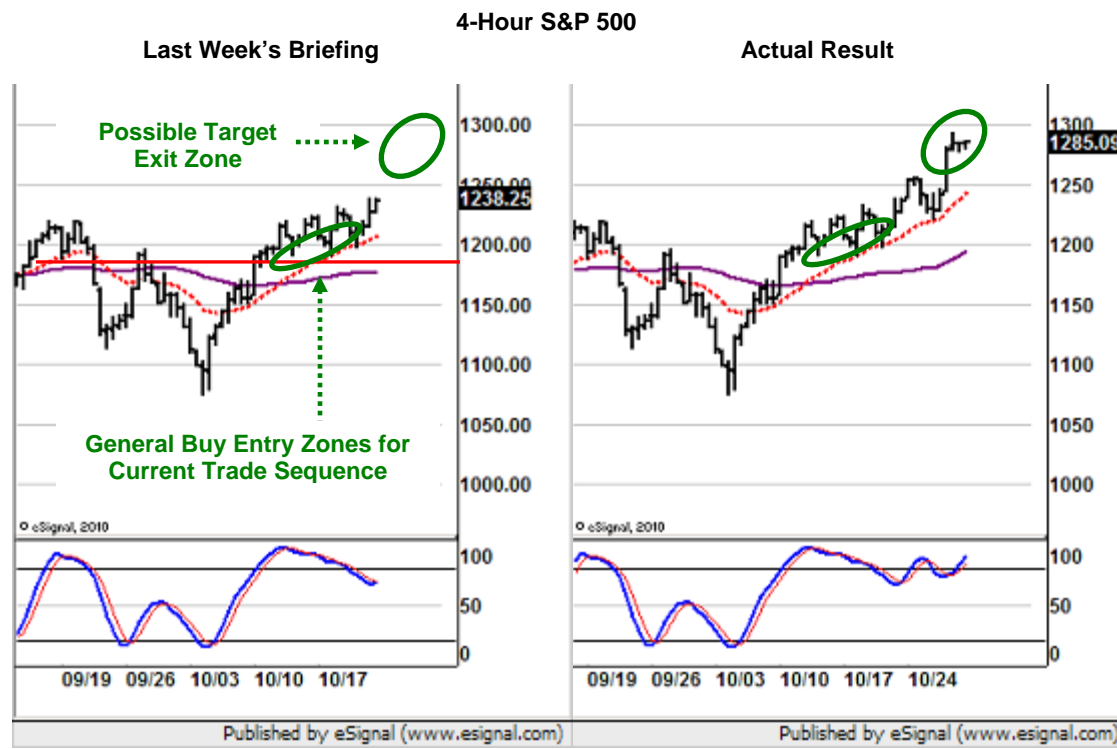


Last Week's Narrative  
(The SUNDAY Morning Quarterback)



Summary: **U.S. Equities: Daily & 4-Hour Up-Channels With S&P Support in the 1200 Area**

**Technical Perspective:**

Like strong salmon swimming upstream, the major equity markets continued to show signs of strength during the past week. For the week, the S&P gained **+1.1%**, the Dow **+1.4%**, while the Nasdaq slid slightly by **-1.0%**.

From a technical perspective and as noted in the above charts, the S&P has appeared to work through the "transition zone" mentioned in recent Briefings, and has essentially held its recently established daily and 4-hour up channels.

Current S&P support is in the 1200 area, with potential upside toward 1300 should the current upward path of least resistance continue.

**Portfolio Impact:**

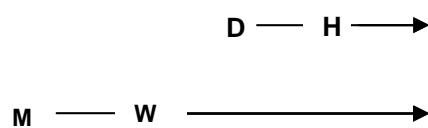
In last week's Briefing, we mentioned, "Should current market strength conditions solidify further, we will strongly consider positioning for longer-term cycle equity trades in the near future for clients of all risk profiles." As the week progressed and the market provided additional evidence that the daily and 4-hour up-channels were holding, we indeed re-established equity positions - adding to them toward the end of the week - for clients of all risk profiles, including those with "Moderate" profiles who have largely remained in cash throughout the summer and early-fall bear market.

As the week ended, the current sequence was profitable for all clients, with an initial possible target exit zone of 1260-1300 as noted in the top right chart. If reached, the trade sequence would result in a **+3.0%** to **+7.0%** gain from recent entries, with about a **-1.5%** risk should the current channels fail to hold. From our perspective, such risk vs. reward ratios are ideal in terms of effectively managing client portfolios.

As always, we'll continue to reassess conditions, positions, and targets as the markets unfold.

Don Miller, Chief Investment Officer, PivotPoint Advisors LLC

S&P 500  
Monthly Weekly Daily Hourly



Market Cycle Characteristics	
Early Bull	Weakening Bear or Pre-Confirmation Emerging Bull
Early-Mid Bull	Post-Bear w/ Preliminary Strengthening Turn Signals
Mid Bull	Confirmed Bull
Extended Bull	Initial Waves Complete; Upside bias remains in tact but possible consolidation
Late Bull	Excessive Mkt Extension w/ Weakening Signals; Excessive Equity Risk
Out of Cycle	Transition
Early Bear	Weakening Bull or Pre-Confirmation Emerging Bear
Early-Mid Bear	Post-Bull w/ Preliminary Weakening Turn Signals
Mid-Bear	Confirmed Bear
Extended Bear	Initial Waves Complete; Downside bias remains in tact but possible consolidation
Late Bear	Excessive Mkt Extension w/ Strengthening Signals