



WHAT'S INSIDE THIS WEEK

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SNAPSHOT

On Wednesday, we put to bed a second consecutive impressive quarter from a performance standpoint. The S&P 500 marked the occasion with a 14.98% Q3, trailing only slightly the 15.2% mark from Q2. This one seemed more impressive in some respects, considering the market was stretched so far negative in Q1 of this year, a snap back would carry astronomical momentum. The economy also seemed to find its footing during Q3. With that being said, Q4 has started on the wrong foot, similar to the way we began July with a mystifying sell off that began to open up healing wounds. This one seems different. After weeks of improving economic data on balance, this week didn't cooperate. Q2 GDP figures posted "less negative" at -0.7 v -1.2. Aside from this, consumer confidence, mortgage applications and Chicago Purchasing Managers index all came in much weaker than expected, with CPM falling back below the 50 diffusion line. Friday's non-farm payroll report then disappointed even last minute revisions as we lost 263K jobs in September. The ratio of job applicants to jobs available is at a 6:1, the highest on record for that measure.

Coming off a sub-par week, equities had their largest point rally since July 13th on Monday. This seemed to be just a bounce as the S&P 500 (SPY) decline 4 straight days into Friday, making that 7 out of 8 days. SPY declined 1.9% for the week. Utility stocks (XLU), which have not recovered the same percentage off the lows as the benchmark S&P 500, drifted 2.4% this week. Retail shares fell 1.9% as well. Financials (VFH) equaled that mark at -2%, dropping off 4.25% on Thursday as the markets regained a bit of focus toward the negative issues surrounding the markets. Unfortunately this theory applies across the real estate sector as well. Homebuilders returned 28.1% in Q3 despite starting a 15% decline over two weeks ago. Trading below \$14 would not bode well for this measure. REITs fell by 3.8%. Semiconductors (SMH) lead tech shares down, falling 3.8%. Much of the weakness focused on the developed markets and Asia. The MSCI International Developed market (EFA) declined 3.8%, while Japan (EWJ) has exhibited further issues, falling 4.6%, where housing starts and construction orders declined at a large clip YoY. China (FXI) retrenched by 4.1%, weighing on emerging markets shares. However,...

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As the managing partner of Astor Asset Management (www.astorllc.com), Rob Stein doesn't just talk the talk about Exchange Traded Funds, he has developed several successful investment programs that invest exclusively in ETFs for clients of Astor Asset Management. Mr. Stein began his career as a project analyst for the Federal Reserve. He has held senior trading or portfolio management positions with major money center banks. In 1994, he formed Astor Financial, LLC, and later formed Astor Asset Management, LLC. Mr. Stein is often featured in major print and broadcast business news media, and is the author of *The Bull Inside the Bear* ([available on Amazon.com](http://available.on.Amazon.com)), as well as *Inside Greenspan's Briefcase*, and *Charting a Profitable Investment Course with Active Management*.

WEEKLY RECAP

SYMBOL	DESCRIPTION	1 WEEK	MTD	YTD
US-BROAD BASED				
SPY	SPDR TRUST SER 1	-1.91%	-2.45%	16.17%
IWM	ISHARES-RUS 2000	-2.92%	-2.99%	19.80%
QQQQ	POWERSH-QQQ	-2.54%	-2.96%	38.39%
US SECTOR				
IYR	ISHARES-DJ REAL	-2.92%	-4.24%	14.85%
XRT	SPDR S&P RETAIL	-1.46%	-2.78%	63.97%
XLE	SPDR-ENERGY SEL	-2.59%	-3.12%	11.00%
XLF	SPDR-FINL SELECT	-3.06%	-4.42%	16.21%
COMMODITIES				
GSG	ISHARES S&P GSCI	2.87%	1.58%	5.38%
OIL	IPATH GS CRD OIL	6.57%	0.13%	2.41%
UNG	US NAT GAS FD LP	-7.92%	-6.12%	-52.43%
DBA	POWERSHARES DB A	1.75%	-1.69%	-4.39%
INTERNATIONAL				
EFA	ISHARES-MSCI EAF	-2.26%	-2.62%	21.19%
EEM	ISHARES-EMG MKT	-0.21%	-2.72%	52.81%
FXI	ISHARES FT/XI CH	-3.76%	-3.10%	37.54%
EWJ	ISHARES-JAPAN	-4.06%	-2.52%	1.69%
BONDS				
IEF	ISHARES 7-10 YR	1.37%	0.75%	-3.37%
LQD	ISHARES-IBOXX IV	-0.86%	-1.02%	8.05%
JNK	SPDR BARCLAYS	-0.70%	-2.22%	28.31%
TIP	ISHARES US TREAS	0.96%	0.28%	7.31%
METALS				
GLD	SPDR GOLD TRUST	0.35%	-0.97%	13.14%
SLV	ISHARES SILVER T	0.33%	-2.06%	43.23%
JJC	IPATH DJ UBS COP	0.67%	-3.33%	90.82%



ETF PORT 100 INDEX™

99.55 ↓ 0.86

The ETF Port 100 Index is a correlation-weighted index of all ETFs which trade over 100,000 shares on an average daily basis over the last 100 days, and have \$100 million or more in total funds under management. The index gives an indication of the overall direction of the investable asset classes represented by this diverse array of ETFs. [Click here](#) for more information on the index.

Week Percent Change	-0.86%
Expense Ratio	0.43
Dividend	1.82%
Corr (SPY)	0.91
QTD	-1.97%
YTD	12.17%

ETF PORT 100 INDEX

TOP MOVERS					
TICKER	FUND NAME	CLOSE	WK % CHG	NAV	YTD
UCO	PRSH-ULT CRU OIL	11.04	10.62%	11.13	-19.36%
TZA	SMALL CAP BEAR 3	13.58	8.64%	13.56	-71.64%
FXP	PROSHARES ULTRAS	10.43	8.20%	10.38	-70.50%
SRS	PROSHARES ULTRAS	10.70	6.77%	10.53	-78.90%
SMN	PROSHARES ULTRAS	12.01	6.38%	11.83	-69.11%

ETF OPTIONS

The CBOE volatility index (VXX) had its largest % jump since July 24th, rising 11.95% on concerns that A) the market has lost its momentum and is due for a pullback and B) the economic recovery may not materialize as many thought. Following the latest FOMC report (one week ago), the troublesome employment report from this week and quarter end, the market may be in for increased volatility for the coming months.

SECURITY VOLATILITY SNAPSHOT

SYMBOL	DESCRIPTION	10 DAY	30 DAY	60 DAY	180 DAY
BROAD					
SPY	SPDR TRUST SER 1	18.70	15.61	18.57	26.80
EFA	ISHARES-MSCI EAF	20.82	18.93	22.99	31.07
EEM	ISHARES-EMG MKT	24.10	21.50	28.94	38.44
QQQQ	POWERSH-QQQ	19.90	16.32	19.13	25.52
SECTOR					
GCC	GREENH COMMODITY	19.86	17.80	20.45	22.21
GLD	SPDR GOLD TRUST	16.05	14.72	15.67	18.30
UUP	POWERSHARES DB U	9.73	7.53	10.29	11.42
IWM	ISHARES-RUS 2000	24.41	20.65	24.52	36.16
XRT	SPDR S&P RETAIL	22.11	22.16	27.89	35.02
EIS	ISHARES ISRAEL	16.12	20.98	27.00	30.10

ACTIVE ETF OPTIONS

SYMBOL	DESCRIPTION	MONTH	STRIKE	PUT/ CALL	VOLUME
BROAD BASED					
SPY	SPDR TRUST SER 1	Oct	103	Put	117K
SPY	SPDR TRUST SER 1	Oct	100	Put	106K
SPY	SPDR TRUST SER 1	Oct	102	Put	92K
QQQQ	POWERSH-QQQ	Oct	41	Put	88K
SPY	SPDR TRUST SER 1	Nov	103	Put	77K
IWM	ISHARES-RUS 2000	Oct	59	Put	77K
IWM	ISHARES-RUS 2000	Jan'11	45	Put	72K
QQQQ	POWERSH-QQQ	Oct	40	Put	64K
SPY	SPDR TRUST SER 1	Oct	104	Put	63K
SPY	SPDR TRUST SER 1	Oct	103	Call	57K
OTHER NOTABLES					
IYR	ISHARES-DJ REAL	Dec	34	Put	38K
SLV	ISHARES SILVER T	Jan	13	Put	33K
SLV	ISHARES SILVER T	April	12	Put	31K
EWJ	ISHARES-JAPAN	Dec	10	Put	20K

ETFs IN FOCUS

DBA

PowerShares DB Agriculture Fund

This Wednesday, Deutsche Bank announced that it will restructure its \$3.3 billion commodity fund, the PowerShares DB Agriculture Fund (DBA). The move comes in response to position limits imposed by the Commodity Futures Trading Commission. Last month the CFTC had revoked its previous exemption on position limits on corn and wheat for the fund; the fund was told to reduce its positions in corn and wheat futures by the end of October.

In response, the fund has stated it will reduce holdings of corn, wheat, crude oil and sugar. The fund will add coffee, cocoa, live cattle, feeder cattle, and lean hogs to its basket of commodities and for the first time will invest in a non-U.S. energy commodity, Brent crude oil futures contract traded in Europe.

The fund's positions in corn, sugar, and wheat will be halved, with the biggest decrease in the weight of sugar futures (from 38.97% currently to 12.5%). This coupled with the added exposure to additional commodities will mean the fund will be much more diversified. The table below shows the fund's new commodity breakdown.

The fund will begin its rebalance on October 19th, at a rate of approximately 10% per day, and expect to complete the rebalance by the end of October.

Commodity funds that invest in futures contracts have been at the center of debate recently over the size of these funds in the futures markets that they trade in. Funds such as DBA must purchase commodity futures and as the funds' size has increased they have become a major player in these markets.

Deutsche Bank is also rebalancing its broad commodity fund, the PowerShares DB Commodity Index Fund (DBC). The rebalance of DBC will add exposure to sugar, copper, silver, zinc, natural gas, gasoline, and Brent crude.

The announcement of the rebalance comes on the heels of Deutsche Bank's closure of its popular crude-oil ETN last month, the PowerShares DB Crude Oil Double Long ETN (DXO), in response to the growing concern over regulatory changes in position limits for commodity ETFs. Other fund providers have been making changes themselves in response to the regulatory pressure, with the U.S. Natural Gas Fund moving a portion of its assets to invest in swap agreements rather than futures contracts and Barclays Capital has suspended new shares of its natural gas ETN, the iPath Dow-Jones-AIG Natural Gas ETN (GAZ).

24.53 ↓ 0.23

Week Percent Change	-0.93%
Yield	N/A
NAV	24.50
NAV Change	0.04%
Premium/Discount	0.13%
52 Week High	28.87
52 Week Low	21.12
QTD	-3.65%
YTD	-6.30%
Average Volume (3 Mo)	2,215,377
Market Cap	2,178,265,000
Total Fund Assets (\$M)	2,422
Inception Date	1/5/2007
Underlying Index	DBAGIX
Tracking Error	6.51
Expense Ratio	0.75

POWERSHARES DB AGRICULTURE FUND (DBA)

FUND REBALANCE WEIGHTING COMPARISON

COMMODITY	CURRENT WEIGHT	CURRENT BASE WEIGHT	NEW BASE WEIGHT
Corn	18.76%	25.00%	12.50%
Soybeans	23.37%	25.00%	12.50%
Sugar	38.97%	25.00%	12.50%
Wheat	18.90%	25.00%	6.25%
Kansas Wheat	0.00%	0.00%	6.25%
Cocoa	0.00%	0.00%	11.11%
Coffee	0.00%	0.00%	11.11%
Cotton	0.00%	0.00%	2.78%
Live Cattle	0.00%	0.00%	12.50%
Feeder Cattle	0.00%	0.00%	4.17%
Lean Hogs	0.00%	0.00%	8.33%

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CHART OF THE WEEK

EWJ

iShares MSCI Japan Index Fund



UPDATES ON ACTIONABLE IDEAS

PERFORMANCE UPDATE ON ETF PORT ACTIONABLE IDEAS AS OF FRIDAY'S CLOSE

TICKER	FUND NAME	DATE	PRICE	CURRENT PRICE	GAIN/LOSS
FXA	CRYSHS-AUS DOL T	4/27/2009	72.32	86.38	19.44%
Commodity price inflation coupled with central bank policies should benefit					
UDN	POWERSHARES DB U	3/23/2009	25.60	27.85	8.79%
Save for a significant break in equity markets we expect the dollar to decline					
SHY	ISHARES 1-3 YR	3/16/2009	83.98	84.02	0.05%
A conservative play					
LQD	ISHARES-IBOXX IV	3/9/2009	93.1	104.44	12.18%
The spread between corporate and Treasuries is not sustainable					
DBA	POWERSHARES DB A	3/9/2009	23.4	24.53	4.83%
Agriculture commodities are ready to shine					
GSG	ISHARES S&P GSCI	3/2/2009	24.08	29.07	20.72%
The fundamentals are supporting commodities, which may have found a bottom					
SSO	PROSHARES ULTRA	3/2/2009	17.31	32.31	86.66%
A good play for a short-term bear market rally; update on 3/27: cut position by half					
IBB	ISHARES-NDQ BIOT	2/23/2009	70.02	78.64	12.31%
Biotech is well positioned for a declining economic environment					
XRT	SPDR S&P RETAIL	2/23/2009	19.89	32.81	64.96%
Retail has been outperforming this year despite consumer spending declines					
JJC	IPATH DJ UBS COP	2/16/2009	21.74	36.83	69.41%
There is support based on China's stimulus and the lows are likely in for cooper					
XLU	SPDR-UTIL SELECT	2/6/2009	29.89	28.52	-4.58%
Utilities sector is actually adding jobs					
MBG	SPDR-BAR MORT BK	2/6/2009	25.91	26.77	3.32%
Stimulus will help the market over the economy					
IPE	SPDR BAR CAP TIP	2/6/2009	48.05	50.72	5.56%
Inflation will ultimately come					
PHO	POWERSH-WATER RE	1/30/2009	12.66	15.82	24.96%
Water is the new oil; an infrastructure play					
XLB	SPDR-MATERIALS	1/30/2009	21.06	29.61	40.60%
An infrastructure play					
XLF	SPDR-FINL SELECT	1/30/2009	9.24	14.29	54.65%
Not necessarily a buy, but will outperform on a bounce					

ETF NEWS IN BRIEF

ISHARES LAUNCHES EASTERN EUROPEAN ETF

Friday marked the launch for the iShares MSCI Emerging Markets Eastern Europe Index Fund (ESR). The fund is composed of four nations: Russian, Poland, the Czech Republic, and Hungary, and is heavily dominated by Russian equities, which make up nearly 75% of the fund. Furthermore, the Russian energy giant Gazprom makes up about 25% of the fund.

EXPANSION OF ACTIVE ETFS

The market of actively managed ETFs continued to grow, as four new actively managed offerings from Grail Advisors began trading Friday. The new funds are the RP Growth (RPX), RP Focused Large Cap Growth (RWG), RP Technology (RPQ), and RP Financials (RFF). The planned lineup of actively managed ETFs from Grail Advisors includes a total of 24-30 funds, expected to be rolled out within the next year or two.

SNAPSHOT

Continued from page 1.

... emerging markets (EEM) did not let the weakness be contagious, the MSCI Emerging Markets fell a mere 0.6%. Lead by Brazil (EWJ, +3.1%) and India (INP, +1.6%), they bucked the global trend. Israel (EIS) added 0.3% and Russia (RSX), which had a volatile week, dropped -0.3%.

Last week's FOMC comments concerning keeping rates at an accommodative level for an extended period may have manifested themselves this week as we some important economic measures report weak. This activity and concern pushed 10 year treasury interest rates to a 4 1/2 month lows of 3.1%. Concurrently, credit spread widened temporarily as we saw high yield corporate bonds (JNK) and high grade corporate bonds (LQD) break comfortable up trends, falling 1.8% and 1.9%, respectively. Commodity shares were mixed, with the indices coming in +/- 1%. The lead performing asset on the week was crude oil (USO), adding 5.5%. Natural gas (UNG), after posting solid gains the past few weeks, dropped 4.8%.

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