

SPI Report

Technical Outlook

Friday trade was tighter than expected, but still with a slight bias to the downside in the middle of the session. The close was particularly tight, with neither buying or selling winning the game. We are likely to see new highs today for the XJO and the SPI after good results on Friday from the Global Markets. The US Markets followed the Europeans higher, flirting with the 11,000 level but pulled back to close just under this level and the confirmation.

The technical picture we are looking at this morning sees the SPI trading in above average price territory to over-brought territory, much like Friday, this hasn't changed to the sideways trade we have seen with a slight bias to the upside. The intraday trend momentum is favouring the upside, despite the technical indicators, with new highs possible today. The PSAR is showing good support at 4970 and good resistance at 4995/5000. The XJO & SPI discrepancy didn't last long on the dark side, as we see this morning being at a 41 point premium being displayed.

The Daily Chart continues to favour the upside despite the technical indicators still flirting in over-brought territory. The PSAR indicator seems to be leading the charge that now finds us above the 50 % Fib Retracement level 4950, with this level and the indicator providing great support. This level is significant for two reasons, one being the 50% Fib retracement from the all time high to the 2009 March low, & the second being that it is the top level of the consolidation range the SPI has been trading within for the last 7 months. This break to the topside of this level cannot be ignored, with only a brief dip below last week. The Weekly Chart continues to favour the bull with the PSAR a good distance from the price action. Intra-day trades should be considered with the support/resistance levels.

Potential Levels of Resistance for today: **4995/5000, 5020, 5060** (Further resistance level 5075)

Potential Levels of Support for today: **4920, 4935, 4950, 4975** (Further support level 4900)

Today's Potential Trading Range: 4974—5012

Market Commentary

*Information source from Ozequities

ASX 200 (XJO) Market Wrap

Friday – **MARKET CLOSSES BARELY HIGHER, UP FOR NINE CONSECUTIVE WEEKS**

The S&P/ASX200 closed at 4948.1, up 10.2 points on good volume worth \$4.7 billion. There were 686 issues higher and 460 down. The SPI Futures closed at 4970, up 29 points on light volume of 12,099 contracts. Aussie 10 year bonds were at 5.84 %, 3.5 pts higher yield. The \$A is at 0.9279US\$, in line with last evening.

*The banks contributed fractionally to the upside, resources contributed 2.3 positive points, property trusts contributed 1.2 positive points, retailers contributed 2.4 negative points and Telstra 1.7 positive points.

Over the week the S&P/ASX200 rose 40.4 points or 0.8% to 4948.1.. It is the ninth consecutive weekly rise.

*The coal stocks are so hot it's ridiculous, said a senior insto dealer, with the multiple bids for Macarthur lifting the rest of the sector. He added it's been a very quiet week after Easter, but next week, when the US quarterly reporting season starts, there is likely to be impetus for another leg up.

"Should be a touch stronger today..I expect a close around 4950"

Monday – **POSITIVE NEWS ON GREECE COULD SEE OUR MARKET TEST THE 5000 LEVEL**

The S&P/ASX200 is expected to test the 5000 level today and close slightly below it.

Following Sunday's announcement of a Euro 30 billion 3 year loan to Greece, the US futures markets have lifted strongly while the US dollar has weakened against Euro as countries react positively to the Greek bail out news (more below).

On Friday, markets in Europe, the UK and US closed higher last Friday as Greek default fears abated and the US had better than expected eco numbers.

On the NYSE where 3185 issues traded there were 2,090 issues higher, 991 down and 104 unchanged. On Nasdaq where 2800 issues traded there were 1,459 issues higher, 1,198 down and 145 unchanged.

*Metals rose, crude was down a touch, gold surged. The \$A is at 93.24US c, up about 45 points from last Friday.

US Market Wrap

The Dow Jones industrial average briefly traded above 11,000 points on Friday, the latest mile marker in a yearlong rally that has catapulted the stock market from the depths of the financial crisis. The Dow's surge reflected a growing sense on Wall Street that the recovery might be accelerating. Risk-shy investors are snapping up stocks amid signs that consumer spending is improving and the economy is adding jobs. But for all the optimism, some say they believe the market has come too far too fast. The major indexes have reached levels few could have fathomed in the recession's darker days, climbing at least 68% in the last year. On Friday, the Dow closed at its highest level since September 2008, when the near collapse of the financial system rattled global markets. But it remains a long way from the roaring days before the recession: the index is more than 3,100 points below its record high in October 2007. "We're in 'off to the races' mode for a moment, but this is going to be a year of fits and starts," said Marc Harris, co-head of global research for RBC Capital Markets. "This is an economy that is recovering — that is going to get better. But don't assume a straight line." By the end of trading, the Dow had fallen slightly below the 11,000 mark, closing at 10,997.35 after rising 70.28 points, or 0.64 % on the day. The Standard & Poor's 500-stock index rose 7.93 points, or 0.67%, to 1,194.37, while the Nasdaq climbed 17.24 points, or 0.71 %, to 2,454.05. Major indexes in Europe and Asia also rose. Friday's enthusiasm came amid reports that the European Union had agreed on the technical details of a loan for Greece, allowing it to borrow at a rate lower than the record 7.5 % interest that traders were demanding earlier this week. "They can't allow it to continue to deteriorate any further," Owen Fitzpatrick, managing director of Deutsche Asset Management, said of Greece. "They're going to have to step in soon." A surge in energy stocks also helped drive Friday's gains. Chevron offered a better-than-expected first-quarter outlook, giving its stock a 2.4% jolt, to \$79.50. ConocoPhillips rose 2.6% to \$55.32 a share and Exxon Mobil gained 1.3%, to \$68.76. Even with concern over swelling debt burdens hanging over financial markets, the prognosis for the American economy has turned increasingly bright. A report on Friday showed wholesale inventories in the United States rose 0.6 % in February, exceeding expectations, and sales climbed to the highest level since 2008. Wall Street got another bright data point last week when the government said 162,000 jobs were created in March. Many analysts saw the report as a turning point for the labor market. As unemployment eases, Americans are expected to spend more. Spending has ticked modestly upward for five consecutive months, and businesses are already noticing the shift. Major retailers like Macy's and Target reported their strongest monthly sales growth in a decade in March, with collective sales increasing 9.1%. Still, despite the rosy data, some investors remain concerned that the ebullience of Wall Street's rally is out of step with the slow pace of renewal. Unemployment is still startlingly high, and the housing market is stumbling despite significant government support. In addition, the federal government is expected to begin withdrawing economic life-support programs in the near future. The Federal Reserve has pledged to keep interest rates low in the near future to spur lending, but that could change as the end of the year approaches. Interest rates were steady on Friday. The Treasury's benchmark 10-year note rose 2/32, to 97 29/32, and the yield slipped to 3.88% from 3.89% late Thursday. Much of the optimism on Wall Street rests on an expectation that earnings will continue to strengthen this year. First-quarter financial results will begin to trickle out next week, and analysts expect to see an overall rise of 22.6%, according to Thomson Reuters. The pressure to perform is high after a glittering finish to 2009, when 72% of companies exceeded forecasts. As the second quarter begins, investors are looking for signs that companies have found stable revenue streams and that lending has picked up. If the results are strong, money may begin pouring back into equities, after the jitters of the financial crisis prompted many investors to turn to the bond market. "It's going to be harder to get to 12,000 than it was to get to 11,000," said William J. Schultz, chief investment officer for McQueen, Ball & Associates. "We're certainly heading up, but it's a question of how much and to what degree."

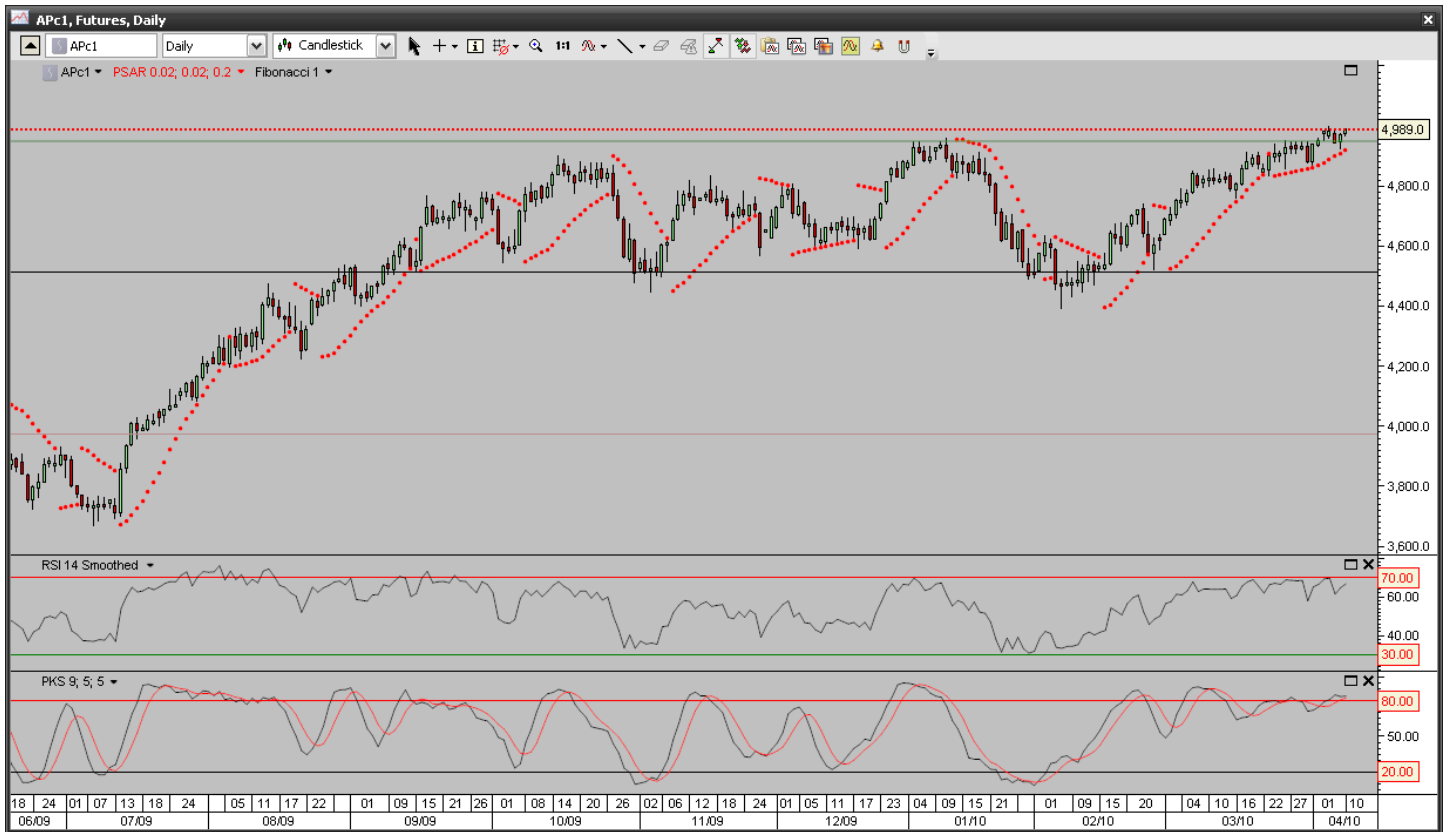
Overnight Markets

*Prices sourced from IRESS

Crosses	Current	Change	%Change	Indices/Futures	Last	Change	%Change
AUD/USD	0.9339	0.0053	0.5762	SPI 200 (Day)	4970	-1	-0.03
GBP/USD	1.5378	0.0098	0.6447	SPI 200 (Night)	4989	11	0.22
NZD/USD	0.7161	0.0093	1.3159	Dow Jones	10997.35	70.28	0.6432
USD/JPY	93.17	-0.22	-0.2356	NASDAQ	2454.05	17.24	0.7075
AUD/JPY	87.015	0.305	0.3517	S & P 500	1194.37	7.94	0.6692
EUR/USD	1.3498	0.0138	1.0329	FTSE 100	5770.98	58.28	1.0202
EUR/JPY	125.77	1.01	0.8096	Nikkei 225	11204.34	36.14	0.3236
EUR/GBP	0.8777	0.0034	0.3831	Hang Seng	22208.5	341.46	1.5615

AUD ADRs	Last	ASX	AUD Eq	GOLD	Last	Change	%Change
BHP	82.3	43.90	44.09	Silver	1162	9.1	0.7893
RIO	242.74	79.47	65.01	Copper	18.351	0.224	1.2357
WBK	129.66	27.72	27.78	Light Crude	359.4	0.75	0.2091
WPL	44.58	47.50	47.76	US Bond (10 Yr)	84.93	-0.52	-0.6085
LGL	37.26	3.99	3.99	US Bond (30 Yr)	3.885	-0.007	-0.1799
					4.743	-0.011	-0.2314

SPI Daily Chart— the PSAR indicator continues to favour the upside despite the 50% fib level 4950 being tested and letting through what seems to be a false break with a tight range seen on Friday, can the SPI make new highs today?



Potential Levels of Resistance for today: **4995/5000, 5020, 5060** (Further resistance level 5075)

Potential Levels of Support for today: **4920, 4935, 4950, 4975** (Further support level 4900)

Today's Potential Trading Range: 4974—5012

Economic Data

*Information sourced from Action Forex

Monday, April 12, 2010

GMT	Ccy	Events	Consensus	Previous
1:30	AUD	Home Loans Feb	-1.00%	-7.90%
1:30	AUD	Investment Lending Feb	--	0.90%
1:30	AUD	Value of Loans M/M Feb	--	-5.00%
8:00	EUR	Italian Industrial Production s.a. M/M Feb	-0.30%	2.60%
8:00	EUR	Italian Industrial Production w.d.a. Y/Y Feb	2.80%	0.10%
8:00	EUR	Italian Industrial Production n.s.a. Y/Y Feb	-1.00%	-3.30%
12:15	CAD	Housing Starts Mar	200.0K	196.7K
14:30	CAD	Business Outlook Future Sales Q1	--	49
14:30	CAD	BoC Senior Loan Officer Survey Q1	--	-8.7
18:00	USD	Monthly Budget Statement Mar	-\$87.5B	-\$191.6B
22:45	NZD	NZ Card Spending M/M Mar	--	-0.40%
23:01	GBP	BRC Retail Sales Monitor Mar	--	4.50%
23:01	GBP	RICS House Price Balance Mar	18%	17%
23:50	JPY	Domestic CGPI M/M Mar	0.30%	0.10%
23:50	JPY	Domestic CGPI Y/Y Mar	-1.10%	-1.50%

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