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A variety of newsletters and portfolios containing Suttmeier's detailed research, stock picks, and commentary can be found <http://www.valuengine.com/nl/mainnl>

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Feb 10, 2012 – Dow Transports & Russell 2000 are lagging versus their 2011 highs.

The Dow Transports are up just 5.8% YTD and lags its all time high set at 5627.85 on July 7th by 5.7%. The Russell 2000 is up 11.3% YTD, but lags its all time high set at 868.57 on May 2nd by 5.0%. This is a concern as Transports and small caps tend to lead. The S&P 500 is getting close (within 1.4%) to its May 2nd 52-week high at 1370.58. The S&P 500, Dow Transports and Russell 2000 still lag their quarterly / annual risky levels at 1363.2 SPX, 5448 Dow Transports and 836.15 Russell 2000. My quarterly value levels are 12,478 Dow Industrials, 1305.4 S&P 500 and 2777 NASDAQ. The yield on the 10-Year note moved above 2.00% on Thursday with the 200-day simple moving average at 2.352. This moving average is tested in almost every calendar year. Gold continues to be influenced by my quarterly pivots at \$1725.5 and \$1740.9. Gold is above its 50-day and 200-day simple moving averages at \$1668.0 and \$1653.7 and converging. If gold tops out and the 50-day falls below the 200-day it would be a “death cross”. The 50-day has been above the 200-day since February 2009. Crude oil continues to find my quarterly pivot at \$99.87 as a magnet. The euro vs the dollar remains above its 50-day SMA at 1.3043.

10-Year Note – (2.040) My annual value is 2.502 with daily, annual, weekly, quarterly and monthly risky levels are 1.997, 1.903, 1.797, 1.687 and 1.347.



Courtesy of Thomson / Reuters

Comex Gold – (\$1731.9) Semiannual, annual and weekly value levels are \$1659.5, \$1635.8, \$1575.8, \$1593.9 with quarterly and daily pivots at \$1725.5, \$1740.9 and \$1748.4, and monthly risky level at \$1816.4.



Courtesy of Thomson / Reuters

Nymex Crude Oil – (\$99.74) Monthly and semiannual value levels are \$85.62 and \$79.83 with weekly, daily and quarterly pivots at \$97.44, \$97.66 and \$99.87, and semiannual and annual risky levels at \$104.84, and \$103.58 and \$117.00.



Courtesy of Thomson / Reuters

The Euro – (1.3281) Semiannual, monthly, weekly and quarterly value levels are 1.2980, 1.2945, 1.2599 and 1.2499 with a daily pivot at 1.3254, and annual and semiannual risky levels at 1.4239 and 1.4405.



Courtesy of Thomson / Reuters

Daily Dow: (12,890) Quarterly, annual, monthly and semiannual value levels are 12,478, 12,312, 11,557, 8,425 and 8,336 with weekly and quarterly pivots at 12,764 and 12,796, and daily and annual risky levels at 12,970 and 14,032.



Courtesy of Thomson / Reuters

S&P 500 – (1352.0) Monthly and semiannual value levels are 1176.1, 841.7 and 829.9 with quarterly and weekly pivots at 1305.4 and 1329.5, and daily and annual risky levels at 1365.2, 1363.2 and 1562.9. The May 2, 2011 high is 1370.58.

NASDAQ – (2927) Weekly, Quarterly, annual, monthly and semiannual value levels are 2815, 2777, 2698, 2512, 2012 and 1952 with my quarterly pivot at 2849, and daily and annual risky level at 2967 and 3232.

NASDAQ 100 (NDX) – (2564) Quarterly, weekly, annual, monthly and semiannual value levels are 2422, 2412, 2300, 2280, 1851 and 1743 with my quarterly pivot at 2471, and daily and annual risky levels at 2582 and 2603.

Dow Transports – (5299) Monthly and semiannual value levels are 4522, 4407 and 3778 with daily and weekly pivots at 5320 and 5396, and quarterly, and annual risky levels at 5448, 5861 and 6111. The all time high was set at 5627.85 on July 11, 2011.

Russell 2000 – (828.39) Weekly, monthly and semiannual value levels are 803.62, 662.90, 572.90 and 510.81 with quarterly pivots at 824.46 and 829.03, and daily and annual risky levels at 849.27, 836.15 and 969.09. The all time high was set at 868.57 on May 2, 2011.

The SOX – (428.99) Weekly, quarterly, monthly, annual and semiannual value levels are 408.39, 390.17, 323.52, 269.80, 277.90 and 194.47 with a quarterly pivot at 423.32, and daily and annual risky levels at 437.03 and 520.61. The 2011 high is 474.33 set on February 18, 2011.

ValuEngine Valuation Model – Sectors have shifted to Overvalued from Undervalued.

- 53.7% of all stocks are undervalued / 46.3% of all stocks are overvalued. On October 4th - 93.5% of all stocks were undervalued.
- Fifteen of sixteen sectors are overvalued; nine are overvalued by double-digit percentages. (11.5% OV to 19.6% OV) Back in March 2009 the sectors were undervalued by 33% to 45%. – Check out and subscribe to www.ValuEngine.com.

VE Morning Briefing – If you want expanded analysis of the US Capital Markets including a Fearless Prediction of the Week and a Stock of the Day go to this link and sign up:

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ValuEngine FDIC Evaluation Report – In this report I slice and dice the FDIC Quarterly Banking Profile. We publish a ValuEngine List of Problem Banks in this publication:

<http://www.valuengine.com/nl/mainnl?nl=C> **The December FDIC report with complete analysis of the Q3 Quarterly Banking Profile is now available.** I track the continuing slow improvement to the housing market and banking system, but recognize that we are not out of the war.

ValuEngine Capital Management - Over the years many of my readers have asked for investment

help based upon ValuEngine and my technical analysis expertise. This is now possible through VE Capital Management LLC. If you are a Registered Investment Advisor looking for new products to offer to your clients, let me know. If you have any questions, please respond to this email.

Definition of MOJO – This is my term for technical momentum. I use what's called "12x3x3 slow stochastic readings" from daily, weekly and monthly charts. The scale is zero to 10.0 where above 8.0 is overbought and below 2.0 is oversold.

Buy and Trade Strategies for Long Positions

- **Value Level** – *The price at which you establish an additional long position on share price weakness.* This is done on a GTC Limit Order to buy weakness to the Value Level.
- **Risky Level** – *The price at which you remove a single long position or reduce a multiple long position on share price strength.* This is done on a GTC Limit Order to sell strength to the Risky Level.

Buy and Trade Strategies for Short Positions

- **Value Level** – *The price at which you remove a single short position or reduce a multiple short position on share price weakness.* This is done on a GTC Limit Order to buy weakness to the Value Level.
- **Risky Level** – *The price at which you establish an addition short position on share price strength.* This is done on a GTC Limit Order to sell strength to the Risky Level.

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"I Hold No Positions in the Stocks I Cover."