

# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

February 13, 2009

Volume 2 Issue 30

## Market Overview

*Summary of Recent Active Studies (see <http://QuantifiableEdges.blogspot.com> or Letters from listed dates for details)*

Study Date	Description	Time span	Bias	Avg Max Move	Avg MM + 1 Std Dev
<b>Active</b>					
February 13, 2009	2 Days Up In Chop	1-4 days	Bearish		
February 12, 2009	Weak Bounce	1-10 days	Bearish	-4.50%	-7.80%
<b>February 12, 2009</b>	<b>Mediocre Breadth on Bounce</b>	<b>1-2 days</b>	<b>Bearish</b>	<b>-2.70%</b>	<b>-4.60%</b>
<b>February 11, 2009</b>	<b>2.5% Drop Frim High</b>	<b>1-4 days</b>	<b>Bearish</b>	<b>-2.70%</b>	<b>-4.60%</b>
<b>February 10, 2008</b>	<b>Low Nasdaq Spyx w/ Q RSI &gt; 90</b>	<b>1-7 days</b>	<b>Bearish</b>	<b>-4.10%</b>	<b>-8.70%</b>
<b>Active - Long Term</b>					
February 9, 2009	Nasdaq Breadth Thrust	1-20 days	Bullish	5.90%	9.60%
March 17, 2008	Consumer Sentiment Stretch	1-12 months	Bullish		
<b>Dropped Tonight</b>					
<b>February 9, 2009</b>	<b>1st Friday Up 1%</b>	<b>1-5 days</b>	<b>Bearish</b>	<b>-2.70%</b>	<b>-5.60%</b>
February 11, 2009	Spyx Spikes 80+ points	1-2 days	Bullish	1.00%	1.90%

If the avg max move is achieved it will appear in **bold and brown**. If the avg + 1 std deviation is achieved, the study will in *bold italic blue*.

### **Short-term Outlook (1-5 days) – updated 2/13 – slightly bearish**

Some real whipsaws occurred on Thursday. After gapping down and chopping around a bit the market broke lower just before 3pm. Just after 3pm news of a new mortgage assistance program hit the wires and a strong rally ensued into the close. The S&P 500, which was down over 2.5%, finished positive on the day. Breadth was mildly negative on the NYSE, with both the Up Issues % and the Up Volume % finishing at about 46%. Total volume rose on the day and was especially heavy during the last hour rally.

Last Thursday, Feb. 5<sup>th</sup> the market put in a somewhat similar reversal pattern. We saw a gap down, the market trade lower and then reverse and close near its highs and up on the day. I posted some detailed studies in the Feb 6<sup>th</sup> Subscriber Letter about a few nuances with this pattern. Below is a link to that Letter if you'd like to read the full study:

[2009-02-06 QE Subscriber Letter.pdf](#)

I took another look tonight with some added twists that better fit today's pattern. First I'll show a base-case from last week with updated stats:

<b>SPY gaps down at least 0.25%. It then trades at least 0.5% below its open before reversing to close positive on the day and at least 0.5% above the open. It also closes in the top quartile of its range.</b>										
<b>Buy on close. Sell X days later. \$100k/trade. 1993-present.</b>										
X Days	Net Profit	Trades	Wins	Losses	% Wins	Avg Win	Avg Loss	W/L Ratio	Profit Factor	Avg Trade
10	(\$39,447.75)	35	18	17	51.43	\$2,226.44	(\$4,677.86)	0.48	0.50	(\$1,127.08)
9	(\$18,777.16)	35	19	16	54.29	\$2,447.22	(\$4,079.65)	0.60	0.71	(\$536.49)
8	(\$13,865.34)	35	19	16	54.29	\$2,563.72	(\$3,911.00)	0.66	0.78	(\$396.15)
7	(\$16,523.20)	35	20	15	57.14	\$2,383.28	(\$4,279.25)	0.56	0.74	(\$472.09)
6	(\$16,043.39)	35	21	14	60.00	\$2,211.60	(\$4,463.35)	0.50	0.74	(\$458.38)
5	(\$16,181.07)	38	20	18	52.63	\$2,042.69	(\$3,168.60)	0.64	0.72	(\$425.82)
4	(\$35,225.30)	39	18	21	46.15	\$1,922.29	(\$3,325.08)	0.58	0.50	(\$903.21)
3	(\$36,957.23)	40	17	23	42.50	\$1,805.10	(\$2,941.04)	0.61	0.45	(\$923.93)
2	(\$44,407.55)	40	15	25	37.50	\$1,459.91	(\$2,652.25)	0.55	0.33	(\$1,110.19)
1	(\$15,053.26)	42	18	24	42.86	\$1,452.05	(\$1,716.25)	0.85	0.63	(\$358.41)

I decided to double the percentage requirement to see what happened with a larger gap, and more volatile intraday swings. In this case I was expecting to find the downside edge might be even more pronounced.

<b>SPY gaps down at least 0.5%. It then trades at least 1% below its open before reversing to close positive on the day and at least 1% above the open. It also closes in the top quartile of its range.</b>										
<b>Buy on close. Sell X days later. \$100k/trade. 1993-present.</b>										
X Days	Net Profit	Trades	Wins	Losses	% Wins	Avg Win	Avg Loss	W/L Ratio	Profit Factor	Avg Trade
10	\$15,575.82	11	9	2	81.82	\$2,263.85	(\$2,399.43)	0.94	4.25	\$1,415.98
9	\$14,479.34	11	9	2	81.82	\$2,039.71	(\$1,939.02)	1.05	4.73	\$1,316.30
8	\$14,340.73	11	9	2	81.82	\$1,862.38	(\$1,210.34)	1.54	6.92	\$1,303.70
7	\$20,324.05	11	9	2	81.82	\$2,494.07	(\$1,061.30)	2.35	10.58	\$1,847.64
6	\$19,305.62	11	8	3	72.73	\$2,739.91	(\$871.22)	3.14	8.39	\$1,755.06
5	\$13,782.27	12	8	4	66.67	\$2,488.40	(\$1,531.23)	1.63	3.25	\$1,148.52
4	(\$489.05)	13	6	7	46.15	\$2,771.20	(\$2,445.18)	1.13	0.97	(\$37.62)
3	\$4,010.68	14	8	6	57.14	\$2,130.37	(\$2,172.05)	0.98	1.31	\$286.48
2	(\$645.27)	14	8	6	57.14	\$1,466.33	(\$2,062.65)	0.71	0.95	(\$46.09)
1	\$5,346.48	15	7	8	46.67	\$1,795.80	(\$903.02)	1.99	1.74	\$356.43

To my surprise, not only was the downside edge not stronger, it actually appeared that the edge may have flipped to the upside when looking out beyond 2-4 days.

I also found last week that a new 10-day low occurring within the pattern could be a potential positive for the market. Below I ran the first test from above again and studied only those where a 10-day low was made.

<b>SPY gaps down at least 0.5%. It then trades at least 1% below its open before reversing to close positive on the day and at least 1% above the open.</b>										
<b>Buy on close. Sell X days later. \$100k/trade. 1993-present.</b>										
dayin (QE	All: Net Profit	All: Total T	All: Winnin	All: Losing	All: % Profit	All: Avg Wir	All: Avg Losi	All: Win/Los	All: ProfitFact	All: Avg Trad
10	\$10,671.55	15	11	4	73.33	\$2,748.01	(\$4,889.15)	0.56	1.55	\$711.44
9	\$18,558.34	15	11	4	73.33	\$2,728.74	(\$2,864.45)	0.95	2.62	\$1,237.22
8	\$12,866.34	15	11	4	73.33	\$2,467.43	(\$3,568.86)	0.69	1.90	\$857.76
7	\$18,285.26	15	11	4	73.33	\$2,909.57	(\$3,429.99)	0.85	2.33	\$1,219.02
6	\$18,687.02	15	10	5	66.67	\$3,048.92	(\$2,360.44)	1.29	2.58	\$1,245.80
5	\$12,153.07	16	10	6	62.50	\$2,412.69	(\$1,995.64)	1.21	2.01	\$759.57
4	(\$3,655.74)	17	8	9	47.06	\$2,558.22	(\$2,680.16)	0.95	0.85	(\$215.04)
3	\$4,352.86	18	10	8	55.56	\$1,841.75	(\$1,758.08)	1.05	1.31	\$241.83
2	\$43.25	18	10	8	55.56	\$1,705.92	(\$2,127.00)	0.80	1.00	\$2.40
1	\$3,352.79	19	9	10	47.37	\$1,507.16	(\$1,021.17)	1.48	1.33	\$176.46

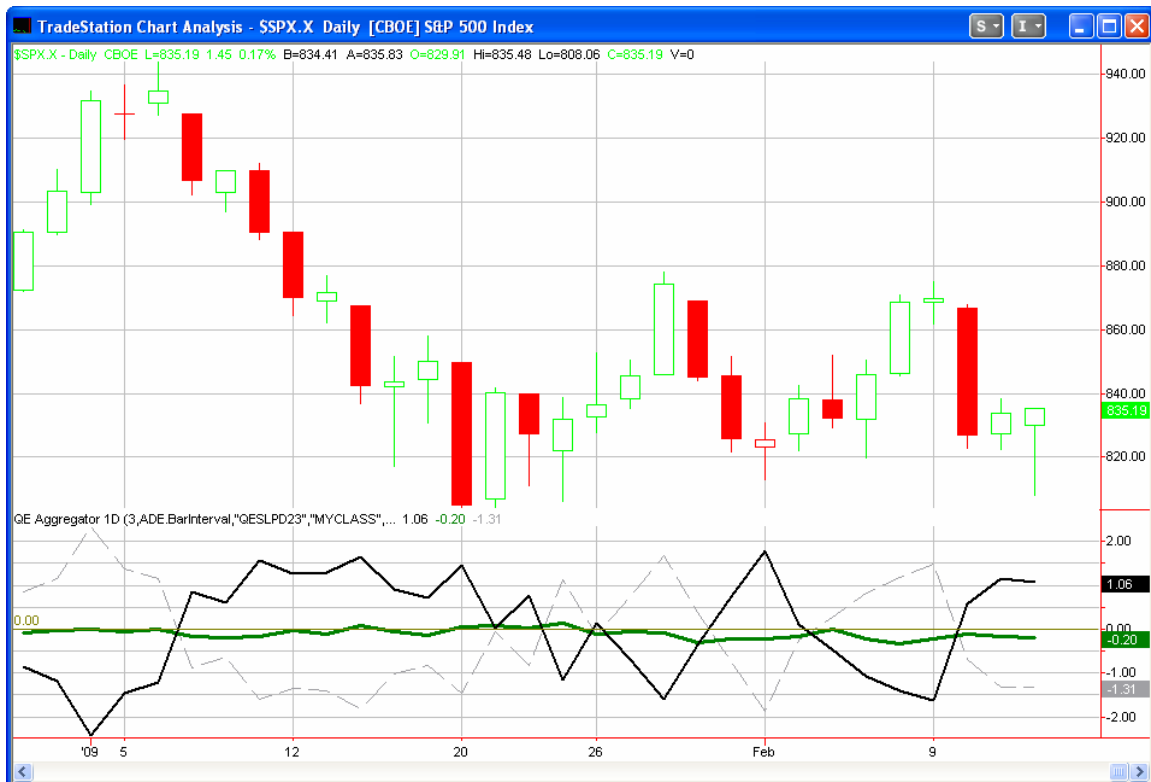
Here again the short-term bearish edge is no longer apparent and there is even some hint of a bullish edge. In light of these additional tests I've elected to avoid labeling today's bar as bullish or bearish. Therefore, the Gap & Reverse studies do not make it into the Aggregator.

It was the 2<sup>nd</sup> day higher in a row. This triggers the "2 Days Up In Chop" system that I've discussed frequently since first releasing it in August. The entry is to short any two bars in a row closing higher. The exit is to cover the trade on the first profitable close up to 4 days later. At the close of the 4<sup>th</sup> day the position will be covered regardless of profitability. Below are the results of the system from June 1, 2007 when the market chop became especially prevalent.

All Trades			
Total Net Profit	\$69,921.25	Profit Factor	16.80
Gross Profit	\$74,347.24	Gross Loss	(\$4,425.99)
Roll Over Credit	\$0.00		
Open Position Profit/Loss	\$0.00		
Select Total Net Profit	\$61,138.23	Select Profit Factor	14.81
Select Gross Profit	\$65,564.22	Select Gross Loss	(\$4,425.99)
Adjusted Total Net Profit	\$57,248.53	Adjusted Profit Factor	9.20
Adjusted Gross Profit	\$64,229.86	Adjusted Gross Loss	(\$6,981.34)
Total Number of Trades	57	Percent Profitable	94.74%
Winning Trades	54	Losing Trades	3
Even Trades	0		
Avg. Trade Net Profit	\$1,226.69	Ratio Avg. Win:Avg. Loss	0.93
Avg. Winning Trade	\$1,376.80	Avg. Losing Trade	(\$1,475.33)

I also looked at the fact that the rise the last 2 days has been especially weak. That didn't have much of an impact on results. When the 2 up days didn't make up for the down day immediately preceding them the market closed lower within 3 days 11 of 12 times. Looking out 4 days it was 12 for 12.

Tonight's Aggregator chart is below:



The formation remains pretty much the same. The green Aggregator line is strongly negative. This indicates a fairly strong negative bias by the studies. At the same time the market has strongly underperformed expectations over the last few days as represented by the black differential line. This is a bit of a conflicted configuration. I prefer to see both lines on the same side of 0 when entering new positions.

Tomorrow we will see Tuesday's big selloff fall out of the differential calculations. Barring a big selloff this will cause the black differential line to drop sharply. If Friday closes positive this would move the differential line below 0. Aggressive traders could consider beginning to put on a short position under such circumstances. I'll wait one more day in case we see some follow-through over the long weekend.

***Intermediate-term Outlook (2 weeks – 2 months)–SLIGHTLY bullish -updated 2/9***

One nice sign we've seen of late is the emerging leadership position of the Nasdaq relative to the NYSE. Below is a chart I sometimes refer to which shows the Nasdaq vs. NYSE relative strength:



I first discussed this indicator [on the blog last February](#). Since the inception of the Nasdaq in 1971, close to 100% of the gains in the NYSE have come when the Nasdaq has been in a leadership position. The indicator is a bit controversial since part of the reason it works is due to the fact that the Nasdaq typically has a higher beta. In other words, it goes up more in up markets and down more in down markets. Since it goes up more in up markets it will often be in the lead when the NYSE is rising. Still, another possible reason this indicator works well is that it measures investors' appetite for risk. Nasdaq stocks have traditionally been riskier than NYSE stocks. When investors are more willing to take on that additional risk, it normally means good things for the stock market as a whole. In any event, the track record is good enough that it deserves a glance once in a while, and when it's in a leading position as it is now I consider that a positive.

Another Nasdaq positive is that Nasdaq breadth has been especially strong lately. As can be seen on our charts page, [the 10-day ema of the Nasdaq Up Volume %](#) is now close to 64%. This is the highest level it has been at since the bear market began. The chart on that page uses Tradestation's data, which only goes back to 2000. To get a longer term look at the indicator I used Quotes Plus data, which goes back to 1/1/92. There are normally minor discrepancies between data sources when looking at breadth and volume data and Quotes Plus data currently puts the 10-day ema at almost 65%. The test below looks at breadth thrusts that move the ema above 64%:

<b>Nasdaq Up Volume % 10-day ema crosses over 64%.</b>										
<b>Buy Nasdaq on close. Sell X days later. \$100k/trade. 1992-2/6/2009</b>										
X Days	Net Profit	Trades	Wins	Losses	% Wins	Avg Win	Avg Loss	W/L Ratio	Profit Fac	Avg Trade
30	\$75,056.27	19	13	6	68.42	\$7,414.21	(\$3,554.75)	2.09	4.52	\$3,950.33
20	\$65,533.02	20	16	4	80.00	\$5,134.87	(\$4,156.21)	1.24	4.94	\$3,276.65
15	\$51,774.69	23	15	8	65.22	\$4,863.23	(\$2,646.72)	1.84	3.45	\$2,251.07
10	\$18,455.29	23	17	6	73.91	\$1,742.47	(\$1,861.11)	0.94	2.65	\$802.40
9	\$27,723.57	23	16	7	69.57	\$2,339.08	(\$1,385.95)	1.69	3.86	\$1,205.37
8	\$28,370.26	24	18	6	75.00	\$2,136.44	(\$1,680.96)	1.27	3.81	\$1,182.09
7	\$16,080.32	24	15	9	62.50	\$1,827.48	(\$1,259.10)	1.45	2.42	\$670.01
6	\$10,124.79	24	14	10	58.33	\$1,949.10	(\$1,716.26)	1.14	1.59	\$421.87
5	\$4,087.16	24	12	12	50.00	\$1,708.39	(\$1,367.79)	1.25	1.25	\$170.30
4	\$9,701.14	25	15	10	60.00	\$1,637.33	(\$1,485.88)	1.10	1.65	\$388.05
3	(\$1,260.22)	28	16	12	57.14	\$1,643.20	(\$2,295.95)	0.72	0.95	(\$45.01)
2	(\$3,929.78)	29	18	11	62.07	\$955.48	(\$1,920.77)	0.50	0.81	(\$135.51)
1	(\$7,608.66)	29	14	15	48.28	\$731.38	(\$1,189.86)	0.61	0.57	(\$262.37)

A slight pullback has often been followed by bullish action. Rather than looking at just an exit of X days out, I also decided to use a drop in the 10-day ema as a possible exit as well. Below are the results of buying into an Up Volume % 10-day ema thrust above 64% and then holding until the indicator dips below X%:

<b>Nasdaq Up Volume % 10-day ema crosses over 64%.</b>										
<b>Buy Nasdaq on close. Sell when Up Vol % ema crosses below X. \$100k/trade. 1992-2/6/2009</b>										
X% ema	Net Profit	Trades	Wins	Losses	% Wins	Avg Win	Avg Loss	W/L Ratio	Profit Fac	Avg Trade
0.44	\$112,624.78	17	11	6	64.71	\$11,798.99	(\$2,860.69)	4.12	7.56	\$6,624.99
0.45	\$105,842.15	18	11	7	61.11	\$11,615.21	(\$3,132.17)	3.71	5.83	\$5,880.12
0.46	\$115,435.57	18	12	6	66.67	\$11,197.13	(\$3,155.00)	3.55	7.10	\$6,413.09
0.47	\$118,500.16	18	12	6	66.67	\$11,426.80	(\$3,103.56)	3.68	7.36	\$6,583.34
0.48	\$59,627.05	20	10	10	50.00	\$8,273.10	(\$2,310.40)	3.58	3.58	\$2,981.35
0.49	\$37,459.30	21	10	11	47.62	\$6,542.43	(\$2,542.27)	2.57	2.34	\$1,783.78
0.5	\$42,355.20	21	11	10	52.38	\$6,250.12	(\$2,639.62)	2.37	2.60	\$2,016.91

Making the exits too tight here reduced profitability greatly. Once the exit trigger dropped to 0.47 or below it appears to be fairly solid. Below is a more detailed performance report which enters on a move above 64% and uses the 47% number as the exit.

## All Trades

Total Net Profit	\$126,672.37	Profit Factor	7.80
Gross Profit	\$145,293.75	Gross Loss	(\$18,621.38)
Roll Over Credit	\$0.00		
Open Position Profit/Loss	\$0.00		
Select Total Net Profit	\$126,672.37	Select Profit Factor	7.80
Select Gross Profit	\$145,293.75	Select Gross Loss	(\$18,621.38)
Adjusted Total Net Profit	\$77,127.53	Adjusted Profit Factor	3.94
Adjusted Gross Profit	\$103,351.06	Adjusted Gross Loss	(\$26,223.53)
Total Number of Trades	18	Percent Profitable	66.67%
Winning Trades	12	Losing Trades	6
Even Trades	0		
Avg. Trade Net Profit	\$7,037.35	Ratio Avg. Win:Avg. Loss	3.90
Avg. Winning Trade	\$12,107.81	Avg. Losing Trade	(\$3,103.56)
Largest Winning Trade	\$40,548.60	Largest Losing Trade	(\$4,386.96)
Largest Winner as % of Gross Profit	27.91%	Largest Loser as % of Gross Loss	23.56%

Most of the numbers here look outstanding. Twice as many winners as losers and the average win is nearly 4 times the average loss. This puts the profit factor at a gaudy 7.8. The one red flag on this report is the “largest winning trade”, which I circled above. This trade makes up nearly 28% of all the gross profits. So to more deeply analyze the results I’ve shown below the listing of all the individual trades.

#	Type	Date/Time	Signal	Price	Roll Over Pips	Shares/Ctrts	Gross P/L Profit/Loss	Cum Net Profit	% Profit
1	Buy	10/16/92	Daily Breadth	\$582.61	\$0.00	171	\$14,155.38	\$14,155.38	14.21%
	Sell	02/16/93	Sell	\$665.39			\$14,155.38	\$14,155.38	
2	Buy	06/19/95	Daily Breadth	\$922.09	\$0.00	108	\$12,523.68	\$26,679.06	12.58%
	Sell	09/26/95	Sell	\$1,038.05			\$26,679.06	\$26,679.06	
3	Buy	04/25/96	Daily Breadth	\$1,184.17	\$0.00	84	\$2,436.84	\$29,115.90	2.45%
	Sell	06/14/96	Sell	\$1,213.18			\$2,436.84	\$29,115.90	
4	Buy	05/05/97	Daily Breadth	\$1,339.24	\$0.00	74	\$24,243.14	\$53,359.04	24.46%
	Sell	10/17/97	Sell	\$1,666.85			\$24,243.14	\$53,359.04	
5	Buy	11/02/98	Daily Breadth	\$1,800.91	\$0.00	55	\$28,043.40	\$81,402.44	28.31%
	Sell	02/09/99	Sell	\$2,310.79			\$28,043.40	\$81,402.44	
6	Buy	07/02/99	Daily Breadth	\$2,741.02	\$0.00	36	(\$4,386.96)	\$77,015.48	(4.45%)
	Sell	07/26/99	Sell	\$2,619.16			(\$4,386.96)	\$77,015.48	
7	Buy	11/16/99	Daily Breadth	\$3,293.05	\$0.00	30	\$40,548.60	\$117,564.08	41.04%
	Sell	03/29/00	Sell	\$4,644.67			\$40,548.60	\$117,564.08	
8	Buy	04/19/01	Daily Breadth	\$2,182.04	\$0.00	45	(\$3,364.20)	\$114,199.88	(3.43%)
	Sell	05/11/01	Sell	\$2,107.28			(\$3,364.20)	\$114,199.88	
9	Buy	11/13/01	Daily Breadth	\$1,892.11	\$0.00	52	\$1,374.36	\$115,574.24	1.40%
	Sell	12/20/01	Sell	\$1,918.54			\$1,374.36	\$115,574.24	
10	Buy	11/01/02	Daily Breadth	\$1,360.70	\$0.00	73	(\$3,030.23)	\$112,544.01	(3.05%)
	Sell	11/11/02	Sell	\$1,319.19			(\$3,030.23)	\$112,544.01	
11	Buy	11/21/02	Daily Breadth	\$1,467.55	\$0.00	68	(\$2,529.60)	\$110,014.41	(2.53%)
	Sell	12/04/02	Sell	\$1,430.35			(\$2,529.60)	\$110,014.41	
12	Buy	05/02/03	Daily Breadth	\$1,502.88	\$0.00	66	\$7,119.42	\$117,133.83	7.18%
	Sell	06/23/03	Sell	\$1,610.75			\$7,119.42	\$117,133.83	
13	Buy	08/29/03	Daily Breadth	\$1,810.45	\$0.00	55	\$373.45	\$117,507.28	0.38%
	Sell	09/25/03	Sell	\$1,817.24			\$373.45	\$117,507.28	
14	Buy	01/12/04	Daily Breadth	\$2,111.78	\$0.00	47	(\$1,617.27)	\$115,890.01	(1.63%)
	Sell	01/28/04	Sell	\$2,077.37			(\$1,617.27)	\$115,890.01	
15	Buy	04/05/04	Daily Breadth	\$2,079.11	\$0.00	48	(\$3,693.12)	\$112,196.89	(3.70%)
	Sell	04/15/04	Sell	\$2,002.17			(\$3,693.12)	\$112,196.89	
16	Buy	05/19/05	Daily Breadth	\$2,042.58	\$0.00	48	\$513.12	\$112,710.01	0.52%
	Sell	06/24/05	Sell	\$2,053.27			\$513.12	\$112,710.01	
17	Buy	08/30/06	Daily Breadth	\$2,185.73	\$0.00	45	\$10,355.40	\$123,065.41	10.53%
	Sell	12/21/06	Sell	\$2,415.85			\$10,355.40	\$123,065.41	
18	Buy	09/04/07	Daily Breadth	\$2,630.24	\$0.00	38	\$3,606.96	\$126,672.37	3.61%
	Sell	10/19/07	Sell	\$2,725.16			\$3,606.96	\$126,672.37	

While the 41% gain was certainly an outlier, half of the 12 winners achieved gains of greater than 10%, and the largest loser was less than 5%. Even in the low volatility environment of 2006 we see a 10% gain. So while more instances would certainly be

preferable, it appears we have a decent amount of evidence here to suggest an upside edge.

The Nasdaq has now moved through its 50-day moving average and the S&P in on the verge of doing so. Support for the S&P around 800 held last week and there has been a lengthy consolidation from the November lows. With the Nasdaq attempting to take on a leadership position it is possible a rally could develop here. While I'm still not optimistic about the long-term picture a decent intermediate-term rally lasting a few months convincing some participants the worst may be behind us is already overdue. Intermediate-term traders may want to be at the ready to see if they can catch a multi-month move here soon. Should a rally emerge though it should be treated with great skepticism as it appears unlikely that it will be the beginning of a multi-year bull run. Selloffs may remain treacherous and traders may need to be nimble to avoid giving back rally gains.

**Catapult and Capitulative Breadth Statistics**

*(Catapult Presentation Part 1) (Catapult Presentation Part 2)*

***Open Catapult Triggers***

None

***Catapult for ETF's Trades***

*none*

***Broad Market Large Cap CBI – 0***

***Sector CBI Breakdown (% of stocks with active catapult triggers within each sector.)***

<b>Index</b>	<b>ETF</b>	<b>CBI %</b>	<b>Index</b>	<b>ETF</b>	<b>CBI %</b>
DJ US Broker Dealers	IAI	0.00	DJ US Energy	IYE	0.00
DJ US Insurance Index	IAK	1.35	DJ US Financial	IYF	1.37
DJ US Regional Banks	IAT	2.50	DJ US Financial Services	IYG	1.40
DJ US Utilities	IDU	0.00	DJ US Healthcare	IYH	0.00
DJ US Oil&Gas Expl & Prod	IEO	0.00	DJ US Industrial Sector	IYJ	0.38
DJ US Oil Equip & Svcs	IEZ	1.92	DJ US Consumer Goods	IYK	0.68
DJ US Pharmaceuticals	IHE	0.00	DJ US Basic Materials	IYM	0.00
DJ US Healthcare Providers	IHF	0.00	DJ US Real Estate	IYR	1.22
DJ US Medical Devices	IHI	0.00	DJ US Transportation	IYT	0.00
DJ US Aerospace & Defense	ITA	0.00	DJ US Technology Sector	IYW	1.01
DJ US Home Construction	ITB	0.00	DJ US Telecommunications	IYZ	0.00
DJ US Consumer Svcs	IYC	0.44	Nasdaq 100	QQQQ	0.00

No significant capitulative action evident.

### **Additional New Trade Ideas**

*None tonight.*

### **Active Trades Table**

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Stop	Notes
SPY(s)(1/4)	2/9/2009	\$87.10	\$82.17	5.66%		covered on open

The remaining SPY was covered on the open Thursday morning as laid out in last night's Subscriber Letter. Overall a very good index trade.

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