

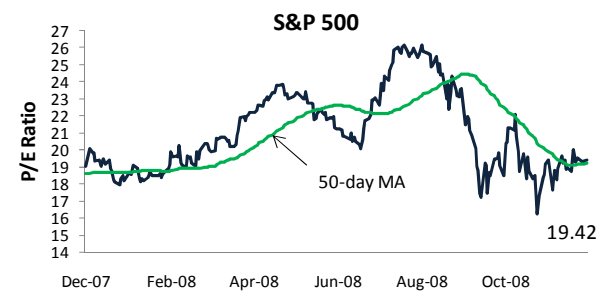
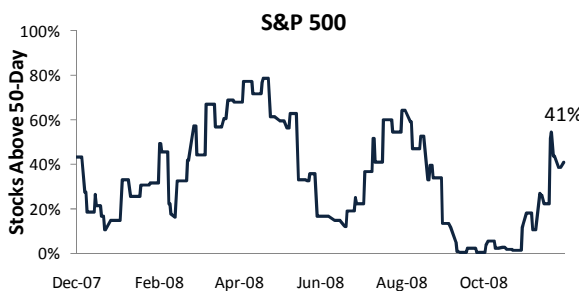
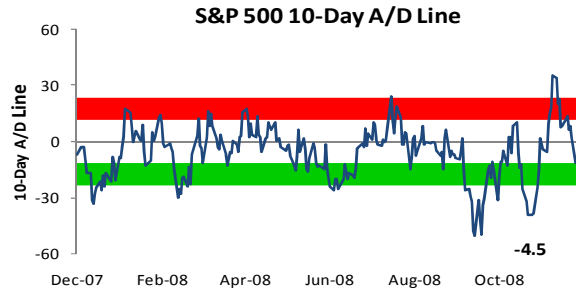
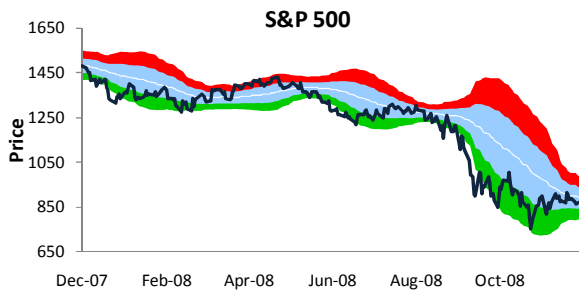
Bespoke's Sector Snapshot: 12/26/08

In each of the last two *Sector Snapshots*, we've mentioned that the 10-day advance/decline line was a bit too overheated for the market to continue its charge higher. Fortunately, in the last week of trading, we've seen this underlying breadth indicator move to oversold levels while the market has managed to hang in there and not break the new short-term uptrend it is in. The current level of the 10-day advance/decline line means the market has consolidated enough in recent days to once again make another move higher.

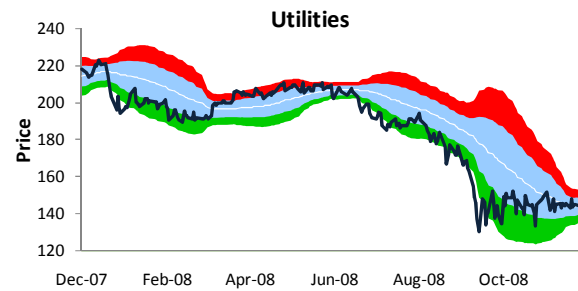
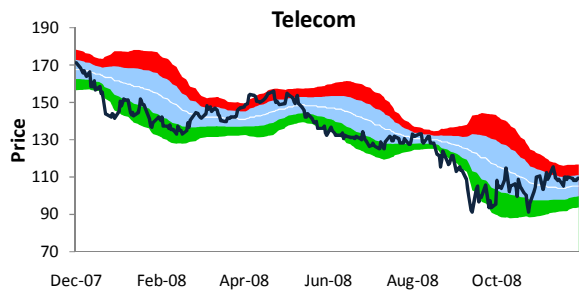
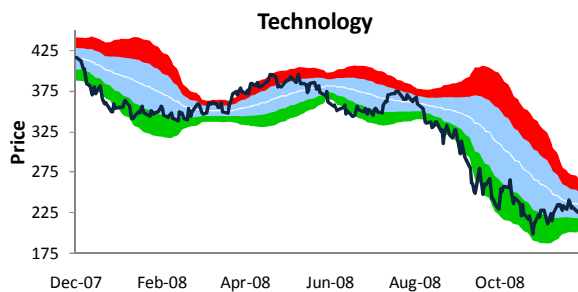
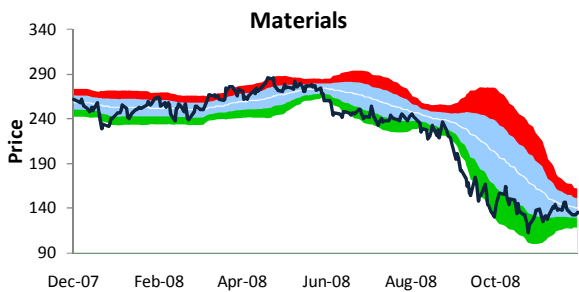
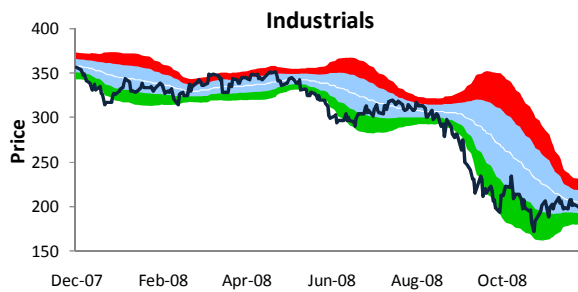
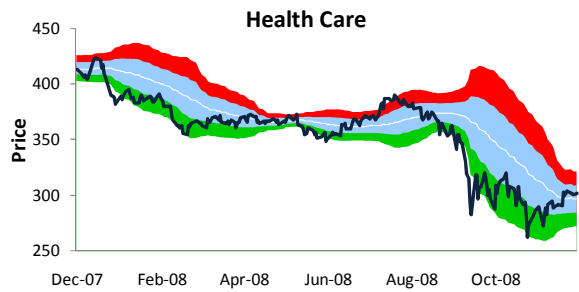
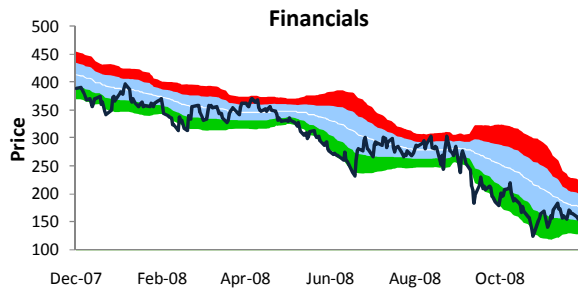
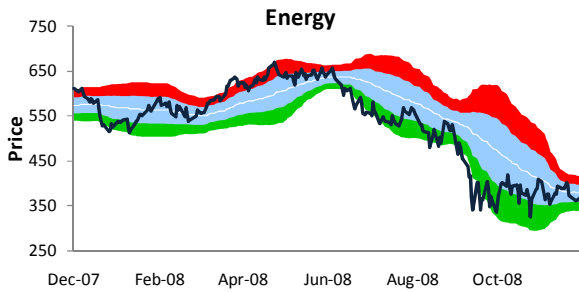
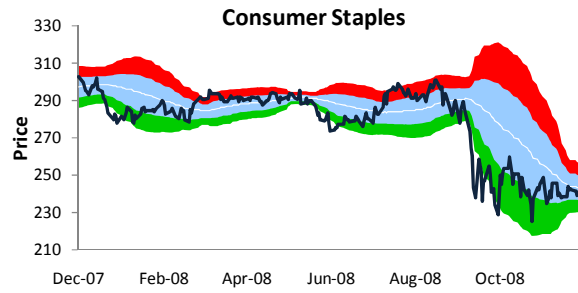
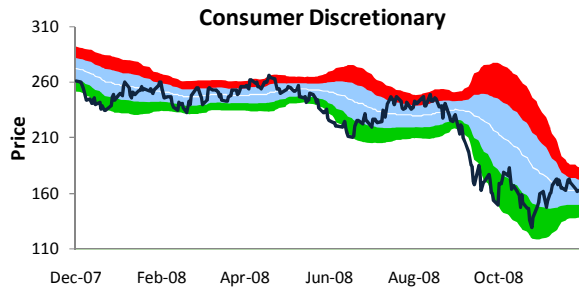
Earlier this week, we mentioned that the Dow has averaged a gain of 0.89% in the last three trading days of the year since 1900. And when the index has been down on the year leading up to the last three days, it has historically done much better in the last three days than when the market has been up on the year. Current technicals and historical seasonality are both paving the way for a nice move in the final days of 2008. Now all the market has to do is deliver!

Along with our usual sector indicators in this report, we also want to highlight current Q4 earnings growth expectations since earnings season is coming up at the start of January. As you'll see in the table below, analysts have really dropped the hammer on the fourth quarter, and investors are prepared for the worst. Earnings for Materials are expected to fall the most at -63%, while Consumer Staples and Health Care are the only two sectors expected to see year over year growth.

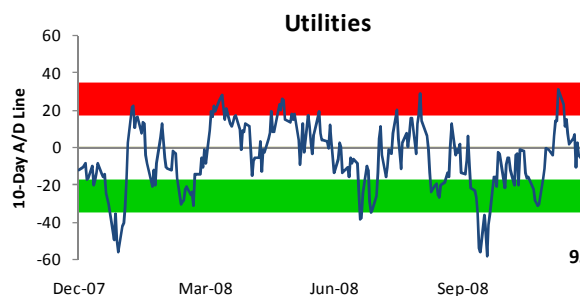
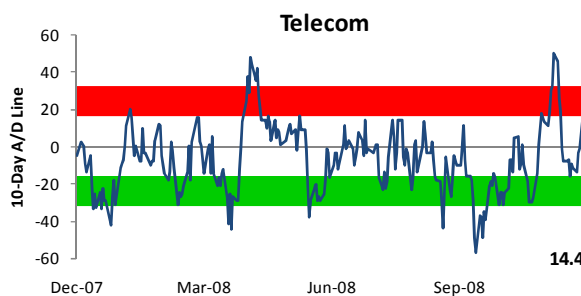
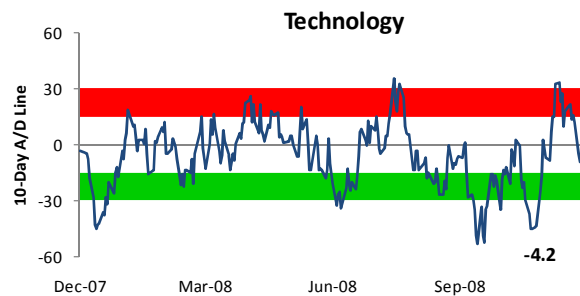
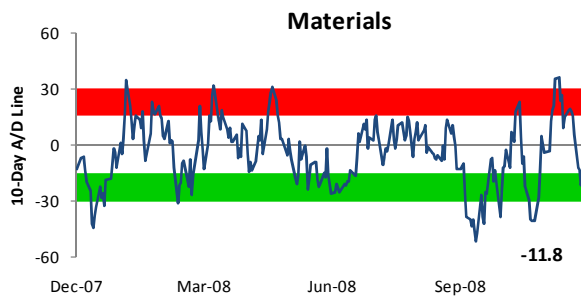
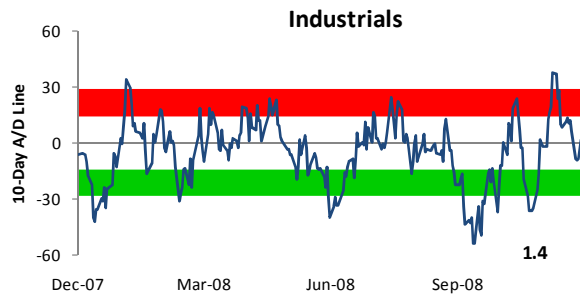
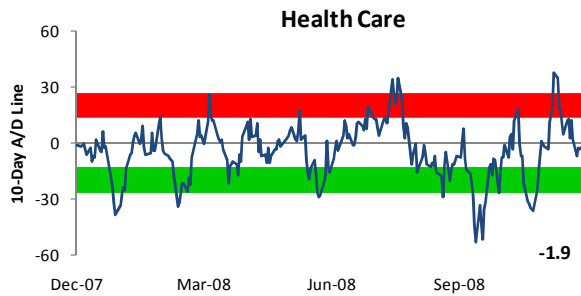
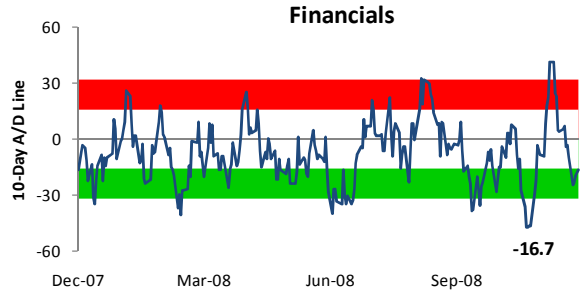
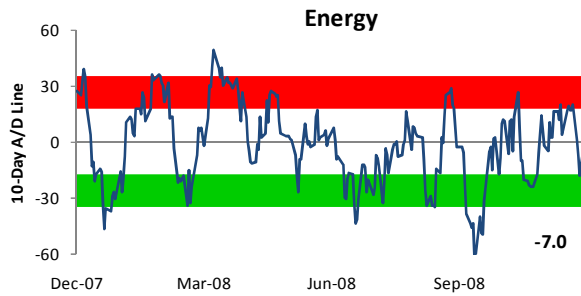
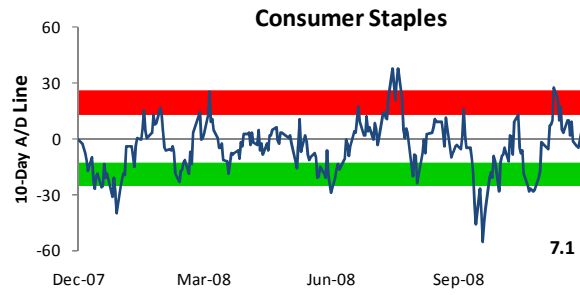
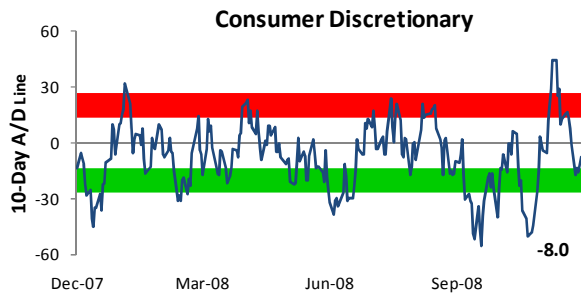
Q4 YoY EPS Growth Estimates			
Sector	Est. Q4 EPS Growth	Sector	Est. Q4 EPS Growth
Materials	-63.30%	Telecom	-16.60%
Cons Disc	-47.30%	Utilities	-2.90%
Technology	-18.30%	Cons Stap	1.90%
Energy	-17.70%	Health Care	3.30%
Industrials	-17.30%	S&P 500	-11.90%



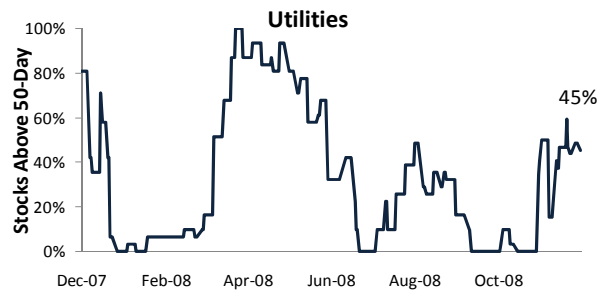
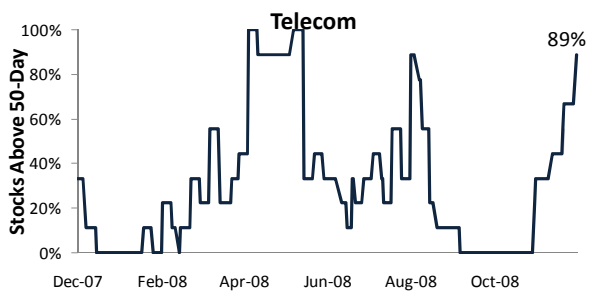
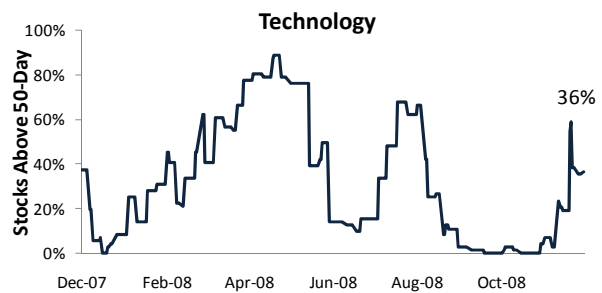
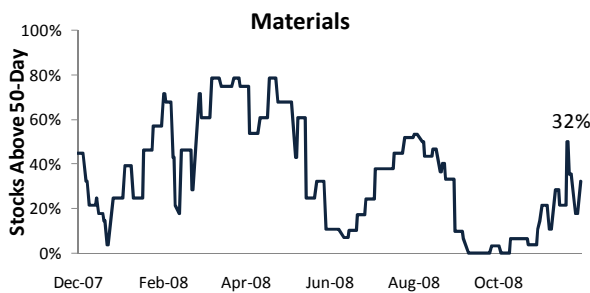
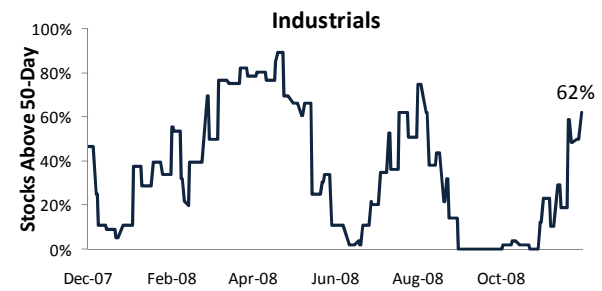
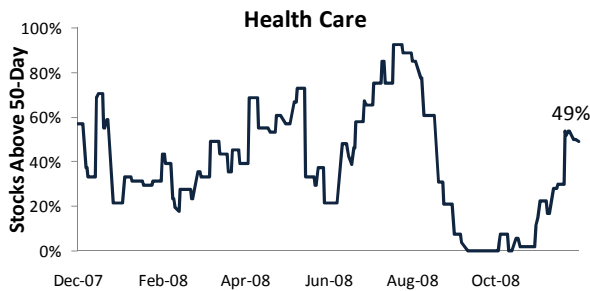
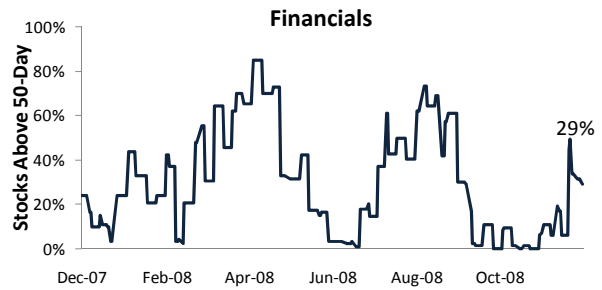
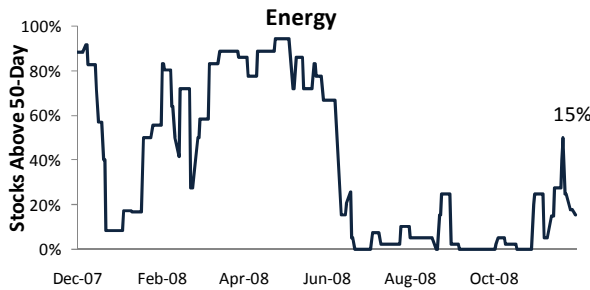
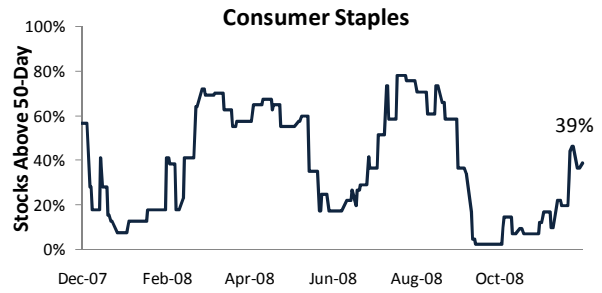
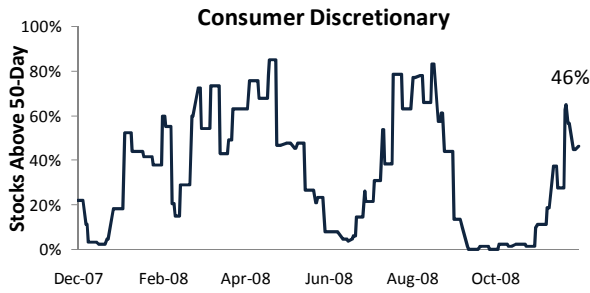
Sector Snapshot: Trading Ranges



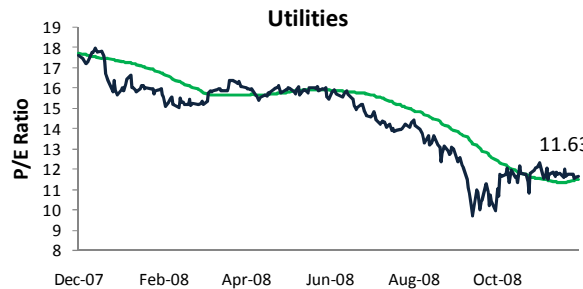
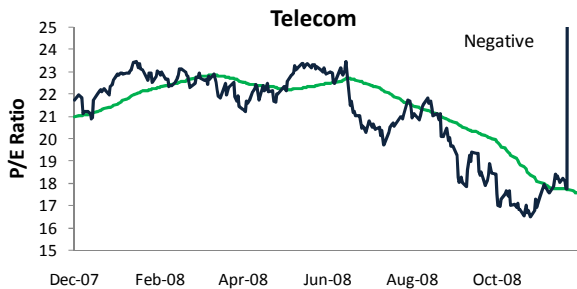
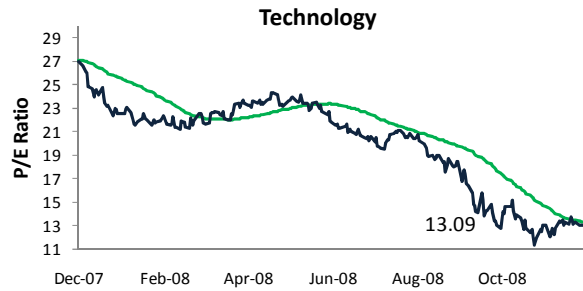
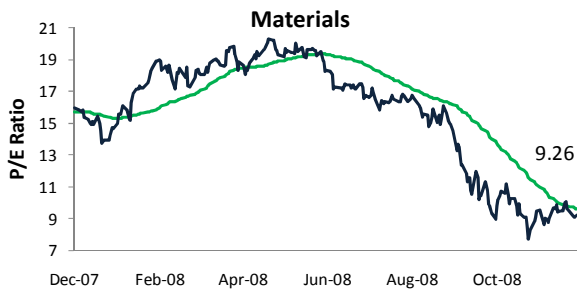
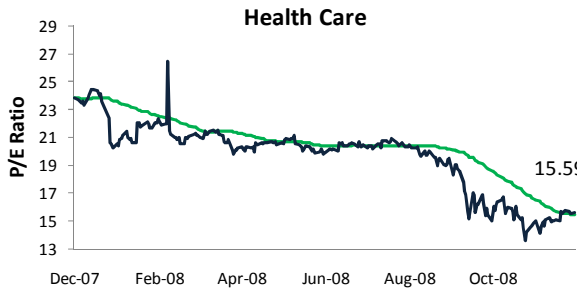
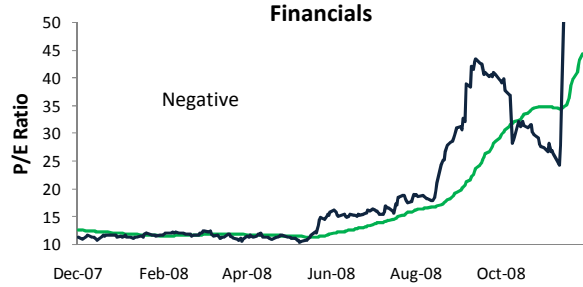
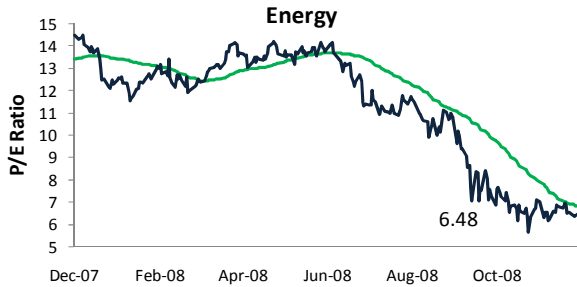
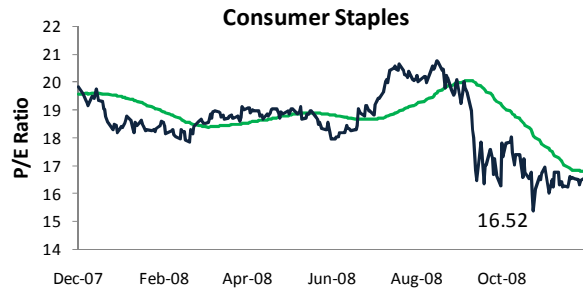
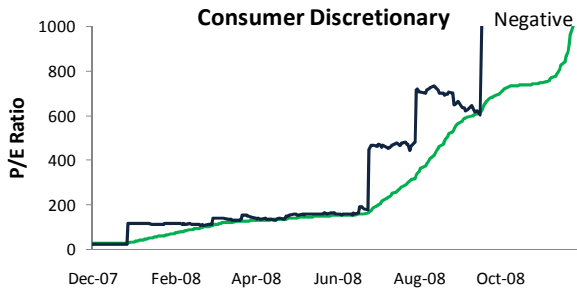
Sector Snapshot: Sector Breadth (10-Day A/D Line)



Sector Snapshot: % of Stocks Above 50-DMA

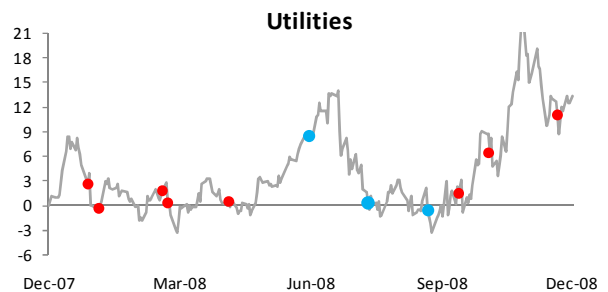
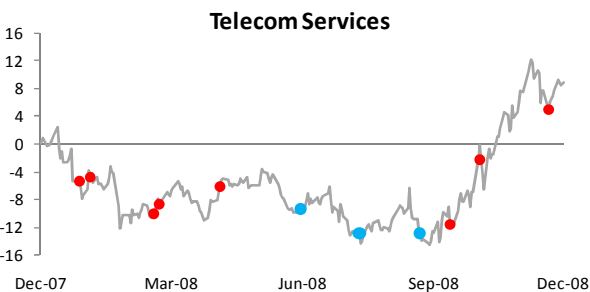
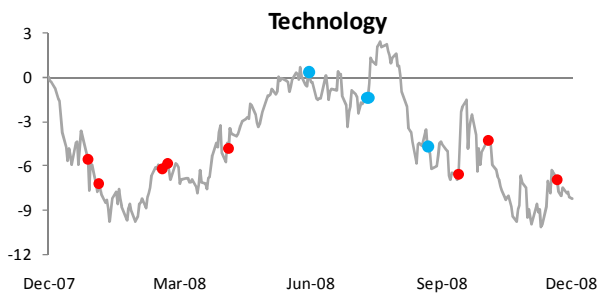
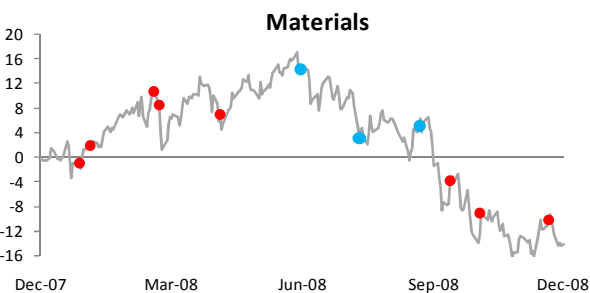
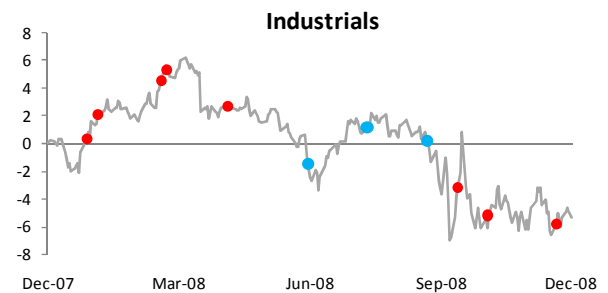
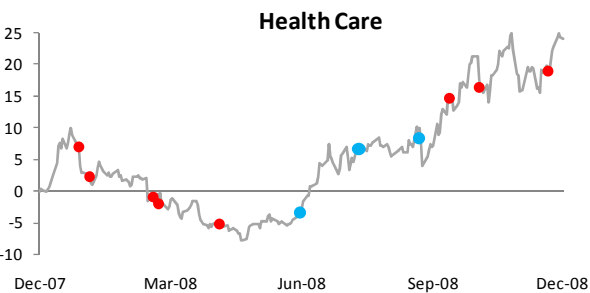
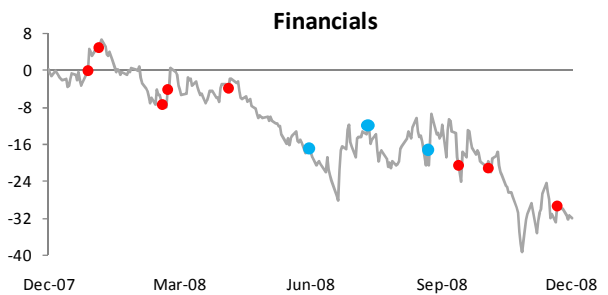
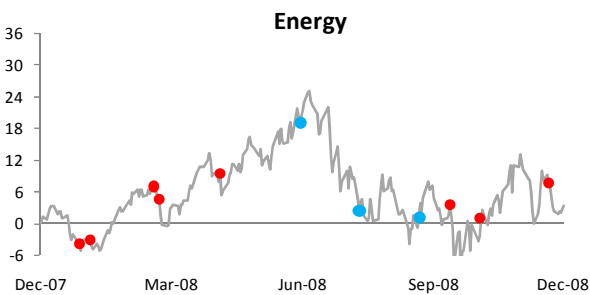
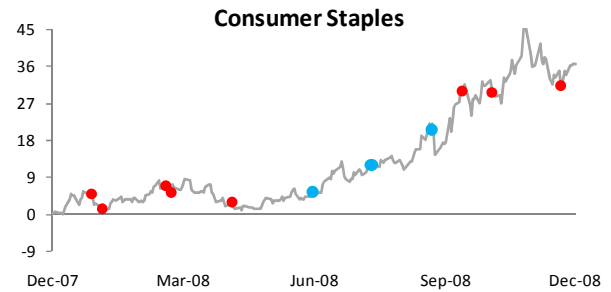
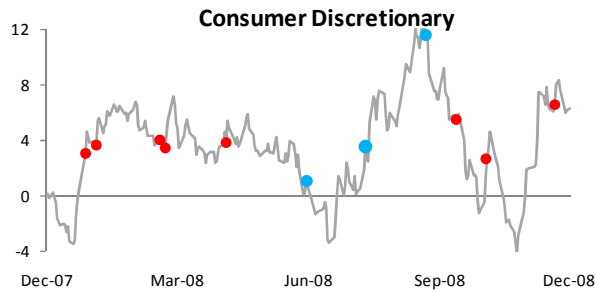


Sector Snapshot: Trailing 12-Month P/E Ratios

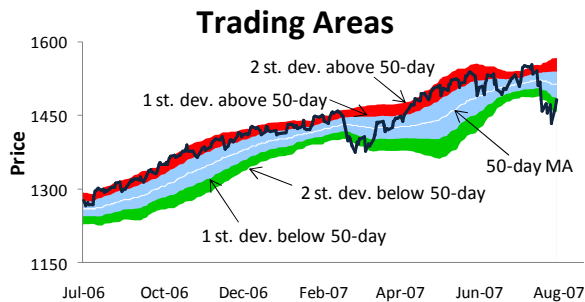


Sector Snapshot: Sector Relative Strength

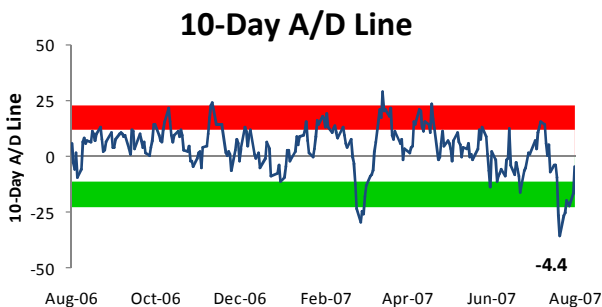
Rising lines indicate that sector is outperforming S&P 500, while downward sloping lines represent sector underperformance. Red dots indicate Fed rate cuts, and blue dots represent Fed meetings where no changes were made to interest rate policy.



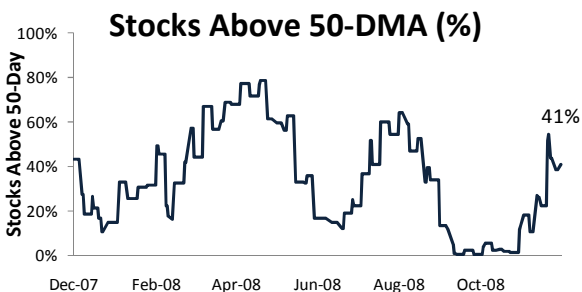
Bespoke's Sector Snapshot: Explanation of Indicators



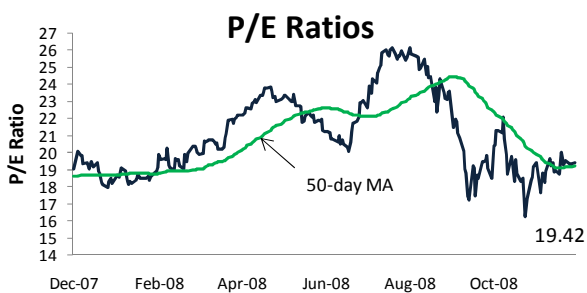
In these charts, the blue shading represents one standard deviation above and below the sector's 50-day moving average. The red area is between one and two standard deviations above the 50-day while the green area is between one and two standard deviations below. When the price moves into or above the red zone, it is considered overbought while movements into or below the green line indicate oversold levels.



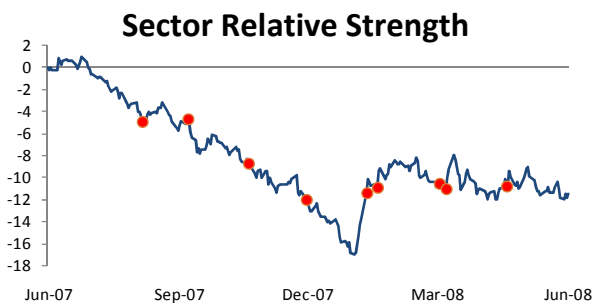
The charts of the ten-day advance-decline lines (A/D) are calculated by taking the daily number of advancers minus decliners in each sector and then adding up them up over a rolling ten day period. Just as in the Trading Area charts, the red zone marks overbought territory and the green zone marks oversold territory.



These charts highlight the percentage of stocks in each sector or index trading above their 50-day moving averages. Our experience has found that when this number has sharp moves in either direction, a short-term reversal is usually in the cards.



These charts show the trailing P/E ratio of the specified sector or index and its 50-day moving average. This enables readers to see how valuations currently stack up.



Our sector relative strength charts compare the performance of each sector to the S&P 500 over the last year. Rising lines indicate outperformance versus the S&P 500, while declining lines indicate underperformance. Red dots indicated Fed rate decisions. Many investors use relative strength to find sectors with strong or weak momentum.