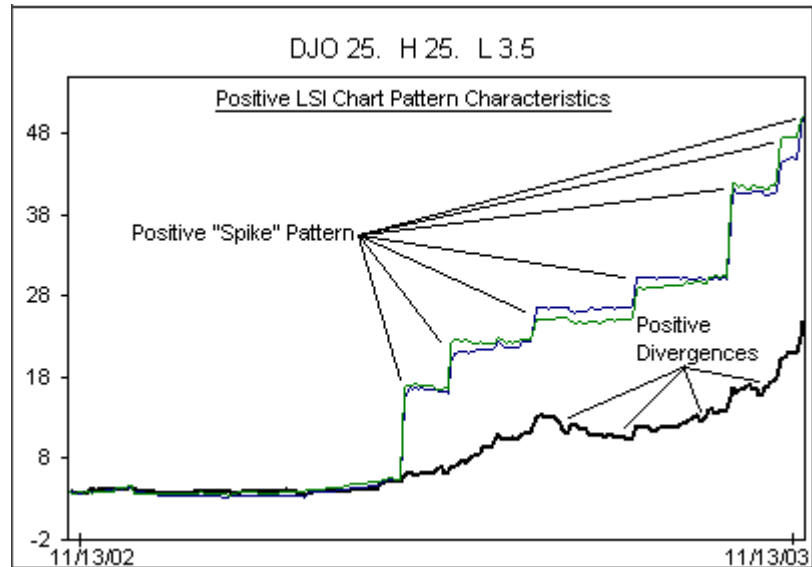


Institutional Buying (DJ Orthopedics “DJO”)

DJ Orthopedics (DJO) is a classic example of a stock under heavy institutional accumulation. This activity ultimately led to dramatically higher share prices. The Leedom Chart at right shows significant positive spike activity in a stair step pattern. The positive spikes beginning with the first spike (1) in the center of the chart shows how institutional investors can be spotted early in the accumulation process. One of the most striking features of the chart of DJO is the clear lack of any negative institutional activity during the ascent in share price. This indicates that institutional investors remained net buyers of the stock despite the lengthy pullback in share price (middle right of chart).

Investors in DJO would have remained invested over the course of the entire share price advance by gauging the institutional activity in the stock. Leedom Charts are a powerful tool for investors timing entry points in new long positions as well as in decision-making on current holdings during periods of uncertainty.



Institutional Selling (FTI Consulting “FCN”)

In contrast to the accumulation activity developing in DJO, FTI Consulting (FCN) at bottom left provides an equally vivid example of heavy distribution pressure. The multitude of negative spikes indicates a pattern of heavy selling of FCN by institutional investors ultimately leading to a major breakdown in share price. It is important to observe that despite several periodic “bounces” in share price, the lack of any positive activity on the accumulation line of FCN indicated that the overall trend remained negative. These share price bounces against flat or negative accumulation lines (divergences) provide opportunities to exit long positions or execute a short sale. Investors closely watching the institutional activity in FCN would have avoided the significant downturn in the stock that followed the initial distribution pressure.

