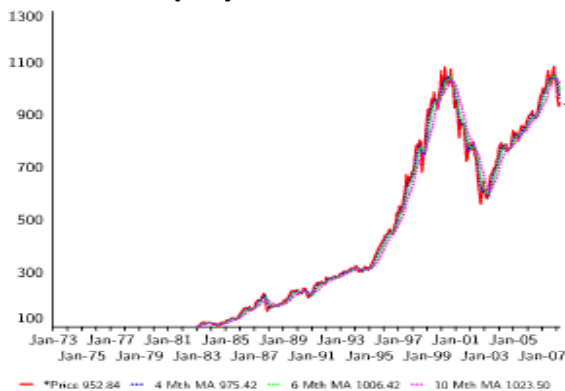




US Equity Market

- The US Equity market is rated as an **AVOID**
- 57% of the US Equity market shows some degree of **OPPORTUNITY**
- But only 2.6% of equities rank as **BUY** compared with 5.6% ranked as **SELL**
- Half the **BUYS** (by market cap) are in the Consumer Staples Sector
- And well over 1/3rd of the **SELLS** (by market cap) are in the Financial Sector
- The table on page 2 shows where the Opportunities & Dangers are within the sector. Click on any blue button within the table to see the names and Intrinsic Value Yield measurements

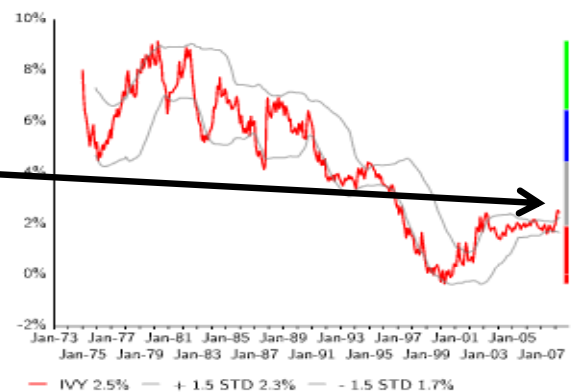
US Equity Market – Price Index



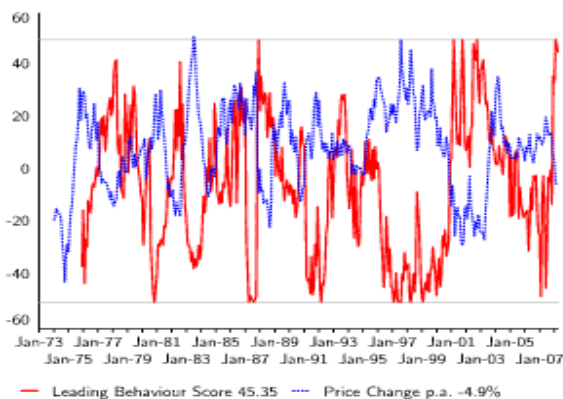
The "bounce" over the last few days is barely noticeable compared with the falls of the last six months.

And Intrinsic Value Yield has only rebuilt into the 3rd Quartile.

US Equity Market – Intrinsic Value Yield



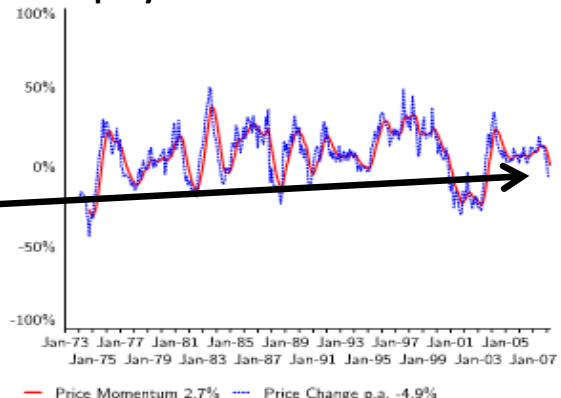
US Equity Market – Leading Behaviour



Leading Behaviour recently hit +50 which is encouraging, but this measure is early.

And Price Momentum is still falling, which is bearish.

US Equity Market – Price Momentum



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Summary of Statuses

The table below summarises the Status of 2,458 stocks within the US Equity market. You can click on any number to see further details.

US Stocks

Summary as at March 25, 2008

(Please note that, for the purpose of the example, the links referred to in the report have been removed)

Number of Stocks	Number	Buys	Attractives	Opportunity	Neutrals	Avoids	Sells	Danger
US Stocks	2,458	73	1,180	1,253	320	621	264	885
Energy	198	22	73	95	36	53	14	67
Materials	168	1	54	55	27	76	10	86
Industrials	340	3	140	143	38	122	37	159
Consumer Discretionary	364	8	217	225	26	78	35	113
Consumer Staples	106	2	40	42	13	41	10	51
Health Care	280	9	146	155	46	48	31	79
Financials	477	10	241	251	70	102	54	156
Information Technology	387	17	224	241	49	45	52	97
Telecom Services	43	0	18	18	9	5	11	16
Utilities	95	1	27	28	6	51	10	61

Percentage by Market Cap.	US\$ bn	Buys	Attractives	Opportunity	Neutrals	Avoids	Sells	Danger
US Stocks	16,669	2.6%	54.3%	57.0%	11.4%	26.0%	5.6%	31.6%
Energy	12.6%	0.5%	2.9%	3.4%	2.6%	6.4%	0.2%	6.6%
Materials	6.2%	0.0%	2.2%	2.2%	0.3%	3.5%	0.1%	3.6%
Industrials	11.2%	0.0%	5.8%	5.8%	0.9%	4.1%	0.4%	4.5%
Consumer Discretionary	9.6%	0.2%	6.1%	6.4%	0.6%	2.0%	0.6%	2.6%
Consumer Staples	9.7%	1.3%	3.1%	4.4%	2.3%	2.3%	0.7%	3.0%
Health Care	10.9%	0.2%	8.7%	8.9%	0.5%	1.1%	0.4%	1.5%
Financials	18.5%	0.0%	10.8%	10.8%	2.5%	3.0%	2.1%	5.1%
Information Technology	14.5%	0.1%	11.7%	11.9%	1.3%	0.7%	0.5%	1.3%
Telecom Services	3.2%	0.0%	2.3%	2.3%	0.2%	0.3%	0.4%	0.7%
Utilities	3.7%	0.1%	0.7%	0.9%	0.1%	2.4%	0.3%	2.7%

Largest 5 Buys

NAME	TICKER	STATUS
WAL-MART STORES INC	WMT	Buy
ANADARKO PETROLEUM CORP	APC	Buy
DUKE ENERGY CORP	DUK	Buy
GENZYME CORP	GENZ	Buy
GAP INC	GPS	Buy

Largest 5 Sells

NAME	TICKER	STATUS
PUBLIX SUPER MARKETS INC	PUSH	Sell
MORGAN STANLEY	MS	Sell
BANK OF NEW YORK MELLON CORP	BK	Sell
MERRILL LYNCH & CO INC	MER	Sell
SCHERING-PLOUGH	SGP	Sell

Largest 5 Stocks

NAME	TICKER	STATUS	INDUSTRY
EXXON MOBIL CORP	XOM	Avoid	Integrated Oil & Gas
GENERAL ELECTRIC CO	GE	Attractive	Industrial Conglomerates
MICROSOFT CORP	MSFT	Attractive	Systems Software
AT&T INC	T	Attractive	Integrated Telecomm. Serv
PROCTER & GAMBLE CO	PG	Neutral	Household Products

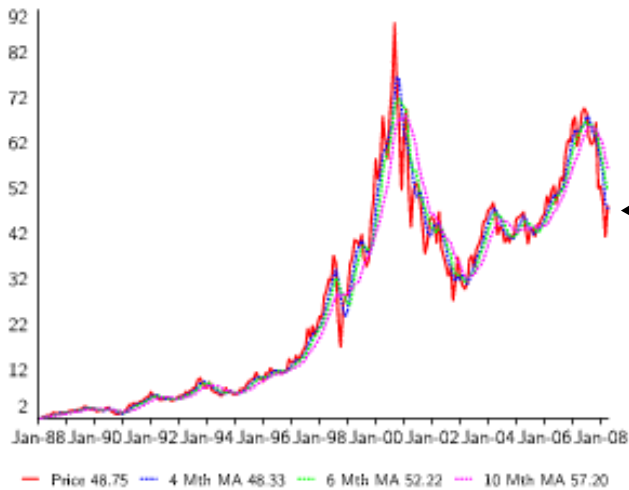
Click on any stock name to see underlying Intrinsic Value measurements



One to Watch Morgan Stanley (MS) - SELL

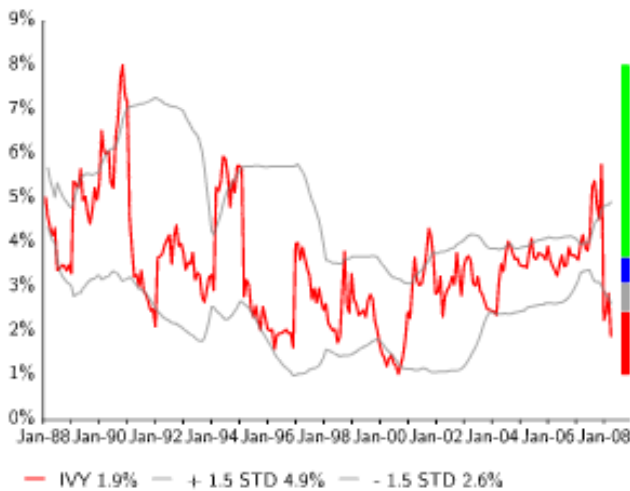
Morgan Stanley's results last week considered one of the brighter spots last week and in the general rebound since the Bear Stearns shock have moved up 45%. However even with the new earnings included, that level of price increase has pushed Intrinsic Value Yield down to a level which is as low as it was in 2000.

Stock Price



Morgan Stanley reached a 52 week low on the back of the Bear Stearns news last week. It is up 45% from that low but still 46% below its high.

Intrinsic Value Yield



But even before that price rise Intrinsic Value Yield was in the bottom quartile - it is now as low as at any time since 2000.

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