

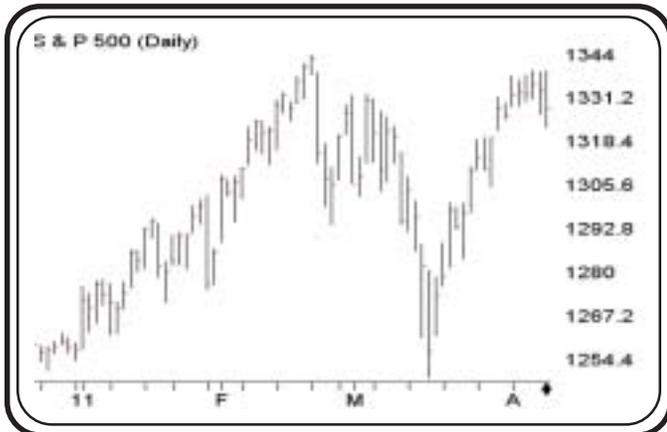
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Vomund Investment Services

MARKET CHARTS

APRIL 9, 2011

Large Company Stocks



Support **1249**
Resistance **1345**
AIQ Unconfirmed Signals: **95% sells**
VIS Alert Signal: **Bullish on March 17**

Nasdaq Growth Stocks



Support **2600**
Resistance **2840**
Rel. Strength Favors: **SPX over Nasdaq**

MARKET OPINION

BEARISH BULLISH

In our last issue we predicted a down week. It was. This coming week should be down as well. In fact if our goal was short-term market timing then we'd turn bearish. Instead, we are attempting to capture the bigger swings so we'll remain bullish while expecting a brief pullback.

The market remains overbought. Of the stocks giving unconfirmed AIQ signals, 95% are on the sell side. That alone implies a pullback. Also the Nasdaq Composite's weekly relative strength indicator (RSMD SPX) continues to move lower.

That said, longer term it continues to look like a bull market. That's because market breadth has not fired any warning signals. An Advance/Decline Line calculated on the S&P 1500 stocks confirmed the market's new high on February 18 and it was at a new high just two trading days ago. That means that the broader market stocks are stronger than what the S&P 500 is revealing.

Overall, we expect a pullback from overbought levels so I do not recommend buying securities that are highly correlated to the market. Instead, it is a good time to create a shopping list to take advantage of a pullback.

The international markets have been lagging our own, but that seems to be changing. Thanks in part to a plunging dollar, many international markets hit new 2011 highs in Friday. From a charting perspective, iShares Italy (EWI) has the most attractive pattern. Although in an uptrend, Italy just completed a head-and-shoulders bottom pattern.

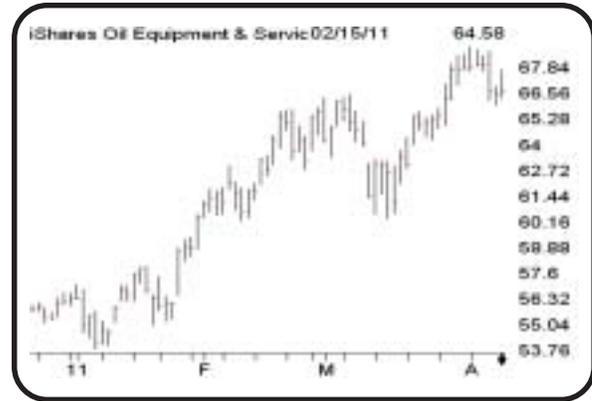
Here are some securities of note: Drug stocks are starting to show strength. We've been recommending Pfizer (PFE) but now Merck (MRK) is showing signs of life. The yield on these stocks is as high as many utility stocks. The U.S. Dollar (UUP) made another stair-step lower on Friday.

--David Vomund

INDUSTRY GROUP & INT'L ANALYSIS

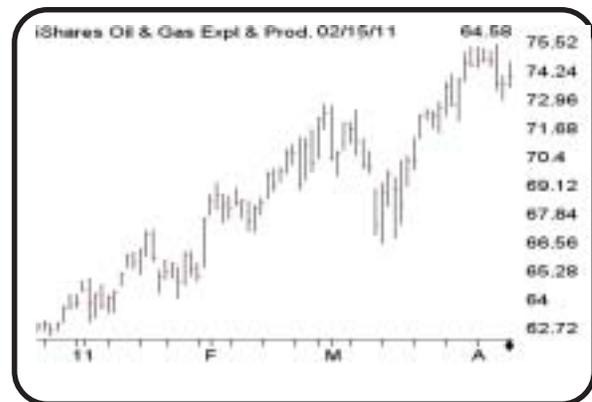
The following exchange-traded funds are selected based on a six month relative strength calculation and a 240-day price calculation. These are the two screening criteria used in the book, *ETF Trading Strategies Revealed*. For information, visit www.ETFtradingstrategies.com. That web site also details the ETF rankings every week (the rankings slightly vary from this reporting as the web uses an EDS model and here we are using AIQ Reports).

Based on a six month relative strength report, the top five iShares sector and int'l region ETFs are Oil Equip. & Svs (IEZ), Oil & Gas-Expl and Prod (IEO), Energy (IYE), Natural Resources (IGE), and Basic Materials (IYM). IEZ and IYE are held.



(This corresponds to the Chapter 6 in the Strategy page of www.ETFtradingstrategies.com).

Based on a one-year price change report, the best two performing iShares sector & int'l region ETFs are Oil Equipment & Svs. (IEZ) and Oil & Gas Exploration & Production (IEO). IEZ and IEO are held.



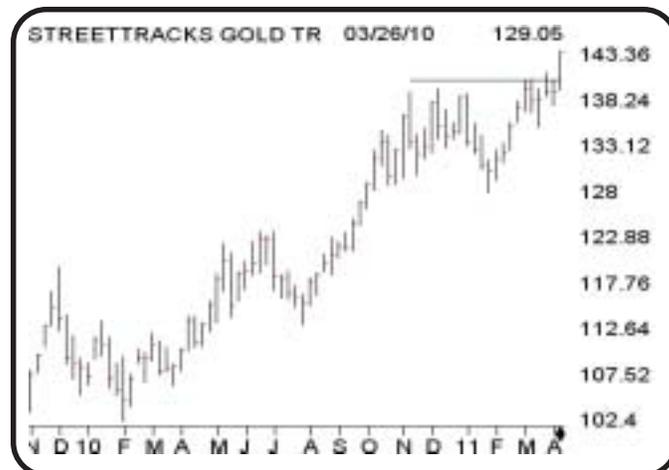
(This corresponds to the Chapter 8 in the Strategy page of www.ETFtradingstrategies.com).

Based on a six month relative strength report, the top five iShares country ETFs are Russia (RSX), South Korea (EWY), Poland (EPOL), Thailand (THD), and Sweden (EWD).



BULLISH SPOTLIGHT

This week's selection is StreetTracks Gold (GLD). The \$141 level acted as resistance for five months, but this level was broken last week keeping its pattern of higher highs intact. This is a good selection to diversify an equity portfolio (it is a similar selection to our PowerShares Commodity (DBC) selection).



BEARISH SPOTLIGHT

Last week's Corning Inc. (GLW) selection continued its pattern of closing near its daily low each day last week and then fell hard on Friday. For the week it dropped 5%. Anyone who is short should lock in profits on the first day that it closes in the upper half of its daily range.



VIS ALERT MODEL PORTFOLIO

The following portfolio trades Exchange Traded Funds (ETFs). The portfolio will always be fully invested so the portfolio returns assume a fully invested portfolio. For those who prefer to incorporate market timing, we indicate how much cash should be held. If you prefer to trade mutual funds instead of ETFs, the ProFunds family has funds that match our portfolio holdings. For information on ProFunds, visit www.profunds.com.

<u>Weighting</u>	<u>Security</u>	<u>Buy Date</u>	<u>Return</u>
50%	Mid-Cap SPDR (MDY)	02/22/11	1.37%
50%	Mid-Cap Growth (IJK)	09/07/10	32.14%

Those who want to reduce volatility by incorporating market timing should be 100% invested.

Year to date return: 2011: 6.56% 2003 through 2010: 70.96%

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