



Gill Capital Partners

MARKET COMMENTARY

July 1, 2009

Losing Steam





Losing Momentum

The market rally that began in March appears to be losing steam. Since bottoming March 9, 2009, the indices have staged an impressive rally, with the Dow Jones Industrials increasing 33.51%, the S&P 500 (SPX) gaining 39%, and the NASDAQ gaining a whopping 44.78% as of June 2, 2009.

The recent rally was sparked by investor confidence as it became clear that the government was not going to nationalize many of the country's large money centers and the passing of President Obama's stimulus package. Once it became clear that a financial catastrophe had been averted, many traders declared the bottom was in and began moving cash back into the market.

The current rally seems to be losing steam. During the month of June, the indices have been in a narrow trading range with the indices losing an average of about 2.5%. During the same period, trading volume has been decreasing, indicating that traders are hesitant to continue buying in the current rally.

We anticipate a market correction in the coming months of about 10%, but we see no evidence that the bear market lows will be broken or even seriously threatened. Our downside target on the SPX is 850 to 875. Once those levels are reached, it is plausible that the market will stage another rally and our upside target for the SPX is around 1,200.

Below are the returns for the major indices. One point of interest is the year-to-date returns for the NASDAQ, up 16.63%. This change of behavior could infer that investors are feeling more comfortable with the outlook for the economy and are now repositioning their holdings from safer investments to more aggressive growth options.

We are currently bullish on the following sectors - telecommunications, materials and construction, energy, data storage, oil services, agriculture, insurers and commodities. The pending pullback should provide an opportunity to move idle cash back into the market.

Index	YTD Returns (as of 06/30/09)
Dow Jones Industrials	-3.75%
S&P 500	1.78%
NASDAQ	16.63%

it's your journey.



we help you plan for it.



Wealth Management

Gill Capital Partners

Prepared by:

James O'Brien, CFP®

John Winslow

About Gill Capital Partners

Gill Capital Partners is an independent Colorado financial services firm, serving clients since 1983. Their suite of services includes wealth management, institutional services and corporate services. To learn more about the Capital Difference, please contact Gill Capital Partners.

Contact Information

Gill Capital Partners

600 S. Cherry St. Ste. 800

Denver, CO 80246

Office: 303-296-6260

Fax: 303-296-6213

www.gillinvest.com

This material is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy. The general guidance are not personal recommendations for any particular investor or client and do not take into account the financial, investment or other objectives or needs of, and may not be suitable for any particular investor or client. Before investing, investors and clients should consider whether the investment is suitable.