

POP! GOES THE HOUSING BUBBLE

Two major consumer-spending props have kept the current economic malaise from being even worse. The first was buyers snapping up “zero-percent financed” new cars, but this appears to have run its course (after leaving the car manufacturers profitless, though it did move inventory). The second is the real-estate market, particularly residential housing, which has been fed by the Fed aggressively driving interest rates lower, and by overly lax lending standards. Now there are concrete signs that this bubble has also reached its zenith, and we are now on the downslope.

The first indicators I see are largely anecdotal.... from my perusal of the local “Homes” magazines, which is a hobby of mine. The (what I consider to be) \$100K houses here in Worcester, the financial backwater of America, now are being listed in the \$160K to \$180K price range, down from the \$210K peak last spring. Also, when the home market is boiling the realtors, starved for listings, will put trailer-home properties..... OK, “manufactured housing”.... in the magazines. These listings have disappeared, which indicates to me that there is more housing “inventory” in the pipeline.

My anecdotal observation is buttressed by the statistics flowing in. New-housing starts are off by a few percent from the peak. Real estate investment trust shares are trading 15% or more below their peaks of last summer. Prices for finished lumber (used in building new homes) are plunging to new yearly lows. Insiders in publicly-traded home-

building companies are selling their shares with a vengeance. All of these tend to be leading indicators for the housing market.

Statistics also show how extended the real-estate market is, though they do not necessarily tell us that we’re at or past the peak: Average down payments for mortgage loans are now 3% of loan principal, down from 10% a decade ago. (And this is “average”! Makes me wonder what the minimum is.... the bank pays you to take the money off its hands? When I bought my first house in 1966, the minimum down payment for non-veterans was 20%.) Nationwide, home prices have risen an inflation-adjusted 27% in the past five years, the sharpest increase in almost sixty years (note: Faster than the rise in the last bubble, the late 1980s). Prices have risen in the face of *declining* family incomes for the past two years. Mortgage payments are approaching 42% of family income, up from the customary 30% or less.

Economic studies have shown that for each \$1000 of portfolio appreciation in stocks, the “wealth effect” will result in \$30 to \$50 additional spending by the portfolio owner. But for each \$1000 increase in a home’s value, the homeowner will spend \$150 more. Presumably the obverse is also true; each \$1000 *decline* in a home’s value will have three times the negative impact on the economy as an equivalent decline in stock prices. Thus, I would expect the downslope of the popped housing bubble to have a

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much more serious impact on consumer confidence (and consumer buying habits) than the popped stock market bubble, which has already done a pretty good job of sending consumer confidence to recession-level lows.

How far can home prices sink? During the Great Depression, home prices were about halved.... but houses weren't nearly as highly leveraged back then as they are today. Similarly, in Japan, their decade-long malaise has about halved home prices (no more three-generation mortgages).... but the Japanese are prodigious savers, not spendthrifts like us. If prices were to be halved here in Worcester, I would look at it as only removing the froth of the past four years.... a \$100K home would sell for \$85K, only 15% below its "fair value".

No disaster there.... except that people have been pulling the equity out of their homes with gay abandon. Let's see, 3% down on a \$180K house, house now worth \$90K, mortgage is still \$173K, borrower is \$83K in the hole and is "overpaying" for his or her house by 92%hmmmm, maybe time to move out, lock the door and mail the keys to the bank.

If times get really tough, a more realistic guide to the potential drop in house prices might be gained from looking at popped local bubbles of the past. In the midwest "rust belt" of the early 1980s, prices dropped as much as two-thirds when it looked like the Japanese were going to be manufacturing everything in the world. In the Texas/Oklahoma oil patch of the late 1970s and early 1980s, which was a more frenzied bubble, home prices dropped by three-fourths or more.

Since these were localized crashes, the national impact was not huge.... and it certainly is difficult to contemplate the national trauma that would ensue if we saw such declines nationwide.

To sum up: The two major props to the economy, as the stock market slid along the downside of its popped bubble, were new-car buying, and housing. The former is now exhausted, and the latter bubble has popped and is on its downward trajectory. You should not underestimate the impact this will have on the economy, and therefore on stock prices. A new bull market of any extended duration is highly unlikely while the housing market is crashing.

QUOTES FOR THE MONTH

If I'm right on the 2% underlying growth call on the US economy going forward, this anemic pace is well below America's 3-3.5% potential growth rate. Consequently, it would result in an ever-widening "output gap" - with utilization rates continuing to decline in both labor and product market markets. In English, that spells rising unemployment and further downward pressure on an inflation rate that is already closer to outright deflation than at any point in half a century. In my view, the Fed can't even afford to flirt with such risks. By launching a full-scale frontal assault on deflation, it has finally put its cards on the table: By catching the "shorts" by surprise, the Fed is attempting to lift the real economy by playing the time-worn equity wealth effect. Sadly, we've been to this well all too often in the past seven years. Why should this rally be any different from those that have ultimately failed in the past? - Stephen Roach

We are not close to the deflationary cliff. - Alan Greenspan [Nick's comment: Yeah, we're about two years away.]

I take this opportunity to renew my rabid condemnation of Alan Greenspan and all the jackasses who have underwritten his egregious tenure as Chairman, lo these many years. He has continuously deluged markets with money and thus debased everything he has touched. He allowed every slimy trick the banks could dream up, backed every IMF and World Bank machination to underwrite international fraud and corruption on a grand scale, signed on as co-conspirator to Fannie Mae excesses, and disregarded every yardstick of probity, common sense and the spirit of the laws. The results of his malefactions are obvious. Blistering inflation in houses, bonds, health care, taxes, growth and cost of government, continual degradation of the economy and currency, mounting layoffs, mounting bankruptcies, massive losses in retirement and investment accounts, etc. - Richard Daughy

Though people continue to act like it's business as usual, the economy is telling us a different story. The story of why it won't respond to all the rate cuts, as I have said frequently, is that we are dealing with the aftermath of a bubble. After you have a bubble, business does not return to normal. The things that used to be effective, like rate cuts, don't work. All they do is postpone the day of reckoning. I continue to be amazed by the fact that so few people seem to grasp that. Any moment now, they expect the turn that won't be coming. I just wonder what it's going to take for them to wake up and smell the coffee. - Bill Fleckenstein

All the official forecasts said that by now we should have a strong recovery. Yet it is nowhere to be seen. All the Keynesian and mainstream forecasters have been completely wrong. Yet no one says anything about it. - Frank Shostak

The most exuberant phase is passed. But neither investors nor consumers could be said to be acting "rationally". Consumers are still spending as if there were no recession. And investors are still buying stocks - as if they were bargains. - Bill Bonner

Wall Street is the scene of a dramatic disconnect. It is powered by the mindless motion of the people who play with other people's money. Just check the closing box scores on any number of days. Whether it's retailing, finance or "blue chips," stocks outside of technology just do not seem to want to hunt on the upside. In hot pursuit of performance, the OPM crowd unloads the shares of sound, mundane businesses while bidding up the price of technology companies that are dependent on these very businesses for their livelihood. - Bill Fleckenstein

Stephen Roach and John Scowcroft calculate that the median family of the 55-64 age group currently has a negative net worth to the tune of \$173,000; for the 9.6 million families in this cohort, that amounts to an aggregate shortfall of \$1.7 trillion. Now, this is supposed to be that peak-earner population. This is the group that is amassing, according to popular theory, all that lovely retirement money and assets. So, what in the hell is happening here? Are all our rosy assumptions for nothing? - Richard Daughty

The leading economic indicators were flat in October, after declines in the four previous months. Most of the news reports I read included "we may be turning the corner" quotes from economists. If you're wondering how four declining months and a flat one can be "positive," keep in mind that establishment economists often take their lead from the Fed. Several Fed officials (including Mr. Greenspan) have been quoted recently saying that an economic recovery is still underway. Yet a more-than-interesting contrast comes from 150 top CEOs (who lead a combined workforce of 10 million employees), in the results of a survey released last week [week of November 11] by the Business Roundtable. These individuals expect "weak GDP growth, declining employment and flat capital spending in 2003." A few particulars: 60% of CEOs expect their company's employment to drop in 2003, while 28% expect no change. 57% expect their 2003 capital expenditures to remain at 2002 levels, while 24% expect a decline. 64% expect GDP growth of less than 2% in 2003, while 36% expect GDP growth of more than 2 percent. So the question is: Who's closer to where the trend is really heading -- the economists and their "positive" interpretations, or the CEOs who make the decisions and spend the money (or not)? - Robert Folsom

Today, in Argentina, the paper money has become so worthless, that soybeans are being used as "money," because they have actual tangible value, whereas the printing-press money has been so proliferated, that it is a joke. Eating a bean staves off starvation, and eating paper money doesn't give one any sustenance. - Don Stott

If you want a textbook example of the terrible, impoverishing results of a huge government endlessly meddling in the economy, look no farther than Japan. Its government excesses have now caused their stock market to fall to its lowest level in nineteen years. Nineteen! How do you say "Investing for the long-term" in Japanese? - Richard Daughty

STOCK MARKET OUTLOOK

December 2 saw me in stocks in my retirement portfolio for the first time since mid-August. The position is small.... only about 13% of the funds.... but the times, they are a-changin'. First, the bond market.... even ultrasafe Treasuries.... has clearly hit a soft patch. In this deflationary bear, bonds have behaved as a safe haven for money exiting stocks, and it's probably not a good idea to hang onto them while "Timer's Trend" (both of them) are bullish and the traditional and probable Santa Claus rally lies directly ahead. Further, the bond leading indicator models I follow are all turning neutral to negative, and are indicating that most of the profits in the bond market have been captured for at least the intermediate term. (I remain long-term bullish on high-quality bonds.)

Second, "Timer's Trend" (both of them) have stopped whipsawing and are actually indicating a more solid base under stocks than is apparent from the market averages. Consumer confidence and other sentiment indicators are also improving, although these tend to be coincident with stocks and the health of the economy.

Third, it's time for the Santa Claus rally (November /December into January), which does add 4% to 6% onto stock prices in most years. This is one of the few times you can ride the stock market upward with a high degree of certainty. Really, people do turn more optimistic for the holidays.... downward trends, whether new or resumed, simply are exceedingly unlikely this time of year.

Now, I have no illusions about stocks being a screaming buy; indeed, they remain hideously overpriced from a historical point of view. This is simply a momentum play based on improving consumer and investor sentiment. Also, I have no illusions about this being the beginning of a "new bull market" (although, technically, it does already qualify as a mini-bull).... it is, in my opinion, still only a rally in a decade-long deflationary bear market, though it may turn out to be a very good rally.

For a Santa Claus rally, one can expect (by "right")

higher stock prices for about three weeks.... just to, or a little after, Christmas. In the better Santa Claus rallies, stocks move higher into late January. Sometimes, the rally will extend into March or April. But you can expect only three weeks.

The Santa Claus rally itself may hold the key to market behavior in 2003. Historically, in bull-market years (that is, if October 2002 was the bottom, and a new bull market was born) stocks rise about 6% on average in the rally. In years where a bear market is underway (and resumes in the next year), the "rally" subtracts 1/2% on average.

So if this year's Santa Claus rally turns out to be a bust, I'd say the odds are excellent that the bear will resume early next year. And you'll be able to figure this out for yourself, before the next issue of **The Contrarian's View** arrives.

Even though I'm playing the Santa Claus rally, note that my exposure to stocks remains small, as it's inappropriate for me, with retirement approaching, to take a more aggressive position until there is a much clearer indication that a substantial rally is underway, and one can buy stocks with a much higher degree of assurance that prices will rise. After all, most of my retirement money is in various fixed-income funds yielding a blended rate of about 5.7%, which looks pretty good in a bear market.

My *expectation* is that the long-term deflationary bear will resume early next year - January or February. But I am anxious to see what story the Santa Claus rally will tell us because, for the sake of my retirement, I wish it weren't so.... I would like to be able to ride a good (safe) pop in stock prices before I retire.

Oh, I almost forgot.... for the fourth reason I committed a small part of my retirement to stocks, note the graph on the next page. That big gusher of money from the Fed, late-October to mid-November, is just in time for the holidays.

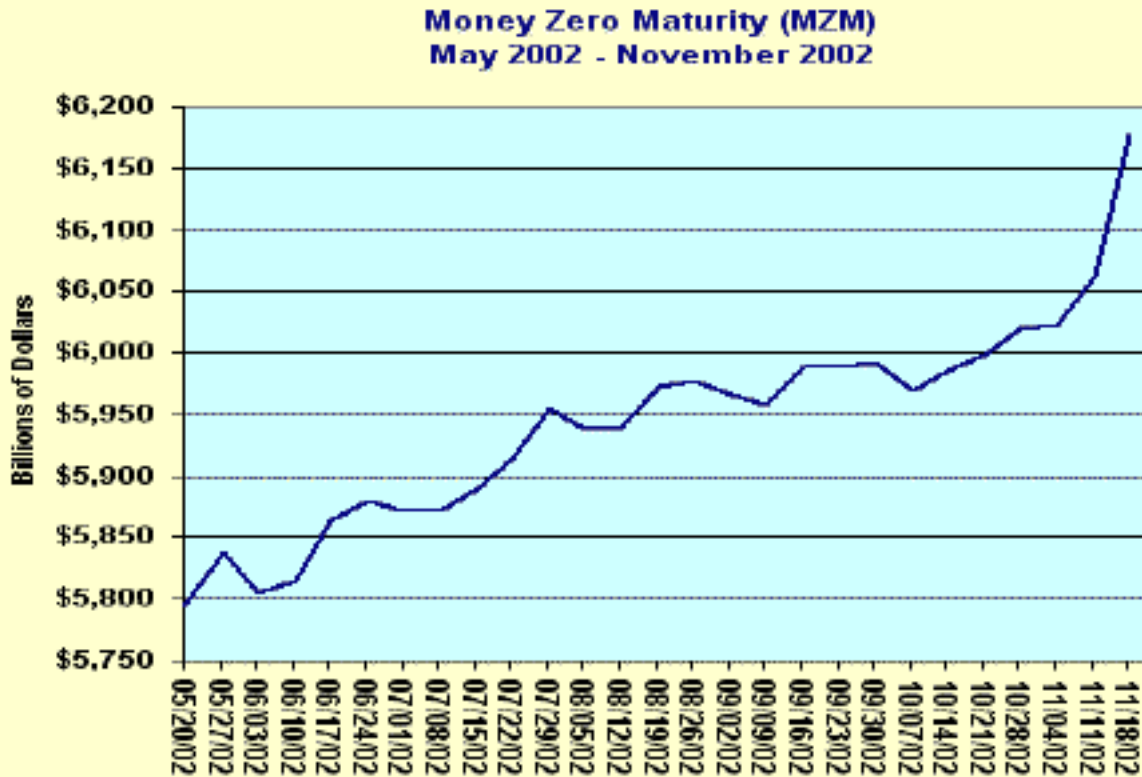


Chart courtesy Fiend SuperBear (www.fiendbear.com)

PORTFOLIO REVIEW

The combined performance of the portfolios (including predecessors, but excluding "PIG" and TIAA-CREF) from January 1987 to the present, adjusted for the dilutive effect of added shares, is -20.16%, for a compound annual rate of return of -1.40%. For comparison purposes, from January 1, 1987 to December 2, 2002 (15.921 years), the CREF stock unit value (whose performance closely parallels the S&P 500 with dividends reinvested) has risen 356.24%, for a compound annual rate of return of 10.00%. *WARNING: I am a rotten stockpicker.* Prices shown are as of December 2.

A. "Phoenix" -real portfolio, begun on October 1, 1995.

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
46	Citizens Communications	{CZN/nyse}	1Oct95			506.00	9.70	446.20
410.7	Prudent Bear Fund [410.687sh]	[BEARX]	30Aug02			3092.47	7.19	2,952.84
	CASH	.00				.00		0.00
	Totals					3,598.47		3,399.04

SUMMARY - "Phoenix":

Original cost (adjusted): \$ 4,998.21
 Present value: \$ 3,399.04
 Increase: \$-1,599.17 [-31.99%]

The performance of this portfolio and its predecessors ("Hedger's Delight", "Present and Future Income", "Crapshooter's Folly") from January 1987 to the present is -22.89%, for a compound annual rate of return of -1.61%.

COMMENT on "Phoenix": There is no change from the last issue (cash balance is not up to date).

B. "Professors' Investment Group (PIG)" - investment club portfolio.

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
60	Apple Computer Inc.	[AAPL/otc]	26Jun02			1034.80	15.18	910.80
50	Barrick Gold .11	{ABX/nyse}	14Nov96			1466.01	14.65	732.50
30	BP .30	[BP/nyse]	26Jan99			1292.50	38.75	1,162.50
250	Elan Corp. PLC ADR	[ELN/nyse]	1Aug02			585.00	2.39	597.50
100	iShares MSCI Japan Index Fund	[EWJ/ase]	28Jun01			1035.00	7.10	710.00
100	Nokia OYJ ADR .18	[NOK/nyse]	14Jun01			2233.00	20.15	2,015.00
40	Palm Inc.	[PALM/otc]	5Jun02			1097.00	17.15	686.00
45	PolyMedica Corp.	[PLMD/otc]	26Jun02			1070.35	26.87	1,209.15
418	Prudent Bear Fund (418.16sh)	[BEARX]	10Oct02			3500.00	7.19	3,006.57
100	Xerox Corp.	[XRX/nyse]	1Aug02			685.00	8.59	859.00
	CASH & money market					2277.52		2,277.52
	Totals					15,241.38		13,255.74

SUMMARY - "PIG":

Original cost:	\$ 9,899.00
Present value:	\$13,255.74
Increase:	\$ 3,356.74 [+33.91%]

COMMENT on "PIG": There is no change from the prior issue.

C. Roth rollover IRA - real portfolio, includes commissions:

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
102.6	AmerCent GlobalGold [102.629sh]	[BGEIX]	28Dec94			1050.00	7.19	737.90
132.6	Cr Suisse Japan Grwth (132.631sh)	[WPJGX]	12Jan01			887.30	4.12	546.44
102	Freeport-McMoRan Copper&Gold	[FCX/nyse]	27Dec94			2348.60	15.10	1,540.20
35	iShares Lehman 20+yr Treasury	[TLT/ase]	30Aug02			3058.75	85.24	2,983.40
11	New Germany Fund	[GF/nyse]	20Dec91			53.50	3.83	42.13
268.0	Prudent Safe Harbor [268.02 sh]	[PSAFX]	5Sep02			2988.00	11.06	2,964.30

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
	Money market					62.44		62.44
	Totals					10,448.59		8,876.81

SUMMARY - IRA:

Original (1983-86) cost: \$ 8,326.19
 Present value: \$ 8,876.81
 Increase: \$ 550.62 [+6.61%]

The performance of this portfolio (including its predecessors) from January 1, 1987 to the present is -19.06%, for a compound annual rate of return of -1.31%.

COMMENT on IRA: There is no change from the last issue.

D. TIAA/CREF 403(b) retirement plan; I switch between indexed stock/bond/money funds:

Date	Sold	Bought	Date	Sold	Bought
13Mar1992	stock @ 56.65	MM @ 13.41	12-13Jul2000	rate adjustment to 7.5% in SRA	
29Apr1992	MM @ 13.48	bond @ 31.19	8Jan2001	TIAA Traditional	bond@58.62 [22.77%]
19Jun1992	bond @ 32.14	MM @ 13.55	8Jan2001	TIAA Traditional	eq-idx@75.79 [4.56%]
29Jun1992	MM @ 13.57	stock @ 56.74	1Feb2001	i-i bond@31.78	eq-idx@80.84 [26.76%]
24Jul1992	stock @ 56.76	MM @ 13.61	20Sep2001	bond@61.99	eq-idx@58.42 [2.44%]
29Oct1992	MM @ 13.72	stock @ 58.61	21Nov2001	i-i bond@33.80	eq-idx@67.52 [4.35%]
23Dec1992	stock @ 61.48	MM @ 13.78	11Dec2001	i-bond@33.28	eq-idx@67.95 [6.19%]
16Jan1995	MM @ 14.83	equity-idx @ 26.44	17Dec2001	i-i bond@33.13	RIEst@168.75 [9.94%]
20Jan1995	eq-idx @ 26.19	MM @ 14.84	17Dec2001	bond@61.54	RIEst@168.75 [9.26%]
30Oct1997	MM@ 17.24	bond@47.56 (27.17%)	31Dec2001	i-i bond@33.50	eq-idx@68.74 [8.21%]
30Oct1997	MM@ 17.24	i-i bond@26.12 (27.17%)	25Mar2002	bond@62.43	TIAA Traditional [9.13%]
11Feb1998	bond@ 48.84	MM@17.52 (27.17%)	26Mar2002	bond@62.63	eq-idx@68.76 [3.39%]
11Feb1998	li-i bond@ 26.23	MM@17.52(27.17%)	July-Aug2002	many whipsaw switches, not calculated yet	
16Jun1998	MM@ 17.84	TIAA Traditional (45.87%)	Oct-Nov2002	switches between MM and i-i bond	
23Sep1999	MM@18.99	I-I bond@27.56 (53.32%)	2Dec2002	i-i bond@37.68	eq-idx@56.93 [13.22%]
17-18May2000	rate adjustment to 7.25% in SRA		2Dec2002	i-i bond@37.68	mm@21.62 [13.22%]

Values, 2Dec2002: stock, 135.73; equity-index, 56.93; MM, 21.62; bond, 67.26; inflation-indexed bond, 37.68; real estate, 173.33; TIAA current yield in SRA, about 6.5% (new money at 4.5% through February 28, 2003). As of December 2, 2002, my retirement portfolios were invested: 51.24% in TIAA, 22.32% in TIAA Real Estate, 13.22% in CREF Equity Index, and 13.22% in CREF money market. Mental "stop-loss" for the portion in CREF Equity Index is \$53.50 unit value.

Gain, 1988: 18.91%; 1989: 14.48%; 1990: 8.28%; 1991: 27.93%; 1992: 10.20%; 1993: 3.08%; 1994: 4.07%; 1995: 4.80%; 1996: 5.28%; 1997: 5.38%; 1998: 5.72%; 1999: 5.12%; 2000: 9.99%; 2001: 1.11%

Gain, January 1 through March 31, 2002: 0.97% (3.86% annual rate of return)

Total gain since January 1, 1988 (14.25 years): 223.43%

Compound annual rate of return: 8.59% (My long-term target: in excess of 10%)

Gain shown excludes the impact of additional monthly cash contributions.

(Please note that I have not had the time to calculate my rate of return beyond March 2002, and may not get the time until I retire.)
 Buying CREF stock on January 1, 1988 and holding it gained 422.38%, for a compound annual rate of return of 11.46%.

Comment on NYSE "Timer's Trend": We are currently on a BUY signal of November 1,

NYSE TIMER'S TREND

Tue 3 Sep 02	# . I .	{ 8308.05 - . * }	Thu 5 Sep 02	. # I .	8283.70 - . * }
Wed 4 Sep 02	. #	8425.12 - . *	Fri 6 Sep 02	. #	8427.20 + . *

Mon 9 Sep 02	. #	} 8519.38	+ .	*	Mon 21 Oct 02	. #	8538.24	- .	*
Tue 10 Sep 02	. #	8602.61	+ +	*	Tue 22 Oct 02	. # I	8450.16	- -	*
Wed 11 Sep 02	. #	8581.17	+ .	*	Wed 23 Oct 02	. # I	8494.27	- .	*
Thu 12 Sep 02	. # .	[8379.41	+ .	*	Thu 24 Oct 02	. # I	8317.34	- -	*
Fri 13 Sep 02	. # .] 8312.69	+ .	*	Fri 25 Oct 02	. # I	8443.99	- .	*
Mon 16 Sep 02	. # .	[8380.18	+ .	*	Mon 28 Oct 02	. # I	8368.04	- -	*
Tue 17 Sep 02	. # .	{ 8207.55	- -	*	Tue 29 Oct 02	. # I	8368.94	- -	*
Wed 18 Sep 02	. # .	8172.45	- -	*	Wed 30 Oct 02	. # .	8427.41	- -	*
Thu 19 Sep 02	. # .	7942.39	- -	*	Thu 31 Oct 02	. # .	8517.64	- .	*
Fri 20 Sep 02	. # .	7986.02	- -	*	Fri 1 Nov 02	. # .	} 8517.64	- .	*
Mon 23 Sep 02	. # .	7872.15	@	*	Mon 4 Nov 02	. # .	8751.60	+ .	*
Tue 24 Sep 02	. # .	7683.13	@	*	Tue 5 Nov 02	. # .	8678.27	+ .	*
Wed 25 Sep 02	. # .	7841.82	- -	*	Wed 6 Nov 02	. # .	8771.01	+ .	*
Thu 26 Sep 02	. # .	7997.12	- -	*	Thu 7 Nov 02	. # .	8586.24	+ .	*
Fri 27 Sep 02	. # .	7701.45	- -	*	Fri 8 Nov 02	. # .	8537.13	- .	*
Mon 30 Sep 02	. # .	7591.93	- -	*	Mon 11 Nov 02	. # .	[8358.95	- -	*
Tue 1 Oct 02	. # .	7938.79	- -	*	Tue 12 Nov 02	. # .] 8386.00	- -	*
Wed 2 Oct 02	. # .	7755.61	- -	*	Wed 13 Nov 02	. # .	8398.49	- -	*
Thu 3 Oct 02	. # .	7717.19	- -	*	Thu 14 Nov 02	. # .	8542.13	- -	*
Fri 4 Oct 02	. # .	7528.40	- -	*	Fri 15 Nov 02	. # .	8579.09	- -	*
Mon 7 Oct 02	. # .	7422.84	- -	*	Mon 18 Nov 02	. # .	8486.57	+ .	*
Tue 8 Oct 02	. # .	7501.49	@	*	Tue 19 Nov 02	. # .	8474.78	+ .	*
Wed 9 Oct 02	. # .	7286.27	@	*	Wed 20 Nov 02	. # .	8623.01	+ .	*
Thu 10 Oct 02	. # .	7533.95	@	*	Thu 21 Nov 02	. # .	8845.15	+ .	*
Fri 11 Oct 02	. # .	7850.29	- -	*	Fri 22 Nov 02	. # .	8804.84	+ .	*
Mon 14 Oct 02	. # .	7877.40	- -	*	Mon 25 Nov 02	. # .	8849.40	+ .	*
Tue 15 Oct 02	. # .	8255.68	- -	*	Tue 26 Nov 02	. # .	8676.42	+ .	*
Wed 16 Oct 02	. # .	8036.03	- -	*	Wed 27 Nov 02	. # .	8931.68	+ .	*
Thu 17 Oct 02	. # .	8275.04	- -	*	Fri 29 Nov 02	. # .	8896.09	+ .	*
Fri 18 Oct 02	. # .	8322.40	- -	*	Mon 2 Dec 02	. # .	8862.57	+ .	*

Comment on NASDAQ "Timer's Trend": We're currently on a BUY signal given November 14.

NASDAQ TIMER'S TREND

Tue 3 Sep 02	. # .	1263.84	@	*	Thu 17 Oct 02	. # .	1272.29	- .	*
Wed 4 Sep 02	. # I	1292.31	- -	*	Fri 18 Oct 02	. # I	1287.86	- .	*
Thu 5 Sep 02	. # .	1251.00	- -	*	Mon 21 Oct 02	. # .	1309.67	- .	*
Fri 6 Sep 02	. # I	1295.30	- -	*	Tue 22 Oct 02	. # .	1292.80	- .	*
Mon 9 Sep 02	. # .	1304.60	- -	*	Wed 23 Oct 02	. # .	1320.23	+ .	*
Tue 10 Sep 02	. # .	1320.09	- -	*	Thu 24 Oct 02	. # .	1298.71	- .	*
Wed 11 Sep 02	. # I	1315.45	- -	*	Fri 25 Oct 02	. # .	1331.13	+ .	*
Thu 12 Sep 02	. # .	1279.68	- -	*	Mon 28 Oct 02	. # .	1315.83	- .	*
Fri 13 Sep 02	. # I	1291.40	- -	*	Tue 29 Oct 02	. # .	1300.54	- .	*
Mon 16 Sep 02	. # .	1275.88	- -	*	Wed 30 Oct 02	. # .	1326.73	- .	*
Tue 17 Sep 02	. # .	1259.94	- -	*	Thu 31 Oct 02	. # .	1329.75	+ .	*
Wed 18 Sep 02	. # .	1252.13	@	*	Fri 1 Nov 02	. # .	} 1360.70	+ .	*
Thu 19 Sep 02	. # .	1216.45	@	*	Mon 4 Nov 02	. # .	1396.54	+ .	*
Fri 20 Sep 02	. # .	1221.09	@	*	Tue 5 Nov 02	. # .	1401.17	+ .	*
Mon 23 Sep 02	. # .	1184.93	@	*	Wed 6 Nov 02	. # .	1418.99	+ .	*
Tue 24 Sep 02	. # .	1182.17	@	*	Thu 7 Nov 02	. # .	1376.71	+ .	*
Wed 25 Sep 02	. # .	1222.29	- -	*	Fri 8 Nov 02	. # .	1359.28	+ .	*
Thu 26 Sep 02	. # .	1221.61	- -	*	Mon 11 Nov 02	. # .	{ 1319.19	- .	*
Fri 27 Sep 02	. # .	1199.16	- -	*	Tue 12 Nov 02	. # .	1349.56	- .	*
Mon 30 Sep 02	. # .	1172.06	- -	*	Wed 13 Nov 02	. # .	1361.34	- .	*
Tue 1 Oct 02	. # .	1213.72	- -	*	Thu 14 Nov 02	. # .	} 1411.52	+ .	*
Wed 2 Oct 02	. # .	1187.30	@	*	Fri 15 Nov 02	. # .	1411.14	+ .	*
Thu 3 Oct 02	. # .	1165.56	@	*	Mon 18 Nov 02	. # .	1393.69	+ .	*
Fri 4 Oct 02	. # .	1139.90	@	*	Tue 19 Nov 02	. # .	[1374.51	+ .	*
Mon 7 Oct 02	. # .	1119.40	@	*	Wed 20 Nov 02	. # .	1419.35	+ .	*
Tue 8 Oct 02	. # .	1129.21	@	*	Thu 21 Nov 02	. # .	1467.65	+ .	*
Wed 9 Oct 02	. # .	1114.11	@	*	Fri 22 Nov 02	. # .	1468.74	+ .	*
Thu 10 Oct 02	. # I	1163.37	- -	*	Mon 25 Nov 02	. # .	1481.90	+ .	*
Fri 11 Oct 02	. # I	1210.47	- -	*	Tue 26 Nov 02	. # .	1444.43	+ .	*
Mon 14 Oct 02	. # .	1220.53	- -	*	Wed 27 Nov 02	. # .	1487.94	+ .	*
Tue 15 Oct 02	. # .	1282.44	- -	*	Fri 29 Nov 02	. # .	1478.78	+ .	*
Wed 16 Oct 02	. # .	1232.42	- -	*	Mon 2 Dec 02	. # .	1484.78	+ .	*

"Timer's Trend" is based on 4% and 10% exponential moving averages of the New York Stock Exchange or NASDAQ advance/decline lines (that is, the ratio of advancing to declining stocks). There are many symbols shown above, but the ones that count are the braces: {, } = "Timer's Trend" (4% exponential confirmed by 10% exponential) SELL ({} or BUY ({} signal.

NEXT ISSUE - will appear in late December.