

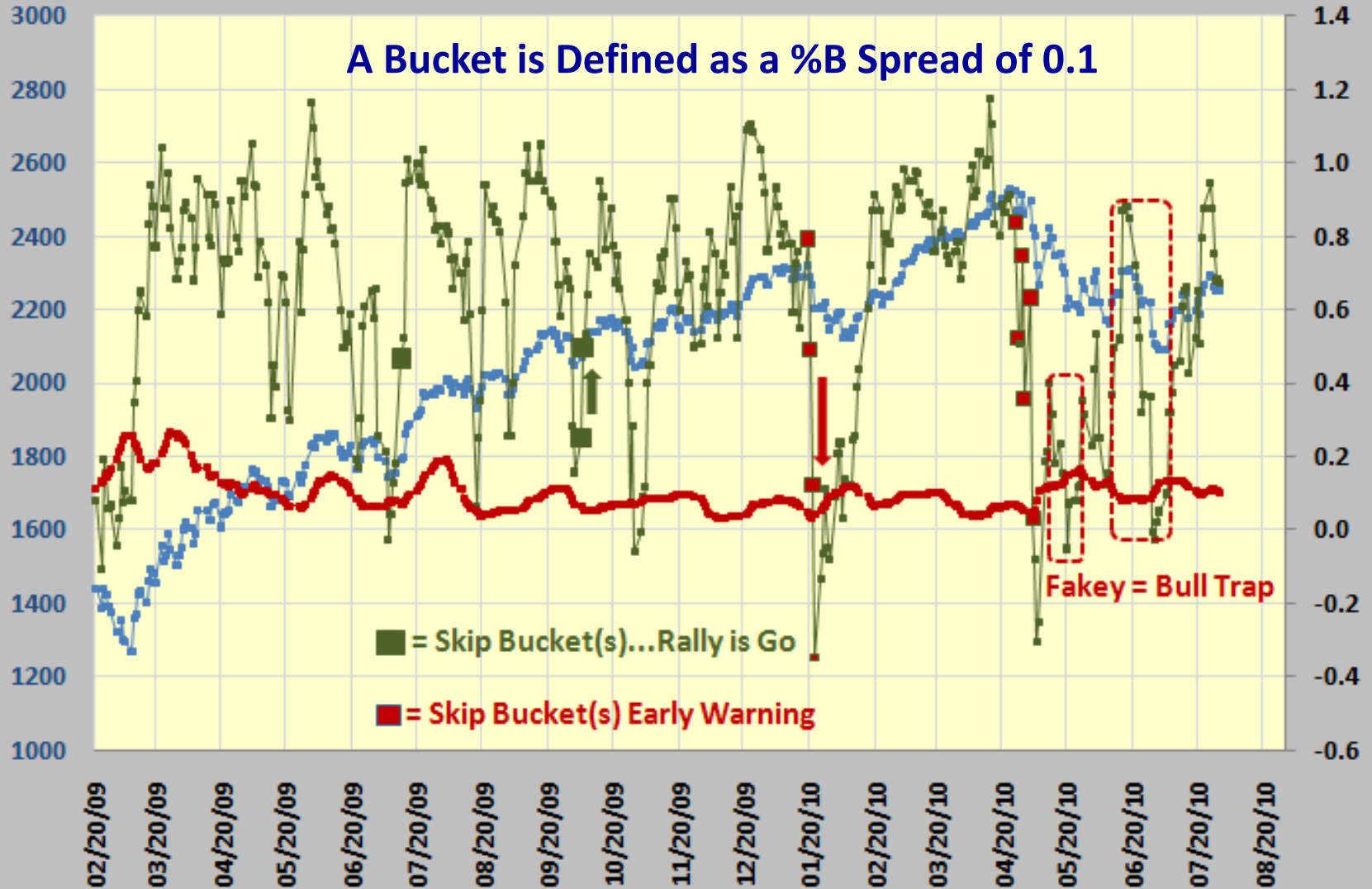


Raising the Bar with EdgeRater & HGSI using %B History

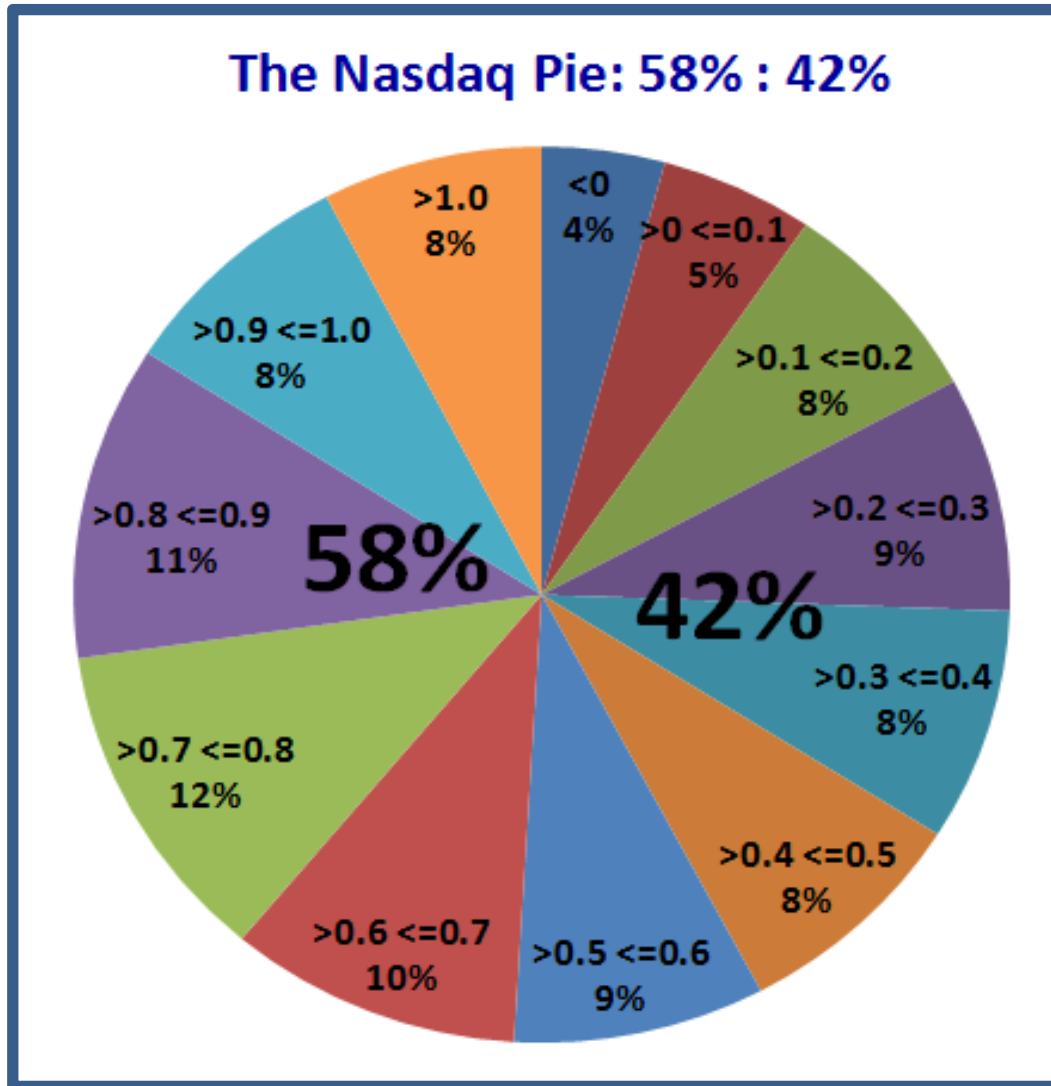
- Bull & Bear Strength NOW & Over Time**
- Buckets for Early Warning**
- “Fakey’s” for Bull Traps**
- Ratios for Strength in Stock Selection**
- Heat Maps for Easy Visuals**

Introducing the Valuable Early Warning of Skip Buckets with %B

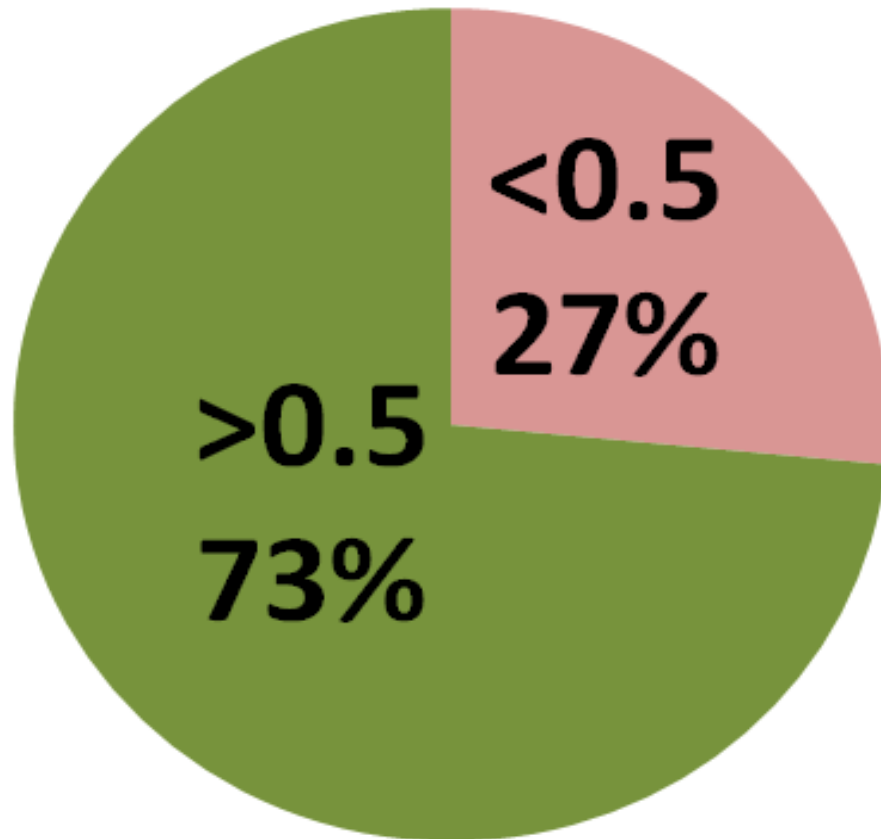
Nasdaq with %B (Green) and Bandwidth (Red)



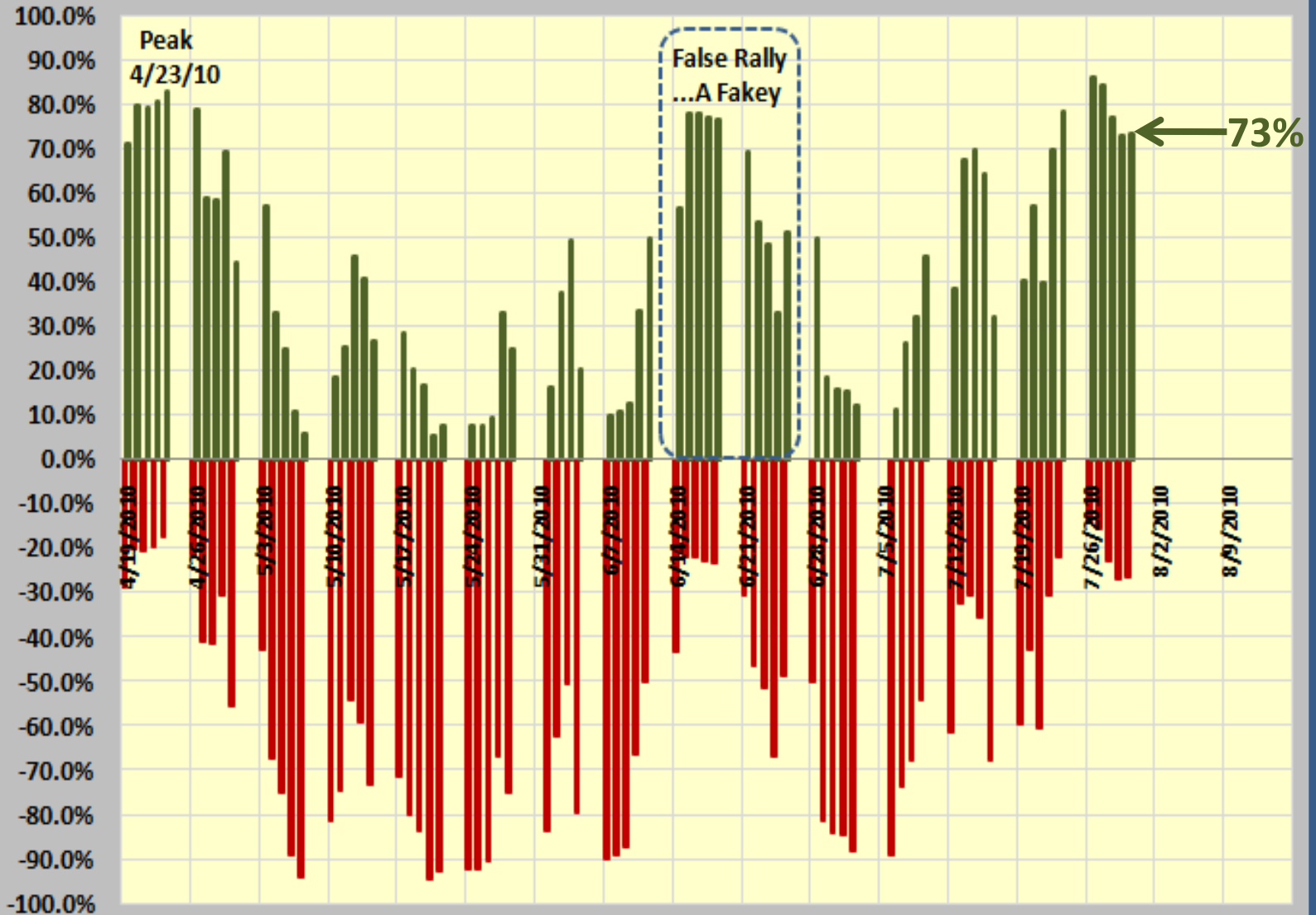
%B Above & Below 0.5 Since Feb 2009



**Nasdaq % Above & Below %B 0.5
Current Reading as of July 30, 2010**



% of Nasdaq Index with Stocks of %B Above and Below 0.5



The Nasdaq Santa Claus Rally Coupled with the January Effect in 2009 and 2010

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Date		<0.5	>0.5	<0	>0 <=0.1	>0.1 <=0.2	>0.2 <=0.3	>0.3 <=0.4	>0.4 <=0.5	>0.5 <=0.6	>0.6 <=0.7	>0.7 <=0.8	>0.8 <=0.9	>0.9 <=1.0	>1.0
12/22/2009		-22.7%	77.3%	13	17	29	50	54	67	61	86	104	172	154	206
12/23/2009		-17.4%	82.6%	5	9	25	39	40	58	64	83	115	163	172	240
12/24/2009		-15.3%	84.7%	4	6	22	34	38	51	55	79	123	197	211	193
12/28/2009		-16.7%	83.3%	5	9	23	35	45	52	62	96	136	234	189	127
12/29/2009		-17.4%	82.6%	4	9	18	45	45	55	78	97	171	240	169	82
12/30/2009		-16.5%	83.5%	3	8	18	41	44	53	63	134	201	233	144	71
12/31/2009		-24.0%	76.0%	10	18	30	50	68	67	136	191	230	140	48	25
1/4/2010	EUREKA	-11.5%	88.5%	2	4	8	27	40	35	66	110	183	243	158	137
1/5/2010		-17.6%	82.4%	16	13	23	31	35	60	78	140	183	173	136	125
1/6/2010		-23.8%	76.2%	28	21	31	35	54	72	81	105	157	172	107	150
1/7/2010		-21.7%	78.3%	20	12	28	36	57	67	85	125	166	153	114	150
1/8/2010		-21.5%	78.5%	13	16	34	29	55	71	78	118	144	163	136	156
1/11/2010		-24.0%	76.0%	16	21	40	50	53	63	99	119	147	156	118	131
1/12/2010		-37.5%	62.5%	44	45	65	64	72	90	123	132	142	109	74	53
1/13/2010		-30.5%	69.5%	16	21	49	61	73	89	100	134	142	140	102	86
1/14/2010		-28.4%	71.6%	22	24	47	53	68	74	96	141	130	129	111	118
1/15/2010		-43.2%	56.8%	60	62	80	66	77	93	111	127	121	113	58	45
1/19/2010		-32.1%	67.9%	26	46	49	62	65	77	74	94	126	131	116	117
1/20/2010		-46.1%	53.9%	73	71	92	83	74	74	95	94	115	108	79	55
1/21/2010		-59.5%	40.5%	171	94	92	81	81	79	89	79	88	63	47	55
1/22/2010		-71.4%	28.6%	312	100	102	83	58	68	76	57	57	48	31	21
1/25/2010		-73.2%	26.8%	192	167	133	91	84	75	97	70	64	28	23	29
1/26/2010		-76.3%	23.7%	198	195	147	102	74	57	63	59	51	22	23	22
1/27/2010		-71.7%	28.3%	74	144	183	150	94	81	62	52	49	52	30	42
1/28/2010		-77.1%	22.9%	158	205	193	111	64	50	51	50	48	41	19	23
1/29/2010		-80.7%	19.3%	184	212	187	118	61	55	48	39	46	37	8	18
2/1/2010	EUREKA	-77.5%	22.5%	41	131	245	181	111	76	52	49	46	37	20	24
2/2/2010		-73.3%	26.7%	25	78	173	227	147	93	57	49	49	51	29	35
2/3/2010		-73.5%	26.5%	29	81	169	237	125	104	52	56	62	39	28	31
2/4/2010	PHOENIX	-85.3%	14.7%	185	223	220	109	63	64	48	40	29	14	9	9
2/5/2010		-82.1%	17.9%	101	182	229	174	92	54	55	39	36	22	15	14
2/8/2010		-83.9%	16.1%	100	189	269	154	85	53	46	36	35	20	10	16
2/9/2010		-76.8%	23.2%	25	89	204	230	155	75	61	50	48	25	30	21
2/10/2010		-74.4%	25.6%	20	72	166	239	154	103	57	66	49	40	21	26
2/11/2010		-59.9%	40.1%	13	19	83	156	203	133	106	74	80	50	45	51
2/12/2010		-52.8%	47.2%	15	12	66	129	172	141	110	90	85	72	56	65
2/16/2010	EUREKA	-36.1%	63.9%	8	10	26	77	106	139	137	109	109	93	97	102

The Skip Buckets Warning Sign

The Heat Map is in two Halves: %B is the Demarcation above and below 0.5



The Nasdaq Heat Map Picture in the Days of Wine and Roses

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Date		<0.5	>0.5	<0	>0 <=0.1	>0.1 <=0.2	>0.2 <=0.3	>0.3 <=0.4	>0.4 <=0.5	>0.5 <=0.6	>0.6 <=0.7	>0.7 <=0.8	>0.8 <=0.9	>0.9 <=1.0	>1.0
2/17/2010		-27.5%	72.5%	8	12	25	52	82	100	132	114	119	130	122	117
2/18/2010		-24.2%	75.8%	2	16	14	39	84	90	89	109	110	157	154	149
2/19/2010		-22.2%	77.8%	11	10	21	42	71	70	71	108	136	171	188	114
2/22/2010		-22.9%	77.1%	12	15	21	41	76	67	72	113	152	195	141	108
2/23/2010	PHOENIX	-31.3%	68.7%	23	18	39	57	80	100	89	147	185	139	88	48
2/24/2010		-25.5%	74.5%	17	21	28	44	69	79	79	141	164	177	115	79
2/25/2010		-26.5%	73.5%	14	30	33	54	53	84	96	137	191	161	88	72
2/26/2010		-28.7%	71.3%	23	21	44	51	67	85	121	141	168	141	89	62
3/1/2010		-17.8%	82.2%	9	12	24	32	43	60	71	101	168	162	180	151
3/2/2010		-13.8%	86.2%	9	6	21	24	45	35	58	98	145	209	198	165
3/3/2010		-14.3%	85.7%	10	10	20	21	38	46	84	101	157	232	155	139
3/4/2010		-14.5%	85.5%	9	5	15	37	29	52	80	101	191	217	140	137
3/5/2010	EUREKA	-9.7%	90.3%	1	10	6	18	26	37	46	77	128	210	214	240
3/8/2010		-11.1%	88.9%	2	4	16	17	29	44	56	84	131	235	221	174
3/9/2010		-13.0%	87.0%	2	2	17	28	38	45	46	85	154	238	213	145
3/10/2010		-11.6%	88.4%	2	3	18	27	31	37	35	84	144	245	215	172
3/11/2010		-12.6%	87.4%	3	4	16	25	46	34	47	72	164	237	200	165
3/12/2010		-14.2%	85.8%	6	8	13	32	43	42	53	98	194	237	172	115
3/15/2010		-19.2%	80.8%	20	14	21	36	46	57	56	130	205	227	117	84
3/16/2010		-17.0%	83.0%	13	12	20	27	53	47	62	97	199	244	144	95
3/17/2010		-16.0%	84.0%	9	15	21	31	42	44	65	110	176	217	163	120
3/18/2010		-18.5%	81.5%	7	18	23	43	42	54	64	124	202	236	125	75
3/19/2010		-27.6%	72.4%	32	25	34	52	66	71	102	175	173	156	71	56
3/22/2010		-21.9%	78.1%	16	13	32	49	53	59	76	147	176	197	110	85
3/23/2010		-17.0%	83.0%	7	16	20	35	42	52	73	119	184	214	139	112
3/24/2010		-27.6%	72.4%	14	16	50	56	66	78	91	176	213	146	62	45
3/25/2010		-33.1%	66.9%	29	41	56	62	71	76	130	175	180	110	45	38
3/26/2010		-38.4%	61.6%	39	42	66	79	67	96	138	151	170	91	40	34
3/29/2010		-35.8%	64.2%	25	39	62	63	75	99	137	152	143	110	61	47
3/30/2010		-36.4%	63.6%	29	32	56	77	82	93	126	138	147	101	75	57
3/31/2010		-46.1%	53.9%	38	56	84	92	98	99	122	127	110	79	60	48
4/1/2010		-42.9%	57.1%	35	45	73	100	92	90	112	108	121	94	79	64
4/5/2010		-27.0%	73.0%	19	20	39	44	76	76	93	98	132	140	120	156
4/6/2010		-26.3%	73.7%	6	32	44	46	70	68	75	103	130	141	132	166
4/7/2010		-30.8%	69.2%	18	31	58	58	75	72	90	112	127	143	103	126
4/8/2010		-32.4%	67.6%	22	31	56	63	72	84	103	101	142	125	116	98
4/9/2010		-30.7%	69.3%	11	27	49	70	70	84	87	102	133	136	127	117
4/12/2010		-29.0%	71.0%	15	26	36	70	75	72	71	118	141	135	127	127
4/13/2010		-30.4%	69.6%	10	19	53	61	83	82	81	95	134	168	114	113
4/14/2010		-18.0%	82.0%	3	11	20	44	58	46	60	60	96	151	156	308
4/15/2010		-16.8%	83.2%	9	12	22	28	46	53	41	73	114	170	170	275

Stable Market

The Nasdaq Heat Map Picture in the Days of Gloom and Doom

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Date		<0.5	>0.5	<0	>0 <=0.1	>0.1 <=0.2	>0.2 <=0.3	>0.3 <=0.4	>0.4 <=0.5	>0.5 <=0.6	>0.6 <=0.7	>0.7 <=0.8	>0.8 <=0.9	>0.9 <=1.0	>1.0
4/16/2010	PHOENIX	-24.7%	75.3%	17	24	34	52	58	65	72	116	172	186	124	93
4/19/2010		-28.8%	71.2%	27	27	47	51	56	84	117	142	171	144	100	47
4/20/2010		-19.9%	80.1%	8	13	31	43	51	56	75	100	170	191	157	118
4/21/2010		-20.6%	79.4%	22	14	33	49	57	65	75	100	153	198	140	128
4/22/2010		-19.4%	80.6%	21	19	36	36	39	41	51	61	161	165	147	199
4/23/2010		-17.2%	82.8%	11	21	30	31	39	42	64	89	152	184	135	215
4/26/2010		-21.2%	78.8%	24	19	28	42	42	60	87	126	152	168	142	123
4/27/2010	PHOENIX	-40.9%	59.1%	71	48	50	54	85	106	130	159	136	99	40	35
4/28/2010		-41.6%	58.4%	57	59	68	67	84	86	134	150	126	96	37	49
4/29/2010		-30.7%	69.3%	40	27	43	69	71	61	70	114	135	152	101	130
4/30/2010	PHOENIX	-55.7%	44.3%	138	84	104	68	75	95	100	114	88	51	42	58
5/3/2010		-42.8%	57.2%	51	42	83	98	82	84	79	94	108	113	89	91
5/4/2010	PHOENIX	-67.1%	32.9%	195	137	103	77	80	88	89	89	74	51	34	15
5/5/2010		-75.0%	25.0%	264	155	105	101	70	65	73	69	52	32	12	19
5/6/2010		-89.1%	10.9%	508	137	82	76	55	44	41	22	23	12	5	7
5/7/2010		-94.3%	5.7%	604	151	82	52	52	44	41	22	11	9	1	4
5/10/2010	EUREKA	-81.5%	18.5%	45	107	236	221	134	83	55	43	32	28	16	13
5/11/2010		-74.5%	25.5%	19	63	210	232	149	82	77	54	47	38	25	17
5/12/2010		-54.2%	45.8%	3	3	139	122	122	122	87	81	70	44	60	
5/13/2010		-59.2%	40.8%	10	14	95	190	178	113	115	96	65	64	38	35
5/14/2010	PHOENIX	-73.2%	26.8%	15	64	194	215	165	89	97	63	51	28	18	14
5/17/2010		-71.5%	28.5%	19	45	115	115	170	134	84	70	57	44	19	15
5/18/2010	PHOENIX	-79.9%	20.1%	30	95	227	221	141	95	54	52	48	30	13	7
5/19/2010		-83.4%	16.6%	47	120	220	257	122	80	50	26	33	23	7	4
5/20/2010	PHOENIX	-94.5%	5.5%	338	267	191	88	43	40	22	26	13	2	1	0
5/21/2010	EUREKA	-92.5%	7.5%	99	223	286	208	77	44	32	25	14	2	2	1
5/24/2010		-92.3%	7.7%	110	251	300	161	79	34	34	24	9	4	3	4
5/25/2010		-92.2%	7.8%	71	230	322	190	79	42	31	27	9	7	1	4
5/26/2010		-90.5%	9.5%	36	147	319	237	114	64	38	28	14	10	1	5
5/27/2010	EUREKA	-66.7%	33.3%	2	14	177	160	246	197	130	79	53	28	29	18
5/28/2010		-75.0%	25.0%	4	17	105	216	237	171	80	66	39	31	20	17
6/1/2010	PHOENIX	-83.6%	16.4%	30	149	251	204	133	80	51	49	33	18	9	6
6/2/2010	EUREKA	-62.5%	37.5%	6	2	105	105	195	156	107	89	67	56	32	29
6/3/2010		-50.6%	49.4%	3	16	39	106	185	164	110	111	103	78	45	53
6/4/2010	PHOENIX	-79.6%	20.4%	39	151	244	179	112	74	75	64	35	18	12	3
6/7/2010	PHOENIX	-90.0%	10.0%	179	245	235	114	89	59	3	3	18	5	4	2
6/8/2010		-89.0%	11.0%	124	238	250	146	75	69	48	31	19	11	1	1
6/9/2010		-87.4%	12.6%	69	182	264	201	93	76	49	31	24	16	7	1
6/10/2010	EUREKA	-66.5%	33.5%	7	30	112	213	185	127	98	82	58	47	34	20

19.4% : 80.6%

The Skip Buckets Warning Sign!

94.3% : 5.7%

Intermediate Correction

94.5% : 5.5%

Major Correction

90.0% : 10.0%

Unstable Market

-19.7%
-15.0%
-24.3%

Phoenix Coupled with "Skip Buckets" Give Early Warning to Prevent Catastrophe



← The Days of Wine and Roses → ← Days of Gloom & Doom

The Most Recent Picture – Note the Two Fakey’s we have Endured. Not out of the Woods

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Date		<0.5	>0.5	<0	>0 <=0.1	>0.1 <=0.2	>0.2 <=0.3	>0.3 <=0.4	>0.4 <=0.5	>0.5 <=0.6	>0.6 <=0.7	>0.7 <=0.8	>0.8 <=0.9	>0.9 <=1.0	>1.0
6/11/2010		-50.1%	49.9%	2	10	46	133	179	138	122	120	94	76	55	38
6/14/2010		-43.4%	56.6%	2	7	40	103	157	131	139	119	121	99	65	30
6/15/2010	EUREKA	-21.8%	78.2%	1	4	11	37	72	96	112	117	130	169	129	135
6/16/2010		-21.9%	78.1%	5	6	24	40	62	85	114	123	148	160	152	94
6/17/2010		-22.7%	77.3%	9	8	25	39	63	86	100	120	139	198	152	74
6/18/2010		-23.2%	76.8%	6	8	25	50	65	81	104	120	139	185	115	71
6/21/2010		-30.5%	69.5%	11	21	34	59	91	93	120	156	182	148	67	31
6/22/2010	PHOENIX	-46.4%	53.6%	20	42	77	98	112	121	158	154	136	67	22	6
6/23/2010		-51.3%	48.7%	12	54	85	119	118	132	138	149	118	69	12	7
6/24/2010	PHOENIX	-66.9%	33.1%	47	79	140	150	154	108	102	101	80	33	13	6
6/25/2010		-48.7%	51.3%	15	53	69	113	121	122	126	119	120	80	45	30
6/28/2010		-50.0%	50.0%	14	49	89	121	121	113	128	127	108	84	43	16
6/29/2010	PHOENIX	-81.3%	18.7%	156	179	159	135	108	87	71	58	30	21	7	2
6/30/2010		-84.2%	15.8%	177	185	174	124	112	81	56	47	26	15	6	10
7/1/2010		-84.6%	15.4%	185	195	178	126	108	65	63	43	25	11	4	10
7/2/2010		-88.0%	12.0%	168	221	196	139	79	88	39	26	26	17	7	7
7/6/2010		-88.9%	11.1%	186	250	209	123	64	69	42	25	14	11	12	8
7/7/2010	EUREKA	-73.5%	26.5%	16	71	152	205	189	112	74	66	52	33	28	15
7/8/2010		-67.9%	32.1%	7	16	90	192	221	162	87	65	49	50	34	40
7/9/2010		-54.3%	45.7%	5	6	28	141	194	176	130	95	67	67	47	57
7/12/2010		-61.3%	38.7%	9	13	74	194	178	153	110	99	60	54	36	33
7/13/2010		-32.4%	67.6%	3	9	20	42	94	160	139	121	129	102	65	09
7/14/2010		-30.3%	69.7%	7	12	19	53	86	130	107	121	129	102	67	67
7/15/2010	EUREKA	-35.5%	64.5%	6	14	31	74	94	141	151	142	134	108	79	39
7/16/2010		-67.6%	32.4%	58	68	101	155	154	149	112	96	74	35	11	0
7/19/2010		-59.5%	40.5%	45	54	100	131	138	135	111	107	104	60	21	7
7/20/2010	PHOENIX	-42.7%	57.3%	17	31	62	99	103	121	121	142	153	104	44	16
7/21/2010		-60.3%	39.7%	54	77	111	108	137	124	118	118	86	52	21	7
7/22/2010		-30.3%	69.7%	23	23	38	70	63	90	107	125	151	147	110	66
7/23/2010		-21.7%	78.3%	11	16	30	47	54	62	52	80	120	206	160	175
7/26/2010	EUREKA	-14.0%	86.0%	3	11	17	31	38	42	45	60	83	161	214	308
7/27/2010		-15.6%	84.4%	5	8	30	22	41	52	52	75	143	222	219	144
7/28/2010		-22.8%	77.2%	10	22	38	54	50	57	100	162	215	200	63	40
7/29/2010		-26.9%	73.1%	26	23	40	50	64	68	114	169	213	140	53	49
7/30/2010		-26.5%	73.5%	27	20	40	50	63	67	133	172	165	137	80	53
Sum				15482	19415	27700	31092	30804	30288	31803	36995	42748	41636	30446	27806
% Sum				4.2%	5.3%	7.6%	8.5%	8.4%	8.3%	8.7%	10.1%	11.7%	11.4%	8.3%	7.6%

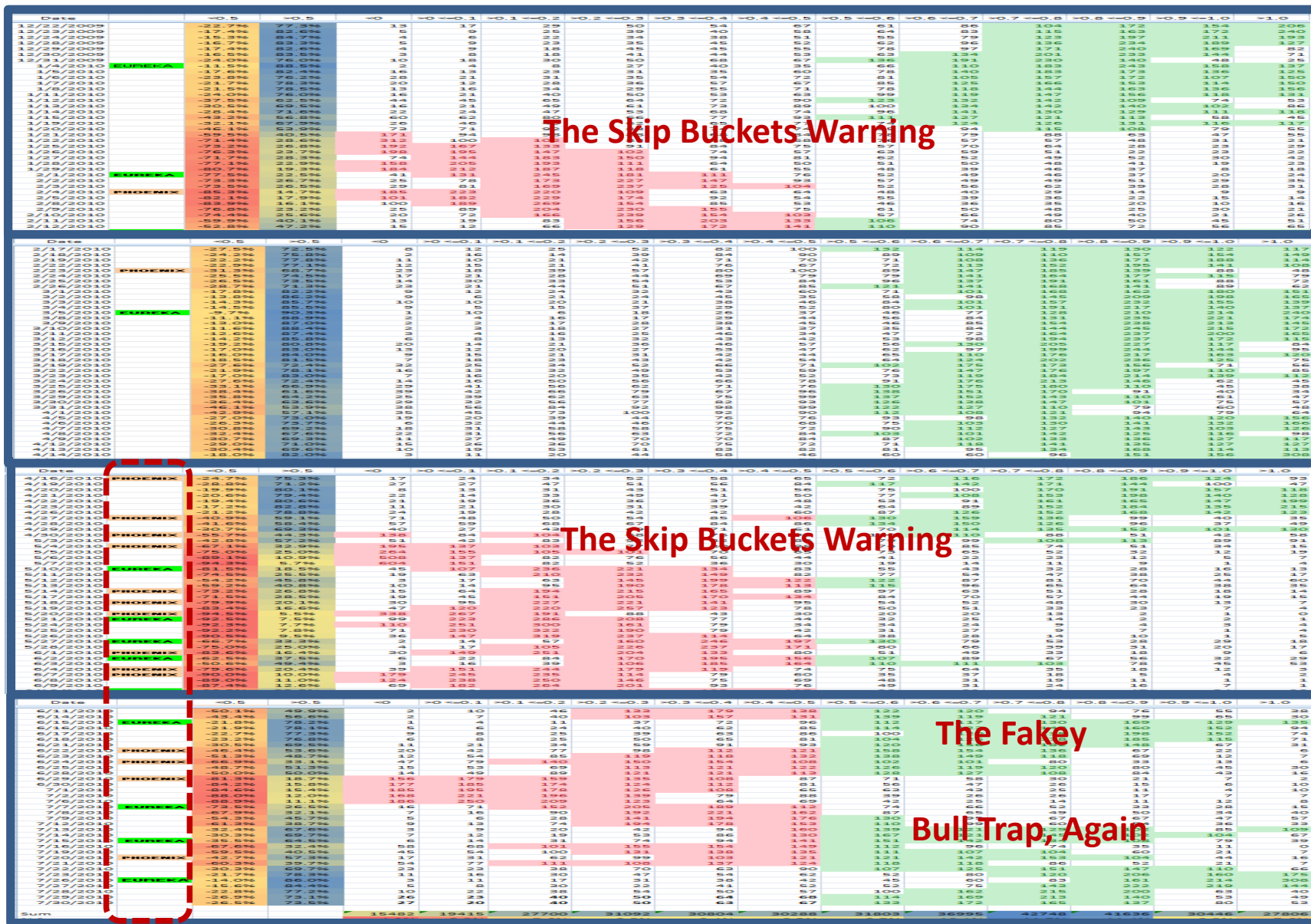
“Fakey”

“Bull Trap Again”



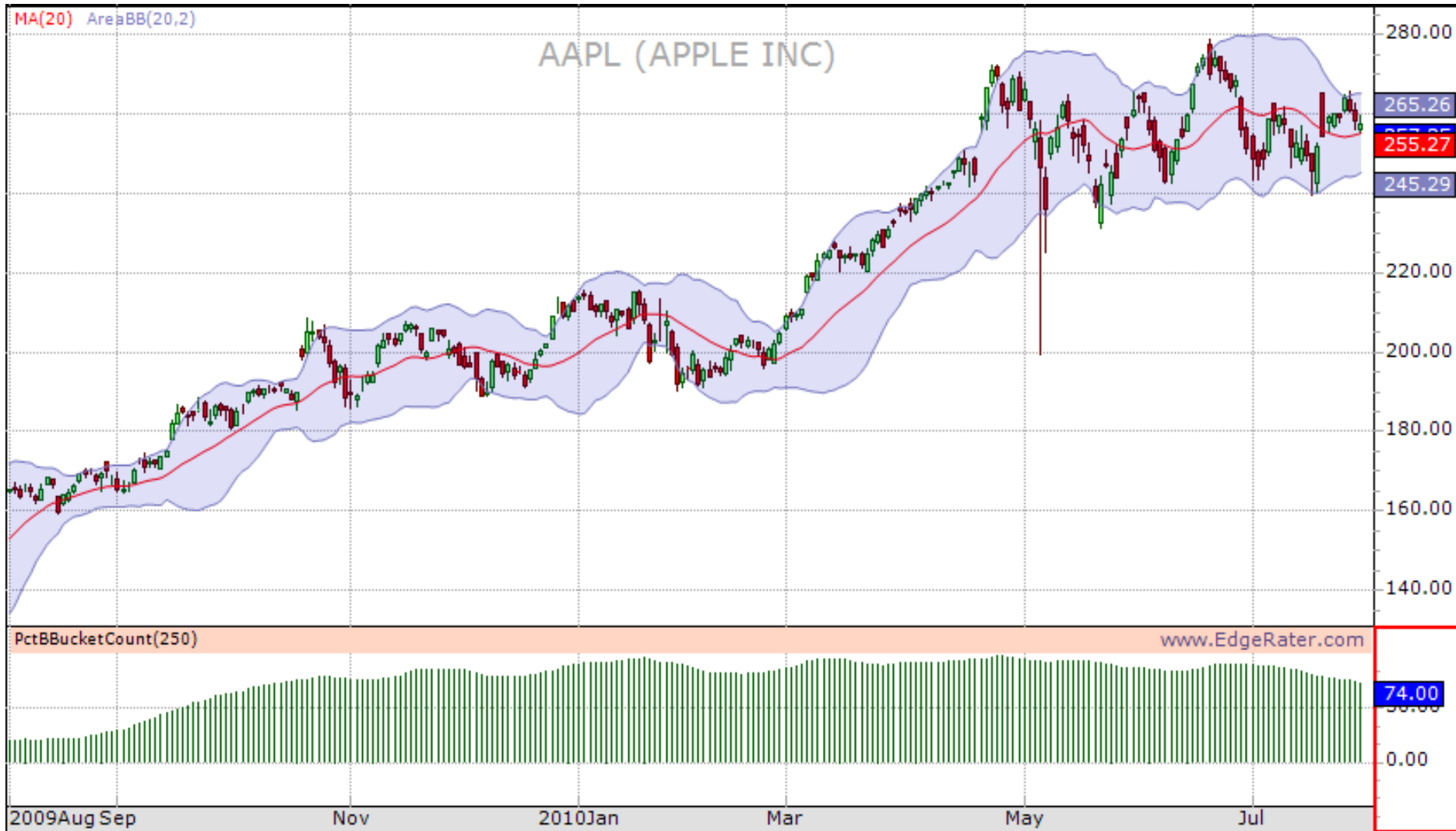
← The Days of Wine & Roses → ← Days of Gloom & Doom →

Each Demarcation is ~ Two Months from December 22, 2009 up to July 30, 2010



Unstable Market

357	356	350	331	340	339	338	336	305	298	313	330	AAPL
6	7	13	32	23	24	25	27	58	65	50	33	
1.7%	1.9%	3.6%	8.8%	6.3%	6.6%	6.9%	7.4%	16.0%	17.9%	13.8%	9.1%	5.5



So What?

EdgeRater Dovetails well with HGSI

EdgeRater can Slice and Dice %B into 12 **Precise** Buckets to:

1. Establish Whether Bulls or Bears Are Leading over Time
2. Identify who is Leading Now and with What Degree of Strength
3. Give Early Warning Signs with the “Skip Buckets” Insight
4. Quickly Pinpoint False Rallies, “Fakey’s”
5. Provide Capability for Heat Maps with Conditional Formatting
6. Show Stable and Unstable Markets with Eureka & Phoenix
7. Identify Securities which have Strong **History** of %B Ratio > 1 to < 0 (LLURs)

HGSI can Slice and Dice %B into Buckets for Estimating:

1. Whether Bulls or Bears are Leading Now with Degree of Strength
2. Show Stable and Unstable Markets with Eureka & Phoenix
3. Identify “Skip Buckets” provided Process is Repeated Daily
4. Identify LLUR Candidates with Filters and Combo Ranking