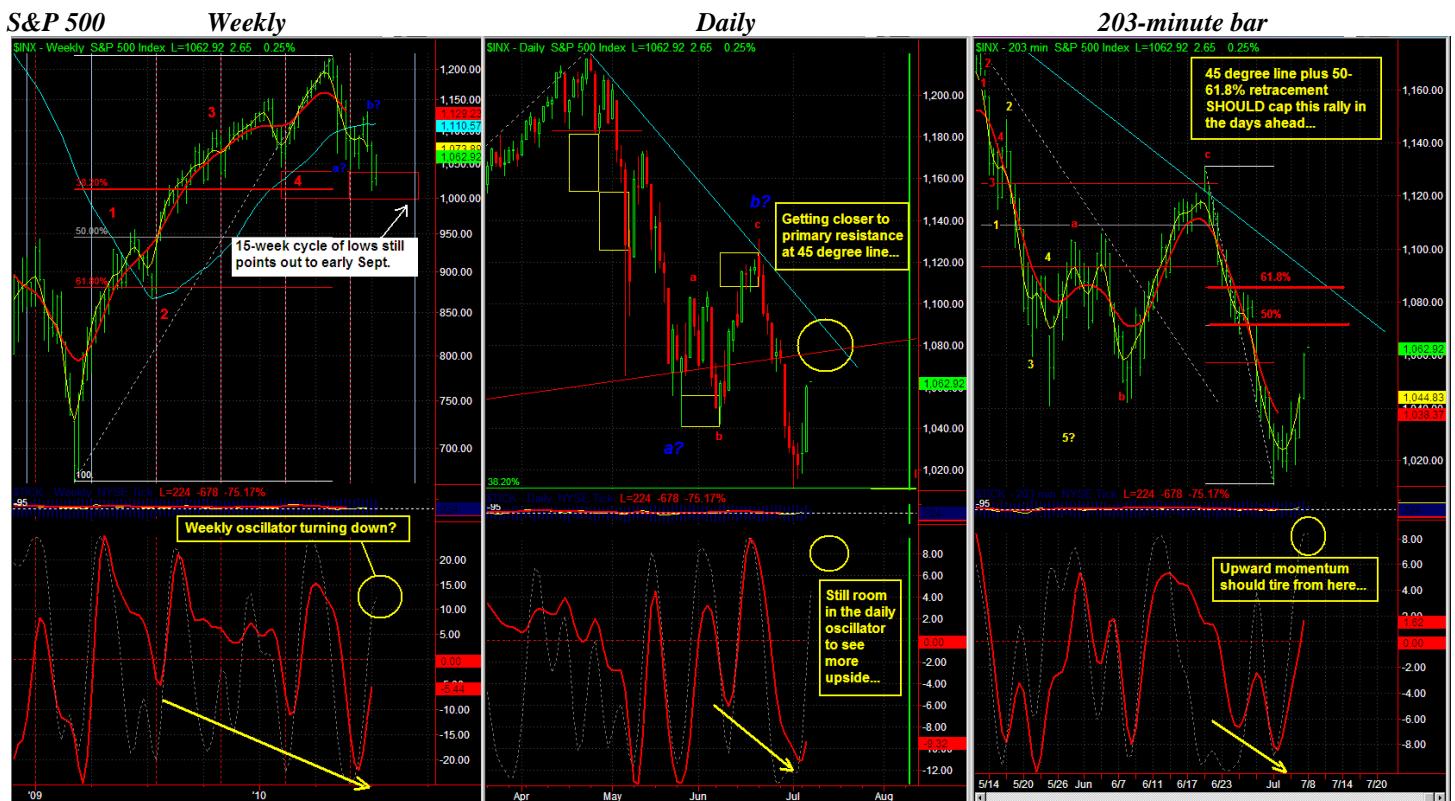


Sam Turner, CMT

July 8, 2010

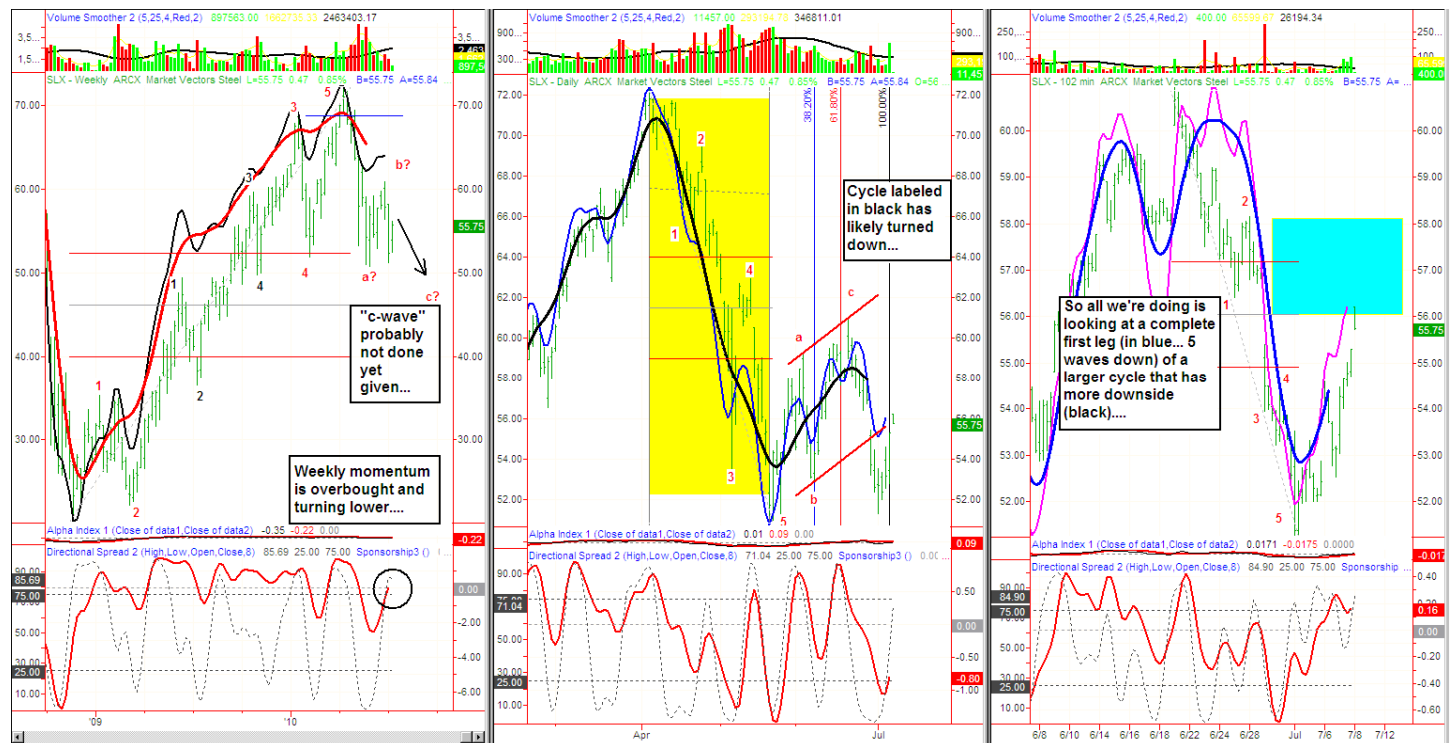
**Oversold bounce should see resistance in days ahead...  
Updating SLX chart for clues on aggregate**

The recent drop into July 1 tested (to the *point* actually) the critical 1010 level (38% retracement of cyclical bull) and upon holding, investors responded with a vibrant rally on Wednesday. Last week we stated our belief that any oversold bounces should find notable resistance at the 45-degree trend line off the April highs (shown in light blue on daily chart). In our opinion, this implies the current rally should stall between 1070 and 1085. Based on a review of the indicators below (both the S&P 500 and the steel group), we continue to lean towards the scenario of this current rally being “counter-trend”; however, more upside potential exists in the *days* ahead. We would look for additional downside risk into late July; at the very least, another retest of 1010 to build a stronger base we have right now. Any breach of 1010 would naturally bring in the next primary support level at 950. It’s quite possible additional vulnerability later in July brings leadership groups (small cap emerging markets, quality domestic, etc.) to their “1010” levels again (about 5% downside), whereas deeper cyclical (such as steel) and more European-focused ETFs may visit their respective “950” levels (which would imply around 10% downside risk).



Source: TradeStation, Market Methodology Inc.

**Revisiting the Steel group chart we first posted June 9:** We wanted to revisit the updated Market Vectors Steel ETF (SLX-NYSEArca-\$55.28) chart since we think it could continue to offer nice clues as to how the aggregate S&P 500 might behave in the weeks/months ahead. Since June 9, we’ve noted the potential for a larger degree top and referred to the decline as the “first” in what should be a normal “abc” retracement (38-50%) of the advance off the March 2009 lows. Last week we characterized the bounce into June 21 as a classic 50% retracement of the decline, intriguingly lasting an approximate Fibonacci 61.8% of the time. We view the updated chart as revealing simply the first completed leg of the “c” wave. Now we’re bouncing again, but we suspect SLX will only travel to \$65-68 before finding key resistance and be vulnerable to yet another decline into late July.



Source: TradeStation, Market Methodology Inc.

**Market Vector Steel ETF (SLX)**  
Inception Date: 10/10/06

	<b>1 year</b>	<b>3 Year</b>	<b>Since Inception</b>
Price Returns	153.95%	9.30%	18.62%
Index Returns	153.49%	9.53%	19.07%
NAV (Market) Returns	152.42%	9.13%	18.56%

Expense Ratio and Returns as of 3/31/10: 0.60%

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Investors should be aware that recent market conditions resulting in extremely high performance for the steel sector may not continue. Performance information for the Fund reflect temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund returns reflect dividends and capital gains distributions. Performance current to the most recent month end is available by calling 888.MKT.VCTR or by visiting vaneck.com/slx.

**Please note that individual exchange-traded funds are sold by prospectus through a broker-dealer. For further information about obtaining a prospectus, or concerning any of the individual securities mentioned in this report, please contact your Financial Advisor.**

Sam Turner, CMT, Portfolio Manager • 804-549-4808 • [sturner@riverfrontig.com](mailto:sturner@riverfrontig.com) • [www.riverfrontig.com](http://www.riverfrontig.com)  
RiverFront Investment Group,  
9011 Arboretum Parkway, Suite 110, Richmond, VA 23236

Past performance is no guarantee of future results.

Standard & Poor's (S&P) 500 Index measures the performance of 500 large cap stocks, which together represent about 75% of the total US equities market.

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