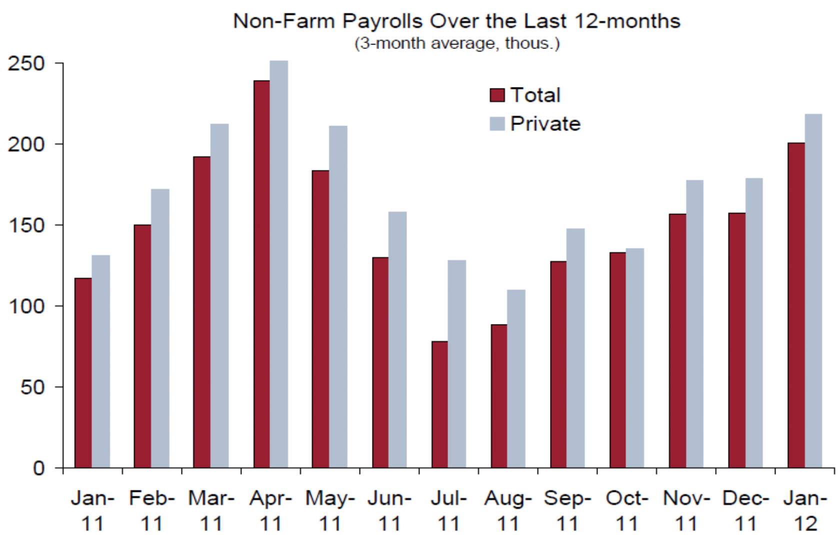
Janney Montgomery Scott, LLC

Market View Daily

Gregory M. Drahuschak
February 3, 2012

2012 Market Data		Prior CLOSE	LAST	CHANGE	% Daily	% YTD	% Jan.	% Feb.	% 1st Qtr.
D J Industrials	.DJIA	12716.46	12705.41	(11.05)	(0.09)	3.99	3.40	0.57	3.99
S&P 500	SPX	1324.09	1325.54	1.45	0.11	5.40	4.36	1.00	5.40
NASDAQ Comp	COMP	2848.27	2859.68	11.41	0.40	9.77	8.01	1.63	9.77
SOX Index	SOX	418.74	420.56	1.82	0.43	15.40	12.21	2.84	15.40
Biotech Index	BTK	1357.43	1377.64	20.21	1.49	26.22	21.13	4.21	26.22
DJ Transports	.TRAN	5343.10	5305.66	(37.44)	(0.70)	5.70	5.97	(0.25)	5.70
DJ Utilities	.UTIL	450.91	449.84	(1.07)	(0.24)	(3.19)	(3.41)	0.22	(3.19)
Volatility Index	VIX	18.55	17.98	(0.57)	(3.07)	(23.16)	(16.92)	(7.51)	(23.16)
S&P Midcap 400	MID	954.47	955.74	1.27	0.13	8.71	6.52	2.05	8.71
S&P 100	.OEX	598.02	598.54	0.52	0.09	4.86	4.04	0.79	4.86
Gold ETF	GLD	169.56	171.05	1.49	0.88	12.54	11.40	1.03	12.54
Russell 1000 Index	RUI	733.50	734.45	0.95	0.13	5.93	4.76	1.12	5.93
Russell 2000 Index	RUT	809.66	812.89	3.23	0.40	9.71	7.00	2.53	9.71



Source: Credit Suisse

A very pleasant surprise

Futures were roughly flat ahead of today's jobs report. They made a sharp move higher after it.

Non-farm payrolls rose 243,000, which topped estimates by a wide margin. Private sector job gains likewise considerably outpaced expectations. The increase in payrolls was the most since last April. The unemployment rate fell to 8.3 percent to its lowest level since February 2009. This is the biggest beat versus expectations since the December 2009 report. Private payrolls rose 257,000 in January after a revised gain of 220,000 the prior month. This represented the biggest back-to-back monthly gain since March-April last year. The news prompted futures to point toward a triple-digit opening gain.

If there was a negative in the employment report it was that the labor participation rate declined, which partly explains the drop in the unemployment rate.

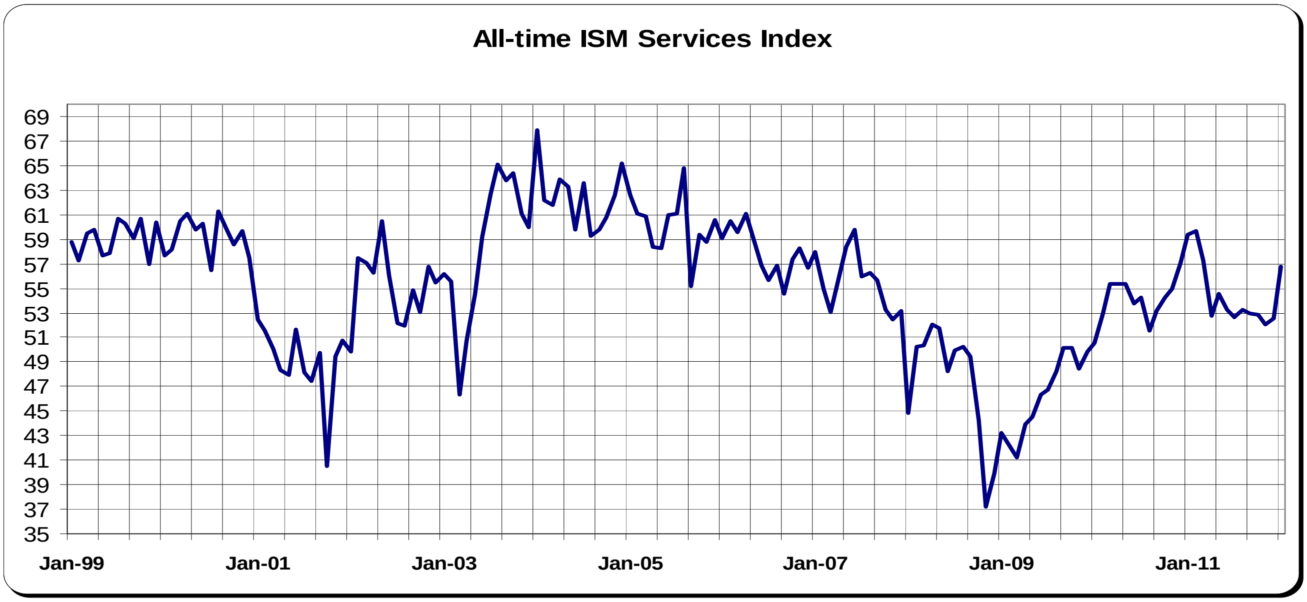
At 10 AM the **ISM Services Index** report added to the market's gain.

The Index at 56.8 was more than three points above the expected level and more than four points above the prior month. The Index also was about a point above its long-term monthly average.

Many of the sub-components in the ISM report were positive. The business activity measure rose to 59.5 from 55.9. The new orders index increased to 59.4 from 54.6, and the employment component increased to 57.4 from 49.8.

Factory orders were slightly below the expected level but still up 1.1 percent.

Approximately 45 minutes into the trading session the Dow was up 160 points with market breadth more than 5-1 positive.



Additional News from Yesterday

QUALCOMM (QCOM, $59.56) advanced 1.96% after reporting better than expected adjusted EPS and revenues, owing to strong demand for smartphones. Management raised its full year adjusted EPS guidance to $3.55 - $3.75 (from $3.42 - $3.62 and vs consensus $3.60), and revenue of $18.7 - $19.7 billion (from $18 - $19 billion and vs consensus $18.39 billion).

Las Vegas Sands (LVS, $50.18,) reported adjusted EPS of $0.57, in line with consensus and revenue up 26%, to $2.54 billion (vs consensus $2.47 billion) led revenue in Asia. CEO Sheldon Adelson said the company is considering building resorts in Japan, Korea, Taiwan and Vietnam. Shares finished up 1.77%.

Green Mountain Coffee Roasters (GMCR, $53.75) jumped 23.85% after easily beating analyst consensus owing to strong sales of its Keurig coffee machines and lower costs. The company guided 2Q adjusted EPS of $0.60 - $0.65 (vs consensus $0.73).

Electronic Arts (EA, $18.44) gained 6.10% after reporting adjusted EPS of $0.99 (vs consensus $0.93) and net revenue up 17%, to $1.65 billion (vs consensus $1.62 billion). Management guided 4Q adjusted EPS of $0.10 - $0.20 (vs consensus $0.30) and net revenue of $925 - $975 million (vs consensus $996.3 million).

		1 Day	MTD	QTD	YTD
S&P 500	11,997,336.96	0.11%	1%	5.40%	5.40%
Materials	445,192.25	-0.48%	0.56%	11.69%	11.69%
Financials	1,711,775.22	0.46%	2.12%	10.25%	10.25%
Info Tech	2,355,232.32	0.25%	1.18%	8.86%	8.86%
Industrials	1,314,570.26	-0.08%	1.03%	8.01%	8.01%
Cons Disc	1,288,737.71	-0.09%	0.21%	6.08%	6.08%
Health Care	1,396,801.61	-0.41%	0.55%	3.53%	3.53%
Energy	1,429,792.23	0.48%	0.94%	2.44%	2.44%
Cons Staples	1,304,420.85	0.28%	1.03%	-0.68%	-0.68%
Telecom Svc	326,618.22	0.10%	0.80%	-3.16%	-3.16%
Utilities	424,196.30	-0.33%	0.05%	-3.61%	-3.61%

The S&P 500 rapidly moved above its prior rally peak at 1333.47 as it touched 1342.90 an hour into the session. This obviously put the lower end of the often-mentioned 1350-1370 range in sight. Breaking out of this range will not be done easily but doing so would imply the potential for a rapid move above 1400.

We have to note that the S&P 500 and some other major averages are clearly at extremely overbought levels. An average can remain in an overbought status for an extended period without precipitating a pullback, but this as well as the overhead resistance in the 1350-1370 range suggest that for the very short-term some caution is advisable.

In addition to the good news in the U.S. today, Europe is helping also. Recent reports of purchasing managers data support the premise that economic activity in the region has improved although it remains low relative to recent years. The wildcard still is that a resolution to the immediate debt problems fails to materialize.

Economic data have provided the catalysts for the market's successful start to 2012 so it is likely they will continue to be major factors in coming weeks.

In contrast to this week, however, next week has a very light schedule of economic reports. They are listed in the table on the next page.

February 7	3:00	Consumer Credit
February 8	7:00	MBA Mortgage Index
February 8	10:30	Crude Inventories
February 9	8:30	Initial Claims
February 9	8:30	Continuing Claims
February 9	10:00	Wholesale Inventories
February 10	8:30	Trade Balance
February 10	9:55	Mich Sentiment
February 10	2:00	Treasury Budget

Keep an eye on how the S&P 500 ends today. Remaining above the prior intraday high would be a good sign, but keep the overbought market condition and the approach of a notable resistance zone in mind.

Have a great weekend.