

MARKET REVIEW

February 3, 2009

NA-Marketletter Prime

Despite some improvements, the downside risk is still present. As long as stocks continue to hover in the trading-range, market participants should stay on high alert. Caution must be evident even in the bullish outcome because an anticipated bounce is most likely to bring the indices near their falling 200-day moving averages – the remainder of the declining long-term trend. Therefore, any recovery rally should be viewed as a counter-trend rally.

(excerpted from the Market Comment dated January 8, 2009)

NA-Marketletter Energy

Regardless of the longer-term picture, the events of the last few months have raised the market stakes dramatically for the following reason: if this confluence of positive technical factors cannot continue to support prices above the November 21st lows, then it's "look out below" for the markets. In other words, the market indices drew a technical and price "line in the sand" in November, daring the bears to cross it. To date, the bears have not done so, but if they succeed in driving prices below the November lows, then this will indicate that the technical underpinnings of the markets are extremely weak.

(excerpted from the Energy Comment dated January 20, 2009)

NA-Marketletter Gold & Metals

The breathtaking recovery of Gold stocks in the last three months seems to uphold this point. The advance since the late October lows was swift and powerful with the majority of big-cap Gold stocks leading the pack. The up-move has especially improved technical standing of bellwethers such as Barrick Gold, Goldcorp and Newmont Mining. All three stocks moved decisively higher and above their rising 50-day and flattening 200-day moving averages – an important technical step in the longer-term recovery.

(excerpted from the Gold Comment dated January 26, 2009)

www.na-marketletter.com

Stock Report

Sunoco has broken above a one-year descending trend-line (see chart below).



Latest Stock Reports (for subscribers only):

NA-Marketletter Prime: Open Text, Potash and Agrium

NA-Marketletter Energy: Sunoco, Suncor, ConocoPhillips and Petro-Canada

NA-Marketletter Gold & Metals: Rubicon Minerals, Barrick Gold, Semafo and Alamos Gold

www.na-marketletter.com