

Excerpt from CNN Money.com, August 1, 2007

<http://money.cnn.com/news/newsfeeds/articles/djhighlights/200708010057DOWJONESDJONLINE000021.htm>

ETF FOCUS: Market Volatility Prods Advisers To Weigh ETF Technicals

SAN FRANCISCO (Dow Jones) -- While stocks bounce around key technical support levels, money managers and strategists tracking market momentum are advising investors to stay flexible.

A safe way to do so, several said, centers on using exchange-traded funds, which can be traded like stocks. At the same time, they aren't quite as prone to market gyrations as dealing with individual stocks.

Sam Stovall, chief investment strategist at Standard & Poor's equity research services group, oversees an ETF portfolio he recommends for investors who want to avoid the risks of picking one stock at a time.

While much of his all-ETF portfolio is developed using fundamental analysis, Stovall also relies on technical analysis. In periods when markets are prone to abrupt shifts in direction, he says looking at trends in price movement can be a key tool in a manager's arsenal.

....

Clean energy is a sector that Deron Wagner, president at Morpheus Capital LP, is watching closely. The hedge fund manager says he hasn't invested yet in an ETF following that segment. When markets reach a definite short-term bottom, Wagner believes PowerShares WilderHill Clean Energy ETF (PBW) is well-positioned to outpace the broader market.

It also fell less than the S&P 500 in the past week's correction. And the ETF is holding well above its 50-day moving average, a key short-term support level. "If it breaks below \$20.50, then we'd wait a few weeks for signs it has stabilized," Wagner said.

At the same time, he's waiting to see more upside movement before jumping in. "We're looking for more confirmation," said Wagner, a technical-focused manager.

He'd consider \$22.25 a share as a good entry point for the PowerShares ETF,

which closed Tuesday at \$21.37. "But only if it stays in a tight trading range and consolidates its gains for a few days," Wagner added. "If it moves up too quickly, we'd be wary of getting sucked into dead cat bounce."