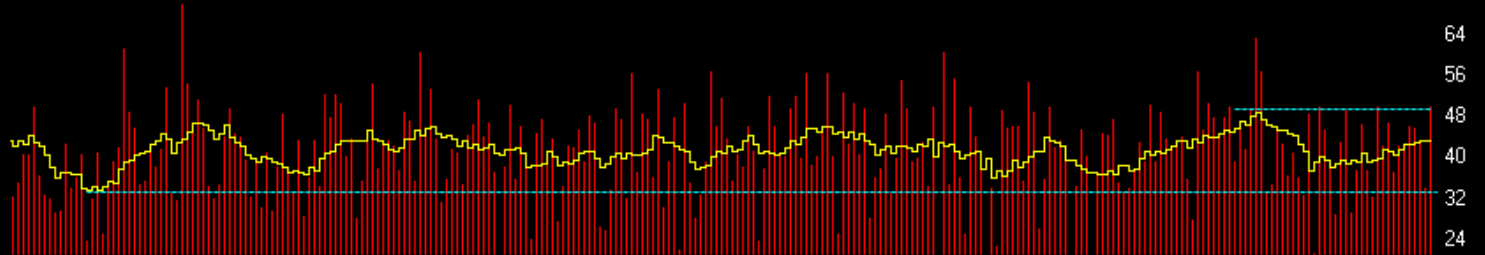
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Daily) + OEX Calls%



OEX Call% + 10ma

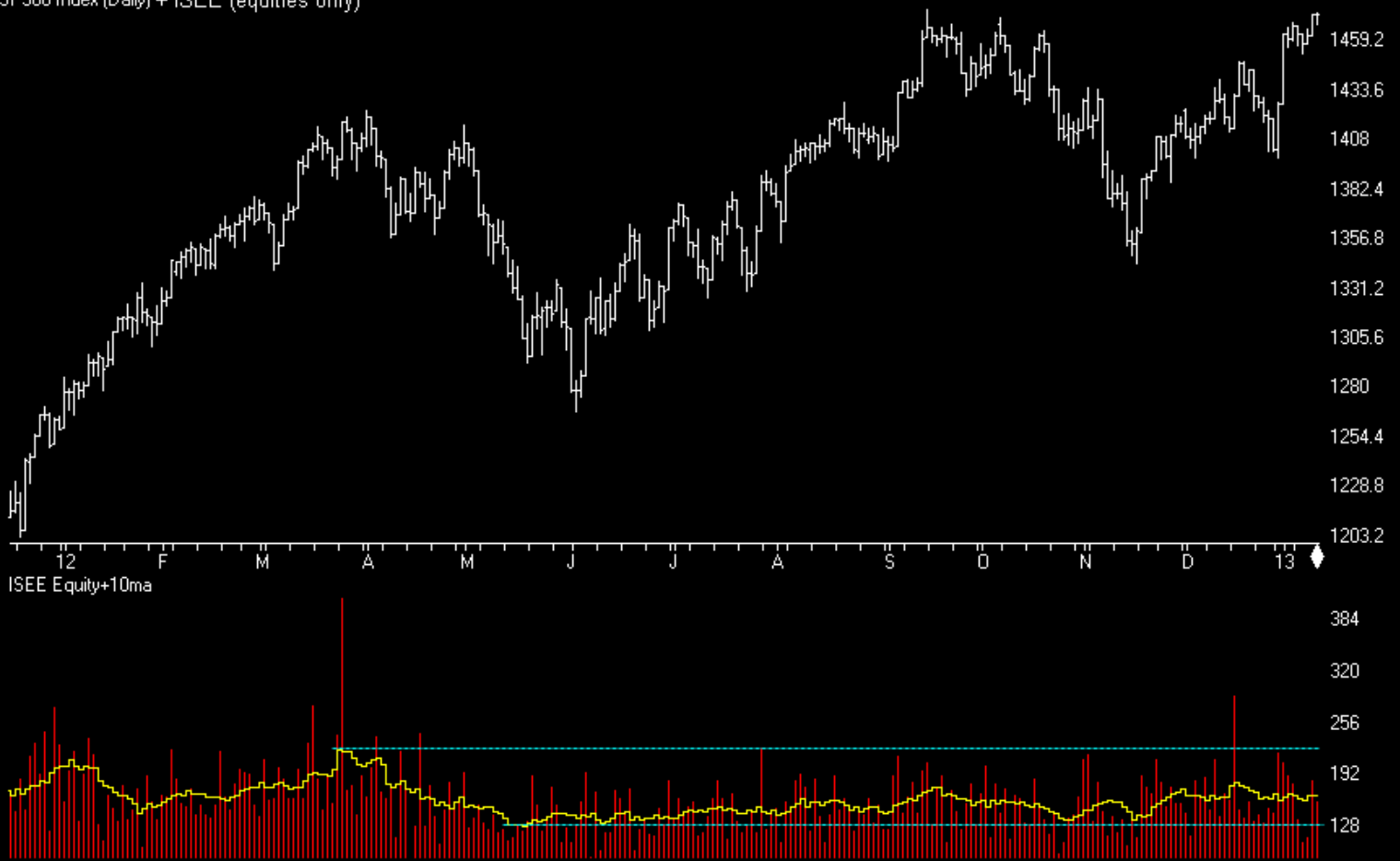


unlike other option ratios, OEX is usually considered a smart-money indicator.

Sentiment

Charts by AIQ TradingExpert

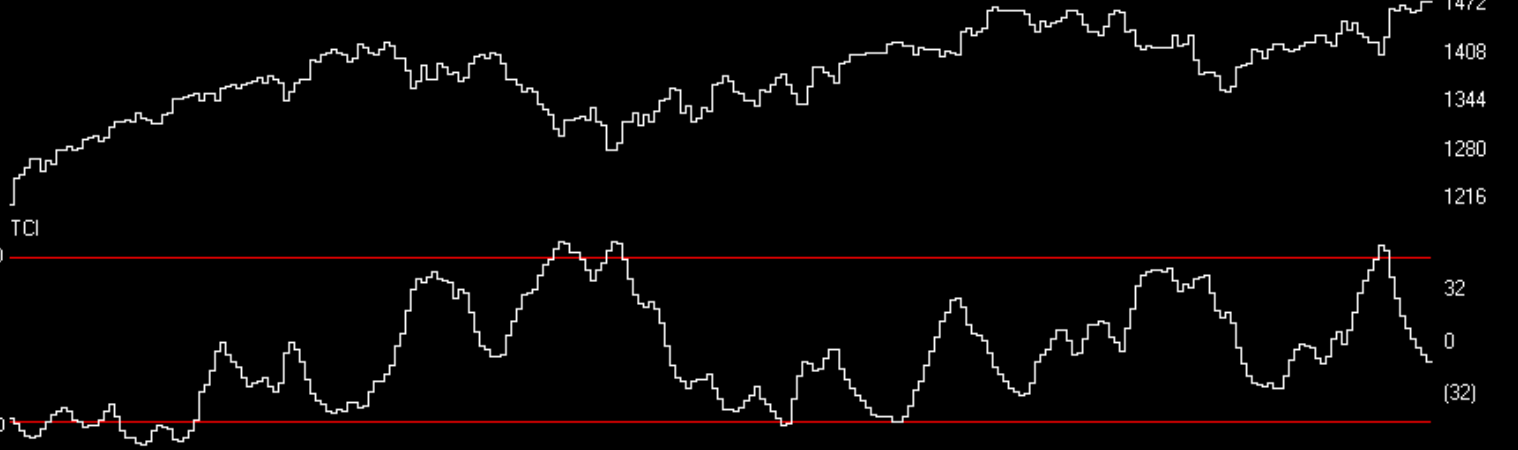
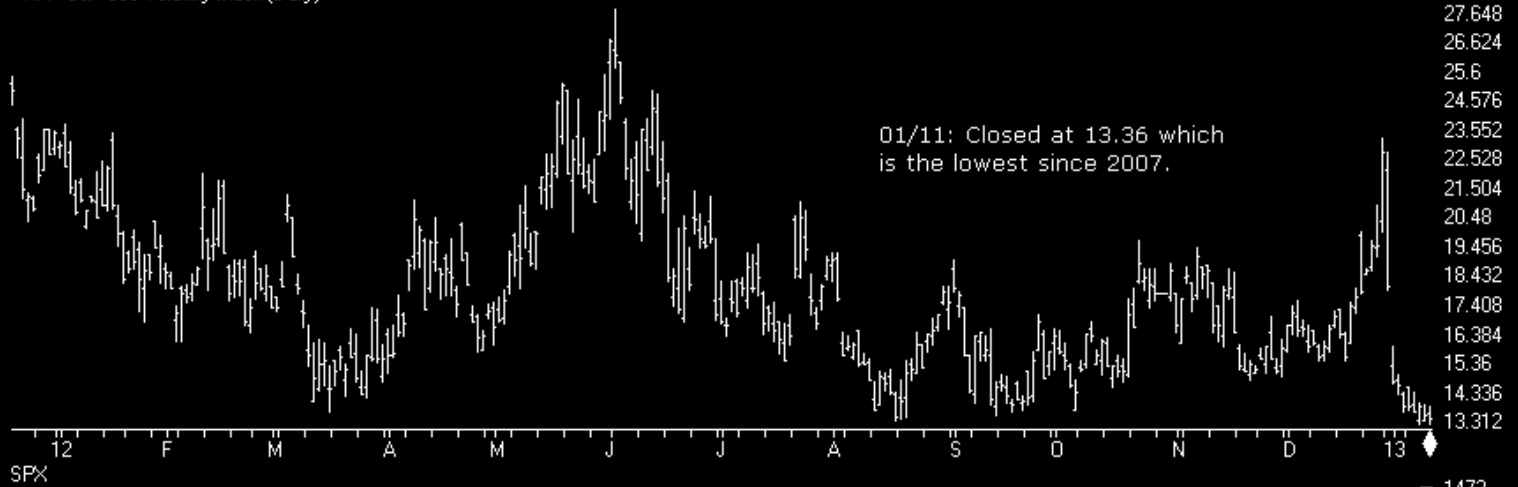
SP500 Index (Daily) + ISEE (equities only)



Sentiment

Charts by AIQ TradingExpert

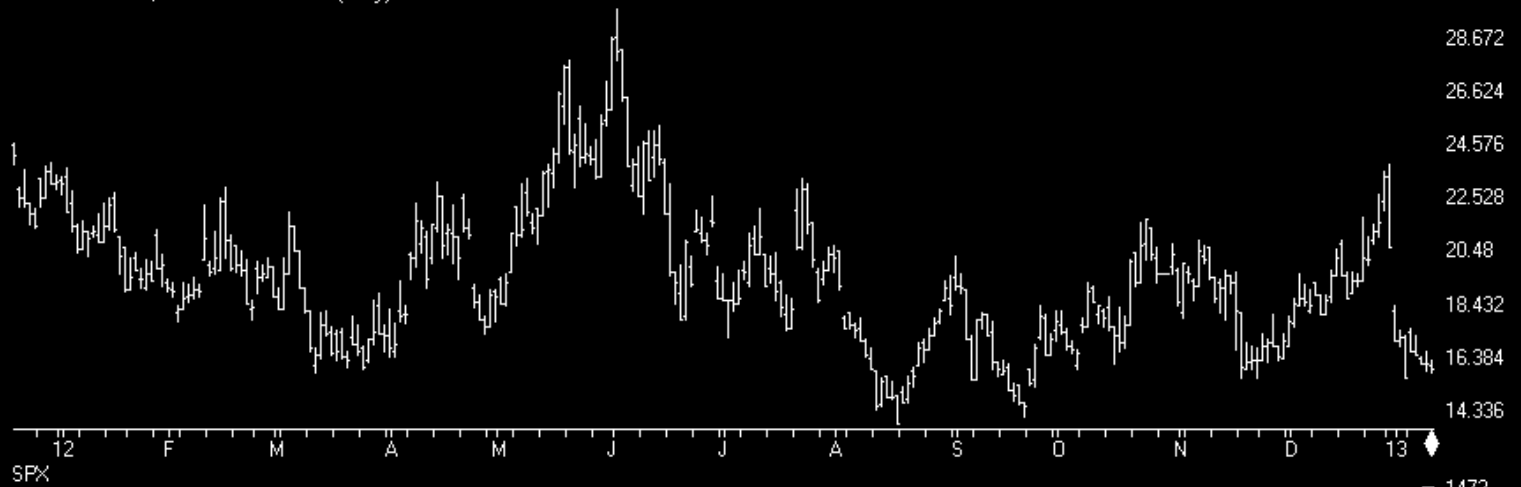
VIX - S&P 500 Volatility Index (Daily)



Sentiment

Charts by AIQ TradingExpert

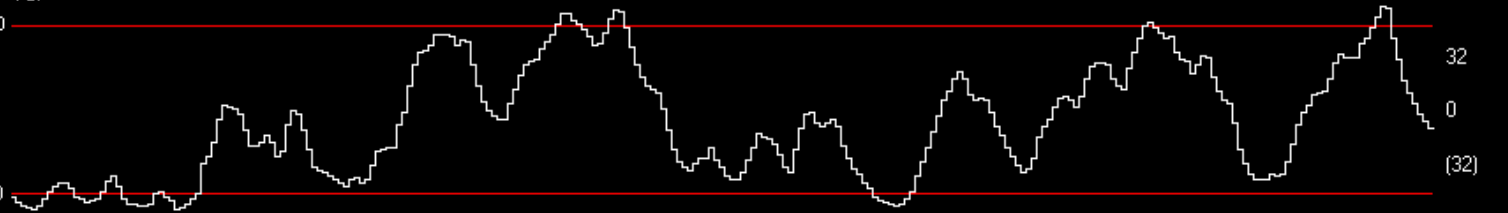
VXN - NASDAQ VOLATILITY INDEX (Daily)



SPX



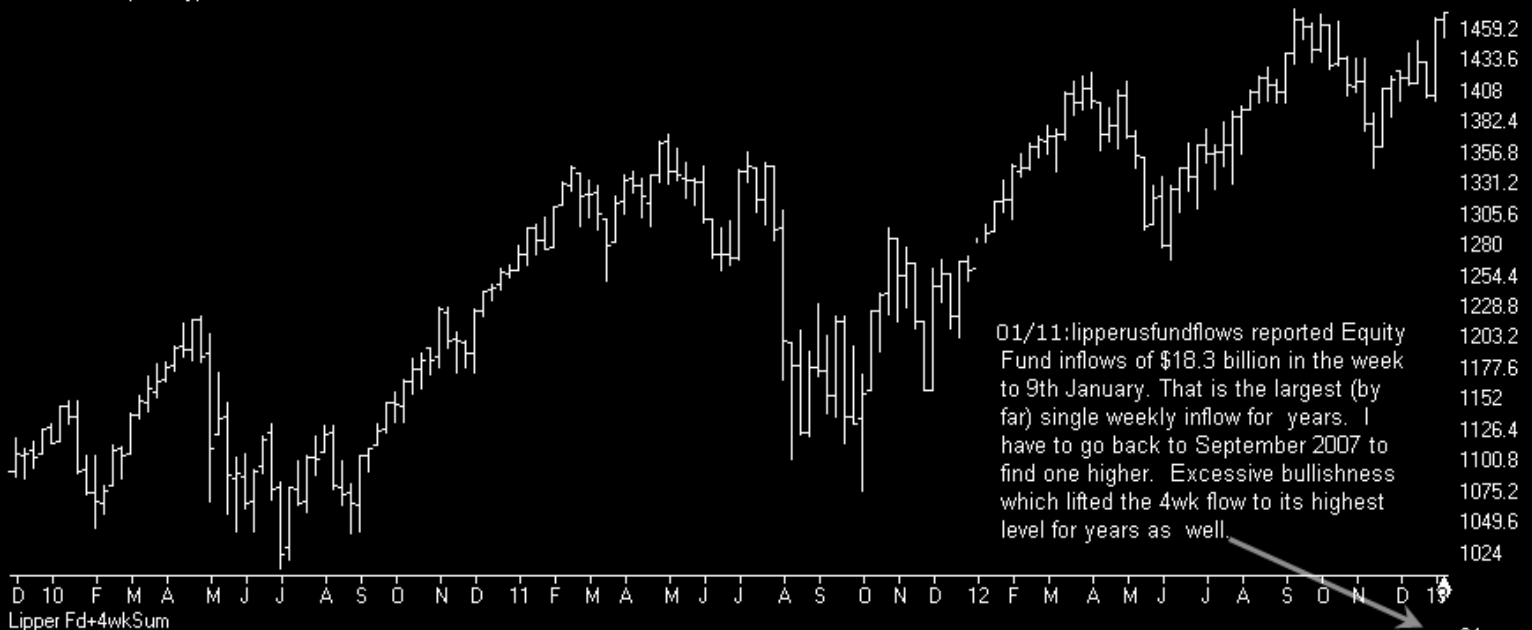
TCI based on VXN



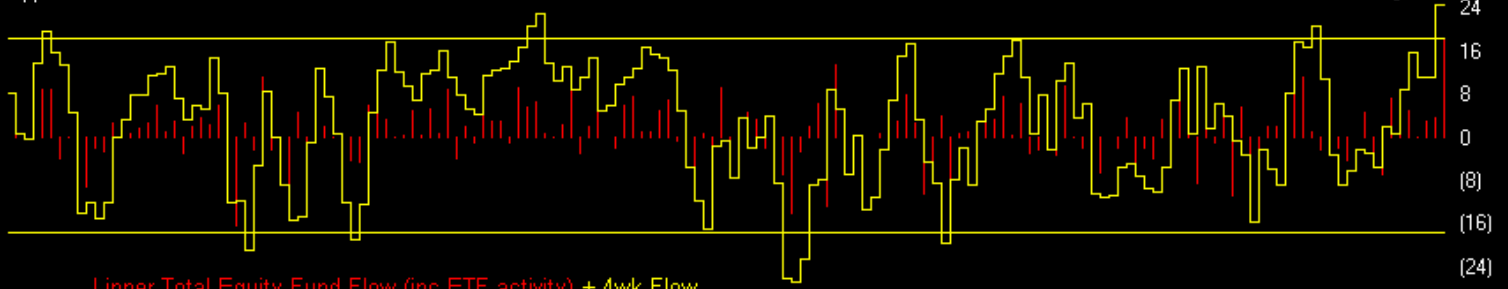
Sentiment

Charts by AIQ TradingExpert

SP500 Index (Weekly)

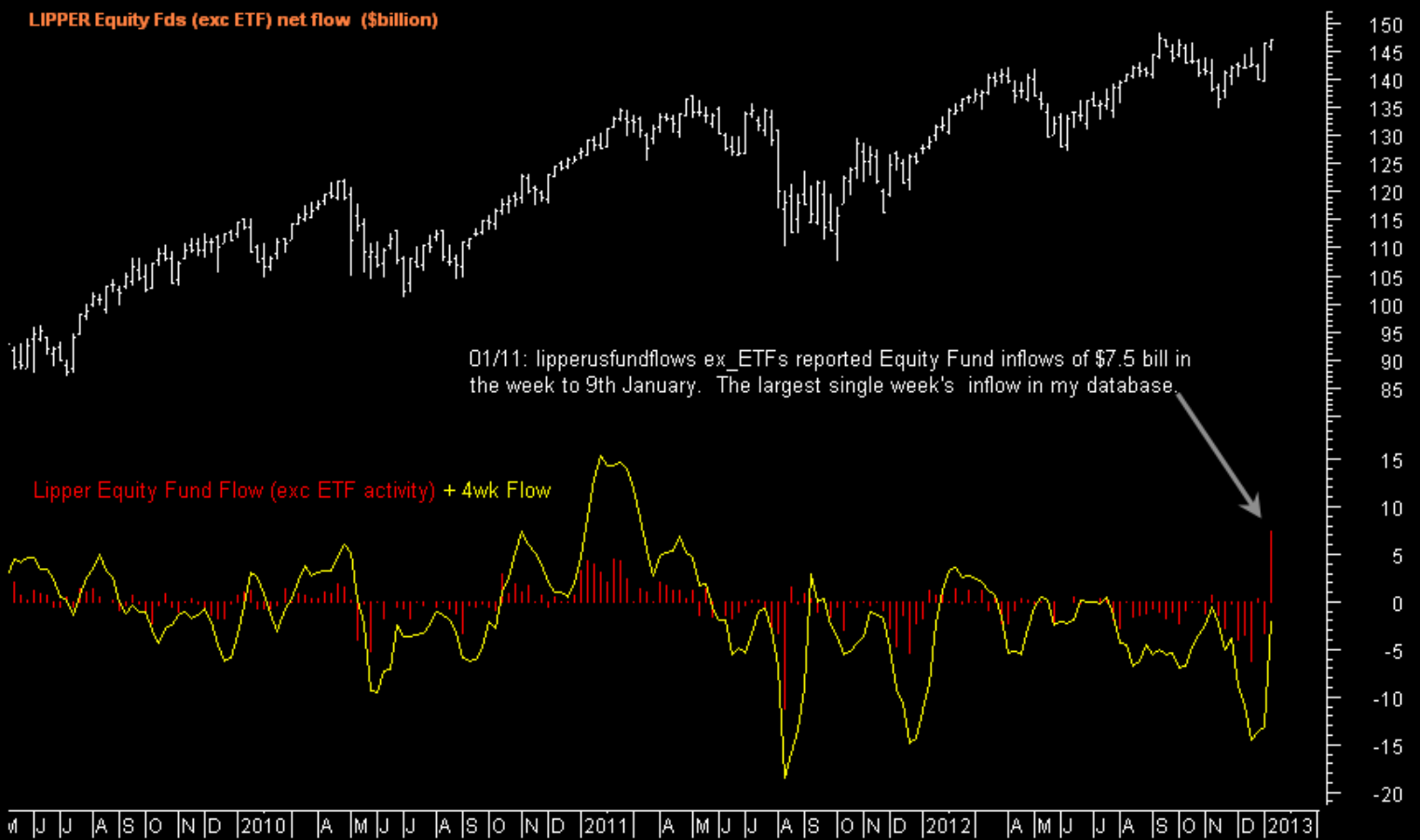


Lipper Fd+4wkSum



Sentiment

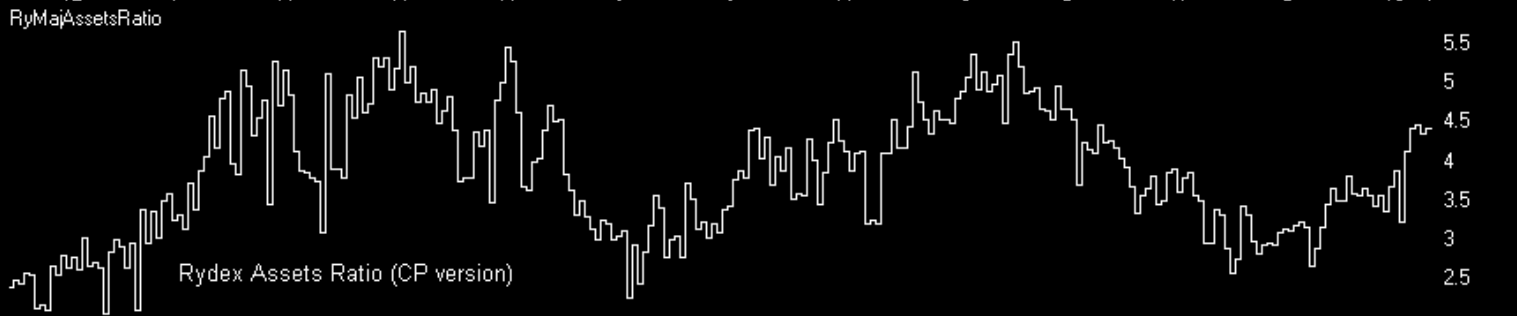
LIPPER Equity Fds (exc ETF) net flow (\$billion)



Sentiment

Charts by AIQ TradingExpert

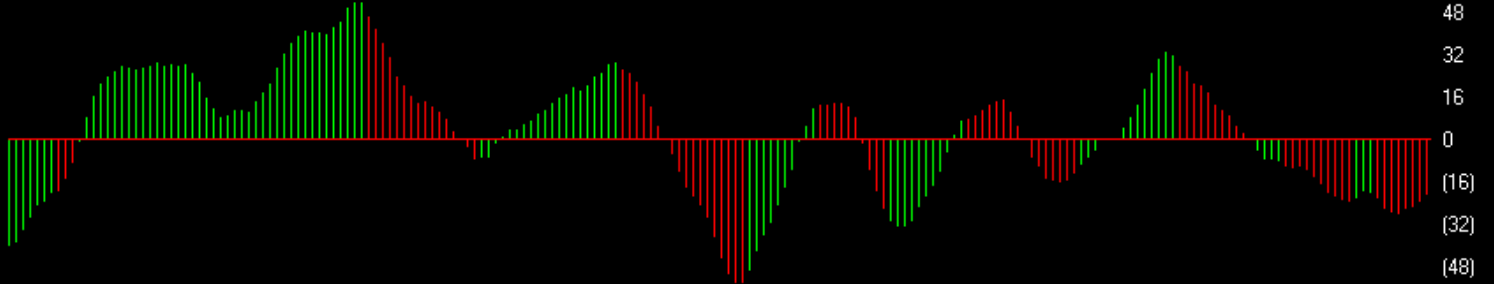
SP500 Index (Daily) + Rydex Assets Ratio



Lehman 20+ Year T Bond ETF (Daily)



PriceOsc + PSAR



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.

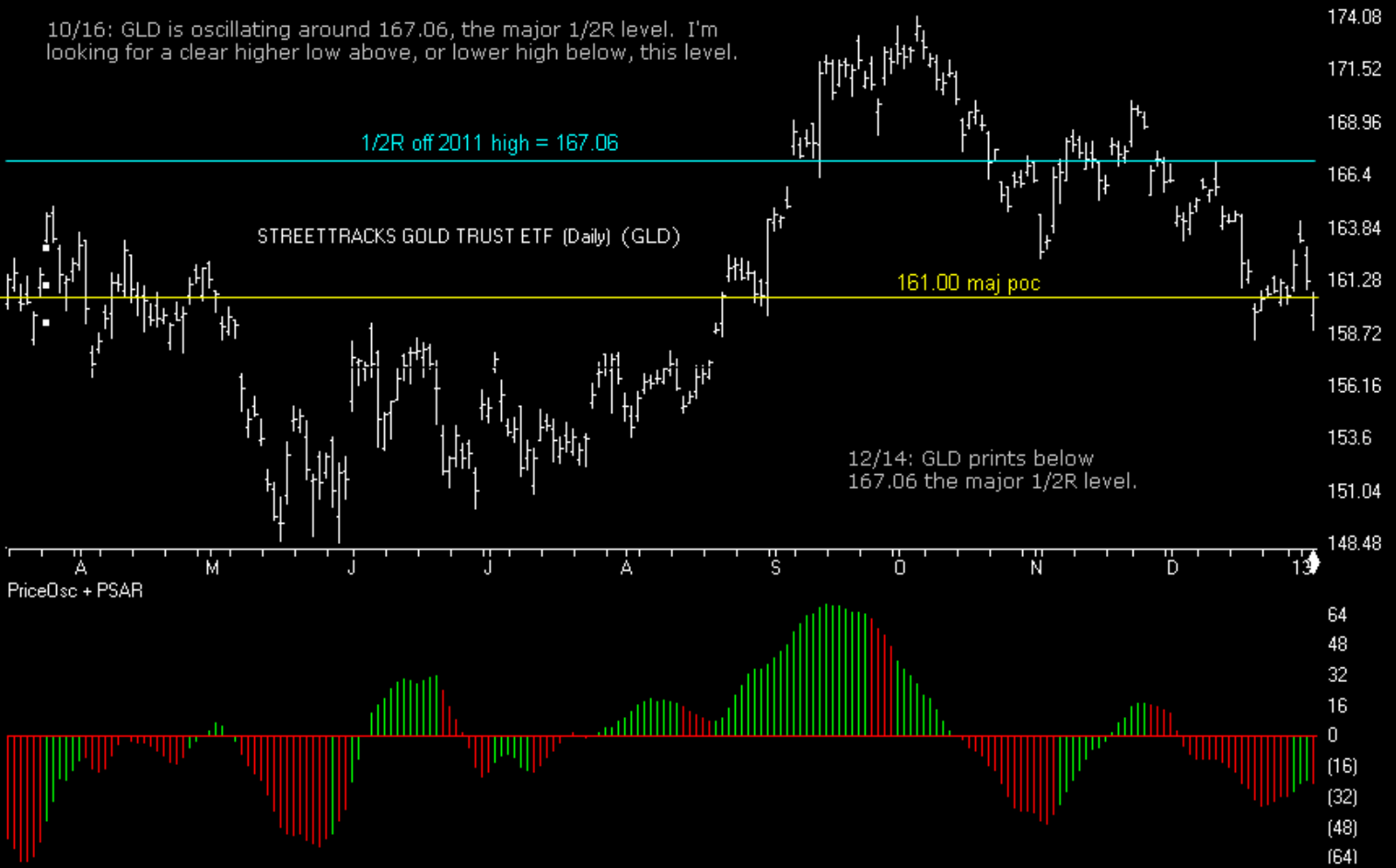
1/2R off 2011 high = 167.06

STREETTRACKS GOLD TRUST ETF (Daily) (GLD)

161.00 maj poc

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

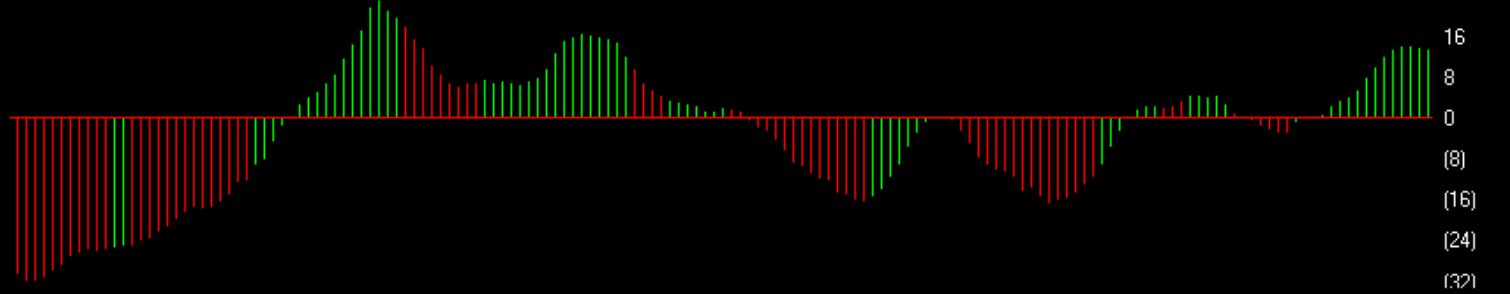
PriceOsc + PSAR



UNITED STATES OIL FUND (Daily) (USO)



PriceOsc + PSAR



EURUSD (Daily)

1.3416 = 1/2R off June 2010 low

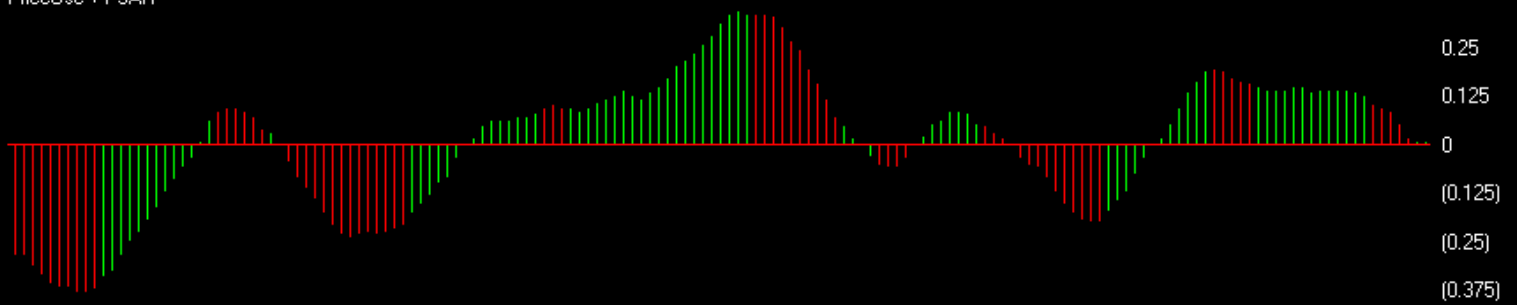
1.3117 = 24mn poc

1.2777 maj poc

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

01/11: Chart indicated strength late in the week by printing back above the 24mn poc. This is now Support. Next Resistance is the 1/2R off the June 2010 low at 1.3416 .

PriceOsc + PSAR



Dollar

Charts by AIQ TradingExpert



USDJPY (Daily)

major poc Resistance off chart at 90.30



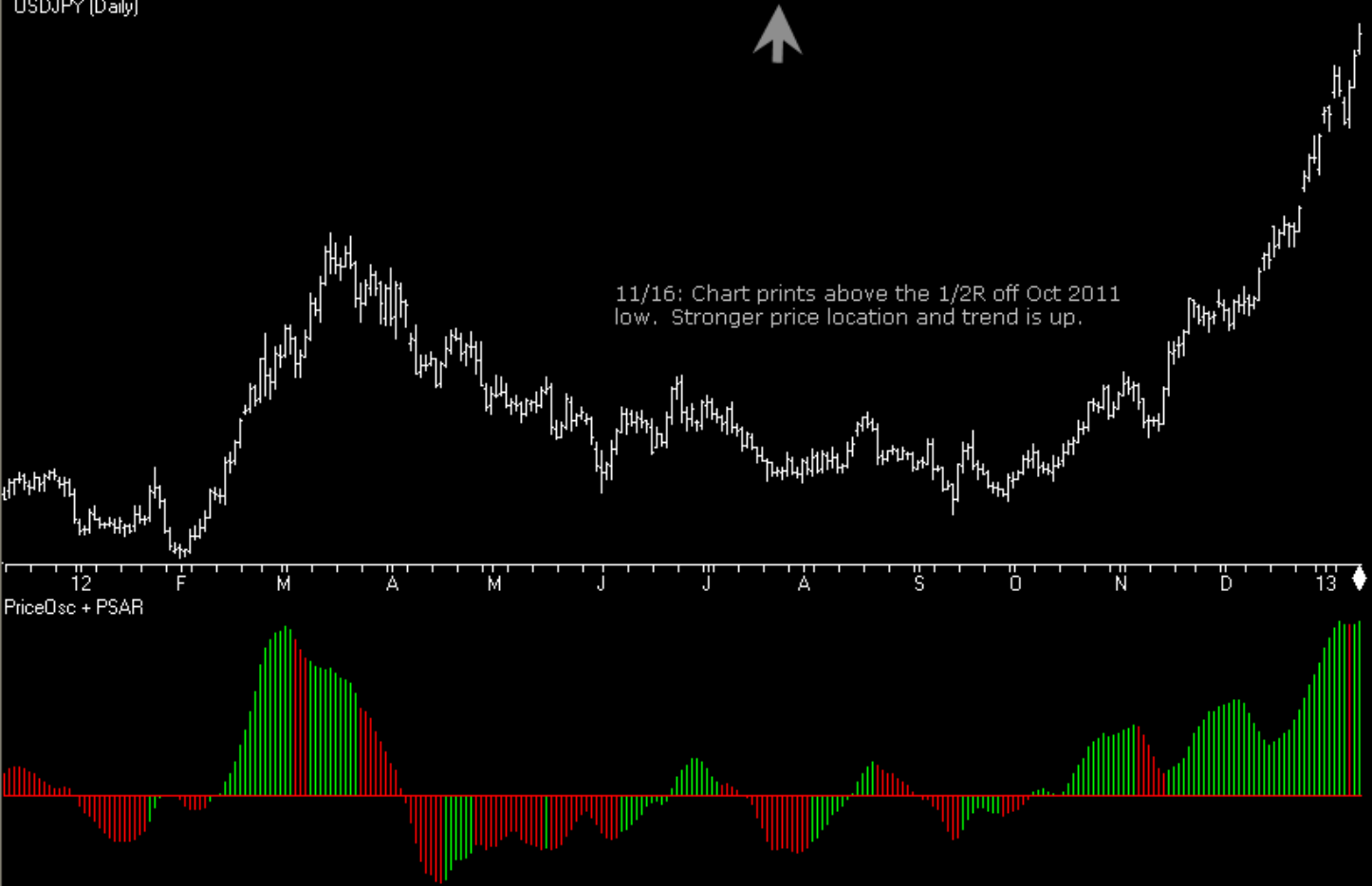
11/16: Chart prints above the 1/2R off Oct 2011 low. Stronger price location and trend is up.

88.32
87.04
85.76
84.48
83.2
81.92
80.64
79.36
78.08
76.8

12 F M A M J J A S O N D 13

PriceOsc + PSAR

24
16
8
0
(8)



Dollar

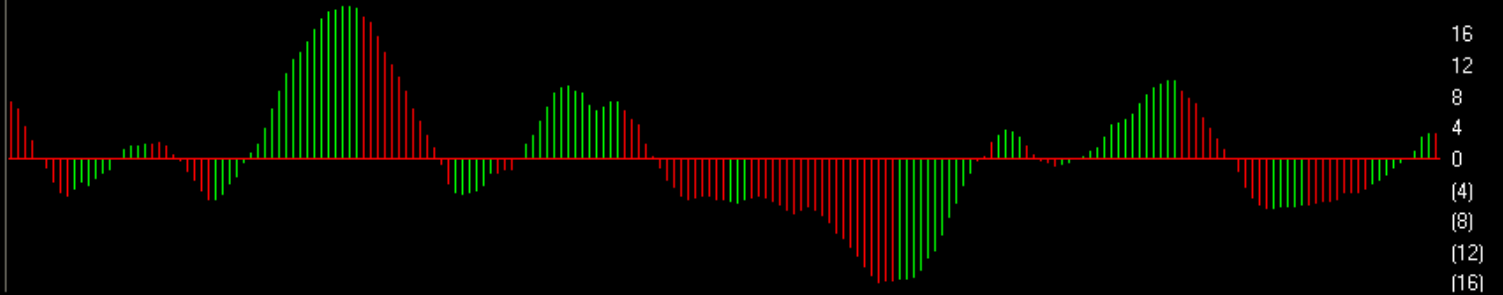
Charts by AIQ TradingExpert

US DOLLAR INDEX

(Daily)



PriceOsc + PSAR



<http://www.chartprofitwebcast.com>