

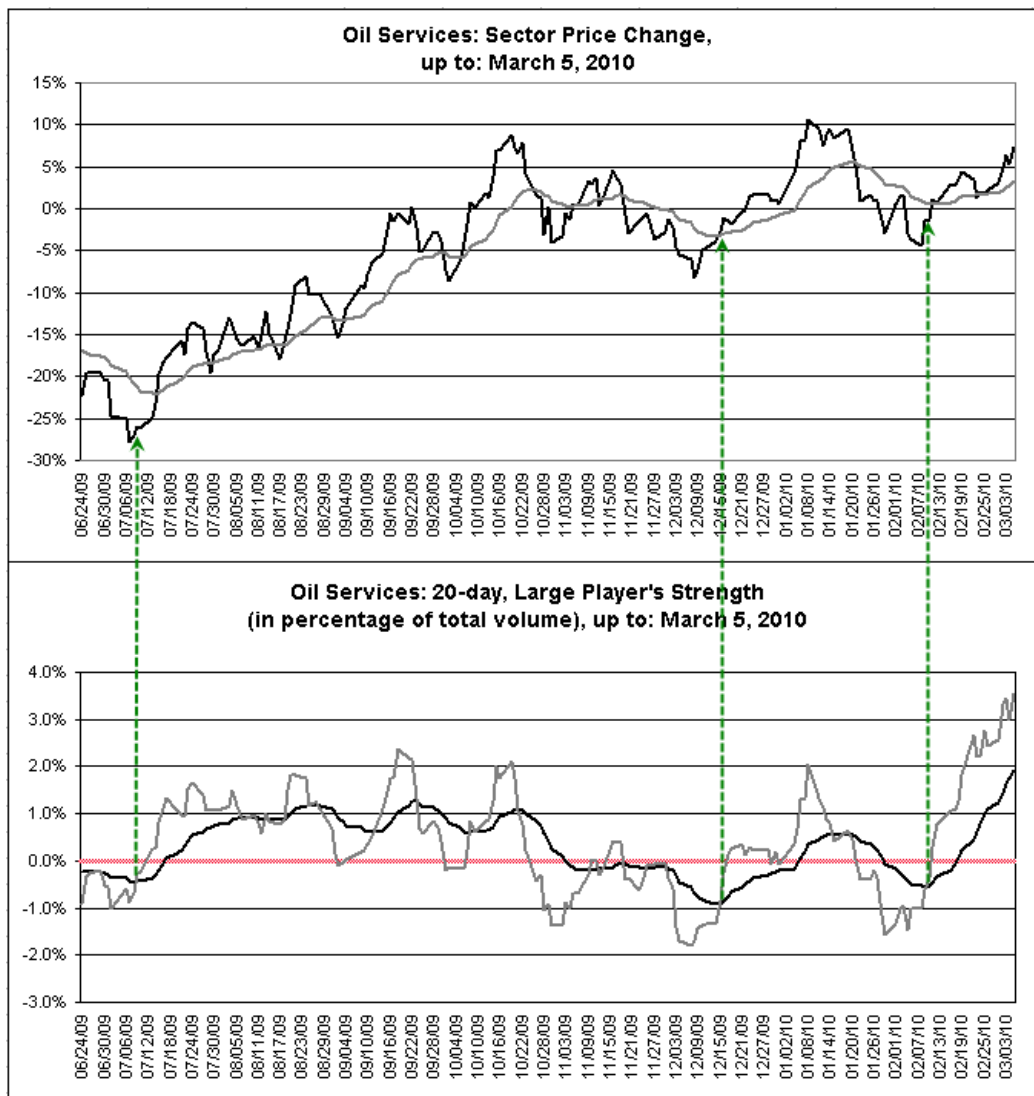
## When a sector flashes a buy signal

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The author is French speaking.  
This report has not been proof-read for the proper use of English language.

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A sector produces a "buy" signal" when the Large Player's Strength signal (gray on the lower panel) crosses above its 20D average while the 20D average is still below the "0%" line. The move must ideally occur with force.



The force of the move can be measured by the two days extension above their 20D average of the TEV signal of all the stocks in that sector.

The table below shows the list of sectors that issued a buy signal since February 5 and the date of the signal. You can also see the level of the TEV "extension" signal as well as the returns generated by each sector since the buy signal was issued.

As you can see, all of the sectors produced positive returns, except the solar and the biotech sector. The biotech sector's downturn was due to MDVN losing 75% of its value due to a failed drug.

It is interesting to also note that the average return of all the sectors was 7.67%, which is to be compared to the S&P 500 returns of 5.3%. It could look strange, because what we are seeing here is probably 80% of the market. Why would investing in 80% of the market produce a 50% better return than investing in 100% of the market? Because the investments in the different sectors were executed at the right time: when money was detected to be moving in. You will indeed note that the 7.67% returns were produced by being invested only 2/3 of the time.

There is also a positive correlation between the returns produced and the level of extension before the signal was generated: the sectors producing superior returns were also those that attracted the most money within two days before the signal generation.

Below is the link that shows the best stocks to buy in the sectors that produced a buy signal during the past three days.

[http://www.effectivevolume.eu/content/Filters/covershorts\\_buy.php](http://www.effectivevolume.eu/content/Filters/covershorts_buy.php).

<b>SECTORS</b>	<b>Signal</b>	<b>Extension</b>	<b>Returns</b>
Banks Foreign	2/5/2010	-3%	14%
Gold	2/5/2010	8%	8%
Solar	2/5/2010	-3%	-1%
Leisure Services	2/5/2010	-8%	19%
Rail	2/5/2010	3%	12%
Gold Canada	2/5/2010	8%	6%
Base Metals	2/5/2010	1%	14%
Insurance Properties	2/5/2010	2%	8%
CATV	2/5/2010	1%	15%
Telecom Wireless	2/8/2010	3%	8%
Jewelry	2/8/2010	4%	18%
Telecom Foreign	2/9/2010	4%	4%
Copper	2/9/2010	6%	11%
Oil Sands	2/9/2010	-2%	9%
Telecom Others	2/9/2010	-1%	10%
Semiconductors	2/9/2010	1%	9%
Electrical Equip	2/10/2010	4%	12%
Coal	2/10/2010	5%	21%
Banks	2/10/2010	4%	9%
Insurance diversified	2/10/2010	6%	7%
Utilities	2/10/2010	2%	4%
Oil Services	2/10/2010	2%	14%
Data Storage	2/10/2010	2%	8%
Media	2/10/2010	13%	10%
Ship Dry	2/11/2010	6%	14%

Oil Integrated	2/11/2010	5%	6%
Steel	2/11/2010	9%	13%
Cosmetics	2/11/2010	3%	3%
Oil Sands Can	2/11/2010	6%	4%
Waste Management	2/11/2010	5%	7%
Sftwr. Security	2/11/2010	4%	3%
Computer Manuf	2/11/2010	7%	10%
Cars	2/11/2010	5%	9%
Game Equipment	2/11/2010	8%	7%
Finance Services	2/11/2010	4%	8%
Beverages Soft	2/11/2010	0%	7%
Building products	2/11/2010	1%	7%
Internet Networking	2/11/2010	8%	11%
Dept. Stores	2/12/2010	11%	15%
Insurance Life	2/12/2010	9%	9%
IT Services	2/12/2010	6%	12%
Clothing	2/12/2010	6%	9%
Diversified Industrials	2/12/2010	18%	8%
Chemicals	2/16/2010	6%	7%
Beverages Alc	2/16/2010	10%	4%
Info services	2/16/2010	0%	4%
Sftw Desktop	2/16/2010	9%	9%
Restaurant	2/16/2010	9%	3%
Finance REIT	2/16/2010	11%	7%
Sftw Enterpr	2/16/2010	5%	6%
Shoes	2/16/2010	8%	5%
Drugstores	2/16/2010	5%	7%
Education	2/17/2010	9%	16%
Drugs	2/18/2010	-2%	6%
Medical SW	2/18/2010	4%	10%
Discount Chains	2/18/2010	4%	8%
Pipe Lines	2/19/2010	0%	3%
Health Care	2/22/2010	-2%	6%
Drillers	2/23/2010	-7%	4%
Oil Pr	2/24/2010	1%	1%
Construction Machinery	2/24/2010	-6%	9%
Ngaz Pr	2/24/2010	-5%	4%
Aerospace & Defense	2/24/2010	0%	6%
Silver	2/25/2010	7%	7%
Semic. Equipment	2/25/2010	5%	3%
Ind Metals	2/25/2010	3%	15%
Biotech	2/25/2010	1%	-9%
Ship Others	3/1/2010	9%	2%
Agriculture	3/1/2010	5%	7%
Heavy Constructions	3/2/2010	2%	3%
Medical products	3/2/2010	0%	0%
Communication Equipt	3/3/2010	1%	2%
Military	3/5/2010	3%	0%
Outsourcing	3/5/2010	4%	0%

**AVERAGE**

**7.67%**