

CRANK UP THE PRESSES

Dr. Ben Bernanke, prior to his recent appointment as a Federal Reserve Governor, was the Chairman of the Department of Economics at Princeton., the Director of the Monetary Economics Program of the National Bureau of Economic Research and the editor of the **American Economic Review**. He co-authored a widely-used textbook on macroeconomics and he is obviously well-respected in conventional economic circles. In late November 2002 he gave a major speech to the Economist Club in Washington.

It was titled "Deflation: Making Sure 'It' Doesn't Happen Here." (you can see what's been on the Fed's mind lately) and the part of his speech that created a lot of publicity was:

As I have mentioned, some observers have concluded that when the central bank's policy rate falls to zero - its practical minimum - monetary policy loses its ability to further stimulate aggregate demand and the economy. At a broad conceptual level, and in my view in practice as well, this conclusion is clearly mistaken. Indeed, under a fiat (that is, paper) money system, a government (in practice, the central bank in cooperation with other agencies) should always be able to generate increased nominal spending and inflation, even when the short-term nominal interest rate is at zero.

The conclusion that deflation is always reversible under a fiat money system follows from basic economic reasoning. A little parable may prove

useful: today an ounce of gold sells for \$300, more or less. Now suppose that a modern alchemist solves his subject's oldest problem by finding a way to produce unlimited amounts of new gold at essentially no cost. Moreover, his invention is widely publicized and scientifically verified, and he announces his intention to begin massive production of gold within days. What would happen to the price of gold? Presumably, the potentially unlimited supply of cheap gold would cause the market price of gold to plummet. Indeed, if the market for gold is to any degree efficient, the price of gold would collapse immediately after the announcement of the invention, before the alchemist had produced and marketed a single ounce of yellow metal.

What has this got to do with monetary policy? Like gold, U.S. dollars have value only to the extent that they are strictly limited in supply. But the U.S. government has a technology, called a printing press (or, today, its electronic equivalent), that allows it to produce as many U.S. dollars as it wishes at essentially no cost. By increasing the number of U.S. dollars in circulation, or even by credibly threatening to do so, the U.S. government can also reduce the value of a dollar in terms of goods and services, which is equivalent to raising the prices in dollars of those goods and services. We conclude that, under a paper-money system, a determined government can always generate higher spending and hence positive inflation....If we do fall into deflation, however, we can take comfort that the logic of the printing press

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example must assert itself, and sufficient injections of money will ultimately always reverse a deflation.

Now, it's the central bankers' job to methodically destroy the purchasing power of currency over time. That has been the history of fiat currencies for millennia, and modern central banks are no exception to the rule. But they don't usually come right out and *tell* you that's their objective. Usually they pretend that they are exercising restraint, so people won't panic and immediately begin fleeing the currency. (Note that shortly after Bernanke's speech was publicized, gold began an upward tear which, thanks to recent war jitters, has yet to abate.)

But overlooked in the speech were some actions the Fed would likely take before greasing the presses. They include (and I quote):

So what then might the Fed do if its target interest rate, the overnight federal funds rate, fell to zero? One relatively straightforward extension of current procedures would be to try to stimulate spending by lowering rates further out along the Treasury term structure - that is, rates on government bonds of longer maturities...

A more direct method, which I personally prefer, would be for the Fed to begin announcing explicit ceilings for yields on longer-maturity Treasury debt (say, bonds maturing within the next two years). The Fed could enforce these interest-rate ceilings by committing to make unlimited purchases of securities up to two years from maturity at prices consistent with the targeted yields. If this program were successful, not only would yields on medium-term Treasury securities fall, but (because of links operating through expectations of future interest rates) yields on longer-term public and private debt (such as mortgages) would likely fall as well....

Of course, if operating in relatively short-dated Treasury debt proved insufficient, the Fed could also attempt to cap yields of Treasury securities at still

longer maturities, say three to six years.

In other words, the Fed will buy the bonds the government floats to cover the projected \$300 billion deficit (with the current rate of economic growth and the Iraq war), and then some, thereby depressing intermediate-term interest rates; then it will attempt to "sterilize" its purchases to avoid excessively adding to the money supply. Since the lowering and fixing of intermediate rates will also tend to force home mortgage rates lower, consumers will be induced to continue refinancing their ATMs.... er, I mean, their homes.... and spend the money on goods made in China which they really don't need, thereby increasing the incomes of Long Beach longshoremen but not doing a heck of a lot for the recovery of our job market.

OK, sarcasm aside, my point is that when the government artificially manipulates any market, there can be unintended consequences. I don't doubt that the Fed has enough clout to prop up the prices of short- and intermediate-term government securities for awhile, which is one of the reasons I remain mildly bullish on Treasury bond prices for about the next six months, maybe longer. But eventually the market distortion will cause an even bigger real-estate and debt bust than we would otherwise have had, just as the Fed's feeding of the stock market bubble in the late 1990s led to a market collapse which (so far) rivals those of the 1970s and 1930s.

Coming up: The next bubble, commodities and gold, courtesy of our spineless Federal Reserve. Your tax dollars at work, paying the salaries of clueless bureaucrats committing egregious offenses against common sense and your wallet.

It took the Fed 70 years to destroy 93% of the purchasing power of the dollar since gold specie (real money) was stolen from the people in 1933. I wonder how long it will take them to kill off the remaining 7%?

QUOTES FOR THE MONTH

It is now three years since it began raining on Wall Street. On paper, more money has been lost than ever before. And yet, the little guys still believe. They believe the 'reasons' why stocks are likely to rise ...because they hardly ever go down 4 years in a row! On the little evidence available (since it so rarely happens) after

stocks have fallen 3 years in a row, the odds are about 50/50 that they will fall again in the 4th year. This year, the odds may be distorted - but not in the way investors hope. Stocks rarely go down 4 years in a row because - usually - after 36 months, they have almost always hit bottom. But this year is different. The patsies are so confident that they have not been willing to sell their stocks and take their losses. At the beginning of 2003, stocks were still selling at prices more typical of a top than a bottom. Based on 'core earnings,' S&P stocks were priced at 40 times earnings. Or, as **Barron's** calculates it, based on last year's reported earnings, they sell at a P/E of 28. Either way they are expensive. While earnings are subject to interpretation, dividend yields are not; stocks yielded only 1.82% in dividends at the end of 2002. But maybe the patsies will get lucky in 2003. - Bill Bonner

The New Year started off with a bang. Prices went up and more people are out of work, but the stock market went up. Manufacturers lowered prices and increased their losses per unit so much that somebody finally took the bait, and so the stock market went up. Grandma and Grampa are getting so little from their bank CDs that they can't afford to buy anything, so the stock market went up. The auto manufacturers decided that they would lose money on every car (bringing to mind the old joke about how they'll make it up on volume) by offering zero percent financing and actual money back! The idea that car makers would lose more money caused such a joyous reaction that the stock market went up. Oil remains high-priced. Since everybody and every company is going to be using a bigger fraction of their incomes to merely buy energy, meaning that expenses are going up, then that made everyone happy beyond belief, and the stock market went up. People are buying houses to the point where they are spending half of their incomes just to make mortgage payments, leaving roughly zero for anything else. This lack of buying power was so intoxicating that the stock market went up. And we thought irrational exuberance was dead. - Richard Daughy

In the second phase of a bear market (and the second phase is usually the longest phase), stocks go down as they discount deterioration in the economic, social and political fabric of the nation. Is the social and political fabric of the US deteriorating? I think it is. First, our cowardly Congress handed over to President Bush the power to decide whether to make war on Iraq or not. I don't know whether Bush is smart or not, I don't know whether he has a personal agenda or not, I don't know what Bush thinks about when he's alone at two in the morning. Bush may be a model citizen with the best instincts imaginable. He may be all or none of the above. But yesterday 10,000 sailors and marines sailed out of the port of San Diego, and I can see the ships from my veranda at the back of the house. Let me put it this way -- my 24-year old son isn't in the service, but if he was I'll be damned if I would want one man deciding whether he's going to war. I would want the US Congress to decide. The US Congress will not decide whether we go to war. And there's a growing tide of Americans who are against this war (and, according to today's LA Times, a majority of WW II vets, of which I am one). What's the point of the above? I think it smells of deterioration in the political and social fabric of the nation. It's undemocratic. - Richard Russell

My sense is that the secular bear market will end at a price level of between 500 and 700 on the S&P 500. I don't have a clue as to when. It could take six months or six years. I expect that most of the permabulls on Wall Street will all be fired or "retired" before it's over. Last year took out only two of them. - Robert Marcin

I think 2003 is going to be a great year for the U.S. economy. In fact, I'm willing to bet a glass of Guinness at the Irish Times bar on Capitol Hill that the Dow, S&P 500 and NASDAQ will all be substantially higher at the end of 2003 than they were at the start. There are two basic reasons for this, and they are both named George W. Bush. GW is determined not to make his dad's mistake, and knows voters must perceive that the economy has been going well for many months, up to a year, before he runs for re-election.... GW's economic policy is to give the real engines of growth entrepreneurs and small businesses more freedom to prosper. The timing couldn't be better. The bubble and its bursting has come and gone. Both are over. - Jack Wheeler

Over the decade, though, we have not done that bad. The average net worth, even after the ravages of the recent stock market decline, is almost 50% higher than it was in 1992. But the median net worth is only up

30% over the same period. The gap between rich and poor, and even between almost rich and rich, is getting wider.... the stock market crash did not materially affect the net worth of a large majority of Americans. It is the wealthy who have been the most affected. Even though over 50% of Americans own stocks or mutual funds, the difference between the size of the holdings of the bottom 50% and the top 10% is huge. Contrary to popular opinion, there are not that many people (percentage wise) on the edge of bankruptcy.... the average family is spending slightly less of its income on debt-related expenses over the decade (and down from 1998) and is saving a little more.... Overall, incomes have risen in real terms. The median income for white families rose 10% in just the three years from 1998-2001, and by 20% for African-American families in the same period. Thus, it is no mystery why "consumer spending" has not suffered as much as one might have thought after the bursting of the stock market bubble. Except for those people who have lost jobs, or retirees who have seen significant asset losses, not much has changed in spending habits. We still spend most of what we earn. In terms of consumer spending, it appears to me the growth of real household income has largely offset the loss of income due to increasing unemployment. - John Mauldin

If you want a get-rich-quick scheme, try investing in an S&P 500 index fund. Put your money in the Dow and wait for Dow 36,000 and see how quickly you get rich. - Michael Nystrom

The current period is eerily reminiscent of the 1920s and 1930s. Regrettably, the debates that took place relating to prices, markets and monetary management were anything but satisfactorily resolved in the economic history books. In the end, the Monetarists 'won' the debate and historical accounts of the period were revised to blame the Depression on a shortage of money and liquidity. - David Tice

What's the outlook for consumer spending? Dim, in my view. If baby boomers want to retire before they expire, they are going to have to start saving more. The personal saving rate troughed in 2001 at 2.3%. In the first 11 months of 2002, it has averaged 3.9%. My bet is that the personal saving rate will trend still higher in 2003. Why? Because households are significantly poorer...after the bursting of the stock market bubble....Net worth as a percent of disposable personal income (DPI) has fallen back to 1995 levels. I would expect that consumption as a percent of DPI also would start to gravitate back down to 1995 levels. (Another way of saying this is that the personal saving rate ought to levitate back toward its 1995 level of 5.6%). - Paul Kasriel [Northern Trust economist]

The U.S. can't sell more than 100% of its assets, and it is now selling \$500 billion a year. At this rate, the rest of the world will own 100% of U.S. government debt in ten years, even as America grows its deficits. Clearly this is not sustainable. - John Mauldin

In my opinion, retail sales that are not accompanied by a rise in industrial production are highly questionable as an indicator for the domestic economy. They are a far better indicator for the strength of the Chinese economy, because rising US retail sales are leading to a widening of the US trade deficit with China, which is increasingly supplying the US market with consumer goods. - Marc Faber

In a country where savings are negligible, spoiled and pampered people are commonplace, where millions of people enjoy subsidies and half the people can't scrape a thousand bucks together, you have the formula for national bankruptcy, seething unrest, bitter fault finding and confiscatory government. - Theodore Butler

Most investors continue to shun gold, dismissing its year-long rally as an aberration. Even so, the yellow metal is on almost everyone's lips these days. (In fact, gold is also THROUGH almost everyone's lips these days...and through their eyebrows, ears, tongues and navels...but maybe that's just the style in Manhattan.) - Eric Fry

The mortgage refinancing boom put \$172 billion in homeowners' pockets in '02, up from \$44 billion in 2000. That was the amount of cash taken out in refi transactions. - Bill Bonner

I hope the reader will understand that the current mortgage financing boom and consumer credit explosion is simply not sustainable in the long run and that, at some point, credit expansion in the consumer and mortgage sector will slow down, as it has in the last two years in the corporate sector. The consequences of such a slowdown will obviously be that consumer spending will have to slow down very considerably, which will inevitably hurt the economy, but hopefully will redress some of the external imbalances. So, whereas economists who point out that the consumer is in great shape may be correct now, sometime in the future the consumer may wake up with a terrific "debt hangover," which will force him to retrench. - Marc Faber

Gary Shilling calculates that 39% of U.S. homes are owned free and clear, and that the remaining homeowners have debt burdens exceeding 80% of the value of their homes. In other words, many Americans have little margin of safety should home prices level off or should they fall as much as 20%, as they did in many overheated areas in the late Eighties. - Jonathan R. Laing

On my way to the office each day, I drive through an older, more modest neighborhood. I have watched as a few 'For Sale' and 'For Rent' signs last summer have turned into an alarmingly large number as we begin a new year. It is my impression that, despite low rates and ultra-easy credit availability, the local existing home market has hit the wall. Interestingly, however, only a dozen or so miles north into suburbia, the market for new homes remains quite strong. This is an unusual two-tiered marketplace worth contemplating. In the past, a weakening housing market and rising inventory would rattle the nerves of local bankers; financing for new construction would quickly run dry. But this New Age housing cycle has evolved into something quite different. For one, it is dominated by large national builders with close ties to Wall Street and the mortgage-backed securities marketplace. Importantly, these builders today have unlimited access to cheap finance to pursue their aggressive growth strategies. Not dissimilar to the telecom sector during 1999, The Street, bankers, and Washington are today content to cheer along the construction boom and disregard the consequences. - Doug Noland

If you're not into hunting or cock fighting, despair not. I think I may have a good blood sport that might, as they say, float your boat. It's rather fun, really. Just try to get a liberal to admit that affirmative action is, in fact, a system of state-sponsored discrimination based on race. They know it's so. They know that you know that it's so, and they know that you know that they know that it's so. But stand firm they will, firmly defending that which they claim to oppose - the evil of racial discrimination. - Neal Boortz

There is no government regulation, no matter how plausible it initially appears, that will not eventually be applied by some bureaucrat in a way that defies common sense. - Gary North

STOCK MARKET OUTLOOK

My expectation for rising stock prices for the first three or four months of 2003 was largely based on an imminent war with Iraq, which I thought would be underway by early February. But in late January we learned that the war will be "weeks, not months" away, which I translate as: The bombing of Baghdad will begin in late February or early March, before the window of opportunity for military action on the ground in a tolerable climate closes. Meanwhile, Saddam will continue to make fools (or maybe I should say, bigger fools) of the U.N. inspectors.

Obviously, I'm not the only disappointed soul, as war

jitters have demoralized investors to the point of wiping out all of the early-January market gains, and then some. For what is normally a seasonally-favorable time of year.... the months of December and January.... this season has been a big bust.

OK, you want to know what, historically, has happened in the remaining 11 months of the year in the seasons where Santa napped. Since 1970: In 1973 (-1.9%), stocks entered the devastating 1973-74 generational bear market. In 1978 (-7.2%), stocks were entering an "ordinary" bear market which ended in the fall. In 1982 (-2.0%) the bear market

bottomed in August, and the recently-demised 18-year bull market got underway. In 1984 (-4.3%) most stocks corrected slightly, but high-tech went bust.

In other words, if historical precedent prevails, this will be another down year (or part-year, at least) for stocks.

However, I think that the Iraq war is likely to be an overriding factor, and it will give stocks a boost for awhile if Iraq is subdued and occupied quickly without adverse consequences for us, as I expect. But war can have unintended consequences. It's possible that when we attack Iraq, there will be a successful terrorist counterattack on our own soil. Or Saddam may launch a successful massive strike on Israel in response (certainly, he'll try). In 1991, conditioned by Vietnam, we were surprised by our overwhelming

military victory (until we stopped.... big mistake). This time, conditioned by our 1991 success, investor and consumer confidence may plummet if we don't mirror the 1991 victory.

In the meantime, the technical condition of the market is dead neutral.... which is slightly more bullish than the averages, which have been drifting lower. The fuel is there for a bullish explosion if the Iraq campaign is as successful as I expect it to be. If Saddam's military capability is extinguished within 48 hours and there hasn't been a terrorist counterattack or strike against Israel in that time then, like 1991, stocks will take off like a rocket.

But nobody can be faulted for sitting on the sidelines right now. Wait and see how the war turns out.

PORTFOLIO REVIEW

Prices shown are as of January 31, 2003.

A. "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	14.36	861.60
50	Barrick Gold .11	{ABX/nyse}	14Nov96			1466.01	16.45	822.50
30	BP .30	[BP/nyse]	26Jan99			1292.50	39.01	1,170.30
250	Elan Corp. PLC ADR	[ELN/nyse]	1Aug02			585.00	4.58	1,145.00
100	iShares MSCI Japan Index Fund	[EWJ/ase]	28Jun01			1035.00	6.76	676.00
100	Nokia OYJ ADR .18	[NOK/nyse]	14Jun01			2233.00	14.39	1,439.00
40	Palm Inc.	[PALM/otc]	5Jun02			1097.00	15.51	620.40
45	PolyMedica Corp.	[PLMD/otc]	26Jun02			1070.35	29.42	1,323.90
444	Prudent Bear Fund (444.138sh)	[BEARX]	10Oct02			3500.00	7.54	3,348.80
100	Xerox Corp.	[XRX/nyse]	1Aug02			685.00	8.85	885.00
	CASH & money market					2293.27		2,293.27
	Totals					15,257.13		13,724.17

SUMMARY - "PIG":

Original cost:

\$ 9,899.00

Present value:

\$13,724.17

Increase: \$ 3,825.17 [+38.64%]

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

B. 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	8Jan2001	TIAA Traditional	bond@58.62 [22.77%]
29Apr1992	MM @ 13.48	bond @ 31.19	8Jan2001	TIAA Traditional	eq-idx@75.79 [4.56%]
19Jun1992	bond @ 32.14	MM @ 13.55	1Feb2001	i-i bond@31.78	eq-idx@80.84 [26.76%]
29Jun1992	MM @ 13.57	stock @ 56.74	20Sep2001	bond@61.99	eq-idx@58.42 [2..44%]
24Jul1992	stock @ 56.76	MM @ 13.61	21Nov2001	i-i bond@33.80	eq-idx@67.52 [4.35%]
29Oct1992	MM @ 13.72	stock @ 58.61	11Dec2001	i-ibond@33.28	eq-idx@67.95 [6.19%]
23Dec1992	stock @ 61.48	MM @ 13.78	17Dec2001	i-i bond@33.13	RIEst@168.75 [9.94%]
16Jan1995	MM @ 14.83	equity-idx @ 26.44	17Dec2001	bond@61,54	RIEst@168.75 [9.26%]
20Jan1995	eq-idx @ 26.19	MM @ 14.84	31Dec2001	i-i bond@33.50	eq-idx@68.74 [8.21%]
30Oct1997	MM@ 17.24	bond@47.56 (27.17%)	25Mar2002	bond@62.43	TIAA Traditional [9.13%]
30Oct1997	MM@ 17.24	i-i bond@26.12 (27.17%)	26Mar2002	bond@62.63	eq-idx@68.76 [3.39%]
11Feb1998	bond@ 48.84	MM@17.52 (27.17%)	July-Aug2002	many whipsaw switches, not calculated yet	
11Feb1998	li-i bond@ 26.23	MM@17.52(27.17%)	Oct-Nov2002	switches between MM and i-i bond	
16Jun1998	MM@ 17.84	TIAA Traditional (45.87%]	2Dec2002	i-i bond@37.68	eq-idx@56.93 [13.22%]
23Sep1999	MM@18.99	I-I bond@27.56 (53.32%)	2Dec2002	i-i bond@37.68	mm@21.62 [13.22%]
17-18May2000	rate adjustment to 7.25% in SRA		31Jan2003	eq-idx@ 52.45	mm@21.66 [12.22%]
12-13Jul2000	rate adjustment to 7.5% in SRA				

Values, 31Jan2003: stock, 125.43; equity-index, 52.45; MM, 21.66; bond, 68.84; inflation-indexed bond, 39.19; real estate, 174.31; TIAA current yield in SRA, about 6.5% (new money at 4.5% through February 28, 2003). As of January 31, 2003, my retirement portfolios were invested: 52.00% in TIAA, 22.49% in TIAA Real Estate, and 25.51% in CREF money market.

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%

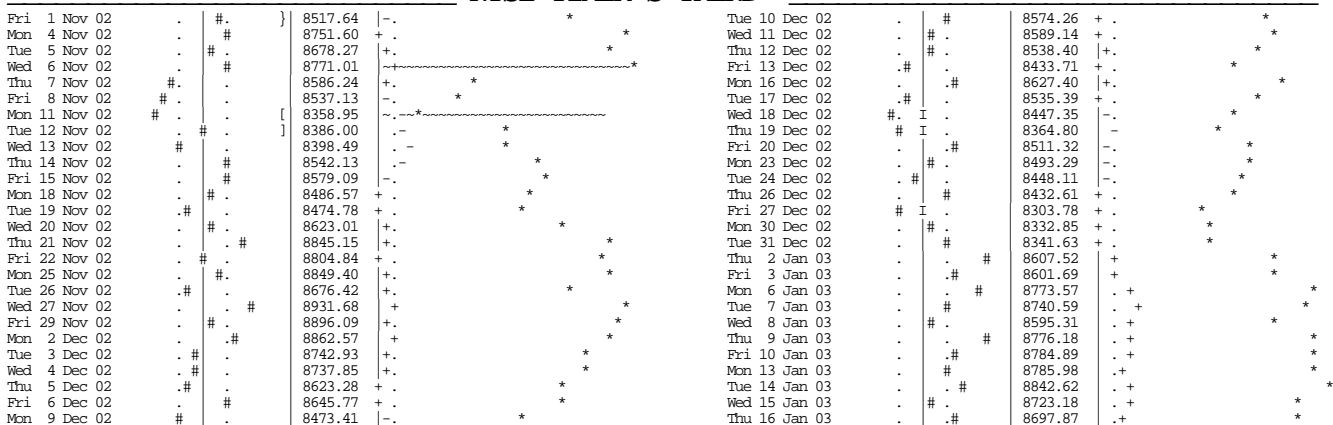
Compound annual rate of return: 8.59%

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 SELL signal of January 24.

NYSE TIMER'S TREND



Fri 17 Jan 03	. # .	8586.74	+					Mon 27 Jan 03	# . I .	7989.56	-	*
Tue 21 Jan 03	. #I .	8442.90	+		*	*		Tue 28 Jan 03	. I# .	8088.84	-	*
Wed 22 Jan 03	. #I .	8318.73	+		*	*		Wed 29 Jan 03	. & .	8110.71	-	*
Thu 23 Jan 03	. I #	8369.47	+		*	*		Thu 30 Jan 03	#. I .	7945.13	-	*
Fri 24 Jan 03	#. I .	{ 8131.01	-	*				Fri 31 Jan 03	. I #	8053.81	-	*

Comment on NASDAQ "Timer's Trend": We're currently on a SELL signal given January 17.

NASDAQ TIMER'S TREND

Fri 1 Nov 02	. # .	1360.70	+	*				Wed 18 Dec 02	#. I .	1361.51	-	*
Mon 4 Nov 02	. . #	1396.54	+	*	*			Thu 19 Dec 02	#. I .	1354.10	-	*
Tue 5 Nov 02	. . #	1401.17	+	*	*			Fri 20 Dec 02	. I# .	1363.05	-	*
Wed 6 Nov 02	. . #	1418.99	+	*	*			Mon 23 Dec 02	. I #	1381.69	-	*
Thu 7 Nov 02	. # .	1376.71	+	*	*			Tue 24 Dec 02	. #I .	1372.47	-	*
Fri 8 Nov 02	. # .	1359.28	+	*	*			Thu 26 Dec 02	. I# .	1367.89	+	*
Mon 11 Nov 02	#. I .	{ 1319.19	-	*	*			Fri 27 Dec 02	. #I .	1348.31	+	*
Tue 12 Nov 02	. # .	1349.56	-	*	*			Mon 30 Dec 02	#. I .	1339.54	-	*
Wed 13 Nov 02	. # .	1361.34	-	*	*			Tue 31 Dec 02	. & .	1335.51	-	*
Thu 14 Nov 02	. # .	1411.52	+	*	*			Thu 2 Jan 03	. I .	1384.85	+	*
Fri 15 Nov 02	. # .	1411.14	+	*	*			Fri 3 Jan 03	. I . #	1387.08	+	*
Mon 18 Nov 02	. # .	1393.69	+	*	*			Mon 6 Jan 03	. . #	1421.32	+	*
Tue 19 Nov 02	. # .	[1374.51	+	*	*			Tue 7 Jan 03	. . #	1431.57	+	*
Wed 20 Nov 02	. # .	1419.35	+	*	*			Wed 8 Jan 03	. # .	[1401.07	+	*
Thu 21 Nov 02	. # .	1467.65	+	*	*			Thu 9 Jan 03	. # .	1438.46	+	*
Fri 22 Nov 02	. # .	1468.74	+	*	*			Fri 10 Jan 03	. # .	[1447.72	+	*
Mon 25 Nov 02	. # .	1481.90	+	*	*			Mon 13 Jan 03	. # .	1446.04	+	*
Tue 26 Nov 02	. # .	1444.43	+	*	*			Tue 14 Jan 03	. # .	1460.99	+	*
Wed 27 Nov 02	. # .	1487.94	+	*	*			Wed 15 Jan 03	. # .	1438.80	+	*
Fri 29 Nov 02	. # .	1478.78	+	*	*			Thu 16 Jan 03	. # .	1423.75	+	*
Mon 2 Dec 02	. # .	1484.78	+	*	*			Fri 17 Jan 03	. #I .	{ 1376.19	+	*
Tue 3 Dec 02	. # .	1448.96	+	*	*			Tue 21 Jan 03	. & .	1364.25	+	*
Thu 5 Dec 02	. # .	1410.75	+	*	*			Wed 22 Jan 03	. #I .	1359.48	-	*
Fri 6 Dec 02	. # .	1422.44	+	*	*			Thu 23 Jan 03	. I #	1388.27	+	*
Mon 9 Dec 02	#. I .	{ 1367.14	+	*	*			Fri 24 Jan 03	#. I .	1342.14	-	*
Tue 10 Dec 02	. I #	1390.76	+	*	*			Mon 27 Jan 03	#. I .	1325.27	-	*
Wed 11 Dec 02	. & .	1396.59	+	*	*			Tue 28 Jan 03	. I# .	1342.18	-	*
Thu 12 Dec 02	. I# .	1399.55	+	*	*			Wed 29 Jan 03	. I# .	1358.06	-	*
Fri 13 Dec 02	#. I .	[1362.42	-	*	*			Thu 30 Jan 03	#. I .	1322.35	-	*
Mon 16 Dec 02	. I #	1400.33	+	*	*			Fri 31 Jan 03	. # I .	1320.91	-	*
Tue 17 Dec 02	. & .	[1392.05	+	*	*							

"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 February.