

Near Term Outlook Remains “Neutral”

Data Neutral

All of the indexes closed higher Tuesday with positive internals on the NYSE and NASDAQ as overall trading volumes increased from the prior session. Two of the indexes managed to reclaim their short term uptrends but cumulative breadth for the markets remains questionable, in our opinion. The data remains largely neutral as well. As such, we are maintaining our near term “neutral” outlook for the major equity indexes at this time.

On the charts, all of the indexes closed higher yesterday with positive internals and higher volume for the NYSE and NASDAQ. Most closed at or near their intraday highs. The SPX (page 2) and NDX (page 3) managed to close back above their near term uptrend lines that had recently been violated, turning said trends back to positive. Both the COMPQX (page 3) and NDX closed at resistance. So the SPX, NDX, DJI (page 2) and DJT (page 4) are in short term uptrends as the rest remain neutral. The cumulative advance/decline line for the NYSE is positive, neutral on the All Exchange and negative on the NASDAQ. As such, breadth remains somewhat questionable, in our opinion. High “volume at price” (VAP) is supportive on the DJI, COMPQX DJT, MID and VALUA. However, we would note that the NDX support level is 200 points below current price.

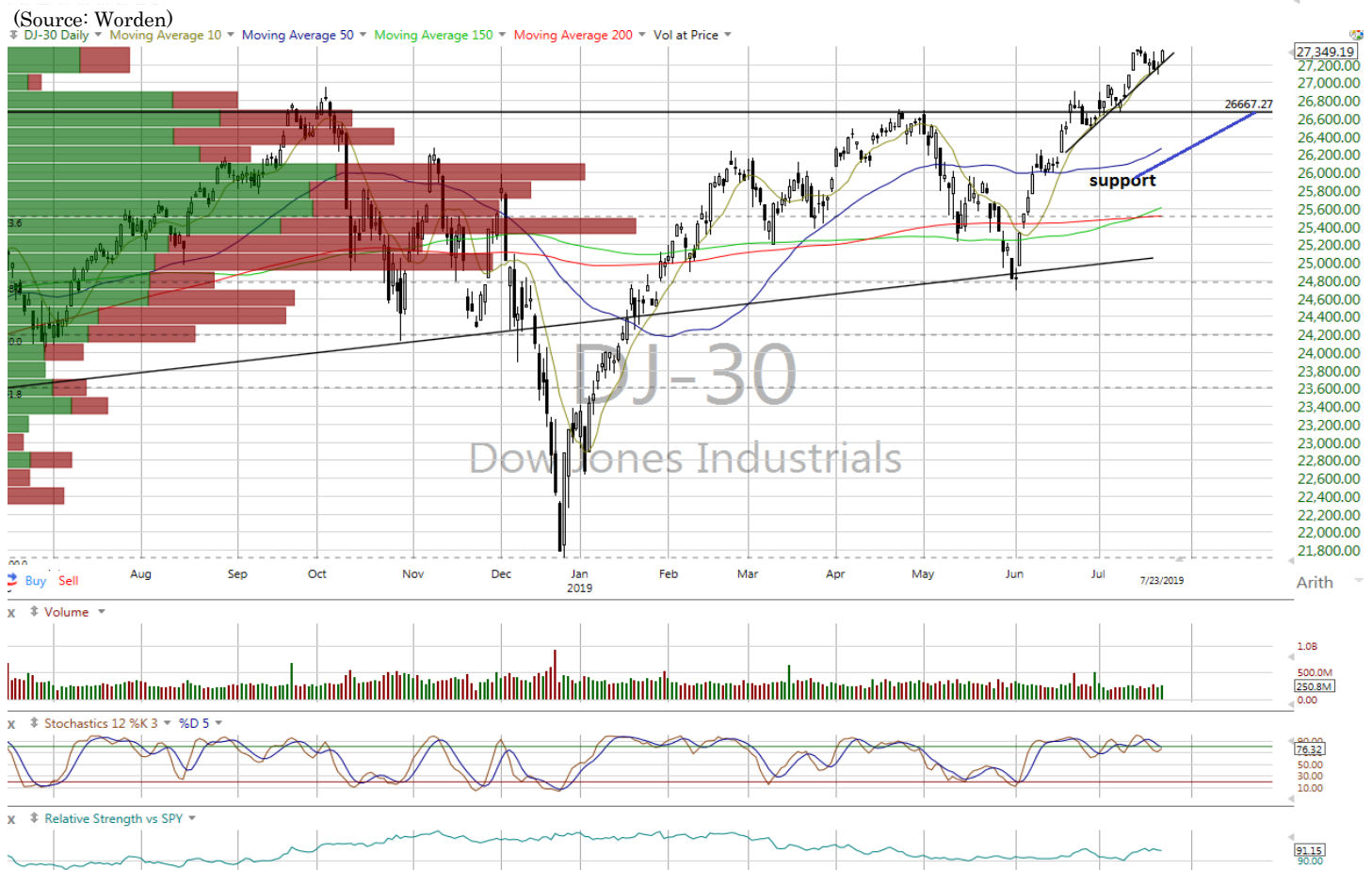
The data still remains largely neutral. The 1 day McClellan OB/OS Oscillators remain neutral (All Exchange:-11.11 NYSE:-7.87 NASDAQ:-13.74). They need to drop below -50 to become oversold. The detrended Rydex Ratio (contrary indicator) at -0.04 is neutral. Yesterday’s AAI Bear/Bull Ratio (contrary indicator) also remains neutral at 29.0/33.67. However, the Investors Intelligence Bear/Bull Ratio (contrary indicator) is bearish as advisors are too bullish at 16.3/58.0. The % of SPX stocks above their 50 DMAs (76.8) is neutral as well. The Open Insider Buy/sell Ratio (40.7), while remaining neutral, has been seeing a decline in insider buying activity that may worth noting. The 12 month forward consensus earnings estimate from Bloomberg for the SPX is \$173.45, leaving the forward p/e at a 17.3 multiple while the “rule of twenty” finds fair value at 17.9. The 10 Year Treasury yield is 2.07%. The earnings yield stands at 5.77%.

In conclusion, we are maintaining our near term “neutral” outlook for the major equity indexes based on current chart trends, overall breadth conditions and the decline in insider buying activity over the past two weeks..

SPX: 2,950/3014	DJI: 26,667/NA
COMPQX: 8,047/8,257	NDX: 7,739/7,959
DJT: 10,359/10,774	MID: 1,933/1,987
RTY: 1,500/1,560	VALUA: 6,170/6,298

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

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.



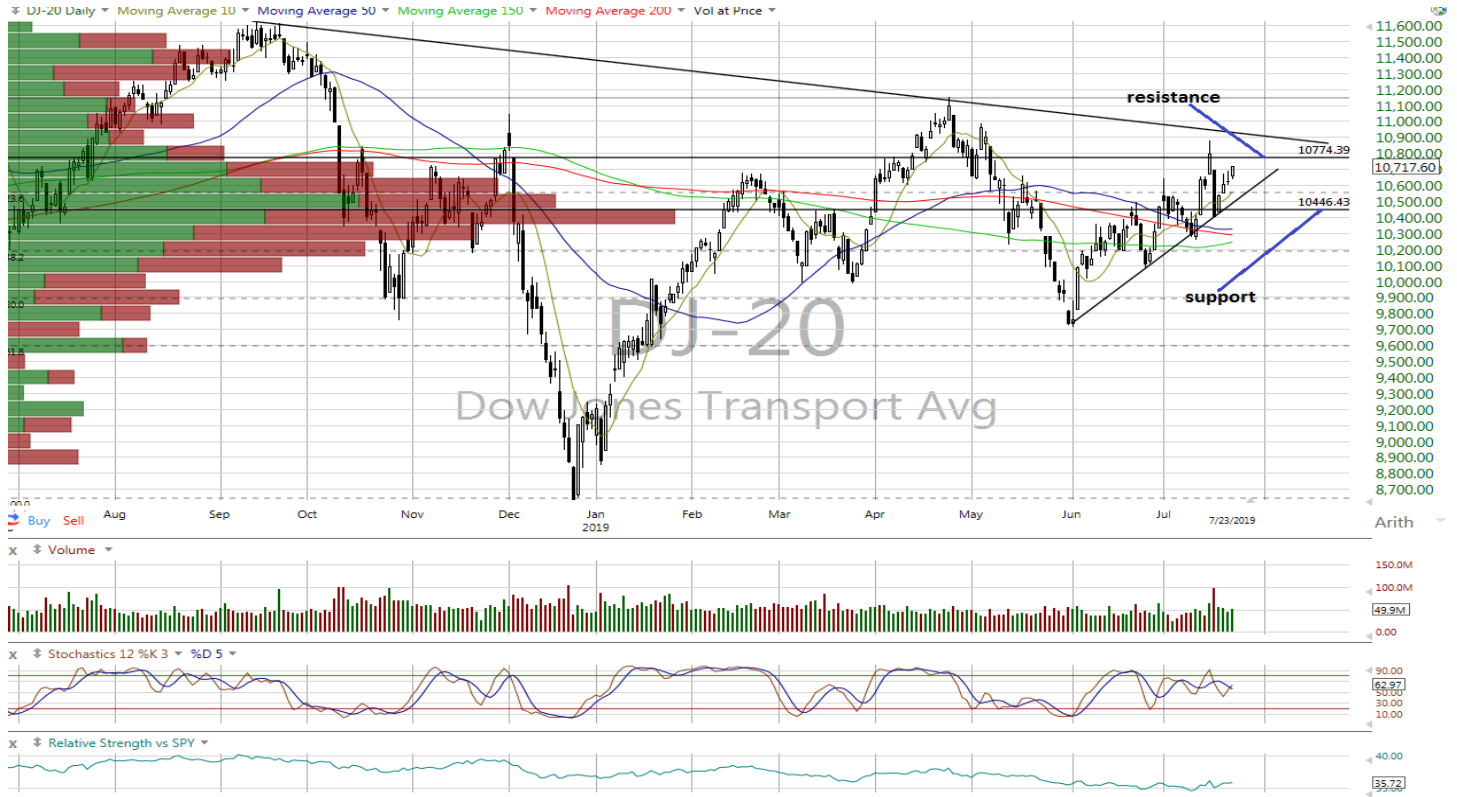
(Source: Worden)



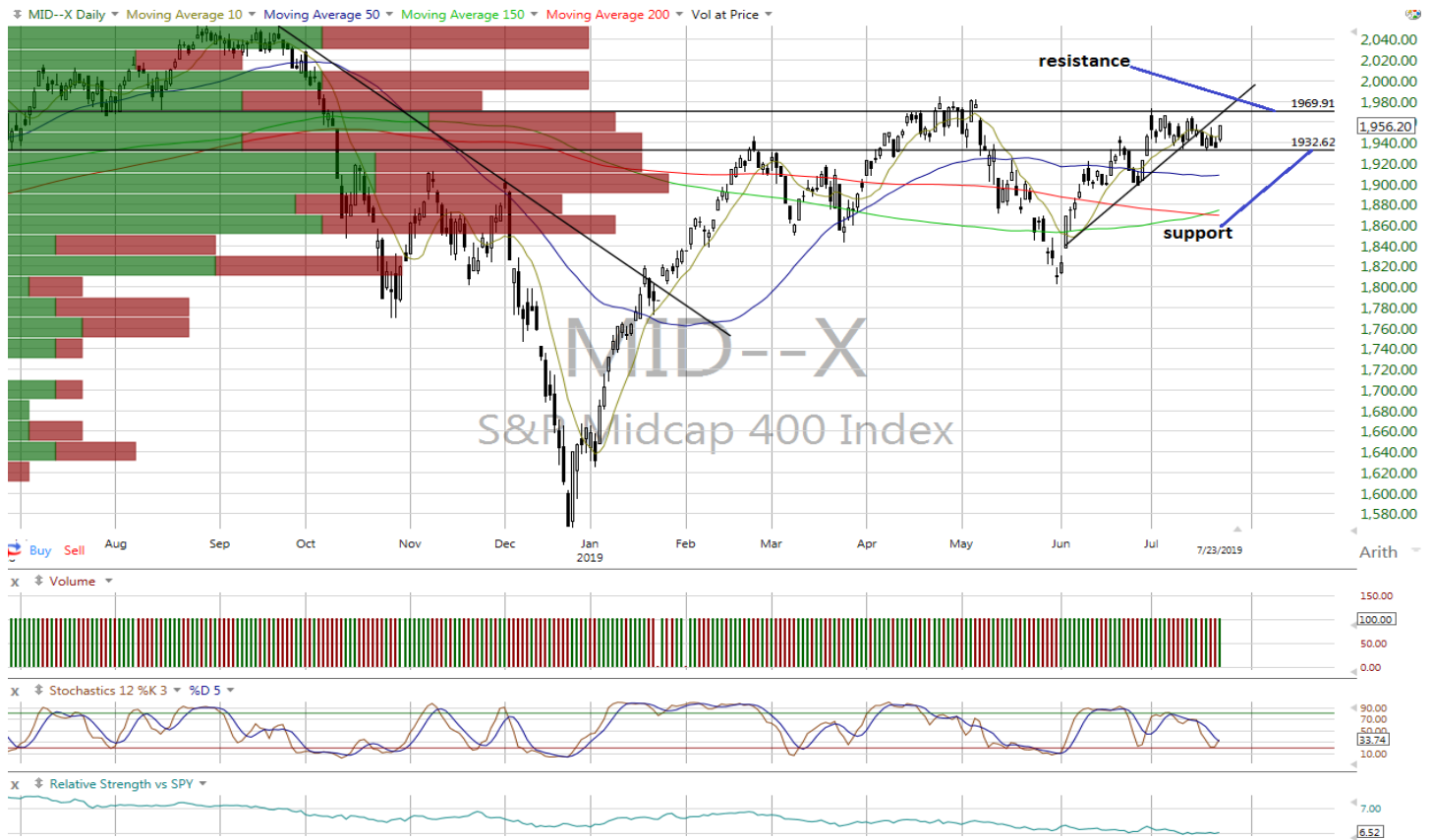
(Source: Worden)



(Source: Worden)



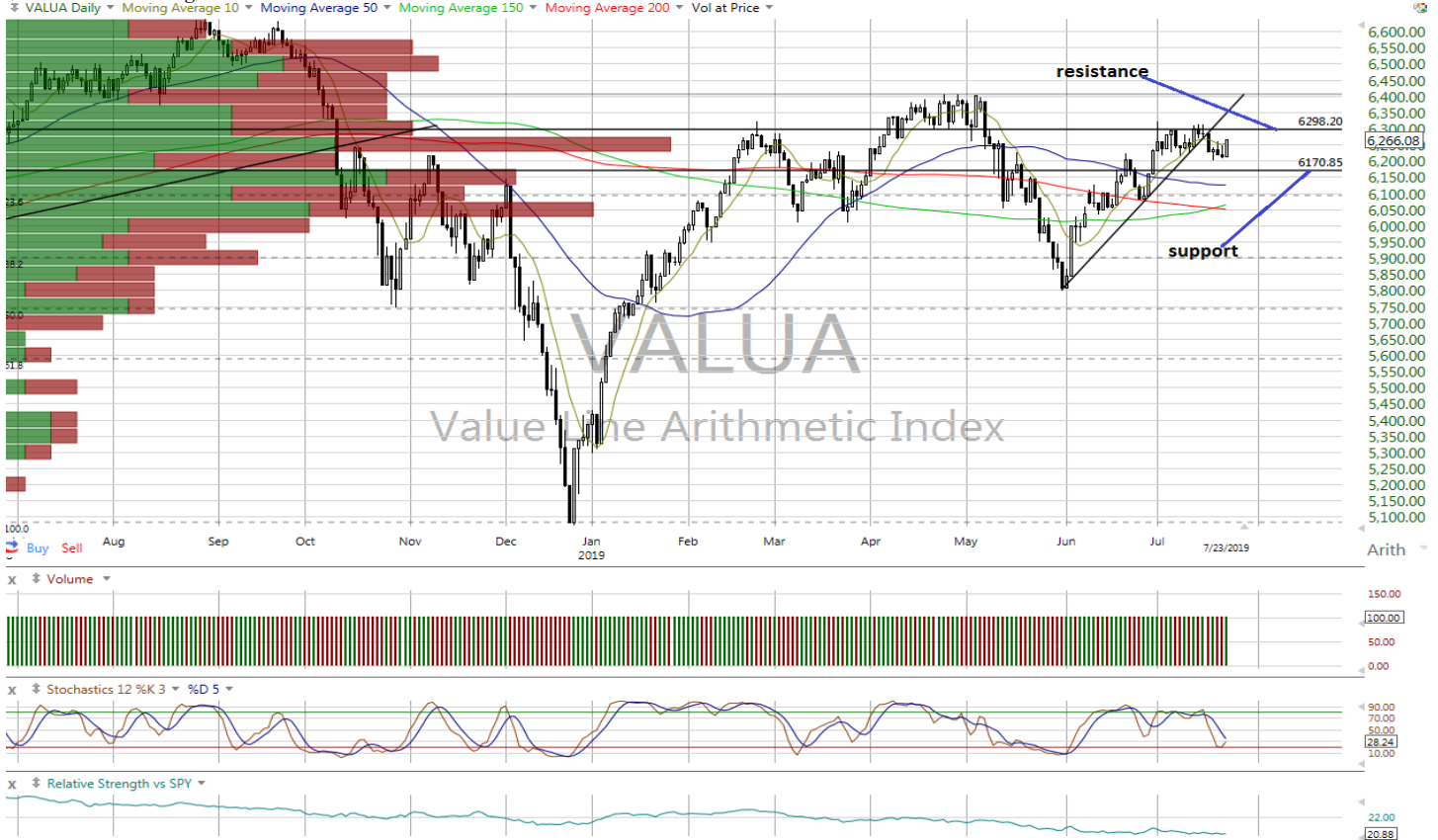
(Source: Worden)



(Source: Worden)

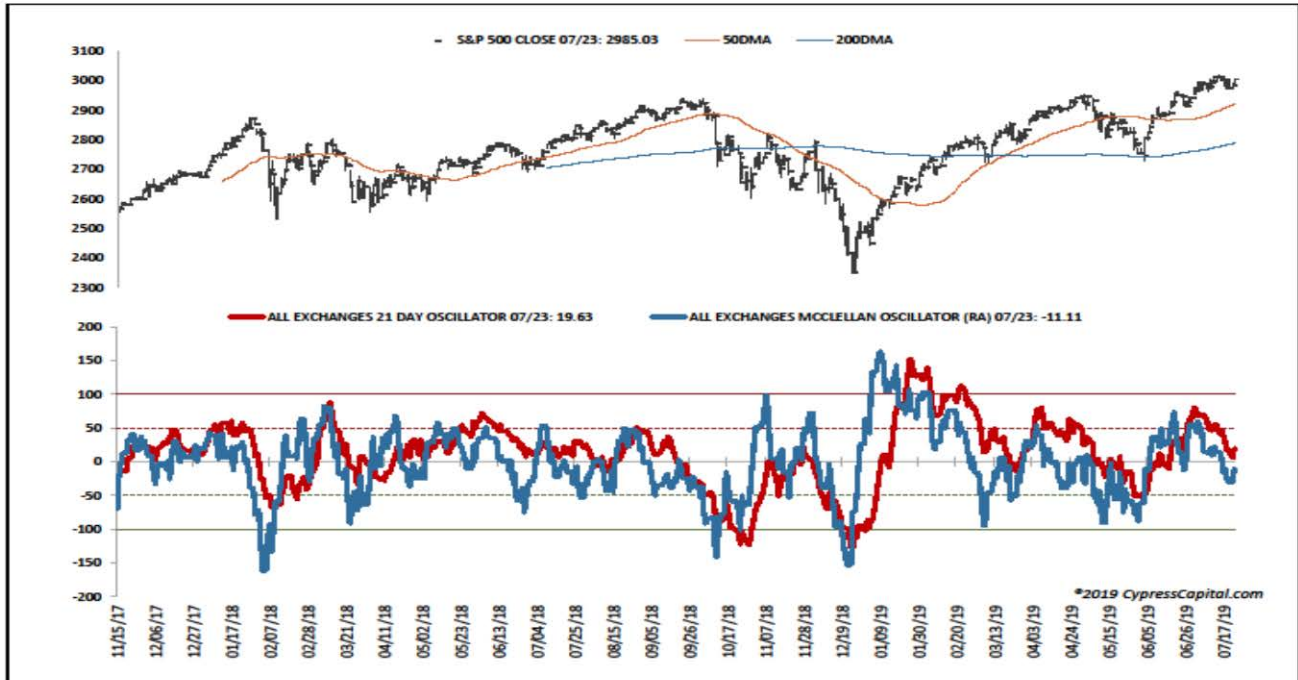


(Source: Bloomberg)

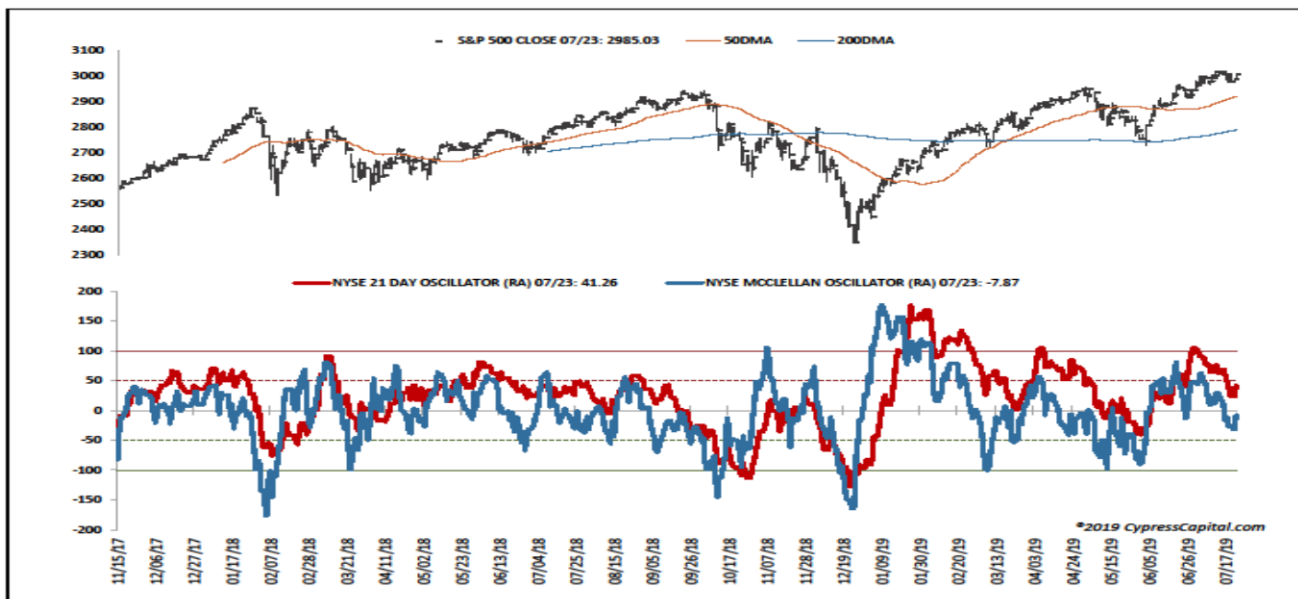


(Source: Worden)

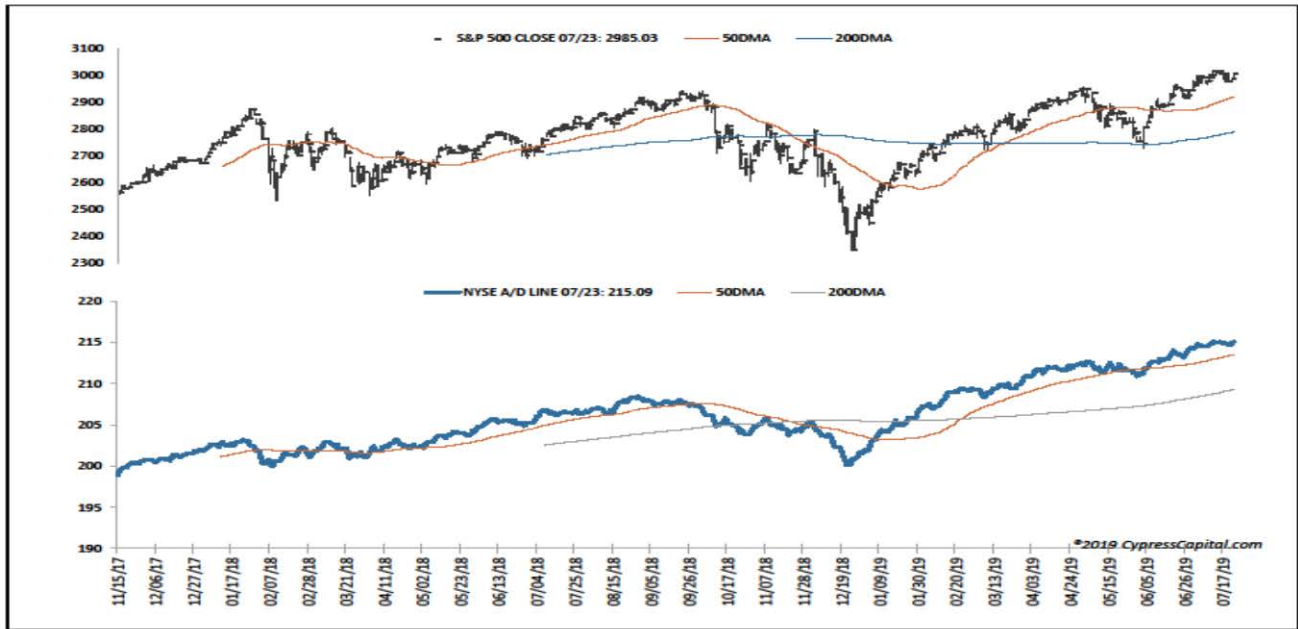
The All Exchange McClellan ratio adjusted 1 day OB/OS Oscillator is -11.11 (neutral) and 21 day +19.63 (neutral).



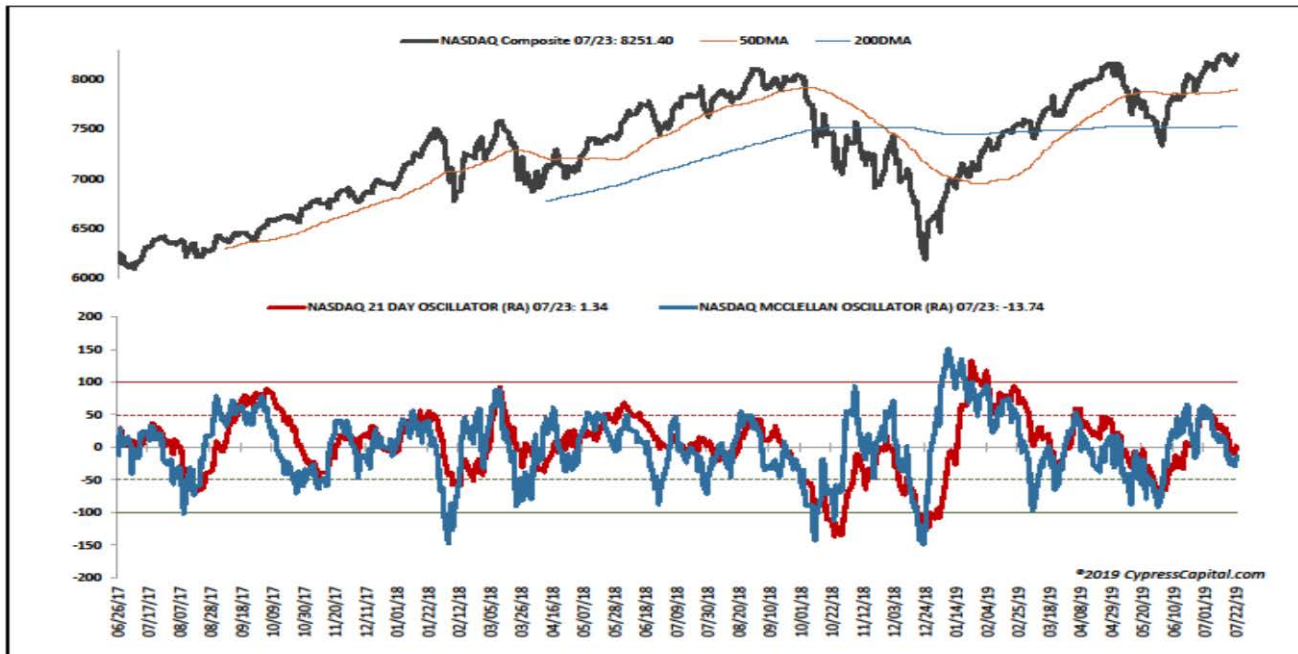
The NYSE ratio adjusted 1 day McClellan OB/OS is -7.87 (neutral) and +41.26 (neutral) on the 21 day.



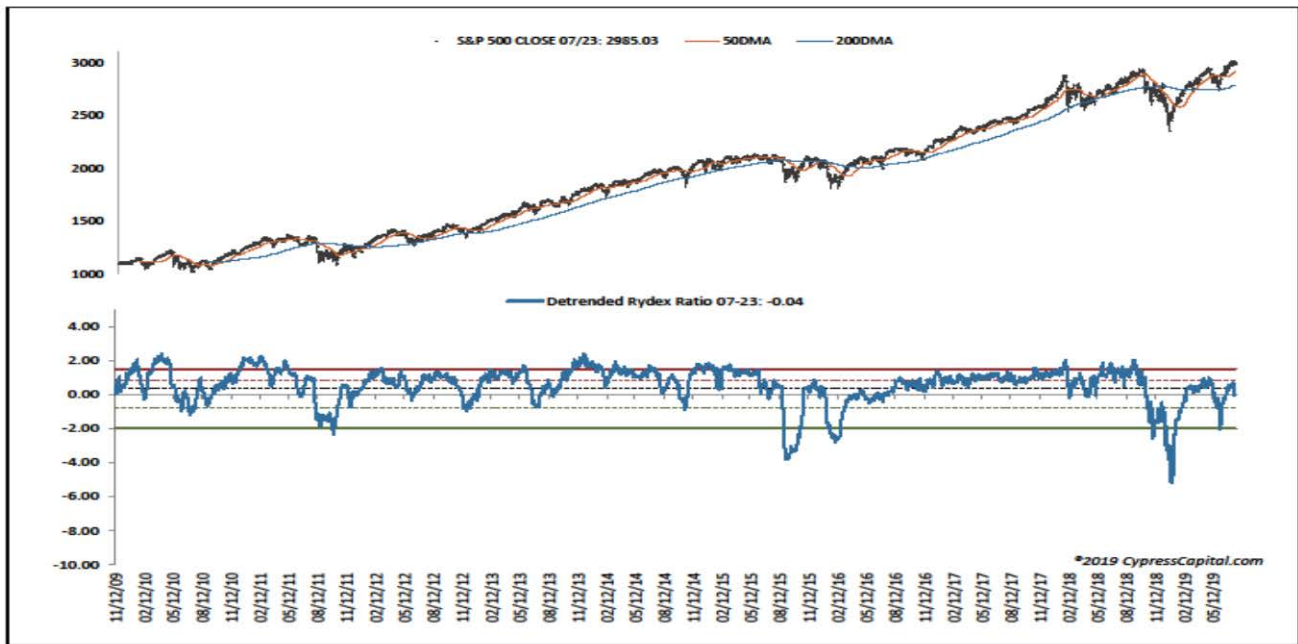
The NYSE Advance/Decline Line is short term positive and above its 50 DMA.



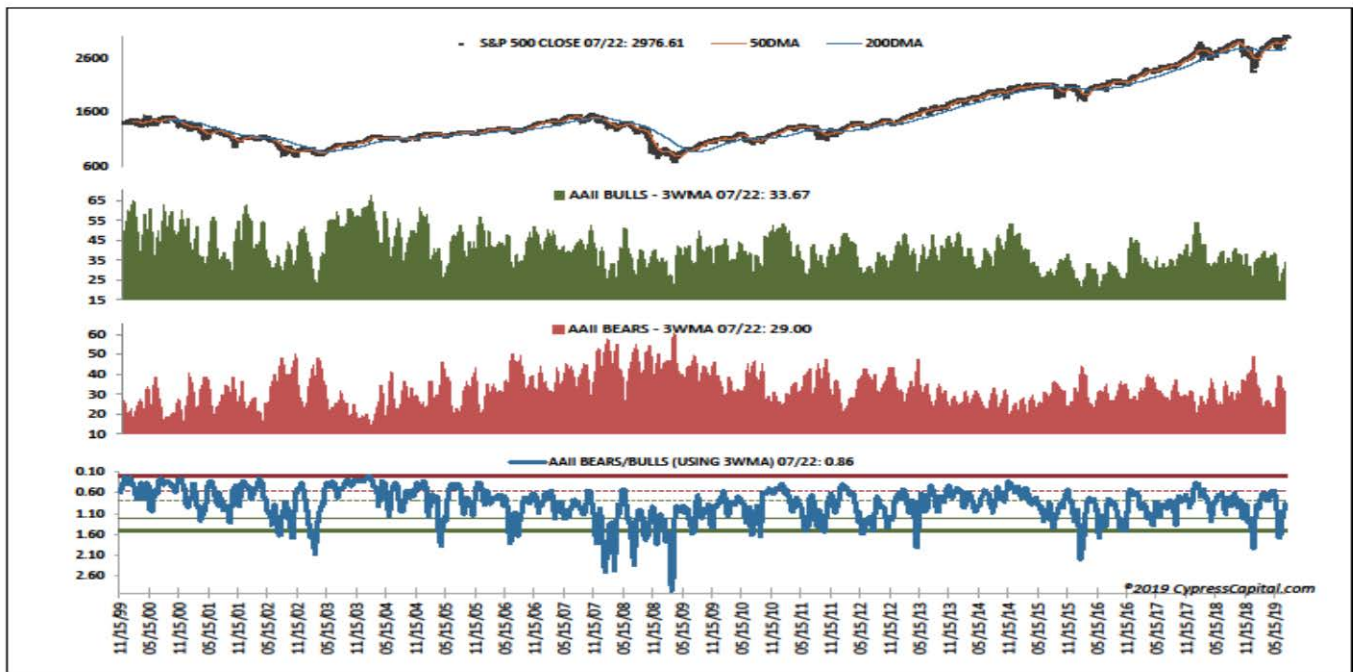
The NASDAQ ratio adjusted 1 day McClellan OB/OS is -13.74 (neutral) on the 1 day. The 21 day reading is +1.34 (neutral).



The detrended Rydex Ratio is -0.04 (neutral).

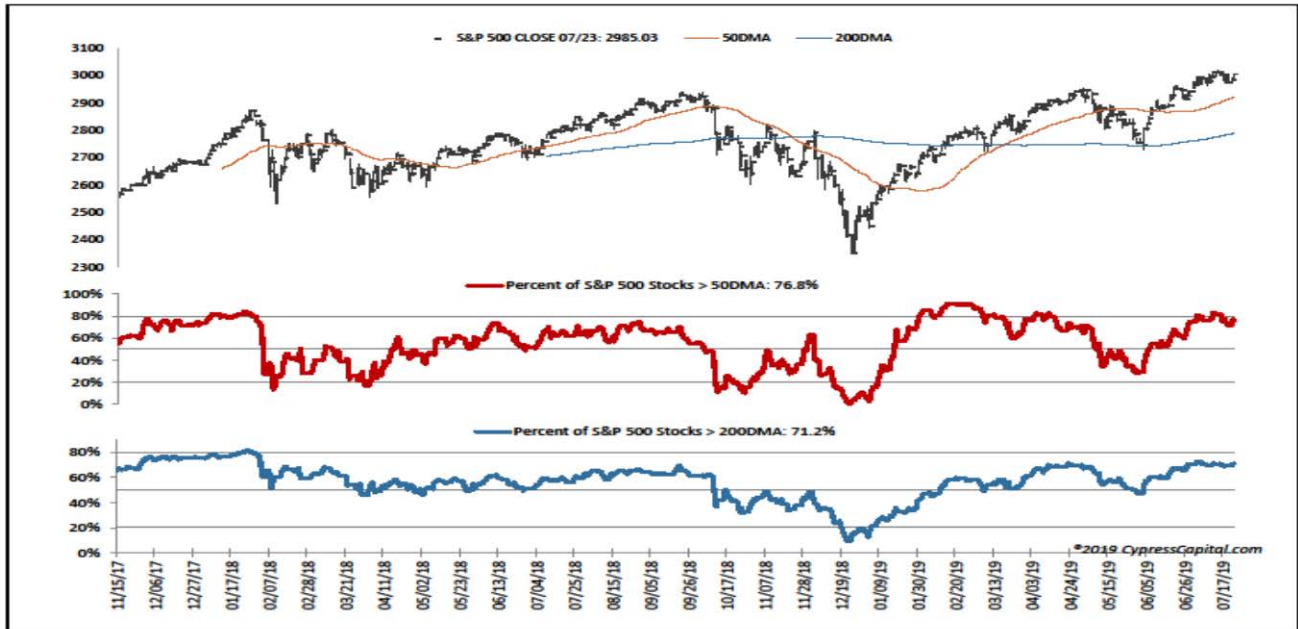


The AAI Poll weekly bear/bull reading 3 week average is 29.0/33.67 (neutral) as of 7/22.

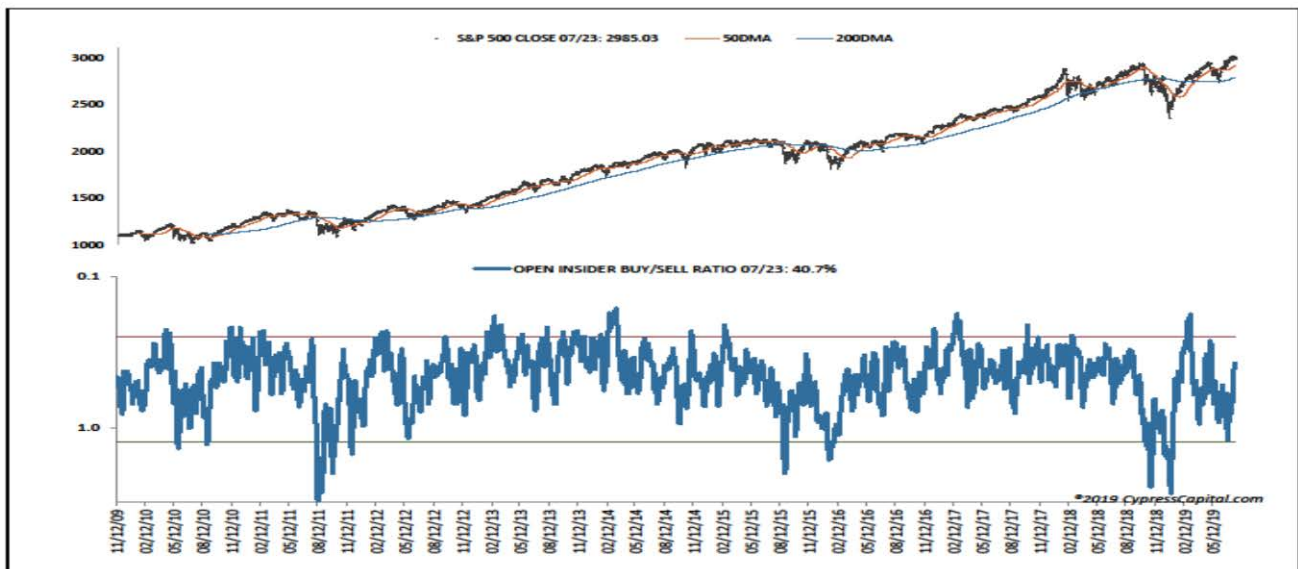


Total and Equity put/call ratios are 0.75 (neutral) and 0.61 (neutral) on the 1 day. The 15 DMAs are 0.91 (bullish) and .61 (neutral) respectively. OEX put/call ratio 1 day is 2.96 (very bearish) and 1.54 (bearish) on the 15 DMA.

The % of SPX stocks > their 50 DMAs is 76.8% (neutral).



The Open Insider Buy/Sell Ratio is 40.7% (neutral)



Data:

- All Exchange McClellan OB/OS Oscillator is -11.11 (neutral) and 21 day +19.63 (neutral).
- All Exchange A/D Line is short term neutral and above its 50 DMA.
- NYSE McClellan OB/OS ratio adjusted is -7.87 (neutral) 3 week average +41.26 (neutral).
- The NYSE A/D line closed above its 50 DMA and is short term positive.
- NASDAQ McClellan OB/OS ratio adjusted is -13.74 (neutral) 3 week average +1.34 (neutral).
- The NASDAQ A/D line is short term negative and above its 50 DMA.
- % of SPX stocks > 50 DMA is 76.8% (neutral).
- AAI bear/bull ratio is 29.0/33.67 (neutral) as of 7/22.
- Investors Intelligence Bear/Bull Ratio 16.8/58.00 (bearish) as of 7/22.
- The detrended Rydex Ratio is -0.04 (neutral).
- Open Insider Buy/Sell Ratio is 40.7 (neutral).
- Total and Equity put/call ratio 1 day readings are 0.75 (neutral) and .61 (neutral) respectively. The 15 day averages for the total and equity p/c are 0.91 (bullish) and .61 (neutral) respectively.
- OEX put/call one day is 2.96 (very bearish) the 15 DMA 1.54 (bearish).
- ISEE call/put Sentiment Index is 113 (neutral).
- The NDX, COMPQX, SPX, VALUA, MID, DJI, DJT and RTY closed above their 50 DMAs.
- The Hang Seng, Nikkei, FTSE and DAX closed above their 50 DMAs.
- The U.S. dollar as measured by the UUP ETF closed higher at 26.46 and above resistance. Support is 2616. Resistance is 26.61.

Commodities in up trends:

Baltic Dry Bulk Rate (closed above its 50 DMA)

Gold (closed above its 50 DMA)

CRB Spot Raw Industrials (closed above its 50 DMA)

Silver (closed above its 50 DMA)

Copper (closed above its 50 DMA)

Aluminum (closed above its 50 DMA)

Commodities in down trends:

Stainless Steel (closed below its 50 DMA)

Oil (closed below its 50 DMA)

Commodities trading sideways:

None

Market Internals:

The indexes closed higher Tuesday.

Internals were positive on the NYSE and NASDAQ.

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

NYSE: A/D:1961/975 U/D Volume:2.27B/929M Total Volume:3.24B

NASDAQ: A/D:1779/1319 U/D Volume:1.09B/720M Total Volume:1.82B

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