

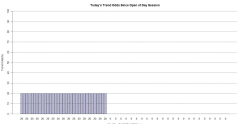
From: Henry Carstens <carstens@verticalsolutions.com>
Subject: [SP] Forecast: A Chance to Trend; Correlations: Below average (Fixed) vs (Growth, Equities)
Date: December 20, 2011 5:50:45 AM PST
To: Undisclosed-recipients: <>;



Vertical Solutions Trend Day Forecast

Trend Day Indicators

December 20, 2011



Summary:

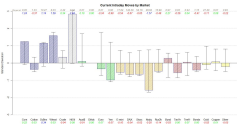
2:1 odds of closing inside the 'open +/- 10 pt' bands. Closes outside the bands were twice as likely to close higher.

Trend Odds today are 21%, about 1 in 5, and w/ a 2:1 bias to the upside

Correlations are below average. Baskets (Fixed) vs (Equities, Growth)

Live Fair Value charts: http://www.verticalsolutions.com/forecasts/fair_value.html

Intermarket Moves



ES, An up open after a down day

Intraday 08:30 - 15:00

Bullish bias (58% closed higher, +1.4 pts sd=13.7 pts k!= 0.10)

Regime: **Momentum** (innate tendency to trend)

09:00

+20.0 pts or more above yesterday's close anytime this hour, historically bullish (5/5 100% +15.4 pts sd 10.1 pt z 3.3 k!=1.49)

10:00

+20.0 pts or more above yesterday's close anytime this hour, historically bullish (4/5 80% +11.5 pts sd 9.0 pts z 2.8 k!=1.27)

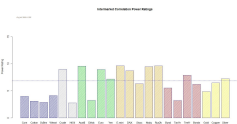
11:00

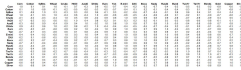
+20.0 pts or more above yesterday's close anytime this hour, historically bullish (5/6 83% +7.4 pts sd 8.5 pts z 2.1 k!=0.86)

13:00

Up open and One > ten > open > close, historically bullish (10/12 83.3% 4.8 pts sd=7.6 z=2.17 llt=11.8pts f\$=878 k!=0.63)

Intermarket Correlations





Above yesterday's high, historically bullish (4/5 80.0% 8.2 pts sd=10.2 z=1.78)
llt=2.3pts f\$=148 k!=0.80)

One Day

Mixed (53% closed higher, -0.5 pts, sd 27.6 pts k! = 0.02)

10:00

Above today's open, historically bullish (18/25 72.0% 9.6 pts sd=14.6 z=3.29)
llt=20.5pts f\$=1808 k!=0.66)

Above first hour high, historically bullish (6/7 85.7% 15.4 pts sd=14.9 z=2.73)
llt=8.8pts f\$=552 k!=1.03)

+10.0 pts or more above today's open, historically bullish (3/3 100.0% 25.9 pts
sd=14.5 z=3.09 llt=0.0pts f\$=1 k!=1.79)

-10.0 pts or more below today's open, historically bearish (5/6 83.3% 28.4 pts
sd=34.4 z=2.02 llt=24.3pts f\$=1662 k!=0.83)

Swing, first profitable close or 3 days

Mixed (69% closed higher, -3.0 pts, sd 37.8 pts k!= 0.08)

10:00

Above first hour high, historically bullish (7/7 100.0% 21.8 pts sd=12.2 z=4.72)
llt=0.0pts f\$=1 k!=1.79)

+10.0 pts or more above today's open, historically bullish (3/3 100.0% 25.9 pts
sd=14.5 z=3.09 llt=0.0pts f\$=1 k!=1.79)

-10.0 pts or more below today's open, historically bearish (5/6 83.3% 26.4 pts
sd=38.3 z=1.69 llt=36.5pts f\$=2695 k!=0.69)

12:00

Below first hour low, historically bullish (11/12 91.7% 11.8 pts sd=11.0 z=3.72)
llt=14.0pts f\$=839 k!=1.07)

-10.0 pts or more below today's open, historically bullish (8/9 88.9% 10.0 pts
sd=12.1 z=2.49 llt=14.0pts f\$=910 k!=0.83)

15:00

Trend day down, historically bullish (4/4 100.0% 18.1 pts sd=20.6 z=1.76)
llt=0.0pts f\$=1 k!=0.88)

Multiday, second profitable close or 5 days

Bullish bias (63% closed higher, -1.8 pts, sd 40.4 pts k!= 0.04)

10:00

Above first hour high, historically bullish (7/7 100.0% 19.6 pts sd=13.7 z=3.77)
llt=0.0pts f\$=1 k!=1.42)

+10.0 pts or more above today's open, historically bullish (3/3 100.0% 30.1 pts

sd=10.1 z=5.15 llt=0.0pts f\$=1 k!=2.97)

15:00

Trend day down, historically bullish (4/4 100.0% 18.1 pts sd=20.6 z=1.76
llt=0.0pts f\$=1 k!=0.88)

-10.0 pts or more below today's open, historically bullish (5/6 83.3% 15.5 pts
sd=19.0 z=1.99 llt=18.0pts f\$=1289 k!=0.81)

Correlations

Intermarket correlations are above average this morning. Baskets (Fixed) vs (Equities, Growth)

<http://www.verticalsolutions.com/forecasts/inst_correlations_data.html>

<http://www.verticalsolutions.com/forecasts/corr_pwr_ratings.html>

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