

THE SEEDS OF DEPRESSION

My view of the current status of the ongoing credit crunch and financial crisis is that we've reached stalemate. The pile of bad debt tied to subprime and alt-A mortgages, credit default swaps and other sour bets.... worth, overall, maybe 10 to 12 cents on the dollar.... appears to me to be about \$3.5 trillion (with a market value of less than half a trillion). The Fed, the European central banks and their Asian counterparts have taken over, insured, guaranteed or poured money into various otherwise-would-fail entities, about \$3.5 trillion, So, stalemate.

At this point we should expect brushfires.... an occasional flareup or financial mini-crisis, but probably *not* escalating into systemic collapse. The money-printers met the Great Asset Deflation head-on, and neither side won.... yet.

For the short term, we're not done with the asset deflation. Commodity prices (due to hedge-fund deleveraging) and worldwide housing prices (due to ongoing walkaways and foreclosures) and credit-card receivables (due to tightening credit standards and personal bankruptcies) continue to deflate, though I suspect we're near the end of the commodity deflation as the hedge funds have mostly unwound their leverage in a mad scramble for cash. It does appear to me that the most dangerous of the remaining bubbles to be unwound, credit default swaps (which are essentially bad-debt insurance), are likely to be wound down without much financial damage.... largely because governments have stepped in to guarantee that the "insurers" (writers of CDSs)

will not be allowed to go bankrupt; we taxpayers (suckers) will foot the bill.

When I first began writing about systemic failure more than two years ago, I noted that there would be two phases. The first would be the Great Asset Deflation, as the rush to liquidate rapidly-souring debts would overwhelm the efforts of central bankers to reliquefy. That's the phase we're in now, getting near the end as it winds down. And you must admit, it's been one heck of a deflation.... generational in scope, like 1930-32 or 1973-74, or 1980-82. However, the asset deflation, though severe, may also be rather brief.... less than two years from when the problem first surfaced, August 2007, and with maybe less than six months to run from the September-November 2008 stock market crash.

The second phase would be the Great Price Inflation, as the "money-printing" takes hold. So far, not all that much money has actually been "printed". What we have so far are *commitments* to print money, in the form of government loans, government recapitalization of banks and big corporations, or government guarantees against "too big to fail" entities going bankrupt. The monetary base the Fed reports, and the equivalent for overseas central banks, has indeed mushroomed as bad debts are added to central banks' inventory; but it takes awhile for this "money" to work its way into the system, particularly when banks are unwilling to lend.

But Helicopter Ben has those aircraft warming up for

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the money drops. For the short term, the money to pay for these promises will be borrowed, which means long-term interest rates will rise. Over the longer term, there will be efforts to raise taxes to pay part of the bill.... which will be largely unsuccessful, as such a move will kill off the global economy and result in reduced government revenues.... and the option which will ultimately be exercised, which is to screw the unfortunates who buy this new debt by electronically printing the money to pay them back.

One of the aspects of the Great Asset Deflation has been the 25% rise in the dollar (in relation to other currencies) as the scramble for cash created demand for the world's reserve currency, the dollar. When the holders of U.S. debt figure out that they're going to be screwed (again!), the drop in the dollar could be even more rapid than was the ascent. Some of the decline in the price of oil and most of gold's price drop can be accounted for by the temporary rise in the dollar over the past few months, so.... when the dollar tanks again, the price in dollars for gold and oil will soar.

The Great Asset Deflation is allowing you to buy real assets, or their proxies in the stock market, at bargain-basement levels, thanks to this once-in-a-generation bear market in stocks (worst bear in 70 years, as measured by the S&P 500). That will put you in a position to protect yourself during the upcoming Great Price Inflation, when people holding bonds and "cash" will suffer greatly. What to buy? Oil wells.... natural gas.... pipelines.... gold and silver mines and other minerals.... real estate (eventually).... factories.... infrastructure.... in short, anything tangible that governments can't print or whose valuations governments can't manipulate. Though I can't tell you exactly when the asset deflation will subside and the price inflation will seriously commence, I can tell you that I believe that the time to switch your investment strategy from conserving cash to buying hard assets, or their proxies, is now. Do not obsess on where "the bottom" may be.... just acquire real assets at their current bargain-basement prices, and I think that in the not too distant future you will be vindicated.

Lately, more frequently we hear people wondering if the current recession-nobody-will-admit-to will deepen into a new great depression. Generally, the rule is: The greater the preceding boom, the greater the bust that follows. Statistically, it's called "regression to the mean", and one can see it in nature all the time as wave disturbances.... first the overshoot, then the undershoot, then the aftershocks as friction causes the waves to dampen. So it amazes me how economists can deny that this very natural effect does not also occur with human nature and, instead, they expect a different outcome. Hubris, I would guess.

Clearly we are beyond the overshoot, and (psychologically) appear to be heading for, or are in, the undershoot. This perhaps helps explain why we in the U.S. have elected as our next fearless leader a man whose background we know very little about (except for what he has told us), who has disowned much of his past, and who does not have a substantial record of experience by which to judge him. The psychological shock of the financial crisis and the downward economic spiral has made people willing to go with "hope" and "change". So, much will depend on how Barack Obama and the cretins in Congress govern.... will Obama, in the interest of trying to do things that actually work, shed the Marxist claptrap he adopted in his early adult years and govern left-to-center, similar to the Clintons? Or will ideology triumph over meaningful solutions?

So far, most everything the government has done to "fix" the financial mess is wrong, and has aggravated the situation, and pushed recovery further into the future. We have the Japanese experience of the past two decades to tell us that this doesn't work.... what is the definition of lunacy? Oh yes, trying the same thing again, and expecting a different outcome.

I am not too hopeful here. Psychology, demographics, and the stupidity of our "public servants" are leading us into a period where the *best* outcome is something similar to what the Japanese have suffered, and it could be much worse.... and if we do get a new great depression, it will be an *inflationary* depression.

QUOTES FOR THE MONTH

This really is an economic Pearl Harbor. That sounds melodramatic, but I've never used that phrase before. And this really is one. - Warren Buffett [Nick's note: Buffett is buying.]

That's not the fat lady singing that you hear. It's the sound of your stock broker throwing up. - Darryl Schoon

Worrying about this economy slipping into recession is like worrying that your pet goldfish is going to die when it is floating dead on top of the tank. - Mike Shedlock

With respect to the financial news networks, if I hear one more commentator ask a guest if he thinks the US is in a recession, I would have to be restrained from embedding a golf club in my LCD television. How stupid can you be! The US isn't in a recession; it's entering a damn depression. The United States is in real trouble and there is no one who has any credibility anymore; not on CNN, not in the White House or the Treasury, and certainly not in the Fed. The American people have yet to figure out that they have been sold down the river by the very officials they elected to prevent just such a calamity. - Enrico Orlandini

Few seem yet to comprehend the depth of the risk to the USEconomy if short-term credit continues its vanishing act. Most realize when the US banks are insolvent and lend less, the US economy is assured a recession. They do not comprehend that when short-term credit is denied, the US economy disintegrates. Imagine a man whose bones are turned into mush, trying to walk. That is the economy with insolvent banks. The man becomes a body without a heart and blood circulation when short-term credit is absent. The commercial side requires it for supply of food, gasoline, housewares, hardware, building materials, and more. Imagine riots for toilet paper, let alone gasoline and food! The financial side requires it for supply of ATM cash, credit card usage, and even payroll income. A heart attack is not a proper analogy. More like a science fiction movie where the victim is vaporized, or is burned suddenly into a heap of plasma. - Jim Willie

Since the authorities do not wish to see a repeat of the Great Depression they will chose inflation over deflation any time. The events of the past two weeks [ending October 10] were we believe a culminating collapse. And now the hard part begins of repairing the damage. It will be difficult and prolonged but the world is not coming to an end. In that respect the end is nigh, but it is not a sign that we collapse into huge despair and poverty. Another 1930s style depression is just not in the works. - David Chapman

What really concerns me is another Great Depression. And, we are actually closely following the script of that time. First, economic and financial crashes. Then big public bailouts. Then economic activity collapses. Then we have a grinding depression. And, in a depression, we get huge unemployment, and even food shortages.... in the Great Depression millions starved in the US and Europe and elsewhere, even in big food producing countries. One reason is that big food producers sell their food for foreign currency - ie export it. The natives be damned. That's what happened in Argentina in the early 2000s. And, God forbid, there can be a big war after the depression. This is exactly what happened in the 1930s/40s. So, batten down the hatches, and be super cautious. Don't believe the financial TV that seems to be always saying the bottom is here. I don't believe that for a minute. The credit crisis is just grinding away at the world economies like a big wood chipper. The next quarter or two, we will see big declines in economic activity, and also big layoffs all over the world. - Christopher Laird

In the last 100 years there have only been two fires similar to that of today. The first inferno was in 1929, centered in New York. The second was in 1989, when Tokyo went up in flames. In both instances, rescuers took extraordinary measures. And in both cases, they not only failed to save the economy, they scorched it even more. Obviously, few economists share this analysis with us. The few who do are probably either insolvent or insane, or perhaps both. - Bill Bonner

The guilt for the Great Depression must, at long last, be lifted from the shoulders of the free-market economy and placed where it properly belongs: at the doors of politicians, bureaucrats and the mass of 'enlightened' economists. And in any other depression, past or future, the story will be the same. - Murray Rothbard [in America's Great Depression]

Ironically, the so-called student of the Great Depression, Ben Bernanke, failed to learn the only important lesson about the historical Federal Reserve. The failure of the 1930s Fed was not due to any refusal to expand the money supply and encourage bank lending, but because events were beyond its control. - Vox Day

The Fed is spending money at an astronomical rate. It's creating this money out of thin air by monetizing bad debts and whatever else it has to. Remember, this is on top of all the other ongoing government expenses and it's extremely inflationary. Normally, there is a lag of about a year or so between money creation and inflation but eventually, what's recently happened will result in massive inflation, a much lower U.S. dollar and a soaring gold price. This is inevitable but.... The bottom line is this, if the banks start to lend again, then the economy will be on the road to recovery and inflation. But we know the banks are scared and they're being extremely cautious, for good reason. So if the banks decide not to lend and instead just sit on their cash, then the inflation process will freeze..... The Fed is providing the ammunition but the banks have to use it. If they don't, the outcome could be much different than what most analysts feel is a done deal. - Mary Anne and Pamela Aden

Treasury Secretary Hank Paulson Jr. told nine leading bankers they would have to accept government investment for the good of the U.S. financial system. It's a brave new world. I'm also waiting for word as to when the implanting of chips in newborns is done 'for the good of the country'. What hath they wrought? - Jeffrey Cooper

The root cause of the mess we are in is fractional reserve lending, an unsound currency, and interest rate micro-mismanagement by the Fed. In a free market, there would not be a Fed, nor would there be fractional reserve lending, nor would there be unsound currencies. And instead of attacking the root cause of the mess, Bush, Paulson, Bernanke, and others are responding with measures that lead one further down the path of fascism, supposedly to "preserve the system". Also sad is the fact that highly respected economic professors like Krugman and Roubini openly cheer such nonsense. There is very little if anything in these bailout measures that is worth cheering over. Indeed, there may not be anything left worth preserving if we continue down this foolish path we are on for too much longer. The actions taken by Central Bankers to "preserve the system" are tantamount to cutting off one's head so that it won't get any more blemishes. - Mike "Mish" Shedlock

If the Central Banks were our kids, we'd be taking their credit cards away. They are spending us into the poor house! Sure, Wall Street is at the rotten root of this crisis. Their toxic debt is poisoning the global economy and financial system. But there's plenty of blame to go around. On Monday morning, I just about choked on my coffee when I read the latest announcement from the Federal Reserve. They bluntly stated that the sky's the limit on how much money banks can borrow. And other central banks, including the Bank of England, European Central Bank, Swiss National Bank and Bank of Japan are joining in to basically give away money.... That's right, no limit! It's like the Central Bankers are running a casino, and the big banks - the same jokers who blew it all on toxic debt - are being given endless lines of credit to keep on gambling. - Sean Brodrick

While Paulson and Bernanke have shown a willingness to throw UNLIMITED U.S. dollars at the credit markets, they have very little leverage to make the banks start lending again. The equity stakes which the U.S. taxpayers purchased in Citigroup, Morgan Stanley, and seven other big institutions come with no guarantee that the investments will spur lending. Nor do they give the government board seats or any other leverage to demand that the firms actually use the money to help the economy. The banks have accepted the money (they may be dumb but they aren't stupid) and look to be using it to help shore up their balance sheets. The bet Paulson is thinking that by helping them get their balance sheets in order more quickly, the taxpayer investments will hasten the major banks return to a more normalized lending environment. And I agree that this will probably be the case, but this will not happen overnight, and the recession that the United States slipped into several months ago will continue to deepen. - Chris Gaffney

To stimulate lending, the bailout plan will attempt to recapitalize banks. The method of recapitalization is best described as robbing Taxpayer Pete to pay Wall Street Paul. In essence, money is taken from the poor (via taxes, printing, and weakening of the dollar) and given to the wealthy so the wealthy supposedly will have enough money to lend back (at interest) to those who have just been robbed. All this talk about Strategy, Implementation, Recruitment, Procurement, operations, compliance, and other details masks the essence of the plan.... Unfortunately, no matter what seat of the pants strategies they come up with, I can guarantee in advance that the unforeseen consequences of whatever decisions they make, simply will not be any good. Besides, it is axiomatic that plans to rob Peter to pay Paul, can never really work in the first place, regardless of how much time is spent crafting them. - Mike "Mish" Shedlock

In a momentous development that went unnoticed, I suspect, by 95 percent of Americans, Treasury Secretary Henry Paulson Jr. last Monday effectively nationalized the nation's nine largest banks at a potential taxpayer tab of \$2.25 trillion. Yes, that's on top of the paltry \$700 billion bailout approved by Congress and President Bush. Excuse me? Were you consulted? Do you recall having a national debate about this? Did your congressional representatives poll you on whether you liked this idea? Dare I ask, where would such a move be authorized in the U.S. Constitution? Or has America completely moved away from the idea of the rule of law and the will of the people being the key determinants in our supposedly self-governing society? It's an amazing story - I suggest one of the biggest of my lifetime. Yet, where was the press? Have the American people been reduced to mere sheep to be herded in any direction Washington determines before, ultimately, being led to slaughter? - Joseph Farah

Democracy has been replaced by Wall Street's new "disaster capitalism." That's the big game-changer historians will remember about 2008, masterminded by Wall Street's ultimate "Trojan Horse," Hank Paulson. Imagine: Greed, arrogance and incompetence create a massive bubble, cost trillions, and still Wall Street comes out smelling like roses, richer and more powerful! Yes, we're idiots: While distracted by the "illusion of democracy" in the endless campaign, Congress surrendered the powers we entrusted to it with very little fight. Congress simply handed over voting power and the keys to trillions in the Treasury to Wall Street's new "Disaster Capitalists" who now control "democracy." Why did this happen? We're in denial, clueless wimps, that's why. We let it happen. In one generation America has been transformed from a democracy into a strange new form of government, "Disaster Capitalism."Best case scenario: We're a plutocracy, a government ruled by the wealthy, the richest 1%, the Forbes 400, the influential wealthy elite, while the other 99% are their "servants." Meanwhile, the inflation-adjusted income of wage-earners has declined for three decades. Worst case scenario: America's no democracy and as a result of the meltdown and the surrender of our power to Wall Street's new Disaster Capitalism we are morphing into what one WWII dictator called "corporatism," a "merger of state and corporate power," kind of like what's going on now with Goldman Sachs' ex-boss as de facto president. - Paul B. Farrell

I point out the obvious flaws, whereby legislation was repeatedly brought forth to Congress over the past eight years, which would have reigned in the predatory lending practices of now mostly defunct institutions. These institutions regularly filled the coffers of both parties in return for voting down all of this legislation designed to protect the common citizen. This is an outrage, yet no one seems to know or care about it. Since Thomas Jefferson and Adam Smith passed, I would argue that there has been a dearth of worthy philosophers in this country, at least ones focused on improving government. Capitalism worked for two hundred years, but times change, and systems become corrupt. - Andrew Lahde [retired hedge fund manager]

Once the government's plan to take equity stakes in troubled financial institutions is implemented, each of the 117 million U.S. taxpayers will have an average of \$2,136.76 already invested. You haven't received Uncle Sam's credit card bill yet. - Martin Hutchinson

The Fed has gone about as if the problem is a shortage of liquidity. That is not the basic problem. The basic problem for the markets is that [uncertainty] that the balance sheets of financial firms are credible... Lending

freezes up when lenders are uncertain that would-be borrowers have the resources to repay them. So to assume that the whole problem is inadequate liquidity bypasses the real issue.... I don't see that they've achieved what they should have been trying to achieve. So my verdict on this present Fed leadership is that they have not really done their job. - Anna Schwarz [co-author, A Monetary History of the United States]

Even limited government has a basic duty to defend against force and fraud. Some argue that force is somehow permissible just because the entity engaging in it is "economically significant." But one could use this reasoning to prop up slavery. It could be deemed unfortunate but economically beneficial, and indeed these arguments have been used historically to deprive people of their liberty. But slavery should never be tolerated regardless of any economic benefit, just as systemic fraud should not be tolerated. Some banks on Wall Street should fail. Fannie and Freddie should fail. They are perpetrating fraud against the people. Yet, government insists on rewarding behavior which should instead be investigated, prosecuted, and punished.... Just as economies that turned away from slave labor had a transition period, our economy would transition as well, but in the end, if we turned to honest, sound money and a truly free market, we would end up with a more just society, founded on truthfulness and decency, not subject to the violence of force or the whims of fraudulent institutions. Unfortunately, it seems we are headed into a new era of slavery, however, where all taxpayers will be forced to render to the Fed and big banking interests the bulk of the fruits of their labor, possibly through higher taxes but definitely through the eroding force of inflation. - Ron Paul

Whether the advocates of increased government spending and the various other re-inflation policies realize it or not, at the root of their proposed 'solutions' to the crisis is the idea that it is possible to get something for nothing. It is axiomatic that an increase in production must precede a sustained increase in consumption; that saving is the basis of long-term economic growth; that no individual can become rich by spending more than he earns; and that no country can become wealthy, or recover from a recession, by consuming more than it produces. And yet, most commentators have deluded themselves into believing that you can get around the problem of inadequate real savings by simply increasing the supply of the medium of exchange, and that you can bypass the need for increased consumption to be funded by increased production by simply getting the government to spend like a drunken sailor. - Steve Saville

Neither the Fed nor the Treasury is a wealth generator: they cannot generate real savings. This in turn means that all the pumping that the Fed has been doing recently cannot increase lending unless the pool of real savings is expanding. On the contrary, the more money the Fed and other central banks are pushing, the more they are diluting the pool of real savings. We suggest that decades of reckless monetary policies by the Fed have severely depleted the pool of real savings. More of these same loose policies cannot make the current situation better. On the contrary, such policies only further delay the economic recovery. By impoverishing wealth generators, the current policies of the government and the Fed run the risk of converting a short recession into a prolonged and severe slump. - Frank Shostak

Keynesian economics is like alchemy, trying to change the real into something else. It is based on short term manipulations affecting the price of lending. These manipulations create imbalances that must be corrected. Unfortunately government policy tries ever harder to keep the alchemy going. The greatest socialist institution ever created is a central bank given the authority to create money. Instead of the price of lending being dependent on production and income, the price of lending is determined by bureaucrats incited to make that price as cheap as possible at all times. This does not create wealth, only imbalances. Real wealth is created only by production and production is a function of the real market seeking profit. In short, the simple truth is that Keynesian economic theory is based on the same failed something for nothing theory of perpetual motion. Attempts to get something for nothing are a complete waste of both time and resources and thus can only make matters worse. - Mike "Mish" Shedlock

What about all the people in countries that minded their manners, saved their money, didn't get overextended and now all of a sudden they're being asked to bail out a bunch of guys on Wall Street who were incompetent

at best and some of them crooks? I thought it outrageous that anybody has to step in and bail out a bunch of 29 year olds driving Maseratis. - Jim Rogers

Analysts who have told you for YEARS that budget and trade deficits mean nothing are about to get a lesson in history. They lied to you. And the only way to FILL the gap will be as all banana republics have: They will print the money!You are witnessing the last deflation you will ever see as the public stampedes into the burning house represented by CASH and government bonds. Holding wealth in paper is a FOOL'S errand and will work only for a short while longer. Remember, for a short time cash will be king and actually INCREASE in purchasing power as we are witnessing; then, like Cinderella, it will descend into the trash it actually has become since the world was converted to fiat currencies after Bretton Woods II. - Ty Andros

Ireland guaranteed bank deposits putting Germany and the UK at a disadvantage. After criticizing Ireland, Germany did the same. The UK stepped in to guarantee bonds so now Germany and the US are at a competitive disadvantage. Am I the only one who sees how absurd his is? Is the final ending point, the government of every nation guaranteeing everything? - Mike Shedlock

I continue to expect any recovery in the housing and credit markets to take a long time. And I continue to believe that while all of these government bailout programs can treat some of the downturn's symptoms, they can't cure the underlying disease. The only real cures are time and price changes. - Mike Larson

You have to pinch yourself – a Marxisant radical who all his life has been mentored by, sat at the feet of, worshipped with, befriended, endorsed the philosophy of, funded and been in turn funded, politically promoted and supported by a nexus comprising black power anti-white racists, Jew-haters, revolutionary Marxists, unrepentant former terrorists and Chicago mobsters, is on the verge of becoming President of the United States. And apparently it's considered impolite to say so. - Melanie Phillips

STOCK MARKET OUTLOOK

Stocks crashed in October. It may not seem that way, because it wasn't a one-day wonder, like 1987 or 1929. But when you view a chart of the S&P over a three-year time frame, you can see just how abrupt the collapse in share prices has been:



Virtually every technical signal (including “Timer’s Trend”) is flashing deeply-oversold conditions. Of course, that does not prevent stocks from becoming

even more deeply oversold. It does mean that stocks bought at these levels are likely to show a handsome gain six months to a year down the road, even if (like the Japanese Nikkei) this bear market eventually turns out to be two decades long. They’re not quite “ringing a bell” to jump in and buy stocks, but it’s close. Close enough for me.

Where the bell *is* ringing is with the price of gold. In this asset-deflationary epoch gold currently trades in the markets in the low- to mid-\$700s. But if you were to call up your friendly coin or bullion dealer and order a few thousand dollars worth of “bullion” coins, such as the Krugerrand or Canadian Maple Leaf, and ask to have them shipped to your house right away, you might find yourself paying closer to \$900 per ounce. (The markup over spot gold for bullion coins is typically only a few percent.) Or, you will have to wait awhile for your gold.

In other words, there appears to be an unheard-of temporary shortage of physical product in relation to

its traded paper proxies (of which there is a plentiful supply). This is an important message.

The trick is to correctly interpret this message, and I see two possible interpretations: A. The public is always late to the party, and is squirrelling away gold to protect against price inflation (which actually will not be much of a problem for the next few months)....

in other words, they're fighting the last war. B. The public is correct; they see gold as real money, as a refuge for protecting their assets during a time of financial instability, just as it has always been for millennia. It is the paper proxies for gold that are underpriced, due to hedge-fund dumping as the funds deleverage. I cast my vote for choice B.

PORTFOLIO REVIEW

Prices shown are as of November 14, 2008.

A. "Inheritance" - real (normalized) "dividend and interest distribution" portfolio:

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
50	Advanced Micro Devices Inc.	[AMD/nyse]	13Nov08			135.95	2.43	121.50
150	Advantage Energy Income Fnd 1.22	[AAV/nyse]	3Jan08			1475.44	5.18	777.00
350	Advantage Energy Income Fnd 1.22	[AAV/nyse]	15Jan08			3327.92	5.18	1,813.00
100	Advantage Energy Income Fnd 1.22	[AAV/nyse]	16Jan08			938.94	5.18	518.00
50	Barclays PLC	[BCS/nyse]	5Nov08			639.45	9.29	464.50
50	Barclays PLC	[BCS/nyse]	12Nov08			547.95	9.29	464.50
30	BHP Billiton Ltd. 1.64	[BHP/nyse]	12Nov08			996.45	32.64	979.20
200	Coeur d'Alène Mines	[CDE/nyse]	23Oct08			140.95	.52	104.00
50	Deswell Industries Inc. .32	[DSWL/otc]	12Nov08			125.95	2.16	108.00
15	EnCana Corp. 1.60	[ECA/nyse]	13Nov08			644.55	44.46	666.90
200	Enerplus Resources 4.28	[ERF/nyse]	5Jan07			8141.95	22.30	4,460.00
25	Enerplus Resources 4.28	[ERF/nyse]	9Jan07			1012.20	22.30	557.50
55	Enerplus Resources 4.28	[ERF/nyse]	5Dec07			2164.30	22.30	1,226.50
100	Entrée Gold	[EGI/ase]	28Feb07			154.73	.74	74.00
100	Entrée Gold	[EGI/ase]	28Oct08			56.94	.74	74.00
200	FairPoint Communications Inc. 1.04	[FRP/nyse]	6Mar08	27Au08	1693.35	1915.93		
100	Fairpoint Communications Inc. 1.04	[FRP/nyse]	28Oct08			357.73	2.66	266.00
100	Fairpoint Communications Inc. 1.04	[FRP/nyse]	30Oct08			358.73	2.66	266.00
25	FelCor Lodging Trust 1.40	[FCH/nyse]	22Apr08	27Au08	191.26	315.68		
30	FelCor Lodging Trust 1.40	[FCH/nyse]	27Jun08	27Au08	229.51	329.75		

45	FelCor Lodging Trust	1.40	[FCH/nyse]	30Jun08	27Au08	344.27	484.70		
100	FelCor Lodging Trust		[FCH/nyse]	12Nov08			198.87	1.53	153.00
50	First Marblehead Corp.		[FMD/nyse]	12Nov08			62.95	.93	46.50
10	FPL Group	1.64	[FPL/nyse]	9Nov05			419.60	47.30	473.00
50	Freeport-McMoRan Cop&Gold	2.00	[FCX/nyse]	12Nov08			1170.45	24.34	1,217.00
40	Frontier Communications	1.00	[FTR/nyse]	20Jan06			493.19	8.49	339.60
60	Frontier Communications	1.00	[FTR/nyse]	11Feb08			662.14	8.49	509.40
100	FrontierCommunications	1.00	[FTR/nyse]	15Apr08			1012.86	8.49	849.00
100	Gammon Gold		[GRS/nyse]	22Oct08			414.75	3.50	350.00
50	Gammon Gold		[GRS/nyse]	31Oct08			174.95	3.50	175.00
100	Gladstone Captal Corp.	1.68	[GLAD/otc]	14Feb08			1713.94	8.22	822.00
200	Gladstone Captal Corp.	1.68	[GLAD/otc]	3Mar08			3319.94	8.22	1,644.00
200	Gladstone Commercial Corp.	.96	[GOOD/otc]	4Mar08			3409.75	11.05	2,210.00
300	Gladstone Investment Corp.	1.50	[GAIN/otc]	4Mar08			3138.92	3.77	1,131.00
350	Harvest Energy Trust	3.06	[HTE/nyse]	16Jun08			8801.92	10.35	3,622.50
40	Iowa Telecom	1.62	[IWA/nyse]	18Jan06			652.99	15.04	601.60
60	Iowa Telecom	1.62	[IWA/nyse]	25Jan08			931.54	15.04	902.40
50	Iowa Telecom	1.62	[IWA/nyse]	30Oct08			737.60	15.04	752.00
15	Integrys Energy	2.64	[TEG/nyse]	11Apr06			658.35	43.38	650.70
35	Integrys Energy	2.64	[TEG/nyse]	25Jan08			1686.80	43.38	1,518.30
50	Integrys Energy	2.64	[TEG/nyse]	3Mar08			2293.42	43.38	2,169.00
40	Intel Corp.	.56	[INTC/otc]	13Nov08			544.53	13.32	532.80
15	L-3 Communications	1.00	[LLL/nyse]	15May03			672.97	69.33	1,039.95
50	Macquarie Infrastructure Co.	2.54	[MIC/nyse]	11Mar08	29Au08	1040.52	1564.42		
50	Macquarie Infrastructure Co.	2.54	[MIC/nyse]	13Mar08	29Au08	1040.52	1509.42		
50	Macquarie Infrastructure Co.	.80	[MIC/nyse]	12Nov08			216.92	4.14	207.00
50	Macquarie Infrastructure Co.	.80	[MIC/nyse]	13Nov08			181.95	4.14	207.00
50	Maine & Maritimes Corp.		[MAM/ase]	15May06			717.47	38.01	1,900.50
100	Manas Petroleum Corp.		[MNAP/otc]	26Feb08			214.95	.41	41.00
100	Manas Petroleum Corp.		[MNAP/otc]	12Jun08			119.95	.41	41.00
50	Market Vectors Gold Miners ETF	.12	[GDX/ase]	26Sep06	27Au08	1874.01	1756.45		

20	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	5Jan07	27Au08	749.60	755.95		
30	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	25May07	27Au08	1124.41	1163.73		
50	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	20Oct08			1486.95	20.55	1,027.50
30	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	60Oct08			775.83	20.55	616.50
20	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	130Oct08			538.95	20.55	411.00
25	Market Vectors Gold Miners ETF	.12	[GDJ/ase]	310Oct08			545.20	20.55	513.75
100	Medical Properties Trust Inc.	1.08	[MPW/nyse]	230Oct08			681.73	5.77	577.00
25	Microsoft Corp.	.52	[MSFT/otc]	13Nov08			506.20	20.06	501.50
50	Newmont Mining	.40	[NEM/nyse]	25May07			1989.95	24.23	1,211.50
10	Newmont Mining	.40	[NEM/nyse]	20Mar08			469.34	24.23	242.30
20	Newmont Mining	.40	[NEM/nyse]	240Oct08			445.95	24.23	484.60
200	NGP Capital Resources Co.	2.06	[NGPC/otc]	3Mar08			3291.93	9.75	1,950.00
100	Nicor Inc.	1.86	[GAS/nyse]	3Mar08			3409.86	39.29	3,929.00
150	Penn West Energy Trust	3.47	[PWE/nyse]	100Oct07			4724.30	15.74	2,361.00
150	Penn West Energy Trust	3.47	[PWE/nyse]	5Dec07			3959.44	15.74	2,361.00
200	PNM Resources Inc.	.92	[PNM/nyse]	7Mar08			1885.93	8.69	1,738.00
200	Precision Drilling Trust	1.37	[PDS/nyse]	11Jan07			4565.95	8.84	1,768.00
200	Precision Drilling Trust	1.37	[PDS/nyse]	150Oct08			1790.95	8.84	1,768.00
50	Progress Energy Inc	2.46	[PGN/nyse]	17Mar08			2036.95	38.84	1,942.00
50	Proshares Ultra Financials	.40	[UYG/nyse]	280Oct08			390.95	6.70	335.00
50	Proshares Ultra Financials	.40	[UYG/nyse]	6Nov08			419.45	6.70	335.00
50	Proshares Ultra Financials	.40	[UYG/nyse]	12Nov08			356.95	6.70	335.00
50	Proshares Ultra Financials	.40	[UYG/nyse]	13Nov08			326.45	6.70	335.00
500	Provident Energy Trust	1.22	[PVX/nyse]	26Mar07			5534.95	5.21	2,605.00
350	Provident Energy Trust	1.22	[PVX/nyse]	8Aug07			3831.95	5.21	1,823.50
500	Prudent Global Income Fund		[PSAFX}	20Jan06	27Au08	6380.00	5950.00		
200	Rubicon Minerals Corp.		[RBY/ase]	4Jun08			269.33	.83	166.00
100	Rubicon Minerals Corp.		[RBY/ase]	130Oct08			124.94	.83	83.00
100	Southwest Water Co.	.24	[SWWC/otc]	6Jun08			1051.94	4.10	410.00
50	Southwest Water Co.	.24	[SWWC/otc]	14Nov08			221.45	4.10	205.00
30	Teekay Corp.	1.26	[TK/nyse]	6Nov08			507.45	13.86	415.80

45	Teekay Corp.	1.26	[TK/nyse]	14Nov08			680.10	13.86	623.70
30	Thornburg Mortgage Inc.		[TMA/nyse]	7Mar08	27Au08	10.51	40.28		
70	Thornburg Mortgage Inc.		[TMA/nyse]	10Mar08	27Au08	24.53	89.05		
400	Tortoise Capital Resources		[TTO/nyse]	10Oct08			2270.95	5.46	2,184.00
400	Tortoise North American Enrgy	1.48	[TYN/nyse]	5Jan07	27Au08	8538.00	8813.55		
100	Tortoise North American Enrgy	1.48	[TYN/nyse]	10Oct08			895.95	11.11	1,111.00
150	Tortoise North American Enrgy	1.48	[TYN/nyse]	15Oct08			1638.45	11.11	1,666.50
100	US Gold Corporation		[UXG/ase]	17Dec07			306.94	.84	84.00
100	US Gold Corporation		[UXG/ase]	20Mar08			250.94	.84	84.00
100	US Gold Corporation		[UXG/ase]	9Jun08			213.94	.84	84.00
25	Vimpel Communications	.47	[VIP/nyse]	12Nov08			257.20	9.32	233.00
40	Windstream	1.00	[WIN/nyse]	20Jan06			476.79	8.43	337.20
60	Windstream	1.00	[WIN/nyse]	25Jan08			673.54	8.43	505.80
50	Windstream	1.00	[WIN/nyse]	30Oct08			353.92	8.43	421.50
100	Crosstex Energy Inc.	1.28	[XTXl/otc]	13Nov08			526.40	4.38	438.00
	CASH						13583.06		13,583.06
	Totals						148,802.11		88,852.56

SUMMARY - "Inheritance":

Original cost:	\$100,000.00 (normalized)
Present value:	\$ 88,852.56 (see below)
Increase/decrease:	\$-11,147.44 [-11.15%]

COMMENT on "Inheritance": I had not expected this portfolio to return so quickly after our purchase of the Florida house. But there were several "budget items" for the house purchase where we had to allow for the worst possible cases. These included the air conditioning, which was not working when we bid on the house, and where the fix could be anywhere from replacing a \$100 thermostats, to \$5K for installing a complete new compressor/blower; and the roof, whose fix ranged from a moderately expensive repair job (I estimated \$1200) to a complete new roof at \$7K.

We lucked out. The A/C was up and running after we replaced the blown-out thermostat (\$200). The roof only needed repairs to extend its useful life by a few

years, and that also came in well under budget.

Although both the A/C and roof are near the ends of their useful lives, their replacements can wait until we have the proceeds from the sale of the condo (which we have definitely decided to sell, market conditions permitting, rather than rent). So that freed up enough cash for me to begin repurchasing, in October and November, some of the stocks which I had sold in late August to help finance the Florida house purchase.... especially since we need the dividend income to help carry the monthly costs of two Florida properties until the condo sells.

Just a brief recap of what has transpired here: In late August, when our bid on the Florida house was

accepted, I started selling some stocks to raise cash for the house. My question was, what to sell? and what I decided was, except for the major energy holdings, sell what hadn't been performing very well. In late October and November I replaced most of what had been sold in August at *much* lower prices, thanks to the near-panic level of stock prices at that time.

I cannot claim any investment performance for this strategy, though I was fortunate to re-acquire stocks at considerably cheaper prices; the strategy was entirely Florida-house-driven. In summary, I: Sold Fairpoint at \$8.47, repurchased at \$3.58; Felcor at \$7.75, repurchased at \$1.99; Gold Miners at \$37.58, repurchased at \$29.74, \$25.86 and \$26.95, with an additional 25 shares bought at \$21.81; Macquarie at \$20.81, repurchased at \$4.34 and \$3.64; Prudent Global Income at \$12.76, eaten by the house and not replaced; Thornburg at \$.45, not replaced; 400 Tortoise North American at \$21.35, replaced with 250 Tortoise North American at \$8.96 and \$10.92 and 400 Tortoise Capital Resources at \$5.68.

I had to think hard about my major energy stock holdings (the Canadian royalty trusts). I clearly expected the price of oil to correct from the summer price of about \$130, down to the \$100-\$110 range, maybe briefly as low as \$90. But we need the monthly dividend income, so I didn't want to sell these holdings, and there wouldn't be enough cash left in the account to offset the potential decline with a bear strategy such as the ProShares double-inverse oil ETF, as I had in the spring. So I decided to ride it out.

I never expected to see oil trading at under \$60 per barrel in three months' time. Part of this can be accounted for by the one-fourth increase in the dollar exchange rate; the rest can be attributed to hedge-fund unwinding and general bear-market fears. So what I did in this portfolio was some tax-loss swapping around. But this doesn't show here; the holdings are shown at their original purchase prices, and now are exhibiting substantial paper losses. Should the rise in the dollar, and the drop in the price of oil, prove to be more than a few months' duration, then dividend cuts in these holdings are likely.

After stocks crashed in October, I decided to add to my holdings of several income stocks because of the

generous dividend yields: Iowa Telecom, Precision Drilling, Southwest Water (which has really tanked; more accounting mistakes from the prior regime have come to light), and Windstream.

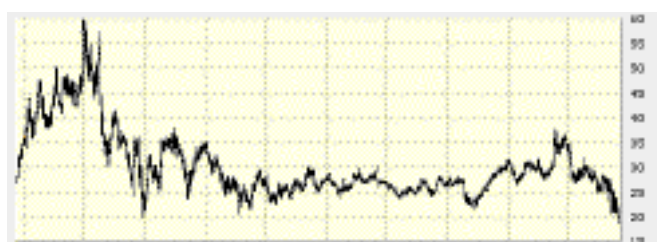
The depressed prices of energy and resource stocks made their yields attractive, and I could thus consider them as income stocks. In the mining/minerals area (and also taking note of the discrepancy in price between "real" and "paper" gold; junior mining stocks do not pay dividends) I have added new companies BHP Billiton, Coeur d'Alène Mines, Freeport-McMoRan Copper & Gold and Gammon Gold; and I doubled my stake in Entrée Gold and added to Newmont and Rubicon and (as previously noted) Gold Miners. In the energy area, companies new to the portfolio are EnCana (oil and gas), Teekay (marine shipper) and Crosstex Energy (pipelines).

Then I decided to revisit some of my past mistakes and see how they were doing. Not well. But, just for fun, I decided to bring a few shares back into the portfolio. Added are Deswell Industries (China-based injection plastics manufacturer), which now trades at one-fourth its book value, and First Marblehead, which is a mere shadow of its former self now that the market for securitization of student loans has blown up; but who knows, it may survive with its consulting business.

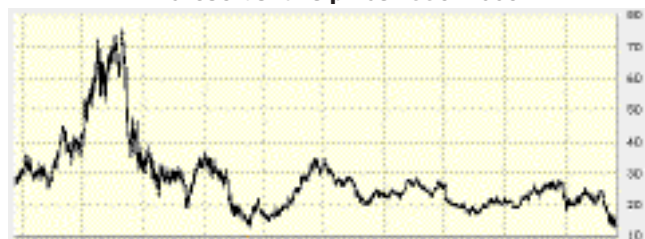
For some time I have been looking to diversify outside the energy/resource area, with an eye particularly toward financials and real estate; but I wanted to see at least some evidence of a bottoming process first, and a reasonable expectation that whatever I bought wouldn't suddenly blow up shortly thereafter; and, of course, value (trading somewhere near book value) and yields were also important. In the banking area I have added British bank Barclays, which has so far successfully fought off the UK's bank nationalization programme and which I think has acquired a valuable franchise with its purchase of the remnants of Lehman; and I am nibbling at Proshares Ultra Financials, which sports a 6%-plus yield and which tracks the financial sector at a higher beta. In real estate I have added Medical Properties Trust, a southern-US-based REIT, on the theory that people don't stop getting sick during a recession and investing in medical office properties is safer than buying into an REIT comprised of shopping malls.

Further diversifying out of energy/resources, I decided to revisit my *stepmother's money manager's* mistakes; and, upon investigation, I decided to add Intel and Microsoft to the portfolio. Now these are not characteristic purchases for me, because they are behemoth companies with a gazillion analysts following each one, and there are no surprises in owning them. They are just good proxies for the tech market, but with more generous yields than you typically get with tech.

Look at the decade-long stock price charts, shown below, of these so-called "growth" companies:



Microsoft share price 1998–2008



Intel share price 1998–2008

Just where is the supposed growth? The truth is,

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

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
50	Barrick Gold .40	{ABX/nyse}	14Nov96			1466.01	22.29	1,114.50
100	Frontier Communications 1.00	[FTR/nyse]	20Jan06			1249.95	8.49	849.00
150	Evergreen Solar	[ESLR/otc]	4Feb05			774.68	3.15	472.50
200	GTC Biotherapeutics	[GTCB/otc]	7May04			408.55	..18	36.00
1000	GTC Biotherapeutics	[GTCB/otc]	7Jun06			1659.95	..18	180.00
100	Nokia OYJ ADR .78	[NOK/nyse]	14Jun01			2233.00	12.59	1,259.00
504.2	Prudent Bear Fund (504.169sh)	[BEARX]	10Oct02			3500.00	8.48	4,275.35
163.1	Prudent Bear Fund (163.144sh)	[BEARX]	5Dec07			1000.00	8.48	1,383.46

these are mature companies in the process of becoming cash cows, like the rural telecoms. One can expect continuing increases in the dividend rate as sales increase, but share price growth only in line with the overall economy. And, not knowing who will win the microprocessor chip wars, I also bought a few shares of Advanced Micro Devices (which does not pay a dividend) to hedge my bets. With these three companies, it is as if I have bought a tech mutual fund, but with a yield kicker.

Let's see, it seems to me that I also inherited a money-manager's pick that I sold right away as it was totally inappropriate for a widows' and orphans' portfolio. What was that stock? Oh yes, I remember, it was eBay. I sold it at \$45.28; it is now trading at \$12.36. I know, they say you shouldn't look back, but I couldn't resist.

Finally, in the interest of making my very own, brand-new mistakes, I have purchased some Vimpel Communications for the portfolio. Vimpel is a Russian cellphone company (similar to Verizon in the US), and it is a *very* volatile stock, but it does sport a good yield on the days (hours?) it's down. Mobile phone service in Russia is a mature market, so Vimpel's growth comes from add-on services, including data; and this includes being a carrier for Russia's iPhones.

The portfolio cost (normalized) is \$124,113.20 with \$13,583.06 currently in cash.

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
364.1	Prudent Global Income (364.085sh)	[PSAFX]	17Apr03			3200.00	11.73	4,270.72
	CASH & money market					5504.18		5,504.18
	Totals					20,996.32		19,344.71

SUMMARY - "PIG":

Original cost: \$10,699.00
Present value: \$19,344.71
Increase: \$ 8,645.71 [+80.81%]

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

C. Roth IRAs - real portfolio:

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
2	T-notes (various maturities)	-	various			1941.94	105.805	2,116.10
215	Harvest Energy Trust 3.06	[HTE/nyse]	2007&8			5655.93	10.35	2,225.25
91	Marshall & Ilsley 1.28	[MI/nyse]	2008			864.05	14.70	1,337.70
379	Penn West Energy Trust 3.47	[PWE/nyse]	2006			11716.10	15.74	5,965.46
282	Precision Drilling Trust 1.33	[PDS/nyse]	2007			5299.45	8.84	2,492.88
290	Prospect Capital Corp. 1.57	[PSEC/otc]	2007			5113.00	9.98	2,894.20
435	Tortoise Capital Resources .72	[TTO/nyse]	2007			5509.50	5.46	2,375.10
	CASH (CD & Fidelity money market)	[FDRXX}				6014.20		6,014.20
	Totals					42,114.17		25,420.89

SUMMARY - Roth IRAs:

Original cost: \$ 30,466.19
Present value: \$ 25,420.89
Increase/decrease: \$ -5,045.30 [-16.57%]

COMMENT on Roth IRAs: More shares of Marshall & Ilsley were added; otherwise there is no change.

D. TIAA/CREF 403(b) and (non-Roth) IRA retirement plans: My TIAA-CREF is still in a state of flux. I have switched my monthly income from the IRA to the SRA; the other changes I mentioned in the last issue are still in progress. After this all settles down, the numbers that used to appear here will return.

TIAA-CREF values, 14Nov2008: stock, 149.55; equity-index, 59.49; MM, 25.45; bond, 82.32; inflation-indexed bond, 49.03; real estate, 297.57.

Comment on NYSE "Timer's Trend": We are currently on a SELL signal of September 4, 2008.

NYSE TIMER'S TREND

Mon 10 Mar 08	# . I .	11740.15 @ . - *	Tue 15 Jul 08	# . I .	11962.54 @ . - ~~~~~~*~
Tue 11 Mar 08	. & .	12156.81 . - *	Wed 16 Jul 08	. # I .	11239.28 @ . - *
Wed 12 Mar 08	#. I .	12360.58 @ . - *	Thu 17 Jul 08	. & .	11446.66 . - *
Thu 13 Mar 08	. # I .	12145.74 . - *	Fri 18 Jul 08	. # I .	11496.57 . - *
Fri 14 Mar 08	# . I .	11951.09 . - *	Mon 21 Jul 08	. # I .	11467.34 . - *
Mon 17 Mar 08	# . I .	11972.25 . - *	Tue 22 Jul 08	. I # .	11602.50 . - *
Tue 18 Mar 08	. I # .	12392.66 . - *	Wed 23 Jul 08	. # .	11632.38 . - *
Wed 19 Mar 08	# . I .	12099.66 . - *	Thu 24 Jul 08	# . I .	11349.28 . - *
Thu 20 Mar 08	. # I .	12361.32 . - *	Fri 25 Jul 08	. # I .	11370.69 . - *
Mon 24 Mar 08	. I # .	12548.64 . - ~~~~~~*	Mon 28 Jul 08	# . I .	11131.08 . - *
Tue 25 Mar 08	. # .	12532.60 . - *	Tue 29 Jul 08	. & .	11397.56 . - *
Wed 26 Mar 08	. # .	12422.86 . - *	Wed 30 Jul 08	. # .	11583.69 . - *
Thu 27 Mar 08	# . I .	12302.46 . - *	Thu 31 Jul 08	# . I .	11378.02 . - *
Fri 28 Mar 08	# . I .	12216.40 . - *	Fri 1 Aug 08	# . I .	11326.32 . - *
Mon 31 Mar 08	. # I .	12262.89 . - *	Mon 4 Aug 08	# . I .	11284.15 . - *
Tue 1 Apr 08	. # .	12654.36 . - *	Tue 5 Aug 08	. # .	11615.77 . - *
Wed 2 Apr 08	. # .	12605.83 . - *	Wed 6 Aug 08	. # .	11656.07 . - *
Thu 3 Apr 08	. # .	12626.03 . - *	Thu 7 Aug 08	# . I .	11431.43 . - *
Fri 4 Apr 08	. # .	12609.42 . - *	Fri 8 Aug 08	. # .	11734.32 . - *
Mon 7 Apr 08	. # .	12612.43 . - *	Mon 11 Aug 08	. # .	11782.35 . - *
Tue 8 Apr 08	. # .	12576.44 . - *	Tue 12 Aug 08	# . .	11642.47 . - *
Wed 9 Apr 08	. # .	12527.26 . - *	Wed 13 Aug 08	# . I .	11532.96 . - *
Thu 10 Apr 08	. # .	12581.98 . - *	Thu 14 Aug 08	. # .	11615.93 . - *
Fri 11 Apr 08	. # .	12325.42 . - *	Fri 15 Aug 08	. # .	11659.90 . - *
Mon 14 Apr 08	# . .	12302.06 . - *	Mon 18 Aug 08	# . I .	11479.39 . - *
Tue 15 Apr 08	. # .	12362.47 . - *	Tue 19 Aug 08	# . I .	11348.55 . - *
Wed 16 Apr 08	. # .	12619.27 . - *	Wed 20 Aug 08	# . I .	11417.43 . - *
Thu 17 Apr 08	. # .	12620.49 . - *	Thu 21 Aug 08	. # . I .	11430.21 . - *
Fri 18 Apr 08	. # .	12849.36 . - *	Fri 22 Aug 08	. & .	11628.06 . - *
Mon 21 Apr 08	. # .	12825.02 . - *	Mon 25 Aug 08	# . I .	11386.25 . - *
Tue 22 Apr 08	. # .	12720.23 . - *	Tue 26 Aug 08	# . I .	11412.87 . - *
Wed 23 Apr 08	. # .	12673.22 . - *	Wed 27 Aug 08	. # .	11502.51 . - *
Thu 24 Apr 08	. # .	12848.95 . - *	Thu 28 Aug 08	. # .	11715.18 . - *
Fri 25 Apr 08	. # .	12891.86 . - *	Fri 29 Aug 08	# . .	11543.55 . - *
Mon 28 Apr 08	. # .	12871.75 . - *	Tue 2 Sep 08	. # .	11516.92 . - *
Tue 29 Apr 08	. # .	12831.94 . - *	Wed 3 Sep 08	# . .	11532.88 . - *
Wed 30 Apr 08	. # .	12820.13 . - *	Thu 4 Sep 08	# . I .	11188.23 . - *
Thu 1 May 08	. # .	13010.00 . - *	Fri 5 Sep 08	# . I .	11220.96 . - *
Fri 2 May 08	. # .	13058.20 . - *	Mon 8 Sep 08	. # .	11510.74 . - *
Mon 5 May 08	. # .	12969.54 . - *	Tue 9 Sep 08	# . I .	11230.73 . - *
Tue 6 May 08	. # .	13020.83 . - *	Wed 10 Sep 08	# . I .	11268.92 . - *
Wed 7 May 08	. # .	12814.35 . - *	Thu 11 Sep 08	# . I .	11433.71 . - *
Thu 8 May 08	. # .	12866.78 . - *	Fri 12 Sep 08	# . I .	11421.99 . - *
Fri 9 May 08	. # .	12745.88 . - *	Mon 15 Sep 08	# . I .	10917.51 @ . - *
Mon 12 May 08	. # .	12876.31 . - *	Tue 16 Sep 08	# . I .	11059.02 . - *
Tue 13 May 08	. # .	12832.18 . - *	Wed 17 Sep 08	# . I .	10609.66 @ . - ~~~~~~*
Wed 14 May 08	. # .	12898.38 . - *	Thu 18 Sep 08	. # I .	11019.69 . - *
Thu 15 May 08	. # .	12992.66 . - *	Fri 19 Sep 08	. # . I .	11388.44 . - ~~~~~~*
Fri 16 May 08	. # .	12986.80 . - *	Mon 22 Sep 08	# . I .	11015.69 . - *
Mon 19 May 08	. # .	13028.16 . - *	Tue 23 Sep 08	# . I .	10854.17 . - ~~~~~~*
Tue 20 May 08	. # .	12828.68 . - *	Wed 24 Sep 08	# . I .	10825.17 . - *
Wed 21 May 08	. # .	12601.19 . - ~~~~~~*	Thu 25 Sep 08	. # I .	11022.06 . - *
Thu 22 May 08	. # .	12625.62 . - *	Fri 26 Sep 08	# . I .	11143.13 @ . - *
Fri 23 May 08	# . I .	12479.63 . - *	Mon 29 Sep 08	# . I .	10365.45 @ . - ~~~~~~*
Tue 27 May 08	. # .	12548.35 . - *	Tue 30 Sep 08	. & .	10850.66 . - *
Wed 28 May 08	. # .	12594.03 . - *	Wed 1 Oct 08	# . I .	10831.07 . - *
Thu 29 May 08	. # .	12646.22 . - *	Thu 2 Oct 08	. & .	10482.85 . - *
Fri 30 May 08	. # .	12638.32 . - *	Fri 3 Oct 08	# . I .	10325.38 . - *
Mon 2 Jun 08	# . .	12503.82 . - *	Mon 6 Oct 08	# . I .	9955.50 . - ~~~~~~*
Tue 3 Jun 08	. & .	12402.85 . - *	Tue 7 Oct 08	# . I .	9447.11 . - ~~~~~~*
Wed 4 Jun 08	. # I .	12390.48 . - *	Wed 8 Oct 08	# . I .	9258.10 @ . - *
Thu 5 Jun 08	. # .	12604.45 . - *	Thu 9 Oct 08	# . I .	8579.19 @ . - ~~~~~~*
Fri 6 Jun 08	# . I .	12209.81 . - ~~~~~~*	Fri 10 Oct 08	# . I .	8451.19 @ . - *
Mon 9 Jun 08	# . I .	12280.32 . - *	Mon 13 Oct 08	. & .	9387.61 @ . - ~~~~~~*
Tue 10 Jun 08	# . I .	12289.76 . - *	Tue 14 Oct 08	# . I .	9310.99 @ . - *
Wed 11 Jun 08	# . I .	12083.77 . - *	Wed 15 Oct 08	# . I .	8577.91 @ . - ~~~~~~*
Thu 12 Jun 08	# . I .	12141.58 . - *	Thu 16 Oct 08	. # I .	8979.26 . - *
Fri 13 Jun 08	. & .	12307.35 . - *	Fri 17 Oct 08	. # . I .	8852.22 . - *
Mon 16 Jun 08	. I # .	12269.08 . - *	Mon 20 Oct 08	. # I .	9265.43 . - ~~~~~~*
Tue 17 Jun 08	. # I .	12160.30 . - *	Tue 21 Oct 08	# . I .	9033.66 . - *
Wed 18 Jun 08	# . I .	12029.06 . - *	Wed 22 Oct 08	# . I .	8519.21 . - ~~~~~~*
Thu 19 Jun 08	. # I .	12063.09 . - *	Thu 23 Oct 08	. # . I .	8691.25 @ . - *
Fri 20 Jun 08	# . I .	11842.69 . - ~~~~~~*	Fri 24 Oct 08	# . I .	8378.96 @ . - *
Mon 23 Jun 08	# . I .	11842.36 . - *	Mon 27 Oct 08	# . I .	8175.77 @ . - ~~~~~~*
Tue 24 Jun 08	. # . I .	11807.43 . - *	Tue 28 Oct 08	. & .	9065.12 @ . - ~~~~~~*
Wed 25 Jun 08	. # I .	11811.83 . - *	Wed 29 Oct 08	. # . I .	8990.96 @ . - *
Thu 26 Jun 08	# . I .	11453.42 @ . - ~~~~~~*	Thu 30 Oct 08	. # I .	9180.69 . - *
Fri 27 Jun 08	# . I .	11346.51 . - *	Fri 31 Oct 08	. # I .	9325.01 . - *
Mon 30 Jun 08	# . I .	11350.01 . - *	Mon 3 Nov 08	# . .	9319.18 . - *
Tue 1 Jul 08	. # . I .	11382.26 . - *	Tue 4 Nov 08	. # .	9625.28 . - ~~~~~~*
Wed 2 Jul 08	# . I .	11215.51 @ . - *	Wed 5 Nov 08	# . I .	9139.27 . - ~~~~~~*
Thu 3 Jul 08	# . I .	11288.54 @ . - *	Thu 6 Nov 08	# . I .	8695.79 . - ~~~~~~*
Mon 7 Jul 08	# . I .	11231.96 @ . - *	Fri 7 Nov 08	. # I .	8943.81 . - *
Tue 8 Jul 08	. # . I .	11384.21 @ . - *	Mon 10 Nov 08	# . I .	8870.54 . - *
Wed 9 Jul 08	# . I .	11147.44 @ . - *	Tue 11 Nov 08	# . I .	8693.96 @ . - *
Thu 10 Jul 08	# . I .	11229.02 @ . - *	Wed 12 Nov 08	# . I .	8282.66 @ . - ~~~~~~*
Fri 11 Jul 08	# . I .	11100.54 @ . - ~~~~~~*	Thu 13 Nov 08	. & .	8835.25 . - *
Mon 14 Jul 08	# . I .	11055.19 @ . - *	Fri 14 Nov 08	# . I .	8497.31 @ . - *

Comment on NASDAQ "Timer's Trend": We're on a SELL signal of September 4, 2008.

NASDAQ TIMER'S TREND

Mon 10 Mar 08	# . I .	2169.34 @ . - *	Tue 11 Mar 08	. # I .	2255.76 . - *
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Wed 12 Mar 08	# . I .	2243.87	@ . - *	Wed 16 Jul 08	. & .	2284.85	. - *
Thu 13 Mar 08	# . I .	2263.61	@ . - *	Thu 17 Jul 08	. I# .	2312.30	. - *
Fri 14 Mar 08	# . I .	2212.49	@ . - *	Fri 18 Jul 08	# . I .	2282.78	. - *
Mon 17 Mar 08	# . I .	2177.01	@ . - *	Mon 21 Jul 08	# I# .	2279.53	. - *
Tue 18 Mar 08	. . & .	2258.26	@ . - *	Tue 23 Jul 08	. I# .	2303.96	. - *
Wed 19 Mar 08	# . I .	2209.96	@ . - *	Wed 24 Jul 08	# . I# .	2325.88	. - *
Thu 20 Mar 08	# I# .	2258.11	@ . - *	Thu 25 Jul 08	# . I .	2280.11	. - *
Mon 24 Mar 08	# . I# .	2326.75	@ . - *	Fri 25 Jul 08	# . I# .	2310.53	. - *
Tue 25 Mar 08	# . I .	2341.05	@ . - *	Mon 28 Jul 08	# . I .	2264.22	. - *
Tue 26 Mar 08	# . I .	2324.36	@ . - *	Tue 29 Jul 08	# . I# .	2319.62	. - *
Thu 27 Mar 08	# . I .	2280.83	@ . - *	Wed 30 Jul 08	# . I .	2329.72	. - *
Fri 28 Mar 08	# . I .	2261.18	@ . - *	Thu 31 Jul 08	# . I .	2325.52	. - *
Mon 31 Mar 08	# . I .	2279.10	@ . - *	Fri 1 Aug 08	# . I .	2310.96	. - *
Tue 1 Apr 08	# . I# .	2362.75	@ . - *	Mon 4 Aug 08	# . I .	2285.56	. - *
Wed 2 Apr 08	# . I .	2361.40	@ . - *	Mon 5 Aug 08	# . I# .	2349.83	. - *
Thu 3 Apr 08	# . I .	2363.30	@ . - *	Wed 6 Aug 08	# . I# .	2378.37	. - *
Fri 4 Apr 08	# . I# .	2370.98	@ . - *	Thu 7 Aug 08	# . I# .	2355.73	. - *
Mon 7 Apr 08	# . I .	2279.10	@ . - *	Fri 8 Aug 08	# . I .	2414.10	. - *
Tue 8 Apr 08	# . I# .	2362.75	@ . - *	Mon 11 Aug 08	# . I# .	2439.95	. - *
Wed 9 Apr 08	# . I .	2361.40	@ . - *	Tue 12 Aug 08	# . I .	2430.61	. - *
Thu 10 Apr 08	# . I .	2363.30	@ . - *	Wed 13 Aug 08	# . I .	2428.62	. - *
Fri 11 Apr 08	# . I# .	2370.98	@ . - *	Thu 14 Aug 08	# . I# .	2452.67	. - *
Mon 14 Apr 08	# . I .	2275.82	@ . - *	Fri 15 Aug 08	# . I .	2452.62	. - *
Tue 15 Apr 08	# . I .	2286.04	@ . - *	Mon 18 Aug 08	# . I .	2416.98	. - *
Wed 16 Apr 08	# . I# .	2350.11	@ . - *	Mon 19 Aug 08	# . I .	2384.36	. - *
Thu 17 Apr 08	# . I .	2341.83	@ . - *	Wed 20 Aug 08	# . I .	2389.08	. - *
Fri 18 Apr 08	# . I# .	2402.97	@ . - *	Thu 21 Aug 08	# . I .	2380.38	. - *
Mon 21 Apr 08	# . I .	2408.04	@ . - *	Fri 22 Aug 08	# . I# .	2414.71	. - *
Tue 22 Apr 08	# . I .	2376.94	@ . - *	Mon 25 Aug 08	# . I .	2365.59	. - *
Wed 23 Apr 08	# . I .	2405.21	@ . - *	Tue 26 Aug 08	# . I .	2361.97	. - *
Thu 24 Apr 08	# . I .	2428.92	@ . - *	Wed 27 Aug 08	# . I# .	2382.46	. - *
Fri 25 Apr 08	# . I .	2422.93	@ . - *	Thu 28 Aug 08	# . I# .	2411.64	. - *
Mon 28 Apr 08	# . I .	2424.40	@ . - *	Fri 29 Aug 08	# . I .	2367.52	. - *
Tue 29 Apr 08	# . I .	2426.10	@ . - *	Tue 2 Sep 08	# . I .	2349.24	. - *
Tue 29 Apr 08	# . I .	2426.10	@ . - *	Wed 3 Sep 08	# . I .	2333.73	. - *
Wed 30 Apr 08	# . I .	2412.80	@ . - *	Thu 4 Sep 08	# . I .	2259.04	. - *
Thu 1 May 08	# . I# .	2480.71	@ . - *	Fri 5 Sep 08	# . I .	2255.88	. - *
Fri 2 May 08	# . I .	2476.90	@ . - *	Mon 8 Sep 08	# . I .	2269.76	. - *
Mon 5 May 08	# . I .	2464.12	@ . - *	Mon 9 Sep 08	# . I .	2209.81	. - *
Tue 6 May 08	# . I .	2483.31	@ . - *	Wed 10 Sep 08	# . I .	2228.72	. - *
Wed 7 May 08	# . I .	2438.49	@ . - *	Thu 11 Sep 08	# . I .	2258.22	. - *
Thu 8 May 08	# . I .	2451.24	@ . - *	Fri 12 Sep 08	# . I .	2261.27	. - *
Fri 9 May 08	# . I .	2445.52	@ . - *	Mon 15 Sep 08	# . I .	2179.21	@ . - *
Mon 12 May 08	# . I# .	2488.49	@ . - *	Tue 16 Sep 08	# . I .	2207.90	@ . - *
Tue 13 May 08	# . I# .	2495.12	@ . - *	Wed 17 Sep 08	# . I .	2098.85	@ . - *
Wed 14 May 08	# . I# .	2496.70	@ . - *	Thu 18 Sep 08	# . I .	2199.10	@ . - *
Thu 15 May 08	# . I# .	2533.73	@ . - *	Fri 19 Sep 08	# . I# .	2273.90	@ . - *
Fri 16 May 08	# . I .	2528.85	@ . - *	Mon 22 Sep 08	# . I .	2178.98	@ . - *
Mon 19 May 08	# . I .	2516.09	@ . - *	Mon 23 Sep 08	# . I .	2153.33	@ . - *
Tue 20 May 08	# . I .	2492.26	@ . - *	Wed 24 Sep 08	# . I .	2155.68	@ . - *
Wed 21 May 08	# . I .	2448.27	@ . - *	Thu 25 Sep 08	# . I .	2186.57	@ . - *
Thu 22 May 08	# . I .	2464.58	@ . - *	Fri 26 Sep 08	# . I .	2183.34	@ . - *
Fri 23 May 08	# . I .	2444.67	@ . - *	Mon 29 Sep 08	# . I .	1983.73	@ . - *
Tue 27 May 08	# . I# .	2481.24	@ . - *	Tue 30 Sep 08	# . I .	2091.88	@ . - *
Wed 28 May 08	# I# .	2486.70	@ . - *	Wed 1 Oct 08	# . I .	2068.40	@ . - *
Thu 29 May 08	# . I# .	2508.32	@ . - *	Thu 2 Oct 08	# . I .	1976.72	@ . - *
Fri 30 May 08	# . I# .	2522.66	@ . - *	Fri 3 Oct 08	# . I .	1947.39	@ . - *
Mon 2 Jun 08	# . I .	2491.53	@ . - *	Mon 6 Oct 08	# . I .	1862.96	@ . - *
Tue 3 Jun 08	# . I .	2480.48	@ . - *	Tue 7 Oct 08	# . I .	1754.88	@ . - *
Wed 4 Jun 08	# . I# .	2503.14	@ . - *	Wed 8 Oct 08	# . I .	1740.33	@ . - *
Thu 5 Jun 08	# . I# .	2549.94	@ . - *	Wed 9 Oct 08	# . I .	1645.12	@ . - *
Fri 6 Jun 08	# . I .	2474.56	@ . - *	Fri 10 Oct 08	# . I .	1649.51	@ . - *
Mon 9 Jun 08	# . I .	2459.46	@ . - *	Mon 13 Oct 08	# . I .	1844.25	@ . - *
Tue 10 Jun 08	# . I .	2448.94	@ . - *	Tue 14 Oct 08	# . I .	1779.01	@ . - *
Wed 11 Jun 08	# . I .	2394.01	@ . - *	Wed 15 Oct 08	# . I .	1628.33	@ . - *
Thu 12 Jun 08	# . I .	2404.35	@ . - *	Thu 16 Oct 08	# . I# .	1717.71	@ . - *
Fri 13 Jun 08	# . I .	2454.50	@ . - *	Fri 17 Oct 08	# . I .	1711.29	@ . - *
Mon 16 Jun 08	# . I# .	2474.78	@ . - *	Mon 20 Oct 08	# . I# .	1770.03	@ . - *
Tue 17 Jun 08	# . I .	2457.73	@ . - *	Mon 21 Oct 08	# . I .	1696.68	@ . - *
Wed 18 Jun 08	# . I .	2429.71	@ . - *	Wed 22 Oct 08	# . I .	1615.75	@ . - *
Thu 19 Jun 08	# . I# .	2462.06	@ . - *	Thu 23 Oct 08	# . I .	1603.91	@ . - *
Fri 20 Jun 08	# . I .	2406.09	@ . - *	Fri 24 Oct 08	# . I .	1552.03	@ . - *
Mon 23 Jun 08	# . I .	2385.74	@ . - *	Mon 27 Oct 08	# . I .	1595.90	@ . - *
Tue 24 Jun 08	# . I .	2368.28	@ . - *	Tue 28 Oct 08	# . I# .	1649.47	@ . - *
Wed 25 Jun 08	# I# .	2401.26	@ . - *	Wed 29 Oct 08	# . I .	1657.21	@ . - *
Thu 26 Jun 08	# . I .	2321.37	@ . - *	Thu 30 Oct 08	# . I .	1698.59	@ . - *
Fri 27 Jun 08	# . I .	2315.63	@ . - *	Fri 31 Oct 08	# . I .	1720.92	@ . - *
Mon 30 Jun 08	# . I .	2392.98	@ . - *	Mon 3 Nov 08	# . I .	1726.33	@ . - *
Tue 1 Jul 08	# . I .	2304.97	@ . - *	Tue 4 Nov 08	# . I .	1780.12	@ . - *
Wed 2 Jul 08	# . I .	2251.46	@ . - *	Wed 5 Nov 08	# . I .	1681.64	@ . - *
Thu 3 Jul 08	# . I .	2251.46	@ . - *	Thu 6 Nov 08	# . I .	1608.70	@ . - *
Mon 7 Jul 08	# . I .	2243.32	@ . - *	Fri 7 Nov 08	# . I .	1647.40	@ . - *
Tue 8 Jul 08	# . I .	2294.44	@ . - *	Mon 10 Nov 08	# . I .	1616.74	@ . - *
Wed 9 Jul 08	# . I .	2234.89	@ . - *	Tue 11 Nov 08	# . I .	1580.90	@ . - *
Thu 10 Jul 08	# . I .	2257.85	@ . - *	Wed 12 Nov 08	# . I .	1499.21	@ . - *
Fri 11 Jul 08	# . I .	2239.08	@ . - *	Thu 13 Nov 08	# . I .	1596.70	@ . - *
Mon 14 Jul 08	# . I .	2212.87	@ . - *	Fri 14 Nov 08	# . I .	1516.85	@ . - *
Tue 15 Jul 08	# . I .	2215.71	@ . - *				

"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 - should appear in December 2008. With the added work of getting a second house up and running, I may not be able to get out 11 issues this year (July to June); but I will do my best.