



## September 2010 Market Commentary

As August ended near the lows seen for the month, nervous market participants worried about the negative seasonality which often bodes poorly for September. This was not to be as the market rallied strongly on the first day of the month and didn't look back, posting one of the best returns for any September since 1939.

September once again exhibited the characteristics of a "Binary market," which the media has termed "risk on, risk off" and is defined by trading activity that goes straight up or straight down with little or no retracement. Of the 21 trading days during the month, the market closed down 1% or more only one time. This lack of downside volatility creates a dearth of opportunities for the traditional Warrington trading methodology. Nonetheless, the manager was able to preserve capital and profit by a small margin.