

Hughes Market Letter 1/4/10:
HughesInvestmentManagement.com
1-888-814-7575

Happy New Year to all:

We are lowering our fees for 2010 to 0.75% annually and 5% of the profits. It is lower with larger sums. We still work 7 days a week, and as hard as we can for you and your family. We come to you anytime needed, period.

So far, it seems only 300-500 banks will fail. We think a second wave of higher priced homes will come on the market late this year and next, which we estimate that 800- 1,000 banks that will fail.

STBK, we are getting back in under \$0.65. Worth maybe \$2.00 or \$1.00 at least, great return for the risk.

UVSP take the profit over \$17.70 and run up 13% in a month.

KRNY take profits over \$10.10. Dead money now.

ALL looks like an easy trade to \$35.00, but put a \$29.20 stop in!

RCBC.bb and MCPH.bb keep buying with limits under \$42.00 and \$25.00 respectably.

HBHC seems to have a good deal on a bad bank also, trade to \$48.75 and get out with a stop at \$43.50.

WTNY also a trade to \$12.50 with a stop at \$9.00

MUR is our largest holding again with the recent weakness to \$52- \$53. We are all in.

Many deals in the energy sector have started to emerge. They could be next.

We still feel this market overall has come way too far and should be priced down at say 7,000- 7,500, but we still are just looking for good deals on good companies and the overall market really is still just noise.

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Douglas Hughes
President

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