Bespoke Market Timing Model: 7/25/08

Bearish | Neutral | Bullish

	Indicator	Direction	Current Level vs Historical	Average S&P 500 Performance (%) One Week	Two Weeks	One Month
Sentiment						
CBOE Call Volume	1.3	↑	-1.4	-0.78	-0.65	0.79
NYSE Up vs Total Volume (%)	51.3	↑	0.1	-0.04	0.08	0.35
Nasdaq Up vs Total Volume (%)	54.2	↑	0.6	0.19	0.31	0.66
Index vs Equity PC Ratio	0.4	↑	-0.5	0.26	0.41	0.37
VIX 50-Day ROC (%)	29.1	↑	1.1	0.18	-0.01	-0.83
VIX 10-Day ROC (%)	-17.1	↓	-1.3	0.16	0.15	0.57
Investors Intelligence Bullish (%)	29.2	↑	-2.9	0.42	0.84	5.36
Investors Intelligence Bearish (%)	49.4	↓	3.6	1.97	4.13	4.70
Inv Intell. Bull Bear Spread	-20.2	↑	-3.3	0.80	-0.55	1.50
AAII Bullish (%)	35.8	↑	-0.6	0.40	0.61	0.60
AAII Bearish (%)	44.0	↑	1.0	-0.02	1.21	2.73
AAII Bull Bear Spread	-8.2	↑	-0.9	0.14	0.30	0.35
Overall Sentiment		↑	**-0.4**	**0.31**	**0.57**	**1.43**
Technical						
S&P 500 10-Day Avg. Spread (%)	0.0	↓	0.0	-0.01	0.30	0.47
S&P 500 50-Day Avg. Spread (%)	-5.3	↑	-1.6	0.13	0.37	-0.22
S&P 500 200-Day Avg. Spread (%)	-9.7	↓	-1.5	0.44	0.17	-1.11
S&P 500 Monthly ROC (%)	-1.9	↑	-0.5	0.11	0.55	1.20
S&P 500 Weekly ROC (%)	-0.5	↓	-0.3	0.27	0.44	0.39
S&P 500 Quarterly ROC (%)	0.0	↑	-0.1	0.06	0.12	0.74
Group 10-Day A/D Line	0.0	↑	-0.1	0.06	-0.01	0.02
Group 50-Day A/D Line	-129.0	↓	-1.6	0.82	0.94	0.80
S&P 500 10-Day A/D Line	184.0	↑	0.2	-0.09	0.01	0.34
S&P 500 50-Day A/D Line	-2254.0	↓	-1.7	0.48	0.50	0.78
NYSE TRIN Index	1.1	↑	-0.3	0.15	0.19	0.38
Overall Technical		↑	**-0.7**	**0.24**	**0.33**	**0.33**
Fundamental/Monetary						
Corporate Spreads (10-Day ROC)	8.0	↓	0.8	0.25	0.59	0.97
Corporate Spreads (50-Day ROC)	46.0	↑	1.7	1.12	0.75	3.30
High Yield Spreads (10-Day ROC)	-24.0	↓	-0.7	0.13	0.37	0.39
High Yield Spreads (50-Day ROC)	99.0	↑	1.1	0.50	0.48	1.29
S&P 500 P/S Ratio	1.3	↓	-2.5	1.56	2.55	5.69
S&P 500 P/E Ratio	23.0	↑	-0.1	-0.04	0.16	0.45
S&P 500 P/B Ratio	2.4	↑	-2.3	1.57	4.15	9.77
Yield Curve (50-Day ROC)	29.1	↓	0.6	-0.13	-0.40	-0.64
Yield Curve (10-Day ROC)	0.4	↓	0.0	0.05	-0.04	-0.06
Overall Fundamental		↓	**-0.1**	**0.56**	**0.96**	**2.35**
Bottom Line		↓	**-0.4**	**0.35**	**0.61**	**1.35**
Average S&P 500 Performance (All Days)				0.11	0.21	0.43

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Bespoke Market Timing Model - Explained

	Indicator	Direction	Current Level vs Historical	Average S&P 500 Performance (%) One Week	Two Weeks	One Month
Sentiment						
CBOE Call Volume	1.7	⇧	0.6	0.13	-0.22	-0.44
Overall Sentiment		⇧	**0.3**	**0.14**	**0.16**	**0.28**
Bottom Line		⇧	**0.3**	**0.12**	**0.21**	**0.27**
Average S&P 500 Performance (All Days)				0.12	0.24	0.50

The **Bespoke Market Timing Model** is a compilation of some widely (and not so widely) followed market indicators. While most investors have one or two indicators they rely on, we all recognize that no indicator by itself is correct all of the time. With this in mind, we set out to create a series of indicators from multiple disciplines in order to see what the 'crowd' of indicators are telling us. Just as no individual is bigger than the market, we contend that no single indicator is more accurate at forecasting the market than the sum of them all. What follows below is an explanation of the various fields in our report. As always, if you have any questions or comments, please contact us at info@bespokeinvest.com.
Over time we will be adding and subtracting to our list as conditions warrant.

Indicator: Current level of the given indicator. In this example, CBOE call volume is 1.7 times CBOE put volume.

Direction: Change in the indicator (positive or negative) over the last week. In this example, calls relative to puts have increased during the last week.

vs Historical: This field measures the distance in standard deviations that the indicator is currently at versus its average over the last five years. In the above example, the volume of calls relative to puts is 0.6 standard deviations above its historical average.

Average S&P 500 Performance: This field displays the average performance of the S&P 500 following prior occasions when the indicator was at similar levels to the present. Values highlighted in green indicate the two indicators for that group which are predicting the biggest gains, while indicators highlighted in red highlight the indicators which are signaling the most negative returns going forward.

Overall Scores: Averages all the indicators for a given category. In the example above, overall sentiment is 0.3 standard deviations from its long-term average. At similar levels in the past, the S&P 500 has gone up an average of 0.14% over the next week, 0.16% over the next two weeks, and 0.28% over the next month.

Bottom Line: This line shows the average of all the indicators in the study. In the example above, the aggregate level of all the indicators is currently 0.3 standard deviations above the historical average, and based on prior experiences, the S&P 500 has gone up an average of 0.12% in the next week, 0.21% in the next two weeks, and 0.27% in the next month. Values highlighted in red indicate returns that underperform the S&P 500 over the entire period covered (regardless of the indicator level), while green highlights indicate that they outperformed the overall average S&P 500 performance.

In the example above, the indicators are predicting the market to slightly underperform the historical average for the next week and month, with a greater predicted level of underperformance over the next month.

Average S&P 500 Performance (All Days): This line measures the average historical performance of the S&P 500 over all periods for one week, two week, and one month time frames. These levels are then compared to the average level the indicators are predicting.

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