

# LEHMAN BROTHERS TECHNICAL STRATEGY

## DEGRAAF'S DAILY

### Intermediate Term Barometer:

#### Conditional Elements:

Trend

Bearish Neutral Bullish

Liquidity

Bearish Neutral Bullish

Sentiment

Bearish Neutral Bullish

Price Proximity

Bearish Neutral Bullish

Momentum:

Bearish Neutral Bullish

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Part of the simplistic elegance of technical analysis is its ability to analyze thousands of securities in a relatively short period of time, and visualize relationships throughout the markets. While the OSX has been tracing out a potential top formation, ethanol inputs such as corn and sugar have actually been breaking down. With the precipitous decline in sugar, my associate John Kolovos overlaid the near month sugar contract on the OSX in log scale. The combined charts create a visually significant relationship that supports our concern with the OSX and its near-term prospects. It is important to note that visual significance is a far cry from statistical significance, but it is a compelling relationship nonetheless.

### Industry Group Technical Rankings

#### Strongest

Agricultural Products  
Oil & Gas Refining & Marketing  
Tobacco  
Industrial REITs  
Drug Retail

#### Weakest

Heavy Electrical Equipment  
Homebuilding  
Photographic Products  
Tires & Rubber  
Forest Products

### Near Term Summary:

NDX		S&P 500	
Trend	=	Trend	=
Momentum	↑	Momentum	↑
OB/OS	Neutral	OB/OS	Neutral

### Team Technical

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