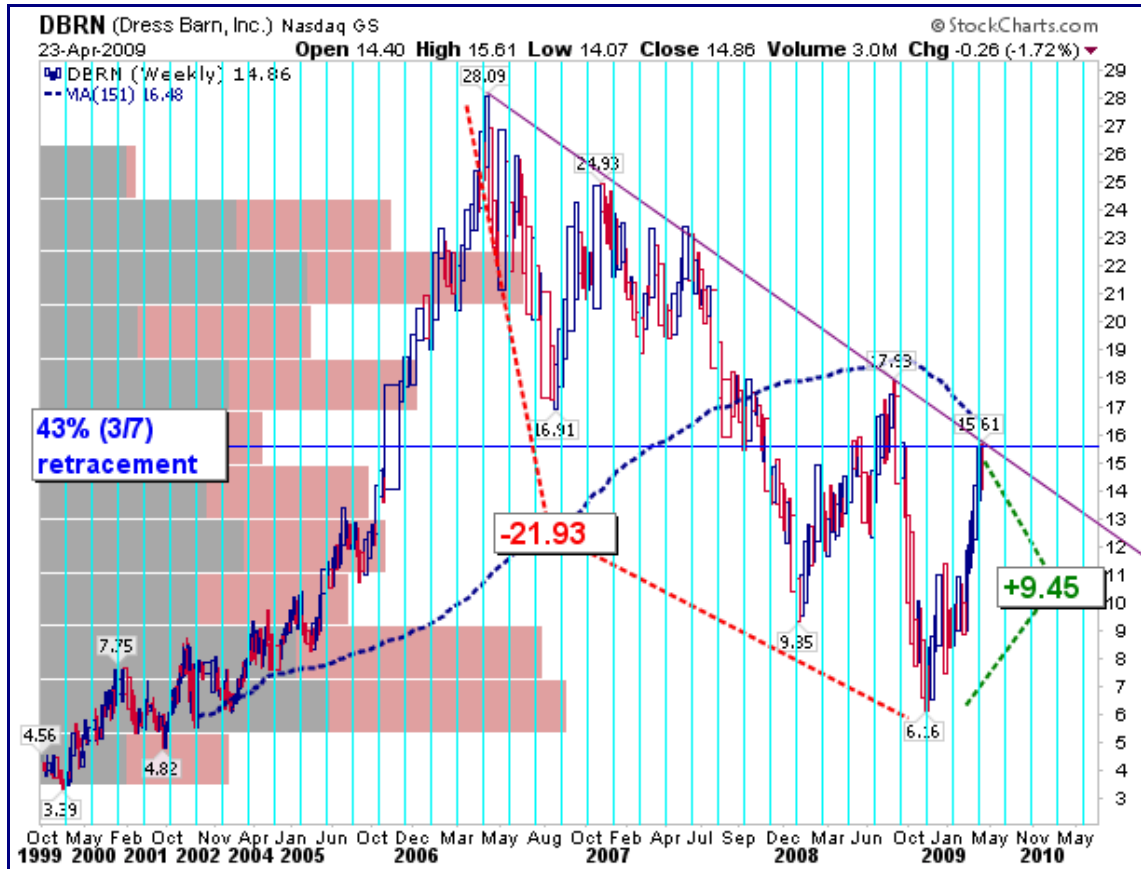




due to the shocking realization that a store with such an awful name and the [pinkest webpage](#) ever would even bother to stay in business during this Worst Economy In History. But I guess life goes on for the majority of value conscious not quite bourgeois women in America. According to my sources Dress Barn stores are ubiquitous fixtures at 'outlet malls' across the country. The company expects



to be profitable in the coming quarters so Wall Street analysts had to up their estimates, and apparently all this positivity has put something of a squeeze on the moderately large short interest in the stock.

DBRN could go higher, but with a P/E around 14, it's not likely to do so just because. Rumors of even more earnings improvement would have to surface to justify much more of an advance from here.

On the weekly chart above you can see that the price has now retraced 3/7 of the bear market decline. I would say that this is as good a place for a correction as any, though I don't have that strong of a feeling about it one way or the other. If the highs this week do not hold, next resistance should be around 17, where a huge amount of stock should be on offer.

## Royal Caribbean Cruises (RCL)

Big move in RCL yesterday, up over 20 percent on huge volume. The company is quite obviously in trouble with its \$7 billion debt load, a figure which exceeds its annual revenue. Every analyst knows this and so do all the hedge funds that have shorted the stock. So what do you get? Yep, a short squeeze. This would be a great stock to short if the price can get pushed up even higher, like to 20 or 21. That's where I find a confluence of retracement targets, some long-term moving averages and significant price resistance.

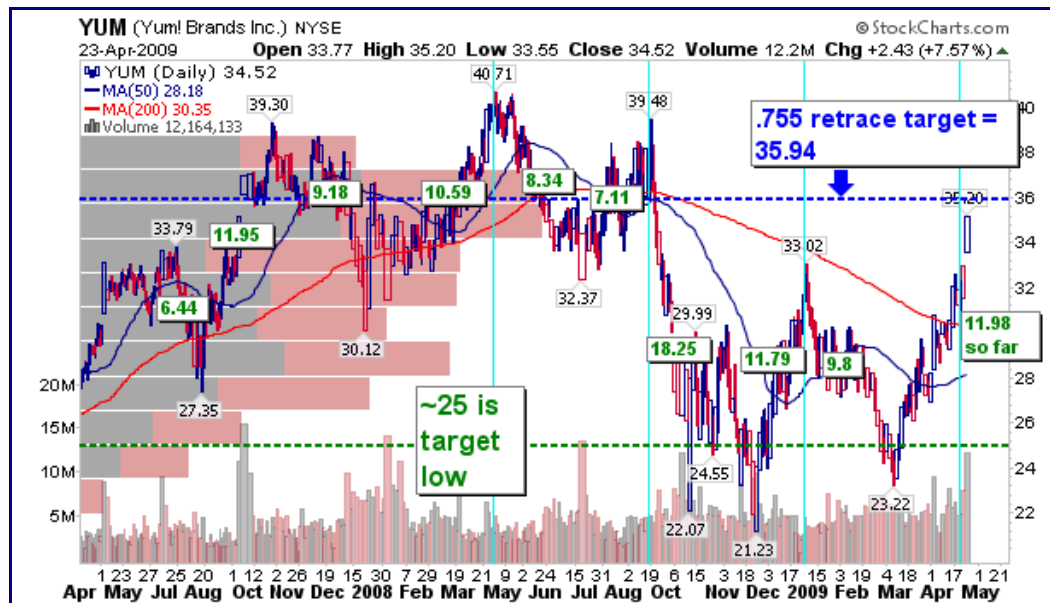
I am not trying to predict that the price will get up that far, but if it does then I would expect that level to be a low risk place to sell. At present I view the risk of a continued squeeze as too great to recommend a position at current prices.



## Yum Brands

I just spent the last several hours searching for a stock that I could recommend buying as a longer term investment. Can't find one. Sure there are plenty I came across that look likely to move higher for a while, but I have not seen any that made me say, *hey, this is a good deal*.

So while I am not prepared to call a top in the broader market (and there is no assurance that I'll be able to make that call with great accuracy anyway) my inclination is to keep looking for short opportunities. I recommended shorting McDonalds (MCD) back in January and I still think the company's share price has new lows to hit. But now some of the other fast food companies are looking over-priced right now too. Take Yum Brands for instance.



Shares jumped because management insists that they really will make the amount of money this year that they said they would make the last time they talked about it. I guess they are betting that expansion in places like China are going to save them. At the moment I am not really concerned whether that works out for them, I'm just going to assume they make earnings like they project. The Stocks still over priced.

The forward P/E of 14 seems too high these days. I would expect the forward to drop to 10ish, indicating a share price below 25. While the price could climb some bit more in the near-term (buck or two maybe?) I think the next big move will be down, not up.

### **Equal-Weight Currency Indexes**

USD: 101.65

JPY: 94.56

EUR: 96.53

GBP: 102.89

CHF: 94.40

CAD: 101.86

AUD: 105.99

XAU: 104.67

XAG: 112.66