

MARKET COMMENTARY

BY ALVERY A. BARTLETT JR.

November 19, 2009

Once Again, Overtly Bearish...

In our last market commentary letter of November 25, 2008, Section I was titled "No Longer Overtly Bearish". Also, in that letter we provided two charts comparing the Dow Jones Industrial Average from 1929-1942 (the growth index of that time) and the Nasdaq 100 from 1999 through the present (updated charts of both indexes are on the following pages).

Even though we did not suggest purchasing the S&P 500 during the current rally phase, our past

comparative analysis did allow for a robust rally similar to the one that occurred in the 1938-1939 Dow Jones Industrial Average. That 1938-39 rally lasted approximately 224 days and was an approximate 60% advance from the low. Currently, internal factors and price action of both domestic and international markets lead us to believe that the cyclical high of the market might have been last month even though nominal price highs continued through last week. We find it interesting that what we believe was the cyclical high of October 19th was made 227 days after the March 2009 low and was a 65% rally off the low.

<i>Prices as of November 19, 2009 Close</i>	
30 Year Treasury Bonds (CBT)	120-26/32 4.28% Yield
Dow Jones Industrial Average	10332.44
S&P 500 Index	1094.90
Spot Crude Oil Futures	\$77.46
Spot Natural Gas Futures	\$4.34
Spot Gold Futures	\$1141.90

Hopefully you recall that we subscribe to a risk/reward investment theory that states that an investor must see the realistic possibility of making three times their perceived risk when making any investment. (To learn more about our risk/reward philosophy please visit www.alveryb.com).

Currently the S&P 500 is trading at approximately 1100. If this rally continues we see two possible areas of significant resistance: 1150 and 1300. On the downside, our support zones begin at 940, but what is troublesome is that major support may be significantly lower. In summary, we feel that the rise in equity prices beginning last March was a cyclical rally within the confines of a secular bear market (see our *Secular Trends* letter dated January 13, 2001 which can also be found at www.alveryb.com) and that this rally phase may be in the process of topping.

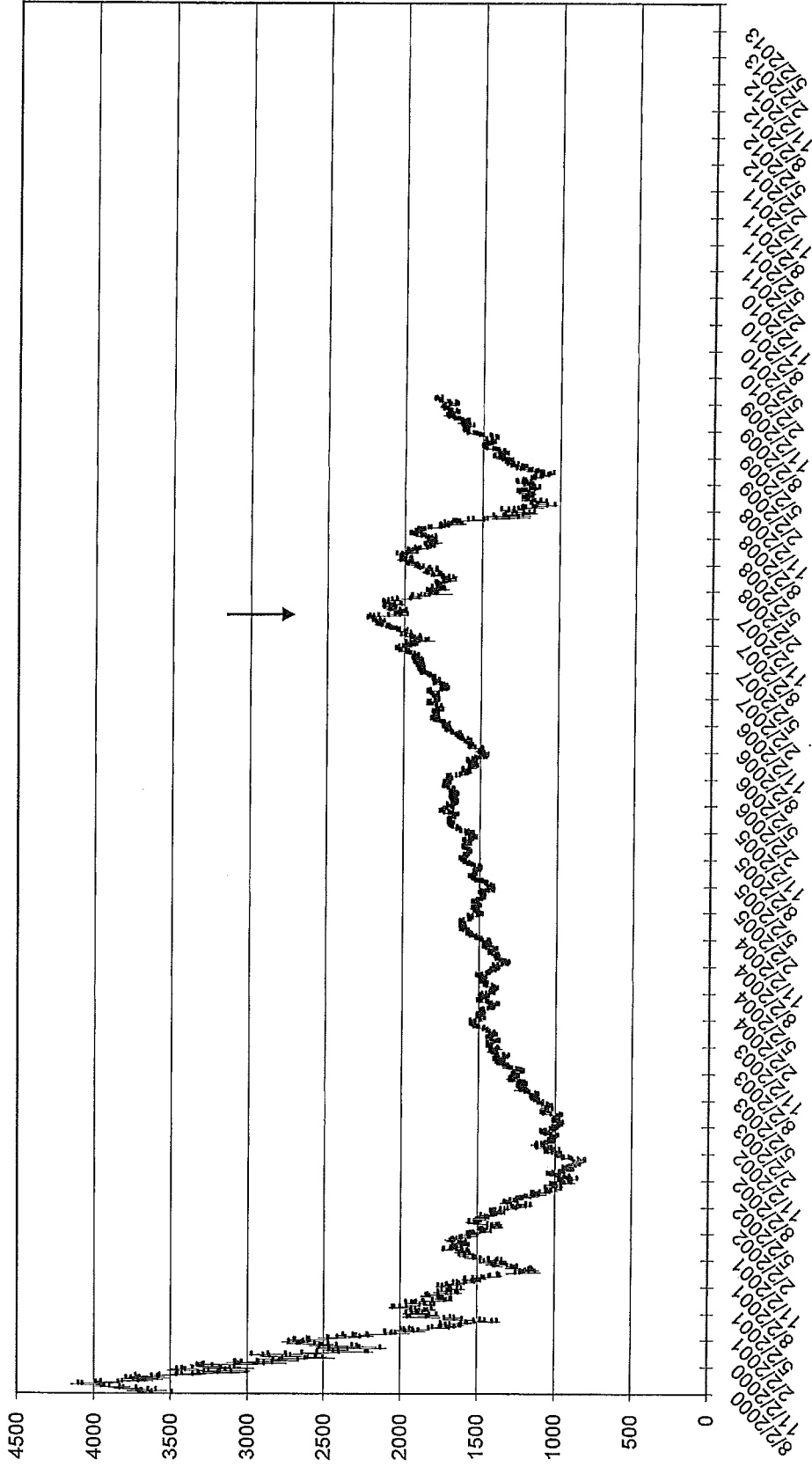
Sincerely,

Alvery A. Bartlett, Jr.

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Current NDX From 2000-----2009



The NASDAQ 100 index is a stock market index of 100 of the largest domestic and international non-financial companies listed on the NASDAQ stock exchange; it is a modified market value-weighted index.