

Friday, November 5, 2010; 7:42 AM

Technical Assessment
Short-Term: Bullish
Long-Term: Bullish

Plain and simple. Thursday was a great day for the market. The S&P 500 made a new 52-week high at 1221, up 1.9%. The Dow Jones Industrial Average increased 2% to 11,434. And finally, solid comps from retailers suggest that consumers may be in better shape than previously thought -- giving investors reason to contemplate a merry holiday season.

Bulls will be looking for the S&P 500 to maintain the current pattern of higher highs and higher lows. The next resistance point is at 1285, a level the index has not seen since before the market collapse in 2008.

In keeping with such a strong upward move, the number of stocks reaching new highs outpaced those at new lows by almost 13-to-one on the NYSE. The ratio of advancers to decliners on the NYSE was 5:1.

Strengthening Sectors:

Materials, Technology

Weakening Sectors:

Utilities, Financials

Recent Picks:

BHI, KO, WPI, PLCM, AMZN, ORCL, XRX, CAKE, TJX, CCL, LUV, WDC, MCD, JNJ, BRCM, YUM, SBUX, CMG, FO, JCP, MO, PH, STX, HLF, DOW, LTD, SKS, TJX, RSH, JOSB, ANF, RL, CHKP, LVS, TXN, AMZN, BBY, HAIN, WWW, IFF, JNPR, ADSK, GSK, SCMR, VSH, IBM

INDEX	PRICE	SUPP	RESIS
NASD	2577	2060	2805
NYSE	7782	6350	7700
S&P 500	1221	1000	1285

Company	Ticker	Price	Support	Resistance
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International Flavors & Fragrances	IFF	53.34	48	56
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The IFF shares jumped by over 5% on Thursday after the company reported strong 3Q10 earnings. The increase comes on the tail of a five-month upward trend.

The shares rose quickly to a high of around \$52 in April, but then pulled back sharply when the market collapsed in early May. They then started to rebound -- and moved to just below the 200-day moving average in July before passing through the 50-, 100- and 200-day lines in August.

Stop-loss if the shares fail at the 50-day trendline at around \$48. Take profits if the stock falters at around \$56.

Jet Blue	JBLU	7.29	6	9
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After JetBlue reported strong 3Q10 results (with the first quarterly posting of revenue above \$1 billion), investors returned to the stock. The company saw improved results from strong demand and higher ticket prices -- and is filling a void by expanding its flight schedule.

The JBLU shares have been mostly flat over the past 12-months, stuck in the \$5.50-\$6.50 range. The shares pulled back a number of times -- making a bottom at around \$5.50, just below the 200-day moving average. Most recently, the shares passed through resistance at around \$6.50 and have since been in a strong upward trend -- with a pattern of higher highs and higher lows.

Stop-loss if the shares fall below the 50-day moving average at \$6. Take profits if the shares meet resistance at around \$9s.

Investing in stocks involves risks that may be exacerbated by market and/or price volatility. The stocks included in this report have exhibited recent volatility and may continue to do so in the near-term, and thus may be riskier relative to the market as a whole. Please see disclaimer on page 2.



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