

THE “HINDENBURG OMEN”

The “Hindenburg Omen”, which was recently mentioned by the venerable Dow theorist Richard Russell as a likely harbinger for a May stock-market crash, is supposed to be a near-foolproof indicator that a market crash is about to happen. Omens did, for example, precede the 1987 Crash, the 1998 LTCM debacle, 9/11/2001(!) and the July 2002 sinkhole.

The Omen has been ascribed to various inventors, and there are variations on how it is to be calculated which include the 50-day moving average of the S&P 500 and the McClellan Oscillator. In its simplest form a Hindenburg Omen occurs when 5-day moving averages of new 52-week highs and new 52-week lows on the NYSE both exceed 2.4% of the total number of stocks traded on the day the Omen is signalled. The theory is that the Omen is measuring unusual volatility (uncertainty) at a market peak as a result of a major shift in psychology.

Of course, my first thought was that somebody had created this signal by backfitting the data.... that is, fishing around in the computer for statistically significant patterns occurring just before major market declines. (After all, why 2.4%? Why not 2.3%, or 3.1%?) Such post-facto “predictors” work beautifully looking backward but, of course, have zero predictive value. But, no, it seems the Hindenburg Omen has been around for awhile and it has some real-time, forward-looking experience.

The Omen has been extensively analyzed by Jason Goepfert (CEO, Sundial Capital Research) and he notes that there have been 36 Hindenburg Omens since March 31, 1965 (excluding multiple signals occurring within two months of the first signal) including the most recent, April 14, 2004. I note that every selloff I consider to be a crash has been preceded by a Hindenburg Omen..... March 27, 1969, January 16, 1973, September 28, 1987, June 26, 1998. But there have also been Hindenburg Omens near major market bottoms, such as July 16, 1982.

What the Hindenburg Omen, statistically, does seem to signal is an unusually negative bias for the near to intermediate future, especially for the 30 days that follow. The average 30-day return for all 36 Omens has been -0.7%; 90-day average return for 35 Omens, 0.4%; six-month return, -0.4%. A year or more out, the negativity of the Omen appears to wear off. But the shorter-term, especially the six-month, record is remarkable when you consider that, statistically during the almost 40 years surveyed, the stock market will rise about 3.6% in a six-month period.

OK, you ask, is there any chance we’re measuring something else, like the “sell in May and go away” effect? Of the 36 Omens, 16 (fewer than half) occurred between March 1 and August 31.... allowing a two-month lead time for Omens.... so the answer, in this case, appears to be no.

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Though the jury is still out on the current Omen, so far it seems to fit the statistical profile beautifully, and it only reinforces my opinion that stocks will give a slightly negative return up to about election time.

Regardless, whoever created this indicator should be given credit for coming up with a *really great name*. Who could possibly think "Hindenburg Omen" without conjuring up overpowering images of a burning and crashing dirigible?

QUOTES FOR THE MONTH

Recognizing the formation of a bubble, central banks usually burst a bubble before it gets completely out of control. But the Fed has proved to be the exception. The Fed has let the multitude of bubbles form with complete indifference. The damage from a bubble is always in future years. Given the magnitude of the current bubbles, the damage will likely translate into a total collapse of the US financial system. In short, any economy based on ever-expanding credit is doomed in the long-term. The size of the bubble dictates the following pain. Judging by the current bubbles, the coming pain will be unprecedented. The Great Depression of the 1930s will be mild in comparison. - Steve Puetz

Let me just say from the outset that the Federal Reserve has confirmed our Stock Market Crash forecast by raising the Money Supply (M-3) by crisis proportions, up another 46.8 billion this past week. What awful calamity do they see? Something is up. This is unprecedented, unheard-of pre-catastrophe M-3 expansion. M-3 is up an amount that we've never seen before without a crisis - \$155 billion over the past 4 weeks, a \$2.0 trillion annualized pace, a 22.2 percent annualized rate of growth!!! There must be a crisis of historic proportions coming, and the Federal Reserve Bank of the United States is making sure that there is enough liquidity in place to protect our nation's fragile financial system. The amazing thing is, the Fed's actions mean they know what is about to happen. They are aware of a terrible, horrific imminent event. What could it be? - Robert McHugh [Nick's comment: The expansion of the monetary base and M-1, which are more directly under the Fed's control, do not show anything unusual.... just the slow, persistent destruction of the dollar's purchasing power that we've seen for the past 60 years. Since this outsize expansion of M-3 has occurred at the same time that parts of the "carry trade" have been unwinding, I surmise that the rapid M-3 expansion has come about as various derivative positions, not counted in M-3, are liquidated and converted into something closer to "cash" and which is caught by the M-3 measurements.]

Hey, it's all I can do to try to figure out what the US is coming to. Here's what I'm thinking. Over the last two weeks the Fed has added a whopping \$104 billion to M-3, the broad money supply. At this rate, M-3 will be up \$2.7 trillion (annualized) in a year, or up at a 30% rate. What's going on? All I do know is that I can't pull myself up by my belt, and the US can't pull itself out of danger by creating more and more credit while at the same time manipulating interest rates. It will work for a while - but ONLY for a while.- Richard Russell

Received this message from a member of my investment forum who is currently on the floor of the Chicago Mercantile Exchange: "....The entire S&P price action in the Futures is being controlled by one counter party. All the guys strongly hate them: their CME clearing number is 990N and they clear through Gelber trading. That one account is solely responsible for the current level of the S&P. They are the ones that are throwing the S&P up overnight. Then they are the ones that are sitting on the bid all day long, supporting the market action. The S&P pits have been decimated, absolutely ruined. There is no volatility, so all the traders have left.... All the traders I have talked to view the [S&P Futures] market as being rigged. They keep waiting for the price action to break loose, but it never does. They are stunned by the lack of volatility. And furious. 'Time after time after time 990 just sits there on the bid. Don't they ever go away. They just absorb the entire market and then push the price wherever they want it to go. Gee, I wonder who that counter party is.' They are all terrified of shorting, because every time they do, they get drilled. I thought it was just my systems that weren't working that well, but they are far more dispirited than I." Intervention at it's finest, your tax dollars at work, providing the ultimate tax to us all. - John Mackenzie [Nick's comment: This may be about as close as we'll

ever get to "proof" that the Plunge Protection Team is at work.]

Have you noticed that stock brokerages NEVER engage in competitive advertising suggesting that their clients do better than the other firms' clients? Have you ever seen an ad that states "At Uncles Merrill and Lynch, 80% of our clients make money in the markets. We do better for you than the other shmoes." You would think that'd be a great selling point, wouldn't you? Good track records sell! Do you know why we NEVER see ads like that? Because the nasty truth of Wall Street is that MOST INVESTORS LOSE MONEY OVER THE LONG HAUL. There is nothing positive to advertise. And the truth is not exactly of the variety that inspires confidence and sends investors tripping over themselves to open new accounts. "Come on over to Waterhouse where we charge you less to lose your money. On EVERY transaction!" - Mark M. Rostenko

The reflationary efforts have created a growth spurt that could well be borrowing from future gains - 10% growth in durables consumption by the American consumer over the year ending 1Q04 and a 43% surge in Chinese fixed investment over the same period. These are the signs of an overshoot that almost always elicits a payback, as the stock of durable goods and productive capacity returns to long-term sustainable equilibria. And, now, as US interest rates rise, oil prices move higher, and Chinese authorities up the ante on tightening, that payback could well be exaggerated to the downside. To the extent that this year is turning into a global blow-off, I worry about precisely the opposite for 2005. In my view, this is shaping up more and more as the boom that finally begets the bust. - Stephen Roach

Japan has provided the United States an example of a grand systemic failure. The Fed has publicly stated that the Bank of Japan did not flood their economy with enough liquidity, i.e. inflated money supply. But the BOJ did just that, flood their system. The Fed has criticized the Bank of Japan for encouraging both stock and real estate bubbles. But the Fed has done exactly the same, and has even boasted of doing so. Wealth generation is its specific boast, pointing to the housing sector. Japan had no Fannie Mae centrifuge apparatus. The Japanese bond market became mired and stuck in the proverbial "trap" wherein bond yields remained stubbornly in the 1% range, sometimes even lower. Their government enforced the tight trap door by enacted regulations that direct government worker pensions into the Japanese government Bonds ("jags"). In doing so, they averted the damage of bond yield reversal. However, the Japanese employed very little bond speculation from carry trade (including mortgage debt) and its powerful leverage. They also have much less consumer debt. They suffered a 50% housing decline, which the US leaders will fight to prevent. We compare poorly to Japan, despite our arrogant claims to the contrary. Japan never suffered from lack of liquidity, and neither will the USA. Our outcome will be as distorted as our population is obese. In almost every respect, Japan has advantages. They continued to overbuild their real economy after bubbles broke. The USA overbuilt its financial sector chronically, and continued to export its real economy after bubbles broke. - Jim Willie

Housing prices never, or rarely, go down. That is the conventional wisdom and the conventional wisdom is correct. Housing is always a good investment, isn't it? It's an inflation hedge and it's an investment that you get to use everyday, plus you get a great tax break. And the home, after all, is a big part of the American dream. However, government can screw up just about everything. Given enough power and time it will screw up everything. Housing and real estate in America is just the latest example. The Federal Reserve and the Mac-May family (Freddie, Fannie, Sallie, etc.) have conspired to create a housing bubble in the U.S. and as the old saying goes, "what goes up must come down." It's only a matter of time. - Mark Thornton

Buying a house used to represent a long-term commitment to the bank, a place to raise children and a place to grow old. This concept is completely lost in today's world of short-term ARMs and interest-only mortgages. Equity accumulation, traditionally the main advantage of homeownership, is being diluted. Real equity is accumulated through the reduction of mortgage. However, in today's real estate bubble, principal payments are rarely made. Modern homeowners have become fixated on the idea that equity accumulates through price appreciation alone. In the perverse world of "starter homes" and "trading up," the reality is that homebuyers accumulate greater and greater amounts of debt. Instead of reaching retirement age with a home that has been

paid for in full, a critical element to comfortable retirement, today's homeowners will still be struggling with debt. - Peter Schiff

One of the most frustrating things about this market and about the interlocking relationships so characteristic of our financial system is that it is so hard to figure out who will get left holding the bag. I am certain, however, that this isn't the time for investors to let their guard down. This bubble is unlikely to break with the kind of pop that took down the entire stock market in 2000. But it is even less likely to deflate gently and without any pain. - Jim Jubak

Keeping the economy afloat by inflating a credit bubble is the stupidest thing any central bank could do, but they do it again and again. The Fed under Greenspan took that stupidity to a new high. And America is about to pay with the greatest credit bust of the last 50 years. - Peter Eavis

STOCK MARKET OUTLOOK

Inflation is rising at less than a 3% annual rate, according to official government figures, as long as you don't eat or drink, drive, heat or cool your house, need medical care or health insurance, or pay taxes. But of course we all do these things, so we know the "official" figures are bogus. We all "know" that inflation (cost of goods) is on the rise and about to really take off, right?

Yes, but.... we are getting a different signal from the markets. Asset bubbles are popping. The Chinese financial markets have peaked and are heading south as Chinese officials attempt a "soft landing" for their overheated economy (which efforts will no doubt meet with the same outstanding success that the Japanese achieved in 1990). A surprise change in India's government crashed their market. Other Asian, and European, stock markets have turned soft. Gold, silver, lumber and other commodities peaked in February 2004 and are now trending downward. Crude oil prices may have peaked. Treasury bonds (and bonds, generally) also peaked in February and interest rates are on a ragged upward march.

It also appears that real estate prices here in Worcester, the financial backwater of America, peaked this spring.... although ask me again in six months, and I can give you a better answer. Actually, Worcester is an excellent indicator for real-estate bull-market peaks, almost as good as the image of a bull appearing on the front cover of *Time* or *Newsweek*. We have several high-visibility projects just getting underway, one of which is to tear down most of an aging downtown mall and replace it with

housing and office space. As you will remember from my "Westmont" stories of 1989 and 1990, when a clueless Boston-based investment outfit moves in to reshape the Worcester landscape, you know the bubble is popping. This mall-destruction and replacement should get underway in the spring of 2005, if the Boston outfit doesn't go belly-up first. (If you don't think Worcester is the "kiss of death", ask us about our airport.)

Anyway, you get the point.... the asset bubbles, they are a-poppin'. Popping asset bubbles are *deflationary*.... it's only a matter of time before they infect consumer confidence, borrowing and spending. The Feds printed, borrowed and spent enough money to give the economy.... actually, the whole world.... a real goose for the past year, but the effect is wearing off. There was probably enough money printed to carry us through the election, but afterwards, watch out! The biggest bubble to be popped is the *debt* bubble, and it's now hissing loudly.

Although we have not yet had outright consumer price deflation of the kind the Japanese experienced in the 1990s (because our central bank was more aggressive in its money-printing), you would think our so-called experts would pay more attention to the Japanese experience. If the Japanese couldn't figure out how to quickly get out of their pickle, what makes us think that we can?

You will note that the Federal Reserve has carefully announced its *gradual, measured* approach to raising interest rates. Give everybody plenty of advance warning, so they can adjust before the actual

tightening, which then becomes a non-event. Memo to the Fed: When the Japanese central bank tried raising rates, thereby hiking the cost of money to a

deeply-in-hock population, the economy quickly headed into the crapper, and the bank had to back off. But what do I know? Go ahead, give it a try.

PORTFOLIO REVIEW

Prices shown are as of June 22, 2004.

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

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
50	Barrick Gold .22	{ABX/nyse}	14Nov96			1466.01	20.08	1,004.00
30	BP 1.70	[BP/nyse]	26Jan99			1292.50	53.64	1,609.20
200	GTC Biotherapeutics	[GTCB/otc]	7May04			408.55	1.63	326.00
100	Nokia OYJ ADR .30	[NOK/nyse]	14Jun01			2233.00	14.09	1,409.00
468	Prudent Bear Fund (468.025sh)	[BEARX]	10Oct02			3500.00	5.62	2,630.30
280.4	Prudent Global Income (280.415sh)	[PSAFX]	17Apr03			3200.00	12.20	3,421.06
	CASH & money market					5961.32		5,961.32
	Totals					18,061.38		16,360.88

SUMMARY - "PIG":

Original cost:	\$10,224.00
Present value:	\$16,360.88
Increase:	\$ 6,136.88 [+60.02%]

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

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

Date	Sold	Bought	Date	Sold	Bought
31Jan2003	eq-idx@ 52.45	mm@21.66 [12.22%]	8-10Jul2003	0.0523% "profit-skim"	i-ibond to mm@21.73
17Apr2003	mm@21.69	i-ibond@39.52 [21.72%]	25-26Aug2003	0.0109% "profit-skim"	i-ibond to mm@21.75
17Apr2003	mm@21.69	stock@130.72 [3.54%]	15-26Sep2003	0.0636% "profit-skim"	i-ibond to mm@21.76
28-30Apr2003	0.0889% "profit-skim"	stock to mm@21.70	2-20Oct2003	-0.0160% "profit-skim"	i-ibond to mm@21.77
1May2003	0.2184% "profit-skim"	i-ibond to mm@21.70	6-13Nov2003	0.0553% "profit-skim"	i-ibond to mm@21.78
2May2003	0.0714% "profit-skim"	stock to mm@21.70	3-4Dec2003	0.0141% "profit-skim"	i-ibond to mm@21.79
5May2003	0.2167% "profit-skim"	i-ibond to mm@21.70	9-10Dec2003	0.0179% "profit-skim"	i-ibond to mm@21.79
6May2003	0.2127% "profit-skim"	i-ibond to mm@21.70	11-24Dec2003	0.0529% "profit-skim"	growth to mm@21.80
7May2003	0.4225% "profit-skim"	bond to mm@21.70	5-7Apr2004	-0.0282 "profit-skim"	growth to mm@21.84
8May2003	-0.4757% "profit-skim"	stk&bd to mm@21.70	15-16Apr2004	-0.0133 "profit-skim"	growth to mm@21.84
27-30Jun2003	0.0155% "profit-skim"	i-ibond to mm@21.73	30Apr2004	re@190.59	mm@21.85 [42.34%]

Values, 21Jun2004: stock, 173.81; equity-index, 71.60; MM, 21.87; bond, 71.40; inflation-indexed bond, 42.46; real estate, 194.31; TIAA current yield in SRA, about 5.2% (new money at 3.5% through February 28, 2005). As of June 21, 2004, my (pre-rollover) retirement portfolios were invested: 48.41% in TIAA, 3.64% in TIAA Real Estate, 1.34% in CREF inflation-indexed bonds, and 46.61% 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 May 25, 2004.

NYSE TIMER'S TREND

Mon 5 Apr 04	.		.	#		10558.37	@	.	+	*
Tue 6 Apr 04	.		.	#		10570.81		.	+	*
Wed 7 Apr 04	.		.	#		10480.15		.	+	*
Thu 8 Apr 04	.		.	#		10442.03		.	+	*
Mon 12 Apr 04	.		.	#		10515.56		.	+	*
Tue 13 Apr 04	#		.	I		10381.28		.	+	*
Wed 14 Apr 04	#		.	I		10377.95		.	+	*
Thu 15 Apr 04	.		.	#		10397.46		.	+	*
Fri 16 Apr 04	.		.	#		10451.97		.	+	*
Mon 19 Apr 04	.		.	#		10437.85		.	+	*
Tue 20 Apr 04	.		.	#		10314.50		.	+	*
Wed 21 Apr 04	.		.	#		10317.27		.	+	*
Thu 22 Apr 04	.		.	#		10461.20		.	+	*
Fri 23 Apr 04	.		.	#		10472.84		.	+	*
Mon 26 Apr 04	#		.	I		10444.73		.	+	*
Tue 27 Apr 04	.		.	#		10478.16		.	+	*
Wed 28 Apr 04	#		.	I		10342.60		.	+	*
Thu 29 Apr 04	#		.	I		10272.27		.	+	*
Fri 30 Apr 04	#		.	I		10225.57		.	+	*
Mon 3 May 04	.		.	#		10314.00		.	+	*
Tue 4 May 04	.		.	#		10317.20		.	+	*
Wed 5 May 04	.		.	#		10310.95		.	+	*
Thu 6 May 04	#		.	I		10241.26		.	+	*
Fri 7 May 04	#		.	I		10117.34		.	+	*
Mon 10 May 04	#		.	I		9990.02		.	+	*
Tue 11 May 04	.		.	#		10019.47	@	.	-	*
Wed 12 May 04	#		.	I		10045.16	@	.	-	*
Thu 13 May 04	#		.	I		10010.74	@	.	-	*
Fri 14 May 04	#		.	I		10012.87		.	-	*
Mon 17 May 04	#		.	I		9906.91		.	-	*
Tue 18 May 04	.		.	#		9968.51		.	-	*
Wed 19 May 04	.		.	#		9937.71		.	-	*
Thu 20 May 04	#		.	I		9937.64		.	-	*
Fri 21 May 04	.		.	#		9966.74		.	-	*
Mon 24 May 04	.		.	#		9958.43		.	-	*
Tue 25 May 04	.		.	#		10117.62		.	-	*
Wed 26 May 04	.		.	#		10109.89		.	-	*
Thu 27 May 04	.		.	#		10205.20		.	-	*
Fri 28 May 04	.		.	#		10188.45		.	-	*
Tue 1 Jun 04	.		.	#		10202.65		.	-	*
Wed 2 Jun 04	.		.	#		10262.97		.	-	*
Thu 3 Jun 04	.		.	#		10195.91		.	-	*
Fri 4 Jun 04	.		.	#		10242.82		.	-	*
Mon 7 Jun 04	.		.	#		10391.08		.	-	*
Tue 8 Jun 04	.		.	#		10432.52		.	-	*
Wed 9 Jun 04	.		.	#		10368.44		.	-	*
Thu 10 Jun 04	.		.	#		10410.10		.	-	*
Mon 14 Jun 04	#		.	I		10334.73		.	-	*
Tue 15 Jun 04	.		.	#		10380.43		.	-	*
Wed 16 Jun 04	.		.	#		10379.58		.	-	*
Thu 17 Jun 04	.		.	#		10377.52		.	-	*
Fri 18 Jun 04	.		.	#		10416.41		.	-	*

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

NASDAQ TIMER'S TREND

Thu 1 Apr 04	.		.	#		2015.01		.	+	*
Fri 2 Apr 04	.		.	#		2057.17	@	.	+	*
Mon 5 Apr 04	.		.	#		2079.12	@	.	+	*
Tue 6 Apr 04	.		.	#		2059.90		.	+	*
Wed 7 Apr 04	.		.	#		2050.24		.	+	*
Thu 8 Apr 04	.		.	#		2052.88		.	+	*
Mon 12 Apr 04	.		.	#		2065.48		.	+	*
Tue 13 Apr 04	.		.	#		2030.08		.	+	*
Wed 14 Apr 04	.		.	#		2024.85		.	+	*
Thu 15 Apr 04	.		.	#		2002.17		.	+	*
Fri 16 Apr 04	.		.	#		1995.74		.	+	*
Mon 19 Apr 04	.		.	#		2020.43		.	+	*
Tue 20 Apr 04	.		.	#		1978.63		.	+	*
Wed 21 Apr 04	.		.	#		1995.63		.	+	*
Thu 22 Apr 04	.		.	#		2032.91		.	+	*
Fri 23 Apr 04	.		.	#		2049.77		.	+	*
Mon 26 Apr 04	.		.	#		2036.77		.	+	*
Tue 27 Apr 04	.		.	#		2032.53		.	+	*
Wed 28 Apr 04	#		.	I		1989.54		.	+	*
Thu 29 Apr 04	#		.	I		1958.78		.	+	*
Fri 30 Apr 04	#		.	I		1920.15		.	+	*
Mon 3 May 04	.		.	#		1938.72		.	+	*
Tue 4 May 04	.		.	#		1950.48		.	+	*
Wed 5 May 04	.		.	#		1957.26		.	+	*
Thu 6 May 04	#		.	I		1937.74		.	+	*
Fri 7 May 04	#		.	I		1917.96		.	+	*
Mon 10 May 04	#		.	I		1896.07		.	+	*
Tue 11 May 04	.		.	#		1931.35		.	-	*
Wed 12 May 04	#		.	I		1925.59		.	-	*
Thu 13 May 04	.		.	#		1926.03		.	-	*
Fri 14 May 04	#		.	I		1904.25		.	-	*
Mon 17 May 04	#		.	I		1876.64		.	-	*
Tue 18 May 04	.		.	#		1897.82		.	-	*
Wed 19 May 04	.		.	#		1898.17		.	-	*
Thu 20 May 04	#		.	I		1896.59		.	-	*
Fri 21 May 04	.		.	#		1912.09		.	-	*
Mon 24 May 04	.		.	#		1922.98		.	-	*
Tue 25 May 04	.		.	#		1964.65		.	-	*
Wed 26 May 04	.		.	#		1976.15		.	-	*
Thu 27 May 04	.		.	#		1984.50		.	-	*
Fri 28 May 04	.		.	#		1986.74		.	-	*
Tue 1 Jun 04	.		.	#		1990.77		.	-	*
Wed 2 Jun 04	.		.	#		1988.98		.	-	*
Thu 3 Jun 04	.		.	#		1960.26		.	-	*
Fri 4 Jun 04	.		.	#		1978.62		.	-	*
Mon 7 Jun 04	.		.	#		2020.62		.	-	*
Tue 8 Jun 04	.		.	#		2023.53		.	-	*
Wed 9 Jun 04	.		.	#		1990.61		.	-	*
Thu 10 Jun 04	.		.	#		1999.87		.	-	*
Mon 14 Jun 04	#		.	I		1969.99		.	-	*
Tue 15 Jun 04	.		.	#		1995.60		.	-	*
Wed 16 Jun 04	.		.	#		1998.23		.	-	*
Thu 17 Jun 04	.		.	#		1983.67		.	-	*
Fri 18 Jun 04	.		.	#		1986.73		.	-	*

"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 near the end of July.