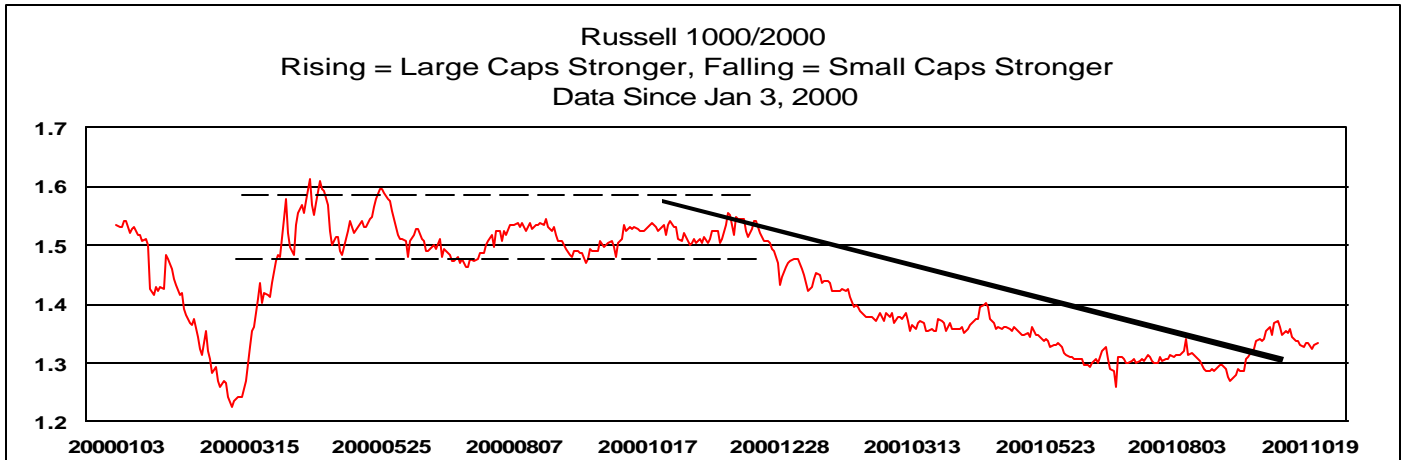


**Is there a large cap resurgence taking place?
Long term trendline break in Russell relative strength chart may provide clue.....
by Howard Spieler**



The chart above shows the Russell 1000 divided by the Russell 2000, plotted since the beginning of 2000. The Russell 1000 is the 1000 largest publicly traded companies, (measured by market capitalization), and the Russell 2000 is the next 2000 largest. By dividing the Russell 2000 into the Russell 1000, we can more easily identify trends in the market as to where relative strength is higher, either in the larger or the smaller sized companies. At the start of 2000, we see that the smaller companies were considerably stronger than the larger, followed by a sharp turnaround in the spring of 2000. The next eight months were a consolidation period, with neither large nor small companies establishing any firm trend (the area within the dotted lines). At the end of 2000, relative strength of the small caps were far superior to the large caps, shown by the downtrend for most of the Year 2000 . The large cap index finally came to life this September, breaking out of the downtrend and establishing relative strength for the first time in over a year.

With favorable seasonality rapidly approaching, will large capitalization companies act as market leaders once again?