

Technical & Industry Analysis Report

Nasdaq-100 Index®

Symbol: QQQ

05/25/2002 02:27:00 ET Closing Price: 31.24, Change: -0.79 (-2.53%)

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Purpose

Scan all major technical signals
 Visualize industry trends
 Bet on strengthening stocks and sectors

Technical Summary

| | |
|---------------------------|--------------------|
| Intermediate-term Outlook | Short-term Outlook |
| Bullish | Bullish |

| | |
|----------------------------|---------------------|
| Intermediate-term Strength | Short-term Strength |
| Outperform | Underperform |

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Technical Analysis at a Glance for QQQ

Closing Price: 31.24

Change: -0.79 (-2.53%)

Daily View (Outlook, 10MA & Stochastic Oscillator)



Weekly View (Outlook, 10MA & Stochastic Oscillator)



Each chart above shows moving average (upper part) and stochastic oscillator (lower part).

We also recommend that swing traders check the weekly chart to avoid fighting longer-term trends, and investors check the daily chart for better timing of entry/exit points.

Moving average helps to identify signals: stock price increase above (drop below) its moving average is interpreted as a bullish (bearish) signal.

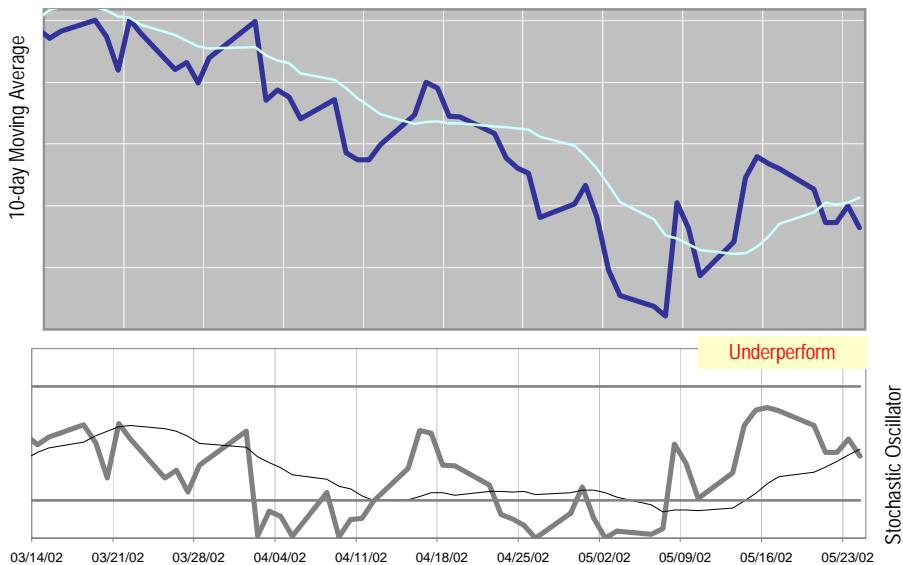
Oscillators (bottom of the charts) show which phase of the cycle the stock currently is in. This allows for better choice of entry or exit points. Oscillators move back and forth between 0 and 100, with readings above 80 (below 20) indicating overbought (oversold) condition, which can turn (bearish) bullish. It means that the stock has probably moved too far, too fast, and is due for a pull back. This is a warning that the price trend is overextended and susceptible. Note that oscillators can remain at extreme readings for a long time. A clear signal takes place when the stock has started moving in the opposite direction and has crossed the line (see chart).

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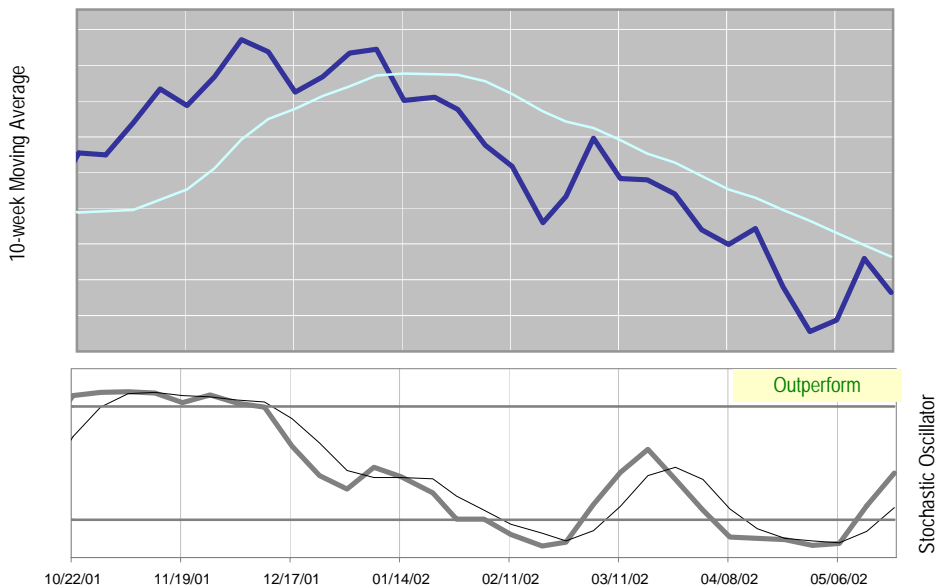
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QQQ Strength

Daily QQQ Strength Swings



Weekly QQQ Strength Swings



This index swings (fluctuates) against its the entire economy. Information about these swings is hard to get, but its importance should not be underestimated. Our charts represent both short-term swings and intermediate-term fluctuations and assist you in selecting the best entry and exit points.

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Major Technical Signals Check List for QQQ: Daily View

QQQ Daily Chart

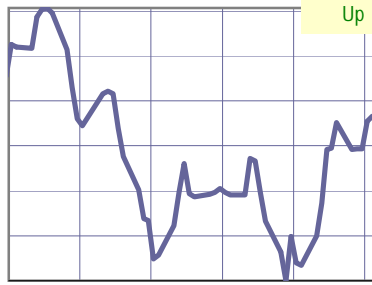


03/14 03/28 04/11 04/25 05/09 05/23

Closing Price:
31.24

Change:
-0.79 (-2.53%)

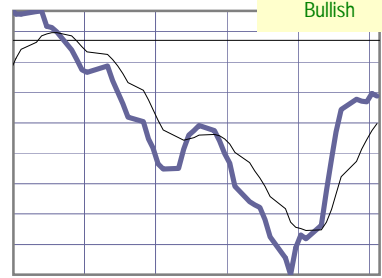
Money Flow Index



03/14 03/28 04/11 04/25 05/09 05/23

Shows the strength of money flow in and out of a stock. When it drops while a price still going up, it would signal a bearish sentiment.

MACD



03/14 03/28 04/11 04/25 05/09 05/23

A difference between two moving averages. When shorter-term MA rises above (drops below) the longer-term MA, a bullish (bearish) signal is generated.

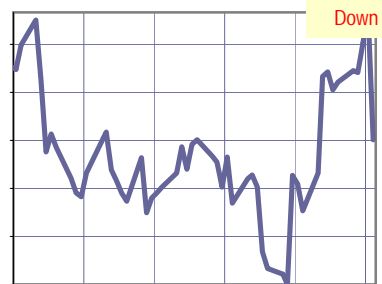
Price Rate-of-Change



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The higher/lower this oscillator is, the more overbought/oversold the stock is. Low readings indicate a forthcoming rally. Extremely high or low readings can mean a continuation of the current trend.

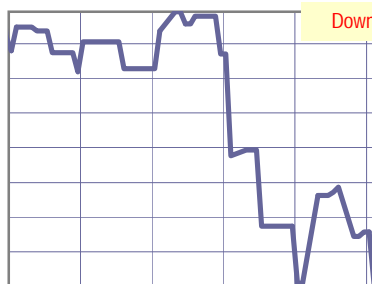
Momentum



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The rate of a stock price change. Bottoming up of this indicator may be interpreted as a bullish signal. A drop of it signals a bearish sentiment.

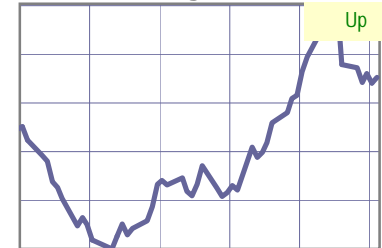
Negative Volume Index



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The accumulated daily percentage price change calculated for days when a volume drops. It is based on assumption that "better informed" investors buy when volume decreases.

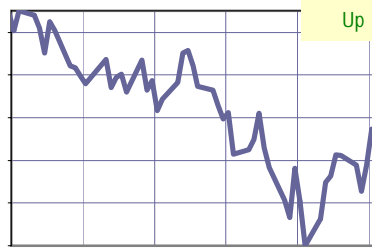
Relative Strength Index



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Typically forms tops and bottoms before the underlying stock does. It shows more clearly support and resistance levels than stock prices themselves.

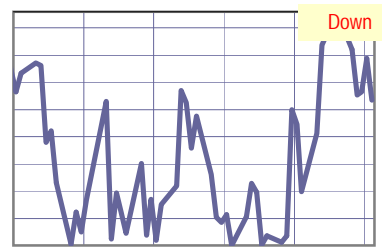
Accumulation/Distribution



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If this indicator goes up, it shows that the stock is being accumulated by most traders. The opposite is also true: if it moves down, a stock is being distributed.

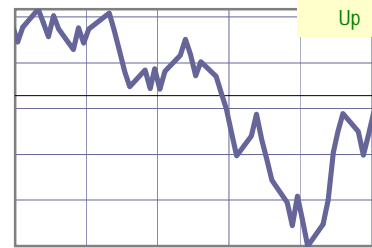
Williams,%R



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Reflects a current momentum similarly to Stochastic Oscillator, but it typically turns down several days before a stock price drop.

On Balance Volume



03/14 03/28 04/11 04/25 05/09 05/23

A running total of volume. It is calculated by adding the day's volume to a cumulative total when the security's price closes up, and subtracting the day's volume when the security's price closes down. Its movements pave the way to price changes.

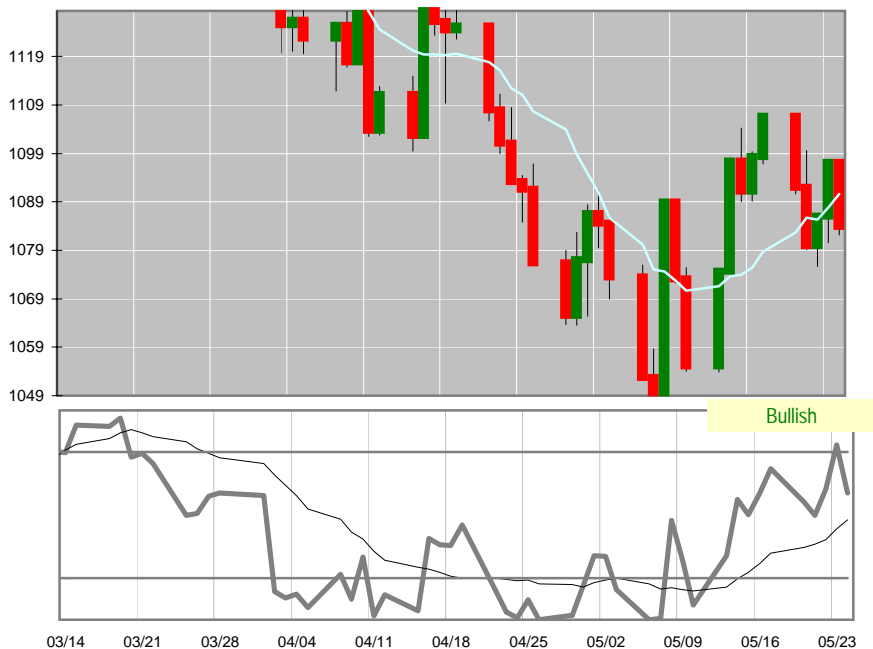
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S&P500 Trends

Closing Price: 1083.82
Change: -13.26 (-1.22%)

Daily View (10MA & Stochastic Oscillator)



Weekly View (10MA & Stochastic Oscillator)



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Approach and Models

Our approach

We offer a unique at-a-glance approach - all key technical indicators for a given stock on one page. We even identify and flag them for you.

Time horizon

We offer both daily and weekly analyses - you can pick what better fits your investment horizon.

The OptionSmart Technical Analysis Model

This model was derived from the recent research and findings of Dr. Sergey Perminov and his co-authors. Our model is more complicated than traditional technical analysis models and outperforms them by taking into consideration the following factors:

- Real predictive accuracy of technical indicators, which has been evaluated with a help of numerous back tests for all US stocks during 1985-2001. No myths. Only clear and most reliable technical signals should be used in decision making.
- Probability estimates of certain stock price movements after technical signals taking place are computed and used in further analysis. This econometric model involves running thousands of computer simulations to estimate these probabilities. Thinking in terms of probabilities helps to "add more colors in the picture" and measure risks more precisely.
- Sector/Industry technical signals are rarely considered by traders; however, our studies show that they should not be ignored. Our model helps to make the well known saying "don't fight the trend" operational, measurable and practical.
- The strength of a particular stock in its sector (industry) changes over time and so does the strength of a sector in the whole economy. These fluctuations are very important to be aware of. They are identified and taken into consideration for better timing and selection of entry/exit points. The OptionSmart Technical Analysis Model produces short- and intermediate-term stock picks with exceptionally clear and powerful technical signals, which allow you to make reliable bets on their price movements.

Please your suggestions or comments send <mailto:SMI@optionsmart.com>

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