

Bespoke's Sector Snapshot: 11/26/08

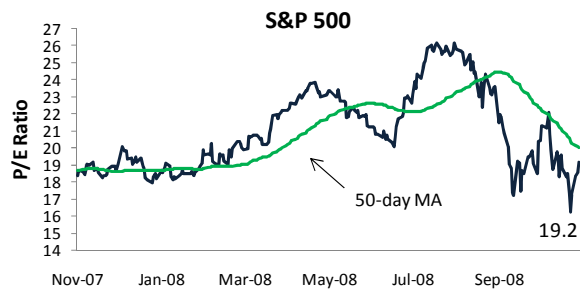
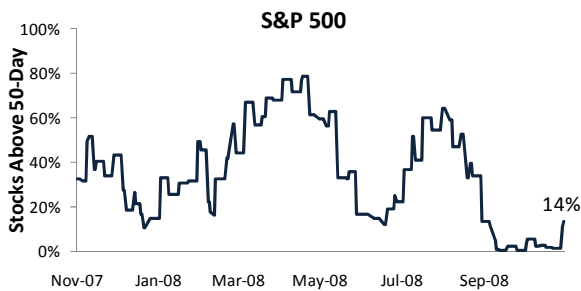
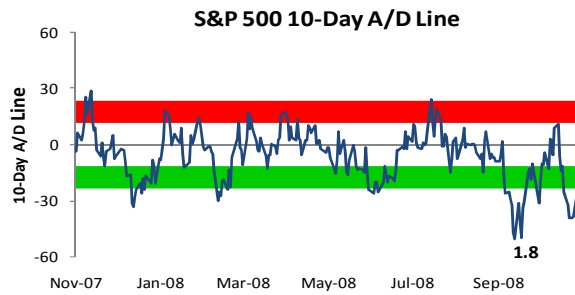
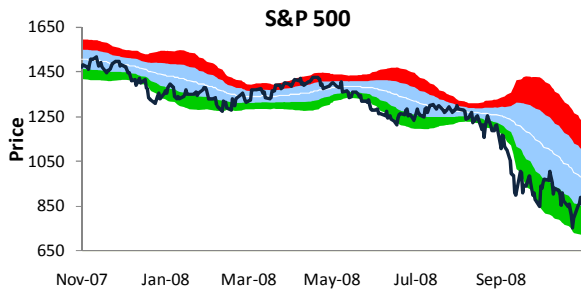
Since the closing low last Thursday, the S&P 500 has risen a whopping 17.97%! This 4-day rally for the S&P 500 is its sixth best on record going back to 1927 and the best since April 1933.

In the table at right, we highlight the 10 best prior 4-day gains for the S&P 500. As shown, all of them occurred during the Great Depression (another ominous sign), and unfortunately, the change in the 4 days following them has been very negative. The average S&P 500 change over the next 4 days following the top 10 4-day rallies has been -3.94%, with gains just 20% of the time.

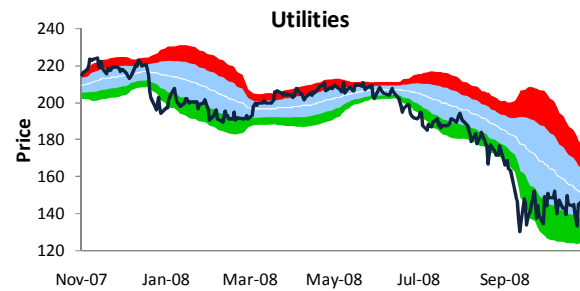
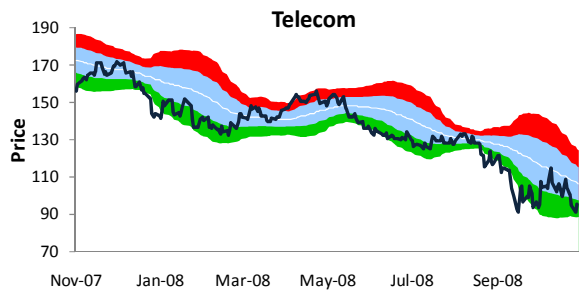
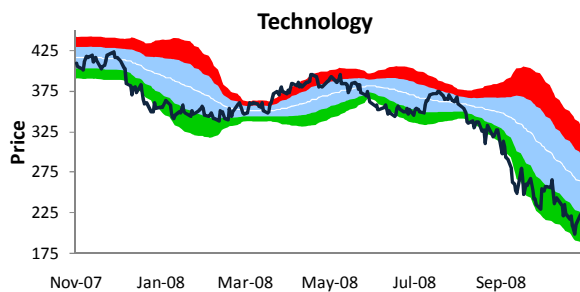
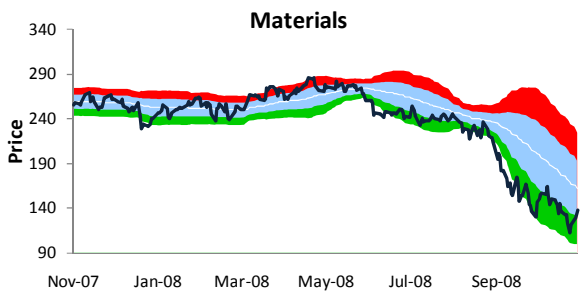
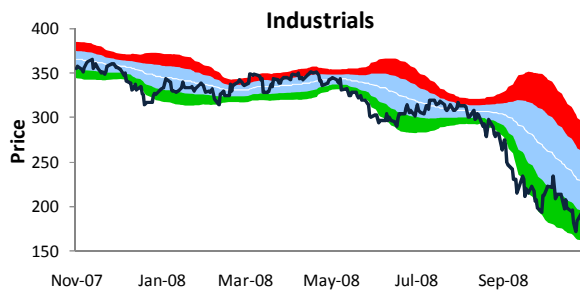
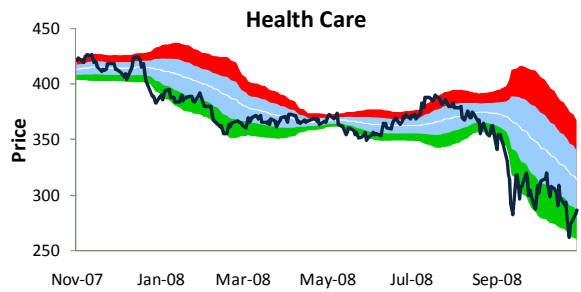
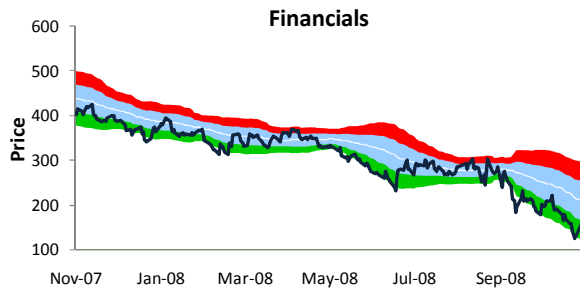
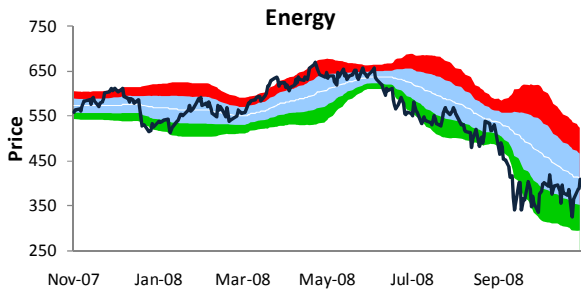
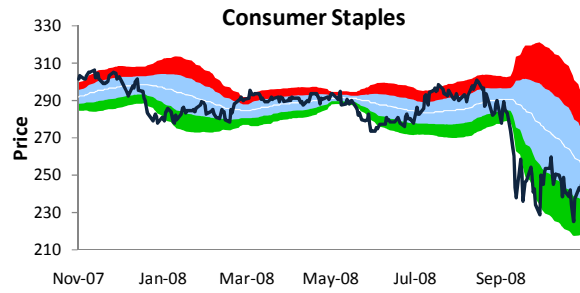
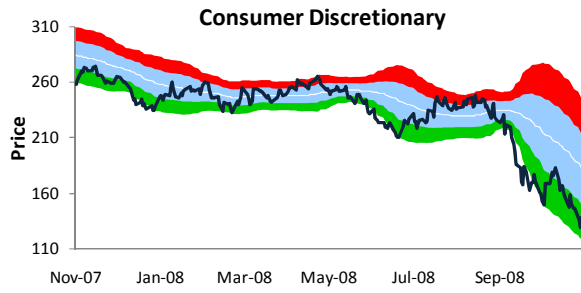
The S&P 500 has also been up 4 days in a row, and over the last 10 years, the index has averaged a change of -0.26% on day 5 and -0.36% over the next 4 days following similar winning streaks. The one positive that the market has going for it is that this is Thanksgiving week. As we highlighted last week, Thanksgiving week has historically been very positive, and this week has been no different. Even though the Friday after Thanksgiving is a shortened trading day, it has historically averaged better than normal returns.

As Premium members know, we moved our Model Portfolio from 70% cash down to 7% last Friday morning. This move has proven to be very beneficial thus far, but based on the analysis above, we'll be taking a close look at each holding heading into next week.

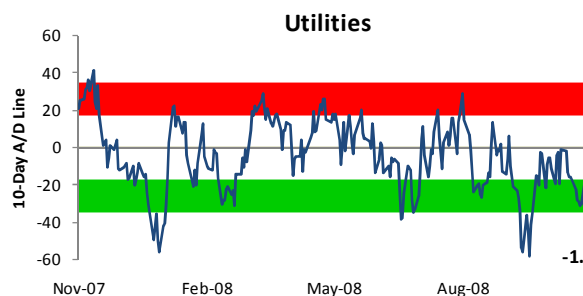
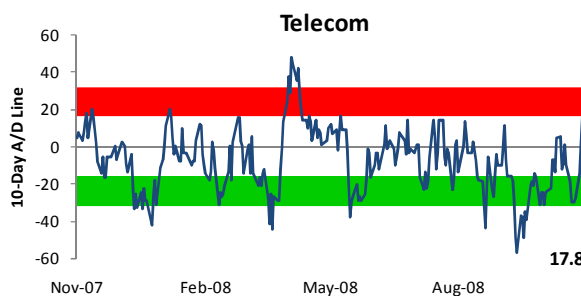
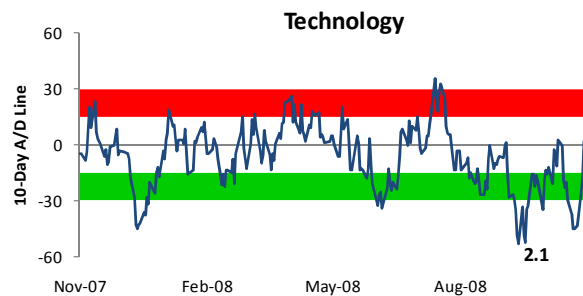
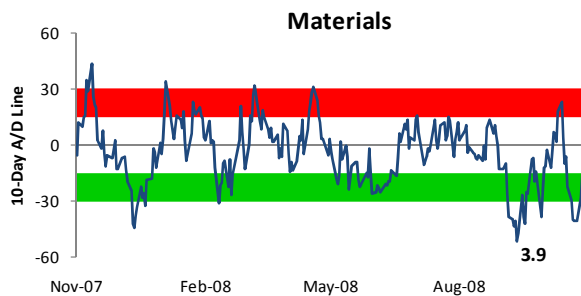
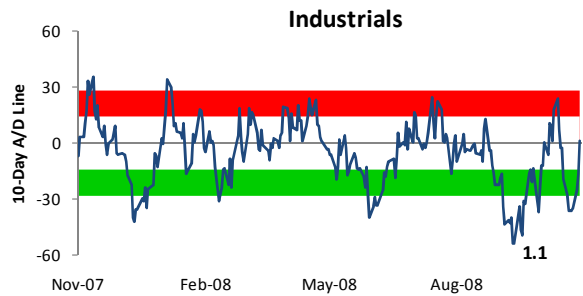
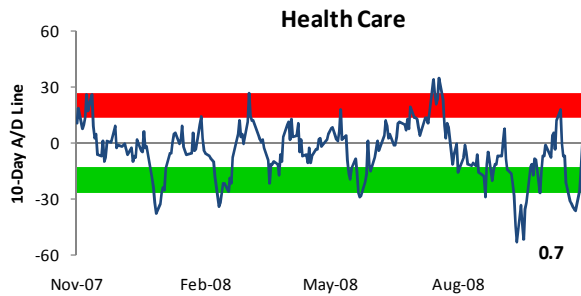
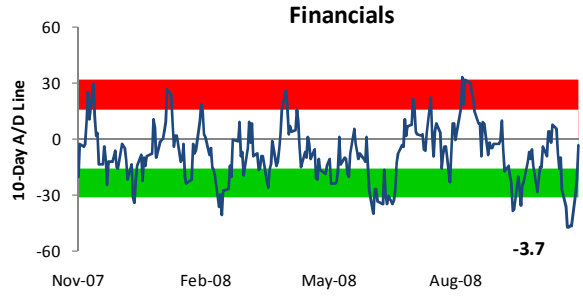
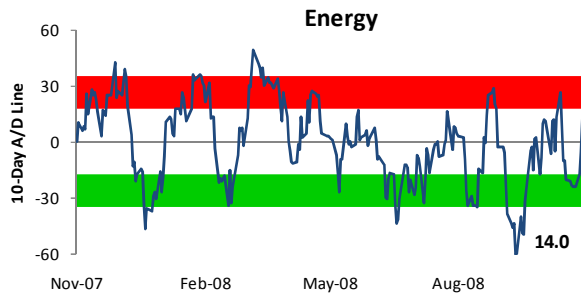
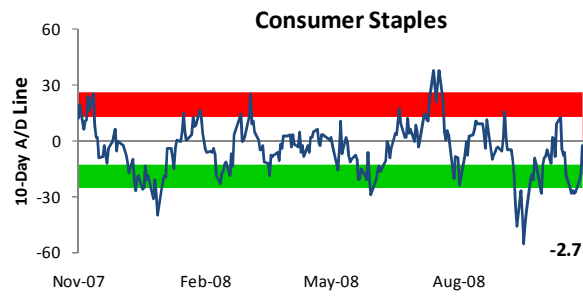
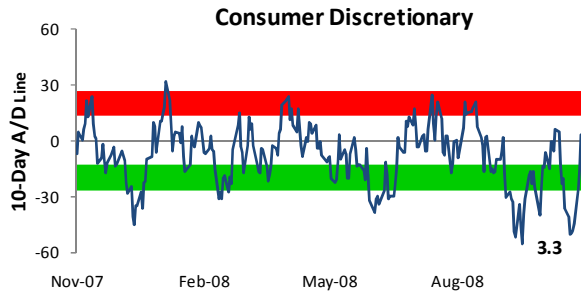
Best S&P 500 4-Day Rallies		
Date	4-Day % Chg	Next 4 Days
11/19/1929	17.21	2.80
4/20/1933	17.24	-0.64
8/10/1932	17.33	0.39
3/17/1933	17.35	-5.73
2/16/1932	17.40	-7.01
11/26/2008	17.97	?
4/24/1933	18.77	-1.01
10/9/1931	19.61	-1.80
3/16/1933	20.10	-11.69
3/15/1933	20.32	-8.96
8/8/1932	26.58	-5.79
Average		-3.94



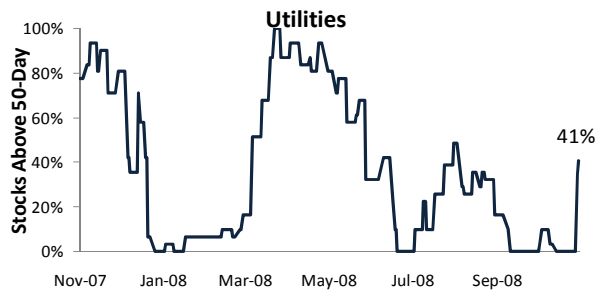
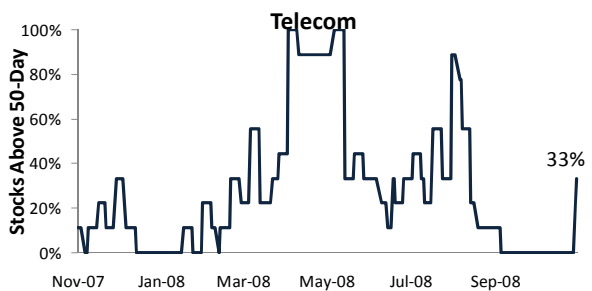
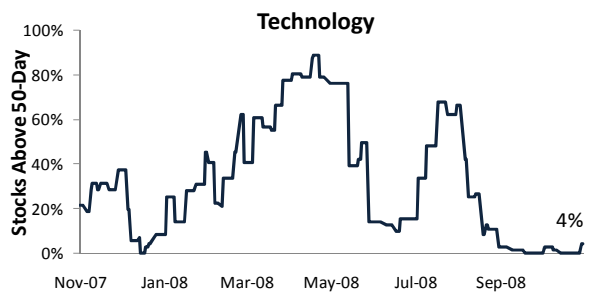
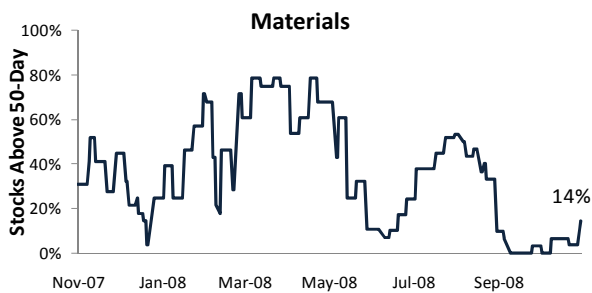
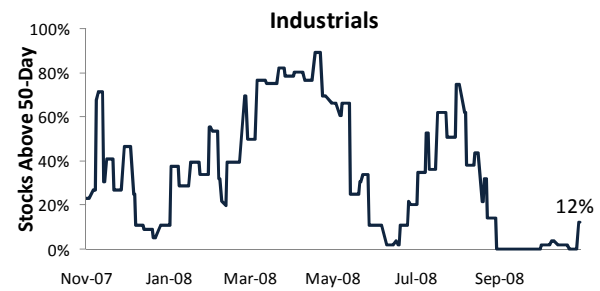
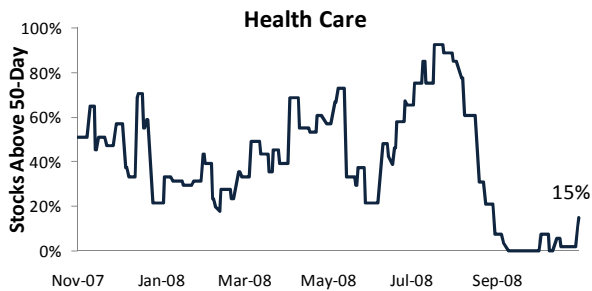
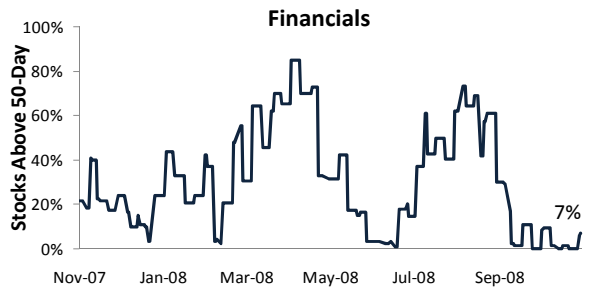
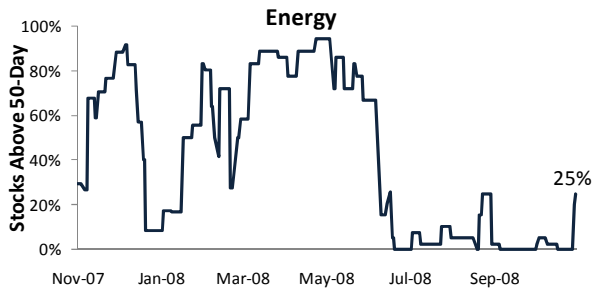
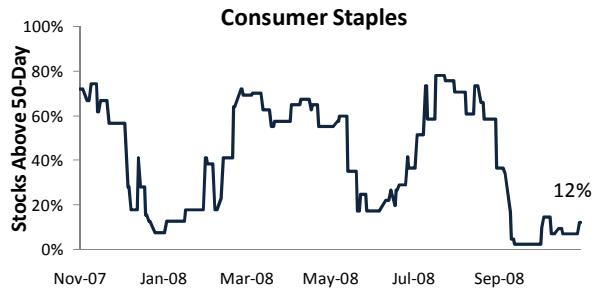
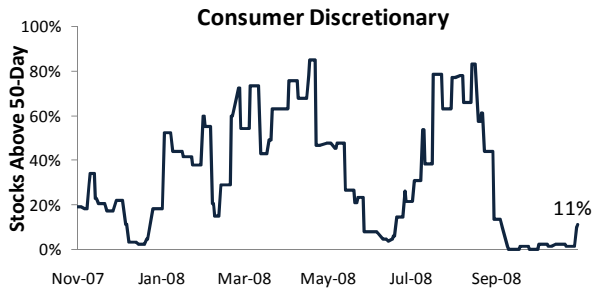
Sector Snapshot: Trading Ranges



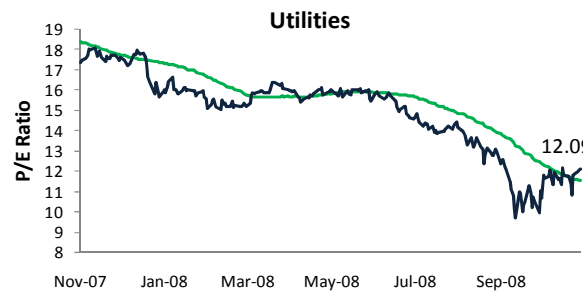
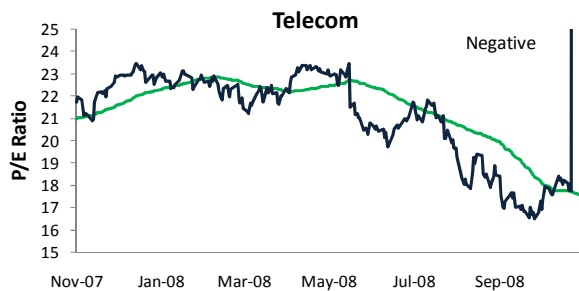
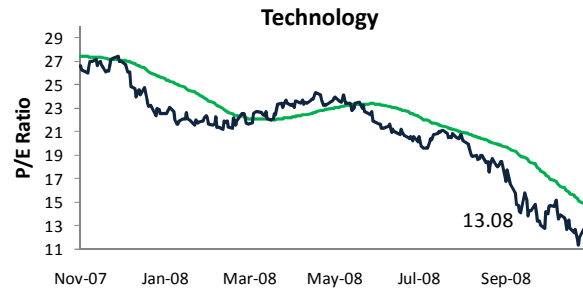
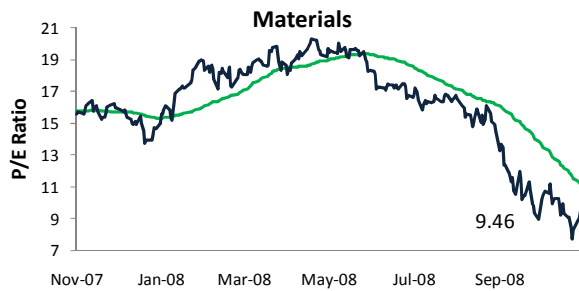
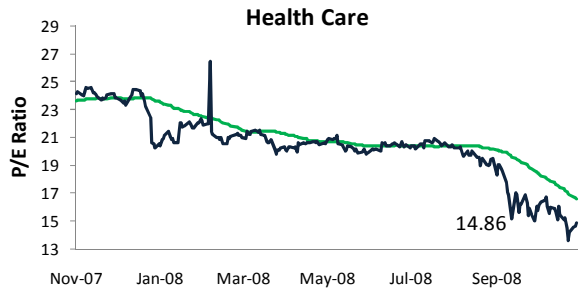
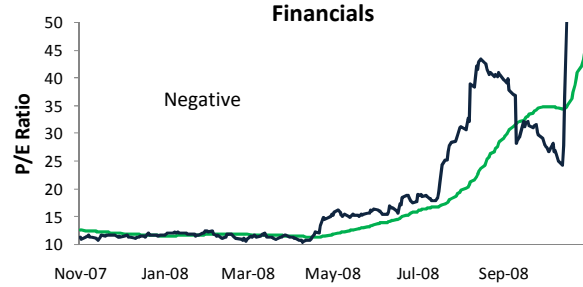
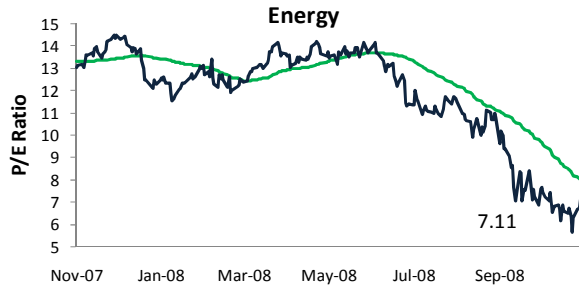
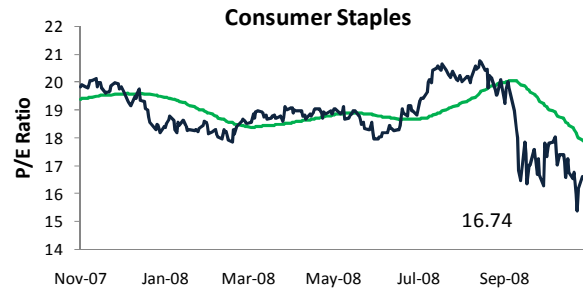
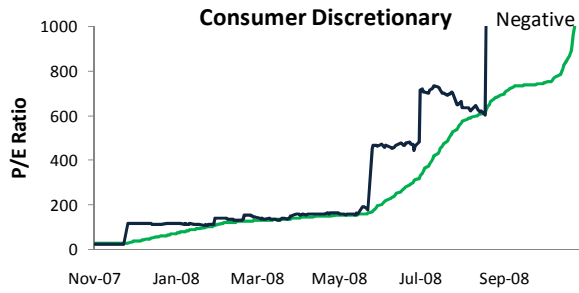
Sector Snapshot: Sector Breadth (10-Day A/D Line)



Sector Snapshot: % of Stocks Above 50-DMA

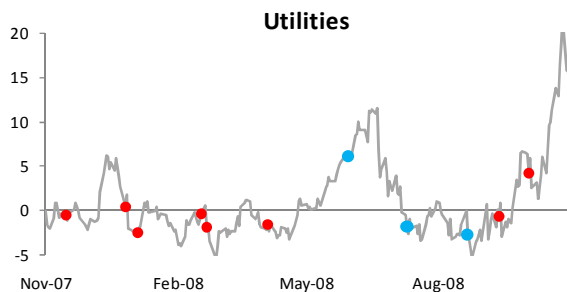
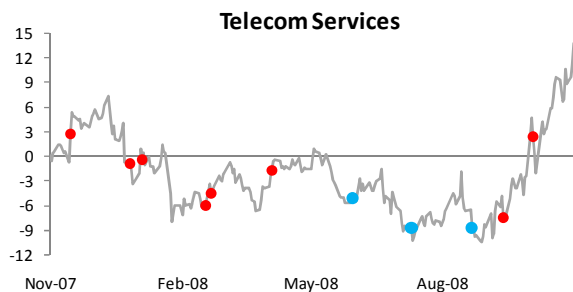
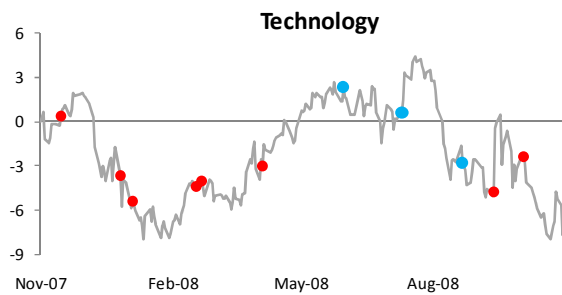
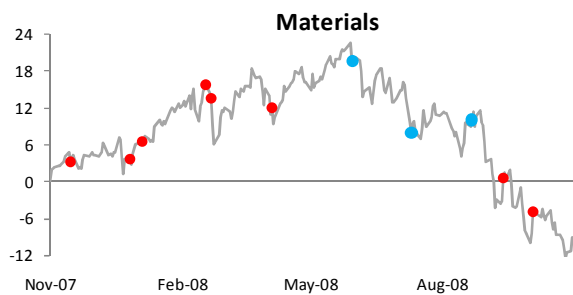
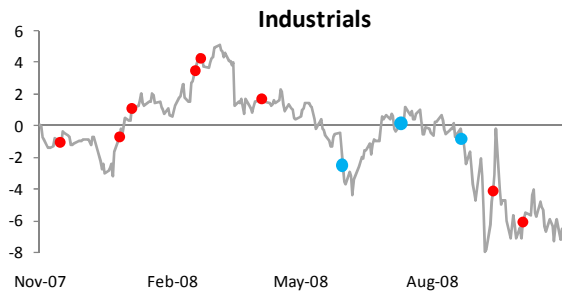
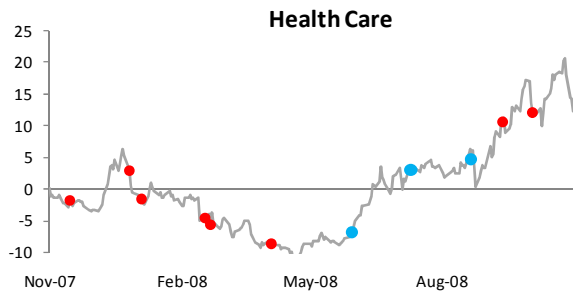
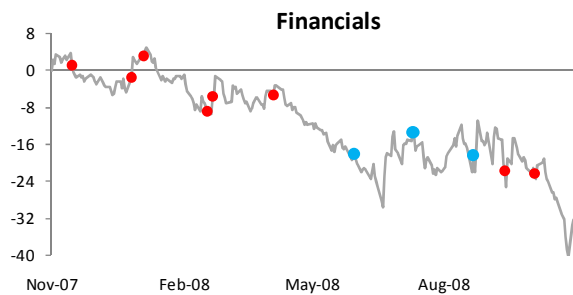
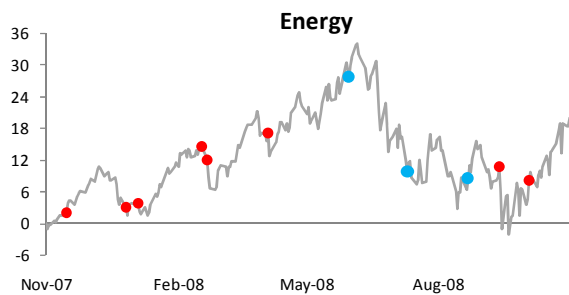
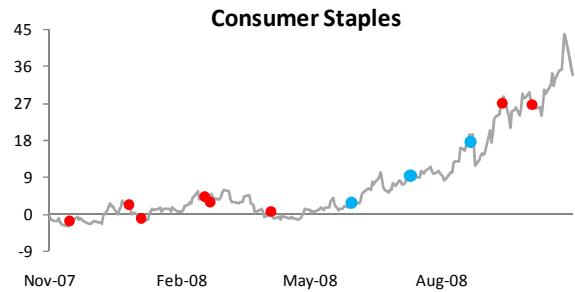
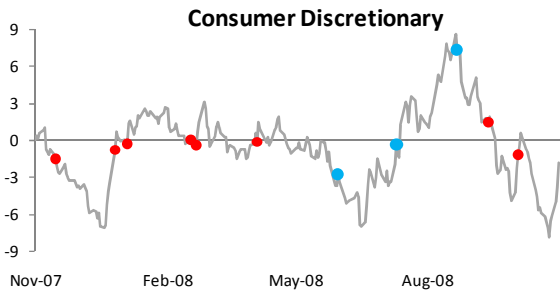


Sector Snapshot: Trailing 12-Month P/E Ratios



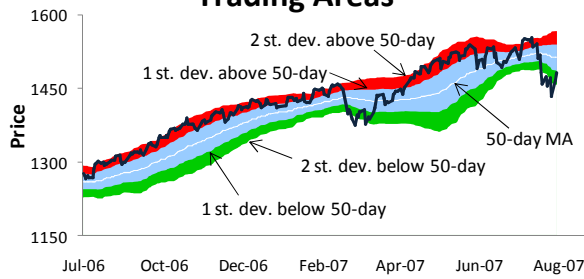
Sector Snapshot: Sector Relative Strength

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.



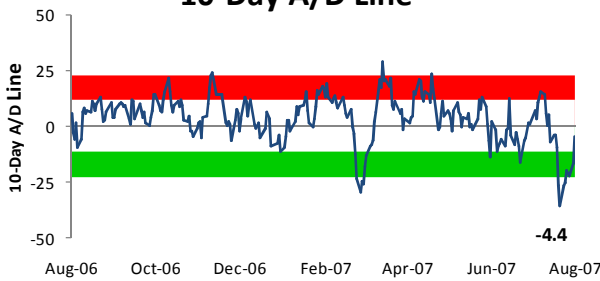
Bespoke's Sector Snapshot: Explanation of Indicators

Trading Areas



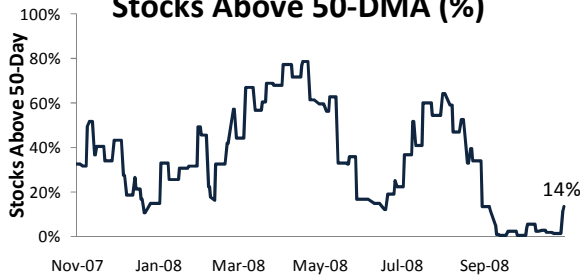
In these charts, the blue shading represents one standard deviation above and below the sector's 50-day moving average. The red area is between one and two standard deviations above the 50-day while the green area is between one and two standard deviations below. When the price moves into or above the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

10-Day A/D Line



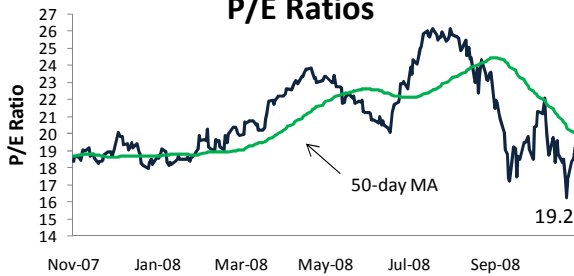
The charts of the ten-day advance-decline lines (A/D) are calculated by taking the daily number of advancers minus decliners in each sector and then adding up them up over a rolling ten day period. Just as in the Trading Area charts, the red zone marks overbought territory and the green zone marks oversold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

Stocks Above 50-DMA (%)



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.

P/E Ratios



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.

Sector Relative Strength



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.