



WJB CAPITAL GROUP, INC.  
Member NYSE, FINRA, SIPC

John Roque  
Managing Director  
jroque@wjbcapital.com  
646.344.3330

Adolfo Rueda, CMT  
Director  
arueda@wjbcapital.com  
646.344.3332

Technical Review June 14, 2010

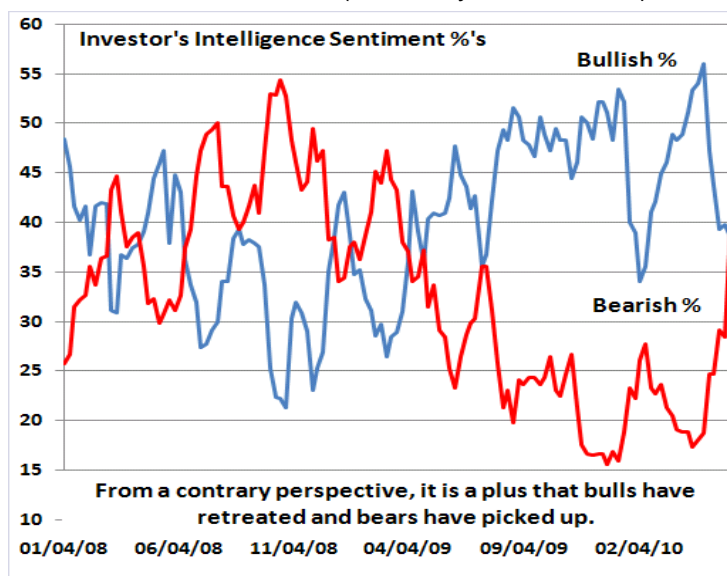
60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

## Man vs. Market

The Discovery Channel broadcasts “Man vs. Wild” starring Bear Grylls. On that show you can watch Bear survive being stranded in some god-forsaken uninhabited region and then make it back to civilization. While doing this he provides the viewer with running commentary about the flora, fauna, climate and geography of the area in which he finds himself. Not only does the viewer witness Bear cross deserts, ford rushing water, construct overnight shelters and avoid all sorts of dangers, the best part of the show is watching him, with characteristic British pluckiness, eat and drink a dizzying number of things you will never find on most menus – yak blood and yak eyeball, the liver of a monitor lizard, carcass maggots, water from the poop of an elephant and, the piece de resistance, his own urine (do not try this at home).

While most market participants have likely never been in a legitimate “Man vs. Wild” moment, managing a portfolio of stocks over the last two months probably seemed like you were. We’ve done a fair amount of traveling during this time and have met with accounts from London to California to Cleveland to Texas to Boston and have found one thing to be certain – investor sentiment has moved from confident to disconcerted. As the Investor’s Intelligence data here show, bullish sentiment peaked in late April and as of the last reading the percentage of bearish newsletter writers has now eclipsed the % of bullish newsletter writers. From a contrary perspective, this is a plus. Moreover, it seems to us that even the bearish investors aren’t that happy – if only because it seems that these investors will only be happy if/when more than just yak blood is running in the streets.

Market-wise, not only has sentiment improved (i.e., more cautious) but the S&P 500 continues to draw a line in the sand at the 1050 level (February, May and now June). Suffice it to say that some are viewing 1050 as impregnable. It’s our opinion, however, that eventually it will prove to be more Maginot-like. But for now here’s what you need to know about the market’s technicals.



- 1) **Major Indexes** – 5 of 8 major US indexes are above their 200-day moving averages as are 8 of 15 major Euro indexes and 6 of 16 major Asian/Pacific indexes. The color coded sheet on the next page will provide the details, but it is curious to us that over the last month Europe’s equity markets are outperforming the US.
- 2) **Bellwethers** – Suffice it to say that (a) our bellwethers are, for the most part, oversold and bouncing but (b) still display bearish technical setups as 5 of 6 are below downward-sloping 200-day moving averages. The only remaining holdout is copper; yet it is below its flattening 200-day moving average. While technical trends are negative, Monsanto (MON, 51.23) is so oversold (it was recently 33% below its 40-week moving average) that it looks like it should bounce/rally. A rally to the \$57 area wouldn’t be crazy. See chart on page 3.
- 3) **Bellwethers Part 2 (Maybe)** – We’ve been asked many times recently to consider China’s equity market as one of our bellwethers. Here’s our take on that market – China’s Shanghai Composite peaked in Aug ’09, made a lower high in Nov ’09, made another lower high in April ’10, and its most recent lower low is below its Sept ’09 low. Sure the index is oversold and, like the S&P 500, has attempted to stabilize over the last month. But make no mistake, the pattern for the Shanghai Composite is bearish. The Hang Seng Index and Hang Seng China Enterprises Indexes have, so far, held up much better than Shanghai. But both the Hang Seng and Hang Seng China Enterprises Indexes are below downward-sloping 200-day moving averages – that’s not good.



WJB CAPITAL GROUP, INC.  
Member NYSE, FINRA, SIPC

John Roque  
Managing Director  
jroque@wjbcapital.com  
646.344.3330

Adolfo Rueda, CMT  
Director  
arueda@wjbcapital.com  
646.344.3332

Technical Review June 14, 2010

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

### Color-Coded 200-Day Moving Average Scorecard

	> 200 Day	< 200 Day		> 200 Day	< 200 Day
	Mov Avg	Mov Avg		Mov Avg	Mov Avg
<b>US Indexes (8)</b>			<b>Currencies (5)</b>		
S&P 500			\$ Index		
DJIA			Euro		
NASDAQ			Yen		
Dow Jones Transports			Canadian \$		
Dow Jones Utilities			Australian \$		
S&P 600 (SmallCap)			<b>Canada &amp; LatAm (4)</b>		
S&P 400 (MidCap)			Canada - Toronto SE		
Value Line Arithmetic			Argentina - Merval		
<b>S&amp;P Economic Sectors (10)</b>			Brazil - BOVESPA		
Basic Materials			Mexico - IPC		
Consumer Discretionary			<b>Europe (15)</b>		
Consumer Staples			Bloomberg 500		
Financials			France - CAC		
Healthcare			Germany - DAX		
Industrials			Italy - FTSEMIB		
Technology			Spain - IBEX		
Telecom			UK - FTSE 100		
Utilities			Denmark - OMX		
<b>Commodities (19)</b>			Hungary - BUX		
Crude Oil			Iceland - OMX All Sh		
Heating Oil			Ireland - ISEQ Overall		
Natural Gas			Netherlands - AEX		
RBOB Gasoline			Norway - OBX		
Corn			Portugal - PSI Gen'l		
Soybeans			Russia - MICEX		
Wheat			Sweden - OMX		
Aluminum			<b>Asia (16)</b>		
Copper			MSCI Asia Apex 50		
Cotton			China - Shanghai Comp		
Nickel			Hong Kong - Hang Seng		
Lean Hogs			Hong Kong - China Ent		
Live Cattle			Japan - Nikkei 225		
Gold			Japan - Topix		
Silver			Taiwan - TWSE		
Cocoa			Malaysia - KLCI		
Coffee			Thailand - SET		
OJ			Korea - KOSPI		
Sugar			Australia - All Ords		
<b>Bonds (4)</b>			New Zealand - All Ords		
10-Year T Note			Pakistan - KSE		
10-Year Yield			Indonesia - JCI		
30-Year T Bond			India - SENSEX		
30-Year Yield			Singapore - Straits Times		



WJB CAPITAL GROUP, INC.  
Member NYSE, FINRA, SIPC

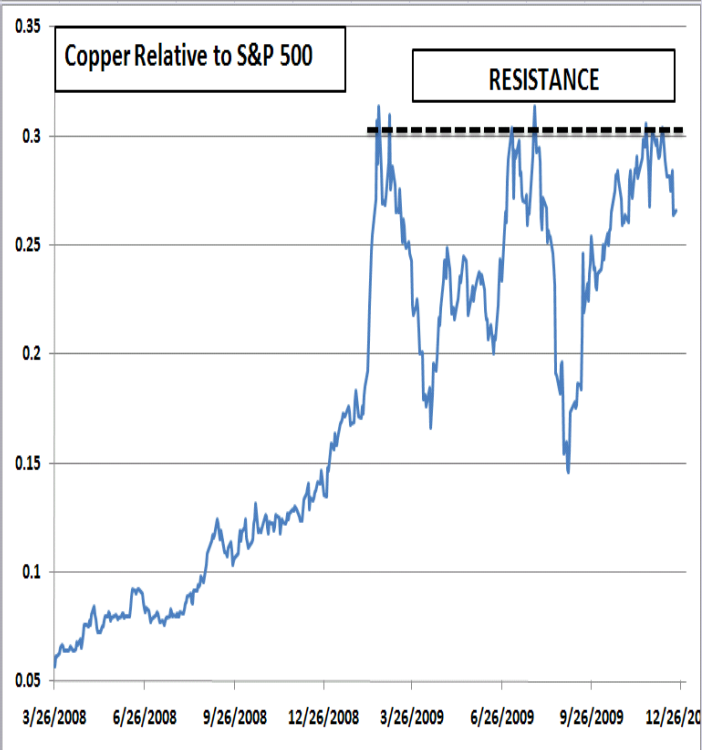
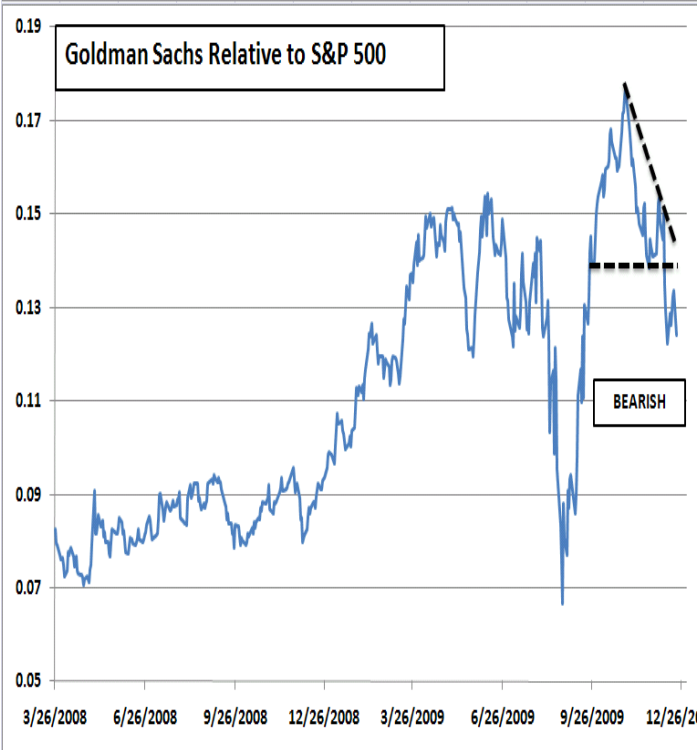
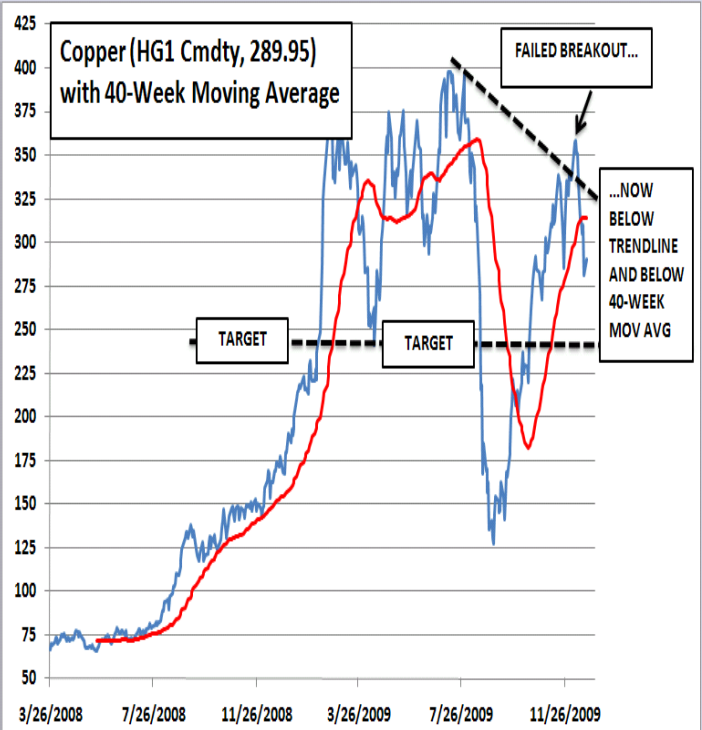
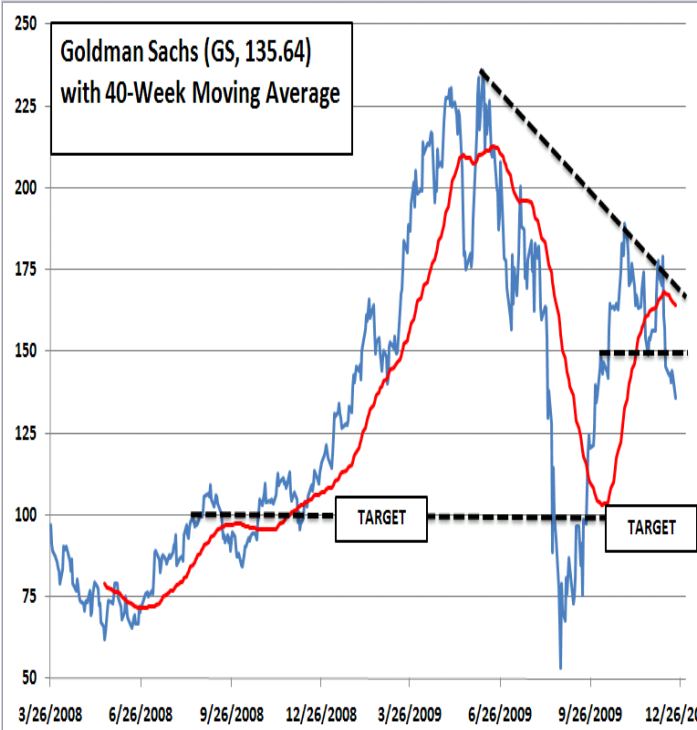
John Roque  
Managing Director  
jroque@wjbcapital.com  
646.344.3330

Adolfo Rueda, CMT  
Director  
arueda@wjbcapital.com  
646.344.3332

Technical Review June 14, 2010

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

### Two Most Important Bellwethers – Goldman Sachs and Copper





**WJB CAPITAL GROUP, INC.**  
Member NYSE, FINRA, SIPC

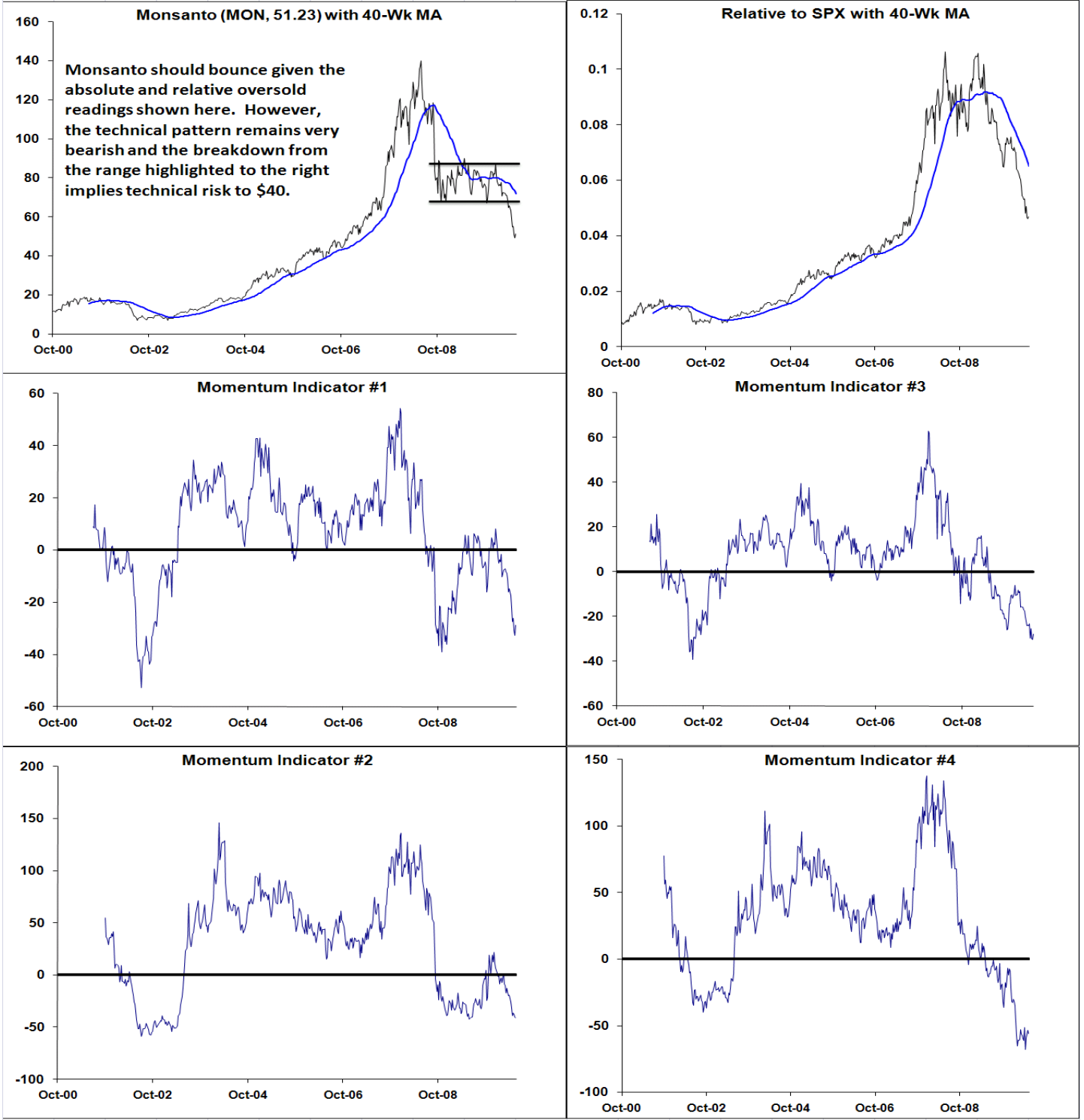
**John Roque**  
Managing Director  
jroque@wjbcap.com  
646.344.3330

**Adolfo Rueda, CMT**  
Director  
arueda@wjbcap.com  
646.344.3332

**Technical Review June 14, 2010**

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

**Monsanto – Bearish pattern, but oversolds are extreme and stock should bounce**





WJB CAPITAL GROUP, INC.  
Member NYSE, FINRA, SIPC

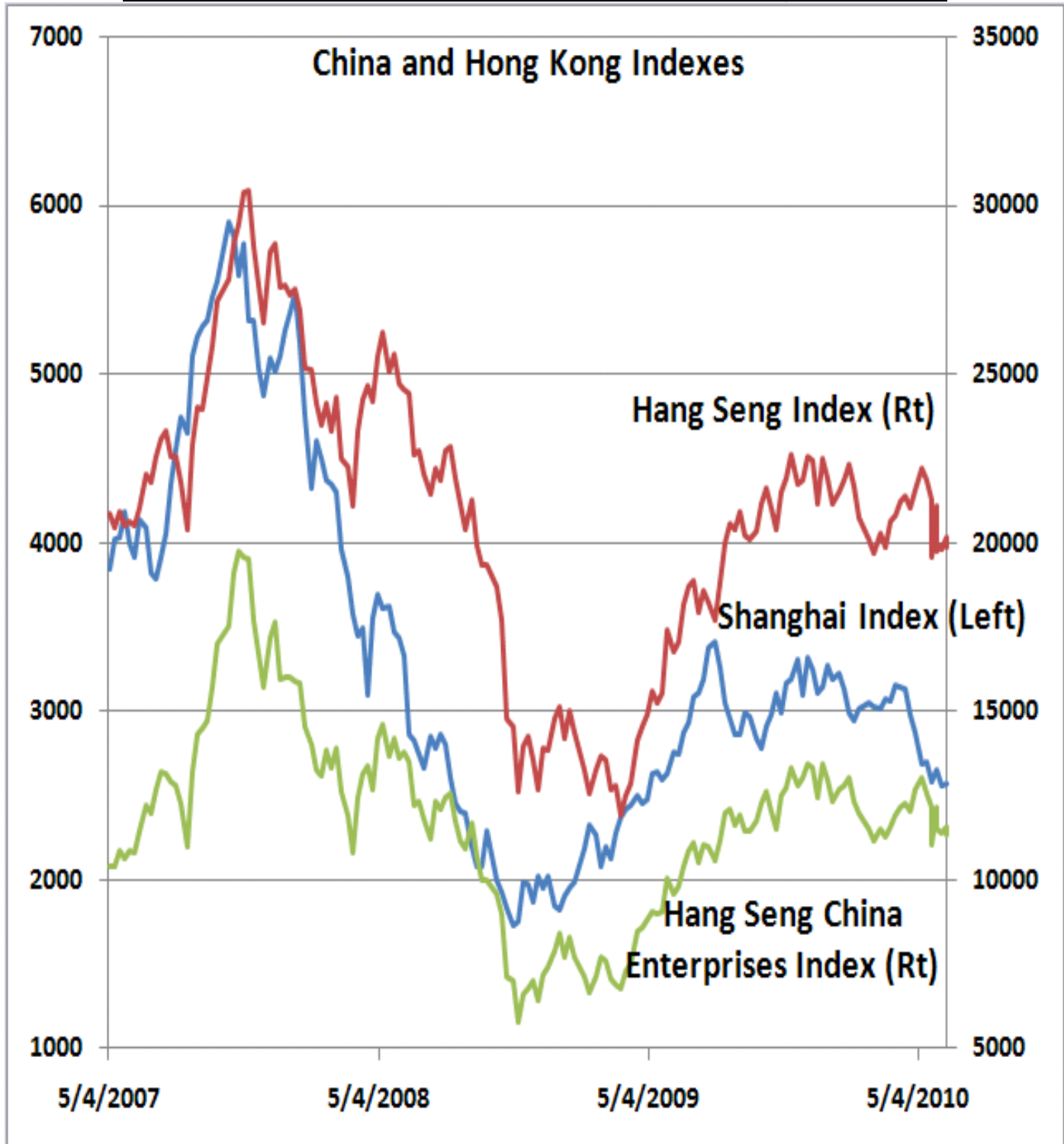
John Roque  
Managing Director  
jroque@wjbcap.com  
646.344.3330

Adolfo Rueda, CMT  
Director  
arueda@wjbcap.com  
646.344.3332

Technical Review June 14, 2010

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

**Bellwethers Part 2 – Maybe (check corresponding text on p1)**







**WJB CAPITAL GROUP, INC.**  
Member NYSE, FINRA, SIPC

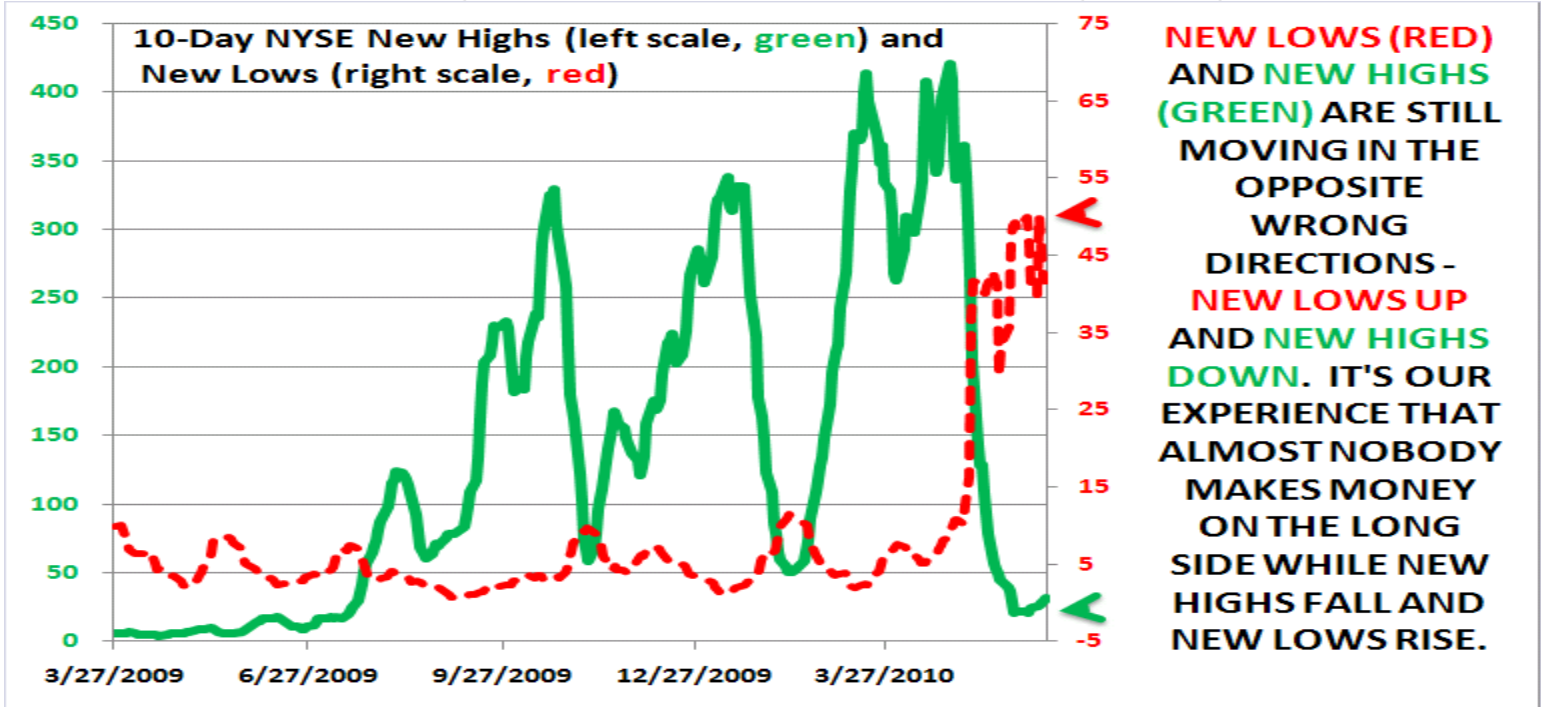
**John Roque**  
Managing Director  
jroque@wjbcap.com  
646.344.3330

**Adolfo Rueda, CMT**  
Director  
arueda@wjbcap.com  
646.344.3332

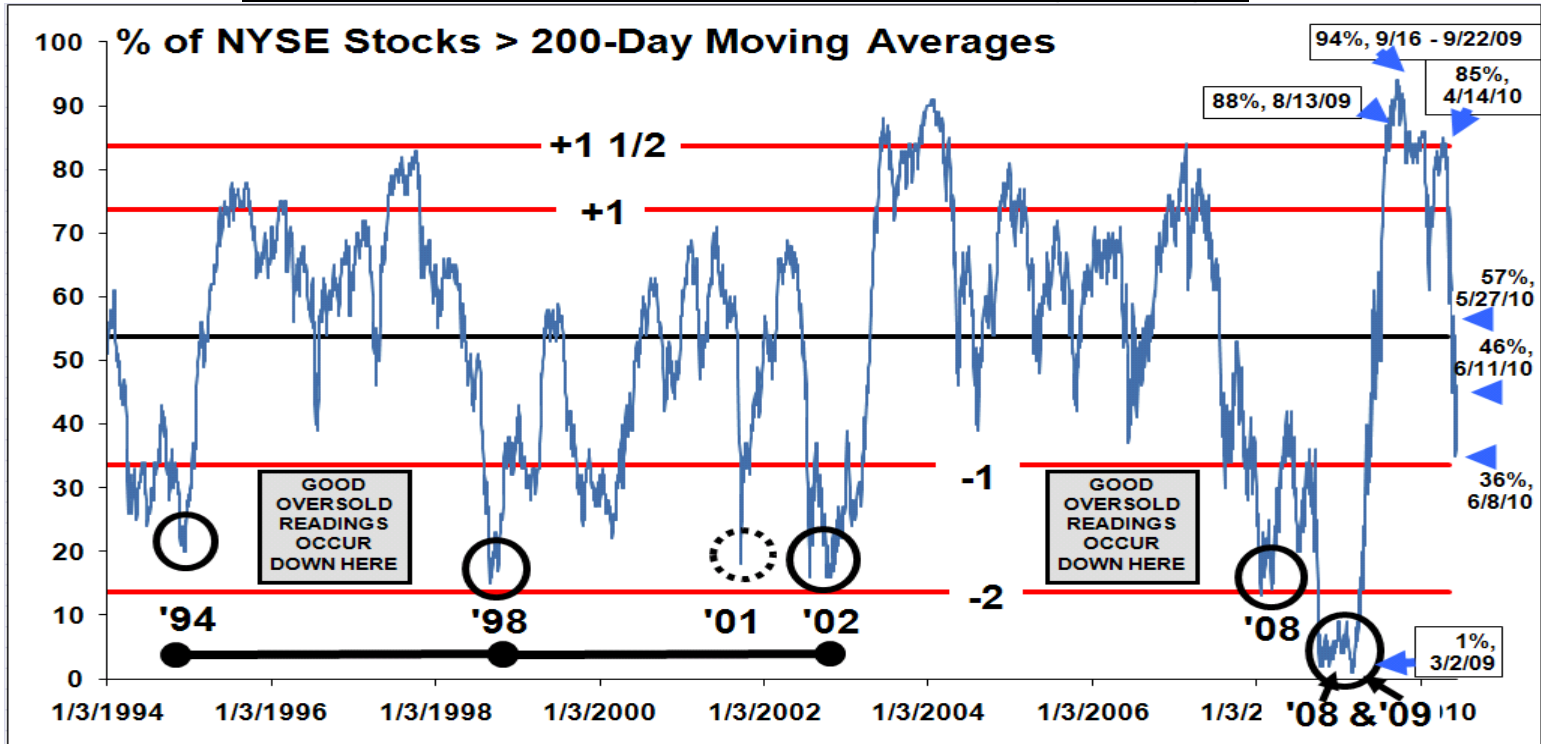
**Technical Review June 14, 2010**

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

**NYSE New Highs and New Lows – 10-Day Moving Averages**



**% of NYSE Stocks above their 200-Day Moving Averages**





WJB CAPITAL GROUP, INC.  
Member NYSE, FINRA, SIPC

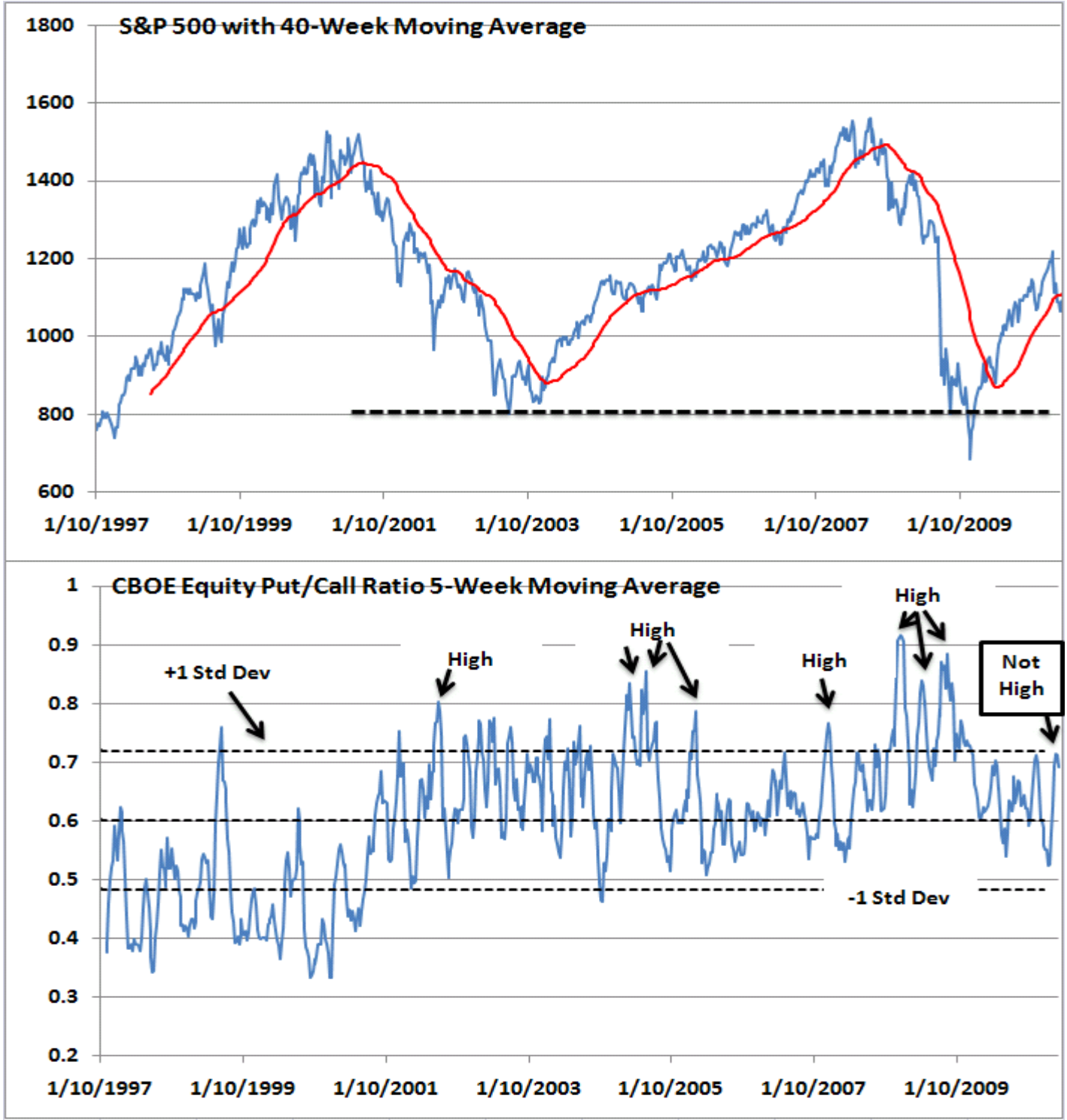
John Roque  
Managing Director  
jroque@wjbcap.com  
646.344.3330

Adolfo Rueda, CMT  
Director  
arueda@wjbcap.com  
646.344.3332

Technical Review June 14, 2010

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

### Put/Call Data is Not Extreme...Investors disconcerted but not yet bearish





**WJB CAPITAL GROUP, INC.**  
Member NYSE, FINRA, SIPC

**John Roque**  
Managing Director  
jroque@wjbcap.com  
646.344.3330

**Adolfo Rueda, CMT**  
Director  
arueda@wjbcap.com  
646.344.3332

**Technical Review June 14, 2010**

60 Broad Street, 34th Floor, New York, NY 10004 www.wjbcapital.com 646.344.4300

## Disclosures

### **Analyst Certification:**

I, John Roque, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

### **Valuation Methods for Technical Analysis**

Valuations are based on technical analysis techniques using some or all of the following inputs: trend recognition, pattern recognition, Japanese candlestick formations, oscillator readings (short-term), relative performance, money flows, support and resistance levels, volume, sentiment indicators, seasonal analysis, or other techniques that may be utilized in the practice of technical analysis.

Risks that may impede the achievement of our price targets include but are not limited to: a change in general economic conditions; adverse news or other adverse events at another company in the sector; unexpected news releases or management turnover; disruption in materials from suppliers; revenue shortfalls or gains; changes in sales; quarterly earnings declines or increases; and/or changes in cash flow to funding current operations.

This communication is neither an offer to sell nor a solicitation of an offer to buy or sell any securities mentioned herein. This publication is confidential and for the information of the addressee only and may not be reproduced in whole or in part, nor copies circulated to another party, without the prior written consent of WJB Capital Group, Inc. ("WJB").

The material prepared by WJB, a registered U.S. broker-dealer, employs appropriate expertise, and WJB believes that it fairly and accurately represents the subject matter reported upon and is not misleading. WJB accepts no liability for any loss resulting from the use of the material presented in this report, except that this disclaimer of liability does not apply to the extent that such disclaimer may be prohibited by specific statutes, laws or regulations applicable to WJB. This report is not to be relied upon in substitution for the exercise of independent judgment. WJB may have issued and may in the future issue, other reports that are inconsistent with, and which reach different conclusions than the information presented in this report. Those reports reflect the different assumptions, views, and analytical methods of the analysts who prepared them and WJB is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions, and estimates contained in this report reflect a judgment of the analyst, effect as of its original date of publication by WJB and are subject to change without notice. The price, value of, and income from any of the securities mentioned in this report can fall as well as rise. The value of securities is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

### **ADDITIONAL DISCLOSURES**

The analyst, or a member of the analyst's family, holds a stock or option(s) position in the following securities mentioned in this report:

Our salespeople, traders, and other professionals may provide oral or written commentary or trading strategies to our clients that reflect opinions that are their own and are contrary to the opinions expressed in WJB's research.

**FOR INSTITUTIONAL USE ONLY; NOT FOR USE WITH THE GENERAL PUBLIC**

**Additional information regarding the contents of this publication will be furnished upon request.**