

“Macro Maelstrom Makes Landfall”

S&P 500, Dollar Index, Euro, Swiss Franc, Australian Dollar, New Zealand Dollar, Canadian Dollar, Russian Ruble, US 10 Year, US 30 Year, GSCI, CRB, WTI, Brent, Copper, FCX, SCCO, Gold, Silver, Utilities, Transports, GS, MS, MSCI EM Index, Brazil, Russia, India, China, Korea, Japan, Turkey, Egypt, S. Africa, Israel, Euro STOXX 50, Euro STOXX 600 Banks, Germany, France, UK, Spain

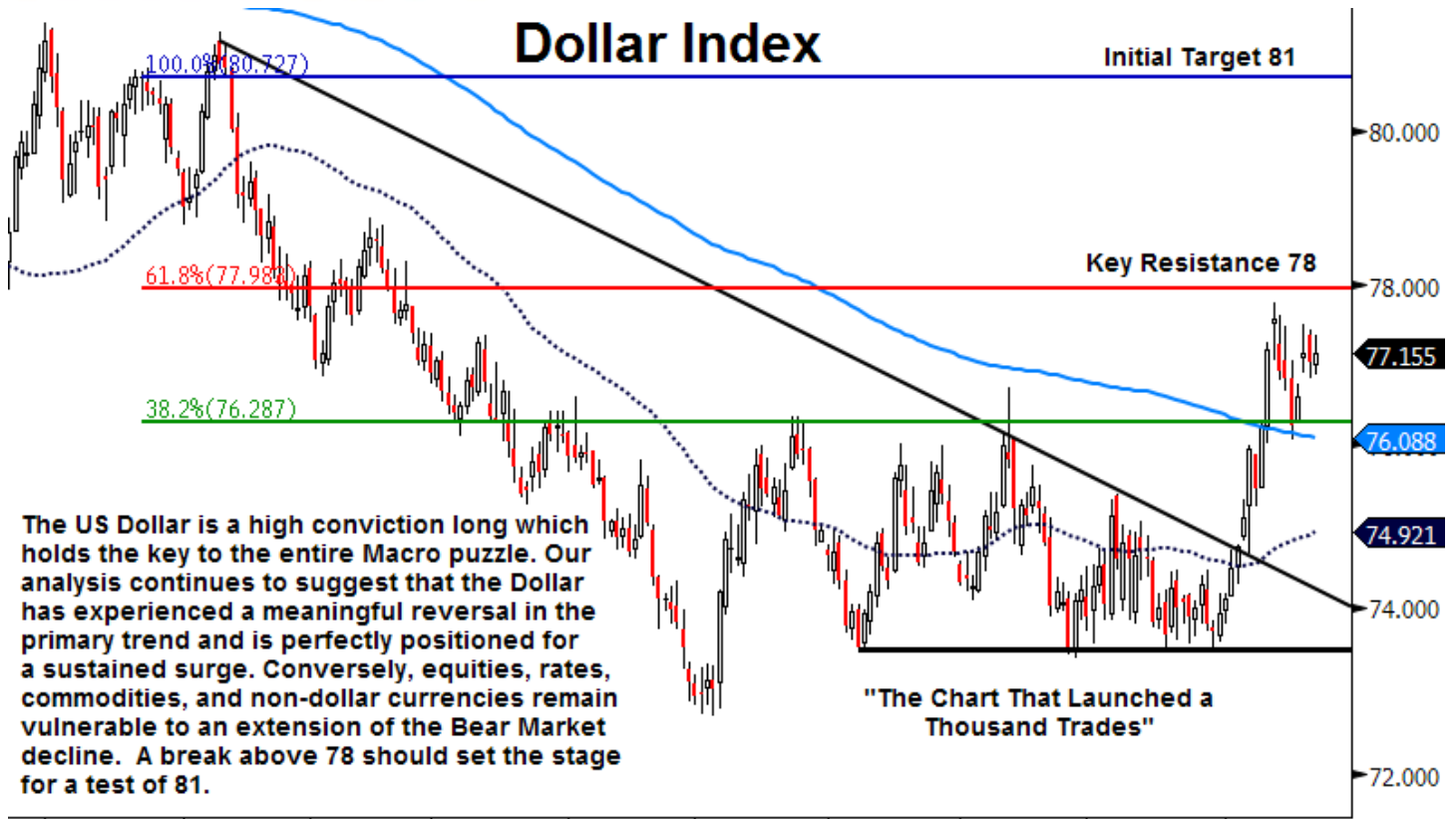
All that we know about technical analysis and intermarket relationships continues to suggest that the powerful storm which has been building offshore for months has made landfall in the form of a “Macro Maelstrom” which threatens to drive risky assets significantly lower from current levels. These are the facts and they are indisputable. The US Dollar has turned against every major global currency, save the Yen, and is heading significantly higher (see charts). The Euro, Aussie, Kiwi, Loonie, Swissie and Ruble; all key macro proxies for risk; are flashing strong sell signals! Commodities, Interest Rates, Financials, Transports, Copper and China are structurally broken and cascading lower; which has extraordinarily Bearish implications for risk. In the U.S. we have an increasingly narrow market supported by overvalued Momentum Stocks, Luxury Retailers, Utilities and multinational Consumer Staples with massive exposure to a stronger US Dollar; this is the Perfect Storm, trade accordingly.



See Important Disclosures and Analyst Certification on Page 24

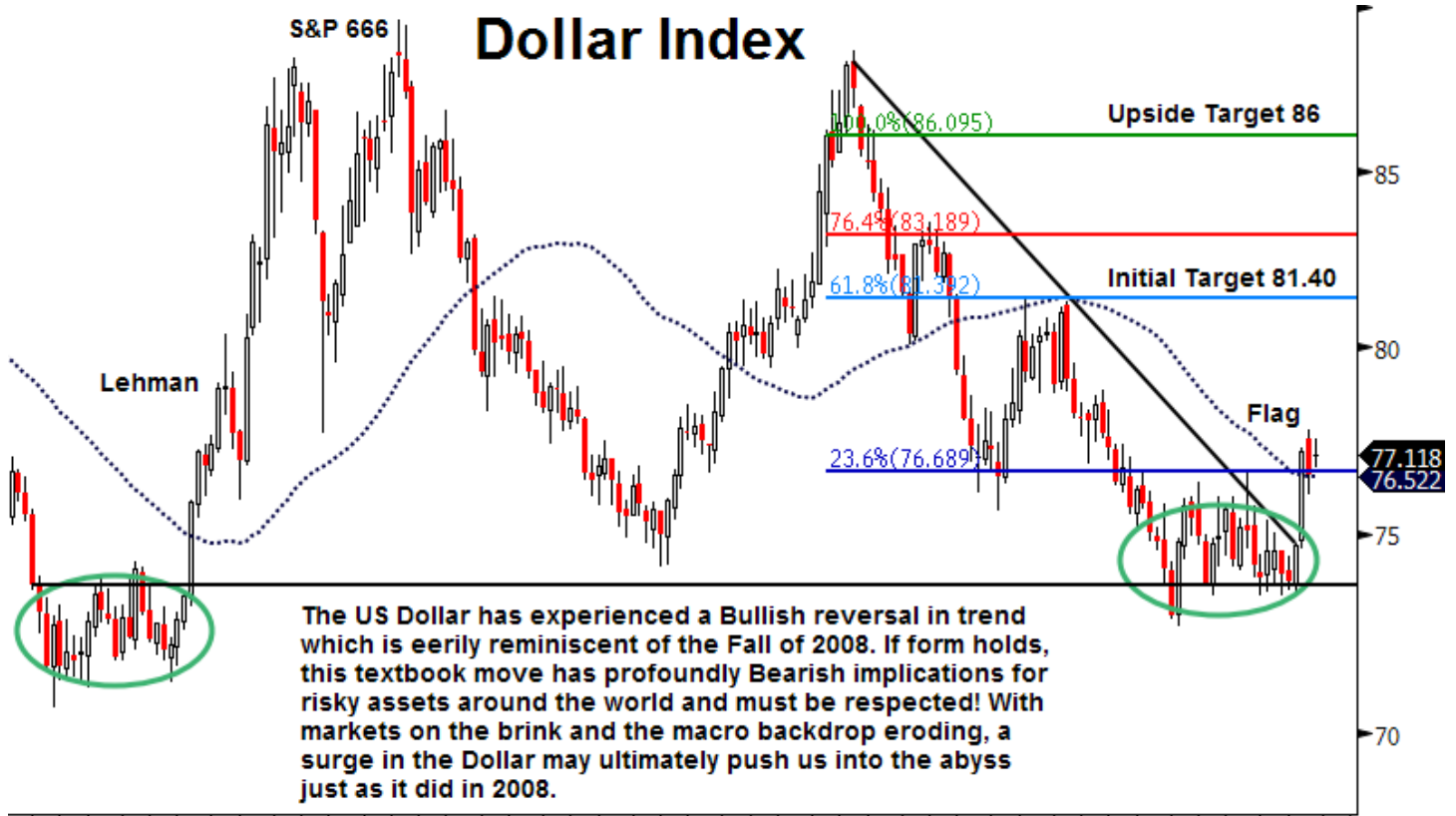
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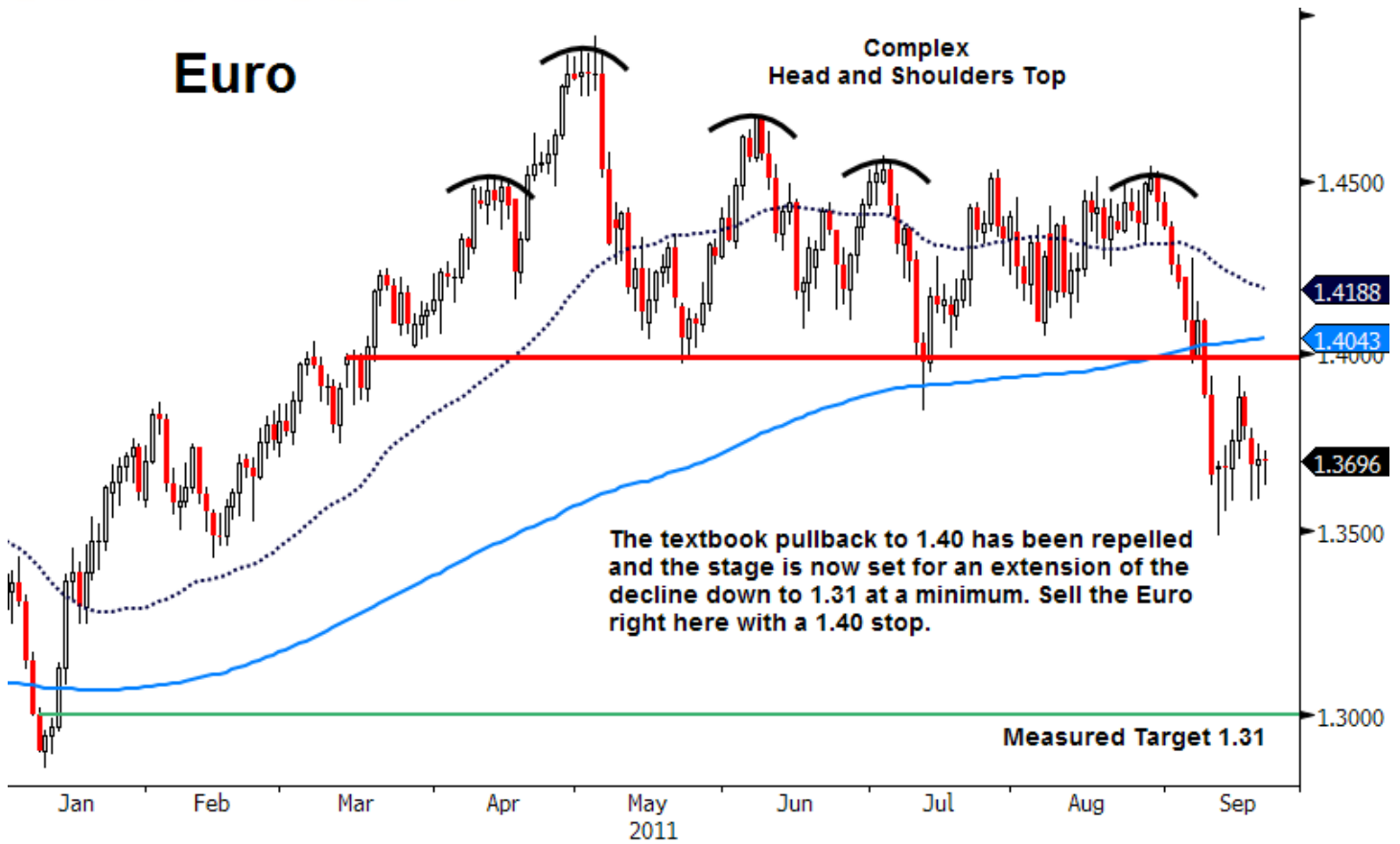
Dec 2010 | Jan | Feb | Mar | Apr | May 2011 | Jun | Jul | Aug | Sep

DXY -- DOLLAR INDEX SPOT G72 Daily 9/21/10 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:20:00

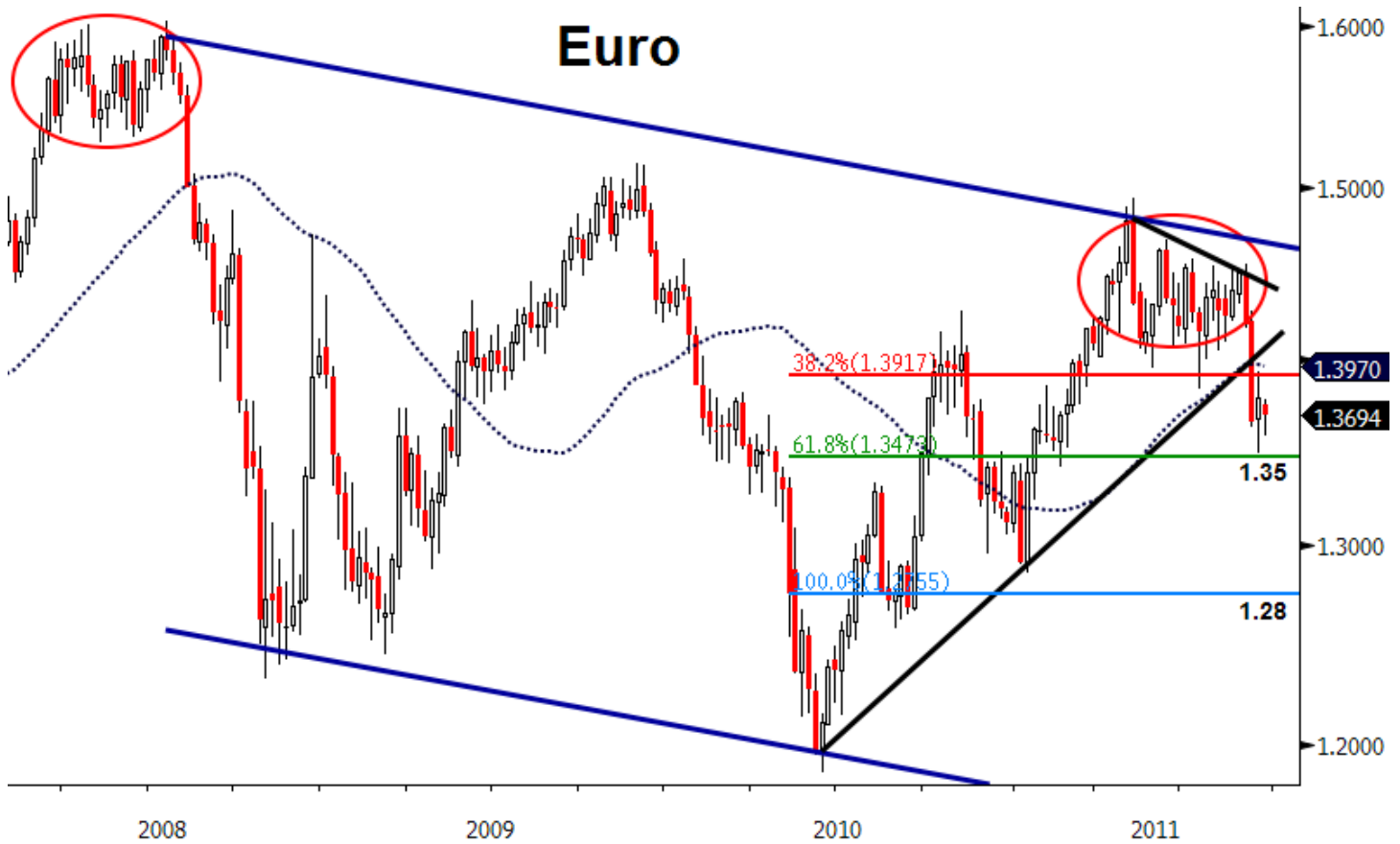


2008 | 2009 | 2010 | 2011

DXY -- DOLLAR INDEX SPOT G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:18:03



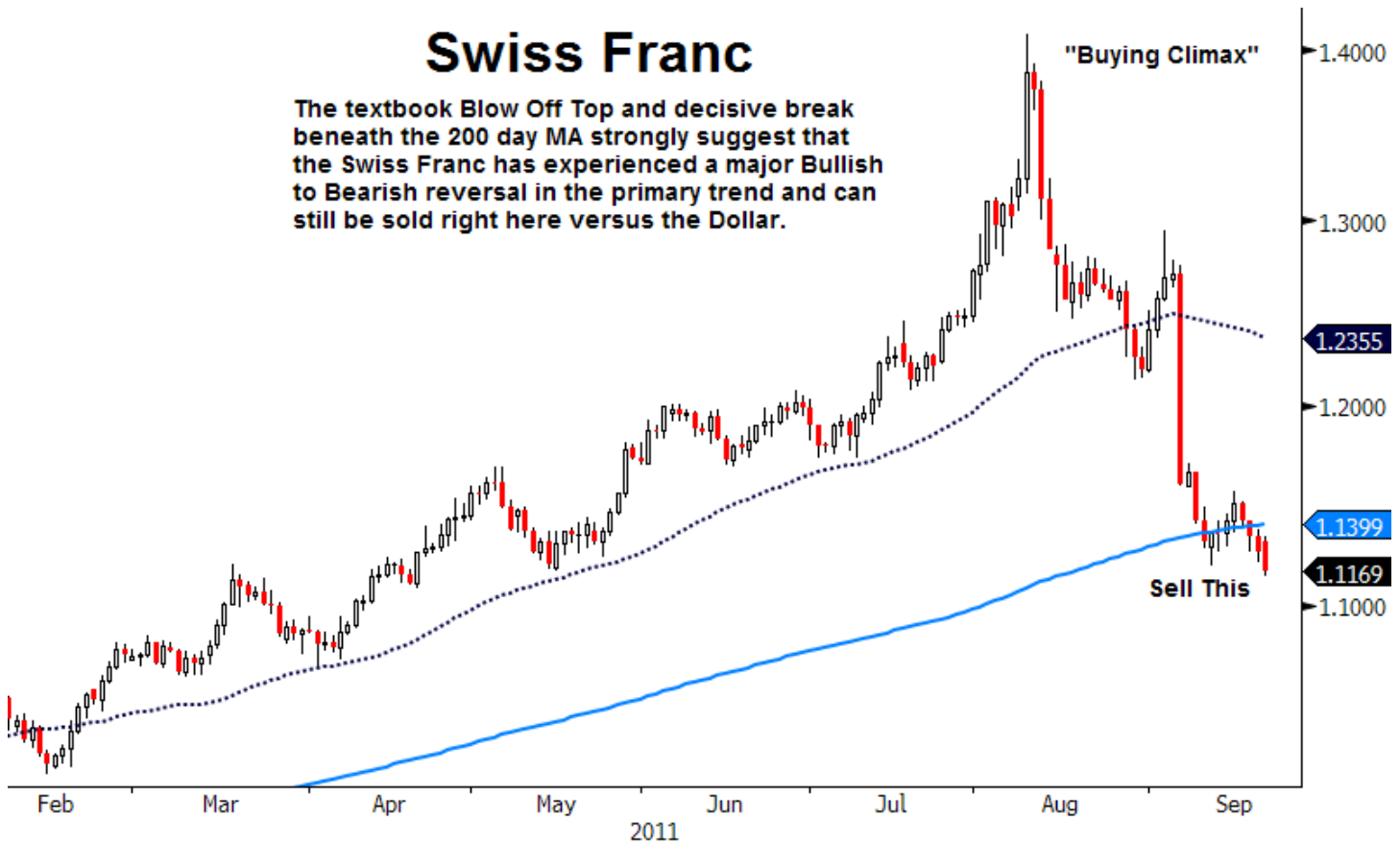
EUR EURO SPOT G72 Daily 9/21/10 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:20:38



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Swiss Franc

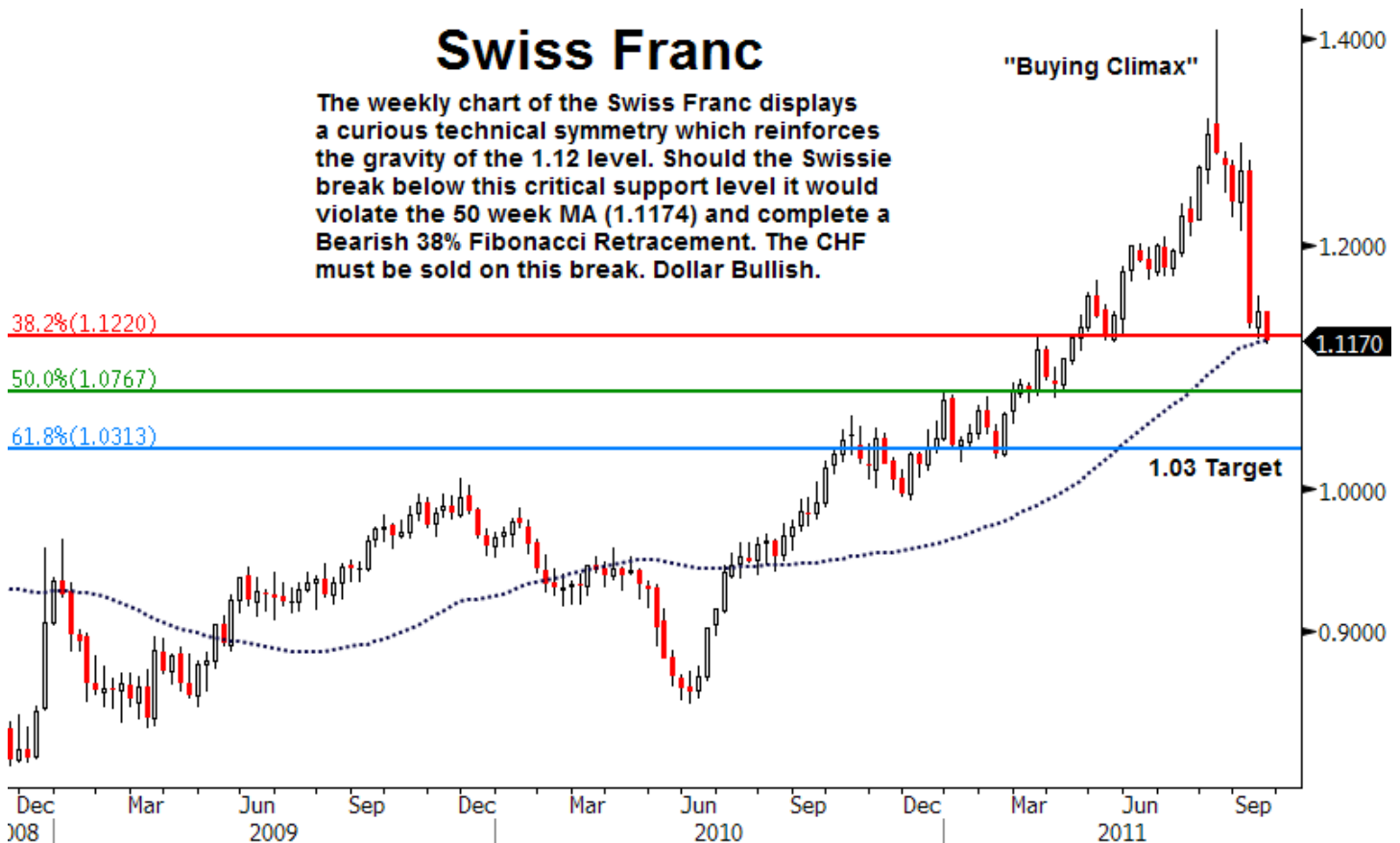
The textbook Blow Off Top and decisive break beneath the 200 day MA strongly suggest that the Swiss Franc has experienced a major Bullish to Bearish reversal in the primary trend and can still be sold right here versus the Dollar.



USSF CHF-USD X-RATE G72 Daily 9/21/10 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:24:47

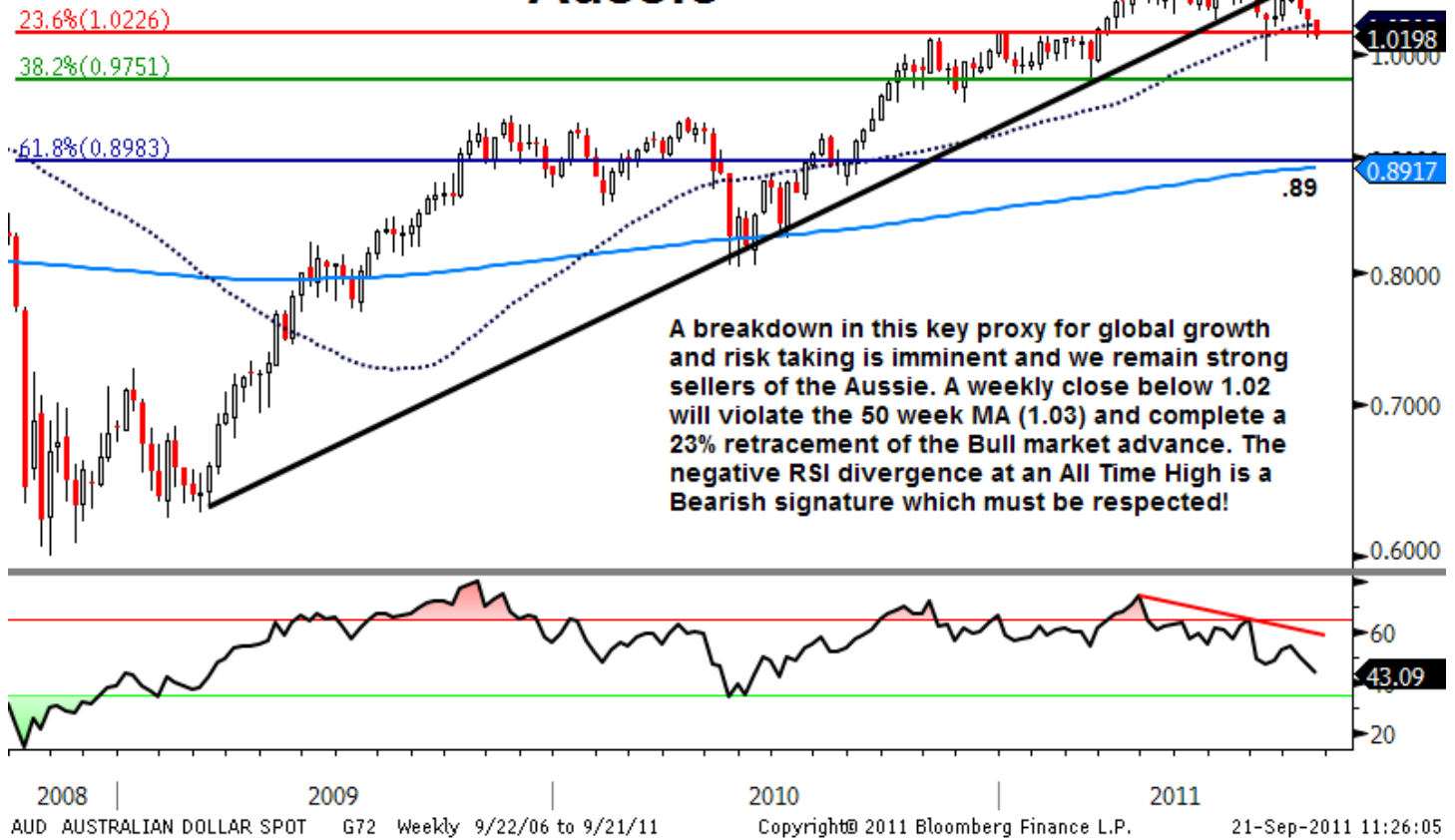
Swiss Franc

The weekly chart of the Swiss Franc displays a curious technical symmetry which reinforces the gravity of the 1.12 level. Should the Swissie break below this critical support level it would violate the 50 week MA (1.1174) and complete a Bearish 38% Fibonacci Retracement. The CHF must be sold on this break. Dollar Bullish.

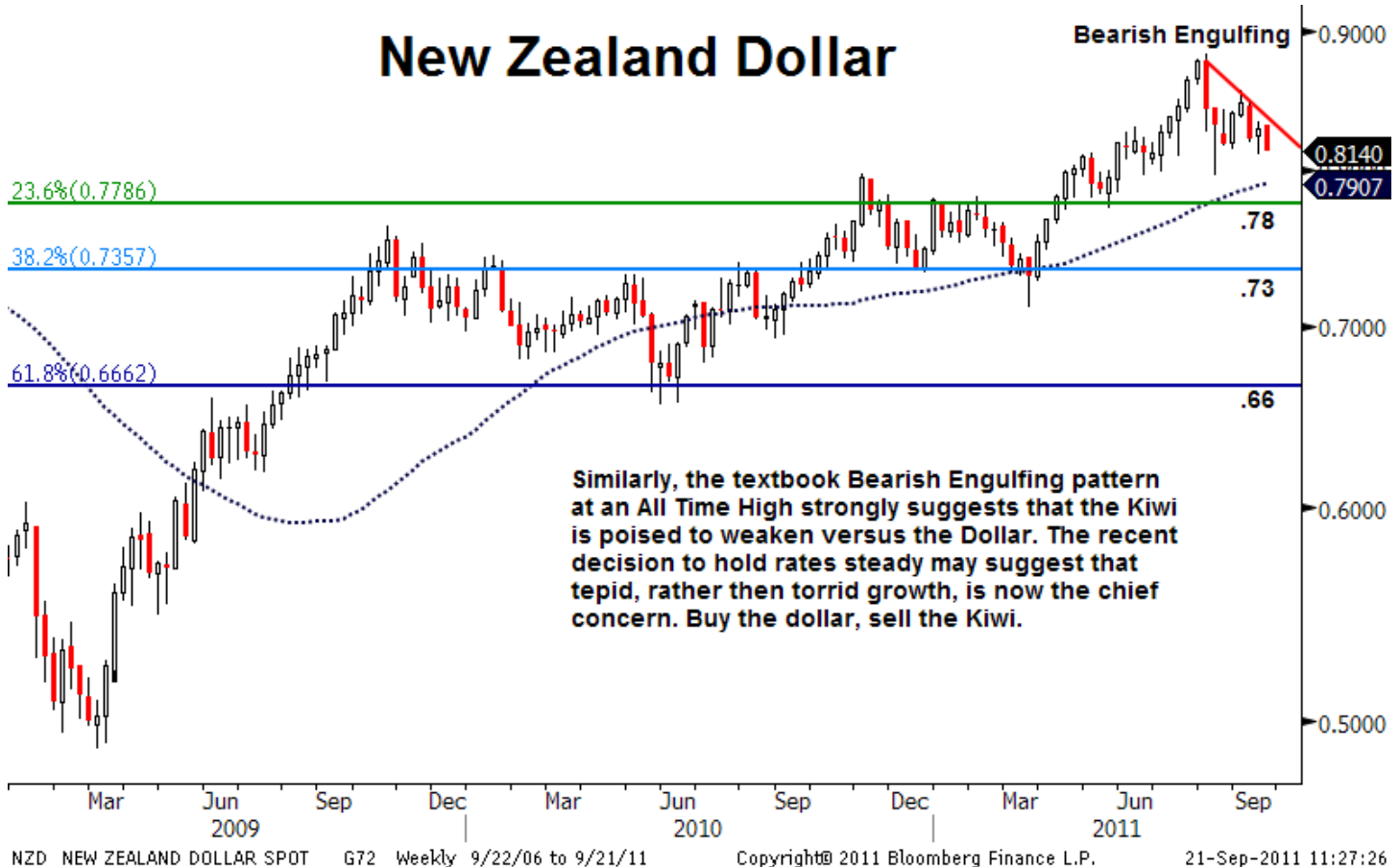


USSF CHF-USD X-RATE G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:23:45

Aussie

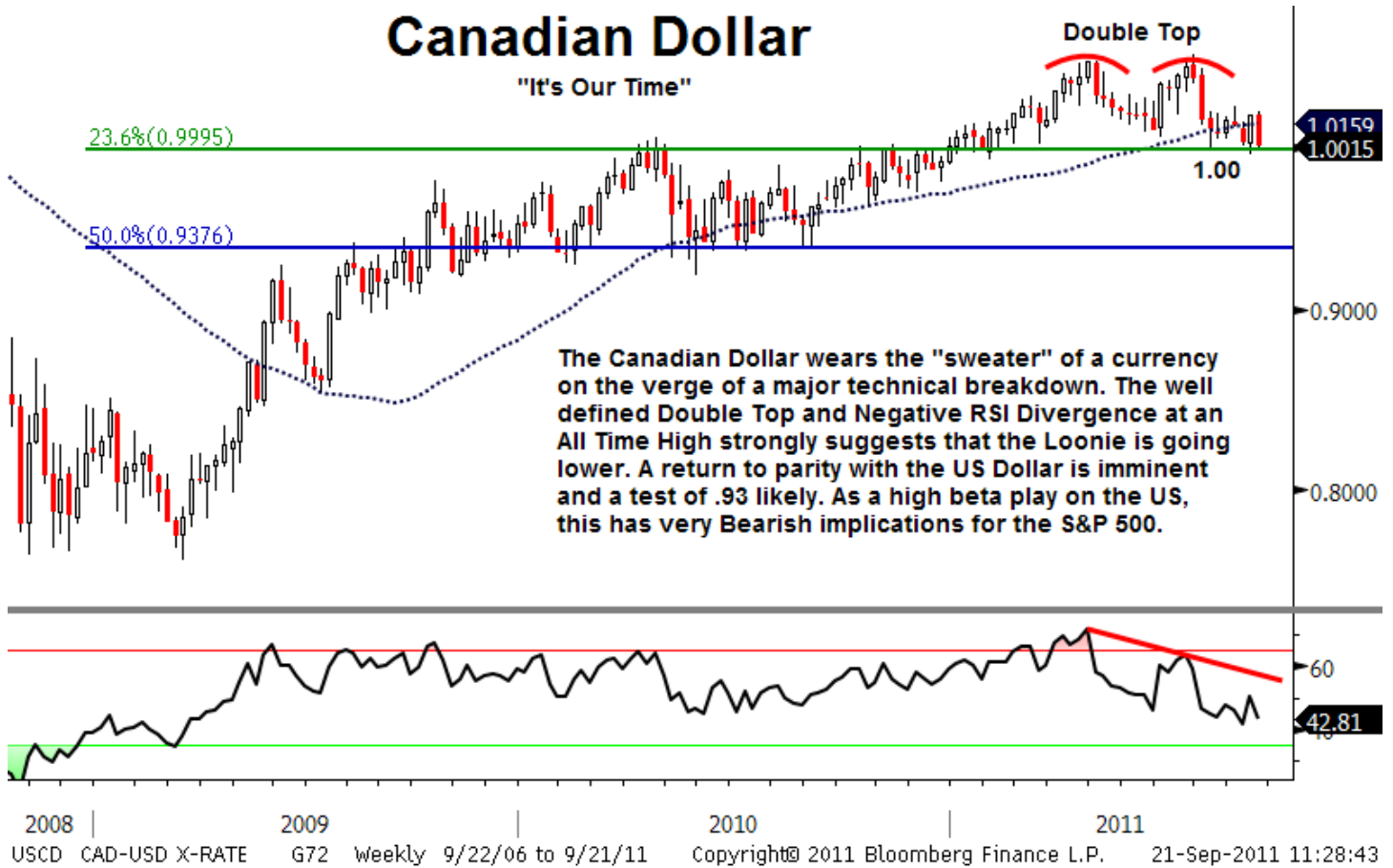


New Zealand Dollar



Canadian Dollar

"It's Our Time"

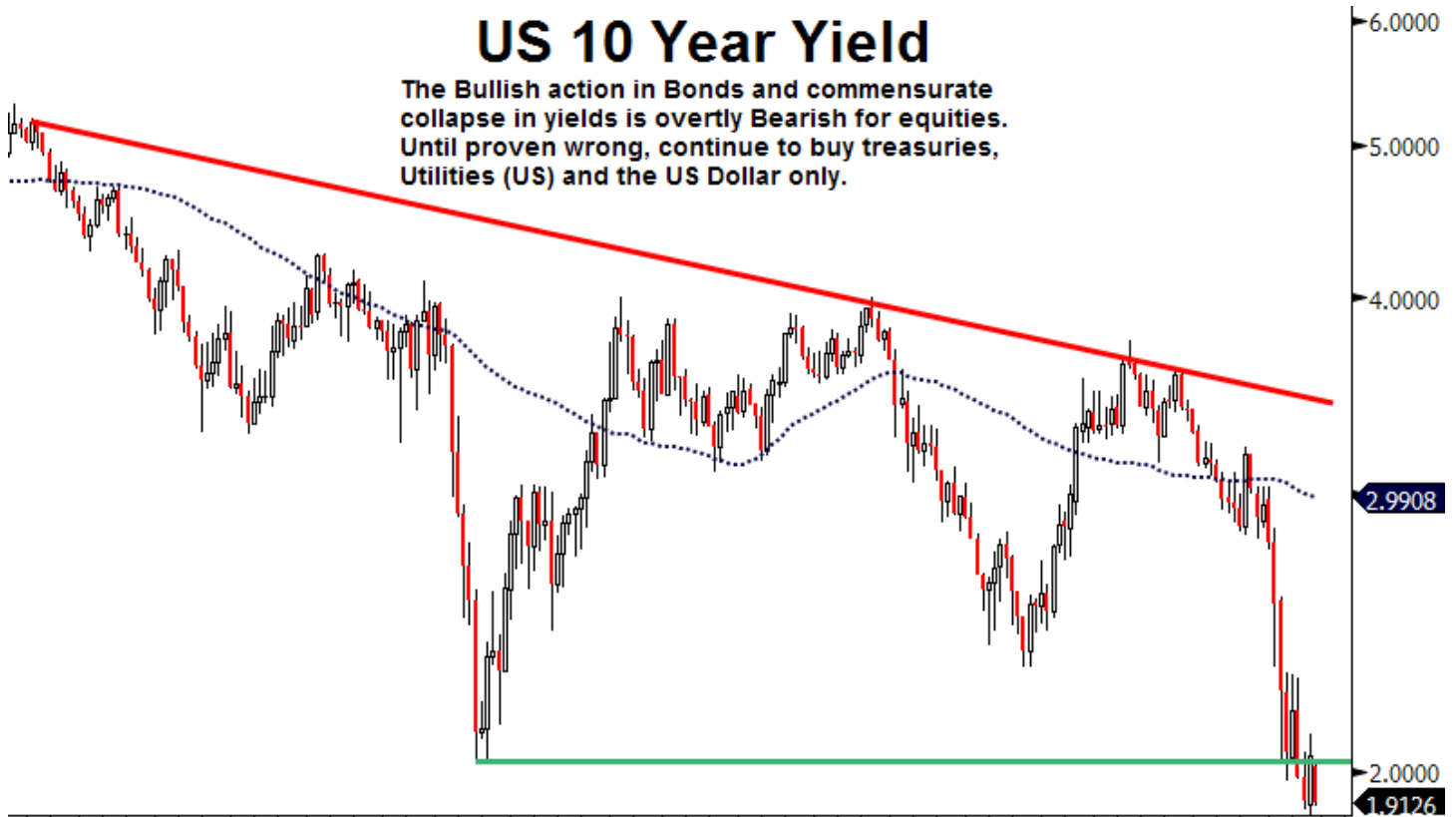


Russian Ruble



US 10 Year Yield

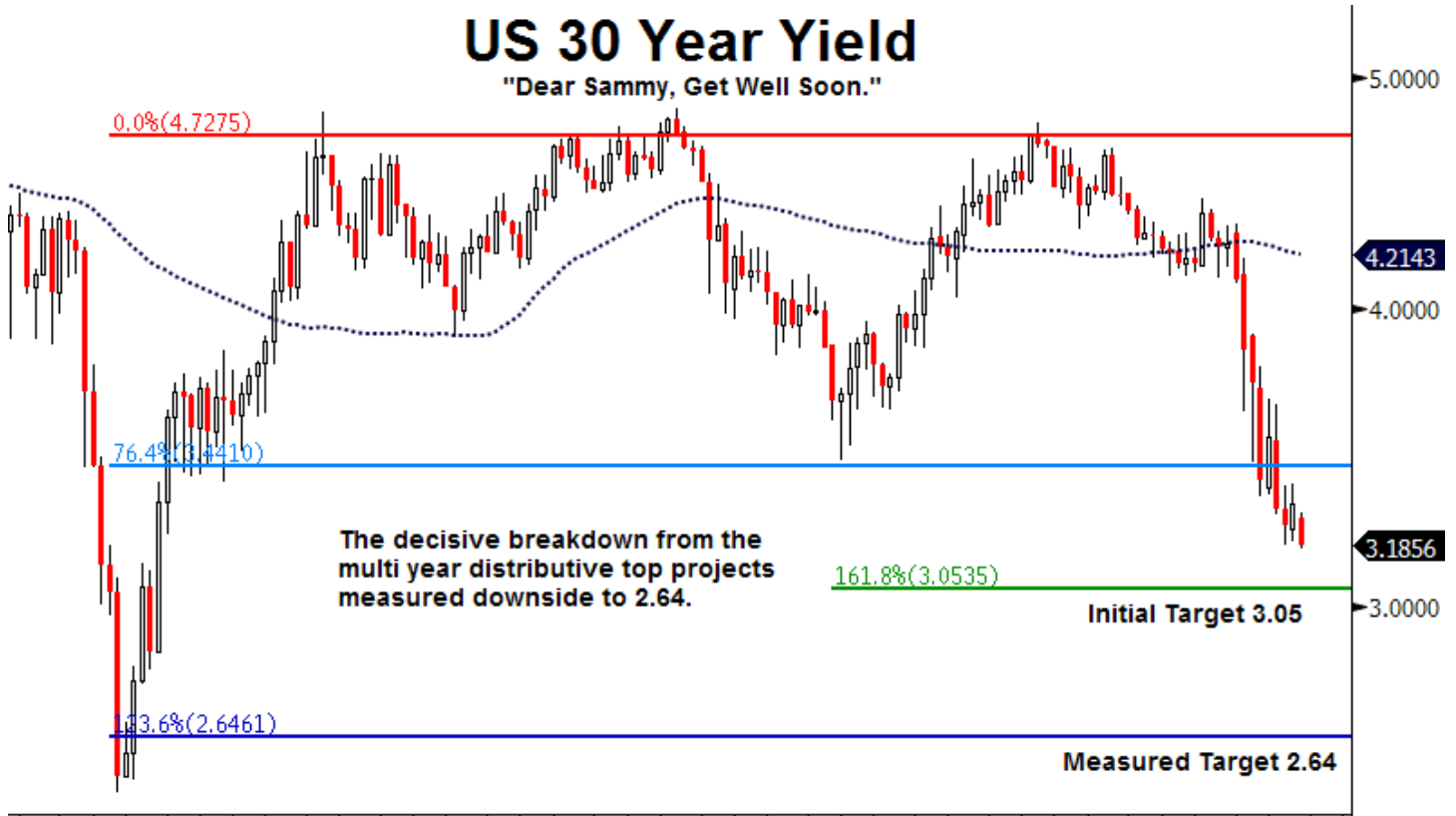
The Bullish action in Bonds and commensurate collapse in yields is overtly Bearish for equities. Until proven wrong, continue to buy treasuries, Utilities (US) and the US Dollar only.



2007 | 2008 | 2009 | 2010 | 2011
 US Generic Govt 10 Yr G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:30:50

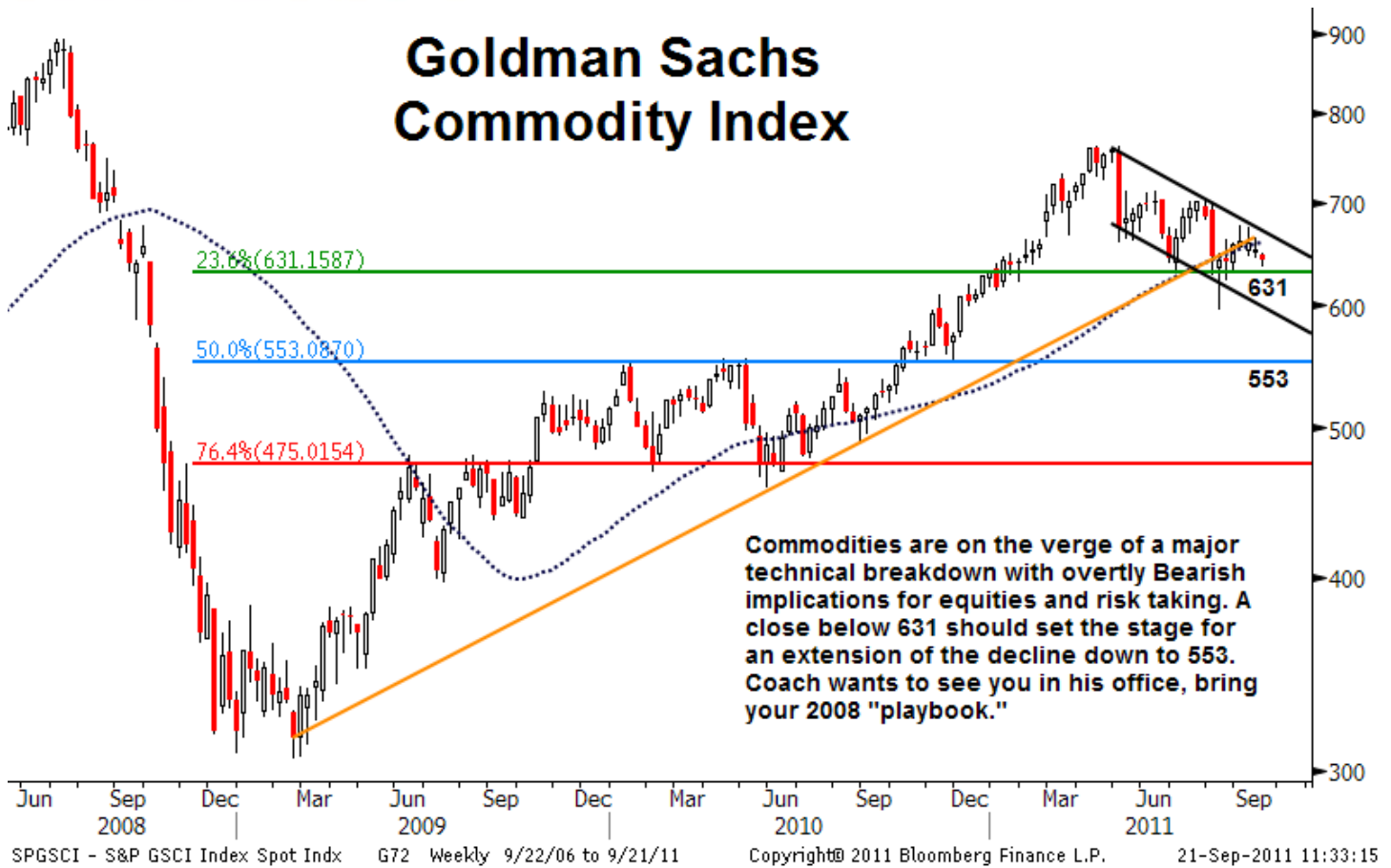
US 30 Year Yield

"Dear Sammy, Get Well Soon."

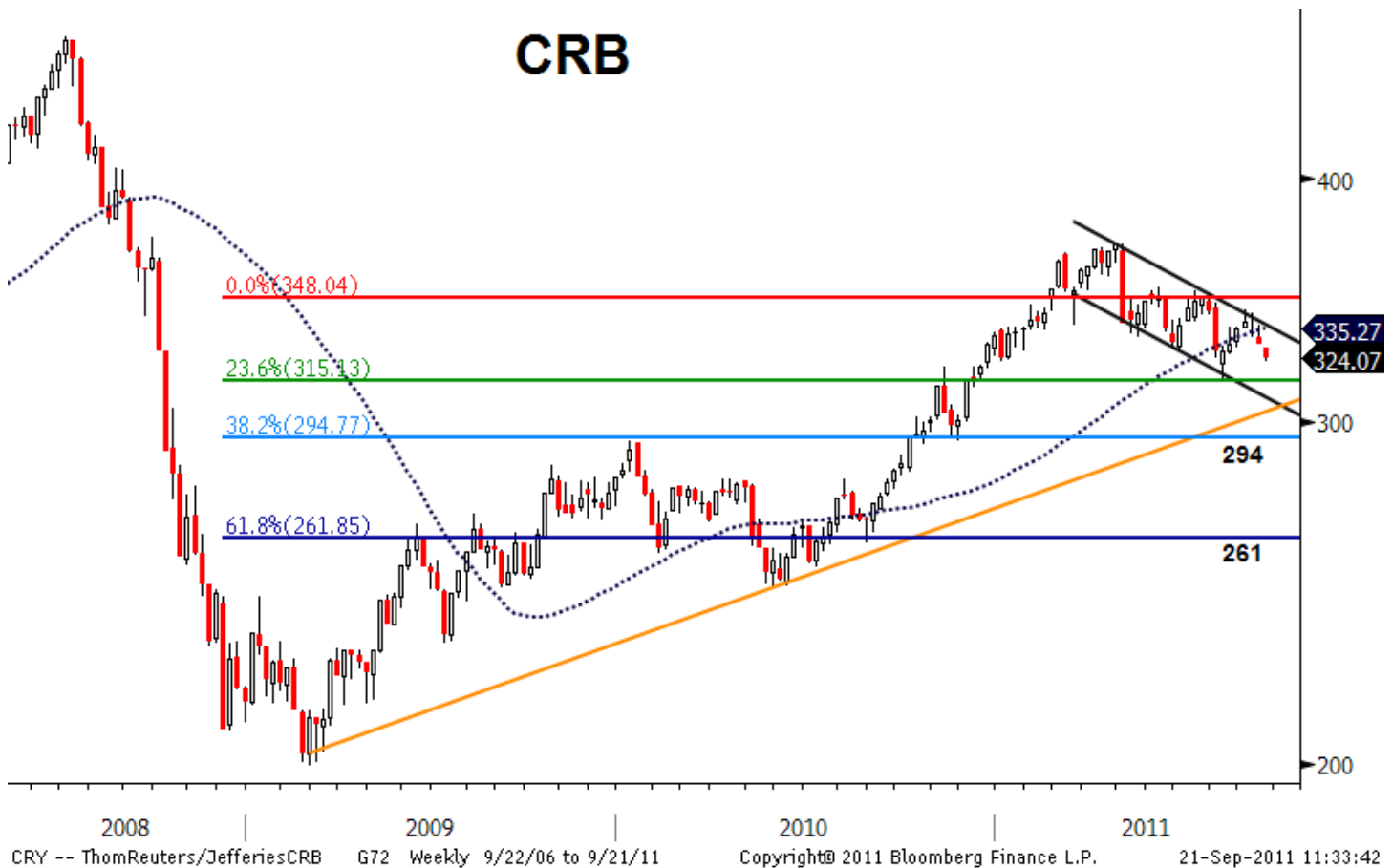


2008 | 2009 | 2010 | 2011
 US Generic Govt 30 Yr G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:31:18

Goldman Sachs Commodity Index

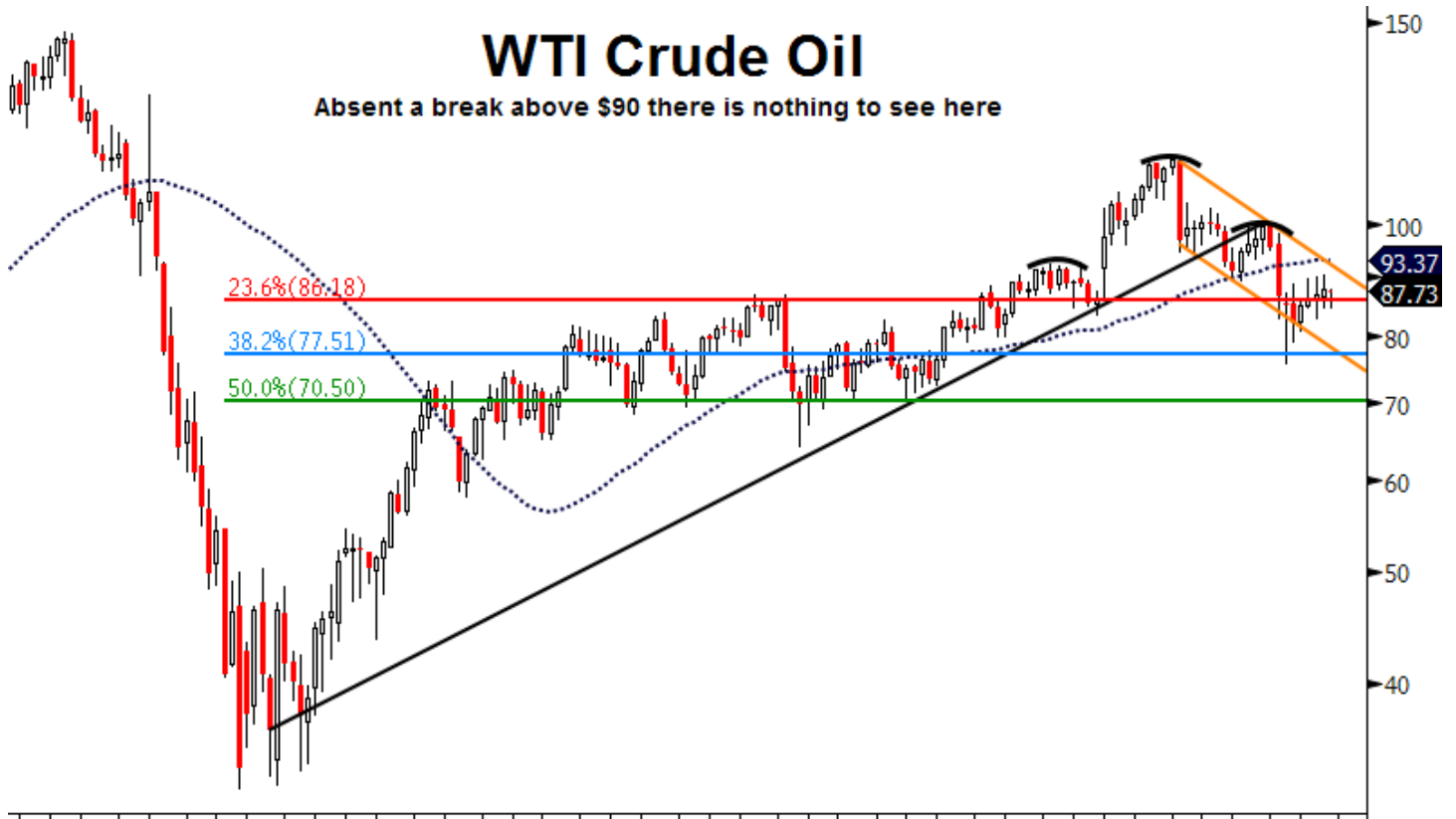


CRB



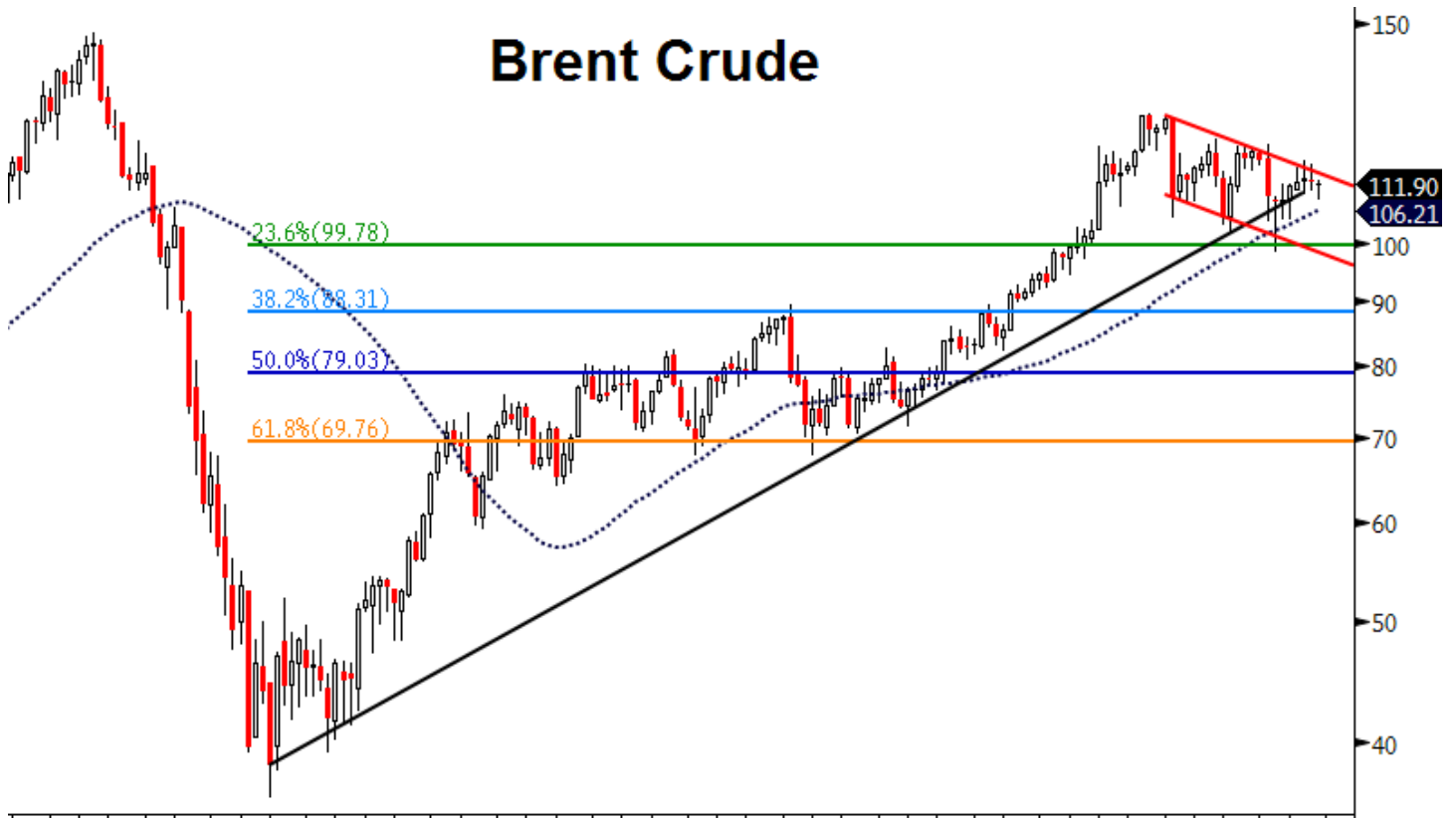
WTI Crude Oil

Absent a break above \$90 there is nothing to see here



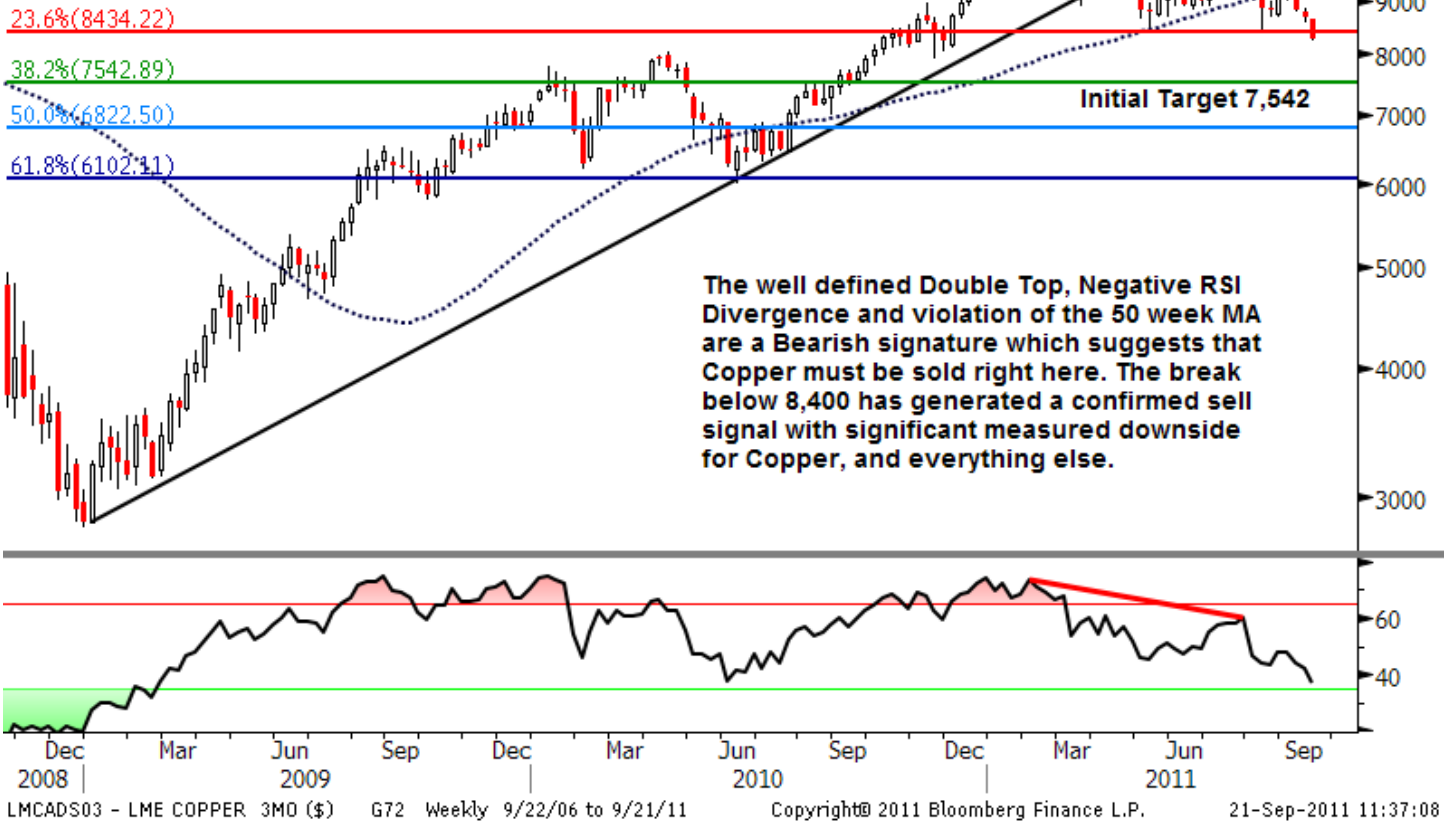
CL1 -- Generic 1st 'CL' Future G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:34:57

Brent Crude



C01 -- Generic 1st 'CO' Future G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:35:43

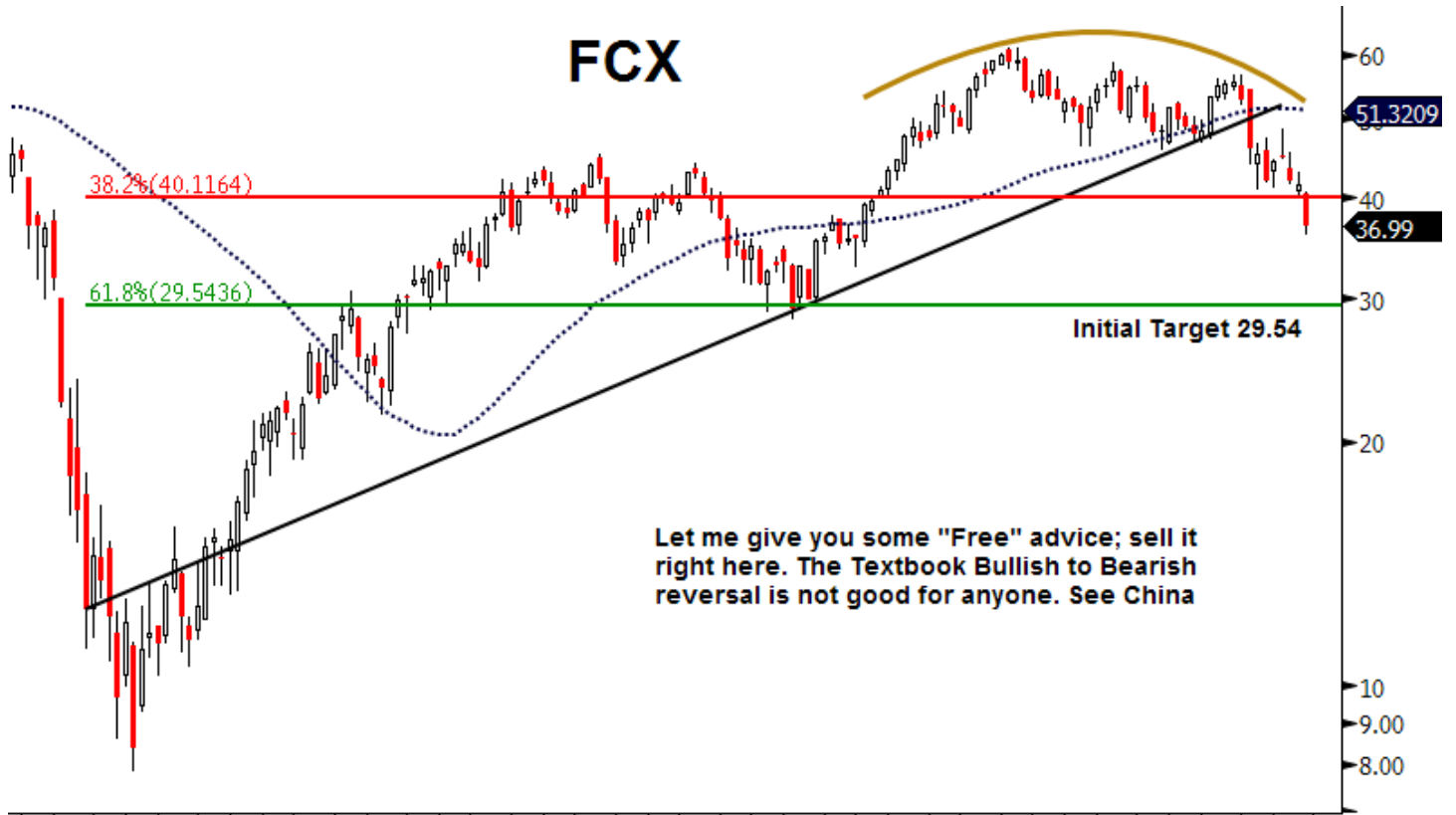
LME Copper



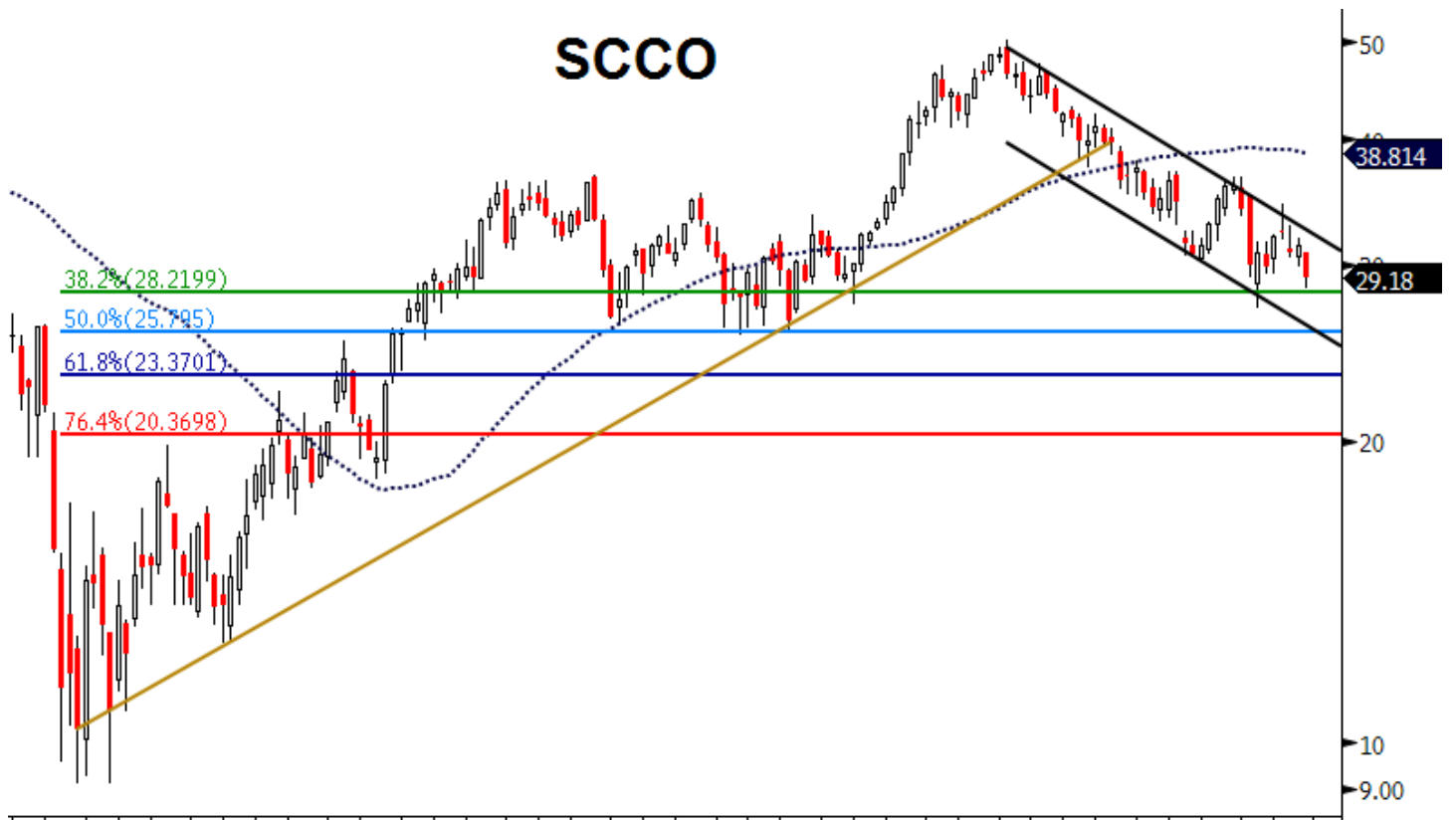
Copper

Bearish Distributive Complex Head and Shoulders Copper Top





FCX US: Freeport-McMoRan Copper & Gold Inc G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:39:45



SCCO US: Southern Copper Corp G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:40:13

Gold

Gold has been grinding lower since registering a negative RSI divergence and well defined Double Top at an All Time High. When the check hits the table in Europe, there will only be one way to pay. You do not want to be in Gold when that day comes. You can bottom tick it like Gordon Brown, or you can bang it out right here at an All Time High. I can not imagine that there is not a single politician or central banker in Europe that is thinking exactly that.

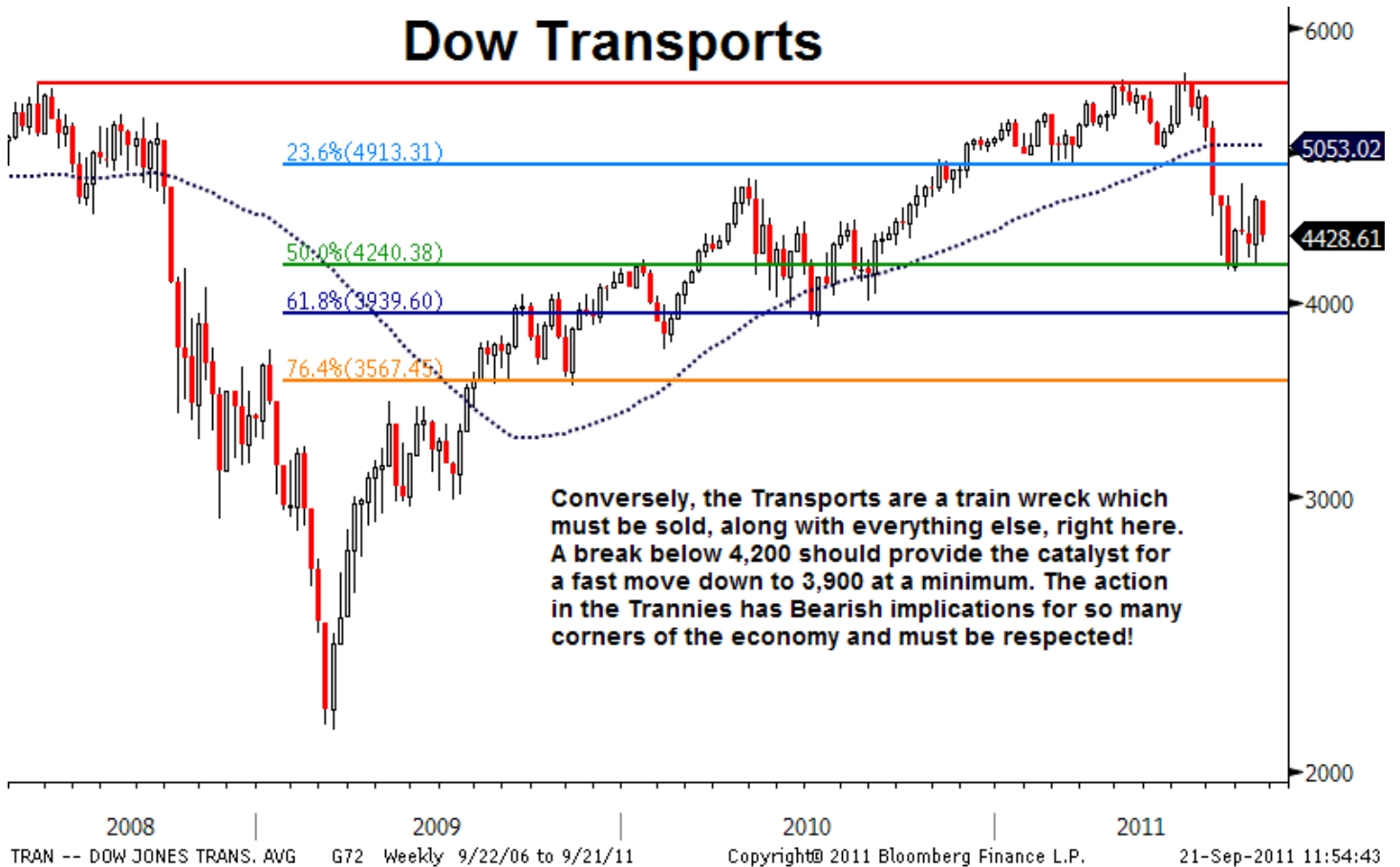
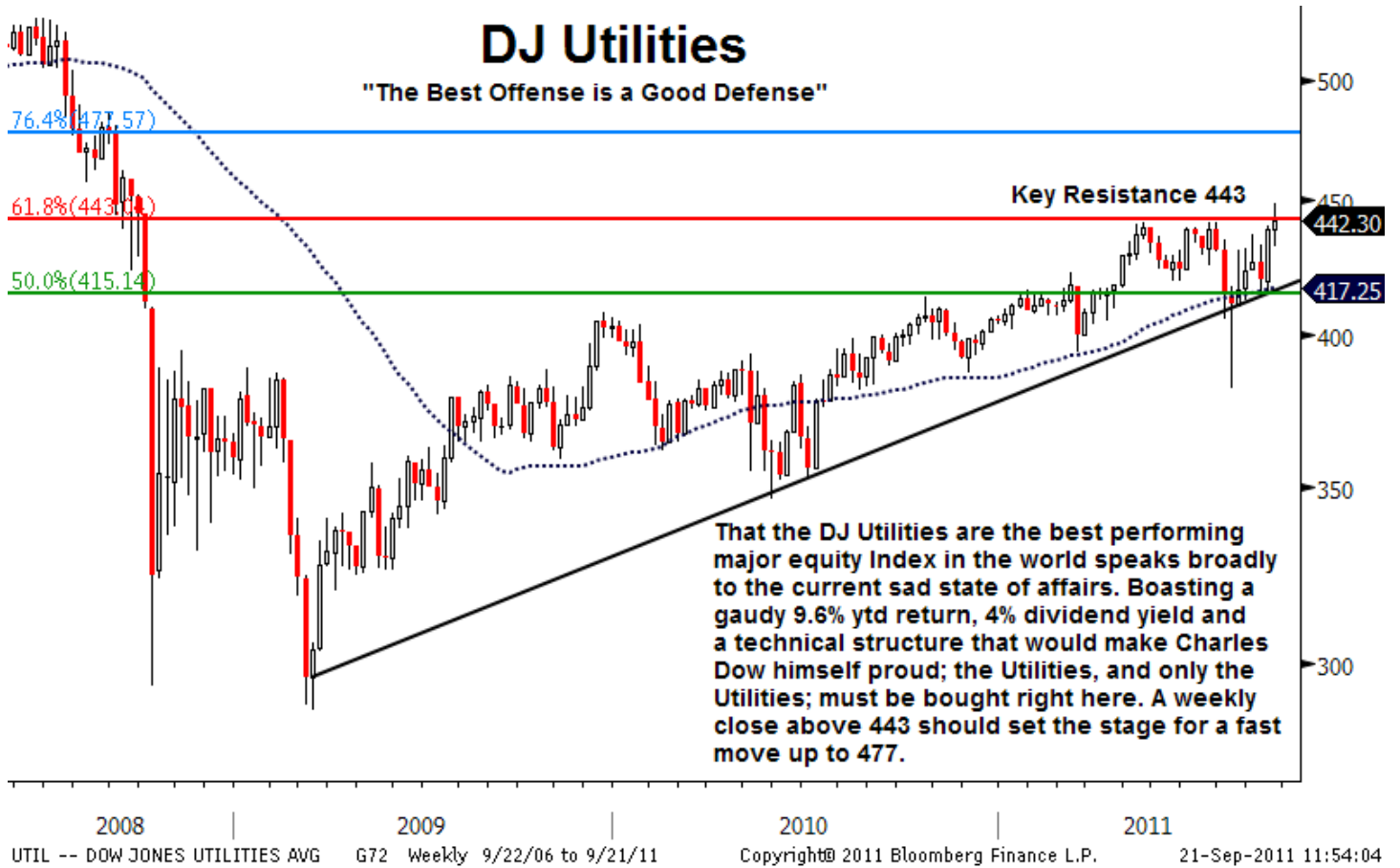


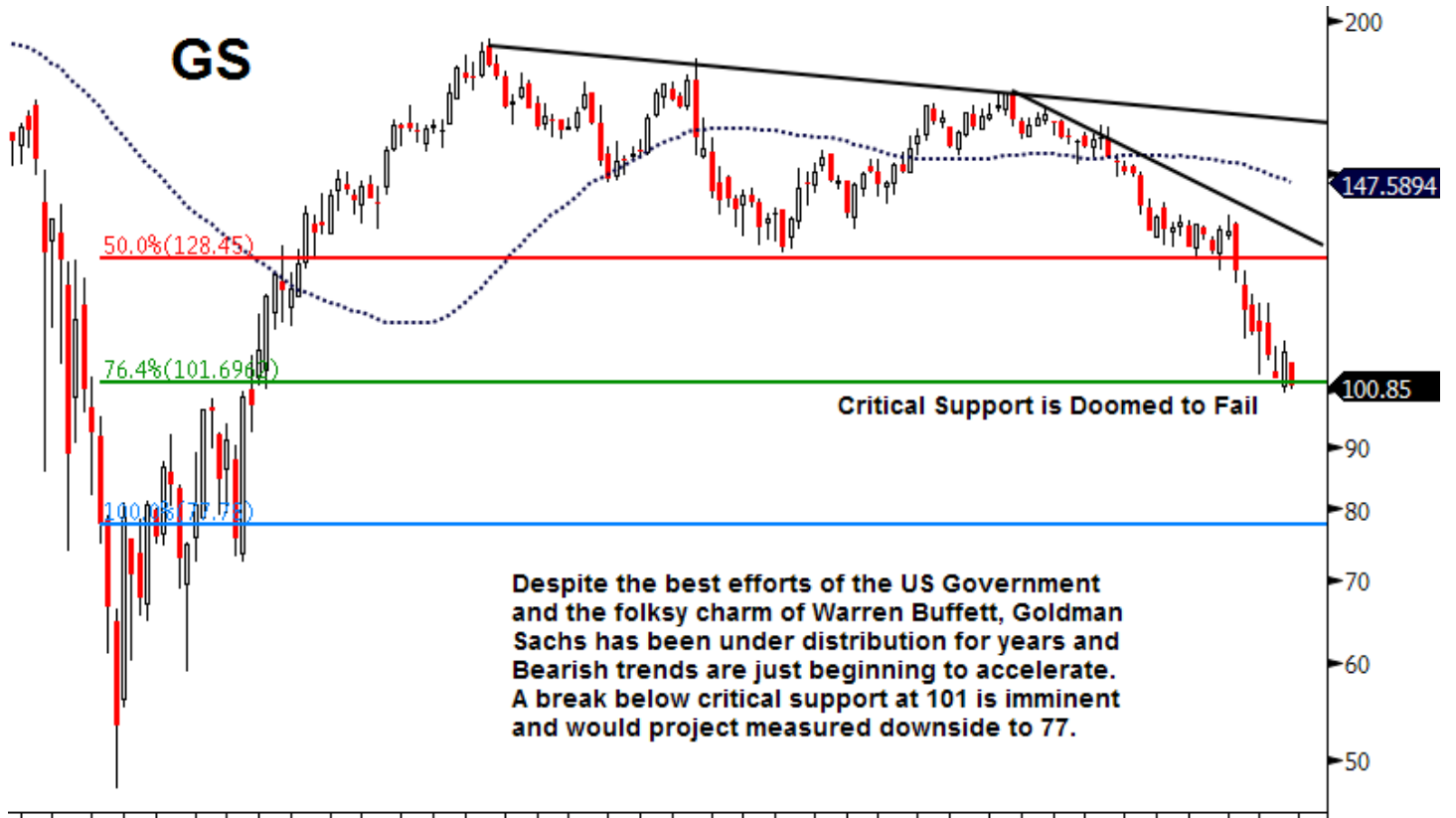
GOLDS GOLD SPOT \$/OZ G72 Daily 9/21/10 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:49:40

Silver

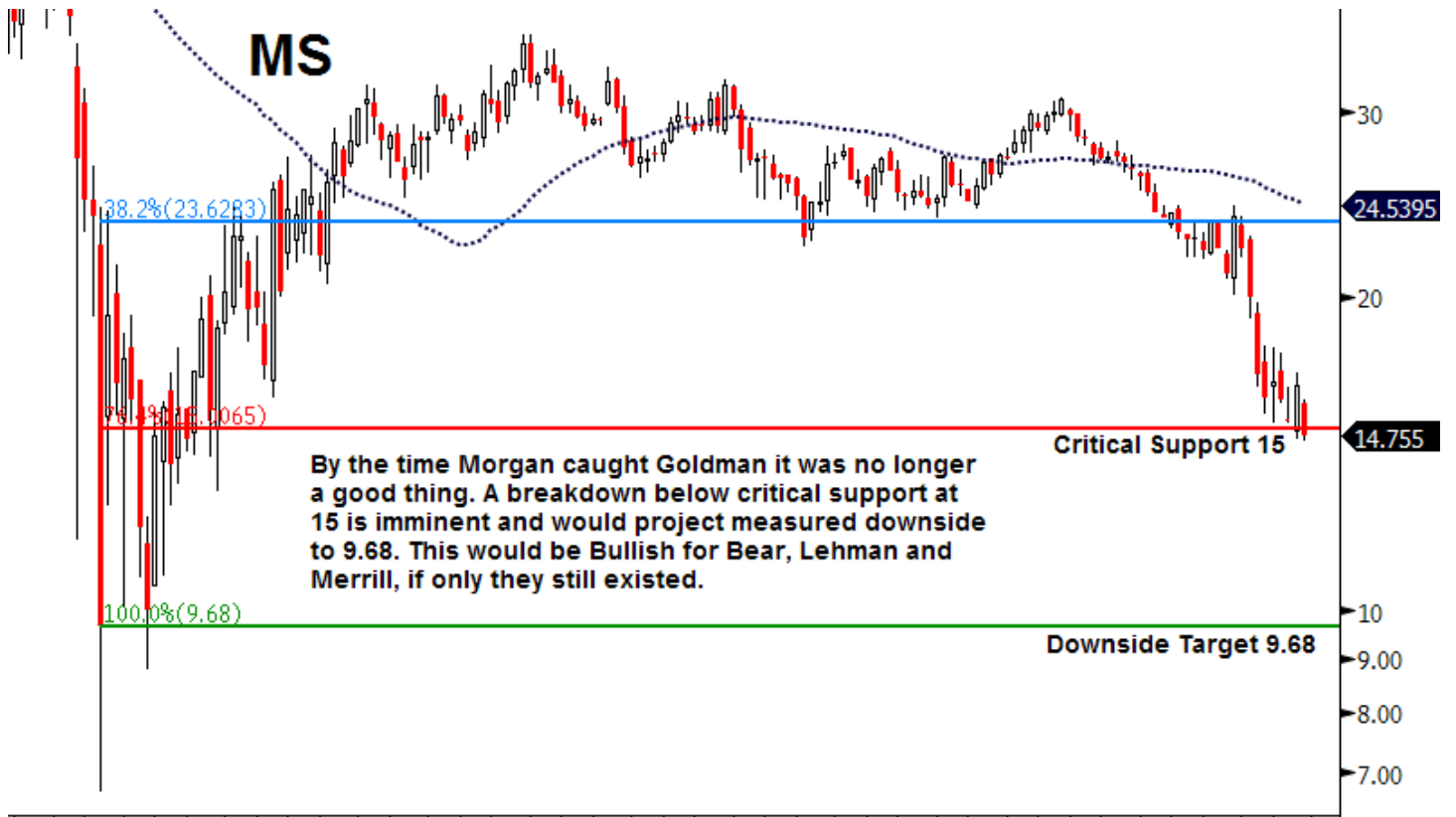


SILV SILVER SPOT \$/OZ G72 Daily 9/21/10 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:51:24

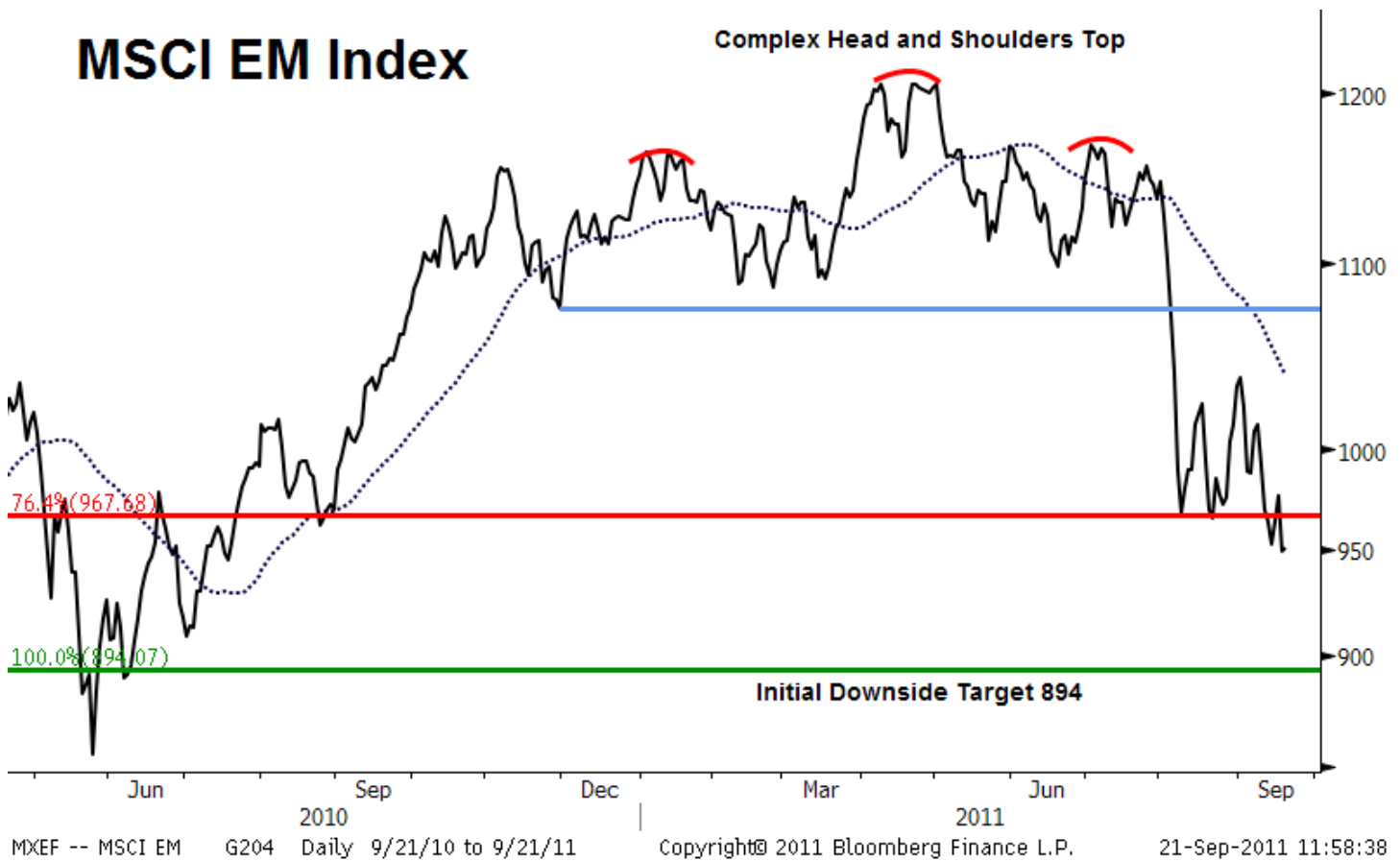
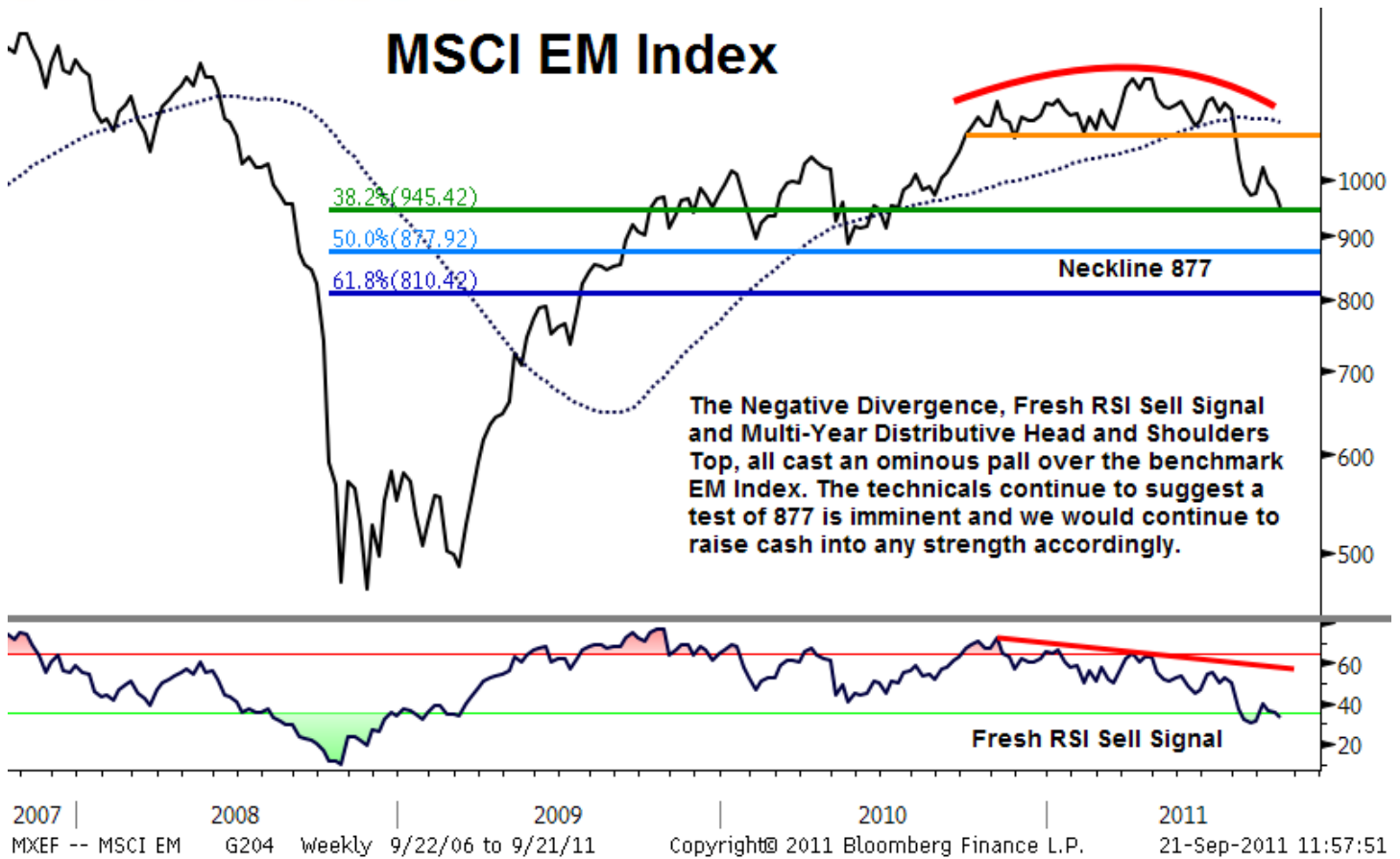




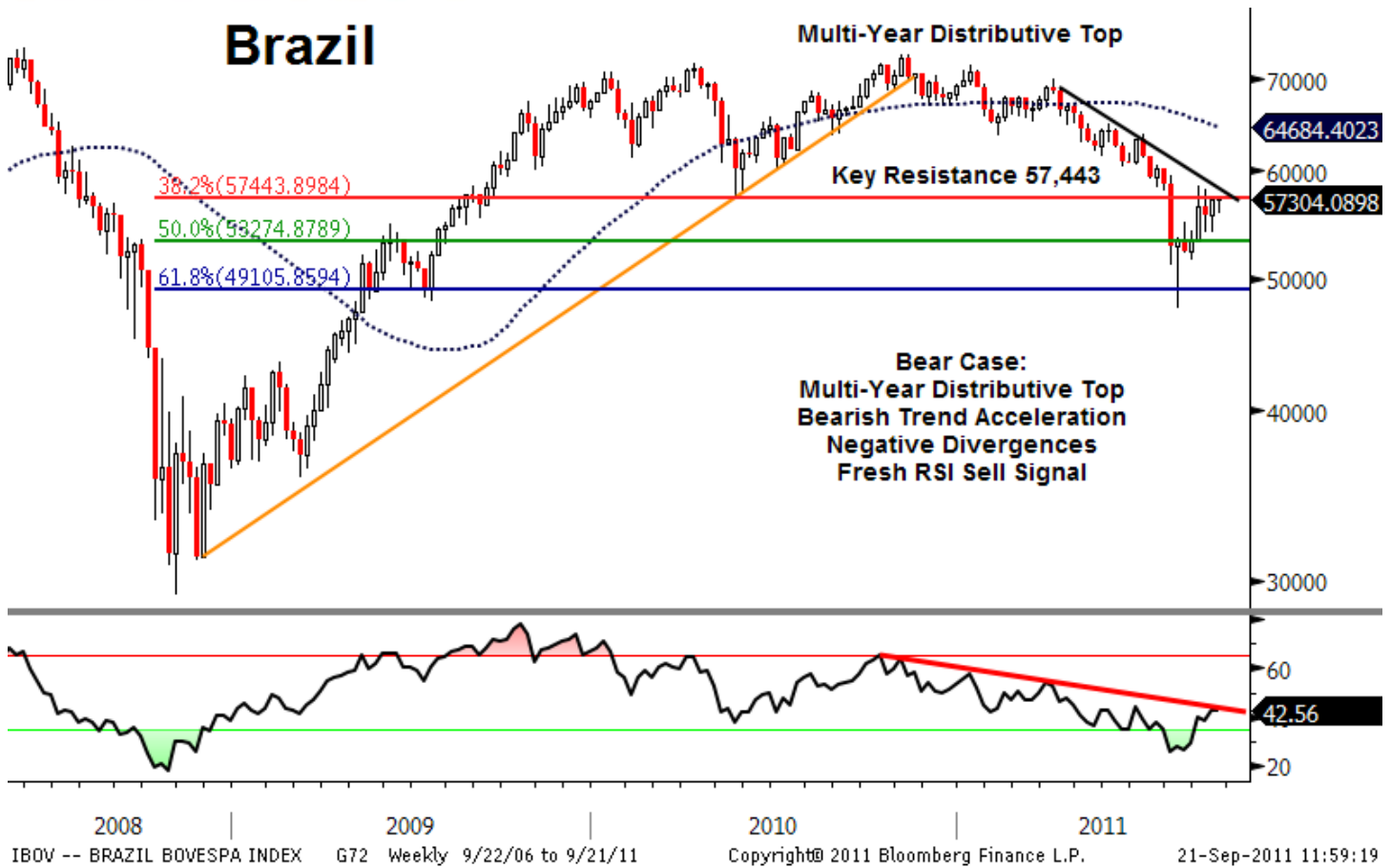
GS US: Goldman Sachs Group Inc/The G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:55:24



MS US: Morgan Stanley G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 11:56:10



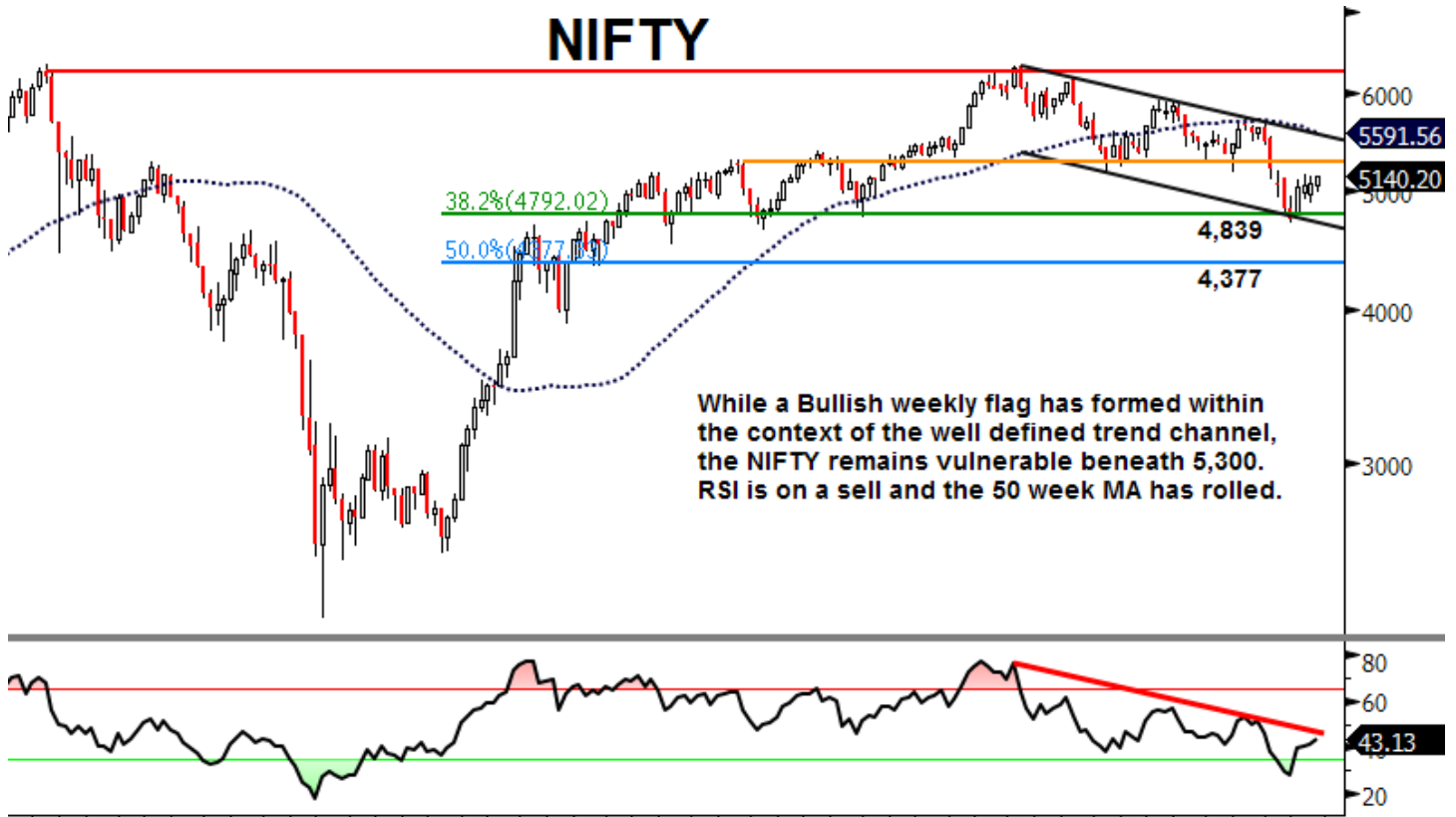
Brazil



MICEX



NIFTY



7 | 2008 | 2009 | 2010 | 2011
NIFTY -- NSE S&P CNX NIFTY INDEX G72 Weekly 9/24/06 to 9/20/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 08:29:26

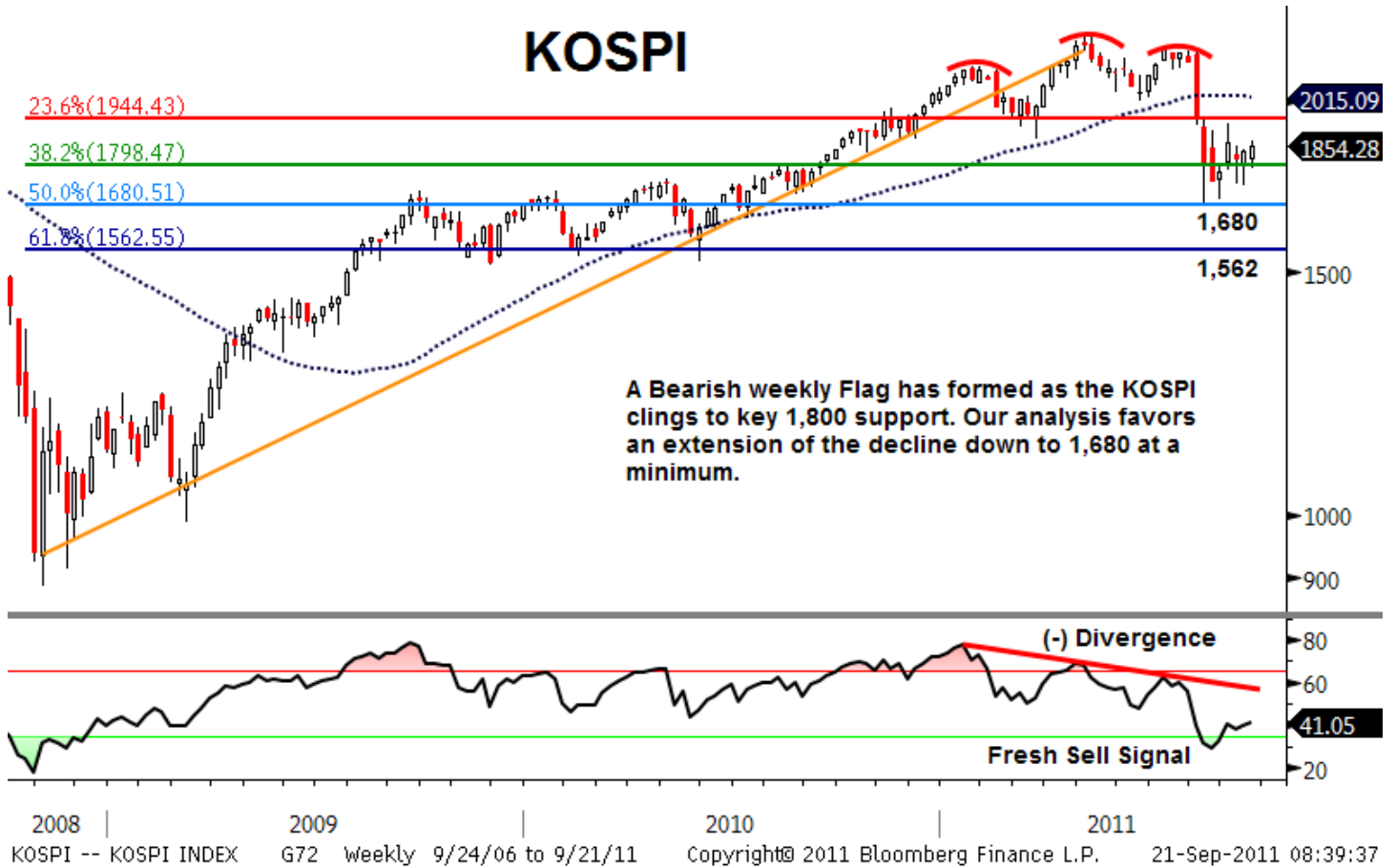
HSCEI

Multi-Year Rolling Complex Head and Shoulders Distributive Top

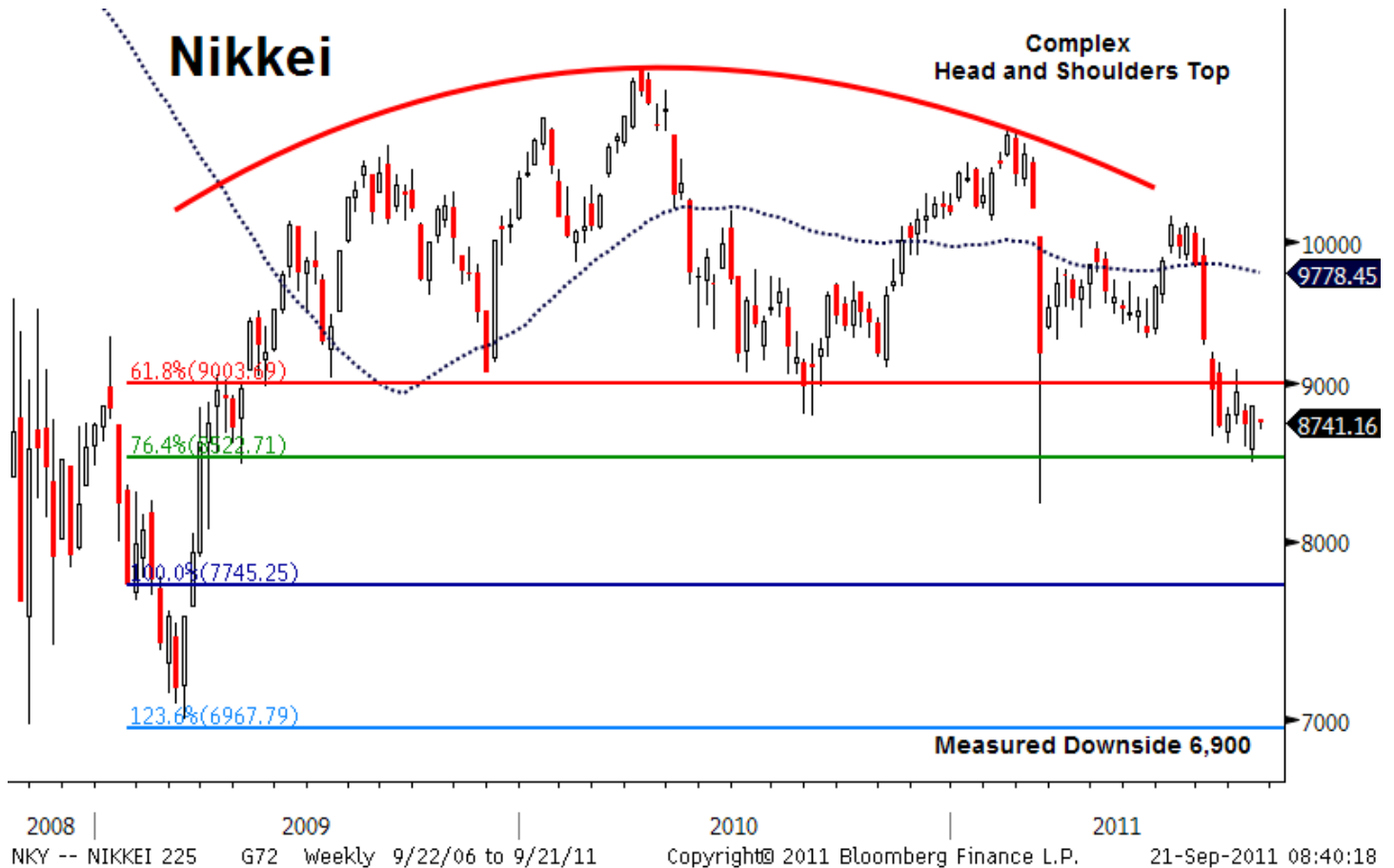


2008 | 2009 | 2010 | 2011
HSCEI -- HANG SENG CHINA ENT INDX G72 Weekly 9/22/06 to 9/20/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 08:32:50

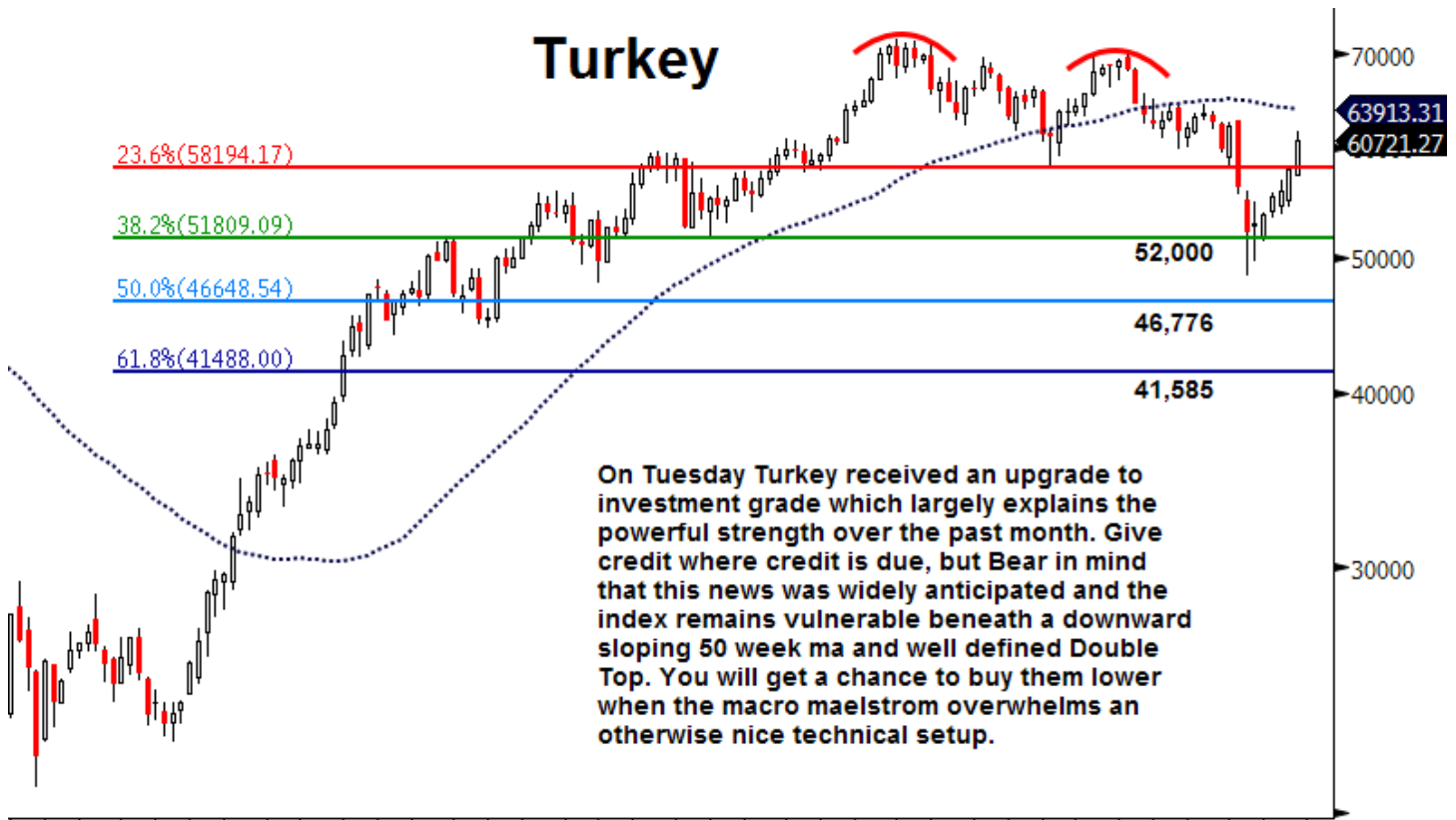
KOSPI



Nikkei

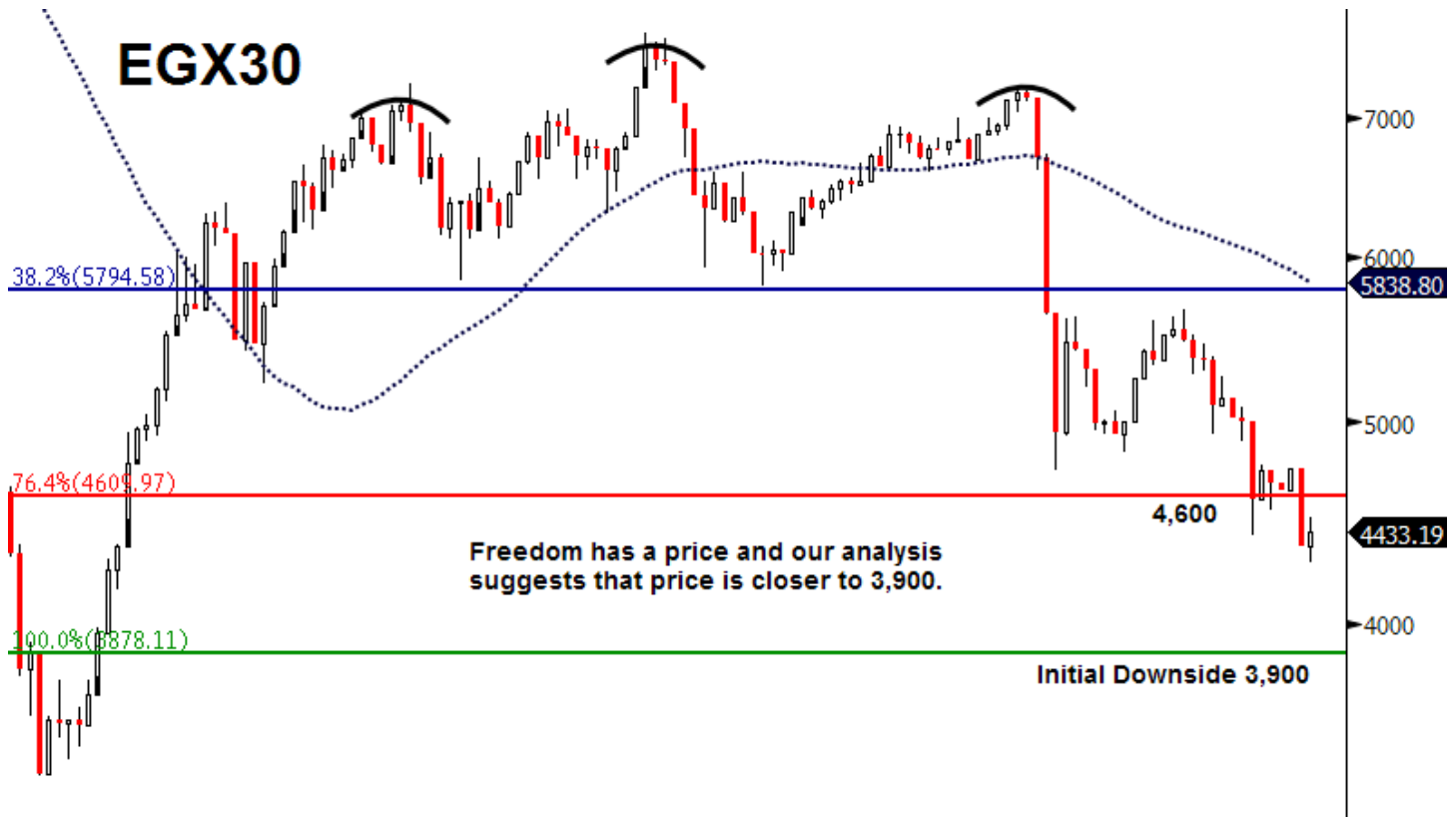


Turkey



2008 | 2009 | 2010 | 2011
 XU100 -- ISE NATIONAL 100 INDEX G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 08:47:28

EGX30



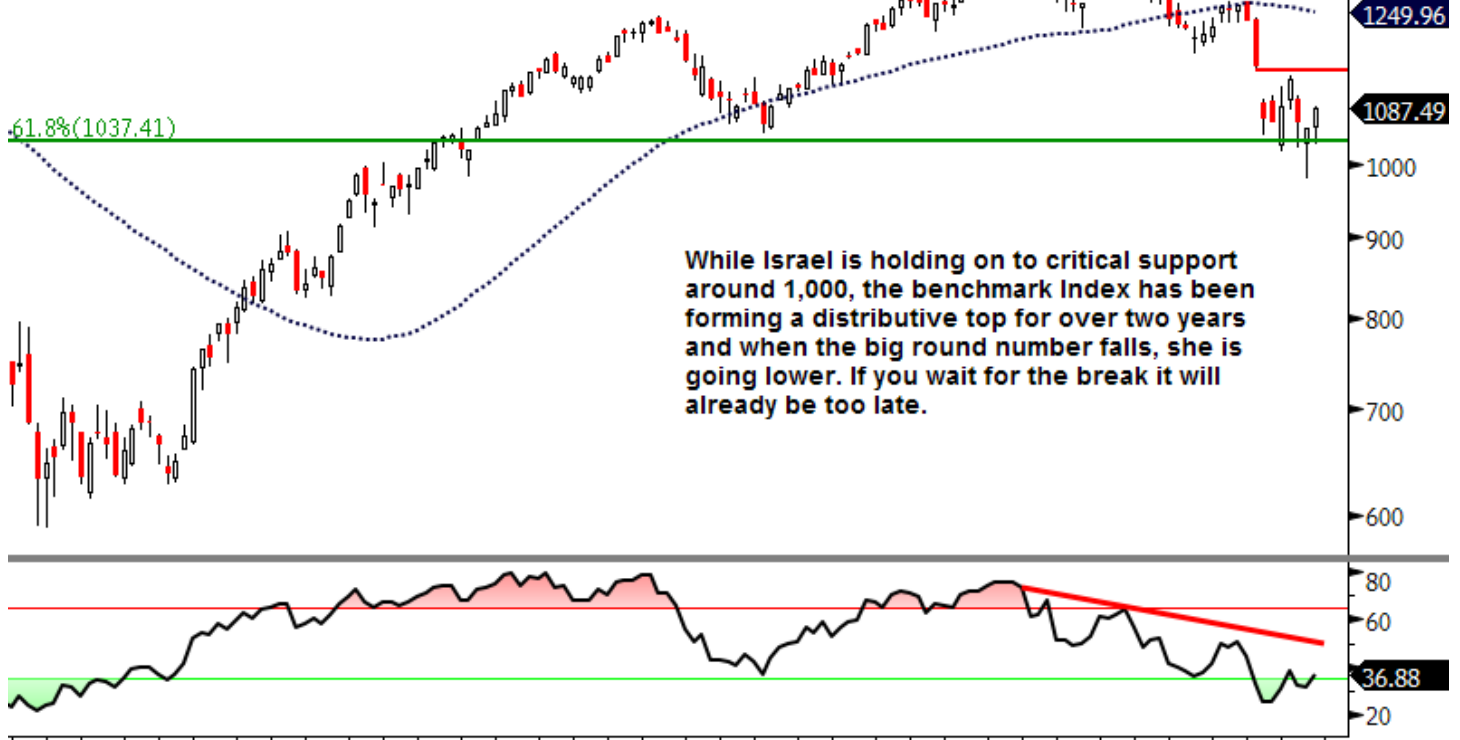
Mar | Jun | Sep | Dec | Mar | Jun | Sep | Dec | Mar | Jun | Sep
 2009 | 2010 | 2011
 EGX30 -- EGX 30 INDEX G72 Weekly 9/21/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 08:49:11

South Africa



8 | 2009 | 2010 | 2011
 JALSH -- FTSE/JSE AFRICA ALL SHR G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:08:53

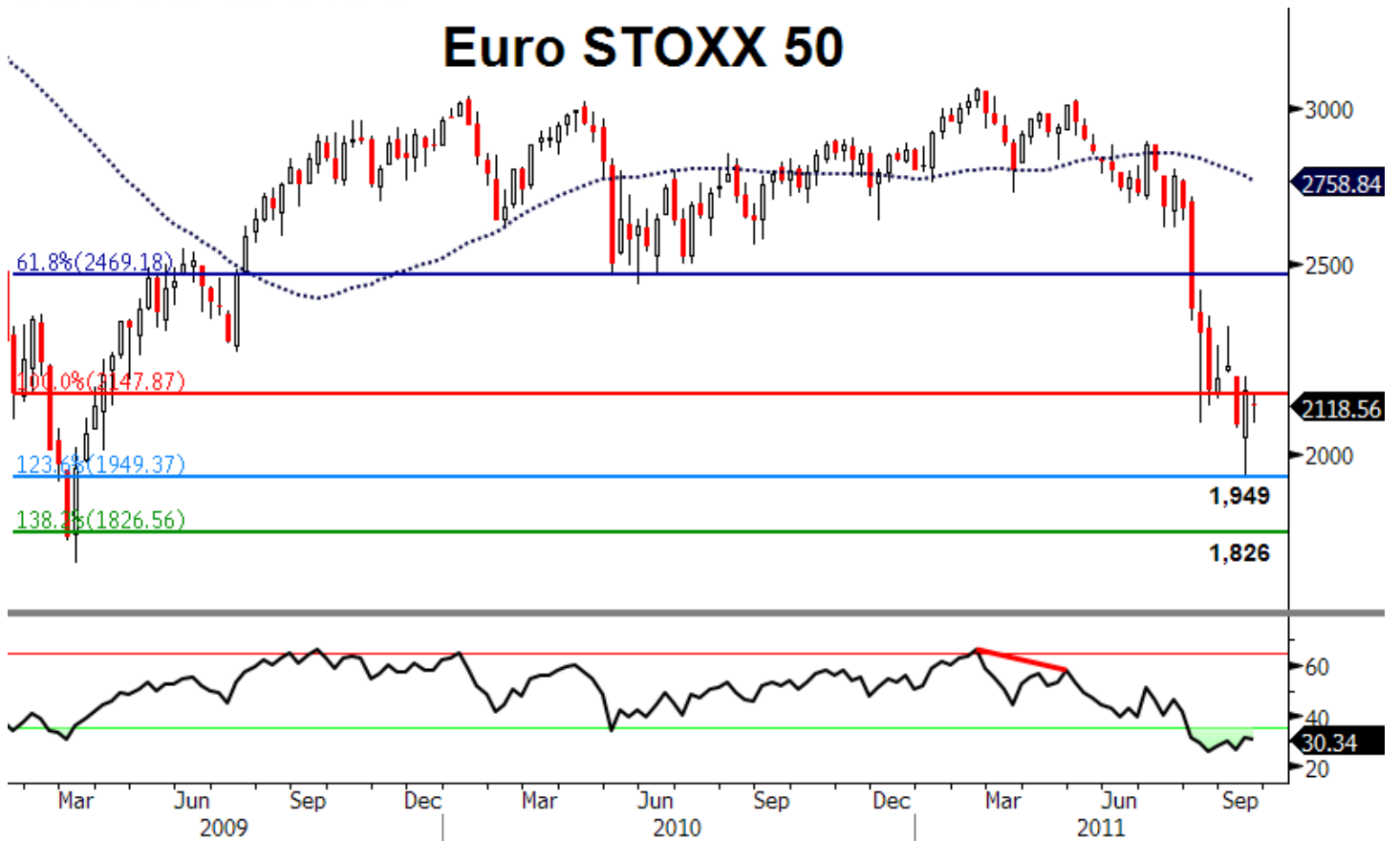
Tel Aviv 25



While Israel is holding on to critical support around 1,000, the benchmark Index has been forming a distributive top for over two years and when the big round number falls, she is going lower. If you wait for the break it will already be too late.

2008 | 2009 | 2010 | 2011
 TA-25 -- TEL AVIV 25 INDEX G72 Weekly 9/21/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:14:00

Euro STOXX 50



SXSE -- Euro Stoxx 50 Pr G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:15:28

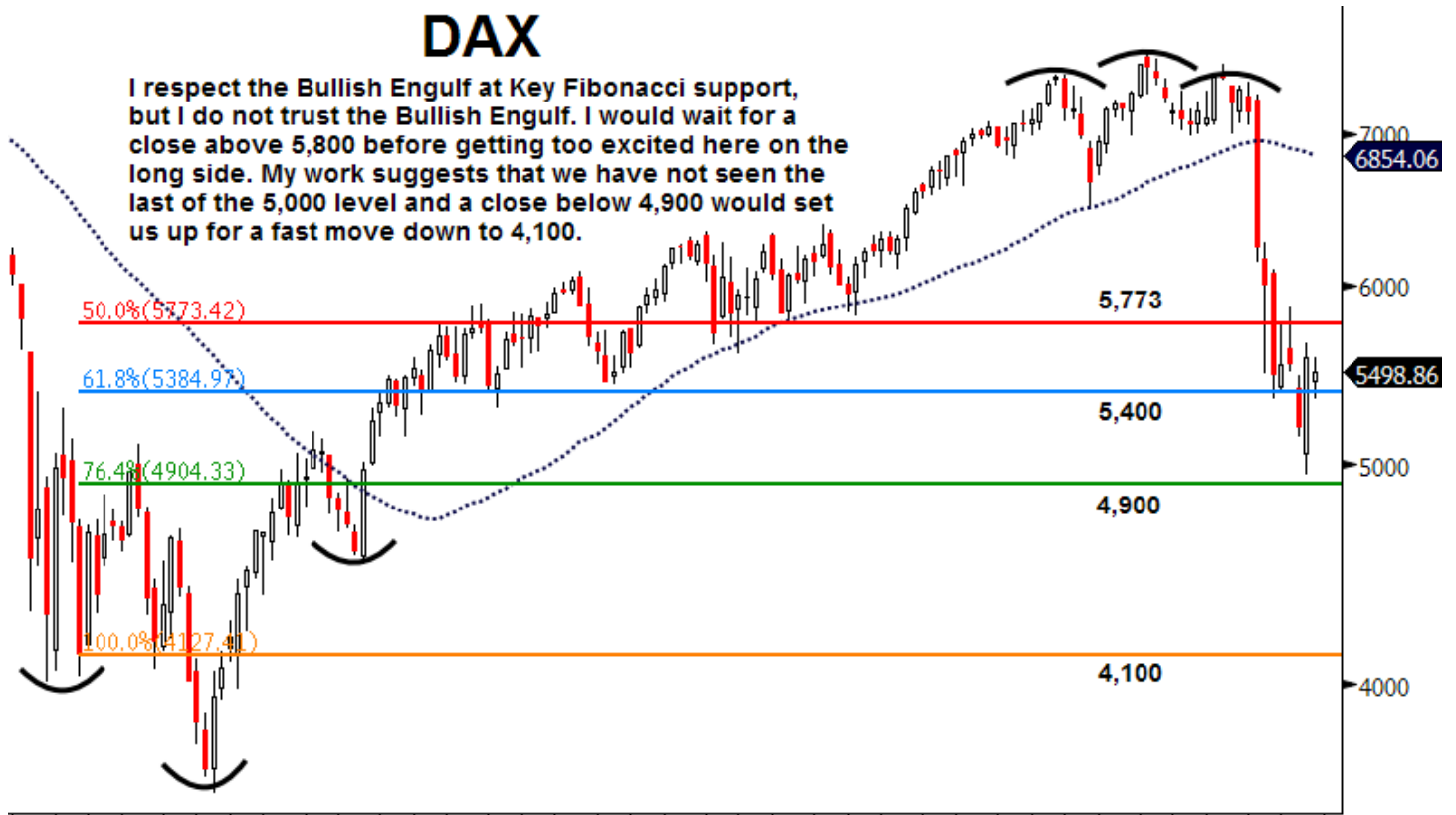
STOXX Europe 600 Banks



SX7P -- STXE 600 Bnk € Pr G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:19:11

DAX

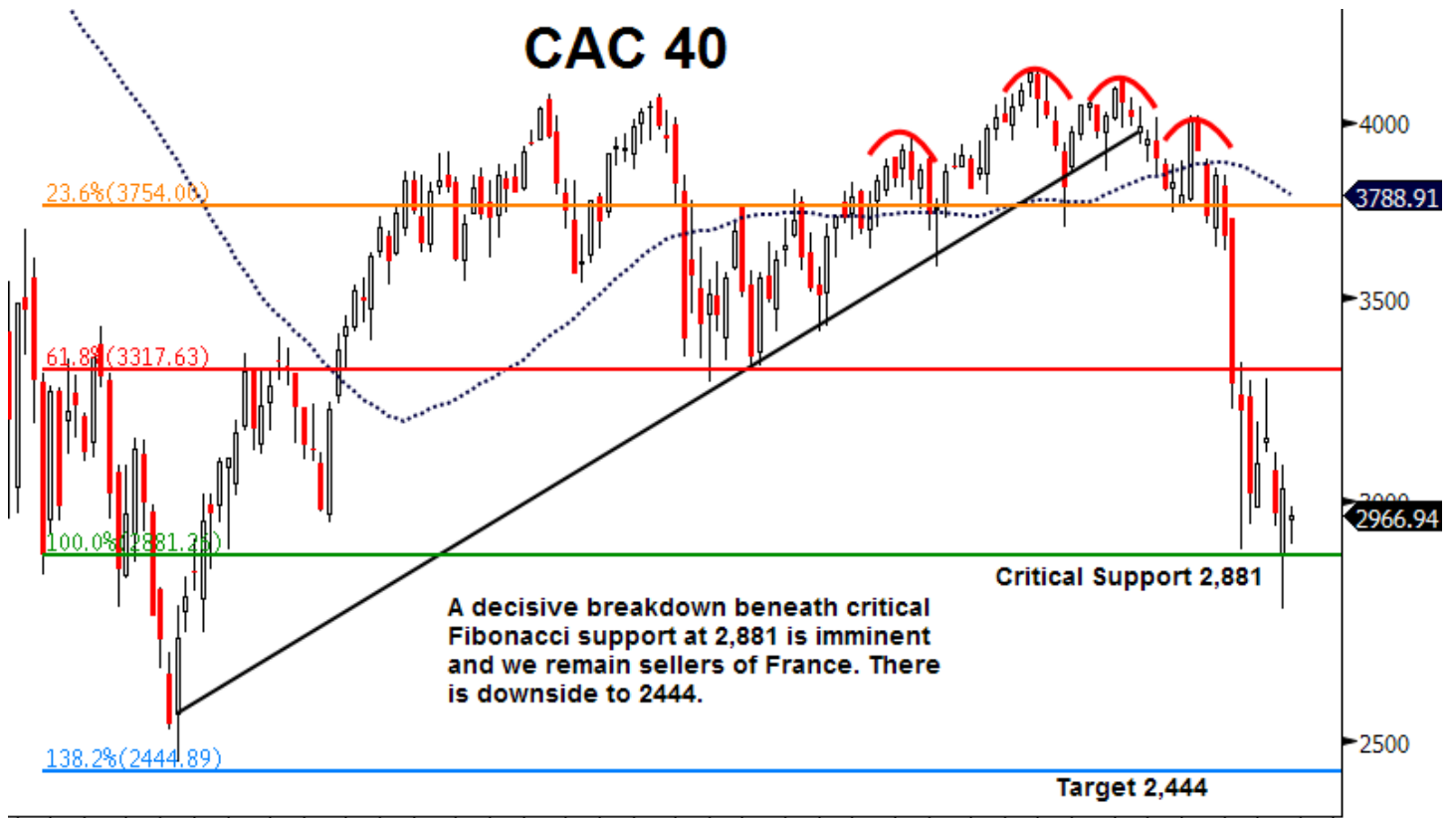
I respect the Bullish Engulf at Key Fibonacci support, but I do not trust the Bullish Engulf. I would wait for a close above 5,800 before getting too excited here on the long side. My work suggests that we have not seen the last of the 5,000 level and a close below 4,900 would set us up for a fast move down to 4,100.



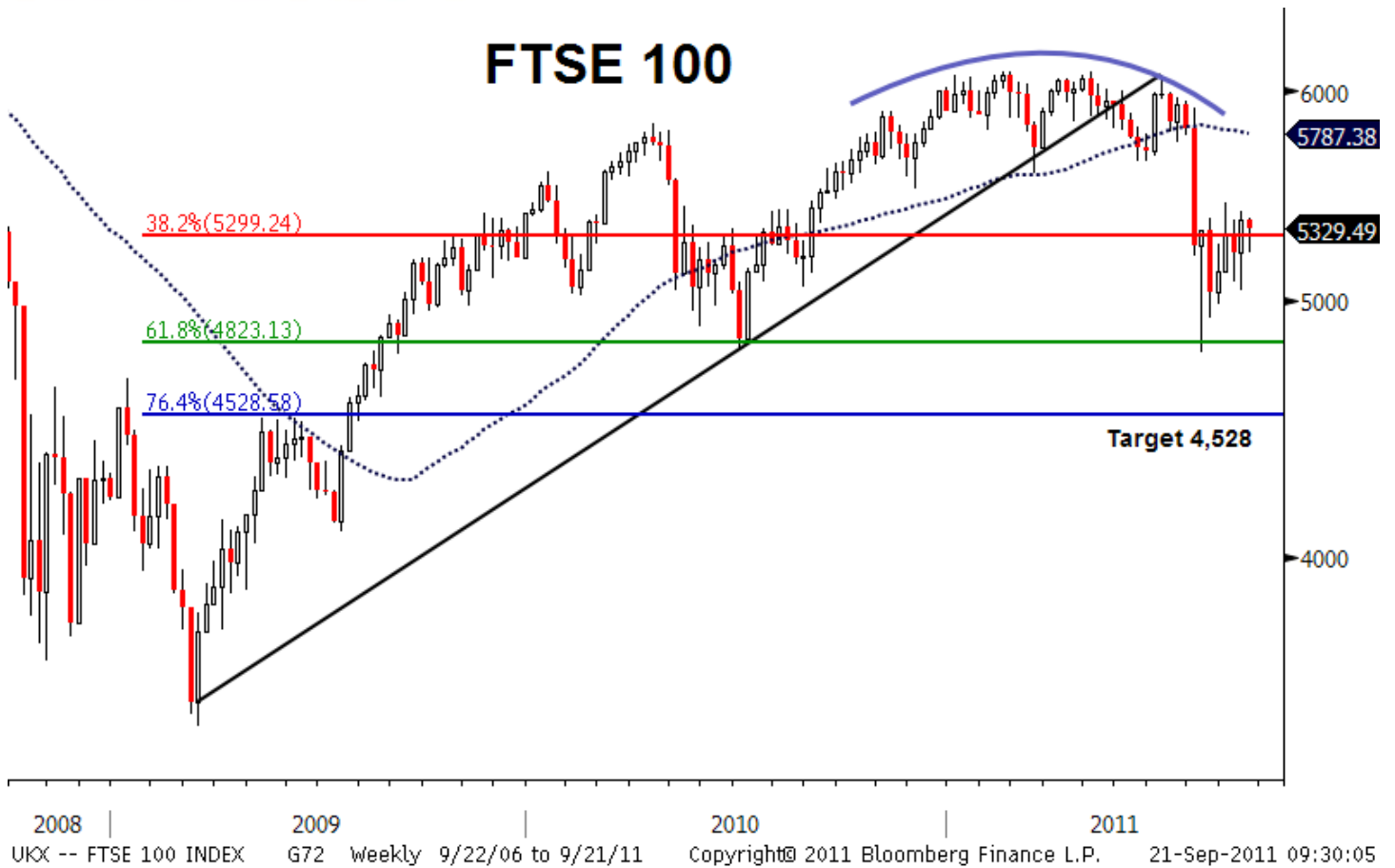
2008 | 2009 | 2010 | 2011
 DAX -- DAX INDEX G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:26:21

CAC 40

A decisive breakdown beneath critical Fibonacci support at 2,881 is imminent and we remain sellers of France. There is downside to 2444.



2008 | 2009 | 2010 | 2011
 CAC -- CAC 40 INDEX G72 Weekly 9/22/06 to 9/21/11 Copyright© 2011 Bloomberg Finance L.P. 21-Sep-2011 09:29:29



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