

Home

Strategic Investing

Upcoming Events

Talks and Workshops

Subscribers Only

Login



STRATEGIC INVESTING

A Service of Adrich Corporation

Strategic Investing focuses on stocks with increasing revenues and profits.
KISS + SF!

- Daily Market Musings • Archive
- Daily Stock Watch List • SWL
- Archive I
- Weekly ETF List • ETF Archive
- Technical Notes
 - Repurchase Rules and the Stock Watch List
 - Stock Selection in Down Markets
 - Selling Rules
 - Dow Jones Earnings day
 - Homebuilders
 - Shorting Strategies
 - Foreign Bank Accounts
 - Portfolio Review
 - CRB Changes
- Economic Indicators
- Accumulation/Distribution Data
- Portfolios
 - Aggressive
 - Conservative
 - Core
 - ETF
 - Precious Metals
- Renew Subscription

>> Your subscription will expire in 1022 days on January 31, 2011 <<

Market Musings

4/11/2008 After the Close



At least, it was not a distribution day!

Markets Diary				5:45 p.m. EDT 04/11/08		
Issues	NYSE	Nasdaq	Amex			
Advancing	674	612	404			
Declining	2,481	2,291	792			
Unchanged	77	142	97			
Total	3,232	3,045	1,293			
Issues at						
New 52 Week High	24	9	6			
New 52 Week Low	50	106	27			
Share Volume						
Total	1,261,211,175	1,873,907,978	25,943,465			
Advancing	121,652,500	252,104,479	8,765,700			
Declining	1,125,858,475	1,610,836,325	16,301,265			
Unchanged	13,700,200	10,967,174	876,500			

When GE missed its target EPS today, the market gapped down and continued to move lower throughout the day. GE's first quarter earnings from continuing operations slipped 8% to \$0.44 per share, which fell short of the \$0.51 consensus estimate. Its revenue missed expectations by \$1.5 billion. The company cited weakness in its financial services business as the main factor behind its earnings miss. GE's shares fell 12.8% today, its largest one day loss since Black Monday in 1987.



Declining issues, declining volume and new 52 week lows all predominated today. Might one assume that GE's earnings brought into focus the deterioration of the economy to main-stream investors?

The real surprise in today's trading was despite the lop-sided dominance of the sell side, overall volume failed to exceed yesterday's.

The economic is falling despite the FED's actions. In the past seven months, the FED has reduced the funds rate 300 basis points and the discount rate 375. To provide liquidity to the market rather than letting the market react, the FED now accepts asset-backed commercial paper and mortgage-back securities as collateral at the discount window. The Treasury Auction Facility (TAF) and the Treasury Secured Lending Facility (TSLF) along with the Primary Dealer Credit Facility (PDCF) has been instituted by the FED as a way to take the toxic waste off banks and other financial institutions and exchange them for U.S. Treasury paper. Of course, you are not supposed to ask if the toxic paper will be redeemed.

OFHEO, the Fannie and Freddie overseer, has also lowered the capital requirements for this two poorly-run and money-losing mortgage credit market organizations. With the latest move, both Fannie and Freddie have capital leverage ratios far higher than Bear Stearns. Oh, well, the U.S. taxpayer will eventually have to pick up the tab.

Bear, Stearns was brought under the JP Morgan, Chase umbrella since if it had gone down, it would have required JP Morgan to start unwinding its credit swaps derivative portfolio and then ... you got it, JPM with its \$74 trillion of derivatives would have become a casualty.

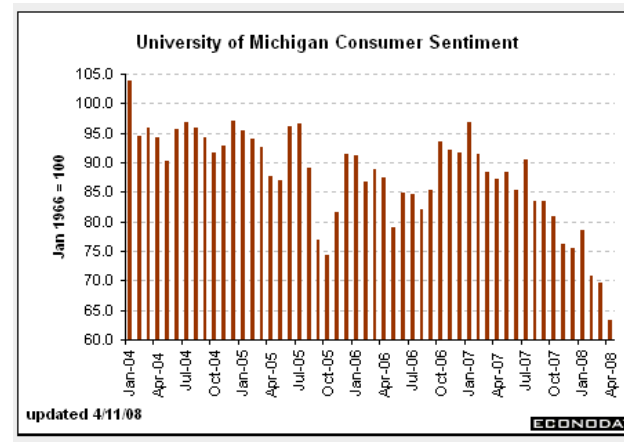
Which reminds me of an old joke ...

A prisoner was sentenced to death and appealed for mercy to the king. After the king rejected his appeal, he said in a loud voice heard throughout the room that he could make the king's favorite horse talk. Now the king was intrigued with the idea that his favorite horse might talk. Hence, he granted the prisoner six months before the sentence would be carried out and if the horse did talk, the sentence would be commuted.

Upon arrival in the dungeon, the prisoner was asked why he thought he could make the king's favorite horse talk as he had never even been on a horse in his life. The answer was simple said the prisoner. First, I have lived another day ... it is possible that the horse might learn to talk in six months. Second, it is possible that I might die of natural causes during the next six months and that is preferable to hanging. Third, it is also possible that the king might die.

Perhaps, that is the strategy which Helicopter Ben is using ... anything is better than being labeled as the FED chairman responsible for a financial depression.

The University of Michigan consumer confidence survey fell well short of the previous reading at 63.2 and far below the consensus estimate of 69. The reading is a 26 year low. Apparently, the consumer is becoming worried.



Import prices jumped 2.8% in the month of March 2008 raising the spectre of inflation and putting the FED's desire to further decrease interest rates under severe pressure. The import price index surged 2.8 percent in March pushing the year-on-year rate to 14.8 percent and its worst level in more than 25 years of data. The pressure is deep and widespread with non-petroleum import prices up a record 1.1 percent.

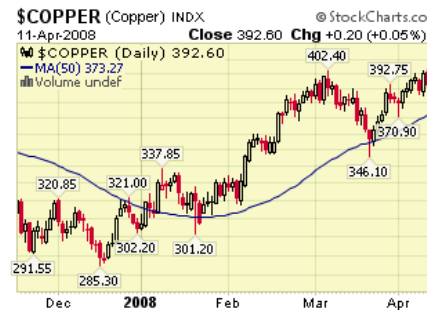
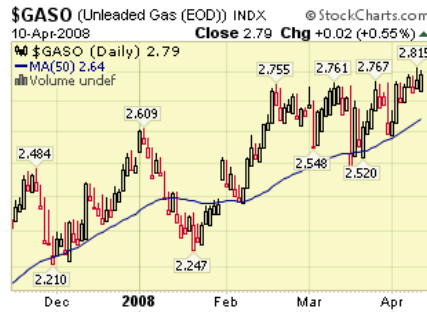
The quest for yield in Japan has finally begun to claim casualties among the banks and financial organizations in that country. The first to acknowledge losses on securitization products was Mizuho which wrote down \$5.5 billion on mortgage securities, the most reported so far by any Asian company. However, we still have a sizeable portion of the \$1.2 trillion of mortgage securities unaccounted for by holders so the losses will probably continue. Perhaps, the \$945 billion in losses the IMF sees could be still out there.

When was the last time a municipal bankruptcy occurred? Well, get ready for some more as sales tax revenues dry up and personal property taxes decline as the economy slows to a crawl. Birmingham, Alabama may be the next to declare bankruptcy. One of the major problems facing municipalities is the unseen cost of pensions, health care, and

a rising tidal wave of costs to rebuild the cities infrastructure like water and sewer lines along with roads and bridges.

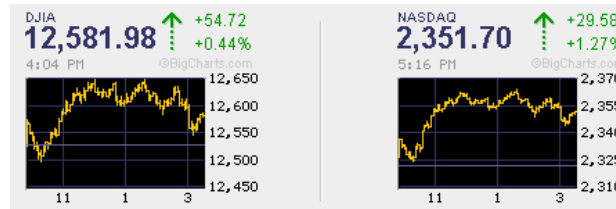
Somehow I don't have much sympathy for the Chinese who are facing increased inflation. By keeping their currency well below market values, China's foreign-exchange reserves grew to \$1.68 trillion as of March 31st. This is a 40% increase from March 2007.

Unleaded gasoline made a new record high today at 2.815. West Texas crude was down slight to close at 109.60/barrel. Copper traded in a narrow range and closed at 392.60/lb. Gold reacted to pressure and closed at 925.68/oz. today.



We made no changes in the portfolios today.

4/10/2008 After the Close



Moving higher on increased volume!

Markets Diary			
	NYSE	Nasdaq	Amex
Advancing	1,939	1,729	657
Declining	1,149	1,160	531
Unchanged	107	156	99
Total	3,195	3,045	1,287
Issues at			
New 52 Week High	44	19	22
New 52 Week Low	49	121	35
Share Volume			
Total	1,284,513,430	2,213,562,903	32,989,262
Advancing	775,458,840	1,648,492,238	15,596,437
Declining	492,013,090	516,580,453	15,727,800
Unchanged	17,041,500	48,490,212	1,665,025

U.S. stock indices on Thursday went up after two days of losses. The Wall Street crowd said that the cause was the higher forecast from discount retailer Wal-Mart Stores Inc. and a broker upgrade for Intel Corp. helping overshadow March's disappointing retail sales.

Guess they failed to read Wal-Mart's forecast which stated that the sales were up because customers were buying lower-cost food and cheap electronics. The consumer which is 70% of the economy is abandoning the middle-level retailers in droves.

I wonder how many Wall Street guru's and cheerleaders have gotten out of NYC and the news studios to do a bit of shopping out in the hinterlands ... say New Jersey or Connecticut. When I was in the NY metro area, I was very surprised at the few customers shopping in Bergen County and Short Hills.

Despite the market indices being higher, the number of new 52 week lows have again taken the lead over their counterparts as earnings seasons starts. Advancing issues and volume were on top today.

Now you should be reassured that the economy and the markets are in wise and competent hands. In testimony today, Helicopter Ben reported:

"There is nothing fundamentally broken on Wall Street that a little regulation and incentives for participants to be slightly more honest couldn't fix"

Does anyone actually believe that those responsible for failing to prevent the problem can come up with the solution?

Since last August, the losses are headed towards the trillions, the Bush Administration and the FED have poured billions into the financial markets seeking to restore credit flows. However, the problem is not more liquidity and increased money supply which reduces the value of the dollar and increases inflation expectation. The real problem facing the financial markets is a lack of credibility. Wall Street has simply caused a lack of confidence in his products and it will probably be a generation until it returns.

The interlocking directorships and shareholdings between the investment banks, the money center banks, the rating agencies and the mono-line insurers has become a real problem. No one is willing to make the hard decisions because it could cause the house of cards to collapse. Of course, the FED is only gaining a little time and who knows what event will precipitate another crisis.

Bernanke's total inability to understand the problems facing the economy can be summed up in his following statement:

"although there are similarities between the current credit crunch and the 1930s, the U.S. "will not experience" anything like the Depression, which lasted for 12 years."

Of course, we all hope that does not happen .. but to think it might not happen shows his lack of perception. Just another of his insights like last June when Helicopter Ben assured us that the sub-prime mess was "contained."

The Bank of England reduced its key interest rate by 25 basis points to 5.0% which is still 2.75% higher than the FED. The European Central Bank left its rate at 4.0% as the ECB president Trichet remains unwaveringly committed to fighting inflation.

The trade deficit of the U.S. ballooned to \$62.3 billion from a revised \$59.0 billion deficit in January. The increase in the deficit can not be blamed on oil imports as they shrank to \$32.5 from \$35.3 billion in January. When you don't produce much of what the world wants, a falling dollar does not help exports.

The big surprise was the new jobless claims dropping to 357,000 from 407,000 the previous week. Based upon reports that I have heard this week, the number of layoffs are increasing. Perhaps, those who got pink slips last week or so have not found their way to the unemployment office.

The disruption of airline traffic by a FAA that is suddenly looking at every rule and regulation to "protect the public" after the record fine slapped on Southwest Airlines is causing havoc for travelers. Moreover, lost revenue to the airlines and disgust by the traveling public is likely to increase the number of airlines going bankrupt in the near future. I guess four airlines closing their doors last week was not enough for the government functionaries. AMR figures that the grounding of the MD-80 fleet would cost it "tens of millions" of dollars.

The airline index (\$XAL) shows almost a 50% drop in value since October 2008 as seen below.



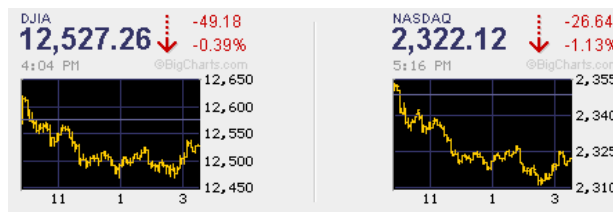
West Texas crude oil moved to a record high today. The yield on the 10 year Treasury closed up at 3.53%. The 10 year TIPS auction saw moderate demand today although only \$6 billion was offered. Individuals took about 30% of the offering at a 1.25% yield.



In the **Aggressive portfolio**, we shorted AMR this morning. We also bought BUCY, MERS, RIMM, and ISRG in that portfolios. We also closed our long position in MER and went short MER today.

In the **Conservative portfolio**, we purchased RRC. In the **Precious Metals portfolio**, we purchased CCJ and GSS. There were no other changes in the portfolios.

4/9/2008 After the Close



The market went down on slightly higher volume.

Markets Diary			
	5:19 p.m. EDT 04/09/08		
Issues	NYSE	Nasdaq	Amex
Advancing	896	734	486
Declining	2,224	2,120	689
Unchanged	80	160	103
Total	3,200	3,014	1,278
Issues at			
New 52 Week High	48	21	17
New 52 Week Low	32	84	26
Share Volume			
Total	1,215,412,987	1,929,733,974	31,743,859
Advancing	257,743,900	494,213,532	13,564,820
Declining	948,965,187	1,419,751,888	17,117,239
Unchanged	8,703,900	15,768,554	1,061,800

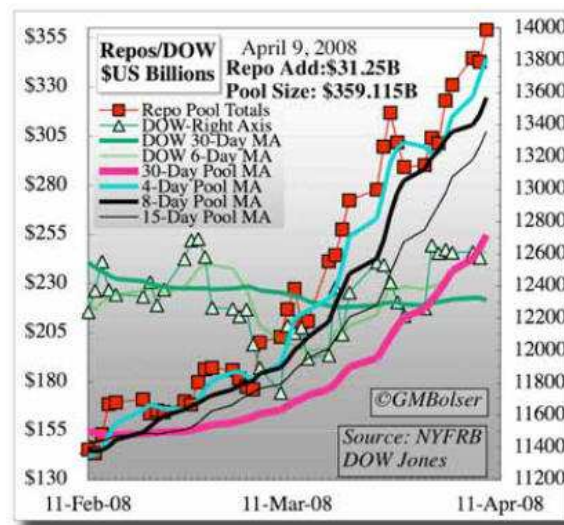
However, down volume and declining issues were dominant in today's trading. Upon arriving home after lunch today, we found that some of the long positions in the Aggressive portfolio were crossing Action Points so we decided to sell those that were in negative territory and go short the same positions.

Both Lehman and Goldman, Sachs indicated that their "mark-to-make-believe" or Tier 3 assets totaled \$42.5 and \$82.3 billion, respectively. Guess we will see more write-offs in coming days. Citibank took a major write-off on some toxic waste sold to a group of private equity firms. Must get that toxic stuff off the balance sheet or we will have to write-it down. The NY Times says Citi is selling the debt for mid-80 cents on the dollar. However, you have to wonder why the private equity guys will borrow money to take the portfolio risk. Sounds dumb and risky to me.

The slowdown of the economy is becoming clearer even to those in ivory towers. U.S. wholesale inventories jumped 1.1 percent February, which was more than twice what analysts had expected, while sales fell 0.8 percent in the biggest drop in a year, according to a Commerce Department report released Wednesday.

With about half of its assets traded for toxic waste, the FED is now trying to get permission to borrow from itself. One of the options under consideration involves having the Treasury borrow more than it needs to fund the government and leave the proceeds on deposit at the Fed, which would issue debt under its own name rather than the Treasury's. Another option involves asking Congress for immediate authority for the Fed to pay interest in commercial-bank reserves instead of waiting until a previously enacted law permits it to do so in 2011. Both options are intended to help expand the Fed's balance sheet without causing federal funds rate to drop.

The repo pool made another all-time record high today as the FED added \$31.25 billion to bring the pool to \$359.12 billion.



The Fed added \$84.75B into the system on Tuesday with \$34.75 billion in 28-day repos and \$50B via TAF (\$310B total). Watch out for inflation to soar in the coming weeks and months.

The ECB provided \$15B in a dollar liquidity operation with the Fed. Why all the juice?

The current FED governors should be made to write 1,000 times the following quotes from Paul Volcker, the former FED governor:

The credit crisis is the "mother of all crises" and the modern financial system has "failed the test of the marketplace."

"The Federal Reserve has judged it necessary to take actions that extend to the very edge of its lawful and implied powers, transcending in the process, certain long embedded Central Banking principles and practices...What appears to be in substance a direct transfer of mortgage and mortgage-backed securities of questionable pedigree from an investment bank to the Federal Reserve seems to test the time-honored central bank mantra in time of crisis: lend freely at high rates against good collateral; test it to the point of no return."

When asked about the possibility of a dollar crisis, Mr. Volcker retorted, "Dollar crisis...you don't have to predict it, you're in it...Let me remind you that the Dollar after all is a fiat currency backed only by the word and policies of our government, policies exemplified by an independent Central Bank committed to maintaining price stability."

"The transient causes of extreme leveraging have been exposed by force of circumstance."

"The nation's spending and consumption are being brought into line with our capacity to produce."

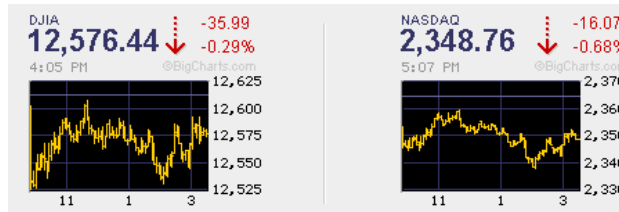
Now that is telling it like it is!

West Texas crude oil was slightly higher although oil made went over \$112 today. Copper continued to drift lower closing at 387.50. The U.S. dollar index was lower closing at 71.88. The yield on the 10 year Treasury note continues drift lower closing at 3.46%.



In addition to the changes discussed above in the Aggressive portfolio, we bought CLR in the Conservative portfolio. There were no other changes in the portfolios.

4/8/2008 After the Close



Little movement, small volume ... what is going on with the market?

Markets Diary			
	NYSE	Nasdaq	Amex
Issues			
Advancing	1,325	1,233	474
Declining	1,816	1,661	729
Unchanged	109	167	95
Total	3,250	3,061	1,298
Issues at			
New 52 Week High	37	14	8
New 52 Week Low	19	53	20
Share Volume			
Total	1,195,713,086	1,638,124,080	23,164,804
Advancing	455,812,570	531,864,016	9,138,630
Declining	729,577,206	1,064,113,102	12,643,874
Unchanged	10,323,310	42,146,962	1,382,300

Perhaps, it is because the bulls and bears are exhausted and with earnings season upon us, everyone is afraid to take a position. Volume today continued to move lower even as declining volume picked up. Since last Tuesday's gap up and strong move, the trend in the market indices has been either sideways or down. That is not a good sign.

Despite Helicopter Ben's assertion last June that the sub-prime mess would be easily contained, we got more bad

news. The International Monetary Fund said total losses due to the financial market turmoil may grow to \$945 billion. This is a substantial increase from the current write-down total of \$232 billion, according to Bloomberg.com. When you either don't know the extent of the problem, or you are lying about it, should be grounds for dismissal for all the FED governors as well as the Treasury Secretary. As Jim Rogers states ... these gentlemen are incompetent.

The repo pool stayed near the all-time record high yesterday with a \$14.75 billion infusion bringing the total to the 2nd highest level in history. Despite the high repo levels, the markets are unable to move higher.

In the latest FOMC minutes, the assertion that an economic contraction was "likely" is prima facie evidence that they are out of touch with the real world. As I have said many times ... **"decisions made using bad data often leads to bad decisions."**

That is totally different than making **"decisions under uncertainty."** In the later case, the data is based upon the best available data and not data which is totally at odds with the real world.

Initial earning reports suggest that corporate profits are in for a bit of difficulty. As a result, the DJIA index is now showing a 53.61 price/earnings ratio. That should imply a correction of some magnitude is just ahead. The following chart from the Wall Street Journal highlights the P/E ratios for several indices.

P/Es & Yields on Major Indexes					
DOW INDEXES					
Tuesday, April 08, 2008					
	P/E RATIO			DIV YIELD	
	4/8/2008†	Year ago†	Estimate*	4/8/2008†	Year ago†
Dow Industrial	53.61	16.99	13.63	2.48	2.22
Dow Transportation	21.56	15.53	17.60	1.22	1.01
Dow Utility	15.28	19.80	15.33	3.11	2.86
† Trailing 12 months					
* Forward 12 months					
Sources: Birinyi Associates; WSJ Market Data Group					
OTHER INDEXES (UPDATED WEEKLY)					
Tuesday, April 08, 2008					
	P/E RATIO			DIV YIELD	
	4/8/2008†	Year ago†	Estimate	4/8/2008†	Year ago†
Nasdaq Composite	28.58	24.98	21.16	0.51	0.49
Russell 2000	53.50	40.20	20.63	1.72	1.22
S&P 500	20.79	17.30	14.44	2.18	1.83
† Trailing 12 months					
P/E data on as-reported basis from Birinyi Associates					
Sources: Birinyi Associates; WSJ Market Data Group					

Courtesy of the Wall Street Journal website.

The news in housing suggests that a bottom is not in sight. The National Association of Realtors said pending U.S. home sales fell in February to the lowest reading since the index began in 2001. The trade group's seasonally adjusted index of pending sales for existing homes fell to 84.6 from January's upwardly revised reading of 86.2. A year earlier, the index stood at 107.6 which is a 27% drop.

In the DFW metroplex, existing home sales were down 30% in March. The national numbers should be very interesting since Dallas has not seen the explosion of prices that engulfed many other areas.

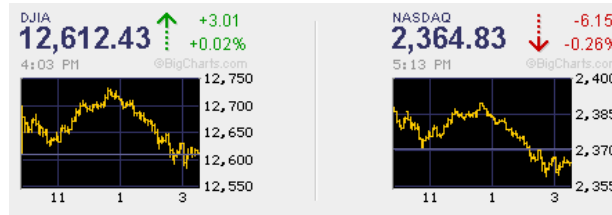
The consumer which supplies 70% of domestic GDP is getting seriously concerned about their future prospects. Investor's Business Daily and TechnoMetrica Market Intelligence said their IBD/TIPP economic optimism index fell to 39.2 in April, the worst result in the index's history, from March's 42.5, well below the 50 level that separates pessimism from optimism. The index was started in February 2001.

When consumers really stop spending and if you have visited a number of stores in recent weeks you already know that they are nearly empty, the economic recession can no longer be ignored. The measly \$168 billion in consumer spending authorize by Congress in this election year will do little to restore the most important component of consumers ... confidence in the economy.

The latest weekly retail sales show hardly any change and are negative on a price-adjusted basis.

We made no changes in the portfolios today.

4/7/2008 After the Close



Today was a market that failed to keep its opening gains on weak volume!

Markets Diary			
	NYSE	Nasdaq	Amex
Advancing	1,747	1,413	718
Declining	1,398	1,493	540
Unchanged	79	135	97
Total	3,224	3,041	1,355

Issues at			
New 52 Week High	78	36	23
New 52 Week Low	9	45	36

Share Volume			
Total	1,273,694,478	1,778,499,696	32,236,466
Advancing	791,578,598	684,885,997	18,350,966
Declining	471,231,950	1,036,682,901	11,674,000
Unchanged	10,883,930	56,930,798	2,211,500

The opening was helped by Washington Mutual making noises about diluting its shareholder interests by selling another \$5 billion in stock to keep its capital ratios from dropping towards bankruptcy. And when will the other shoe fall?

A deal involving Novartis paying \$39 billion for a 77% interest in Nestle's Alcon unit also helped wet buyers appetites. Of course, one has to wonder how much profit those contact lens' will generate when the patents run out.

Still the market ended mixed and hardly changed from Friday. The action at the end of the day suggested that the PPT was back trying to stop the fall. Today's repo add of \$31.5 billion brought the repo pool to its highest level in history at \$344.6 billion. Today's \$31.5 billion addition is greater than the total size of the pool in early 2003 ... and still the market failed to move higher.

The equity markets today are definitely managed by the FED and the repo pool is one of the methods used to push money into the arena. Here is Marc Faber's call:

"For now, I cannot make any reliable predictions about any market moves because of the ongoing price support measures (read market manipulations), which have clearly been implemented by the Fed and the US Treasury." ... Marc Faber, April 1, 2008

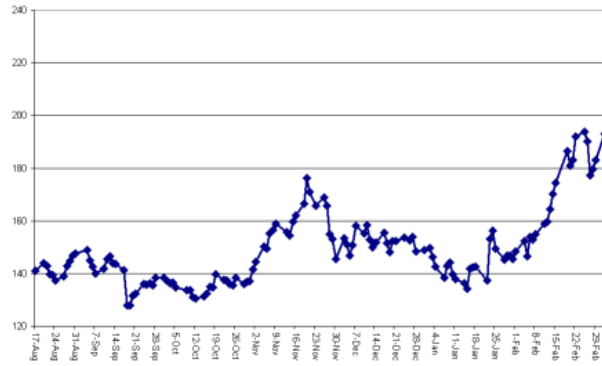
Surprisingly, there was little heard today about the Fitch downgrade of MBIA from AAA to AA. MBIA raised \$2.6 billion in capital through a bond offering and the sale of a stake to Warburg Pincus LLC, eliminated its dividend and stopped guaranteeing asset-backed securities for six months. Of course, the loss of the AAA rating by the insurer will mean that billions of insured muni's will have to be removed from insured muni funds, trusts, pension funds, etc.

A couple of months ago the consensus economists were telling us that the risk of inflation was nil. Now, we are seeing a changing of their tune to the line ... maybe, we will have one ... but it will be short and quickly over. Of course, most of those Ivy tower academicians never travel much or they would know differently.

Credit spreads are near historic levels, the money supply is exploding, the U.S. federal debt has increased almost \$500 billion in the last six months and LIBOR made new highs last week. Leading indicators are weak, employment is falling as are wages, 30 million citizens are on food-stamps, durable goods orders are falling, the housing crisis continues and despite all the cash infusions from the FED, the economy is still going down.

The following chart from PrudentBear.com shows the yield spread between Fannie Mae MBS and the 10 year Treasury note. Could this be the next credit crisis ... after all, they just increased the size of loans that they could make!

Yield Spread: Fannie Mae MBS vs. 10-Year Treasury



Courtesy of Prudent Bear.com

The first quarter earnings report from Alcoa was issued after the close and it was not good. Aluminum producer Alcoa Inc said on Monday that first-quarter profit was cut in half from a year ago because of higher energy and raw material costs and a weak dollar, which offset a surge in the metal's price.

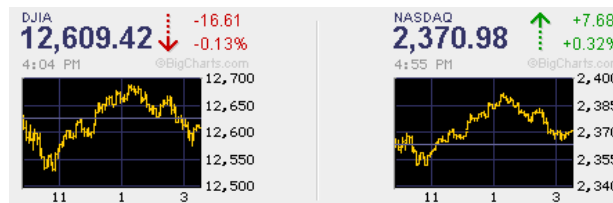
Last week four regional airlines went belly-up in the U.S. despite many airplanes flying full. Increased fuel costs were the major culprit in their demise.

Crude oil was higher today as was the U.S. dollar index. The yield on the 10 year Treasury note closed higher at 3.55%. Copper continued its move higher and closed at 395.45 with inventory levels continuing to shrink.

Silver closed at 18.06 while gold also moved up to 921.28 in NY.

We made no changes in the portfolios today.

4/4/2008 After the Close



There was little excitement in today's mixed market.

Markets Diary			
	NYSE	Nasdaq	Amex
Issues			
Advancing	1,712	1,465	727
Declining	1,386	1,392	498
Unchanged	107	139	83
Total	3,205	2,996	1,308
Issues at			
New 52 Week High	64	33	19
New 52 Week Low	14	40	23
Share Volume			
Total	1,240,209,440	1,979,334,762	32,622,418
Advancing	620,790,350	1,086,584,814	17,633,170
Declining	607,656,890	824,952,622	13,563,948
Unchanged	11,762,200	67,797,326	1,425,300

The bulls and the bears fought today's round almost to a standstill despite the lousy jobs report showing 80,000 fewer jobs. It was the third straight month of declining payroll numbers and brought the unemployment rate up to 5.1%.



According to John Williams of Shadow Government Statistics, the March Payroll decline was actually closer to 120,000 after considering the revisions to the February data. The Birth Death Adjustment to the data also added 145,000 jobs to the household report. Of course, of those, 34,000 of the BDA adds were in construction and financial sectors. Simply amazing! He also commented on the money supply as follows:

On the inflation front, money supply M2 continued to surge in the latest weekly reporting (up at a seasonally-adjusted, annualized 24.3% in the week ended March 24th), with annual growth in March M3 now a fair bet to top 17.2%, up from the 16.9% historic high set in February.

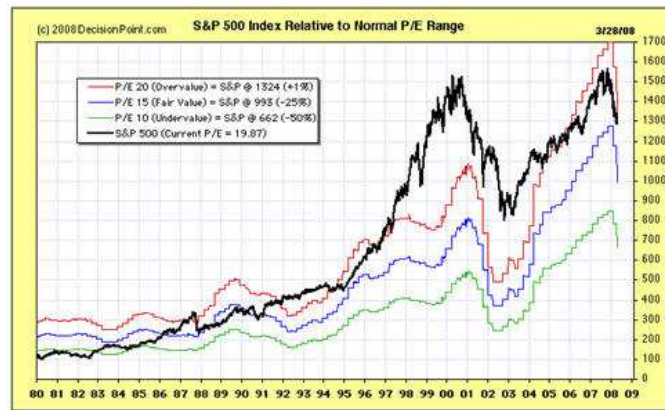
Both the ISM non-manufacturing index as well as the purchasing manager's report show continued price pressures. With the money supply growth accelerating, inflation will continue to move higher.

With job growth declining, is there any doubt that stagflation, or worse, is just ahead!

Since June 2007 when we started keeping up with the NASDAQ earnings forecast data, not once has the number of companies increasing earnings been higher than those with decreasing earnings. At the moment, the S&P 500 is priced at 20.7. According to DecisionPoint.com,

Notice also that GAAP earnings are projected to drop to 55.15 by the end of 2008 Q2. Compare that to earnings of 84.92 at the end of 2007 Q3. In spite of the fairy tale projections of "operating" earnings, real earnings are crashing.

The following chart from DecisionPoint.com suggests that the market is over-valued historically.



Bottom Line: The earnings picture is abysmal, and there is a solid long-term sell signal in progress. (Emphasis is Strategic Investing's). Playing the long side looks promising, but keep a tight reign on long positions because we are in a bear market until proven otherwise.

The U.S. dollar rally appears over as it has been down three days in a row closing below \$72 today. Responding to Bernanke's recession comments, investors headed into U.S. treasuries driving the yield on the ten year note to 3.48%, a drop of 3.06% today.



We made no changes in the portfolios today. Have a great weekend.

Fred Richards/Strategic Investing.

ui

Keep it Safe, Simple and Stay Focused!
Last updated - February 6, 2007