quantitativepartners

www.quantpartners.com

Morning Notes July 10, 2009

Sign up for FREE weekly videos – www.goodmorningwallst.com

Latest Video: "**Crude Reality for Stocks**"
http://www.goodmorningwallst.com/gmws070809.asp

BFG

- The Major Indexes see their BFG scores around -13 from -15 a bit of recovery from Wednesday's close.
- Sell on **IEF**
- Buy on **UNG, USO and DBC** active.
- BFG scores on TTH below -20.

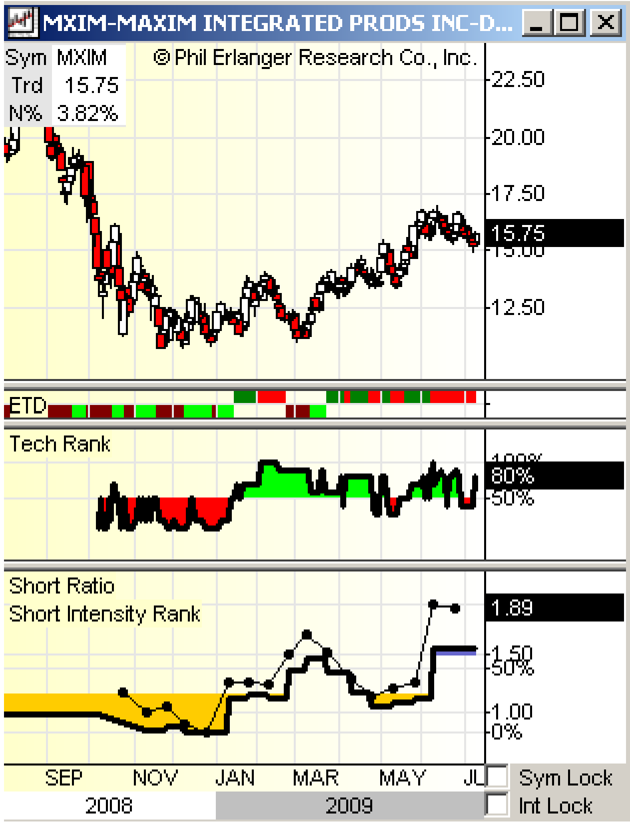
Symbol	Name	Close	Change	Net%	Trend	BFG Score	BFG Signal	Note	BFG Buy Point	BFG Neutral Line	BFG Sell Point
TTH	TELECOM HOLDRS	21.66	-0.08	-0.37%	41.5	-22.47			21.78	22.74	23.70

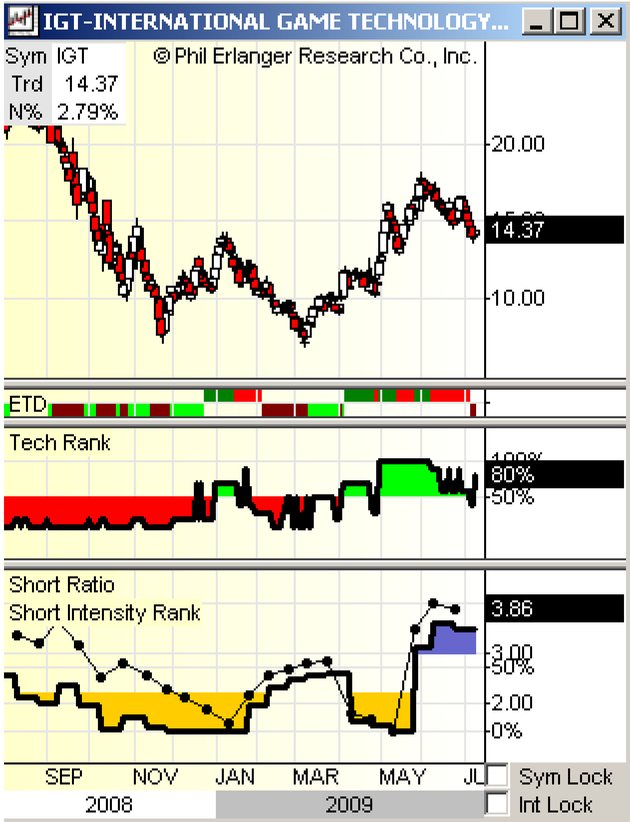
BFG Index and ETF Open Long/Short Ideas										
Symbol	Index or ETF Name	Signal	BFG Rank	Entry Price	7/9/2009	P/L	% Change	Date Signal Open	Status	Duration (trading days)
MAJOR INDEX Longs										
	none									
MAJOR INDEX Shorts										
	none									
INDEX and ETF Longs										
UNG	United States Natural Gas	Buy	(13.8)	12.50	12.49	(0.01)	(0.08%)	07/06/09	Open	3
USO	United States Oil	Buy	(19.3)	32.87	32.77	(0.10)	(0.30%)	07/08/09	Open	1
DBC	PowerShares DB Commodity In	Buy	(16.9)	20.85	20.90	0.05	0.24%	07/08/09	Open	1
INDEX and ETF Shorts										
IEF	iShares Barclays 7-10 Year Tre:	Sell	14.2	91.60	91.59	0.01	0.01%	07/08/09	Open	1

Index or Sector Grouping	Symbol	Name	Close	Change	Net%	Trend	BFG Score	BFG Signal	Note	BFG Buy Point	BFG Neutral Line	BFG Sell Point
	$INDU	DOW JONES INDUSTRIALS - 30 STOCK	8183.17	4.76	0.06%	57.4	-13.45			8058.96	8438.16	8817.37
	$COMPQ	NASDAQ COMPOSITE INDEX	1752.55	5.38	0.31%	43.1	-13.66			1727.70	1806.14	1884.59
	$VIX	VOLATILITY INDEX - NEW CALC (SPX)	29.78	-1.52	-4.86%	48.8	3.57			24.36	28.96	33.56
	UUP	POWERSHS DB US DOLLAR INDEX	23.82	-0.20	-0.83%	62.7	-8.93			23.64	23.97	24.29
	UDN	POWERSHS DB US DOLLAR INDEX	26.89	0.28	1.05%	65.8	11.21			26.37	26.70	27.04
Market Index Sectors												
	$SPX	S&P 500 INDEX	882.68	3.12	0.35%	43.9	-13.66			869.69	910.68	951.67
	$XMI	AMEX MAJOR MARKET INDEX	913.94	1.50	0.16%	51.3	-11.48			896.76	937.09	977.42
	$COMPQ	NASDAQ COMPOSITE INDEX	1752.55	5.38	0.31%	43.1	-13.66			1727.70	1806.14	1884.59
	$OEX	S&P 100 INDEX	414.15	0.63	0.15%	45.1	-13.87			409.02	425.75	442.48
	$NDX	NASDAQ 100 INDEX	1414.98	3.45	0.24%	45.6	-13.32			1395.34	1454.16	1512.98
	$VIX	VOLATILITY INDEX - NEW CALC (SPX)	29.78	-1.52	-4.86%	48.8	3.57			24.36	28.96	33.56
	$VXN	NASDAQ VOLATILITY INDEX - CBOE	30.00	-1.07	-3.44%	47.4	2.84			25.22	29.41	33.59
	$RUI	RUSSELL 1000 INDEX	481.73	1.94	0.40%	43.2	-13.49			474.28	497.16	520.04
	$RUT	RUSSELL 2000 INDEX	479.27	-0.41	-0.09%	42.1	-16.33			473.84	503.42	533.00
	$RUA	RUSSELL 3000 INDEX	513.05	1.87	0.37%	42.7	-13.78			505.31	530.20	555.08

Erlanger www.erlangerchartroom.com

- Short Interest after the close FRIDAY 4pm….**no call Friday morning**.
- New Type 1s of note **SAM MXIM IGT**





- New Type 4s of note in the REIT space include **SLG AMB**.

- EBB is negative for a third time since late may but not by much at - 3.22 from -2.48.

ORATS www.orats.com

- Volatile earnings plays over the next trading sessions.

Welcome to the ORATS Earnings Move Report!

The goal of this report is to analyze movement in stocks around earnings.
Earnings Effect is calculated from past moves during earnings compared to normal moves in a stock.
Earnings effect caps are periodically tested actual and adjusted to match current conditions.
Implied is highlighted one standard deviation over-RED (below-GREEN) the ORATS projected volatility.
ORATS divided by Implied above 100% show under(over) valued second month implied volatity.

Send us an AIM instant message   See all ORATS products

Earnings date sources: Wall Street Horizon; WhisperNumber

Disclaimer.   Patents pending,© 2001 www.ORATS.com

Sort current column - Descending

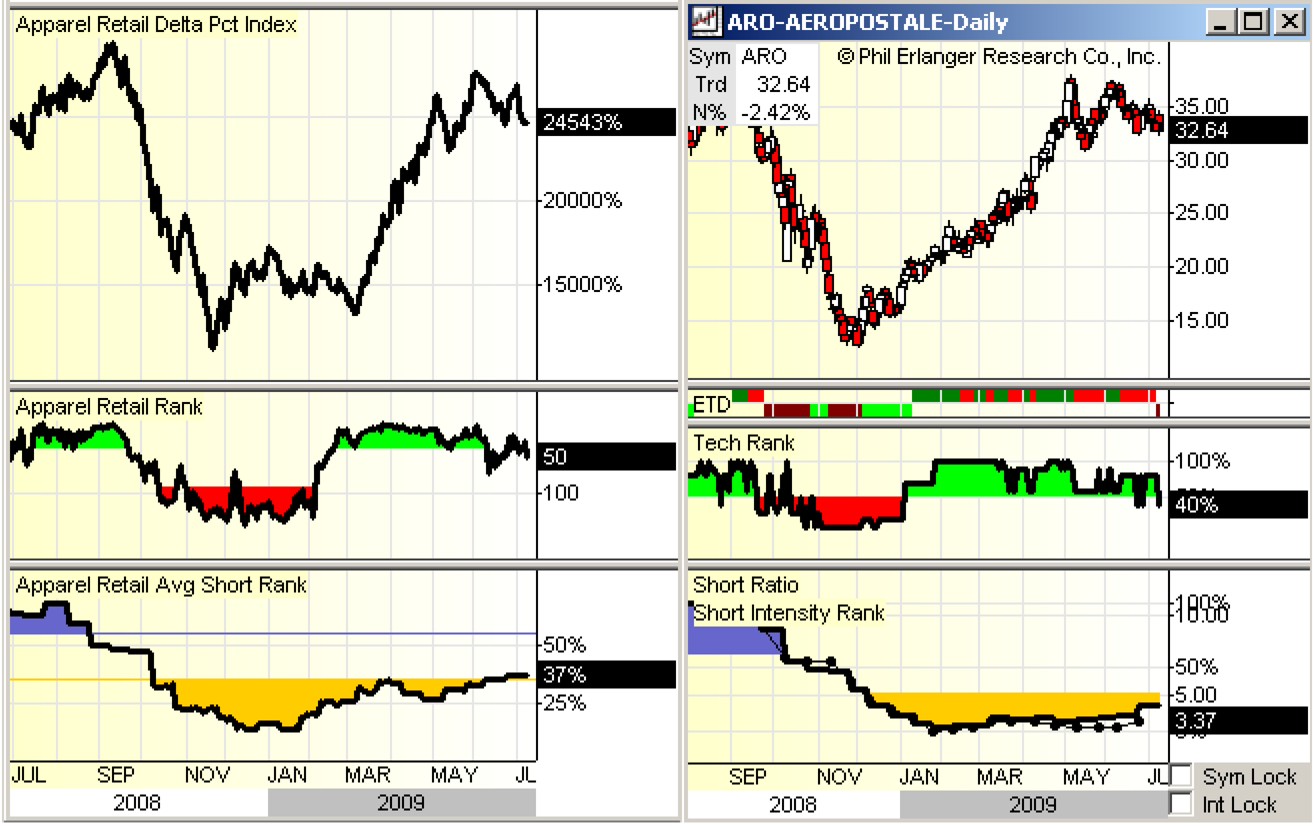
Sort current column - Ascending

Date	Reporting#	AvgEffect
7/10	4	174%
7/13	11	144%
7/14	13	146%
7/15	24	179%
7/16	36	170%
7/17	33	176%
7/20	31	180%

Symbol	Name	AvgOpt Volume	Earnings Date	Earnings Time	Price	Normal Move	ORATS Move	Earn Effect	ORATS Month1	ORATS Month2	Implied Month1	Implied Month2	ORATS /Implied
		15561			$26.94	$0.78	$1.29	169%	70.8%	61.9%	69.2%	56.8%	112%
ATR	APTARGROUP IN	17	7/16/2009	After	$ 32.41	$ 0.92	$ 2.53	275%	71.2%	49.6%	37.5%	39.3%	126%
BMI	BADGER METER	221	7/17/2009	Before	$ 38.77	$ 1.53	$ 4.21	275%	99.2%	71.2%	97.6%	67.3%	106%
CRNT	CERAGON NETWO	30	7/20/2009	Before	$ 6.62	$ 0.28	$ 0.77	275%	67.6%	74.5%	77.5%	56.0%	133%
HCSG	HEALTHCARE SE	38	7/15/2009	Unknown	$ 17.63	$ 0.50	$ 1.37	275%	80.1%	54.7%	50.3%	42.1%	130%
LPHI	LIFE PARTNERS	102	7/10/2009	Unknown	$ 14.44	$ 0.52	$ 1.44	275%	91.2%	67.2%	231.9%	75.6%	89%
MAT	MATTEL INC	2402	7/17/2009	Before	$ 15.39	$ 0.36	$ 1.00	275%	59.0%	42.4%	61.1%	41.9%	101%
QXM	QIAO XING MOB	7	7/20/2009	Unknown	$ 3.13	$ 0.18	$ 0.49	275%	90.9%	100.2%	161.3%	90.3%	111%
SOAP	SOAPSTONE NET	48	7/17/2009	Unknown	$ 4.17	$ 0.13	$ 0.35	275%	77.5%	58.5%	102.2%	60.1%	97%
SXT	SENSIENT TECH	21	7/17/2009	Unknown	$ 22.20	$ 0.38	$ 1.03	275%	42.4%	32.0%	38.9%	36.1%	89%
SY	SYBASE INC	221	7/20/2009	After	$ 30.27	$ 0.64	$ 1.77	275%	39.7%	43.8%	31.3%	33.9%	129%
VIVO	MERIDIAN BIOS	161	7/16/2009	Before	$ 21.46	$ 0.49	$ 1.34	275%	57.0%	41.7%	60.3%	43.4%	96%
VLTR	VOLTERRA SEMI	6	7/20/2009	After	$ 14.52	$ 0.56	$ 1.53	275%	61.4%	66.3%	48.0%	50.6%	131%
ORB	ORBITAL SCIEN	93	7/17/2009	Unknown	$ 14.19	$ 0.36	$ 0.99	275%	63.4%	46.1%	59.8%	48.0%	96%

Jefferson Research www.jeffersonresearch.com

- **Aeropostale (ARO)** is on the Jefferson Deteriorating Current Alert Scan and has a high Choppiness number and is beginning to roll over. Good entry on the short side here.



IPO Financial www.ipofn.com

7/9/2009 1:33:06 PM Eastern - On Deck For Tomorrow

>>> Access this report at http://ipofinancial.com/reports <<<

Empresas ICA

Total Lead Managers 2 | Preferred 2ndry Pricing Target 6.00

Merrill Lynch	Santander Investment	Citi				

32,608,696	Range 2nd - 6.93	Current Price vs. Filing	Pts -0.53	Exc (•) N ( ) A ( ) O	Rank Date 7/2/09
2ndry	Hot Listed Since		Pct -7.6%	Sym ICA	Curr Rank S-Flat:Shot

Kennametal

Total Lead Managers 2 | Preferred 2ndry Pricing Target 15.25

J. P. Morgan	Merrill Lynch					

6,500,000	Range 2nd - 17.60	Current Price vs. Filing	Pts	Exc (•) N ( ) A ( ) O	Rank Date 7/8/09
2ndry	Hot Listed Since		Pct	Sym KMT	Curr Rank S-Flat:Shot

VanceInfo Technologies Inc.

Total Lead Managers 2 | Preferred 2ndry Pricing Target 11.50

Citi	J. P. Morgan	Cowen & Co.	Oppenheimer	Susquehanna		

7,120,000	Range 2nd - 14.25	Current Price vs. Filing	Pts -2.10	Exc (•) N ( ) A ( ) O	Rank Date 7/6/09
2ndry	Hot Listed Since		Pct -14.7%	Sym VIT	Curr Rank S-Shot

- **IPO This Morning:** none
- **Secondary Today: ICA KMT VIT**
- **Menlow Commentary:**

We have 3 deals set to price tonight, as we look to close out the week. We are seeing activity slow slightly as we enter the summer. For tomorrow we have 3 of the big players each bringing a deal, as they remain active in the market.

Empresas ICA - ICA provides engineering and construction services. Merrill Lynch is bringing 32.6 M ADSs public. Of that total offering, approximately 22.9 M ADSs will be offered in the US. Merrill was going strong until today's weaker company. We expect this deal to generate some interest, but there may be some difficulty placing all these shares in a global offering. In addition, ICA tends to trade in a tight range and this may also work against its ability to produce a premium.

VanceInfo Technologies - VIT provides information technology solutions. Citi is bringing 7.12 ADSs public. This is VIT's first offering since its December 2007 IPO, which Citi was in charge of. Citi was off to a bumpy start, earlier this year, but has since recovered, with their 3 most recent deals enjoying solid 15 minute opening premiums, 2 of saw over +1.00 point gains. We would like to see this deal discounted and expect Citi will be able to generate investor interest if the price level is correct.

Finally we have **Kennametal - KMT** a global supplier of tooling, engineered components and advanced materials for production processes. JP Morgan is the lead for this deal, planning on pricing 6.5 M shares. KMT offers a small dividend of approximately 3% and after trading down today, we expect to see some interest generated when the deal is priced tomorrow. KMT announced after the close last night, and we like the lower levels it is now trading at. We expect JP Morgan will discount for tomorrow and they have a solid track record which should attract investor interest.

- **Latest Frontline Reports:**

LATEST FRONTLINE REPORTS

Name	Symbol	Last Report
Theravance	THRX	07-09-09
Helicos Biosciences	HLCS	07-09-09
Smithfield Foods Inc	SFD	07-08-09
Smithfield Foods Inc	SFD	07-08-09
Infinera	INFN	07-08-09
WMS Industries	WMS	07-08-09
Owens and Minor	OMI	07-08-09
Ikanos Communications	IKAN	07-08-09
NuVasive	NUVA	07-08-09
North American Energy Partners	NOA	07-08-09

» View All Frontline Reports

Simon Economics www.radarwire.com

- **Simon Notes**:

Group changes from Thursday

Expand to all: Stocks

	Category Name	Score	1Wk Chg	BSDI	Sig	Sig Date	Sig BSDI	% Chg
	Precious Metals & Minerals	15	12	64	Buy	7/9/2009	64	-
	Internet Retail	13	12	11	N	7/9/2009	11	-
	Soft Drinks	-3	-14	9	N	7/9/2009	9	-
	Health Care Supplies	-3	-18	28	N	7/9/2009	28	-
	Office Electronics	-11	-18	60	Sell	7/9/2009	60	-
	Trading Co's & Distributors	-13	-14	23	Sell	7/9/2009	23	-
	Specialized Finance	-15	-20	19	Sell	7/9/2009	19	-

General Comments

http://www.bloomberg.com/apps/news?pid=20601087&sid=a_Xb00lMEnNM#

Economists Raise U.S. Outlook as Recession Fades, Survey Shows

By Shobhana Chandra and Alex Tanzi

July 10 (Bloomberg) -- The U.S. economy will expand faster than previously forecast in the second half of this year and in 2010 as a revival in consumer spending signals an end to the recession, a Bloomberg News survey showed.

Growth will average 1.5 percent in the July-to-December period, compared with last month's 1.2 percent projection, according to the median of 57 forecasts in the survey taken from July 2 to July 8. The jobless rate will exceed 10 percent early next year and average 9.8 percent for 2010.

Signs of stability in the housing market, improving consumer confidence and smaller declines in auto sales are reinforcing forecasts for gains in consumer purchases. While the recovery is likely to be tempered by job cuts and shrinking household wealth, most economists said a second stimulus package won't be needed.

"We are on the cusp of stabilization," said Stephen Stanley, chief economist at RBS Securities Inc. in Stamford, Connecticut. "The right things are happening. They're not happening fast enough to make everyone comfortable just yet, but we're certainly headed in the right direction."

Federal Reserve officials will begin to lift the benchmark interest rate in the third quarter of next year and take it to 1 percent in the final three months, the survey showed. A month ago, economists said the Fed would hold the rate near zero until the fourth quarter of 2010.

The economy probably shrank at a 1.8 percent rate from April to June, the latest survey showed, less than economists forecast last month. The U.S. will return to growth in the current quarter and expand 2.1 percent next year.

Consumer Spending

Survey participants also raised their projections for consumer spending, which accounts for about 70 percent of the economy. Purchases will rise 1 percent this quarter after contracting in the prior three months, they said.

Growth in spending will accelerate to 1.8 percent by the first quarter of 2010.

“While the recession will be over soon, the recovery, at least in the first year, will be fairly lackluster,” said Nariman Behravesh, chief economist at IHS Global Insight in Lexington, Massachusetts. “For consumers, the biggest headwind is unemployment, and here, unfortunately, the news will get worse in the next few months.”

Unemployment will rise to 10.1 percent in the first quarter of 2010 from 9.5 percent last month, already the highest since August 1983, the survey showed. The U.S. has lost about 6.5 million jobs since the recession began in December 2007, the most of any downturn since World War II.

Retail Sales

Sales reports at retailers reflect caution among consumers, who are shifting purchases to discount stores.

June sales at stores open at least a year rose at Ross Stores Inc., the Pleasanton, California-based owner of the Ross Dress for Less discount chain, and Framingham, Massachusetts- based TJX Cos., owner of T.J. Maxx stores.

Same-store sales fell more than forecast for clothing retailers Abercrombie & Fitch Co., based in New Albany, Ohio, and Gap Inc., based in San Francisco.

Output at suppliers to automakers, meanwhile, may improve in coming months as General Motors Corp., located in Detroit, and Auburn Hills, Michigan-based Chrysler Group LLC, two of the three biggest U.S. automakers, resume production at some plants. The two companies have shut down facilities as they restructure.

Klaus Kleinfeld, chief executive officer of New York-based Alcoa Inc., said he’s “very optimistic” about sales as China’s economy and the U.S. automotive industry start to recover.

‘Bottoming Out’

“Things are bottoming out, and they are even coming back in some sectors,” Kleinfeld said in a Bloomberg Television interview on July 7. “I’d mention the automotive sector” as one area of improvement, he said.

The Standard & Poor’s 500 Stock Index has gained 30 percent since March 9, when it hit 676.53, the lowest level in more than 12 years. The index closed at 882.68 yesterday in New York. The index has dropped 6.7 percent since June 12 on concern the rebound outpaced prospects for a recovery in the economy.

“I think the market got a little bit ahead of the economy,” Fed Bank of St. Louis President James Bullard said yesterday in a Bloomberg Television interview. “I do not think the recovery is faltering. If you look at the projections that were made in December of last year, we’re right on track.”

The Fed last month said it will let one of its emergency programs expire and trim two others, a sign that improving financial markets allow a first step toward ending its unprecedented interventions.

Stimulus Spending

President Barack Obama’s $787 billion stimulus package, which includes tax cuts and infrastructure spending, will push the federal budget deficit to 12.1 percent of gross domestic product this fiscal year, according to the survey, up from 12 percent in the June poll and the highest since monthly records began in 1968.

A program starting later this month to give American consumers cash to purchase new vehicles while trading in less- fuel-efficient older ones also may spur production and support growth, economists predict.

Of the 40 survey participants who answered a special question on the stimulus spending, 33 ruled out the need for a second package. Democrats who control Congress are divided over whether to push for more deficit spending, complicating the possibility of a second stimulus bill.

“The biggest impact of the stimulus is still to come in the second half of this year, so it’s a bit premature to talk of a second round,” IHS Global’s Behravesh said. Another dose would be “overdoing it” he said, adding, “where will the money come from?”

Mark Zandi, chief economist at Moody’s Economy.com in West Chester, Pennsylvania, said while “all the big negatives for the economy are becoming much less negative,” further stimulus spending may be required.

“I wouldn’t rule out the possibility that the economy may need more help next year,” he said.