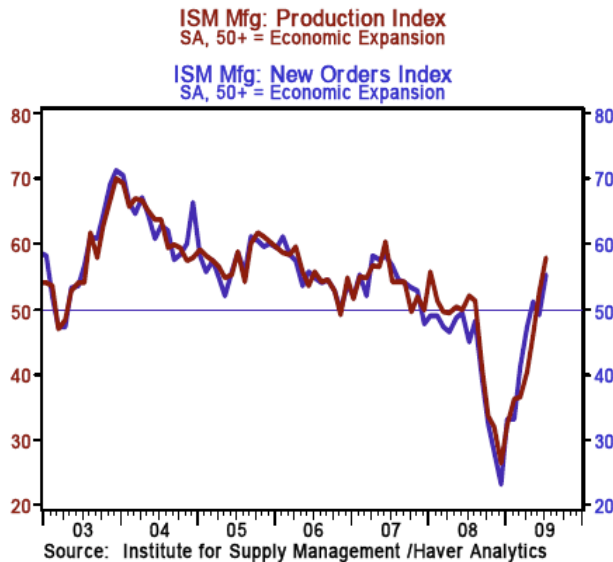
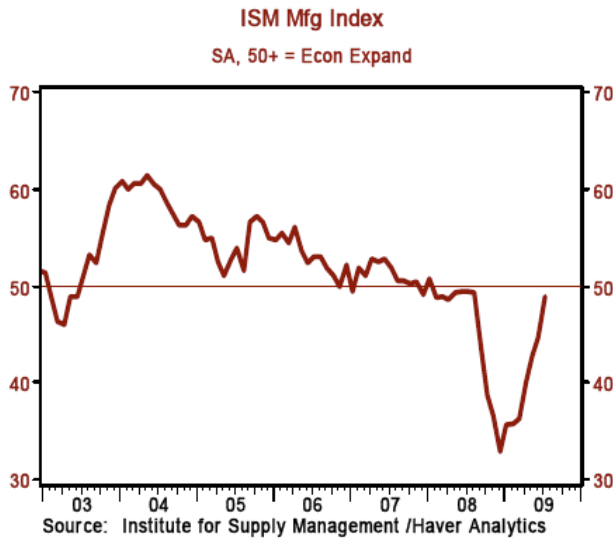


August 7, 2009

It's looking more like "V"

More evidence that the US economy is bouncing back, however...

The market is up big so far in August mainly on the back of these two charts. The ISM is the Institute of Supply Management, which conducts a monthly survey of businesses. They've been asking the same questions since the 1940's, so the data carries some real weight. The second chart shows the leading indicators above the 50% line---great news.



Back in June we mentioned that some forecasters were talking about a "V" shaped recovery, which at the time appeared unlikely. The data released in July supported that idea and stocks have responded with a massive rally since the end of last quarter.

That's all good news, but the good news may be fully reflected in stock prices. The short-term for the market may be painful. Not much good happens between August 15 and

DOCK STREET ASSET MANAGEMENT

October 15 when we're talking about stocks. It makes sense to us that we bounce around here for a few weeks (maybe violently) and then finish well in the fourth quarter---just a guess.

Less of a guess is what happens to the world economy in 2010---it's looking very good. Even Europe is showing some signs of life. Copper prices are saying that an expansion in trade and production is just around the corner. We'll see.

But the big news around here is my pending trip to Shanghai. I'll be over there for a week---my first trip---and I expect to visit a number of companies and meet with people who live and work there. I'll be sending back some pictures and emails, so stay tuned. It shouldn't be dull.

Best regards,



Daniel A. Ogden

PS Our portfolios performed well in July---you can enjoy opening the mail this week.

PPS Just as we were about to hit the "send" button it was announced that job losses unexpectedly fell for July along with the **unemployment rate**. More evidence that a "V" shaped recovery best describes our world.

8/7/2009