

WHAT'S INSIDE THIS WEEK

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SNAPSHOT

A week after the global equity markets were looking certain to roll into a true correction...they didn't. After a 5.5% pullback in the S&P 500 (SPY) and the Nasdaq 100 (QQQQ), investors decided that was enough as SPY rallied 4.6% and came within 25 cents of the year high close on Friday. The QQQQ tacked on 3.9%. It appeared as if a renewed surge of buying took place after the dip the previous week. There was not much in quantity in the way of economic reports this week. On Monday however, traders used some positives in the ISM non-manufacturing report as the catalyst to get the market moving. Mortgage applications came in at their best level since the first week of September. That helped the homebuilders (XHB) tack on 6.3% after spending the last two weeks falling 15%. This helped drive small caps stocks (IWM) higher by 5.9%. Jobless claims continued a downward trend, although they were still unable to get under the 500K mark. Chain store sales showed a surprise, turning in a year-over-year number in the positive territory for the first time since 9/08, even as analysts expected a -1.5%. Retail stocks (XRT, +7.4%) rocked, surging 5.4% Monday and Tuesday alone. The sector made new highs by far on the year, and returned to pre-credit crisis levels. Investors in this space are clearly pushing aside issues such as unemployment and declining consumer credit and spending (see XRT article in this issue).

International shares were equally strong as the MSCI International Developed Market Index (EFA) rallied 4.7% to equal its US brethren. Germany (EWG) helped by adding 5.5%. The MSCI Australia Index (EWA) continues to roll. The Australian monetary authorities, in a surprise move, raised cash interest rates a quarter point. EWA has risen 123% from its low in March of this year. The strength in exports and trade balance has helped the Aussie Dollar (FXA) appreciate 43% against the US Dollar over the same period. Emerging market shares (EEM) advanced 5.2%, lead by Russia's (RSX) 13% move. This market has now moved 200% from the lows of March after an 83% drop during the recession, and is clearly one of the most volatile regions for investors to trade. Brazilian shares (EWZ) also helped the developing markets, tacking on 7.1% while India (INP) added 4.1%. Brazil has moved 132% from its March lows....

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ABOUT THE AUTHOR

ROBERT STEIN

Managing Partner

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	4.65%	1.58%	20.98%
IWM	ISHARES-RUS 2000	5.90%	1.96%	25.91%
QQQQ	POWERSH-QQQ	3.91%	0.54%	43.39%
US SECTOR				
IYR	ISHARES-DJ REAL	5.34%	-0.12%	19.80%
XRT	SPDR S&P RETAIL	7.47%	3.31%	74.25%
XLE	SPDR-ENERGY SEL	8.06%	4.15%	19.33%
XLF	SPDR-FINL SELECT	6.65%	2.01%	24.02%
COMMODITIES				
GSG	ISHARES S&P GSCI	4.30%	2.16%	5.98%
OIL	IPATH GS CRD OIL	3.60%	2.86%	5.20%
UNG	US NAT GAS FD LP	1.76%	-1.28%	-49.98%
DBA	POWERSHARES DB A	0.90%	-2.79%	-5.46%
INTERNATIONAL				
EFA	ISHARES-MSCI EAF	4.77%	0.90%	25.56%
EEM	ISHARES-EMG MKT	5.26%	2.42%	60.88%
FXI	ISHARES FT/XI CH	8.56%	4.81%	48.77%
EWJ	ISHARES-JAPAN	4.08%	0.10%	4.42%
BONDS				
IEF	ISHARES 7-10 YR	-1.02%	-0.32%	-4.40%
LQD	ISHARES-IBOXX IV	-0.48%	-2.13%	6.84%
JNK	SPDR BARCLAYS	1.80%	-0.36%	30.75%
TIP	ISHARES US TREAS	-0.13%	-0.04%	6.97%
METALS				
GLD	SPDR GOLD TRUST	4.54%	4.04%	18.86%
SLV	ISHARES SILVER T	10.24%	6.47%	55.71%
JJC	IPATH DJ UBS COP	7.01%	1.81%	100.97%



ETF PORT 100 INDEX™

102.49 ↑ 2.94

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	2.95%
Expense Ratio	0.43
Dividend	1.76%
Corr (SPY)	0.91
QTD	0.92%
YTD	15.48%

ETF PORT 100 INDEX

TOP MOVERS					
TICKER	FUND NAME	CLOSE	WK % CHG	NAV	YTD
ERX	ENERGY BULL 3X	44.28	24.07%	44.33	14.38%
AGQ	PRSH-ULT SILVER	64.54	20.30%	63.93	104.89%
TNA	SMALL CAP BULL 3	47.53	18.18%	47.68	39.95%
EDC	EMER MKT BULL 3X	145.72	17.20%	146.06	182.44%
UYM	PROSHARES ULTRA	28.91	17.09%	28.96	103.08%

ETF OPTIONS

Quiet Friday on the option trading front. The CBOE Volatility Index declined 19% this week as equities regained their footing after a tough decline the previous week and a surge in volatility as a result. Put/Call ratios declined considerably, especially in individual equity issues.

SECURITY VOLATILITY SNAPSHOT

SYMBOL	DESCRIPTION	10 DAY	30 DAY	60 DAY	180 DAY
BROAD					
SPY	SPDR TRUST SER 1	19.59	16.95	18.07	24.98
EFA	ISHARES-MSCI EAF	22.61	20.09	22.10	28.74
EEM	ISHARES-EMG MKT	23.05	22.74	27.40	35.65
QQQQ	POWERSH-QQQ	21.04	17.25	18.65	23.59
SECTOR					
JJC	IPATH DJ UBS COP	36.47	37.79	37.40	40.92
DJP	IPATH DJ UBS CMD	24.51	23.79	24.74	26.46
INP	IPATH MSCI INDIA	25.21	24.25	35.94	49.60
VXX	IPATH-S&P S/T FU	41.76	41.20	41.15	46.09
PXN	POWERSH-LUX NANO	27.96	25.26	29.14	38.95
FXA	CRYSHS-AUS DOL T	19.37	15.81	15.42	18.23

ACTIVE ETF OPTIONS

SYMBOL	DESCRIPTION	MONTH	STRIKE	PUT/ CALL	VOLUME
BROAD BASED					
XLF	SPDR-FINL SELECT	Oct	16	Call	131K
SPY	SPDR TRUST SER 1	Oct	106	Put	75K
SPY	SPDR TRUST SER 1	Oct	107	Put	63K
SPY	SPDR TRUST SER 1	Oct	107	Call	55K
QQQQ	POWERSH-QQQ	Oct	42	Put	51K
SPY	SPDR TRUST SER 1	Oct	104	Put	34K
SPY	SPDR TRUST SER 1	Oct	105	Put	32K
SPY	SPDR TRUST SER 1	Oct	105	Call	30K
SPY	SPDR TRUST SER 1	Oct	103	Put	29K
SPY	SPDR TRUST SER 1	Oct	108	Call	29K
OTHER NOTABLES					
GLD	SPDR GOLD TRUST	Jan'11	100	Call	25K
XLE	SPDR-ENERGY SEL	Mar	35	Put	35K
GDX	MKT VECT-GOLD MI	Oct	48	Call	17K
SMH	SEMICONDUCTOR H	Nov	23	Put	18K

ETF NEWS IN BRIEF

SCHWAB SOON TO MOVE INTO ETFS

Schwab is entering into the final stage of regulatory approval for its inaugural line of ETFs, and could potentially begin trading as soon as later this year. The proposed lineup included nine index-based funds spanning both domestic and foreign equity markets.

ETF ASSETS SURPASS \$700 BILLION

Total assets in ETFs and ETNs topped a record \$704 billion at the end of September, according to National Stock Exchange data. Assets were up 4.8% since August, driven by flows into commodity fund, fixed income funds, and international equity funds. September's growth surpassed the growth last month, a 3.5% increase.

ETFS IN FOCUS

XRT

SPDR S&P Retail ETF

After a drop 66% during the credit-crisis driven recession of 2008-2009, retail shares (XRT), have taken flight in what appears to be anticipation of a global spending recovery. The interesting thing about that is we have seen the opposite to this point. The jobless rate sits just under 10%, consumer spending/consumer credit has dropped drastically, and does not seem poised to recover previous levels any time soon. This severity of this past recession was supposed to change the structure of our thinking. Our philosophical spending patterns and savings rates are supposed "permanently" change. With that trend taking shape as exhibited by the spending and credit numbers, are we banking on a reversion back once the recovery takes hold? Do we think Americans will never break the current spending/savings patterns that have turned us into one of the lowest saving developed countries?

Components of the group have fared even better. Nordstrom (JDN) department store has rallied 200% from the March lows of \$11. of 2007, well before the S&P 500 in October as concerns of the consumer being tapped out fed into the market. From its peak, it fell 88% to its low in November 2008 as. It has moved a fantastical 392% from those levels. Another holding with a remarkable story is Office Depot (ODP). Office Depot ran into trouble in early 2006 and was already in a free fall as early as June 2007. In March, the stock dropped to \$0.61 from a high of \$44.69. Friday's close was \$7.28. You can do the math. One of the more recognized retail companies, one that uses the modern day method, is Amazon (AMZN). Amazon peaked with the markets in 10/07, dropped 65% to its November 2008 low. By the time the general markets had bottomed in March, Amazon had recovered 72% off the low, and now stands 190% from its bottom and less than \$6 from its all time high. Sales at the internet retail giant are expected

This is a very small sample of the retail sector. As of last week, there were 63 holdings in XRT, the lowest weighting of 1.4% and the highest weighting of 1.9%. It is a diversified group of holdings that represent the many niches of retail, from Tiffany's to Dollar Family Store. The one thing in common is that retail is a very economically sensitive area, affected by the income and spending patterns of consumers. The last year has caused violent declines in revenue, as well as issues with internal financing and investing structures, all affecting the bottom line. The anticipation of a recovery has led share prices considerably higher, well outpacing the market returns this year. That isn't so much of an issue considering most in this group dropped much further than the markets last year. The question arises as to what point will these performance returns outstrip the revenue and financing credit/borrowing issues facing this group. Right now that does not seem to be the case as credit markets have thawed. And you cannot fight the trend. If the economic recovery is "jobless" and spending/savings patterns to not return to previous levels, it will be very difficult to continue to justify these gains.

35.26	↑ 2.45
Week Percent Change	7.47%
Yield	0.76%
NAV	35.28
NAV Change	6.79%
Premium/Discount	-0.06%
52 Week High	35.49
52 Week Low	14.81
QTD	3.31%
YTD	74.25%
Average Volume (3 Mo)	15,235,654
Market Cap	544,770,900
Total Fund Assets (\$M)	545
Inception Date	6/22/2006
Underlying Index	SPSIRE
Tracking Error	2.52
Expense Ratio	0.35

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Astor
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CHART OF THE WEEK

GLD

SPDR Gold Trust



SNAPSHOT

Continued from page 1.

...Commodities indices advanced over 4.25% on global confidence spill-over and a weak US Dollar (UUP, -0.75%). Much of the gains were found in the precious metals. Gold (GLD) gained 4.5% as the US Dollar UUP issues permeated. Silver (SLV) advanced 10.5%. The US dollar broke some long term support levels, and comments resurfaced about pricing assets in other currencies rather than the dollar. Crude oil (USO) advanced 3.5%, however agricultural futures (DBA) lagged, gaining only 0.8%. Since we mentioned the decline in the Baltic Dry Index two weeks ago and its affect on shipping stocks, that index has risen 24% in two weeks, helping to move shipping shares (SEA) higher by 11.8% this week.

The interest rate markets were very interesting this week. As we mentioned earlier, Australia raised rates in a surprise move. Treasury bonds and note remained bid early in the week, keeping 10 year interest rates near the 3.2% level. This activity, combined with the comments about dollar denominated asset pricing concerns pressed the US Dollar and brought pessimism on the currency to a boil. The Euro currency (FXE) gained 1% for the week, but came just short of year highs. On Thursday, 10 year and 30 year note and bond auctions did not go as well as hoped, turning treasuries down on a dime. Overnight Thursday, Ben Bernanke made comments to the tune that rates would stay down for a while, but stimulus would need to be retracted when hints of sustained growth resumed to avoid inflationary issues. It appears the Fed has been acting in reverse repos already to try and reduce some of the liquidity in the markets. Long end bonds (TLT) finished the week down 3.1% and the dollar rallied 0.7% Friday to pare losses for the week. High grade corporate bonds (LQD) dropped 0.5% in rate sympathy and an increase in risk taking. High yield (JNK) tacked on 1.8%.

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	90.47	25.10%
Commodity price inflation coupled with central bank policies should benefit					
UDN	POWERSHARES DB U	3/23/2009	25.60	28.05	9.57%
Save for a significant break in equity markets we expect the dollar to decline					
SHY	ISHARES 1-3 YR	3/16/2009	83.98	83.88	-0.12%
A conservative play					
LQD	ISHARES-IBOXX IV	3/9/2009	93.1	103.94	11.64%
The spread between corporate and Treasuries is not sustainable					
DBA	POWERSHARES DB A	3/9/2009	23.4	24.75	5.77%
Agriculture commodities are ready to shine					
GSG	ISHARES S&P GSCI	3/2/2009	24.08	30.32	25.91%
The fundamentals are supporting commodities, which may have found a bottom					
SSO	PROSHARES ULTRA	3/2/2009	17.31	35.30	103.93%
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	79.70	13.82%
Biotech are well positioned for a declining economic environment					
XRT	SPDR S&P RETAIL	2/23/2009	19.89	35.26	77.28%
Retail has been outperforming this year despite consumer spending declines					
JJC	IPATH DJ UBS COP	2/16/2009	21.74	39.41	81.28%
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	29.25	-2.14%
Utilities sector is actually adding jobs					
MBG	SPDR-BAR MORT BK	2/6/2009	25.91	26.72	3.14%
Stimulus will help the market over the economy					
IPE	SPDR BAR CAP TIP	2/6/2009	48.05	50.67	5.45%
Inflation will ultimately come					
PHO	POWERSH-WATER RE	1/30/2009	12.66	16.70	31.91%
Water is the new oil; an infrastructure play					
XLB	SPDR-MATERIALS	1/30/2009	21.06	31.50	49.57%
An infrastructure play					
XLF	SPDR-FINL SELECT	1/30/2009	9.24	15.24	64.94%
Not necessarily a buy, but will outperform on a bounce					

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