Vol. 100, Issue 48 $12/Issue
Monday, November 30, 2009

111 S. Wacker Drive Suite 3950 Chicago Illinois 60606 • 312.803.5030 • contact@etfport.com • www.etfport.com

ETF PORT FOCUS

Weekly Newsletter

WHAT'S INSIDE THIS WEEK

SNAPSHOT

It's hard to make heads or tails of Thanksgiving week. The volume is usually very light. This week held form with the weakest trading volume since December 2008 and considerably lower than Thanksgiving last year. The previous two Novembers have seen rallies in the midst of down quarters. This week started on the bid from overseas markets Sunday night (a very prevalent trend this quarter). This stayed through Wednesday's "skeleton" session, with the SP 500 ending the day near the highs of the year, even as Durable Goods orders for October unexpectedly fell, declining -1.3% excluding transportation. This appeared to be offset by 1% revision higher in September. Q3 final GDP came in line with estimates at a revised 2.8%. We mentioned last week housing would be a focus in economic reports. Existing Home Sales surged 10% in October, well above expectations. New Home Sales also rose an unexpected 6.4% versus flat estimates. A thaw in the credit market and an abatement of the recession has helped the home re-sales as pent up inventory has hit the market. The gap between new home sales will need to catch up in order to declare a full recovery in the homebuilders markets. An unemployment rate over 8% will make that a difficult task. Homebuilders (XHB) fell 1% this week and stand down 4% for the quarter. This has been a drag on Small Cap stocks (IWM), which have fallen 4.2% QTD.

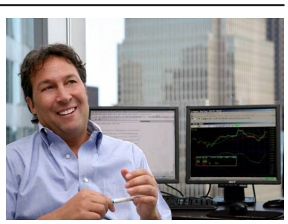
The main story this week occurred after traders in the US left for Thanksgiving on Wednesday evening. Dubai World, a state owned holding company in the United Arab Emirates (UAE) struggling to make debt payments already, said it would try to restructure maturity payments on its debt. This roiled global financial markets as investors worried this could be a sizeable aftershock to the credit markets. Emerging markets fell -1.25% for the week, dropping 6% in early Friday trading before the abbreviated US trading session recovered over 50% of the declines. China (FXI) fell 3.4% for the week to lead the group down. Australians stocks (EWA) fell 2%, and have been taking the brunt of global selling recently as well. The groups that have lead equities out of the decline this year, specifically emerging market stocks, have been reacting a bit more violently on downside moves of late, taking on a higher beta than normal against developed markets....

Continued on page 3.

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), 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	0.13%	5.80%	23.58%
IWM	ISHARES-RUS 2000	-1.72%	2.22%	18.03%
QQQQ	POWERSH-QQQ	0.16%	6.23%	46.87%
US SECTOR				
IYR	ISHARES-DJ REAL	-2.79%	3.21%	17.63%
XRT	SPDR S&P RETAIL	-0.17%	3.58%	72.82%
XLE	SPDR-ENERGY SEL	0.74%	3.20%	21.16%
XLF	SPDR-FINL SELECT	-2.19%	1.64%	16.21%
COMMODITIES				
GSG	ISHARES S&P GSCI	-2.04%	0.16%	8.91%
OIL	IPATH GS CRD OIL	-2.27%	-2.16%	9.32%
UNG	US NAT GAS FD LP	9.34%	-4.28%	-57.57%
DBA	POWERSHARES DB A	1.35%	3.17%	0.76%
INTERNATIONAL				
EFA	ISHARES-MSCI EAF	-0.24%	3.58%	25.65%
EEM	ISHARES-EMG MKT	-1.28%	6.81%	62.01%
FXI	ISHARES FT/XI CH	-3.34%	3.38%	49.54%
EWJ	ISHARES-JAPAN	0.64%	-1.89%	-1.67%
BONDS				
IEF	ISHARES 7-10 YR	1.17%	1.86%	-2.45%
LQD	ISHARES-IBOXX IV	0.73%	1.45%	10.20%
JNK	SPDR BARCLAYS	-0.16%	1.03%	32.20%
TIP	ISHARES US TREAS	0.80%	2.74%	11.20%
METALS				
GLD	SPDR GOLD TRUST	1.88%	12.22%	32.99%
SLV	ISHARES SILVER T	-1.48%	11.70%	60.27%
JJC	IPATH DJ UBS COP	-0.86%	4.90%	118.31%

ETF PORT 100 INDEX™

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.

102.73	↓ 0.07
Week Percent Change	0.07%
Expense Ratio	0.44
Dividend	1.82%
Corr (SPY)	0.91
QTD	1.16%
YTD	15.76%

ETF PORT 100 INDEX

TOP MOVERS

TICKER	FUND NAME	CLOSE	WK % CHG	NAV	YTD
UNG	US NAT GAS FD LP	9.83	9.34%	9.47	-57.57%
GAZ	IPATH DJ-UBS NAT	14.15	7.04%	13.25	-51.59%
FAZ	FINANCIAL BEAR	21.24	6.25%	21.18	-94.05%
SRS	PROSHARES ULTRAS	9.44	5.95%	8.93	-81.38%
SKF	PROSHARES ULTRAS	25.79	4.37%	24.46	-74.96%

ETF OPTIONS

VIX rose 11% on the week, following a 22% rally in the volatility measure on Friday's abbreviated, Dubai related sell off. Even as the market erased losses during the day, investors bought up volatility for the weekend as we wait for clarification on the Dubai news and its market impacts. Option volume was very anemic, so nothing to note this week.

SECURITY VOLATILITY SNAPSHOT

SYMBOL	DESCRIPTION	10 DAY	30 DAY	60 DAY	180 DAY
BROAD					
SPY	SPDR TRUST SER 1	16.49	19.61	17.02	19.86
EFA	ISHARES-MSCI EAF	25.59	25.80	21.89	25.17
EEM	ISHARES-EMG MKT	32.04	35.94	28.64	32.49
QQQQ	POWERSH-QQQ	17.31	19.50	17.41	19.57
SECTOR					
GLD	SPDR GOLD TRUST	15.03	16.19	15.50	15.80
JJC	IPATH DJ UBS COP	30.44	29.41	34.21	37.22
EWZ	ISHARES-BRAZIL	28.65	45.38	34.25	38.07
IEZ	ISHARES-DJ O E S	37.25	39.07	35.38	40.84
DENT	DENT TACTICAL	19.27	22.03	N/A	N/A
FXE	CRYSHS-EURO TR	12.30	10.15	9.15	10.44

ACTIVE ETF OPTIONS

SYMBOL	DESCRIPTION	MONTH	STRIKE	PUT/ CALL	VOLUME
BROAD BASED					
GLD	SPDR GOLD TRUST	Dec	118	Call	78K
GLD	SPDR GOLD TRUST	Dec	121	Call	77K
SPY	SPDR TRUST SER 1	Jan	100	Put	68K
SPY	SPDR TRUST SER 1	Dec	100	Put	60K
SPY	SPDR TRUST SER 1	Dec	110	Call	54K
SPY	SPDR TRUST SER 1	Dec	110	Put	46K
SPY	SPDR TRUST SER 1	Jan	108	Put	40K
SPY	SPDR TRUST SER 1	Jan	103	Put	33K
QQQQ	POWERSH-QQQ	Dec	43	Put	31K
SPY	SPDR TRUST SER 1	Jan	116	Call	29K
OTHER NOTABLES					
SMN	PROSHARES ULTRA	April	12	Call	29K
IYR	ISHARES-DJ REAL	Jan	36	Put	23K
XRT	SPDR S&P RETAIL	Mar	33	Put	11K
UUP	POWERSHARES DB	Dec	23	Call	9K

ETFS IN FOCUS

MES

Market Vectors - Gulf States ETF

107.43	↑ 4.90
Week Percent Change	-1.76%
Yield	N/A
NAV	20.24
NAV Change	-11.79%
Premium/Discount	-1.24%
52 Week High	24.15
52 Week Low	13.00
QTD	-13.46%
YTD	4.17%
Average Volume (3 Mo)	6,521
Market Cap	7,996,000
Total Fund Assets ($M)	9
Inception Date	7/24/2008
Underlying Index	DJMES
Tracking Error	19.06
Expense Ratio	0.98

Thursday's announcement by the Dubai government that it would restructure the debt of Dubai World, its largest corporate entity, shocked worldwide markets this week. Dubai World is a large state-run holding company that has been at the source of the most of Dubai's large-scale development projects in recent years.

The announcement that Dubai World would not be able to make payments on some of its $59 billion in debt left investors around the world wondering what the repercussions would be for financial institutions globally. Many global banks, especially in Europe, reportedly have some level of exposure to Dubai World, including Credit Suisse, Barclays, Royal Bank of Scotland, among others. It is thought that European banks likely have more exposure to Dubai than do U.S. financial institutions, although among U.S. banks, Citigroup is estimated to have the most direct exposure. However, the ripple effects of a Dubai World default are very uncertain.

Among the handful of ETFs offering exposure to the region is the Market Vectors Gulf States Index ETF (MES) from Van Eck Global Investors, which tracks the performance of the Dow Jones GCC Titans 40 Index. The fund provides exposure to companies based in countries that belong to the Gulf Cooperation Council or generate a majority of revenues from the region. The fund is heavily titled toward financials, with nearly 50% of the fund invested in financial companies. MES fell 3.5% Friday in a short trading day after the Thanksgiving holiday in the U.S. The fund lost 1.8% for the week. (See below for a chart of MES' year-to-date performance.) Due to an Islamic holiday, the markets in Dubai and Abu Dhabi will open Monday for the first time since the news broke on Dubai World's troubles, so worldwide markets clearly need more time to digest the news.

Outside of the gulf region, what effects this may have on the markets is uncertain. Dubai's woes may seem simply to be just another bust of commercial real estate projects. However, the fears are that this is the beginning of a string of potential sovereign defaults and could signal the next phase of the financial crisis. The United Arab Emirates' central bank attempted to calm fears Sunday, stepping in to set up an emergency liquidity facility. The global reaction to Dubai World and the UAE central bank's move will remain to be seen when markets open Monday, but it will likely take the coming months for us to see whether this turns out what Dubai means for global markets and the continuing financial crisis.

CHART OF THE WEEK

EWA

iShares MSCI Australia Index Fund

ETF NEWS IN BRIEF

FIRST SINGLE-COUNTRY POLAND ETF LAUNCHED

A new fund offering investors direct exposure to Poland was launched by Van Ecks Global. The Market Vectors Poland ETF (PLND) is the first pure Poland ETF for U.S. investors. Poland is the 9th largest country in Europe. The new fund tracks a proprietary index, the Market Vectors Poland Index, although the index is similar in composition to the popular Warsaw Stock Exchange WIG20 Index.

ISHARES OFFERS NEW INDIA ETF

iShares launched its iShares S&P India Nifty 50 (INDY), offering investors another ETF option for investment in the emerging economy. The fund was launched with $20 million in assets and will compete with PowerShares India (PIN) and WisdomTre India Earnings (EPI).

SNAPSHOT

Continued from page 1.

... This week, early attention will remain on the Dubai situation as investors return from holiday. Developments over the weekend look to support the situation. The UAE central bank said they will be a defacto backstop to potential losses and liquidity issues arising from the current situation. As the main concern for investors is losses generated by a freeze in liquidity, this should help the markets concerns, and early trading on Sunday night seems to support this fact.

The week is also full of economic data that will move this market. Observers will be keen to early estimates on retail activity form the Thanksgiving shopping week. November Chicago Purchasing Managers on Monday is coming off a 13 month high reading and is expected to moderate slightly. ISM Manufacturing and non-Manufacturing (Tuesday and Thursday, respectively) are expected to tell us that economic activity remained in recovery mode. A surprise to the downside could put a halt to upward momentum in the market. The real number to watch will be the ALL important non-farm payrolls on Friday, for obvious reasons. A number in line with the -120K job losses and -10.2% should keep things status quo for the week. The market will really be looking for any surprise, up or down. A reduction in the rate of job losses will continue to be an improvement, but this number will have to cross back into "add" mode to underpin this recovery.

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	90.86	25.64%
Commodity price inflation coupled with central bank policies should benefit					
UDN	POWERSHARES DB U	3/23/2009	25.60	28.57	11.60%
Save for a significant break in equity markets we expect the dollar to decline					
SHY	ISHARES 1-3 YR	3/16/2009	83.98	84.32	0.40%
A conservative play					
LQD	ISHARES-IBOXX IV	3/9/2009	93.1	106.72	14.63%
The spread between corporate and Treasuries is not sustainable					
DBA	POWERSHARES DB A	3/9/2009	23.4	26.38	12.74%
Agriculture commodities are ready to shine					
GSG	ISHARES S&P GSCI	3/2/2009	24.08	31.16	29.40%
The fundamentals are supporting commodities, which may have found a bottom					
SSO	PROSHARES ULTRA	3/2/2009	17.31	36.66	111.79%
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	78.35	11.90%
Biotechs are well positioned for a declining economic environment					
XRT	SPDR S&P RETAIL	2/23/2009	19.89	34.97	75.82%
Retail has been outperforming this year despite consumer spending declines					
JJC	IPATH DJ UBS COP	2/16/2009	21.74	42.81	96.92%
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	29.51	-1.27%
Utilities sector is actually adding jobs					
MBG	SPDR-BAR MORT BK	2/6/2009	25.91	27.22	5.06%
Stimulus will help the market over the economy					
IPE	SPDR BAR CAP TIP	2/6/2009	48.05	52.48	9.22%
Inflation will ultimately come					
PHO	POWERSH-WATER RE	1/30/2009	12.66	16.14	27.49%
Water is the new oil; an infastructure play					
XLB	SPDR-MATERIALS	1/30/2009	21.06	32.35	53.61%
An infastructure play					
XLF	SPDR-FINL SELECT	1/30/2009	9.24	14.28	54.55%
Not necessarily a buy, but will outperform on a bounce					