

## THE BOGUS 'RECOVERY'

Government statisticians have recently revised the second-quarter increase in Gross Domestic Product from 3.1% to 3.3%. Economists are “predicting” (and I put “predicting” in quotes, because economists are notorious for failing to predict anything that reasonably reflects what will happen in the future) that the third quarter (just ended) will show annualized GDP growth of 5% or more.

So it looks like the economic recovery from the very mild 2001 recession is well underway, and therefore the “new bull market” in stocks will be shown to be justifiable in light of the vigorous economic growth that’s just over the horizon..... right?

Well, maybe stock valuations might be reasonable if earnings shot skyward, which they might do if the recovery were real. But it isn’t. It’s a statistical lie.

About 55% of the Q2 GDP (4.1% annualized before adjusting for inflation) was due to increased defense spending for the Iraq war. That may for the short term put more money in people’s pockets, but it does not add to useful “product”.... which instead got chewed up in Iraq. (This drain continues at the rate of about \$10 billion per month.)

Of the remaining 45%, a real increase of about 8% in spending on computers and technology was transformed by the government’s “hedonic” price indexing into about 30% of the Q2 GDP increase.

Then the government claimed that consumer price inflation for the second quarter was only 0.8% annualized, down from 2.4% in the first quarter. If you believe that, then perhaps you should check to see if a certain bridge in Brooklyn is for sale. (Don’t forget that the people who calculate the CPI like to “substitute” if something gets too pricey. If the price of steak soars, they assume you will switch to hamburger, and they “adjust” the CPI for your presumed change in buying habits. If hamburger gets too expensive, perhaps they will substitute pet food.)

Anyway, by their calculations, 4.1% GDP - 0.8% inflation = 3.3% growth. What really happened: 0.6% GDP - 2.4% inflation (using the same rate of inflation as Q1) = -1.8% “growth”. If you adopt a more realistic “true” (rather than government-cooked) estimate of the current rate of inflation of about 4%, then annual GDP actually shrank in Q2 by about 3.4%. Others who have crunched these numbers more accurately than I estimate the economy ranged between shrinking a quarter percent and growing a quarter percent (annualized) in Q2.

The economists are licking their chops over the prospects for the third quarter, not only because of the tax rebates (to some), but because of the rebuilding in the mid-South following Hurricane Isabel. If repairing destruction truly led to sustainable economic growth, then all that would have to be done for a rip-roaring economy is for us all to blow up and rebuild our houses every few years. Of course, the

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fallacy is in the way GDP is calculated, because it fails to subtract out the concomitant destruction, whether it occurs prior (as with hostile weather) or subsequently (as in the losses of war).

A good picture of what the economy is *really* doing can be seen in the employment statistics (after correcting for the government's fudges). The percent of people unemployed that's reported monthly is said to be a lagging indicator (because employers presumably don't hire people until they've become convinced that the recovery is for real). My own opinion is, it's coincident as it occurs and only slightly lagging (about a month) as it's reported. The weekly report of unemployment claims filed is a true coincident indicator, and the help-wanted advertising index is a slightly-leading indicator (by about a month). On balance, these three give a coincident picture of the state of employment.

Since the recession officially ended in late 2001, employment has shrunk by about a million jobs (out of about 13 million). The government's monthly job statistics simply are unreliable, because the statisticians add 30,000 to 50,000 jobs per month that are supposedly created by people who start their own businesses simply because "we are in a recovery", and because the statisticians continually revise the prior month's statistics (after they have disappeared from the headlines). Unemployment numbers also don't include those who have given up looking for work (like your 20-something son or daughter who has unexpectedly returned home).

Anyway, the reality is: Payrolls have been shrinking. Unemployment-claim filings show a labor market that is currently stagnant. Announcements of layoff intentions and help-wanted advertising indicate that the number of people working is likely to begin shrinking again soon.

There can be no true economic recovery without job growth. Job recovery was slow coming out of the 1990 recession, and more rapid following the

recessions of the '50s, '60s, '70s and '80s. Regardless, at this point in time during all prior recoveries the job market was on a healthy upswing.

So, the government says we're in a recovery. Looking at the negative job "growth", I say: Which are you going to believe, the statisticians or your own lying eyes?

Any supposed "recovery" is but an illusion caused as people draw on their "safety nets" - severance pay, unemployment compensation, savings, home equity lines of credit, mortgage refinancings, credit cards - to stay afloat until (they hope!) times get better.

The pattern is not unlike that experienced by the Japanese following their bubble-popping in 1990.... their economy dipped into and out of recession, not really going anywhere for (at least) a decade, while public spending and overall indebtedness rose sharply.

But at least the Japanese didn't lie with their statistics. So far, the only "benefit" we've gotten from gushers of electronic-printing-press money and running up huge debts is the second-best stock-market bubble money can buy. (The best was in 1995-2000.) You know my opinion.... if the Federal Reserve's increasing of liquidity, post-popped-bubble, actually pulls this economy out of its swoon and puts us back on the path to long-term growth, it will be a historical first. I wouldn't say that it *absolutely* can't happen, but I rate it as highly unlikely.... I think it won't happen until we've endured some real economic pain first.

The statistical lies and the supposed "health" of the stock market can give a distorted view of what's really going on. When you see the job market finally begin to recover, then perhaps you can assume that the Fed is going to win this round. Until then, be careful where you invest your money.

### *QUOTES FOR THE MONTH*

*Despite the grandest reflation and reliquification effort of all time...with 13 rate cuts and the biggest Federal budget flip-flop, from surplus to deficit, in history...plus trillions of new money and credit flooding throughout the world economy...there has been little or no real growth in the American economy. On Wall Street, this heroic reflation effort has produced a rally. But it is only a rally that might be considered standard for a bear*

market - the Dow has recovered just half its losses. And at this halfway point, the tide of cash seems to be drying up before it can do stocks any more good. What's wrong? Economists are stumped. According to their models, lower rates and more government spending should produce a boom. So sure are they that this must happen that they think they see one...like the illusion of an oasis in the desert. It is always just ahead. Just over the hill. Just a little further. Rather than stop to check their bearings, they trudge along, reassuring each other that their theories are correct. "There it is, just ahead..." they say. "Oh, yes, I can see it...yes, right next to the productivity miracle..." - Bill Bonner

Washington says the economy is growing at better than 3 percent a quarter, as measured by the gross domestic product.... Growth like that should be producing 200,000 to 300,000 new jobs each and every month. So, not only are we not adding to payrolls but we are still declining. Perplexed big thinkers like the folks down at the New York Federal Reserve are publicly wondering if there is something new (and wrong) happening to the economy.... But here's an even better answer to the missing jobs question: Maybe the economy really isn't growing as fast as Washington would have you believe. (I know you don't want to hear this, but it's better than believing a lie.) ....The government comes up with the GDP number by taking the amount it thinks the economy is expanding and then subtracting the rate of inflation. In the first quarter of 2003, for instance, the growth rate was 1.4 percent after an annualized inflation of 2.4 percent was subtracted.... The 3.1 percent growth that was reported in the quarter ended in June assumes annualized inflation of only 0.8 percent. Has inflation actually dropped that much - from 2.4 percent in the first quarter to just 0.8 percent? Where? Home prices? Gasoline? Heating oil? Insurance? College costs? You get the point.... If the government had used the same inflation rate that it did in the first quarter, the last three month's annual economic growth would have been just 1.5 percent (compared with 1.4 percent in the first quarter). Maybe there are no jobs being created because economic growth is still dismal. - John Crudele

Employment is down 113,000 since June. Unemployment is down 453,000. That means 340,000 of those formerly classified as unemployed have now dropped out of the labor force. Part-time employment is down 200,000 in the month of August. Thus, the 'lower' unemployment rate does not reflect any real growth in jobs, but statistical games. - John Mauldin

Lots of other data in the U.S. are improving, but not the all-important jobs data. Why all-important? Because for most of us, if we have a job, we are OK. If we don't have a job, we're not OK...The U.S. cannot have a solid, sustained economic recovery with continuing job losses. 30 months have passed since the pre-recession payroll peak in February 2001. Total jobs are down 2.1%, by far the worst post-recession performance in postwar period. - Donald Straszheim

There is a battle being fought to try and keep spending in the economy as high as possible. The Federal Reserve, under Greenspan, believes (for the long-term, wrongly so) that every trick in the book for a central bank must be used to get Americans to spend now, rather than wait and spend later.... The Fed has now lowered the best possible rate of return that can be earned on cash to 1% or less - clearly below the rate of inflation. So, anyone holding cash is a guaranteed loser! The Fed has stated a clear policy to keep the "real rate" of interest negative until a clear economic recovery is in place. Moreover, the Fed has gone even farther and specifically targeted retired seniors on fixed incomes, as well as the unemployed, for the rapid liquidation of their savings - yields on Bank CD's and bond funds could never possibly provide the income needed to live off their savings, particularly since their cost of living is skyrocketing upward. Just look at the eye-popping increases in health care, auto and homeowners insurance, property taxes, prescription drugs, gasoline, natural gas, etc. The only hope for those who must live off their savings is to step up and take some real risk. Since the Fed has really goosed the money supply and inflated stock and bond prices, in order to achieve any return, savers must buy S&P stocks at over a 30 times PE multiple, and NASDAQ stocks at over a 100 times PE multiple. This offers stock buyers the opportunity to lose 30% - 50% of their investment and still risk not finding buyers of their stocks who would like to invest in companies "because they are cheap and offer value." - Richard Benson

*If you can't get sustainable growth with all the money we've thrown at it, then we're in real trouble. - Brian Hilliard*

*Look at where we are today. We've seen thirteen consecutive rate cuts, trillions of dollars worth of "money" created out of thin air, and a record budget deficit. This is an economic recovery like 'how many consecutive cigarettes a lung cancer patient can smoke' is a measure of the efficacy of his iron lung. Of course the data are looking a bit better these days. How can they not blip up somewhat when trillions of electronic dollars have been generated out of thin air, flooded into the system and lobbed at the consumer? Think of it this way: If next week the Feds sent everyone a check for \$500 and the following week retail sales spiked up a bit, would anyone be stupid enough to mistake that for a genuine recovery in retail sales? Well folks, that's pretty much what has happened between lower rates, refinancings and a few tax cuts. At some point folks were bound to hit the stores and the data was bound to blip upwards. If you want to call that "recovery", so be it. But the trick to this gig is to spark a SUSTAINABLE recovery. Handing everyone a check for \$500 stuffed inside a greeting card that says "Shop, dingbat, shop!" doesn't generate a recovery. It simply generates parking lots full of dingbats. - Mark M. Rostenko*

*In my view, the market will experience a dislocation when it dawns on folks that this "recovery" has no legs, that the Fed is not able to "bring it," and that no cavalry will rush in to fix the big problems we face. What remains to be seen is the process that will usher in this break in psychology. I have no doubt, however, that this kind of environment is hostile to the S&P 500.... sustaining itself at 30 times earnings of questionable caliber -- and hundreds of times earnings for Nasdaq's.... speculative playthings. Folks can continue to suspend disbelief in pursuit of fantasy. Or, they can choose to recognize what lies ahead and position themselves appropriately.... The facts are there. The decision shouldn't be so hard. If you are a speculator who likes to play the game and feels capable, that's great. But anyone who can't shouldn't even try, or feel bad about not trying. - Bill Fleckenstein*

*The good news is that inflation at the consumer level is at a historic low of 1.3%. The only trouble with this number is that it represents a basket of goods and services that bear little resemblance to what you and I actually spend money on to live each month. - Jim Puplava*

*As usual, as long as you don't eat, drive, heat, cool or light your home, are in need of medical care, insure anything, have any children in college or use water, sewer or trash services, there is no inflation. - Joel Naroff*

*We will know over the next year whether present monetary policies will lead towards a depressionary crash or hyperinflation. Maybe we will see both. We truly are living in historic times. Not since the days of John Law in 17th-century France have we ever seen this degree of monetary madness. - Jim Puplava [Nick's comment: Not quite. For me, Weimar Germany still takes the prize.]*

*Greenspan himself admitted that the Fed's war plan against deflation is wholly experimental, as it has never happened in history that deflation had to be confronted under a regime of fiat money. It is atrocious and revolting that unelected bureaucrats are allowed to experiment with American society in pushing laborers, producers, and savers around like the player pushes pawns around on the chess board, in an effort to prop up an unconstitutional monetary regime. As a result of this experimentation American capital and jobs are being exported. America is in the process of being de-industrialized. America has been turned from the greatest creditor to the greatest debtor country. All for no better end than protecting the turf of the Fed. How much more experimentation, sacrifices, and suffering are needed before we are allowed to conclude that the fiat money regime established by deceit and stealth is an abysmal failure? - Antal E. Fekete*

*The stimulus is going to run out. Nothing will replace it. In 2004 low growth or outright recession is likely for the U.S. economy, and the global impact of that will be negative. If that conclusion is too gloomy for you,*

*however, please do not be depressed. Cast these words aside and take comfort in the output of myriad Wall Street economists. All that matters, it seems, is that it's sunny today. It will therefore be sunny tomorrow. And even sunnier, supremely sunny, next year. - Ian Campbell*

*The trade deficit is unsustainable and must be addressed. Will the Fed raise rates? Forget it. Will the Fed throw the U.S. economy into recession? No way. Will the dollar take the fall? Looks like that's the choice. What happens if the dollar heads down south? If it goes down slowly, maybe the U.S. can get away with it -- MAYBE. If it goes down rapidly, foreigners who own 46 percent of our Treasurys are going to get "very cold feet", in which case they will either sell U.S. securities or slow down their buying. Either way, interest rates will go up, and the U.S. economy will get hurt. - Richard Russell*

*Put a country on a paper-money standard and central bankers can't help but inflate the living hell out of everything in sight. Give people easy money and they can't help but spend it until they can't spend anymore. And when the day of reckoning arrives, blame some folks on the other side of the ocean and strive to punish them for OUR sins. That, my friends, is the primary reason why it'd be so patently foolish to bet that the powers that be have generated a legitimate recovery after a mild slowdown in the wake of the biggest bubble on record. No one has learned a damn thing and the powers that be are as ignorant as ever. - Mark M. Rostenko*

*There are bubble signs for the stock market as well. The signs include wildly excessive stock market valuations and rampant optimism combined with tightening credit conditions. This combination has always been lethal in the past. There is always a delay between the time when credit is tightened and when it finally impacts the stock market and the economy. A sharp drop in financial activity started during June, and the slide has persisted since then. The economic impact is just now becoming visible through rising unemployment claims.... The ongoing credit-crunch will become painfully obvious during October. By November, the economy will be mired in crisis. - Steve Puetz*

*These cycles take lots of time, anywhere from 8 to 17 years. We are just in year three, and at nosebleed valuation levels. The next "surprise" or disappointment will surely come from out of nowhere. That is why it is called a surprise. When it is followed by the next recession, stocks will drop one more leg on their path to the low valuations that are the hallmark of the bottom of secular bear markets. Given the level of investor overconfidence in the market place, and given the length of the last secular bull, it might take more than one recession and a few more years to find a true bottom to this cycle. It will come, of course. - John Mauldin*

*The Russell opinion is that following the greatest and most speculative bull market in history, we could have expected a severe and costly bear market which would have taken stocks back to great values. But because of the drastic, almost insane measures taken by the Greenspan Fed to battle the bear, this bear market will end with the death of the dollar as a reserve currency and most likely with the end to the US as the world's sole superpower. Before this bear market is over, I foresee paper money being distrusted and discredited and the institution of the Federal Reserve not only despised but rejected. The US, today the world's greatest debtor, will no longer be the world's leader, and I foresee US stocks smashed to levels not dreamed of even by the leading pessimists of today. All the above may sound harsh, but it is what I believe lies ahead. When the normal and natural forces of the market are man-handled as they have been under the Greenspan Fed, other normal and natural corrective forces will ultimately take over. In the history of markets, the greater the speculation, the greater the ultimate correction. And the world has seen nothing like the speculation of the last eight years.... The "double bubble" that we've experienced under the Greenspan Fed is unprecedented in stock market history. This bear market, before it has breathed its last, will also, in my opinion, be unprecedented in its severity. - Richard Russell*

*I think it's worth pointing out that Mr. Market does not know how much money you have lost, doesn't know what your cost basis is in something, doesn't know how old you are and doesn't know what your plans are.*

To think that the market is "there for you" is often a mistake. It's best to think that the market is there to take your money away from you. If you behave in certain ways and reduce your risk, then you can use the market to make money. But it's the wrong analogy to regard the market as an ATM machine, as so many do. Think of it, instead, as a lion waiting to rip your lungs out. - Bill Fleckenstein

One of the amazing aspects of the massive refinancing of homes, which is effectively piling on consumer debt at record levels, is the fact that this is being done with the blessings of our esteemed Federal Reserve Chairman, Alan Greenspan. In various testimonies he has stated that borrowing the equity in consumers homes is helping the economy and he supports it. Imagine the head of the Central Bank of the world's largest economy becoming a cheerleader for individuals to continue borrowing on the equity of their homes while they have already incurred a record amount of debt and the homeowners' equity is falling to record lows. Could the Fed Chairman actually think it is appropriate to use one's home as an ATM cash machine? - Marty Weiner

The country's largest financial daily is running a series of articles titled, "Can This Portfolio Be Saved?", which is probably a serious question for many investors. Yet today's [September 17] article installment makes a mockery of that otherwise serious query, because the headline reads: "Struggling to Retire on \$1 Million." Now, every portfolio has challenges; but "struggling" to retire on a million bucks? The story profiled a couple in their early 60s who did indeed amass a seven-figure amount, and they do hope to retire soon. Yet the article manages to become less serious still by soliciting "professional guidance from three financial planners" regarding what the couple should do with their nest egg. In all three cases the short answer was, basically, to put half the \$1 million portfolio into the stock market. Well now .... that's nothing if not original. A couple at that stage of life can put their money in low-risk instruments and have more than enough to live on comfortably. This couple's money should be treated the way the Hippocratic oath tells a doctor to treat his patient -- "First Do No Harm." Yet the so-called financial planners recommend putting a large amount of money directly in harm's way, just when this couple reaches an age where security should be the utmost concern. The series "Can This Portfolio Be Saved" in this case would be better titled "Can This Portfolio Be Saved From Financial Planners?" - Robert Folsom

Television is good when there's breaking news that requires visual imagery, when cameras are present. What the age of 24-hour cable has taught us is that those times are actually few and far between. The rest of the time, we watch a bunch of chattering magpies. Except that magpies make more sense. - Joseph Farah

## ***STOCK MARKET OUTLOOK***

Not much has changed from last month. Bullish sentiment, insider selling and P/E ratios remain at extremes usually seen only at or near market tops (but these are lousy timing indicators). The stock averages remain near their highs of the past six weeks. I remain skeptical.

With gushers of money coming from our government, and no willingness by people to put it to work in the real economy, it has migrated to Wall Street to produce the second-best bubble money can buy

As with most bubbles, there can be no assurance when the ultimate top will be reached, only the assurance that it will end badly, as happened in

2000.... though I think it unlikely this mini-bull or bear-market rally (depending on your point of view) will carry into next year. The timing of post-bubble-(I) dynamics is not precise; the point is, one should be aware of the eventual likely outcome, and not worry about the precise trajectory. In other words, at some point not too far away, when the money runs out, this sucker's stock market is going to tank. You should be prepared.

For the moment, technical indicators *other than sentiment*.... that is, the momentum indicators.... are still flashing green. Last spring I gave "split advice" - young folks, go ahead and chase the rally, "Timer's Trend" probably will get you out in time, just as it

did in 2000. But you won't see me chasing stocks in my TIAA-CREF retirement portfolio because my retirement is much too close and I, personally, can't afford to take that risk.

## *PORTFOLIO REVIEW*

Prices shown are as of October 3, 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	21.69	1,301.40
50	Barrick Gold .11	{ABX/nyse}	14Nov96			1466.01	18.50	925.00
30	BP .417	[BP/nyse]	26Jan99			1292.50	43.57	1,307.10
100	Nokia OYJ ADR .2973	[NOK/nyse]	14Jun01			2233.00	16.80	1,680.00
444	Prudent Bear Fund (444.138sh)	[BEARX]	10Oct02			3500.00	6.55	2,909.10
277.6	Prudent Global Income (277.567sh)	[PSAFX]	17Apr03			3200.00	12.36	3,430.73
	CASH & money market					4712.88		4,712.88
	<b>Totals</b>					16,404.39		16,266.21

#### SUMMARY - "PIG":

Original cost: \$ 9,899.00  
 Present value: \$16,266.21  
 Increase: \$ 6,367.21 [+64.32%]

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

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

Date	Sold	Bought	Date	Sold	Bought
2Dec2002	i-i bond@37.68	eq-idx@56.93 [13.22%]	5May2003	0.2167% "profit-skim"	i-bond to mm@21.70
2Dec2002	i-i bond@37.68	mm@21.62 [13.22%]	6May2003	0.2127% "profit-skim"	i-bond to mm@21.70
31Jan2003	eq-idx@ 52.45	mm@21.66 [12.22%]	7May2003	0.4225% "profit-skim"	bond to mm@21.70
17Apr2003	mm@21.69	i-ibond@39.52 [21.72%]	8May2003	-0.4757% "profit-skim"	stk&bd to mm@21.70
17Apr2003	mm@21.69	stock@130.72 [3.54%]	27-30Jun2003	0.0155% "profit-skim"	i-ibond to mm@21.73
28-30Apr2003	0.0889% "profit-skim"	stock to mm@21.70	8-10Jul2003	0.0523% "profit-skim"	i-ibond to mm@21.73
1May2003	0.2184% "profit-skim"	i-ibond to mm@21.70	25-26Aug2003	0.0109% "profit-skim"	i-ibond to mm@21.75
2May2003	0.0714% "profit-skim"	stock to mm@21.70	15-26Sep2003	0.0636% "profit-skim"	i-ibond to mm@21.76

Values, 3Oct2003: stock, 155.95; equity-index, 64.64; MM, 21.76; bond, 70.69; inflation-indexed bond, 40.59; real estate, 184.18; TIAA current yield in SRA, about 6.1% (new money at 3.00% through February 29, 2004). As of October 1, 2003, my retirement portfolios were invested: 51.03% in TIAA, 23.75% in TIAA Real Estate, 0.04% in CREF inflation-indexed bonds, and 25.18% 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 BUY signal of August 12.

NYSE TIMER'S TREND									
Mon 21 Jul 03	. #I .	9096.69	+. *	Wed 27 Aug 03	. . #	9333.79	. + *		
Tue 22 Jul 03	. I . #	9158.45	+ *	Thu 28 Aug 03	. . #	9374.21	. + *		
Wed 23 Jul 03	. I . #	9194.24	+ *	Fri 29 Aug 03	. . #	9415.82	. + *		
Thu 24 Jul 03	. I . #	9112.51	. + *	Tue 2 Sep 03	. . #	9523.87 @	. + *		
Fri 25 Jul 03	.   . #	9284.57	. + *	Wed 3 Sep 03	. . #	9568.46 @	. + *		
Mon 28 Jul 03	. I . #	9266.51	. + *	Thu 4 Sep 03	. . #	9587.90 @	. + *		
Tue 29 Jul 03	. & . #	9204.46	. + *	Fri 5 Sep 03	. . #	9503.34 @	. + *		
Wed 30 Jul 03	. I . #	9200.05	. + *	Mon 8 Sep 03	. . #	9586.29 @	. + *		
Fri 31 Jul 03	. I . #	9233.80	. + *	Tue 9 Sep 03	. . #	9507.20	. + *		
Fri 1 Aug 03	. #I .	9153.97	. + *	Wed 10 Sep 03	. # . #	9420.46	. + *		
Mon 4 Aug 03	. #I . {	9186.04	. + *	Thu 11 Sep 03	. . #	9459.76	. + *		
Tue 5 Aug 03	. #. I .	9036.32	. + *	Fri 12 Sep 03	. . #	9471.55	. + *		
Wed 6 Aug 03	. #. & .	9061.74	. + *	Mon 15 Sep 03	. . #	9448.81	. + *		
Thu 7 Aug 03	. I . #	9126.45	. + *	Tue 16 Sep 03	. . #	9567.34	. + *		
Fri 8 Aug 03	. I . # ]	9191.09	. + *	Wed 17 Sep 03	. . #	9545.65	. + *		
Mon 11 Aug 03	. I . # }	9217.35	. + *	Thu 18 Sep 03	. . #	9659.13	. + *		
Tue 12 Aug 03	. I . # }	9310.06	. + *	Fri 19 Sep 03	. . #	9644.82	. + *		
Wed 13 Aug 03	. . #	9271.76	. + *	Mon 22 Sep 03	. # . #	9535.41	. + *		
Thu 14 Aug 03	. . #	9310.56	. + *	Tue 23 Sep 03	. . #	9576.04	. + *		
Fri 15 Aug 03	. . #	9321.69	. + *	Wed 24 Sep 03	. # . #	9425.51	. + *		
Mon 18 Aug 03	. . #	9412.45	. + *	Thu 25 Sep 03	. # . #	9343.96	. + *		
Tue 19 Aug 03	. . #	9428.90	. + *	Fri 26 Sep 03	. & . #	9313.08	. + *		
Wed 20 Aug 03	. . #	9397.51	. + *	Mon 29 Sep 03	. . #	9380.24	. + *		
Thu 21 Aug 03	. . #	9423.68	. + *	Tue 30 Sep 03	. . #	9275.06	. + *		
Fri 22 Aug 03	. . #	9348.27	. + *	Wed 1 Oct 03	. . #	9469.20	. + *		
Mon 25 Aug 03	. . #	9317.64	. + *	Thu 2 Oct 03	. . #	9487.80	. + *		
Tue 26 Aug 03	. . #	9340.45	. + *	Fri 3 Oct 03	. . #	9572.31 @	. + *		

Comment on NASDAQ "Timer's Trend": We're currently on a BUY signal given August 13.

NASDAQ TIMER'S TREND									
Mon 21 Jul 03	. I #.	1681.41	. + *	Wed 27 Aug 03	. . #	1782.13	. + *		
Tue 22 Jul 03	. I . #	1706.10	. + *	Thu 28 Aug 03	. . #	1800.18	. + *		
Wed 23 Jul 03	. I . #	1719.18	. + *	Fri 29 Aug 03	. . #	1810.45 @	. + *		
Thu 24 Jul 03	. I . #	1701.42	. + *	Tue 2 Sep 03	. . #	9523.87 @	. + *		
Fri 25 Jul 03	. I . #	1730.70	. + *	Wed 3 Sep 03	. . #	9568.46 @	. + *		
Mon 28 Jul 03	.   . #	1735.36	. + *	Thu 4 Sep 03	. . #	9587.90 @	. + *		
Tue 29 Jul 03	. . #	1731.57	. + *	Fri 5 Sep 03	. . #	9503.34 @	. + *		
Wed 30 Jul 03	. I . #	1720.91	. + *	Mon 8 Sep 03	. . #	9586.29 @	. + *		
Thu 31 Jul 03	.   . #	1735.02	. + *	Tue 9 Sep 03	. . #	9507.20	. + *		
Fri 1 Aug 03	. I . #	1715.62	. + *	Wed 10 Sep 03	. # . #	9420.46	. + *		
Mon 4 Aug 03	. I . #	1714.06	. + *	Thu 11 Sep 03	. . #	9459.76	. + *		
Tue 5 Aug 03	. I #.	1673.50	. + *	Fri 12 Sep 03	. . #	9471.55	. + *		
Wed 6 Aug 03	. I# .	1652.68	. + *	Mon 15 Sep 03	. . #	9448.81	. + *		
Thu 7 Aug 03	. I . #	1652.18	. + *	Tue 16 Sep 03	. . #	9567.34	. + *		
Fri 8 Aug 03	. I . #	1644.03	. + *	Wed 17 Sep 03	. . #	9545.65	. + *		
Mon 11 Aug 03	. I . #	1661.51	. + *	Thu 18 Sep 03	. . #	9659.13	. + *		
Tue 12 Aug 03	. I . # ]	1687.01	. + *	Fri 19 Sep 03	. . #	9644.82	. + *		
Wed 13 Aug 03	. . #	1686.61	. + *	Mon 22 Sep 03	. # . #	9535.41	. + *		
Thu 14 Aug 03	. . #	1700.34	. + *	Tue 23 Sep 03	. . #	9576.04	. + *		
Fri 15 Aug 03	. . #	1702.01 @	. + *	Wed 24 Sep 03	. # . #	9425.51	. + *		
Mon 18 Aug 03	. . #	1739.49 @	. + *	Thu 25 Sep 03	. # . #	9343.96	. + *		
Tue 19 Aug 03	. . #	1761.11 @	. + *	Fri 26 Sep 03	. & . #	9313.08	. + *		
Wed 20 Aug 03	. . #	1760.54 @	. + *	Mon 29 Sep 03	. . #	9380.24	. + *		
Thu 21 Aug 03	. . #	1777.55 @	. + *	Tue 30 Sep 03	. . #	9275.06	. + *		
Fri 22 Aug 03	. . #	1765.32 @	. + *	Wed 1 Oct 03	. . #	9469.20	. + *		
Mon 25 Aug 03	. . #	1764.31	. + *	Thu 2 Oct 03	. . #	9487.80	. + *		
Tue 26 Aug 03	. . #	1770.65	. + *	Fri 3 Oct 03	. . #	9572.31 @	. + *		

"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 October or early November.