



>: Chris Rowe's Market Wrap Up June 17, 2008

Tuesday, June 17, 2008 / Chris Rowe

I am not able to do the video today due to a software issue but here's the gist of what's going on in the market in text...

The biggest winner and loser today is the Financial sector (0.94%) and the Consumer Staples sector (-1.07%) respectively. Everything else was pretty flat.

The big story today was that Crude futures jumped a whoppings 3.7% to a new all-time high of \$139.89 in premarket trading. This surprised traders because at the same time, there were reports that Saudi Arabia will increase its output by 200,000 barrels a day. This isn't really a big deal though because that would only increase the worldwide supply by 0.2%.

Crude prices had a huge \$7.00 swing from its high to its low. Ultimately it reversed into negative territory closing at \$133.82 per barrel (-0.8%). A declining U.S. Dollar probably contributed to the initial advance in crude as the dollar declined by 0.7%.

So it's really the same theme that we've been following. The market is under pressure from rising oil prices but that pressure can be relieved as the dollar gains strength in the short term adding downside pressure to commodity prices in general because they are priced in U.S. dollars.

Lehman Brothers reported a second quarter loss of \$2.8 billion or \$5.14 per share which was in line with its pre-announcement just last week.

AIG ousted its CEO for the same reasons every big financial institution seems to be ousting their CEOs (bad handling of the credit market).

JP Morgan downgraded GE (a little late guys) because slower economic growth should hurt their earnings. It's funny to me how these major analysts seem to be way behind the curve. They are so late to the game that they are almost a contrary indicator. ALMOST. I'm not saying GE is a buy. It will probably have pressure on it for a long time.

Anyway, it's the same story. Don't try to catch the falling daggers. Don't get caught in the bear traps. We are in a down trend. This market can get much worse from here.

Sorry I had software problems. I will have your video next Monday.

?Profit from the Trend?

A handwritten signature in black ink that reads 'Chris Rowe'.

Chris Rowe

Chief Investment Officer

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