



The S&P 500 gapped down in the early going and traded with a 1.7% loss at its session low, but a downturn by the dollar caused stocks to rally into the afternoon. The major indices were able to reverse nearly all of their losses and finish near session highs.

The trading range that we have been highlighting the past few weeks remains in-play. We went from testing the 1110 resistance level on the SPX to testing the 1090 support level. It would not surprise us to see the market test the 1110 level to close out the week tomorrow. It is becoming a sell the rip and buy the dip market.

We followed that formula and added calls on JP Morgan again today. We closed some calls on Monday for a nice profit and our timing looks decent as our calls are sitting on over a 20% gain after holding them for two hours.

Ambercrombie & Fitch put together a solid day and was one of the few stocks that spent most of the day in positive territory. We expect to see the stock make a strong move over the next few sessions which should carry us to our target. Rackspace was a bit of a disappointment today as the stock opened strongly only to reverse with the overall market. It traded down to its 50-day moving average, where it did find support to bounce off of. The stock has plenty of support there and the chart still looks good. We think the stock will make a move higher from this level.

As expected, our stop-loss was triggered on our IP calls. The stock traded below its 20-day moving average early and we let the stop-loss do its job.

#### **Market Wrap:**

Stocks fell but closed well off their lows as investors set aside some of their concerns about Greece's rising debt. The recovery came as the dollar pulled back from an early spike. The dollar is seen as a safe investment. So its retreat signals that by the end of the day, investors had lost some of their fears about Greece's debt problems hurting other countries.

The Dow Jones industrial average closed down 53 points after having fallen

188.

The early slide came as the possibility of downgrades of Greece's debt fanned worries that financial troubles there will spread to other countries. The euro fell and touched a nine-month low against the dollar. Stocks often get hit when the dollar jumps because commodity prices often fall. A drop in commodity prices hurts energy and materials stocks.

Concerns about Greece have dogged investors this year but grew after credit rating agencies Standard & Poor's and Moody's said they might further downgrade the country's debt. That would make it harder for the country to borrow.

An unexpected rise in first-time claims for unemployment insurance added to the sour mood that dominated trading early in the day and raised concerns that the labor market will worsen.

The Labor Department said first-time claims for unemployment insurance rose by 22,000 to a seasonally adjusted 496,000. Economists polled by Thomson Reuters had forecast a drop in claims.

It was the second straight week that claims rose unexpectedly. High unemployment remains one of the biggest obstacles to a sustained economic recovery. The Labor Department's monthly report on employment will be released next week.

Trading in the U.S. has been choppy in recent weeks because of uneasiness about the economy. Global markets retreated earlier this month because traders were worried about Greece's debt problems. The market's drop early in the week, a rebound and the latest slide signal that investors are waiting for clearer information on the direction of the economy.

The Dow fell 53.13 to 10,321.03. The broader Standard & Poor's 500 index slipped 2.30 to 1,102.94. The Nasdaq composite index fell 1.68 to 2,234.22.

Crude oil fell \$1.83 to \$78.17 per barrel on the New York Mercantile Exchange. Gold rose.

The drop in major stock indexes masks the broad improvement in the market. For much of the day, all 30 stocks that make up the Dow were lower. In the end, five turned higher. Aluminum producer Alcoa Inc. was the biggest gainer, rising 25 cents.

The Chicago Board Options Exchange's Volatility Index, which is known as the market's fear gauge, ended down 0.8 percent after jumping 11.9 percent in morning trading. A rise in the VIX signals that investors are expecting swings in the market.

Stocks broke a two-day losing streak on Wednesday after Federal Reserve Chairman Ben Bernanke said in a semiannual report to Congress that the central bank plans to keep interest rates low to help the economy. There was little reaction to his similar testimony before the Senate on Thursday.

Overseas, Britain's FTSE 100 fell 1.2 percent, Germany's DAX index dropped 1.5 percent, and France's CAC-40 fell 2 percent. Japan's Nikkei stock average fell 1 percent.

Have a great evening.

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