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Market View Daily

INVESTMENT STRATEGY GROUP

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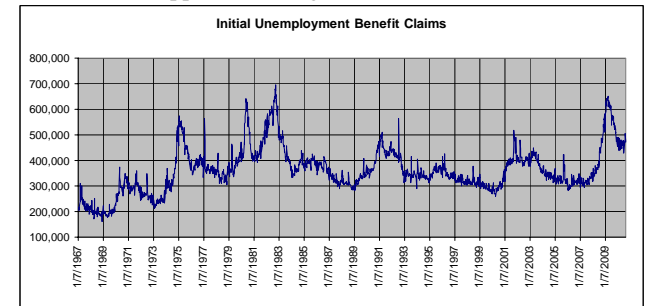
JANNEY MONTGOMERY SCOTT LLC

2010 Market Data	Prior	LAST	CHANGE	% Daily	% YTD	% Jan.	% Feb	% Mar	% Apr	% May	% June	% July	% Aug	% Sep	1st Qtr.	2nd Qtr.	3rd Qtr.	
D J Industrials	.DJIA	10014.72	10269.47	254.75	2.54	(1.52)	(3.46)	2.56	5.15	1.40	(7.92)	(3.58)	7.08	(4.31)	2.54	4.11	(9.97)	5.07
S&P 500	SPX	1049.33	1080.29	30.96	2.95	(3.12)	(3.70)	2.85	5.88	1.48	(8.20)	(5.39)	6.88	(4.74)	2.95	4.87	(11.86)	4.81
NASDAQ Comp	COMP	2114.03	2176.84	62.81	2.97	(4.07)	(5.37)	4.23	7.14	2.64	(8.29)	(6.55)	6.90	(6.24)	2.97	5.68	(12.04)	3.20
SOX Index	SOX	307.49	316.75	9.26	3.01	(11.99)	(12.18)	7.21	8.18	2.59	(5.43)	(6.57)	4.97	(11.85)	3.01	1.85	(9.35)	(4.68)
Biotech Index	BTK	1060.72	1093.43	32.71	3.08	16.06	2.36	7.92	17.95	(2.34)	(12.25)	(2.74)	3.56	0.11	3.08	30.30	(16.66)	6.88
DJ Transports	.TRAN	4122.63	4283.41	160.78	3.90	4.48	(4.98)	6.14	5.81	6.77	(7.17)	(7.57)	10.36	(6.79)	3.90	6.71	(8.38)	6.88
DJ Utilities	.UTIL	388.97	397.36	8.39	2.16	(0.16)	(4.96)	(2.87)	3.11	2.41	(6.90)	(0.96)	7.77	0.89	2.16	(4.82)	(5.56)	11.08
Volatility Index	VIX	26.05	23.89	(2.16)	(8.29)	10.19	13.56	(20.80)	(9.79)	25.36	45.44	7.70	(31.96)	10.85	(8.29)	(18.87)	96.36	(30.83)
S&P Midcap 400	MID	721.64	745.96	24.32	3.37	2.65	(3.28)	5.06	6.98	4.20	(7.33)	(6.69)	6.82	(5.08)	3.37	8.70	(9.90)	4.81
S&P 100	.OEX	475.73	489.04	13.31	2.80	(4.87)	(3.70)	2.22	5.70	1.00	(8.74)	(5.15)	7.04	(4.96)	2.80	4.05	(12.57)	4.57
Gold ETF	GLD	122.08	121.69	(0.39)	(0.32)	13.40	(1.26)	3.27	(0.44)	5.88	3.05	2.36	(5.09)	5.71	(0.32)	1.53	11.68	0.01
Russell 1000 Index	.RUI	577.68	594.86	17.18	2.97	(2.80)	(3.69)	3.06	5.98	1.75	(8.13)	(5.72)	6.82	(4.69)	2.97	5.19	(11.87)	4.85
Russell 2000 Index	.RUT	602.06	624.99	22.93	3.81	(0.06)	(3.73)	4.41	7.97	5.59	(7.67)	(7.88)	6.79	(7.50)	3.81	8.51	(10.19)	2.54

DJIA -		LAST	CHANGE	YIELD	Impact DJIA	Dec. 31 2009	YTD-2010 % G/L	1Q-2010 % G/L	2Q-2010 % G/L	3Q-2010 % G/L
Caterpillar Inc.	CAT	68.16	3.00	2.58	22.67	56.99	19.60	10.28	(4.42)	13.47
Inter. Bus. Machines	IBM	125.77	2.64	2.07	19.95	130.90	(3.92)	(2.02)	(3.72)	1.85
United Technologies	UTX	67.37	2.16	2.52	16.32	69.41	(2.94)	6.05	(11.82)	3.79
Chevron	CVX	76.77	2.69	3.75	20.33	76.99	(0.29)	(1.51)	(10.51)	13.13
Hewlett-Packard	HPQ	39.21	0.76	0.82	5.74	51.51	(23.88)	3.18	(18.57)	(9.40)
3M Co.	MMM	81.01	2.46	2.59	18.59	82.67	(2.01)	1.09	(5.48)	2.56
Procter & Gamble	PG	59.80	0.13	3.22	0.98	60.63	(1.37)	4.35	(5.20)	(0.30)
Boeing Co.	BA	62.29	1.16	2.70	8.77	54.13	15.07	34.14	(13.58)	(0.73)
Intel Corp.	INTC	18.14	0.47	3.47	3.55	20.40	(11.08)	9.26	(12.74)	(6.74)
Exxon Mobil	XOM	60.91	1.80	2.89	13.60	68.19	(10.68)	(1.77)	(14.80)	6.73
Wal-Mart Stores	WMT	51.20	1.06	2.36	8.01	53.45	(4.21)	4.02	(13.54)	6.51
Kraft	KFT	30.38	0.47	3.82	3.55	27.18	11.77	11.26	(7.41)	8.50
McDonald's Corp.	MCD	74.54	1.48	2.95	11.19	62.44	19.38	6.85	(1.27)	13.16
American Express	AXP	41.07	1.20	1.75	9.07	40.52	1.36	1.83	(3.78)	3.45
Merck & Co. Inc.	MRK	35.62	0.46	4.27	3.48	36.54	(2.52)	2.22	(6.37)	1.86
Johnson & Johnson	JNJ	58.29	1.27	3.71	9.60	64.41	(9.50)	1.23	(9.42)	(1.30)
Home Depot Inc.	HD	28.67	0.85	3.30	6.42	28.93	(0.90)	11.82	(13.23)	2.14
Alcoa Inc.	AA	10.52	0.30	1.14	2.27	16.12	(34.74)	(11.66)	(29.35)	4.57
AT&T	T	27.35	0.32	6.14	2.42	28.03	(2.43)	(7.81)	(6.39)	13.06
Verizon	YZ	30.26	0.73	6.28	5.52	33.13	(8.66)	(6.37)	(9.67)	7.99
Cisco Systems	CSCO	20.26	0.27	0.00	2.04	23.94	(15.37)	8.73	(18.13)	(4.93)
Microsoft Corp.	MSFT	23.90	0.43	2.18	3.25	30.48	(21.59)	(3.90)	(21.41)	3.87
General Electric	GE	15.01	0.53	3.20	4.01	15.13	(0.79)	20.29	(20.77)	4.09
Coca-Cola Co.	KO	57.31	1.43	3.07	10.81	57.00	0.54	(3.51)	(8.87)	14.35
DuPont	DD	42.00	1.23	3.91	9.30	33.67	24.74	10.60	(7.12)	21.42
Bank America	BAC	13.21	0.76	0.30	5.74	15.06	(12.28)	18.53	(19.50)	(8.07)
Pfizer	PFE	16.28	0.37	4.42	2.80	18.19	(10.50)	(5.72)	(16.85)	14.17
Walt Disney Co.	DIS	33.51	0.97	1.04	7.33	32.25	3.91	8.25	(9.77)	6.38
Travelers	TRV	50.31	1.32	2.86	9.98	49.86	0.90	8.18	(8.69)	2.15
J.P. Morgan Chase	JPM	37.74	1.38	0.53	10.43	41.67	(9.43)	7.39	(18.19)	3.09

Futures were mixed heading into today's market opening.

Small declines in initial and continuing unemployment benefit claims did not appear to exert great influence.



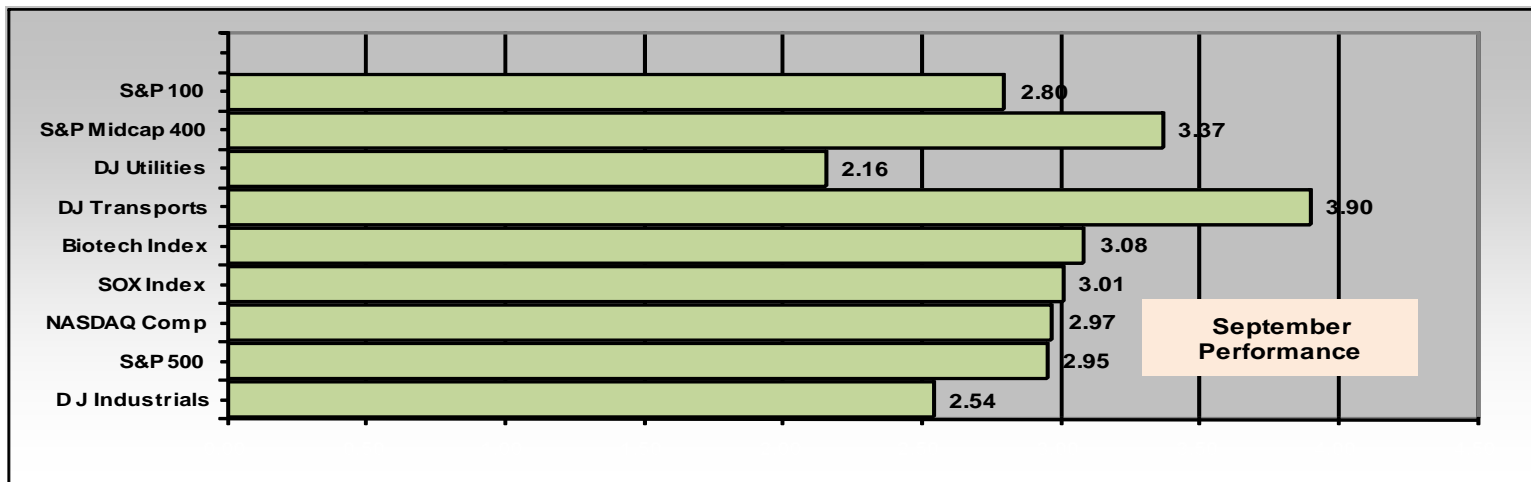
Productivity declined 1.8 percent on top of a 0.9 percent decline last month.

The major positive report came at 10 AM with the release of the pending home sales data, which at a 5.2 percent gain, were notably better than expected. A 0.1 percent rise in factory orders contrasted with a 0.6 percent drop reported last month.

A major corporate item was the announcement that Hewlett-Packard (HPQ) upped its offer to acquire 3PAR (PAR) to \$33. 3PAR accepted the offer.

Many nation retailers reported their August sales results, which overall were better than anticipated. The table below offers a summary of some of today's sales reports.

Walmart comparable sales of +6%	Walmart same store sales +6.3%
Aeropostale same store sales -1.0%	Pier 1 aug sales up 11.2%
American Eagle same store sales +1.0%	Ross Stores comparable sales of +5%
Bon-Ton Stores same store sales -4.6%	Saks same store sales +1.0%
Gap same store sales 0.0%	Stage Stores same store sales +0.5%
Hot Topic same store sales -3.7%	Stein Mart same store sales +8.5%
JC Penney same store sales +2.3%	Target same store sales +1.8%
Kohl's same store sales +4.5%	The Buckle same store sales -3.5%
Limited same store sales +10%	TJX Cos same store sales +2%
Macy's same store sales +4.3%	Zumiez same store sales +9.1%



Tomorrow's report on employment remains the top item for this week, but it will come on a day when volume is likely to be very light. The consensus estimate for overall non-farm payrolls remains at a loss of 120,000. The key issue within the overall payroll data will be what the private sector numbers look like.

Yesterday's gain was credited to the better than expected ISM Index report, but there were other factors that contributed to the move.

The SPX successfully retested 1040, which have cited many times as being a well-defined support level. Investment advisory sentiment in two major measures moved into an excessively bearish position. In addition, prospects for asset allocation programs out of bonds and into stocks prompted some aggressive buying.

Yesterday's gain stalled around 1080, which as we have noted in prior reports would present some resistance. The key now will be to see if the S&P 500 convincingly can get beyond this level. If it does, it would open the potential for a significant extension of the rally that could move the S&P 500 toward the 1120-1130 range.

Of all of the factors that motivated yesterday's gain the most intriguing in our view was the talk of asset reallocation. The fear trade has prompted a nearly unprecedented rush into abysmally low yielding Treasury bonds and notes. Any consequential hint that the hiding in Treasury paper no longer is needed could produce a rush out of bonds and into risk assets, most of which would be directed to stocks. This suggests that interest rates for Treasury paper will rise, which normally would weigh on stocks, but the level of rates now is a function of fear, not economics. A rate rise merely would bring rates more in line with economic reality as the desire to hide in Treasury bond dissipates.

Keep an eye open for tomorrow's employment report and pay attention to see if the S&P 500 can extend its recent gain. If the S&P fails to do so now, we continue to view 1040 as a formidable support level. Most importantly we would advise positioning portfolios for what we think is an eventual rally that could be consequential.

Have a great day.

Additional items from Yesterday

H.J. Heinz Company (HNZ, \$46.24) beat on the bottom line owing to a higher gross margin but posted lower than expected revenue, which rose 1.6% to \$2.48 billion driven by strong sales in Asia. The company reaffirmed its 2011 outlook. Shares finished up 0.06%.

Brown-Forman Corporation (BFB, \$61.29) fell 4.52% as it posted a bottom line miss driven by lower than expected revenue. Investments in marketing and distribution also hurt results. Sales rose 1% to \$744.9 million. Management reaffirmed its 2010 EPS guidance.

Joy Global, Inc. (JOYG, \$56.74) gained 6.39% as it reported a bottom line beat and raised its full year EPS and revenue guidance to \$4.10-\$4.15 (from \$3.85-\$4.00) and \$3.35-\$3.4 billion (from \$3.3-\$3.4bln), respectively as new orders increased 51% to \$973 million. JOYG expects capital spending for the mining industry to be up about 30% in 2010 and up 10% in 2011. On a negative note, revenue decreased more than expected, down 11% to \$850 million.

Burger King (BKC, \$16.45) advanced 14.65% following reports saying it is in talks to be acquired by 3G Capital. The company declined to comment, while another potential bidder, 3i Group Plc, said it was not in discussions with BKC.

Netflix Inc. (NFLX, \$125.52) rose 7.48% off of reports that **Apple Inc. (AAPL, \$243.37)** may announce a new set-top box that delivers TV to consumers, including movies from NFLX.

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