

SmartStops Market Risk Report - Week ending Friday, June 27, 2010

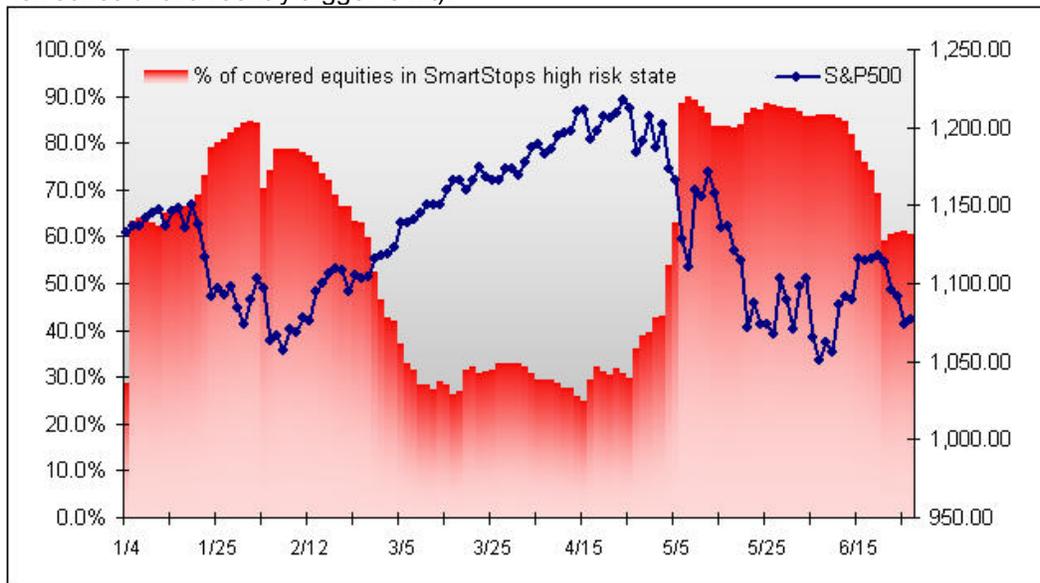
Market Risk: **Above Normal**

The market remains in a state of high risk.

This past week the overall ratio of stocks in a state of above normal risk versus normal risk improved slightly, dropping from 69% to 60%.

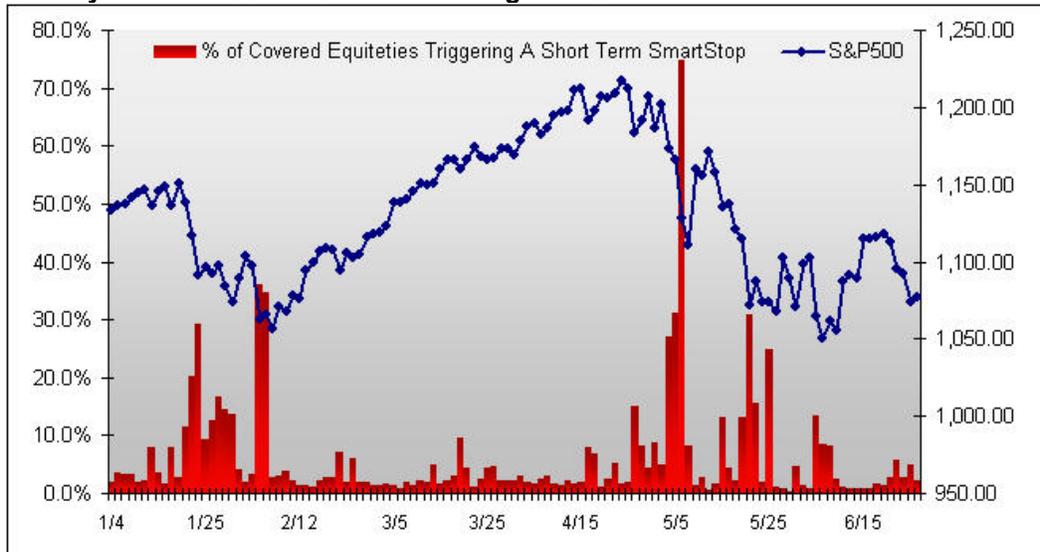
However, the percent of individual equities triggering their SmartStops exit on a given day last week jumped to 3.6% from 1.1% the previous week indicating continued volatility and weakness in individual stocks and ETFs.

Percent of covered equities designated by SmartStops to be in an above normal risk state day by day. (Equities are considered to be in an above normal state of risk from the first SmartStops exit trigger in a risk series until a reentry trigger is hit).



Percent of covered equities triggering their Short Term Exit (Risk Alert) day by day.

100 day mean: 2.3%. This Weeks Average: 3.6%



Research In Motion Risk Is Realized

Research In Motion (RIMM) has had a tough time of late.

For several years, RIMM owned the smart phone market, having out done early competitors such as Palm. Today, with the success of the Apple iPhone and the new Android smart phone operating system from Google, it is another story. The increased uncertainty and risk caused by the change in competitive landscape was reflected in RIMM's trading pattern back in April as it began trading abnormally to the downside.

On April 1st, SmartStops triggered a risk alert on RIMM at \$70.53. SmartStops continued to detect above normal risk issuing 6 additional risk alerts as RIMM pulled back to \$59 just before its earnings report last Thursday. The earnings report reflected the market challenges RIMM faces and RIMM has since dropped to \$52 per share.

The SmartStops early detection of increased risk enabled our members to take protective action. Investors who sold or hedged their position can now reinvest in RIMM at a lower cost basis or put their capital to work elsewhere.



Always know your risk. Monitor - Alert - Protect.

Happy Investing

Your SmartStops.net Team

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