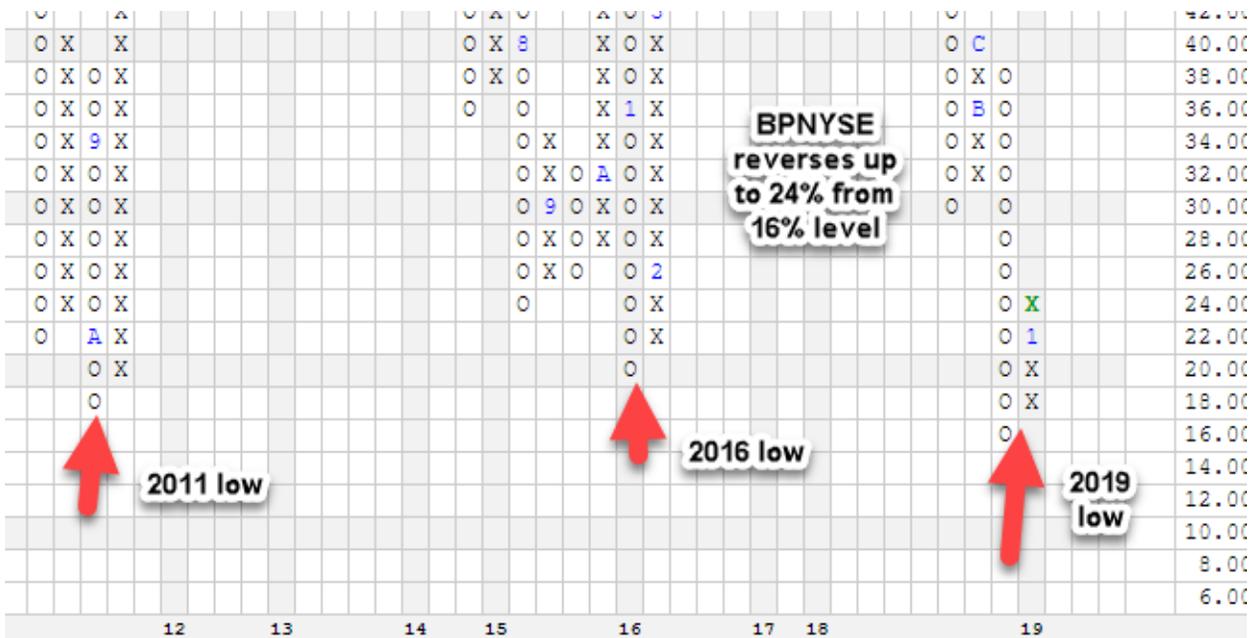


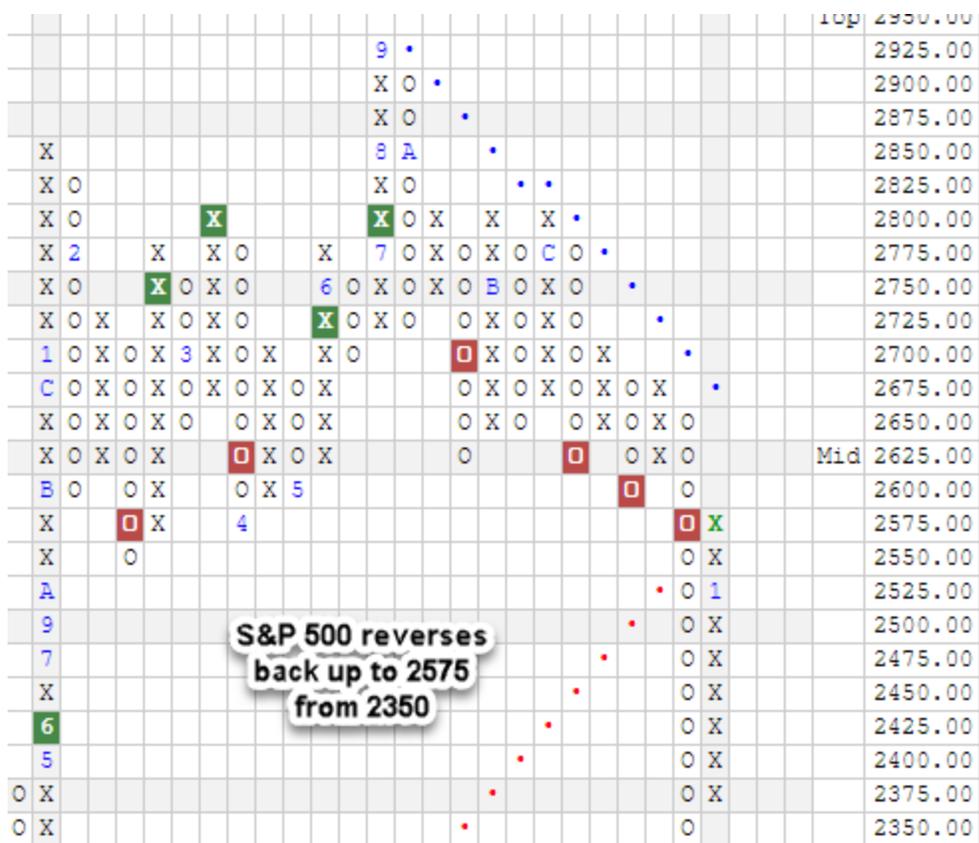
Did we Hit Rock Bottom???

December was a month for the record books but most don't prefer to experience such awful records. As we enter the New Year, we certainly see some green shoots as our main indicator, **the Bullish Percent for the NYSE, reverses to the upside from some extreme low levels only seen a handful of times. Opportunities can certainly develop from these low levels.** Many times in the past it has not been straight up from here but we can always hope that this time is different. The market always has some pre conceived bias and currently it is positive which happens following a significant sell-off in the market.



The US stock market as defined by the S&P 500 has reversed straight back up from the low of 2350 to 2575 with 2600 being the first area of resistance. The next challenge after that will be to get to 2725 which would also put the index back into positive trend on the 25.00 point chart. The current movement has been fairly quick which is typical when a market bottoms.

So it will be a long way back to the top of the mountain and beyond at 2925 but we have seen a significant reversal from the downside demonstrating that demand for stocks is returning. When demand exceeds supply, price will go up.



Finally, the volatility index, VIX, or fear index still remains elevated but it has come back down significantly from the panic breakout in December.

