

Our Road Map – above displays the current bull and bear cyclic position of all the major North American Stock groups or stock sectors.

Strategy:

Accumulate groups to the left of the bull skew and reduce groups to the right of the bear skew.

See tables and charts on p 2-4

TRADER STRATEGY: - TSX: All major stock groups are measured in terms of price momentum at the close of each **WEEK**.

TSX Sub Groups	8-Sep-06	gettingtechnical.com Sector WEEKLY Ranking - Most Recent to the Left											
Diversified Metals & Mining	14.47	1	1	1	1	1	1	1	1	1	1	1	1
Telecommunication Services	12.92	2	4	2	2	2	2	3	3	3	3	3	3
Gold	11.27	3	3	4	4	6	13	14	16	14	14	14	14
Information Technology	10.70	4	5	5	6	12	14	15	15	16	16	16	16
Materials	10.64	5	2	3	3	4	8	12	12	11	7	8	8
Financials	7.56	6	8	9	10	11	7	6	5	6	10	10	10
Utilities	6.15	7	12	10	9	7	3	2	2	2	2	2	2
S&P/TSX Composite	6.10	8	6	7	7	8	6	7	8	7	8	9	9
S&P/TSX CDN Mid Cap	5.47	9	10	11	11	10	10	11	11	12	12	11	11
S&P/TSX CDN Small Cap	4.61	10	11	12	12	9	9	8	10	10	9	7	7
Income Trusts	3.77	11	9	8	8	5	5	4	4	4	4	6	6
Consumer Staples	2.57	12	15	15	15	14	12	9	6	9	6	4	4
Consumer Discretionary	2.39	13	13	13	13	13	11	10	9	8	5	5	5
Energy	2.35	14	7	6	5	3	4	5	7	5	11	13	13
Industrials	0.99	15	14	14	14	15	15	13	13	13	13	12	12
Health Care	-3.47	16	16	16	16	16	16	16	14	15	15	15	15

Strategy - The top 5 ranked groups are ACCUMULATED
New Money – See Charts P 3 - 4

TRADER STRATEGY: - U.S. All major stock groups are measured in terms of price momentum at the close of each **WEEK**.

U.S. Sectors	8-Sep-06	gettingtechnical.com US Sector WEEKLY Ranking - Most Recent to the Left												
SPDR-Health Care XLV	8.49	1	2	5	4	4	3	4	5	5	5	8	9	10
SPDR-Utilities XLU	7.72	2	3	3	2	2	1	1	1	1	1	1	1	2
HOLDERS Telecom TTH	7.07	3	4	2	1	1	2	2	3	3	3	3	4	8
SPDR-Consumer Staples XLP	6.56	4	5	4	5	5	4	3	2	2	2	2	2	3
SPDR-Financial XLF	4.63	5	8	7	6	6	7	7	7	9	8	7	5	4
streetTRACKS Gold T GLD	4.46	6	6	6	8	8	10	8	8	7	7	6	3	1
SPDR-Technology XLK	4.23	7	7	9	9	9	9	11	12	13	13	12	12	13
SPDR-Energy XLE	3.50	8	1	1	3	3	5	5	6	6	9	9	8	5
HOLDERS Biotech BBH	3.02	9	9	8	7	7	6	6	4	4	10	10	11	11
SPDR-Materials XLB	2.05	10	10	10	10	11	11	12	11	11	11	11	10	9
HOLDERS Semiconductor SMH	1.60	11	11	12	13	13	13	14	14	14	14	14	14	12
SPDR-Consumer Discreti XLY	-0.70	12	12	11	11	10	8	9	9	8	4	4	6	7
SPDR-Industrial XLI	-3.68	13	13	13	12	12	12	10	10	10	6	5	7	6
HOLDERS Internet HHH	-7.14	14	14	14	14	14	14	13	13	12	12	13	13	14

Strategy - The top 5 ranked groups are ACCUMULATED
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Investor Strategy – The Top 5 CDN & U.S. Sectors by Monthly MOM

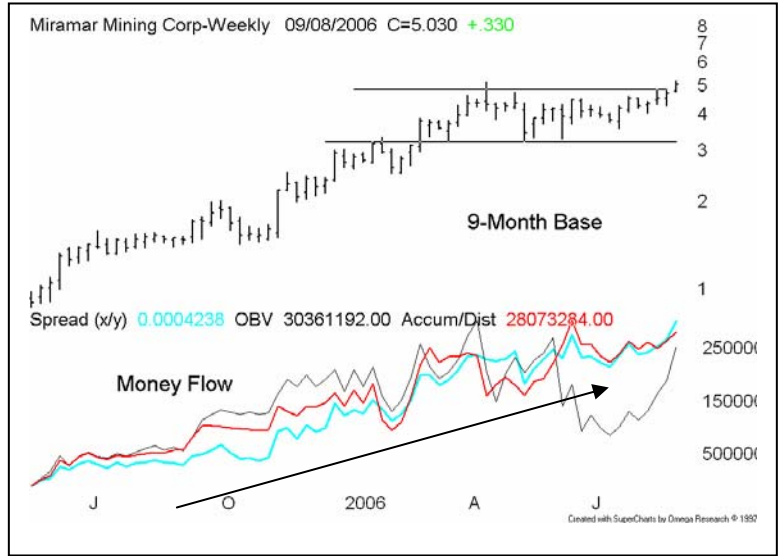
The top five TSX sectors by MONTHLY rate-of-change are Telecommunication Services, Income Trusts, Materials, Information Technology and Consumer Staples

The top five U.S. sectors by MONTHLY rate-of-change are HOLDERS Telecom TTH, SPDR-Health Care XLV, SPDR-Utilities XLU, SPDR-Consumer Staples XLP and SPDR-Technology XLK

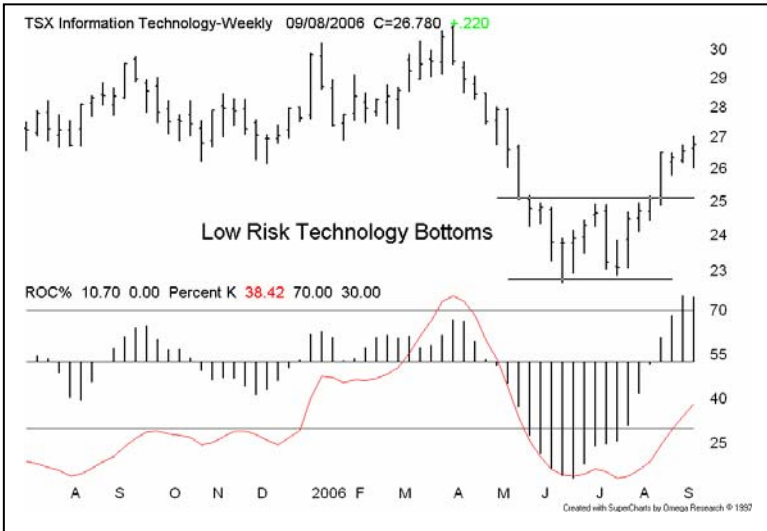
TSX Gold – Disappoints the Gold Bugs



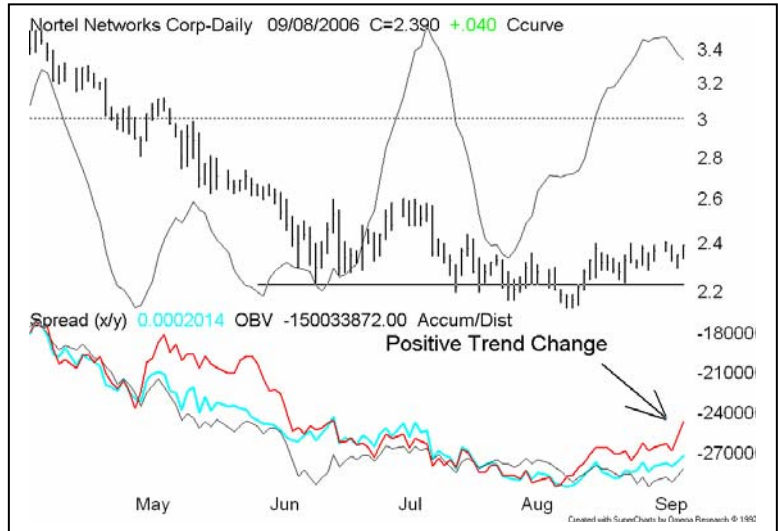
Component Miramar – Elevated Base



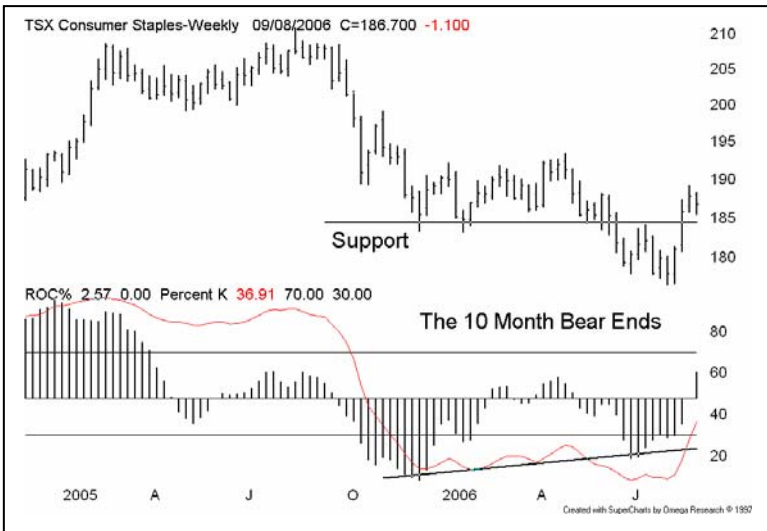
TSX Information Technology Bottoms



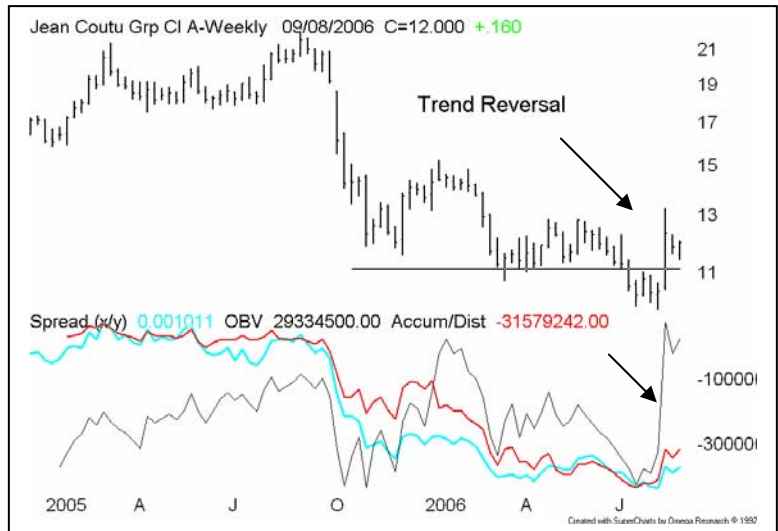
Component Nortel – Positive Money Flow



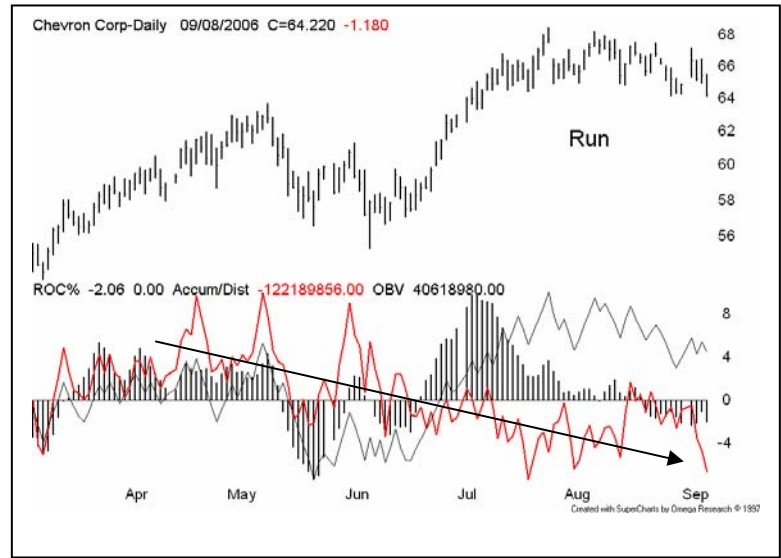
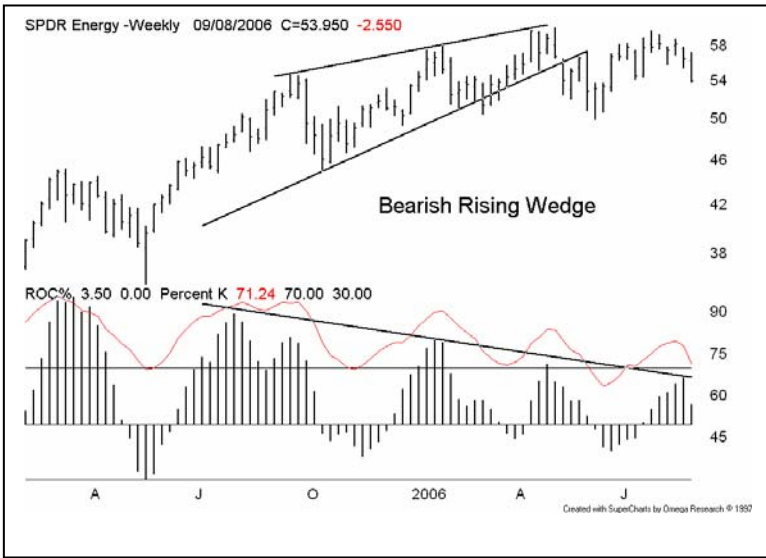
TSX Consumer Staples – A Safe Place



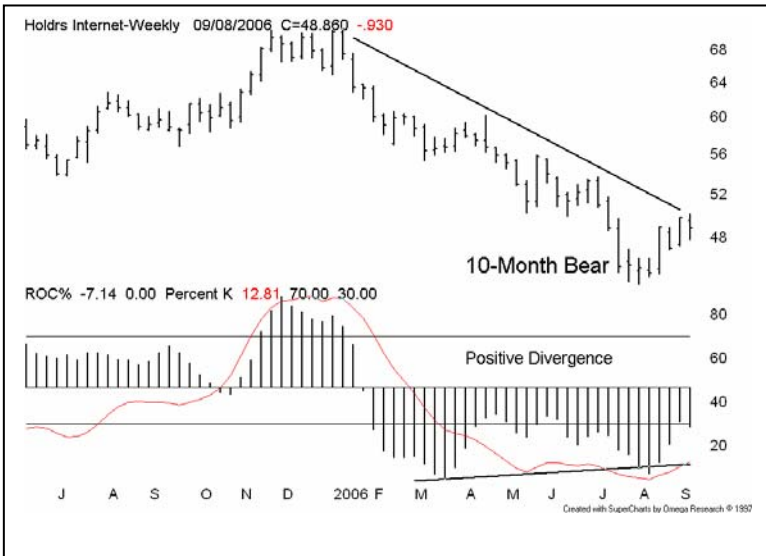
Component Jean Coutu – Just Above Support



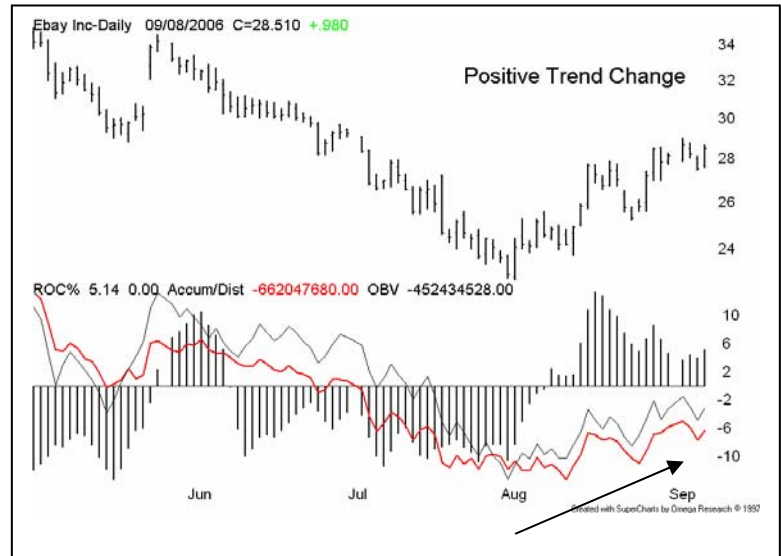
SPDR Energy – Loosing Steam



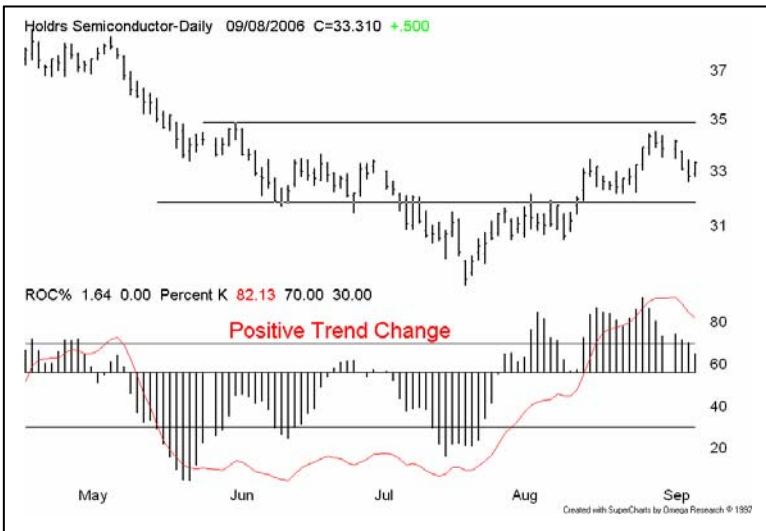
HOLDRS Internet – Ending a 10-Month Bear



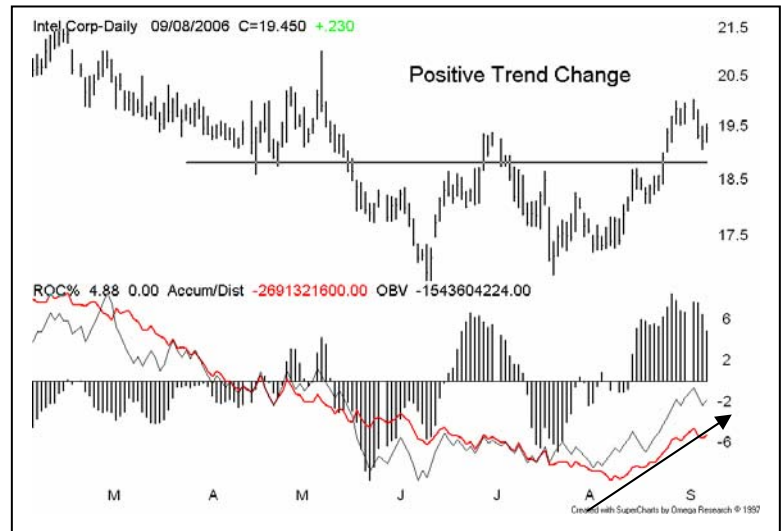
Component Ebay – Positive Trend Change



HOLDRS Semiconductor – Building a Base



Component – Intel – A Double Bottom



Summary and Strategy

The **U.S. Markets** are positioned for outperform through year-end -See chart top left

The **U.S. Dollar** is positioned for outperform through year-end - See chart centre left

The **Gold stocks** flashed a short-term sell signal on Sept 5 on a false move above an ascending triangle.

See chart bottom left.

Action

Reduce_TSX exposure and **increase** U.S. exposure through year-end.

Probable weaker CDN dollar vs. the US should enhance returns on U.S. investments

Best US sectors for recovery – Telecom, Health Care, Utilities, Consumer Staples and Technology.

Reduce Gold and commodity exposure and await a bullish set-up on our Gold Stocks – Bullion spread.

We have had two Gold Stock reversal signals since March 2006 - note the prior signal was a buy flashed during the price divergence setup in the March/June period

Some patience need before re-entering the Gold complex.

- Bill Carrigan

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