

8:00 a.m. ET February 7, 2012

U S MARKETS	LAST	Net	% CHG	% CHG YTD	% CHG vs. HIGH	50 Day M.A.	200 Day M.A.	P / E Ratio*
Dow Jones	12845.13	-17.10	-0.13%	5.14%	-9.53%	12267	11985	
Dow Jones Transports	5334.25	-34.68	-0.65%	6.27%	-5.22%	5049	4972	
Dow Jones Utilities	449.95	-1.41	-0.31%	-3.21%	-19.03%	449	437	
S&P 500	1344.33	-0.57	-0.04%	6.90%	-14.70%	1268	1258	12.6
S&P 400 Midcap	970.23	-1.02	-0.11%	10.36%	-4.55%	894	903	*First Call 12 mos. forward est.
S&P 600 Smallcap	461.53	-2.03	-0.44%	11.19%	-0.19%	421	414	
NASDAQ	2901.99	-3.67	-0.13%	11.39%	-43.46%	2672	2662	
NASDAQ 100	2528.30	-0.87	-0.03%	11.00%	-47.51%	2341	2302	
Russell 2000 (Smallcaps)	828.37	-2.74	-0.33%	11.80%	-4.63%	753	757	
BKX (Banking)	44.70	-0.35	-0.78%	13.51%	-63.11%	40	42	
BTK (Biotech)	1420.22	30.89	2.22%	30.13%	-6.23%	1150	1248	
OSX (Oil Service)	250.75	2.50	1.01%	15.94%	-31.16%	226	239	
SOXX (Semiconductor)	421.87	-6.12	-1.43%	15.76%	-69.03%	381	386	
XAU (Gold/Silver)	200.36	0.02	0.01%	10.92%	-13.91%	192	201	
		NYSE	NASDAQ					
VOLUME	686,283,520	1,683,530,000						
ADV/DEC VOLUME	0.9	0.7						
ADV/DEC ISSUES	0.7	0.7						
			Treasury Yield Curve					
			90 Day T-Bill		10 Yr. T-Note	30 Yr. T-Bond		
			0.07%		1.90%	3.09%		

STRONGEST/WEAKEST GROUPS Last Week

Strongest Groups	Weakest Groups
Energy-Solar	Computer Sftwr-Gaming
Transportation-Ship	Medical-Services
Telecom Svcs-Integrated	Bldg-Wood Prds
Oil&Gas-Machinery/Equip	Comm'l Svcs-Healthcare
Medical-Biomed/Biotech	Transportation-Airline
Retail-Consumer Elec	Elec-Semiconductor Fablss
Leisure-Toys/Games/Hobby	Leisure-Travel Booking
Oil&Gas-U S Expl&Prod	Medical-Managed Care
Bldg-Mobile/Mfg & Rv	Retail-Internet
Auto Manufacturers	Retail-Leisure Products

KEY COMMODITY PRICES		Net Chg
CRB Index	314.20	-0.02
US DOLLAR INDEX	79.18	0.13
CRUDE OIL (WTI)/BBL	95.93	-0.98
NATURAL GAS/MMBTU	2.59	0.04
GASOLINE (USD/GAL)	2.93	0.00
GOLD/OZ	1715.50	-9.40
COPPER ¢/LB	380.45	-6.00
COTTON #2 (USD/lb.)	94.97	-1.34

FOREIGN MARKETS	LAST	NET CHG	% CHG
UK:	5,858	-34.30	-0.58
GER: DAX	6,695	-69.54	-1.03
BRAZIL: Bovespa	65,224	6.35	0.01
JAPAN: Nikkei 225	8,918	-11.68	-0.13
HK: Hang Seng	20,699	-10.75	-0.05

INDICATORS	NYSE	NASDAQ
% of Stocks Above 200-day M.A.	77%	55%
Rydex Ratio (Bears/Bulls)	39%	10-day m.a.
CBOE Put/Call Ratio	84%	88%
S&P 500 vs. 10 Yr. T-Note	Severely Undervalued	76.0%
S&P 500 vs. 30 Yr. T-Bond	Severely Undervalued	
Arms Index - Last Close	0.80	
Arms Index-10 Day Moving Avg.	1.17	
CBOE OEX Volatility Index-VXO	16	
McClellan Oscillator (1)	39.11	

THE DAWN PATROL

Stocks opened down yesterday but the sellers simply couldn't generate any momentum. After trading sideways all day, some buying came in and the indices managed to finish at or near the highs of the day. As Mike Gibbs pointed out yesterday, February tends to be the weakest month of an otherwise strong seasonal period for stocks. After the strong January we just had, we'd like to see stocks consolidate for 4-6 weeks and gather some steam for the next move up, which we believe is imminent.

With a dearth of any economic news until Thursday's Jobless Claims, traders are focused again on the continuing soap opera in Greece as the leadership grapples with demands from the Eurozone (notable Germany) to accept the necessary austerity measures while their own citizens (the unions) threaten a nationwide strike. More and more it seems that Greece is heading for default and possibly an exit from the European Union. Eventually you'd get tired of cutting your neighbor's grass and weeding his garden while he sits on the porch and drinks Retsina, and that's pretty much what's going on.

On the earnings front, Coca-Cola (KO-\$68.03) beat estimates while Swiss bank/broker UBS (UBS-\$14.37) saw profits drop 76% on investment banking losses as they continue to struggle. They aren't alone, as both Goldman Sachs (GS-\$117.39) and JP Morgan (JPM-\$38.14) also struggled in the fourth quarter.

Foreign markets are off overnight on Greek worries and our own futures are indicating a modestly weak to flat opening, having improved as the morning has worn on. The Dow futures are off about 7 points, which is roughly 25 points below fair value.

ANNOUNCEMENTS THIS WEEK

Monday	
Tuesday	Consumer Credit
Wednesday	EIA Petroleum Status Rpt
Thursday	Jobless Claims; EIA Natural Gas Rpt; Wholesale Trade
Friday	International Trade; Consumer Sentiment

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