

Dear Trader/Investor,

Every Years, There will be tons of money flow into this particular sector ---Global aerospace & defense industry goes to sell its wares. As it is one of the biggest supermarkets, consists of billions and billions of sales in every year.

The international and most recognized air show, Paris air show will be held from 15-21 of June at Le Bourget Exhibition Centre. Where rich buyers such as country, and International Carrier Company and even Terrorists nowadays will bid for the products.

This year the Paris Air Show will be celebrating its centenary. First held in 1909 Since then, the Paris Air Show has developed in to the largest airshow in the world, with over 400,000 people attending, while Airbus alone announced 425 orders worth an estimated \$62 billion at the show in 2007. (<http://www.paris-air-show.com/>)

There is no one days of actual peace involved in this world .With threat from war and terrorism .As human natural to have hatred and bias, resulting argument and conflict, and with large scalps such as War, and terrorism. Hence because of this, make the Defense Sector to be the biggest and most sustainable money flow on our mother land earth.

In order for country to have peace. Country will have to spent billions and billions dollar a year, to built up their defense so to deter and defense any attacker from coming .The continued years by years of this process, make this Defense sector a very profiting one.

The most common use index is PHLX DEFENSE SECTOR INDEX (\$DFX).

PHLX DEFENSE SECTOR INDEX (\$DFX)

The PHLX Defense Sector Index is an equal-weighted index. The Index began on July 20, 2001 at a base value of 150.00.

Summary as of close at 5 June 2009

Previous close :261.16

52 Weeks Range :172.88 – 386.76

Holdings of \$DFX:

Ticker	NAME
ATK	Alliant Tech Sys Inc
BA	Boeing Co
COL	Rockwell Collins Inc
ERJ	Embraer-Empresa Brasileira de A
ESL	Esterline Technologies Corp
FLIR	FLIR Systems Inc
GD	General Dynamics Corp
GE	General Electric Co
GY	GenCorp Inc
ITT	ITT Corporation
LLL	L-3 Communication Holdings
LMT	Lockheed Martin Corp
NOC	Northrop Grumman Corp
PCP	Precision Castparts Corp
RTN	Raytheon Co.
TDY	Teledyne Technologies Inc
UTX	United Technologies Corp

Charting of main index \$dfx, for signal of overall sector trend



MAJOR SUPPORT LINE :

173 (Low of the 2009 year and 7 year major S&R line)

210 (Low of 2008 Year at November 20 and 7 years major S&R line)

246 (Fibo 161.8% and neck line of head and shoulder pattern which are major S&R line)

MAJOR RESISTANCE LINE:

284 (High of the 2009 Year)

291 (Fibo 261.8%)

312 (Average high of 2006)

ISHARE DOW JONES US AEROSPACE & DENFENSE SECTOR INDEX (ITA)

[Funds Description](#)

The iShares Dow Jones U.S. Aerospace & Defense Index Fund seeks to provide investment results generally equivalent to the Dow Jones U.S. Select Aerospace & Defense Index.

[Index Description](#)

The Index measures the performance of the aerospace and defense sector of the U.S Equity market .Aerospace companies Include manufacturers, assemblers and distributors of aircraft and aircraft parts. Defense companies include producers of components and equipments for the defense industry , such as military aircraft, radar equipment and weapons. The Funds uses a representative sampling strategy to try to track the Index.



Top Holdings as of 3/6/2009

% Net Assets	Name	Ticker	Shares Held	Market Value	Sector
9.36	UNITED TECHNOLOGIES CORP	UTX	238,623	13,455,950.97	Aerospace
8.66	BOEING CO	BA	236,447	12,448,934.55	Aerospace
7.35	LOCKHEED MARTIN CORP	LMT	122,643	10,568,147.31	Defense
6.71	GENERAL DYNAMICS CORP	GD	159,704	9,654,106.80	Defense
6.02	RAYTHEON COMPANY	RTN	187,166	8,650,812.52	Defense
5.43	PRECISION CASTPARTS CORP	PCP	89,079	7,810,446.72	Aerospace
5.28	NORTHROP GRUMMAN CORP	NOC	156,839	7,587,870.82	Defense
4.25	ROCKWELL COLLINS INC.	COL	127,080	6,110,006.40	Aerospace
4.05	GOODRICH CORP	GR	106,510	5,830,357.40	Aerospace
4.05	L-3 COMMUNICATIONS HOLDINGS	LLL	78,125	5,820,312.50	Defense
3.51	TEXTRON INC	TXT	410,319	5,051,026.89	Aerospace
2.57	BE AEROSPACE INC	BEAV	219,673	3,692,703.13	Aerospace
2.54	FLIR SYSTEMS INC	FLIR	148,989	3,650,230.50	Defense
2.53	ALLIANT TECHSYSTEMS INC	ATK	40,992	3,640,089.60	Defense
2.17	SPIRIT AEROSYSTEMS HOLD-CL A	SPR	191,960	3,125,108.80	Aerospace
2.13	HEXCEL CORP	HXL	226,381	3,069,726.36	Aerospace
1.85	TELEDYNE TECHNOLOGIES INC	TDY	71,599	2,657,038.89	Aerospace
1.81	TRANSDIGM GROUP INC	TDG	64,810	2,600,177.20	Aerospace
1.80	CURTISS-WRIGHT CORP	CW	79,324	2,586,755.64	Defense
1.65	MOOG INC-CLASS A	MOG/A	84,955	2,368,545.40	Aerospace
1.58	ESTERLINE TECHNOLOGIES CORP	ESL	72,199	2,277,156.46	Aerospace
1.47	ORBITAL SCIENCES CORP	ORB	127,690	2,106,885.00	Defense
1.45	FORCE PROTECTION INC	FRPT	222,440	2,082,038.40	Defense
1.37	AAR	AIR	111,805	1,971,122.15	Aerospace
1.28	HEICO CORP-CL A	HEI/A	58,658	1,843,620.94	Aerospace
1.25	CUBIC CORP	CUB	45,536	1,803,225.60	Defense
1.25	CERADYNE INC	CRDN	76,654	1,796,003.22	Defense
1.24	TRIUMPH GROUP INC	TGI	40,513	1,784,192.52	Aerospace
1.11	MANTECH INTERNATIONAL CORP-A	MANT	40,667	1,599,839.78	Defense

1.10	RBC BEARINGS INC	ROLL	73,238	1,579,011.28	Aerospace
1.06	AXSYS TECHNOLOGIES INC	AXYS	28,386	1,517,231.70	Defense
1.02	DYNCORP INTERNATIONAL INC-A	DCP	88,841	1,467,653.32	Aerospace
0.74	TASER INTERNATIONAL INC	TASR	227,777	1,065,996.36	Defense
0.15	BGIF Treasury Money Market SL Agency Shares	N/A	211,362	211,362.01	S-T Securities

[Snapshot \(03/06/09\)](#)

Previous Close: \$43.51

52 weeks range:\$28.33-\$61.85

Shares Outstanding: 3,150,000

Beta: 1.23

Inception Date: 01/05/2006

Category: Medium Blend (Growth)

Average price movement: \$1.1

Optionable: No

Powershares Aerospace & Defense ETF (PPA)

[Funds Description](#)

The PowerShares Aerospace & Defense Portfolio (Fund) seeks investment results that correspond generally to the price and yield, before fees and expenses, of the SPADE™ Defense Index (Index).

[Index Description](#)

The Index is designed to identify a group of companies involved in the development, manufacturing, operations and support of U.S. defense, homeland security and aerospace operations. The modified market-cap portfolio is rebalanced quarterly and reconstituted annually.



**Consumer
Discretionary
2.40%**

GRMN Garmin Ltd. 2.40%

**Industrials
79.55%**

BA	Boeing Co.	8.48%
UTX	United Technologies Corp.	7.73%
LMT	Lockheed Martin Corp.	7.39%
HON	Honeywell International Inc.	6.97%
GD	General Dynamics Corp.	6.19%
RTN	Raytheon Co.	4.91%
PCP	Precision Castparts Corp.	4.53%
NOC	Northrop Grumman Corp.	4.20%
COL	Rockwell Collins Inc.	3.95%
ITT	ITT Corp.	3.72%
GR	Goodrich Corp.	3.52%
LLL	L-3 Communications Holdings Inc.	3.49%
URS	URS Corp.	2.28%
TXT	Textron Inc.	1.68%
ATK	Alliant Techsystems Inc.	1.50%
ESLT	Elbit Systems Ltd.	1.34%
TDY	Teledyne Technologies Inc.	0.69%
MOG.A	Moog Inc. (CI A)	0.61%
CUB	Cubic Corp.	0.55%
OSK	Oshkosh Corp.	0.54%
ORB	Orbital Sciences Corp.	0.49%
DCP	DynCorp International Inc. (CI A)	0.49%
ESL	Esterline Technologies Corp.	0.48%
TGI	Triumph Group Inc.	0.38%
SXE	Stanley Inc.	0.37%
AIR	AAR Corp.	0.35%
FRPT	Force Protection Inc.	0.33%
CRDN	Ceradyne Inc.	0.31%
AXYS	Axsys Technologies Inc.	0.31%
AVAV	AeroVironment Inc.	0.31%
ASEI	American Science & Engineering Inc.	0.30%
STST	ARGON ST Inc.	0.25%
GEOY	GeoEye Inc.	0.21%
APSG	Applied Signal Technology Inc.	0.17%
TASR	TASER International Inc.	0.15%
LDSH	Ladish Co. Inc.	0.12%
DCO	Ducommun Inc.	0.11%
HRLY	Herley Industries Inc.	0.08%
VSEC	VSE Corp.	0.07%

Information Technology 15.92%	CSC	Computer Sciences Corp.	3.46%
	SAI	SAIC Inc.	3.41%
	HRS	Harris Corp.	2.15%
	FLIR	Flir Systems Inc.	1.80%
	TRMB	Trimble Navigation Ltd.	1.31%
	MANT	ManTech International Corp. (CI A)	0.72%
	CACI	CACI International Inc. (CI A)	0.63%
	SRX	SRA International Inc. (CI A)	0.54%
	COGT	Cogent Inc.	0.52%
	VSAT	ViaSat Inc.	0.43%
	ID	L-1 Identity Solutions Inc.	0.40%
	NCIT	NCI Inc.	0.19%
	OSIS	OSI Systems Inc.	0.17%
	MRCY	Mercury Computer Systems Inc.	0.11%
ISYS	Integral Systems Inc.	0.07%	
Materials 2.13%	BLL	Ball Corp.	2.13%

[Snapshot \(03/06/09\)](#)

Previous Close: \$14.55

52 weeks range:\$10.14 - \$20.77

Shares Outstanding: 8,800,000

Beta: 1.12

Inception Date: 26/10/2005

Category: Medium Value (Specialty - unaligned)

Average price movement: \$0.38

Optionable: No

[Company Buy lists](#)

[United Technologies Corp \(UTX\)](#)

United Technologies Corporation provides high technology products and services to the building systems and aerospace industries. It has six segments: Otis, Carrier, UTC Fire & Security (UTC F&S), Pratt & Whitney, Hamilton Sundstrand and Sikorsky. Otis includes elevators, escalators, moving walkways and services. Carrier includes heating, ventilating, air conditioning and refrigeration systems and equipment, and food service equipment. UTC F&S offers electronic security, fire detection and suppression, monitoring and response systems and services, and security personnel services. Pratt & Whitney includes military aircraft engines, parts and services, industrial gas turbines and space propulsion. Hamilton Sundstrand includes aerospace products and aftermarket services. Sikorsky offers military and commercial helicopters, aftermarket helicopter, and aircraft parts and services. In October 2008, the Company acquired Architectural Energy Corp.



[Snapshot as of close at 05/06/09](#)

Last Price: \$56.39

Analyst Consensus: Mod Buy

Aver Daily Vol: 6.8 Million

Shares Outstanding: 942,036,000

Beta:0.97

52 weeks Range: \$37.40 - \$69.43

[Fundamental overview](#)

PE Ratio: 12.13

Earnings per Share:\$4.65

Dividend Yield: 2.73%

Insitutional ownership:78.40%



Major Support Line:

\$46.20 (1 year average low)

\$55.50

\$53.70

Major Resistance Line:

\$57.90

\$62.50(1 year average high)

Time Target:

Uptrend Channel that drawn from March 9; It acts as a time target if it break through the support line of the channel , close the trade or stop loss.

Boeing Co (BA)

The Boeing Company (Boeing) is involved in the design, development, manufacture, sale and support of commercial jetliners, military aircraft, satellites, missile defense, human space flight, and launch systems and services. The Company operates in five principal segments: Commercial Airplanes, Boeing Military Aircraft (BMA), Network and Space Systems (N&SS), Global Services and Support (GS&S) and Boeing Capital Corporation (BCC). BMA, N&SS and GS&S comprise the Company's Integrated Defense Systems (IDS) business. The Other segment classification principally includes the activities of Engineering, Operations and Technology (EO&T), an advanced research and development organization focused on technologies, processes and the creation of new products. In December 2008, Boeing announced that it has completed its acquisition of Federated Software Group, whose engineering services and software system help track and distribute equipment and personnel for the United States Department of Defense.



Snapshot as of close at 05/06/09

Last Price: \$52.65

Analyst Consensus: Hold

Aver Daily Vol: 7.69 Million

Shares Outstanding: 726,198,000

Beta: 1.27

52 weeks Range: \$29.05 - \$77.80

Fundamental overview

PE Ratio: 18.09

Earnings per Share:\$2.91

Dividend Yield: 3.19%

Insitutional ownership:67.80%

BA Boeing Co. (The) 52.65 2.08 4.11%

D: 02/02/2009 O:40.91 H:40.91 L:39.32 C:40.00 R:1.59 Y:49.6016

PSAR(0.02,0.2,0.2) + 9.78 last=43.62429 BBEMA(20,2.0) --- upper --- lower last= 11.14552;40.37987 MA(20) --- last=45.4615

MA(50) --- last=41.1199



Major Support Line:

\$28.88 (10 year average low)

\$42.40 (1 year average low)

\$50.60

\$52.20

Major Resistance Line:

\$59.80 (1year average high)

Time Target:

Uptrend Fibo Fans that drawn from March 9; It acts as a time target if it break through the lower support line of the fibo fans , close the trade or stop loss.

Lockheed Martin Corp (LMT)

Lockheed Martin Corporation is a global security company that is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems and products. The Company provides a range of management, engineering, technical, scientific, logistic and information services. It serves both domestic and international customers with products and services that have defense, civil and commercial applications, with its principal customers being agencies of the United States Government. The Company operates in four segments: Electronic Systems, Information Systems and Global Services (IS&GS), Aeronautics and Space Systems. In September 2008, Lockheed Martin Corporation acquired Aculight Corporation. In January 2009, the Company completed its acquisition of Universal Systems & Technology, Inc. (UNITECH).



Snapshot as of close at 05/06/09

Last Price: \$86.17

Analyst Consensus: Mod Buy

Aver Daily Vol: 3.2 Million

Shares Outstanding: 394,181,000

Beta: 1.09

52 weeks Range: \$57.41 - \$120.30

Fundamental overview

PE Ratio: 11.06

Earnings per Share:\$7.79

Dividend Yield: 2.65%

Institutional ownership:85.00%



Major Support Line:

\$72.50 (1 year average low)

\$84.30

Major Resistance Line:

\$89.30

\$95.40 (Fibo 261.8% and average 1 year high)

Time Target:

Uptrend Fibo Fans that drawn from March 9; It acts as a time target if it break through the lower support line of the fibo fans , close the trade or stop loss.

General Dynamics Corp (GD)

General Dynamics Corporation (General Dynamics) offers a portfolio of products and services in business aviation; combat vehicles, weapons systems and munitions; shipbuilding design and construction, and information systems, technologies and services. The Company focuses on delivering products and services to military, federal government, commercial and international customers. General Dynamics operates through four business groups: Aerospace, Combat Systems, Marine Systems, and Information Systems and Technology. On December 19, 2008, the Company acquired AxleTech International (AxleTech), a manufacturer and supplier of axles, suspensions, brakes and aftermarket parts for heavy-payload vehicles for a variety of military and commercial customers. On November 5, 2008, it acquired Jet Aviation of Zurich, Switzerland. On July 23, 2008, it acquired HSI Electric, Inc. (HSI), a marine and industrial electrical company. On July 22, 2008, the Company acquired ViPS, Inc. (ViPS).



[Snapshot as of close at 05/06/09](#)

Last Price: \$60.45

Analyst Consensus: Hold

Aver Daily Vol: 3.53 Million

Shares Outstanding: 385,018,000

Beta: 1.23

52 weeks Range: \$35.28 - \$94.41

[Fundamental overview](#)

PE Ratio: 9.53

Earnings per Share:\$6.34

Dividend Yield: 2.51%

Institutional ownership:78.20%



Major Support Line:

\$52.10 (1 year average low)

\$55.30

Major Resistance Line:

\$61.20

\$65.90

Time Target:

Uptrend channel that drawn from March 9; It acts as a time target if it break through the support line of the channel , close the trade or stop loss.

Others Watchlist Companies:

AAR Corp (AIR), Rockwell Collins (COL), General Dynamics (GD), Curtiss-Weight (CW), Northrop Grumman (NOC), Honeywell (HON), L-3 Communications (LLL), BE Aerospace (BEAV), Precision Castparts (PCP), Esterline (ESL), ITT Corp (ITT)

Game Plan and Strategy

Coordinate well with defense sector stocks, \$DFX, and main market indexes.

At 05/06/09 there are already a number of stocks that have breakthrough of 261.8% at phi –bonnaci .You can start to ready to go in and enter the sector momentum trade,and watch out for exit signal such as channel and fibo fans at various defense stock.

Related Link

<http://www.homelanddefensestocks.com/>

<http://www.aerospacenews.com/>

<http://www.defense-aerospace.com/>

<http://www.aviationweek.com/aw/>

<http://defence.janes.com/>

Extracted Link:

<http://www.invescopowershares.com/>

<http://us.ishares.com/>

<http://www.morningstar.com>

<http://www.moneycentral.com>

