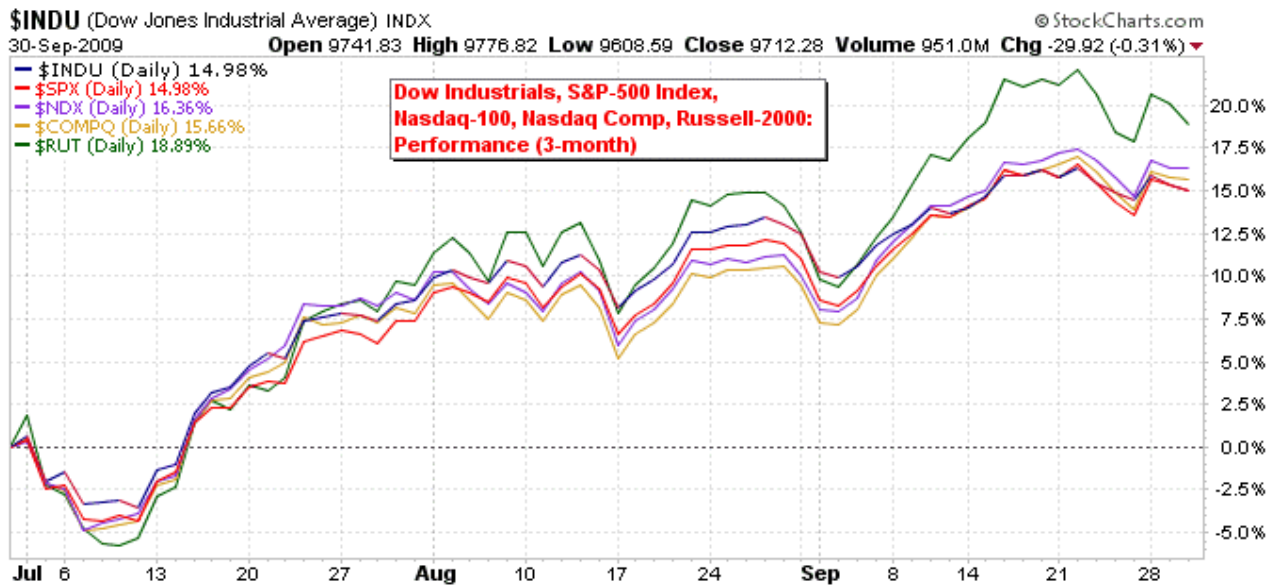


## Third Quarter Performance Charts

The third quarter of '09 has just ended. It has been another good one for the bulls. In this issue of *Purely Technical*, we'll take a look at the performance over the past quarter, of various market indices, sectors and asset classes.

### US Stock Indices - Performance (3-month)



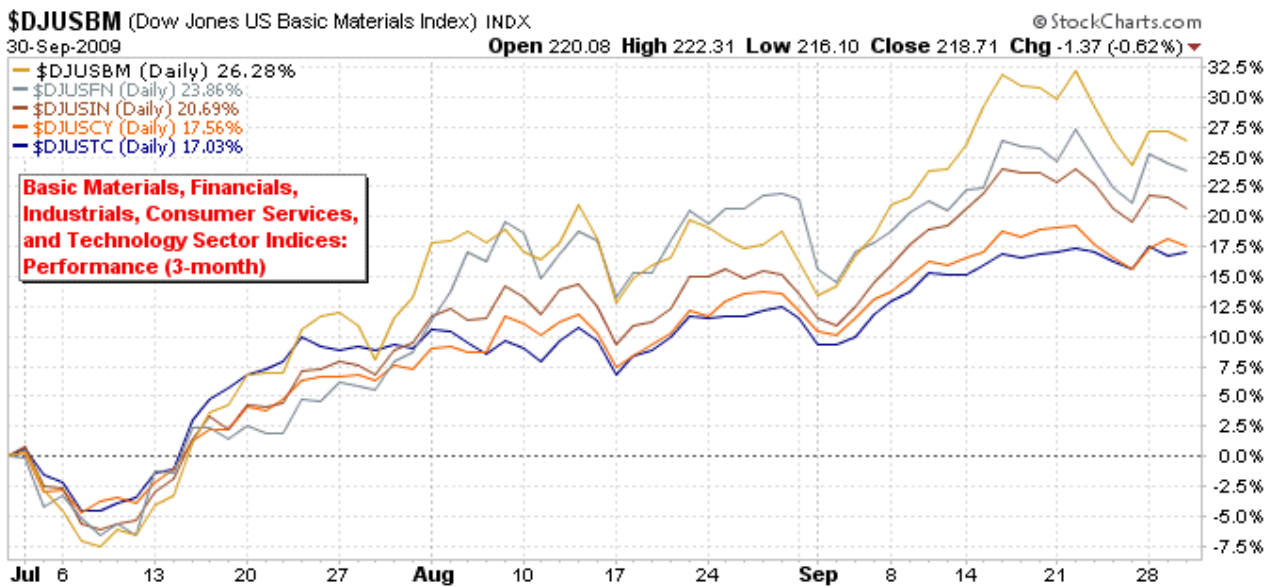
As you can see, the bulls were charging virtually throughout the quarter. Despite, a dip of around 5% in each of the indices, early in the quarter, the indices were able to rally 20-24% from the worst levels to close the quarter with gains of 14-19%.

The Russell-2000 Small Caps Index gained the most (19%), which is not completely surprising (small caps are often the most volatile sector, by market cap), and the rest - INDU, SPX, NDX, and COMP - took in net gains of 15-16%.

So if you had made a decision, at the beginning of the quarter, to put your money in an ETF that tracks any of the aforementioned indices, you really wouldn't have been complaining too much, at this point.

Let's now take a look at the performance of the main sectors, by industry. Normally, we'd have a list of the 'best performers' and the 'worst performers'. This time around, however, we'll just call the latter category, the 'least performers,' given that it consists of sectors that have actually gained several percentage points over the quarter.

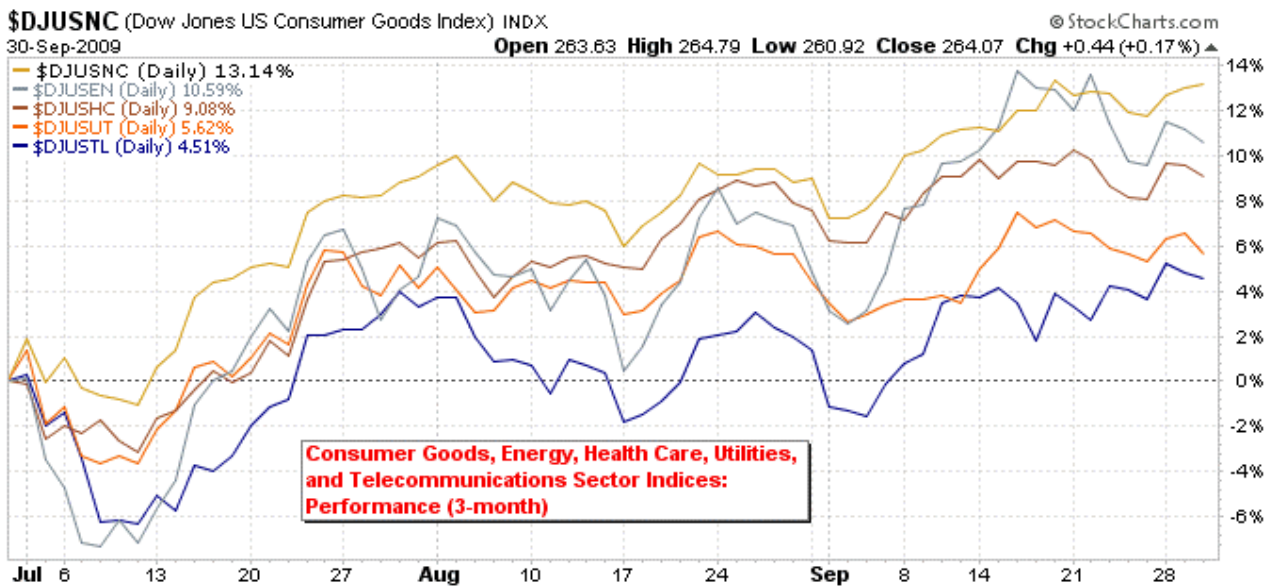
### Best Performing US Sectors - Performance (3-month)



Leading the pack of the best performing US sectors for the third quarter of '09 was the Basic Materials sector, which gained a handsome 26%.

Not surprisingly, the Financials, which were extremely oversold even on the long-term charts earlier this year, came in close to the top, with a 24% gain. The Industrials sector (21%), the Consumer Services sector (18%) and the Technology sector (17%), slotted into the 3rd, 4th and 5th spots, respectively. Not too shabby!

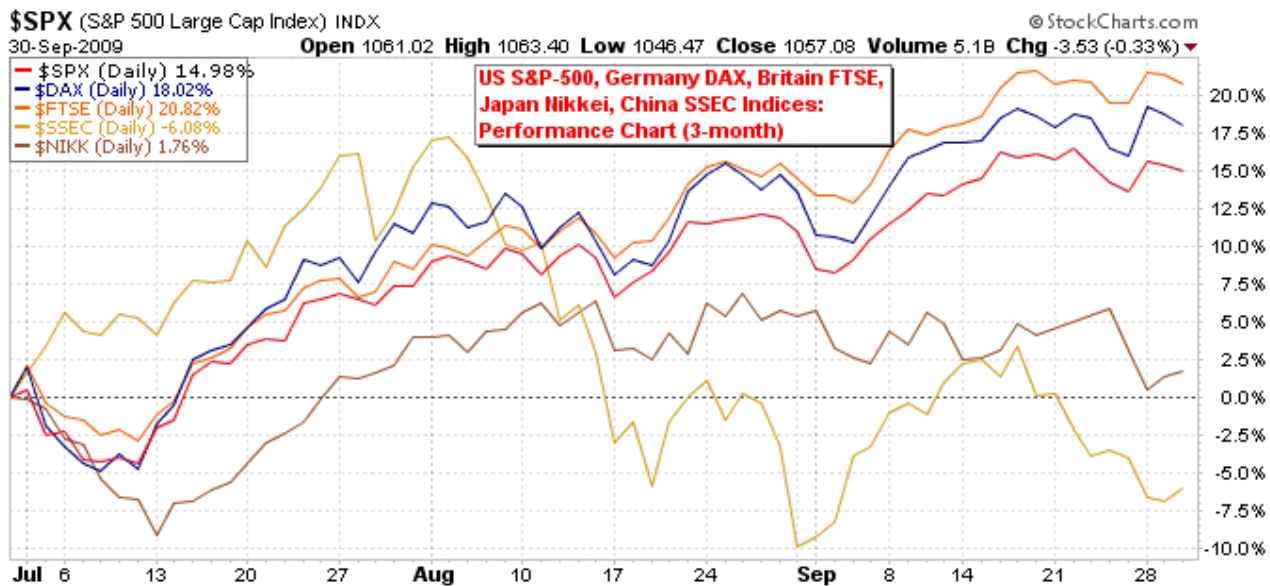
### Least Performing US Sectors - Performance (3-month)



As mentioned earlier, each of the "least" performing sectors actually gained ground, over the course of the quarter. In sixth place was the Consumer Goods (up 13%) sector. It was followed by Energy (11%), Health Care (9%) and Utilities (6%). Telecommunications brought in the rear with a gain of nearly 5%, for the 3-month period.

So, we've seen that the U.S. markets experienced big gains over the past three months. Has the same been the case with markets elsewhere on the globe?

### Global Stock Indices - Performance (3-month)



While stock markets in the US enjoyed impressive gains, the same was not the case with each and every global stock market.

The benchmark German (up 18%) and British (21%) indices performed even better than did the American S&P-500 (15%). The benchmark indices in the largest of their counterparts on the other side of the world, namely Japan and China, did not do as well, however.

While Japan's Nikkei gained a paltry 1.8%, China's Shanghai Composite actually lost 6% for the quarter, despite having started the quarter stronger (gaining 17% in the month of July alone) than any other index on this list.

The fact that China's SSEC has lost nearly a quarter of its value, during the past two months, is definitely something that perks the interest. Investors must surely wonder whether the decline in the Chinese markets is just a local situation or if it is a precursor to a bearish reversal in the rest of the world's markets.

That's it for this issue of Purely Technical.

May your trades be good ones!

Asher Pinto

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