MAR 27 - FRIDAY MARKET COMMENTS

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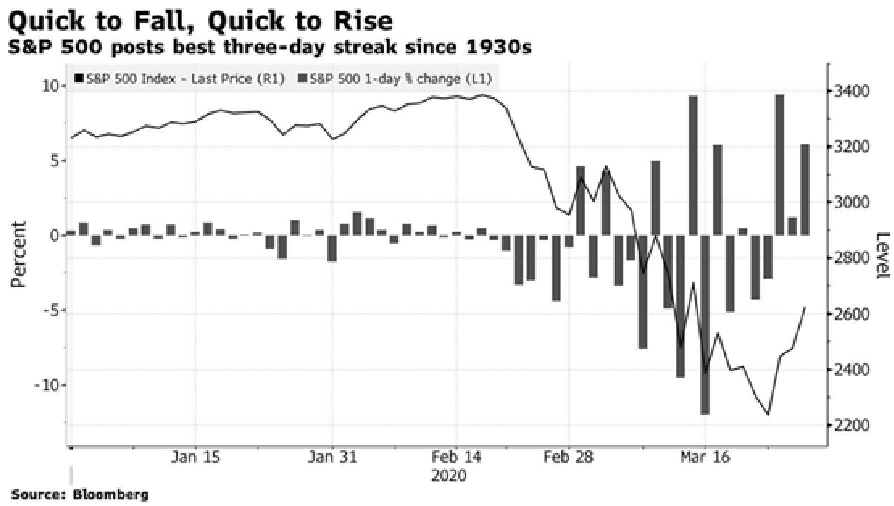
To: Perry Sikes <perry@investorresourcesinc.com>;

Flying less than 4.5 hours will be [even more spartan].

I erred yesterday and misstated the stimulus being on the President's desk. It still must get past Pelosi. Even then, bureaucrats may not make the [April 6 deadline to have checks to consumers].



Thursday's rally, like the previous two days, was driven by investment banks using the Fed's funding to prop the market. US$ falling due to Fed high funding level & benefitting emerging markets as I mentioned in Tuesday's call.

Low volume for the indices suggests sustaining gains will be difficult. Banks are market makers and must make decisions about which stocks they are going to support. Preference will be for the ones that have the most visible impact – large cap index dominant. Even with possibly as much as $3T, in our market that does not go very far.

We have 21% gain in three days. This is not normal except as characteristic of a bear market rally.

Investment participation was by the pros, not general investors. Scans 50 and lower are "voids" meaning no one showed up. HFTs moved some prices intra-day but DPs remain absent. Prices are not low enough, yet.

SCANS	STOCK Count	ETF Count
Momentum Buy	21	6
Momentum Sell	54	2

The Fed seems to assume that it can create another investment bubble creating inflation and restoring consumer confidence. S&P still -22% off the high. Only -18% off 12/31 close being touted as back in bull territory does not a make it a bull market.

The options market is abnormal. As has been the case for a while evidenced by a persistently elevated VIX. Sellers of puts are hard to find since downside risk is high with nominal upside.

Market breadth remains low. The % stocks below the 200-PMA did double to less than 6%. For volatiltiy to calm, this needs to get back above 62%. Expect the volatility to persist. For longer term positions, we are back in 2009 levels which were as low as 2.58%.

Futures are increasingly negative following europe's markets.

DAY OF THE WEEK: MON TUE WED THUR FRI — OPTIONS EXPIRATION: YES NO

Pre-Market Futures Time: 5:00 AM PACIFIC	% Change	Difference	Enter Orders? YES NO
SP-500	-2.66	-80.07	
NASDAQ	-2.43	-230.14	
DOW	-2.78		

Pros will be closing positions today to lower risk over the weekend. Even BTDers are absent perhaps more concerned with household finances and unemployment application.

The Fed's commitment to prop up the economy has resulted in another record: [$5T balance sheet]. Other CBs are getting $200B to keep US$ available for debtors to stay current.

Oil industry having the [largest shut-in in 35 years]. Oil continues in the low $20s this AM. Looks like the Saudis have won.

USA now has [more confirmed virus cases] than China or Italy.

Regards,

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