

Uptrends Remain Intact

Insiders Selling Into Strength

The bulk of the major equity indexes closed lower Wednesday with negative internals on the NSYE and NASDAQ as overall trading volumes increased from those of the prior session. The one exception was the SPX posting a fractional gain. However, all of the near term uptrends remain intact. The data is showing some minor adjusting, in both directions but remains generally neutral in its forecast. As stated previously, while the charts remain positive, the VIX, stochastic levels, investment advisor psychology and narrowing of the valuation gap suggest enough potential risk to maintain our near term “neutral” outlook for the major equity indexes at this time.

On the charts, the bulk of the indexes closed lower Wednesday with the exception of the SPX posting a fractional gain. Internals were negative on the NYSE and NASDAQ as trading volumes intensified from the previous session. However, no technical events of note were generated on the charts, leaving all in their near term uptrends. Yet while the charts continue to suggest a positive outlook, we are loathe to ignore the VIX at levels seen prior to corrections three times over the past 12 months as the stochastic levels remain overbought as well. Both of those data points can stay in those conditions for extended periods as the charts move north. The fact that when the shifts have occurred, leaving very little time to react, it is our opinion that a proactive approach may prove prescient, thus muting the chart enthusiasm. Downdrafts have been sudden and sharp.

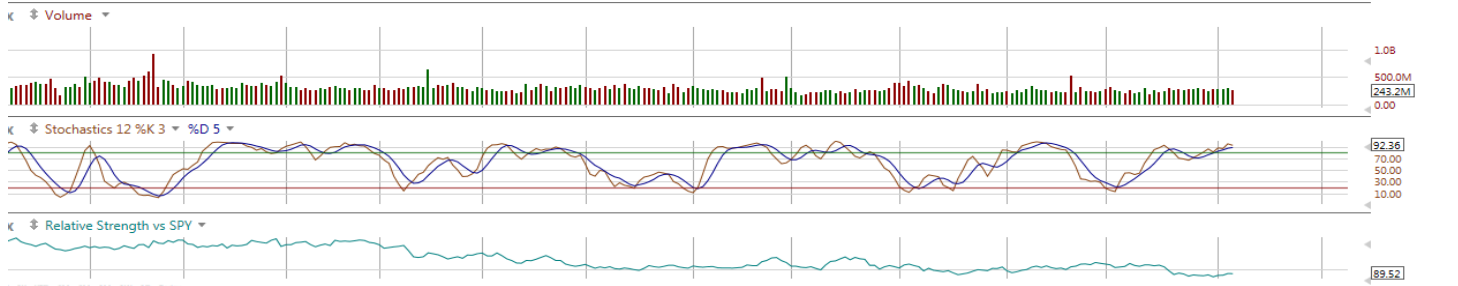
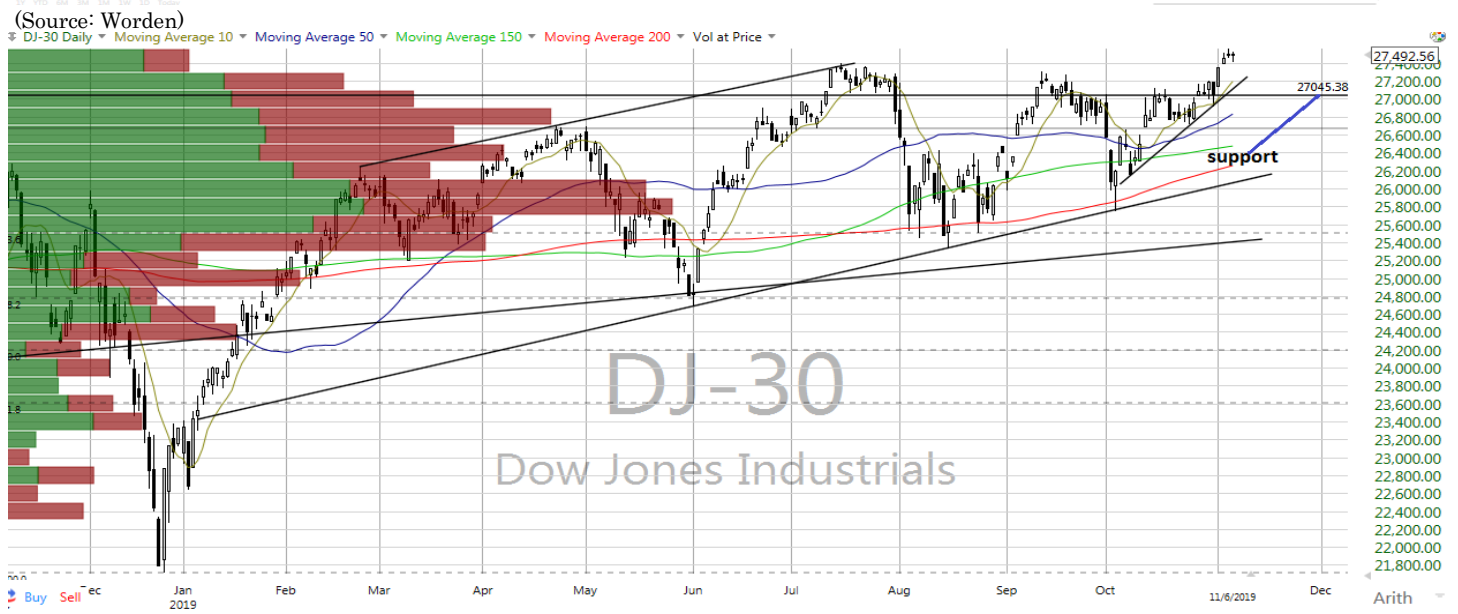
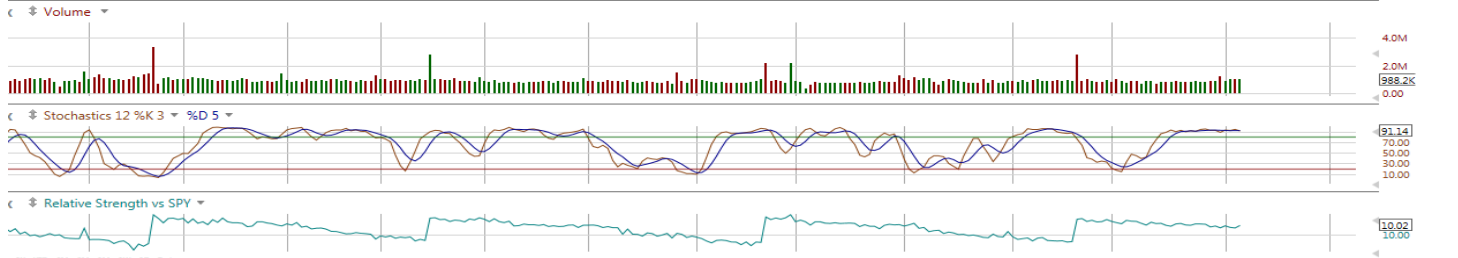
The data is generally neutral including all of the 1 day McClellan OB/OS Oscillators (All Exchange:+12.8 NYSE:+2.76 NASDAQ:+20.91) while all of the 21 day readings are overbought. The detrended Rydex Ratio (contrary indicator) is back to neutral at +0.49 while Tuesday’s AAI Bear/Bull Ratio (contrary indicators) turned neutral at 29.0/34.0. The Investor’s Intelligence Bear/Bull Ratio (contrary indicator) is notably bearish at 16.8/55.1, suggesting an excess of bullish sentiment/complacency on the part of investment advisors we think worthy of note. The % of SPX stocks trading above their 50 DMAs is a neutral 67.1%. And while the Open Insider Buy/Sell Ratio remains neutral at 28.2, it is nearing a bearish signal as they have increased their selling activity into recent market strength. Valuation is closer to fair value with forward 12 month earnings estimates for the SPX at \$172.40 via Bloomberg, leaving the forward p/e at a 17.9 multiple while the “rule of twenty” finds fair value at 18.2. The 10 Year Treasury yield stands at 1.81%. The earnings yield is 5.6%.

In conclusion, while we would normally be more constructive in our outlook, the VIX, stochastic levels, valuation and advisor psychology data suggest some degree of caution may be appropriate, thus causing us to maintain our near term “neutral” outlook.

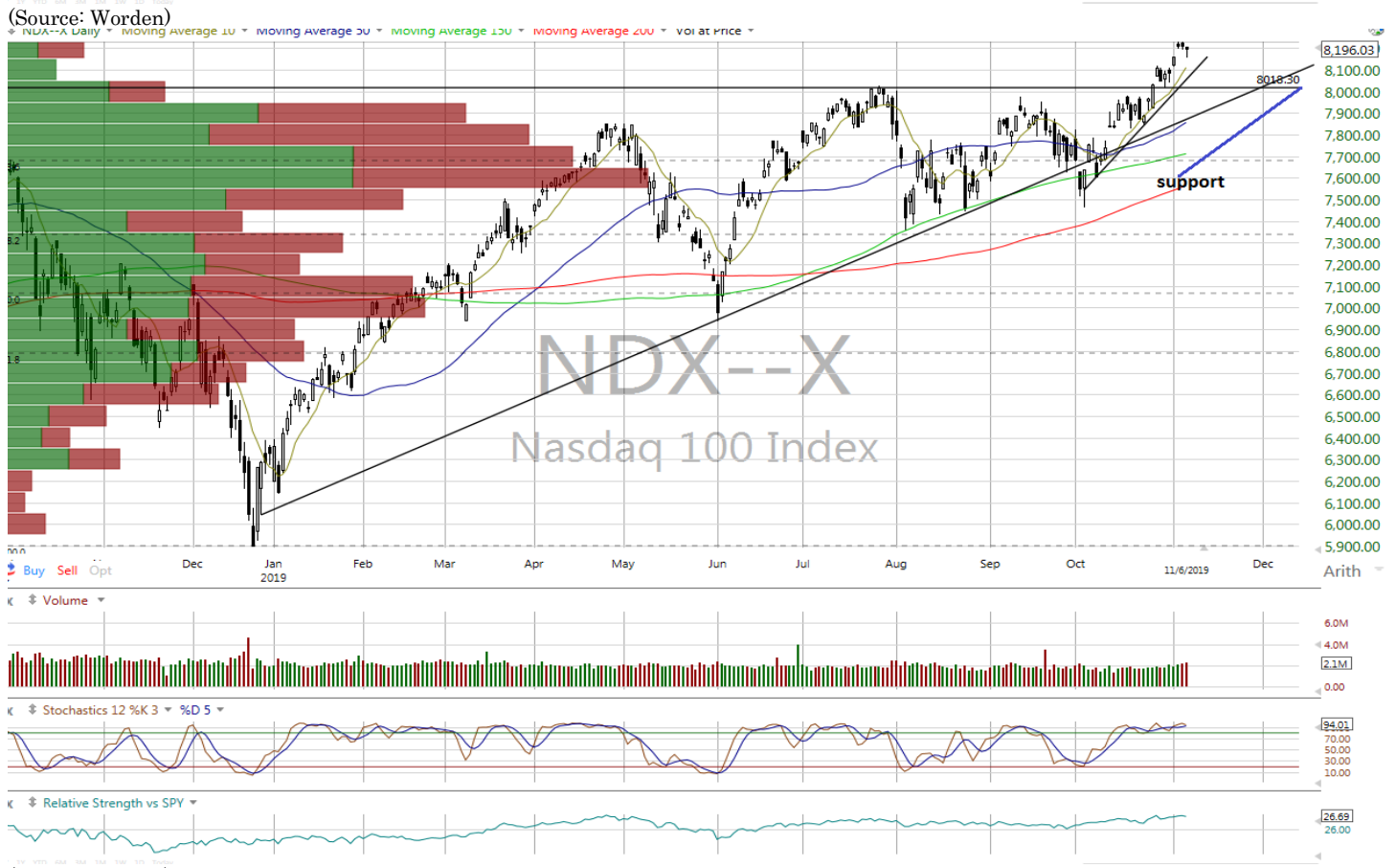
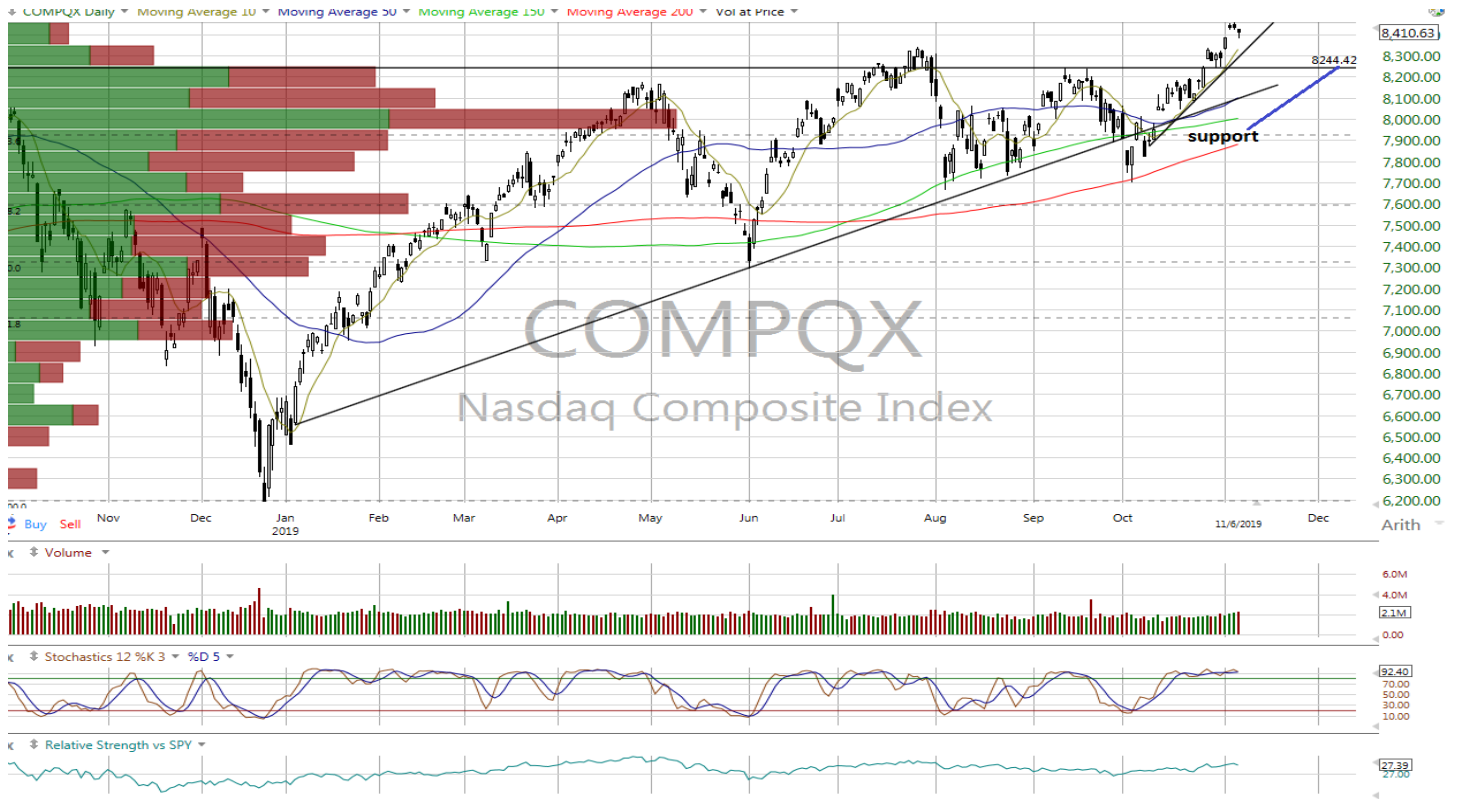
SPX: 3,023/NA	DJI: 27,009/NA	COMPQX: 8,244/NA
NDX: 8,018/NA	DJT: 10,745/11,042	MID: 1,983/2,014
RTY: 1,554/1,603	VALUA: 6,349/6,502	

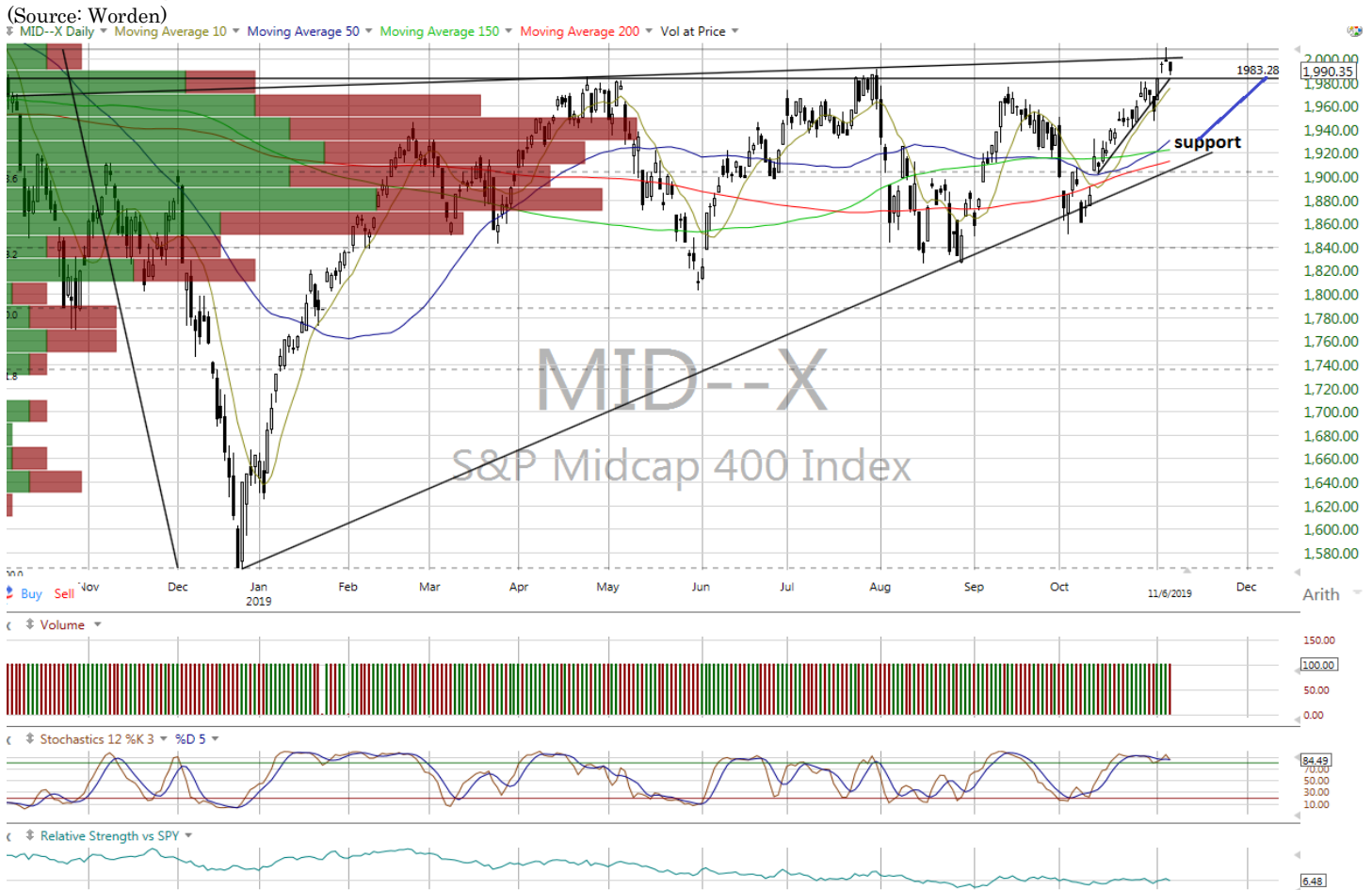
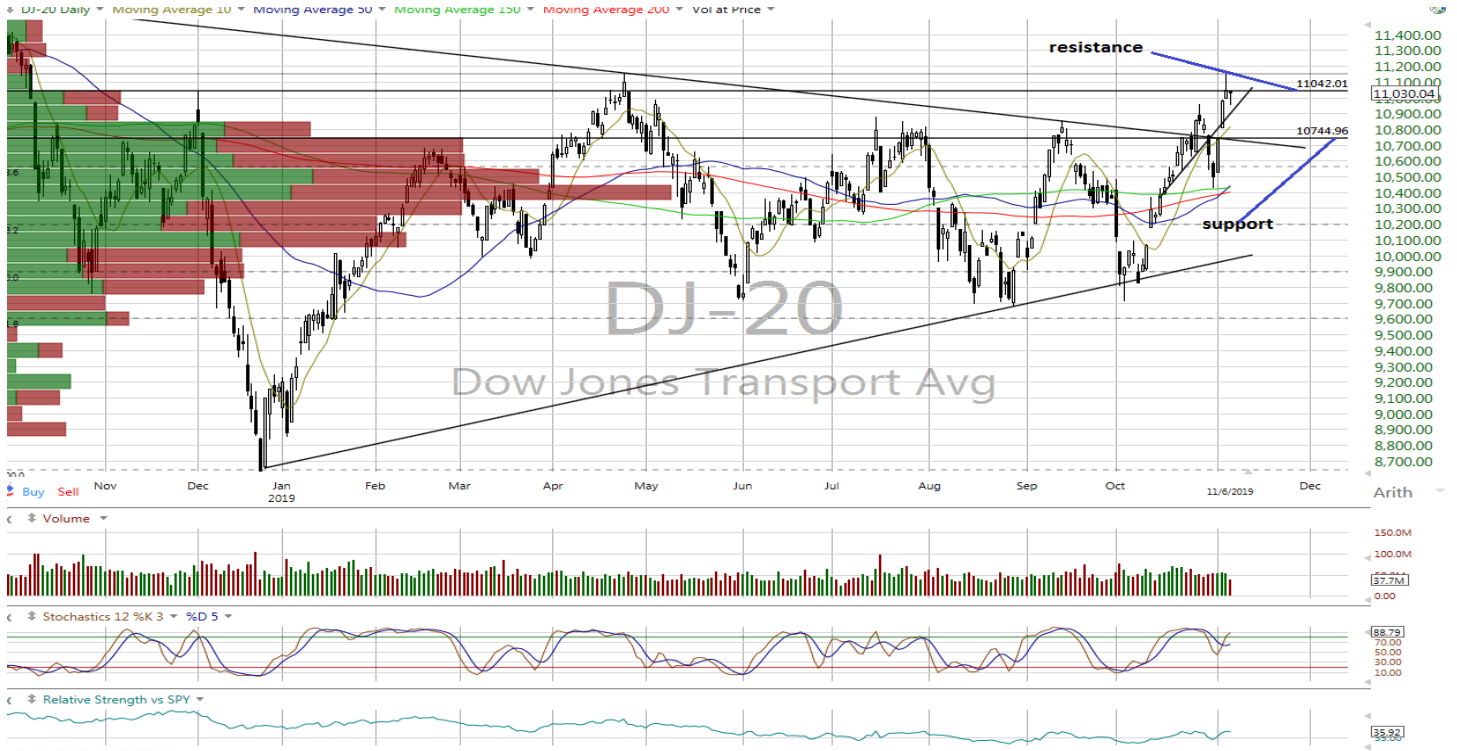
Please see Disclosure Appendix on page 11 for rating definitions, important disclosures and required analyst certifications. Scarsdale Equities LLC does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as one single factor in conjunction with other factors in making an investment decision.

Guy S. Ortmann, CMT
Senior Technical Analyst
SCARSDALE EQUITIES LLC
10 Rockefeller Plaza
Suite 720
New York, NY 10020
646-825-4627
gortmann@scarsdale-equities.com



(Source: Worden)

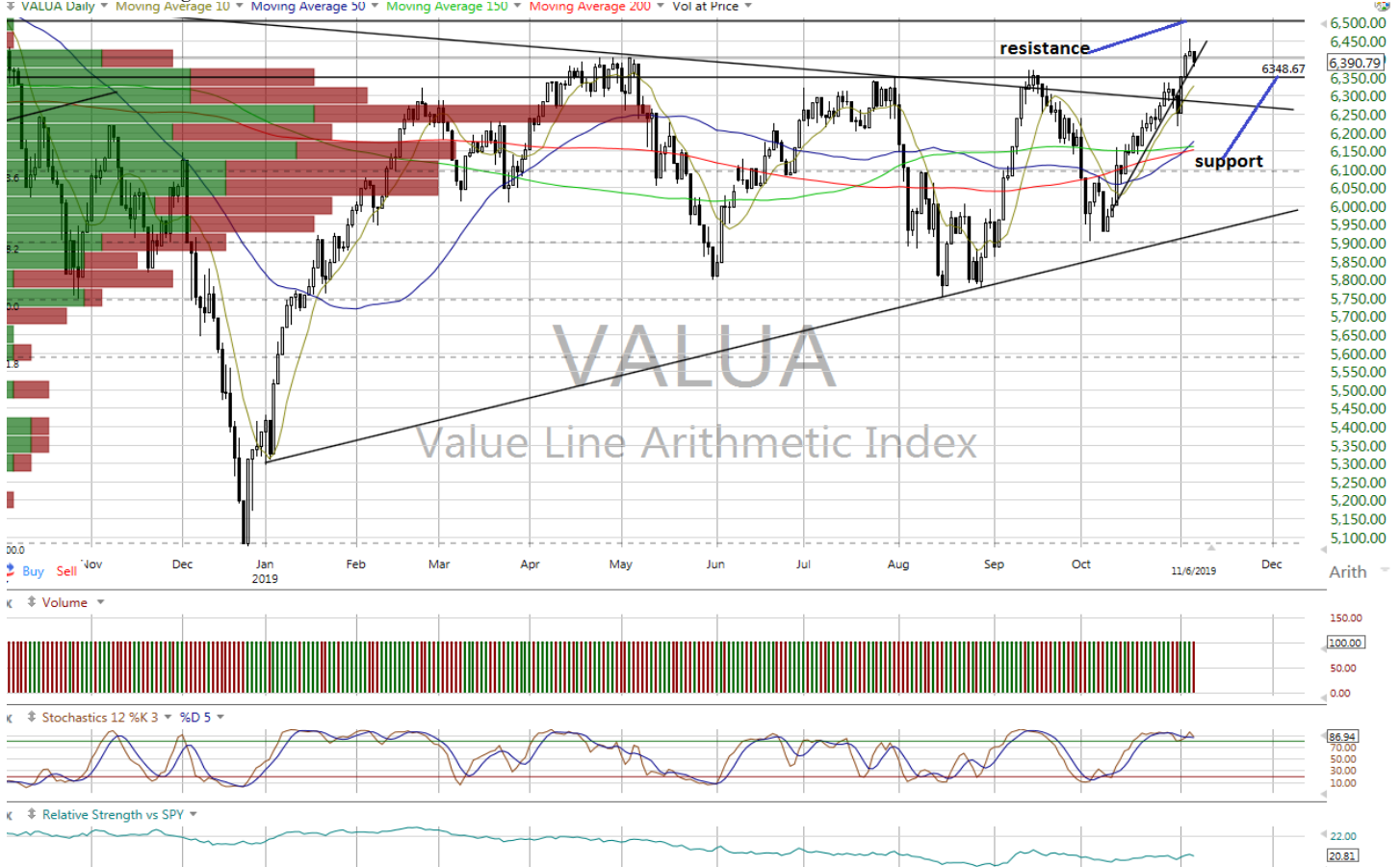




(Source: Worden)

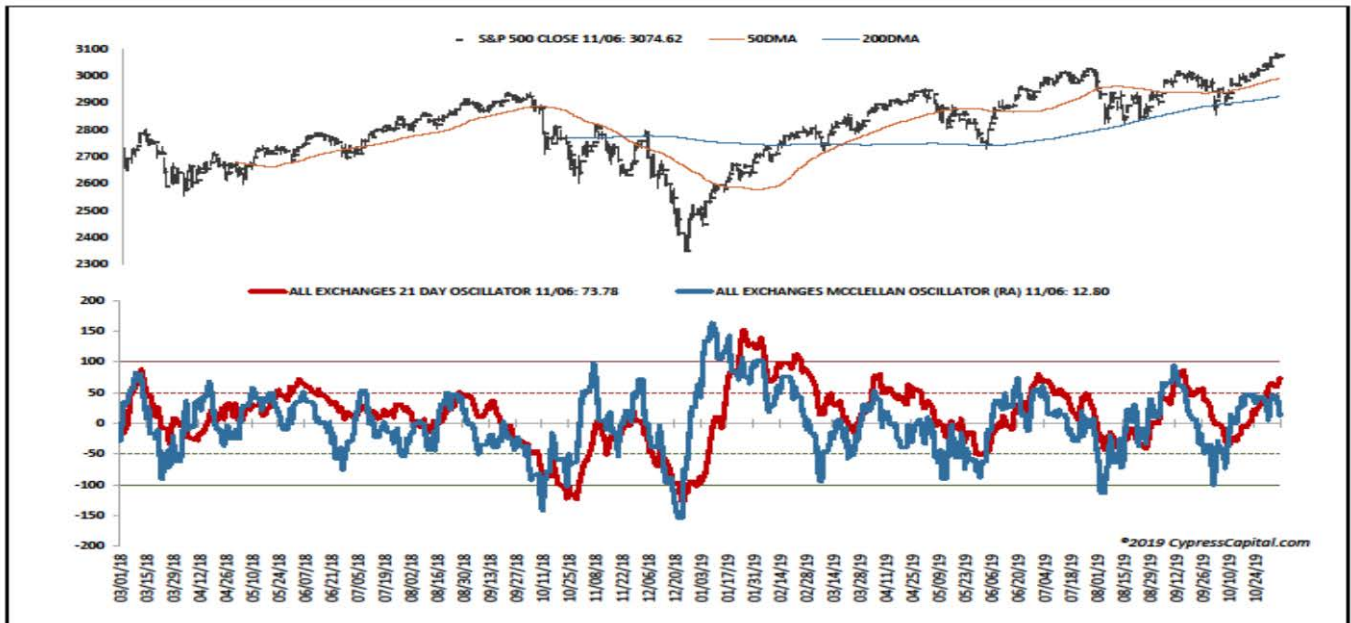


(Source: Bloomberg)

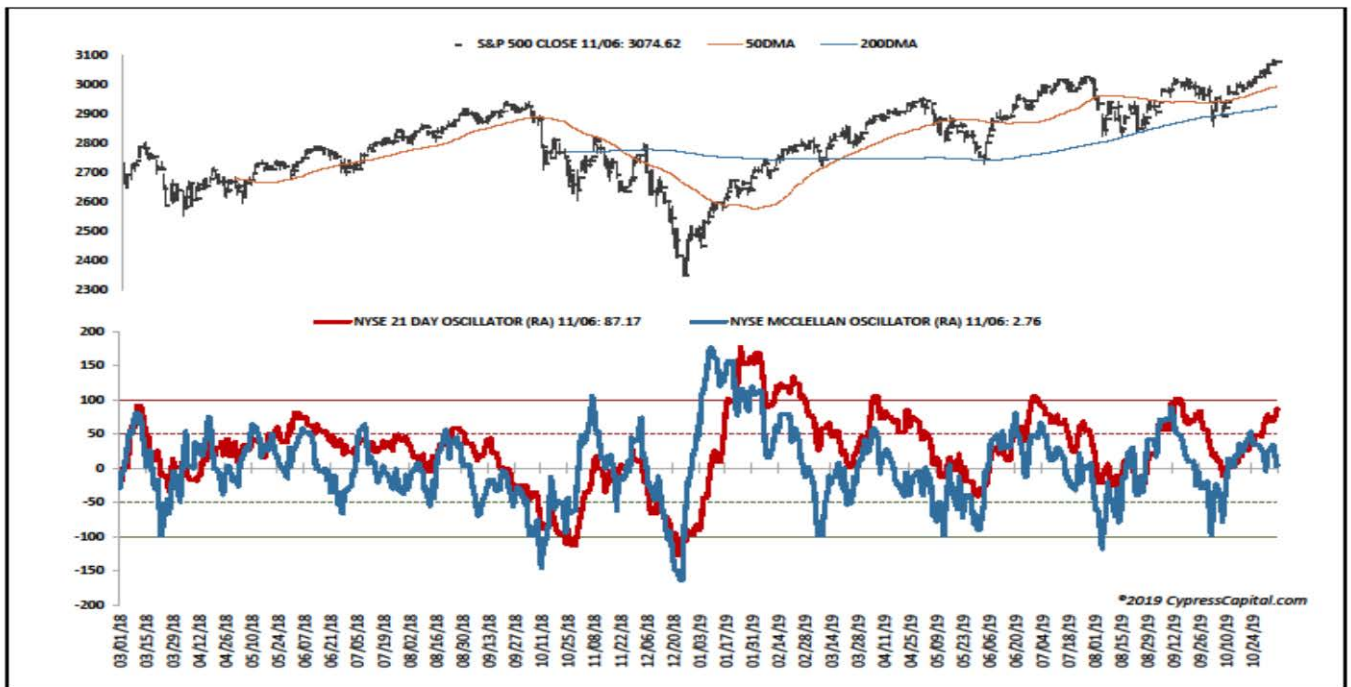


(Source: Worden)

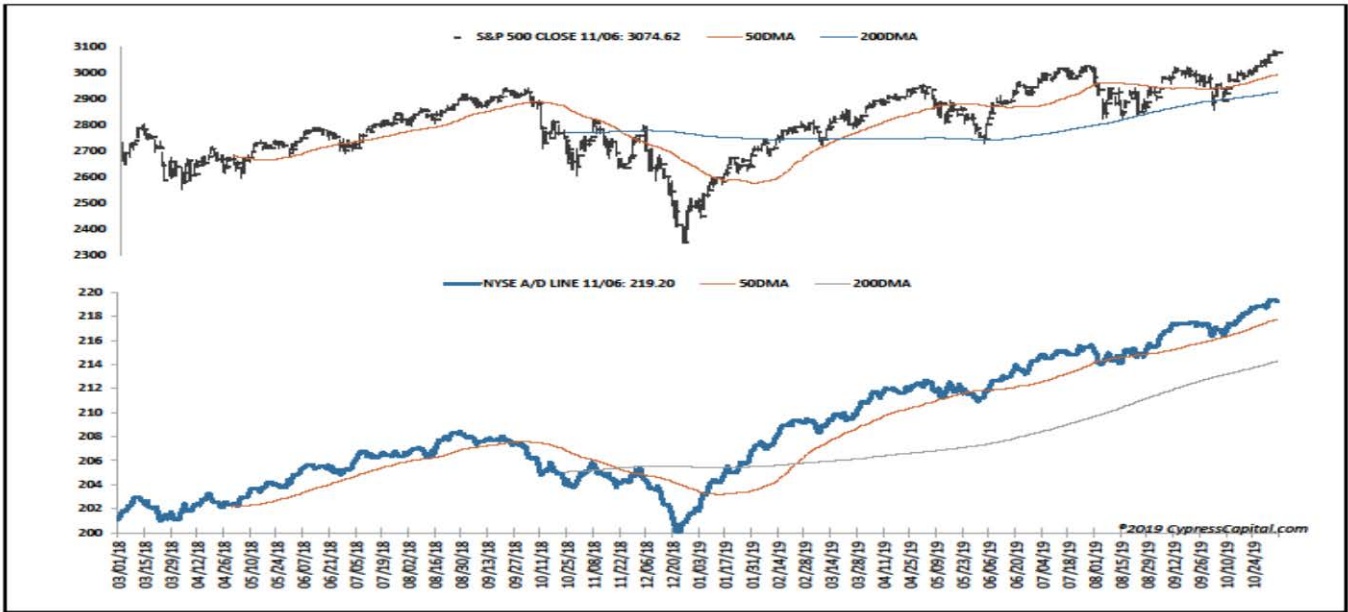
The All Exchange McClellan ratio adjusted 1 day OB/OS Oscillator is +12.8 (neutral) and 21 day +73.78 (bearish).



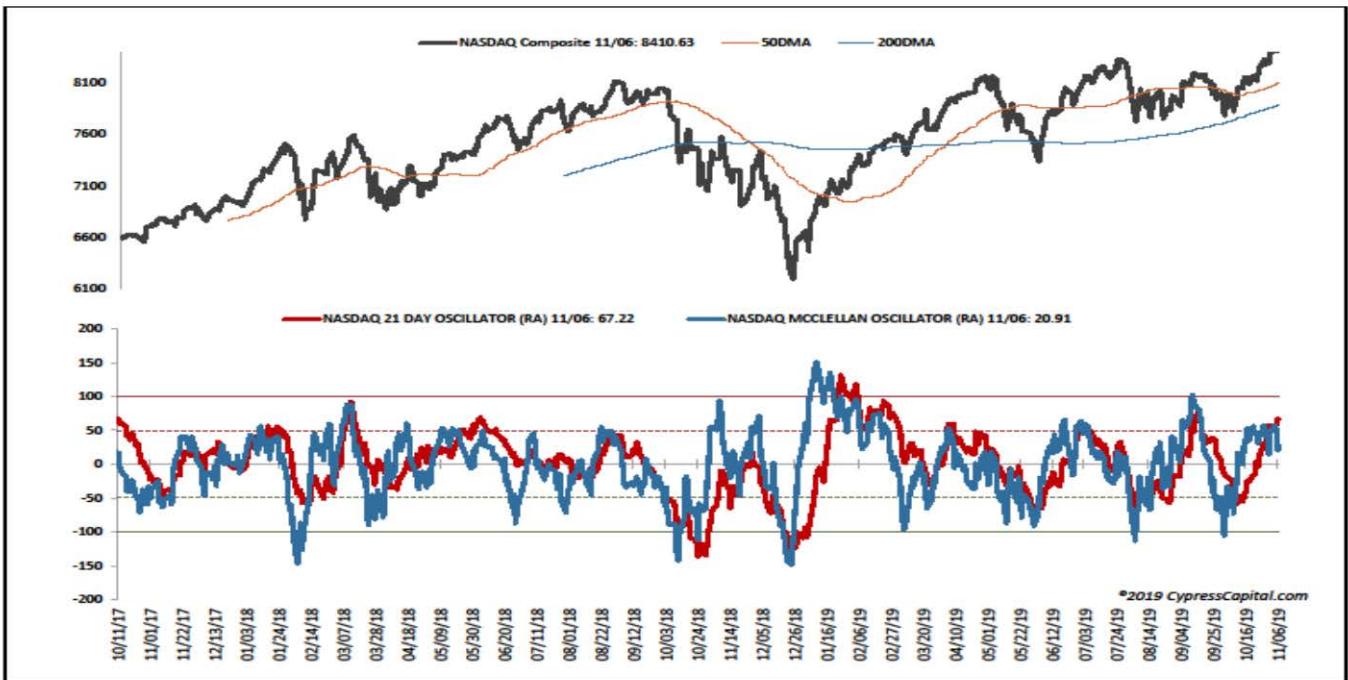
The NYSE ratio adjusted 1 day McClellan OB/OS is +2.76 (neutral) and +87.17 (bearish) on the 21 day.



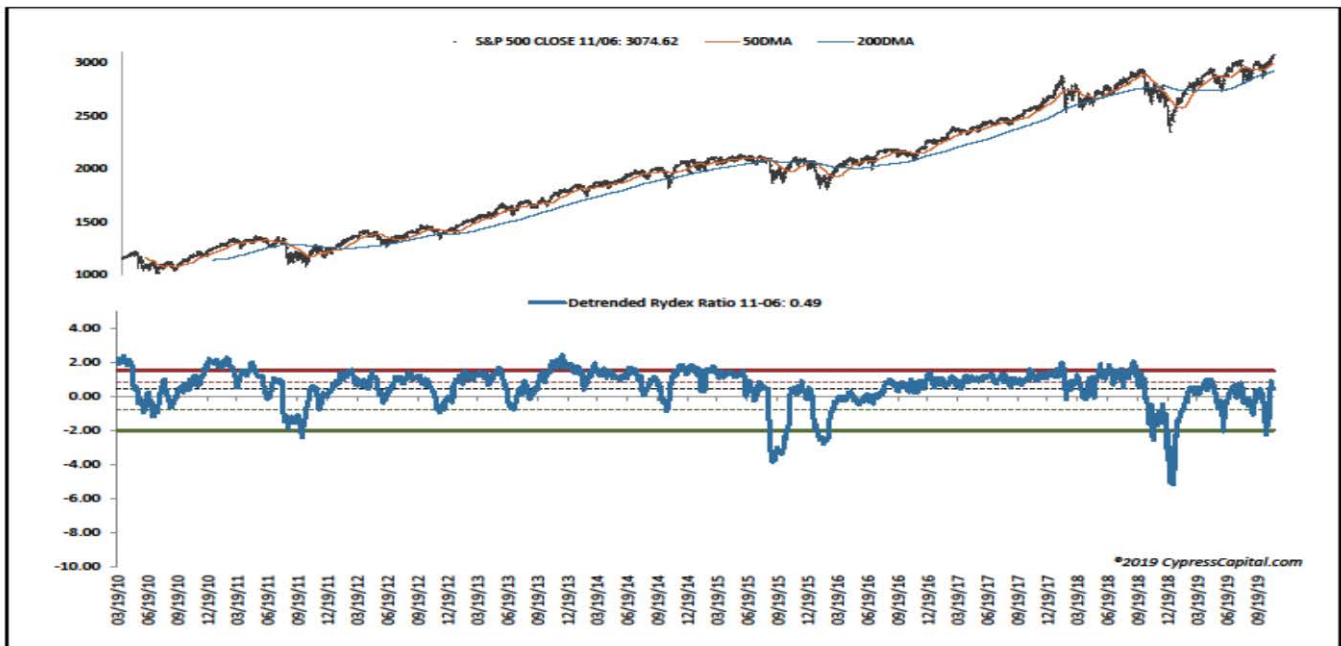
The NYSE Advance/Decline Line is short term positive and above its 50 DMA.



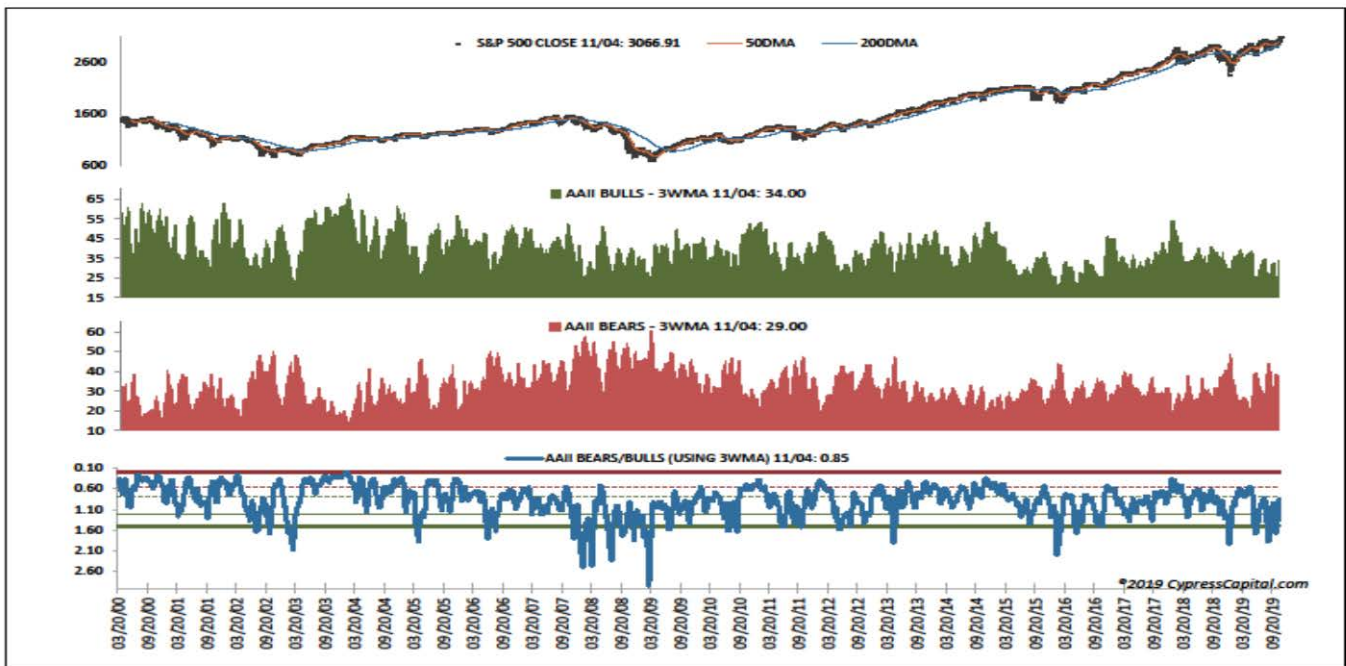
The NASDAQ ratio adjusted 1 day McClellan OB/OS is +20.91 (neutral) on the 1 day. The 21 day reading is +67.72 (bearish).



The detrended Rydex Ratio is +0.49 (neutral).

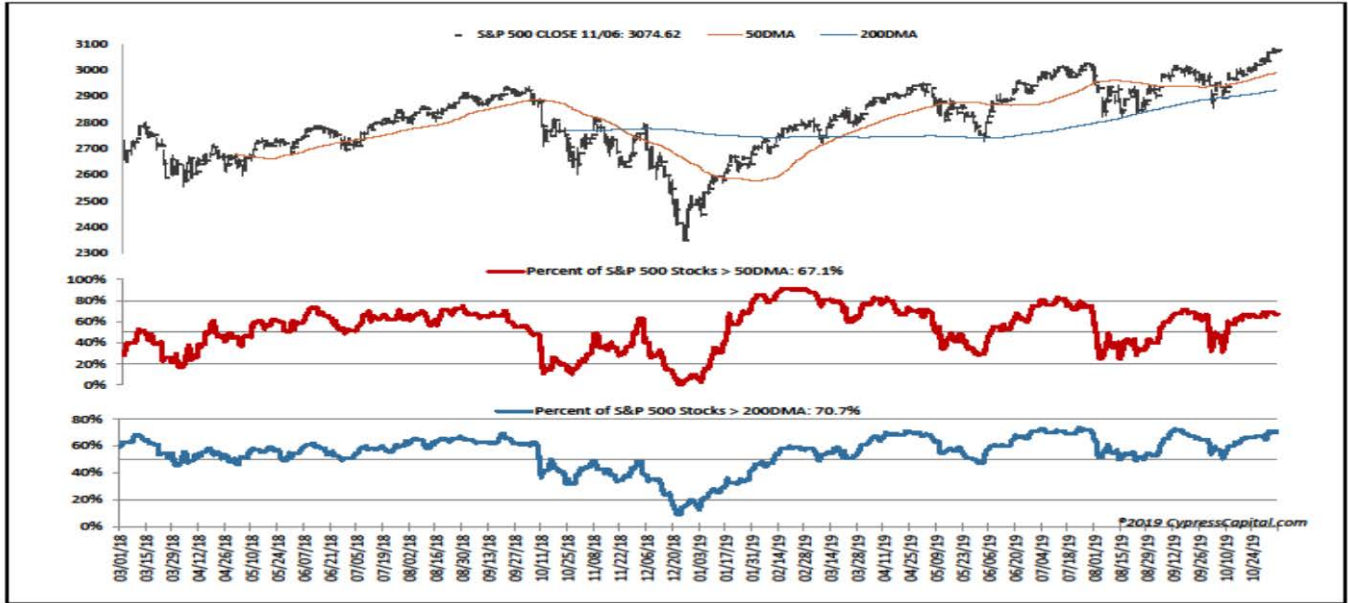


The AAI Poll weekly bear/bull reading 3 week average is 29.0/34.0 (neutral) as of 11/4.

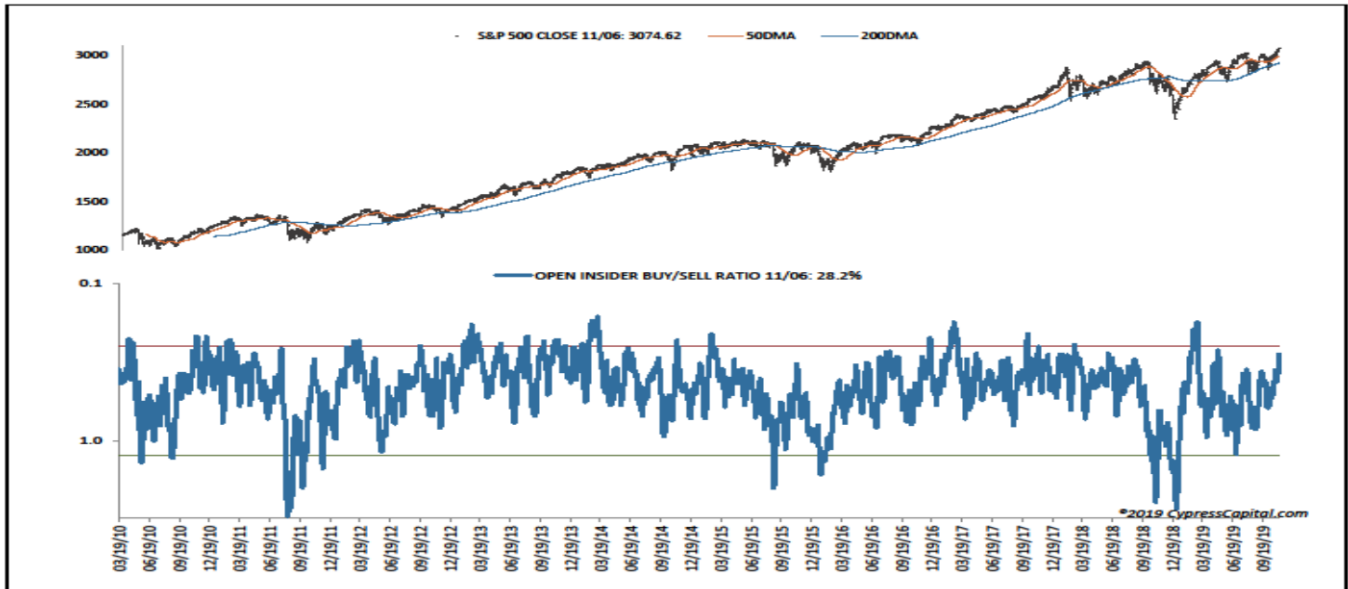


Total and Equity put/call ratios are 0.93 (bullish) and 0.63 (neutral) on the 1 day. The 15 DMAs are 0.89 (mildly bullish) and .63 (neutral) respectively. OEX put/call ratio 1 day 3.43 (very bearish) and 1.98 (very bearish) on the 15 DMA.

The % of SPX stocks > their 50 DMAs is 67.1% as (neutral).



The Open Insider Buy/Sell Ratio is 28.2% (neutral)



Data:

- All Exchange McClellan OB/OS Oscillator is +12.8 (neutral) and 21 day +73.78 (bearish).
- All Exchange A/D Line is short term positive and above its 50 DMA.
- NYSE McClellan OB/OS ratio adjusted is +2.76 (neutral) 3 week average +87.17 (bearish).
- The NYSE A/D line closed above its 50 DMA and is short term positive.
- NASDAQ McClellan OB/OS ratio adjusted is +20.91 (neutral) 3 week average +67.72 (bearish).
- The NASDAQ A/D line is short term positive and above its 50 DMA.
- % of SPX stocks > 50 DMA is 67.1% (neutral).
- AAI bear/bull ratio is 29.0/34.0 (neutral) as of 11/4.
- Investors Intelligence Bear/Bull Ratio 16.8/55.1 (bearish) as of 11/4.
- The detrended Rydex Ratio is +0.49 (neutral).
- Open Insider Buy/Sell Ratio is 28.2 (neutral).
- Total and Equity put/call ratio 1 day readings are 0.93 (bullish) and .63 (neutral) respectively. The 15 day averages for the total and equity p/c are 0.89 (mildly bullish) and .63 (neutral) respectively.
- OEX put/call one day is 3.43 (very bearish) the 15 DMA 1.98 (very bearish).
- ISEE call/put Sentiment Index is 238 (very bearish).
- The SPX, DJI, MID, DJT, VALUA, COMPQX, RTY and NDX closed above their 50 DMAs.
- The FTSE, Nikkei, DAX and Hang Seng closed above their 50 DMAs.
- The U.S. dollar as measured by the UUP ETF closed higher at 26.79. Support is 26.50. Resistance is 26.79.

Commodities in up trends:

Aluminum (closed above its 50 DMA)

Copper (closed above its 50 DMA)

Commodities in down trends:

Stainless Steel (closed below its 50 DMA)

CRB Spot Raw Industrials (closed below its 50 DMA)

Commodities trading sideways:

Gold (closed above its 50 DMA)

Oil (closed below its 50 DMA)

Baltic Dry Bulk Rate (closed below its 50 DMA)

Silver (closed below its 50 DMA)

Market Internals:

Most of the major equity indexes closed mostly lower Wednesday.

Internals were negative on the NYSE and NASDAQ.

Volumes were above prior day's levels on the NYSE and NASDAQ.

NYSE: A/D:1398/1569 U/D Volume:1.46B/2.53B Total Volume:3.96B

NASDAQ: A/D:1173/1978 U/D Volume:925M/1.17B Total Volume:2.11B

Disclosure Appendix

AUTHOR CERTIFICATION

Guy S. Ortmann, the author primarily responsible for this report certifies, with respect to each security or issuer in this report, that, based solely on technical analysis: (1) all of the views expressed in this report accurately reflect his own personal views about the subject companies and their securities; (2) part of the author's compensation was, is, or will be, directly or indirectly, related to a portion of the commissions generated by Scarsdale Equities LLC ["SE"] in transactions designated for the author's credit.

IMPORTANT U.S. REGULATORY DISCLOSURES

Technical Analysis. The research provided in this report is based on technical analysis. Technical analysis involves the study of stock prices, volume or other various technical (non-fundamental) indicators and could offer investment opinions that conflict with other research based on "fundamental analysis". The investments discussed in this report in some cases will not be suitable for all investors. Investors should use technical analysis as only one input in formulating an investment opinion. Additional inputs should include, but are not limited to, the review of other research reports generated by a review of the fundamental merits of securities and the issuers discussed.

COMPANY SPECIFIC DISCLOSURES

All applicable current disclosures on the items referred to in this report is obtainable by contacting Guy S. Ortmann at 646-825-4627. The following disclosures apply to the securities discussed in this research report:

1 Scarsdale Equities LLC, at the time of publication, does not make a market in any security.

2 The author does not have a financial interest in SPY or QQQ mentioned in this report.

3 Part of the author's compensation consists of a portion of the commissions generated by transactions placed at Scarsdale Equities LLC for the credit of the author.

OTHER DISCLAIMERS

This report is not directed to, nor intended for use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject SE or its subsidiaries or its affiliates to any registration or licensing requirement within such jurisdiction. None of the material, nor its content, nor any copying of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of SE. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of SE. The information, tools and material presented in this report are provided for informational purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. SE in some cases will not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. SE will not treat recipients as its customers by virtue of their receiving the report. The investments or services contained or referred to in this report in some cases will not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you. SE does not offer advice on the tax consequences of investment and you are advised to contact an independent tax advisor. Please note in particular that the bases and levels of taxation may change.

Information and opinions presented in this report were obtained or derived from sources SE believes are reliable, but SE makes no representations as to their accuracy or completeness. Moreover, we are under no obligation to inform you if or when data, information, or opinions in this report change. SE accepts no liability for loss arising from the use of the material presented in this report. This report is not to be relied upon in substitution for the exercise of independent judgment. SE in a report may suggest a trading call. Trading calls are short term trading opportunities based on market events and for technical ratings, the relationship of expected return to expected risk based on a set of technical measures.

Past performance should not be taken as an indicator 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 as its original date of publication by SE and are subject to change without notice. The price, value of, and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

In jurisdictions where SE is not already registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and in some cases will require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. Non-U.S. customers wishing to effect a transaction should contact an SE entity, if any, in their local jurisdiction unless governing law permits otherwise. U.S. customers wishing to effect a transaction should do so only by contacting a representative at SE in the U.S.

Any information provided in this communication has been prepared from sources believed to be reliable, but is not guaranteed by SE and is not a complete summary or statement of all available data necessary for making an investment decision. In addition, such information in some cases will be condensed or contain calculated data which should be verified by the recipient. Any information provided is for informational purposes only. To the extent that any financial projections are contained herein, such projections are dependent on the occurrence of future events, which cannot be assumed; therefore, the actual results achieved during the projection period, if applicable, in some cases will vary from the projections.

Additional information is available upon request. Write to Guy S. Ortmann at Scarsdale Equities LLC, 10 Rockefeller Plaza, Suite 720 New York, NY 10020 to obtain additional information or email him at gortmann@scarsdale-equities.com