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## Market Musings

**6/6/2008 After the Close**



### Did you suffer from whip-lash on D-Day?

Markets Diary		5:50 p.m. EDT 06/06/08		
Issues	NYSE	Nasdaq	Amex	
Advancing	572	544	418	
Declining	2,600	2,332	763	
Unchanged	74	119	73	
<b>Total</b>	<b>3,246</b>	<b>2,995</b>	<b>1,254</b>	
<b>Issues at</b>				
New 52 Week High	95	42	40	
New 52 Week Low	89	102	19	
<b>Share Volume</b>				
<b>Total</b>	<b>1,473,773,635</b>	<b>2,170,130,710</b>	<b>36,490,376</b>	
Advancing	114,438,960	218,287,529	15,685,900	
Declining	1,355,867,375	1,933,608,825	17,485,976	
Unchanged	3,467,300	18,234,356	3,318,500	

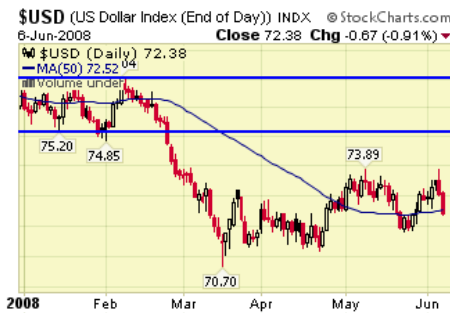
As soon as the employment report hit the wires this morning, we believed that the market was going to wipe out yesterday's gains. The European and London exchanges were moving lower as the markets in the U.S. opened. The NASDAQ pre-market index kept moving steadily lower. Was June 6th going to become not only the anniversary of D-Day but also the shortest one-day rally after a follow-through day?

We set into motion trades to move out of the long financial swing stocks in the Aggressive portfolio shortly after the open. The Wall Street Journal reported that AIG was being investigated by the SEC for accounting swap problems.

The Dow dropped 3.1%. All 30 components ended lower. The S&P 500 also slumped 3.1%. The Nasdaq dropped 3% and NYSE composite 2.7%. Volume was higher on the NYSE. As crude oil went up, the airline stocks were hit hard.

With the unemployment rate jumping to 5.5% and crude oil moving to all-time record highs, the stage was set for a possible violent whipsaw in the markets. On a seasonally adjusted basis, nonfarm payrolls declined by 49,000 positions in May, hourly earnings rose 0.3% and the average workweek held steady at 33.7 hours.

As oil prices climbed, the dollar went south.



The CRB index made a new record high. Corn and soybeans were also up in today's trading as weather factors have hindered planting throughout Iowa, Illinois, Indiana and Ohio. There is too much rain and a significant amount of replanting will be required. It would appear that the USDA's yield forecasts will be revised downward for both corn and soybeans. Below trendline yields coupled with low carry-over inventories will probably move prices higher in coming months.

In the Aggressive portfolio, we also closed out all of our long positions. In the Conservative portfolio, we sold all of our long positions except one (PDO). There were no other changes in the portfolios.

**6/5/2008 After the Close**



**It was a follow-through day!**

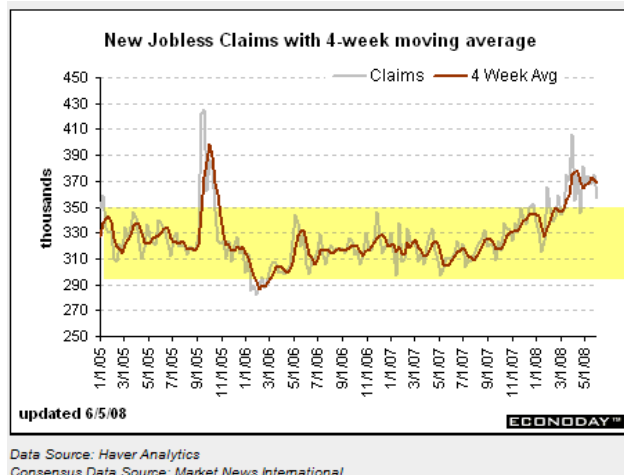
Markets Diary			
	NYSE	Nasdaq	Amex
<b>Issues</b>			
Advancing	2,483	2,122	819
Declining	646	726	348
Unchanged	85	124	82
<b>Total</b>	<b>3,214</b>	<b>2,972</b>	<b>1,249</b>
<b>Issues at</b>			
New 52 Week High	100	73	33
New 52 Week Low	40	65	17
<b>Share Volume</b>			
Total	1,289,227,534	2,260,371,901	34,496,031
Advancing	1,078,029,500	1,877,967,727	24,562,930
Declining	180,845,634	365,474,691	7,979,001
Unchanged	30,352,400	16,929,483	1,954,100

The indices all moved higher by a significant percentage to record a follow-through day. However, the volume was on the low side and barely qualified today's upward move as a follow-through day.

Wal-Mart's same store sales were up 3.9% and investors decided that the recession was over. Perhaps, they failed to understand that many customers had moved to Wal-Mart and Costco from higher level stores because they were so strapped for cash that they were simply downsizing their purchases to the low-end retailers. Oh, well, at least Congress and the President can also be thanked for all those stimulus checks.

The RBC CASH (Consumer Attitudes and Spending by Household) Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal financial situations, savings, and confidence to make large investments. The CASH Index is benchmarked against a baseline score of 100, assigned in January 2002 when the Index was introduced. **June RBC CASH (Consumer Attitudes and Spending by Household) Index sank to an all time low of 22.5 from May's 39.0 reading as consumer worries over every facet of their financial situation mounted. Yes, the economy is beginning to turn up if you believe today's upward movement ... but not according to the RBC CASH data ... since consumers account for 70% of GDP.**

The BLS reported that initial claims fell 18,000 in the week ended May 31st. However, that level is still out of the box which the data had trended in for the last several years.



Oil prices rebounded by more than \$5.00 per barrel, the yield on the 10 year Treasury note was back over 4% and the ratings of Ambac and MBIA were dropped from 'AAA' to only 'AA'. Who is kidding whom ... at best, both firms should be below 'A'. Still many institutions will now be forced to review their holdings and begin dumping those bonds that were supported by the monolines 'AAA' guarantee.

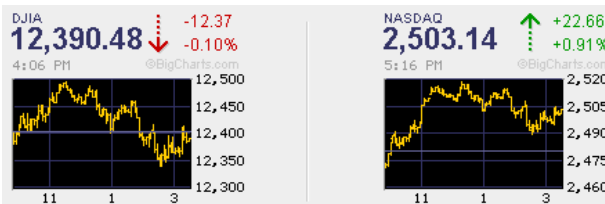
The rest of the real economic news does not give investors a warm and fuzzy feeling.

- Mortgage foreclosures rose to new highs in the latest month.
- The FDIC closed another bank last week and so far this year the FDIC has closed more banks than in the last three years combined. Moreover, they are expecting more banks to drop including some large regional banks with large commercial loan portfolios.
- Fuel prices are bleeding the airlines and forcing United, Continental and American to announce layoffs, rate hikes, schedule cutbacks, mothballing of airplanes.
- Household net worth dropped by only \$1.7 trillion in the 1st quarter and even then homeowner's equity as a percent of home value continued to fall to 47%, the lowest level in history.
- Continuing unemployment claim rose to 3.093 million.
- The Monster Employment index fell 8 points to 166 versus 189 last year.
- The mortgage delinquency rate was reported to be 8.4% in the 1st Qtr of 2008 vs. 5.82% in the 4th Qtr of 2007.
- US banks fear accounting changes could impact lending as they force \$5 trillion of assets back on to their balance sheets according to Birgit Specht, the head of securitization analysis at Citigroup.
- The Fed has increased its TAF lending to \$225 billion in June due to renewed financial system duress.

Both the Bank of England and the European Central Bank kept their interest rates flat at their respective meetings today. However, ECB President Jean- Claude Trichet said officials may raise interest rates next month to combat the fastest inflation in 16 years, sparking a surge in the euro and pushing bond yields to the highest level since 2001. [Poor Ben Bernanke at the Federal Reserve ... he is definitely facing the possibility of having to raise FED funds at the next FOMC meeting this month.](#)

At the opening this morning, several of the financial stocks gapped up. We immediately closed out our short positions and went long the financial swing stocks in the Aggressive portfolio. There were no other changes in the portfolios.

**6/4/2008 After the Close**



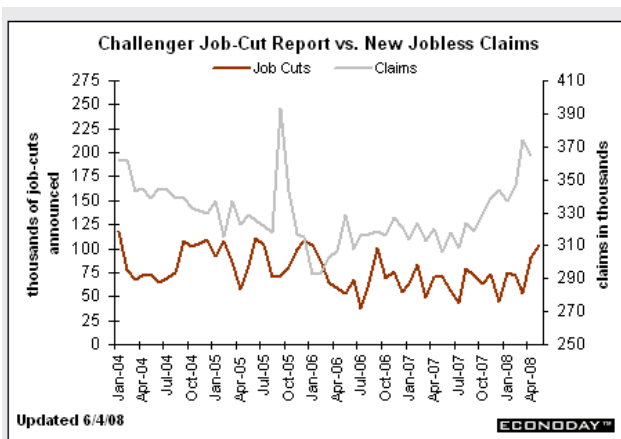
**The market ended mixed today.**

Markets Diary			
5:33 p.m. EDT 06/04/08			
Issues	NYSE	Nasdaq	Amex
Advancing	1,408	1,633	533
Declining	1,699	1,211	626
Unchanged	101	146	82
<b>Total</b>	<b>3,208</b>	<b>2,990</b>	<b>1,241</b>
Issues at			
New 52 Week High	36	48	23
New 52 Week Low	55	114	25
Share Volume			
Total	1,294,427,684	2,214,485,142	34,229,486
Advancing	544,628,050	1,606,934,352	11,574,760
Declining	719,804,834	546,252,360	21,688,526
Unchanged	29,994,800	61,298,430	966,200

A mixed market on volume that barely increased ... but probably not a distribution day for the DJIA. Today's economic reports were somewhat better than expected.

Non-farm productivity for the 1st quarter was reported to have increased by 2.6% while unit labor costs were only up 2.2%. Now if I could only believe that data ...

The ISM non-manufacturing purchasing index remained about 50 indicating that the services sector was expanding for the fourth time in 2008. The ADP report showed private non-farm employment rose by 40,000 in May. The Challenger job-cut report, however, show the highest level of job losses in the past three months. Challenger's layoff count totals 103,522 in May, up from April's 90,015 and compared with 71,115 in May last year.



The May employment report due out Friday should be an interesting read.

Moody's Investors Service said Wednesday that it may downgrade the Aaa ratings of Ambac Financial and MBIA Inc. because the bond insurers are being hit harder than expected by the mortgage-fueled credit crunch.

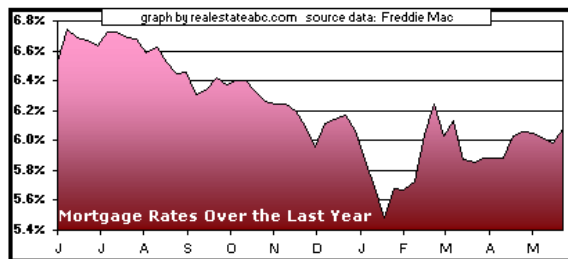
MBIA shares slumped 16% to close at \$5.63 after the ratings agency's warning. Ambac dropped 17% to \$2.49. Both stocks hit record lows.

S&P put both Ambac and MBIA on a negative credit watch and that did not help the financial sector today. The supply of houses for sale will probably continue to increase.

A downgrade of the monoline insurers could have a domino effect on debt packages held as assets by the Wall Street Banks, pension funds, insurance companies and the Federal Reserve as backing for the US dollar in circulation.

Perhaps, the threat of lawsuits and discussions with the NY Attorney General has finally caused the inter-locking ownership of the banks, investment banks, rating agencies and monoline insurers to own up to the large losses still to be counted by the financial sector.

Mortgage applications fell 15.3% during the latest week to the lowest level since 2002 according to the Mortgage Bankers Association. The MBA indicated that a surge in mortgage rates had a major effect upon mortgage applications.

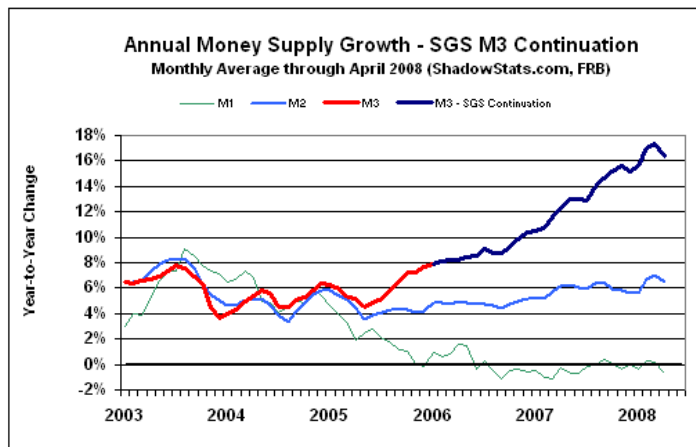


Even Ed McMahon, Johnny Carson's old sidekick, is facing foreclosure proceedings on his Beverly Hills estate as the housing mortgage woes move up the food chain.

Did you catch the comments of Bernanke yesterday about the U.S. dollar?

This is a major change, or perhaps, just another slip by an academic who is out of his league. The U.S. Treasury Secretary has previously been the only official that spoke about the dollar. Bernanke previously always deferred the dollar question to the Treasury Secretary. Bernanke's comments is perhaps a major shift ... perhaps the financial mess is becoming so desperate that the FED has taken over the role of the U.S. Treasury.

In today's Harvard talk, Bernanke blamed everyone but the FED for accelerating inflation. Its the increase in the money supply ... not an increase in the consumer price increase that causes inflation. An increase in the money supply without an increase in productive wealth is the cause of inflation. An increase in the consumer price index is the result of an increase in the money supply and guess who controls the money supply. It's the FED.



Action Points violations saw us selling CSX and CEL in the Aggressive portfolio today. There were no other changes in the portfolios.

**6/3/2008 After the Close**



**It was a distribution day for the major indices today!**

Markets Diary			
5:27 p.m. EDT 06/03/08			
Issues	NYSE	Nasdaq	Amex
Advancing	1,261	1,221	520
Declining	1,844	1,623	670
Unchanged	113	134	77
Total	3,218	2,978	1,267
Issues at			
New 52 Week High	62	50	22
New 52 Week Low	54	96	22
Share Volume			
Total	1,293,197,175	2,237,130,983	35,124,930
Advancing	495,577,995	796,514,743	14,054,630
Declining	790,117,020	1,417,464,635	19,027,900
Unchanged	7,502,160	23,151,605	2,042,400

Rumors, later denied, about LEH's status roiled the markets in the afternoon. Jawboning by Chairman Bernanke about the dollar provided cover to a decline in commodity prices and a 2.7% drop in crude prices.

The FED refuses to acknowledge its hand in the credit and housing problems. Michael Medlock comments on the latest speech by Bernanke:

"In yet another long winded and self serving speech, Bernanke blames everyone but the Fed for the housing and credit bubbles. Not once did he mention interest rate policy at the Fed. However, he did blame foreign investors and "the global savings" glut for contributing to the problem."

It is obvious that Bernanke needs to be replaced as he has no understanding about the actual problems facing the financial system nor what needs to be done to prevent a major breakdown caused by continual liquidity injections.

Vehicle sales proved very weak in May, at a 14.2 million annual sales rate that is down from 14.4 million in April and the worst results since July 1998. Still the news that GM was closing four plants in North America that produced trucks and SUV's helped the stock which saw May sales fall 28%. OOPS!

#### Trends

Unit sales, level, SAAR in millions							
Released on	Percent	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
Released for	Share	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Domestic Vehicle Sales**	100%	12.2	12.1	11.7	11.6	11.0	10.4
Autos	42.7%	5.4	5.2	5.0	4.9	4.8	4.9
Light Trucks	57.3%	6.7	6.9	6.7	6.7	6.2	5.5

Although factory orders were up 1.1% over March, the rate of increase actually declined as shown in the table below:

#### Trends

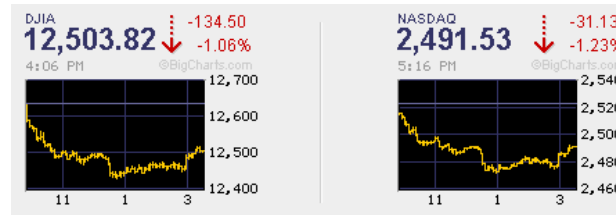
Released on	Percent	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Released for	of Total	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Factory Orders	100.0%	1.9%	-2.4%	-0.4%	1.5%	1.1%
Durable Goods	49.2%	4.1%	-4.7%	1.1%	-0.2%	-0.6%
Nondurable Goods	50.8%	-0.4%	0.0%	-1.8%	3.1%	2.8%
Topical Series:						
Construction Materials & Supplies	10.0%	-0.8%	-0.8%	-0.7%	0.7%	2.9%
Information Technology	6.2%	3.9%	-2.9%	0.6%	-0.7%	3.0%
Capital Goods	19.1%	9.8%	-8.5%	2.4%	-0.3%	-1.3%
Nondefense	17.1%	3.5%	-6.3%	1.6%	1.4%	-1.5%
Defense	2.0%	89.5%	-23.0%	9.2%	-13.2%	1.4%
Consumer Goods	40.8%	-0.2%	-0.8%	-1.9%	2.5%	3.0%
Durables	7.4%	-1.6%	0.2%	-2.2%	-5.7%	-0.4%
Nondurables	33.3%	0.2%	-1.1%	-1.8%	4.3%	3.7%
Addendum:						
Shipments	NA	-0.6%	1.1%	-1.9%	1.1%	2.2%
Unfilled Orders	NA	2.3%	0.6%	1.2%	1.3%	0.9%
Inventories	NA	0.8%	1.3%	0.6%	0.9%	0.0%

With many financial instruments and derivatives tied to the LIBOR rate, there now appears to be serious concern about the credibility of that index. In recent weeks, the integrity of the data collected to determine LIBOR is now being questioned. Banks were accused of misrepresenting their borrowing costs to contain fears the financial markets were unraveling. As the demise of BSC proved, those concerns were warranted.

The British Bankers' Association which provides the LIBOR data is an unregulated body and after weeks of so-called investigation into the question of LIBOR's integrity stated that it would not change its methodology but might "increase oversight". **See whiz, the most widely used index in the financial world is actually based upon what has become merely guesses and not actual transactions between institutions. Guess we are truly in the world of make-believe now!**

CSX was sold in the Conservative portfolio as it violated the Action Point. The Conservative Portfolio is now 100% in cash. There were no other changes in the portfolios.

**6/2/2008 After the Close**



**Not a good way to start a new month!**

Markets Diary			
	5:33 p.m. EDT 06/02/08		
Issues	NYSE	Nasdaq	Amex
Advancing	968	880	456
Declining	2,138	2,034	742
Unchanged	110	94	77
Total	3,216	3,008	1,275
Issues at			
New 52 Week High	52	52	27
New 52 Week Low	53	105	19
Share Volume			
Total	1,147,314,234	1,991,962,140	32,354,554
Advancing	266,640,700	468,107,963	17,832,710
Declining	880,958,714	1,509,244,611	13,775,644
Unchanged	19,714,820	14,609,566	746,200

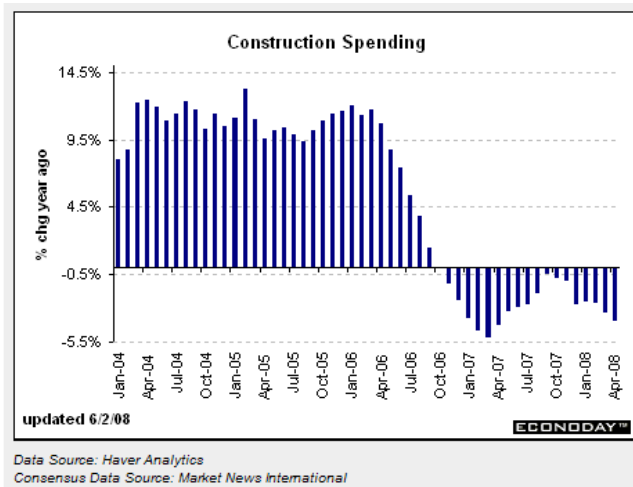
Volume fell on both major exchanges so we did not record a distribution day. Economic data was spun as mixed although the ISM data offered a smidgen of hope that manufacturing was not crashing, at least, not yet. However, the ISM trends do not show much improvement as shown below.

Trends								
Released on:	Proportions	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Released for:		Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
ISM Mfg Index	100.0%	50.0	48.4	50.7	48.3	48.6	48.6	49.6
New Orders	30.0%	52.5	46.9	49.5	49.1	46.5	46.5	49.7
Production	25.0%	51.3	48.6	55.2	50.7	48.7	49.1	51.2
Supplier deliveries	15.0%	51.5	52.6	52.8	50.1	53.6	54.0	53.7
Inventories	10.0%	46.4	45.4	49.1	45.4	44.9	48.1	48.0
Employment	20.0%	48.4	48.7	47.1	46.0	49.2	45.4	45.5
Export Orders	NA	58.5	52.5	58.5	56.0	56.5	57.5	59.5
Import Orders	NA	47.5	48.0	52.5	47.5	45.0	48.0	49.5
Backlogs	NA	41.5	43.0	44.0	45.0	47.5	51.5	46.0
Prices	NA	67.5	68.0	76.0	75.5	83.5	84.5	87.0

However, the firing of the WB's CEO coupled with downgrades of financial firms along with the overseas downward trend proved too much for the market to overcome. Later, we learned that WAMU's CEO has given up the title of Chairman but will remain as CEO.

Standard & Poor's downgraded **MER**, **LEH** and **MS** this morning. Upon it hitting the tape, we closed our long positions in the financial swing stocks in the Aggressive portfolio and went short. S&P also lowered the outlook for **JPM** and **BAC**.

Today's Construction spending report continued the sad news of further decline. Of course, since it only fell 0.4% rather than the 0.6% of consensus estimates, the Wall Street spin was positive.



**Kathleen Jay writing in Sunday's Washington Post explained the current financial mess this way:**

The short version of how we got here: **Lenders, fat with money made cheap by the federal government, aggressively coaxed millions of borrowers to take out unaffordable mortgages. They lent this money without assessing whether borrowers could repay it. They assumed, in fact, that most wouldn't be able to and would have to refinance into new, equally unaffordable loans. This process would produce an endless cycle of fees for the lenders -- but only if home prices rose, fairy-tale-like, forever.**

And then the unthinkable happened ... the emperor wore no clothes! **In fact, you might want to read all of the article by clicking on the link above.**

How much lower can the airlines go with fuel prices at these levels. The answer is clearly to \$0.00 if bankruptcy is ahead for many of the airlines.

We updated the Dow Jones Earnings and Gold Stocks technical notes for May 30th over the weekend.

In other trading, we purchased TSCO in the Aggressive portfolio based upon its improved earnings outlook. There were no other changes in the portfolios.

**5/30/2008 After the Close**



**Closing out the month without any enthusiasm!**

Markets Diary 5:46 p.m. EDT 05/30/08

Issues	NYSE	Nasdaq	Amex
Advancing	1,699	1,587	719
Declining	1,441	1,328	457
Unchanged	111	127	102
Total	3,251	3,042	1,278

Issues at	NYSE	Nasdaq	Amex
New 52 Week High	63	54	10
New 52 Week Low	28	55	12

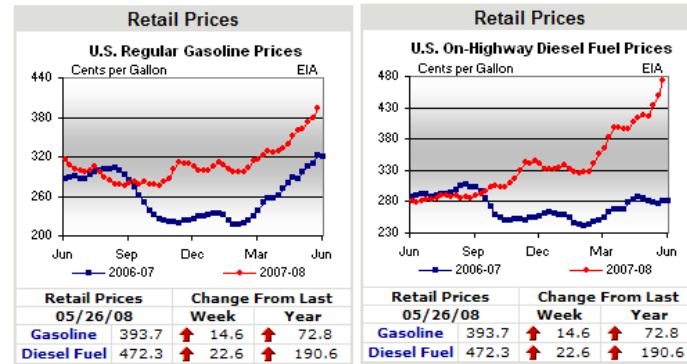
Share Volume	NYSE	Nasdaq	Amex
Total	1,327,730,007	2,091,763,613	27,782,207
Advancing	689,340,087	1,383,521,734	15,081,935
Declining	615,104,490	686,546,243	11,406,572
Unchanged	23,285,430	21,695,636	1,293,700

While volume increased somewhat today, the major indices failed to show much change while vacillating up and down during the day. At the beginning of May, we brought out the old adage, Sell in May and Go Away! The following table shows whether than strategy might have been worthwhile.

	DJIA	S&P 500	NASDAQ	Russell 2000
4/30/2008	12820.13	1385.59	2412.80	716.18
5/30/2008	12638.32	1400.38	2522.66	748.28
Change	-181.81	14.79	109.86	32.10
Percent	-1.4%	1.1%	4.6%	4.5%

The DJIA and S&P 500 did not fare well during May while the NASDAQ and Russell 2000 enjoyed decent returns. We are now headed into the summer doldrums and the market continues to be trapped in a rather narrow trading range. The real question is whether the fundamentals in the economy and the slowdown in corporate profits will affect investors perceptions of future economic activity.

April's personal income and expenditures report confirmed a slowing economy. Looking at where the consumer can spend his dwindling dollars after paying increasing energy and good costs should lead you to where some short opportunities may be in the retail sector. The cost of gasoline and diesel continues to increase as shown in the following charts. The group that is clearly being hurt the most is the diesel driver as the FED rule on clean diesel has increased the refiner cost. Many small-to-medium and independent trucking firms are going out of business due to the high fuel costs.



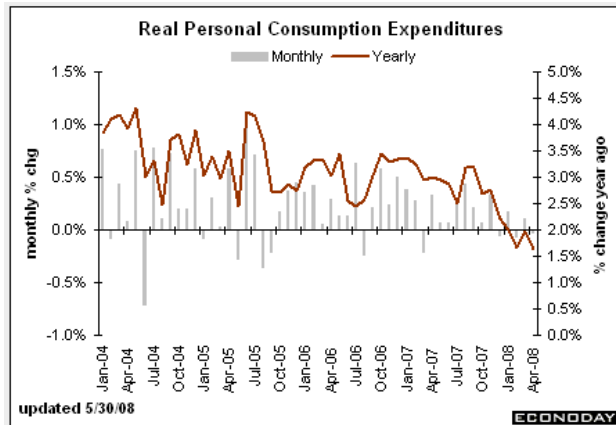
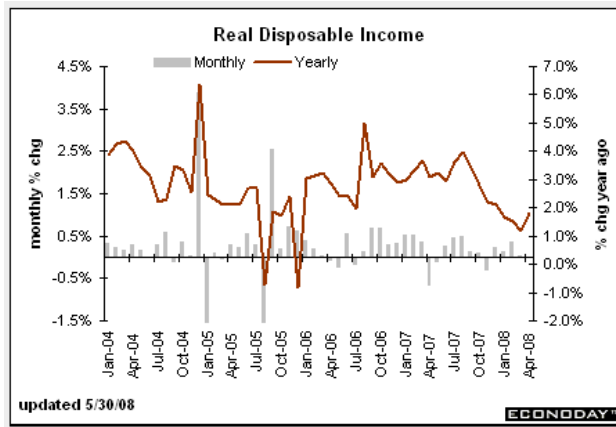
Or put another way .... The mid-level retailers will be hurting. The real upper-scale will probably not suffer as much in the coming months as the super-rich will have money to spend.

**Trends**

data displayed as monthly percent changes

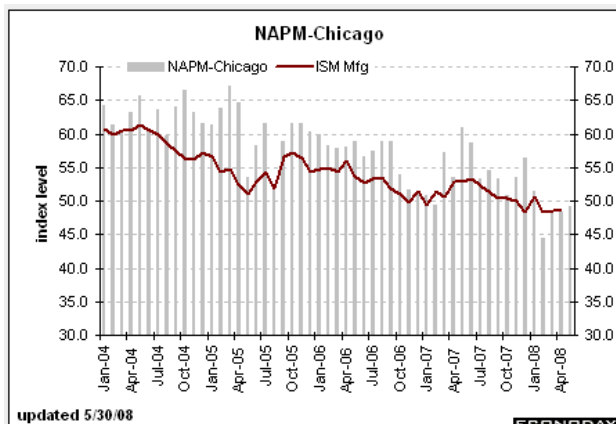
Released on:	Percent	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08
Released for:	of Total	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Personal Income	100.0%	0.4%	0.5%	0.2%	0.5%	0.4%	0.2%
Wages & salaries	54.5%	0.5%	0.5%	0.5%	0.4%	0.5%	-0.2%
Disposable income	87.3%	0.3%	0.5%	0.4%	0.5%	0.3%	0.2%
Real disposable income	73.1%	-0.3%	0.2%	0.1%	0.4%	0.0%	0.0%
Consumer Spending (nomin)	100.0%	1.0%	0.2%	0.4%	0.1%	0.4%	0.2%
Durable goods	10.7%	-0.9%	-1.0%	-0.4%	0.3%	-1.2%	-0.5%
Nondurable goods	29.3%	1.8%	0.2%	0.7%	-0.2%	0.8%	0.1%
Services	60.0%	0.9%	0.5%	0.5%	0.2%	0.5%	0.4%
Consumer spending (real)	100.0%	0.3%	-0.1%	0.2%	-0.1%	0.1%	0.0%
Durable goods	14.8%	-0.7%	-0.8%	-0.5%	0.2%	-1.3%	-0.2%
Nondurable goods	28.7%	0.1%	-0.4%	0.1%	-0.1%	0.5%	-0.2%
Services	56.7%	0.6%	0.2%	0.4%	-0.1%	0.1%	0.1%
PCE price index	NA	0.6%	0.3%	0.3%	0.1%	0.3%	0.2%
Core PCE price index	NA	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%
Market Based PCE	NA	0.7%	0.3%	0.3%	0.1%	0.3%	0.2%

The following two charts shown the flatness of real disposable income for the past year and the decline in real personal consumption expenditures as consumers are reducing their overall spending.



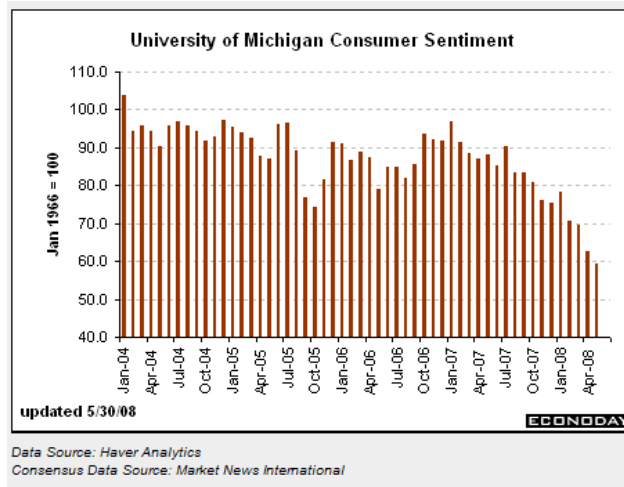
Data Source: Haver Analytics  
 Consensus Data Source: Market News International

The NAPM - Chicago purchasers' data definitely improved in May, led by strength in the most important component -- new orders which rose more than 3 points to 56.1. Of course, any change would be an improvement although the overall index remains below 50 indicating a possible recession. The bad news was an increase in prices paid to almost a record at 87.5 suggesting that inflation is flowing into the system.

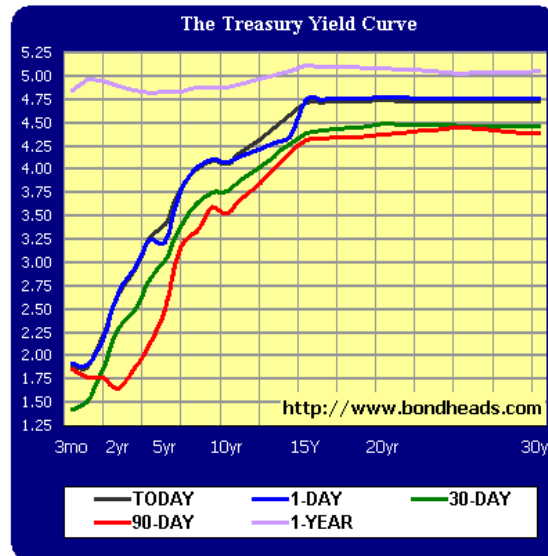


Data Source: Haver Analytics  
 Consensus Data Source: Market News International

The University of Michigan Consumer Sentiment index continues to not show any improvement and remain at lows not since since the early 1980's.



As noted earlier this week, despite the FED's cut in late April to 2% in the funds rate, the yield curve has continued to move higher as shown in the following chart. The difference between overseas yields and a move away from U.S. Treasuries by many central banks and large foreign institutional holders could be some of the reason for the yield curve to move in opposite directions from the FED rate moves. Still increasing interest rates will increase the rate of foreclosures as well as decrease the number of new mortgages issued. Hence, the housing problem will continue to be a drag upon the economy for some time. As Alt-A delinquencies continue to rise, the toxic waste securitization problem will continue to fester.



The Simple Timing Indicator (STI) for the S&P 500 has given a signal to cover the SPY shares and go short this week. However, the NASDAQ STI has just barely given the same negative signal and there is little separation between the 8x20 lines suggesting that a whipsaw could occur. If more separation occurs in the next few days, both STI signals will be negative and the market could move decidedly lower.



The CRB index also has fallen to 422.17 after hitting an all-time record high level in June of 435.53. Friday's close is still the second highest weekly close in history. While gold and silver and agricultural commodities were primarily responsible for the decline in the CRB, growing conditions in a large part of the Corn Belt do not favor yields above trendline. As a result, it is very possible that wheat, corn and soybean prices were all begin to rise. Australia's wheat crop is no longer expected to be a bumper crop. The weather patterns which have generated all the rainfall and weather problems this month are expected to change and a severe dry pattern will begin throughout the bread basket. Crop conditions in South America are not expected to favor higher yields as a few major volcanic eruptions have changed the weather patterns for the next few months and perhaps, as long as 18 months.

The old reliable indicator of economic activity, copper, has been in a downtrend for the last three weeks and closed at 355.05 today for the lowest weekly close since mid-March.



Although down slightly in today's trading, the yield on the 10 year Treasury note closed above 4% for the first time in 2008. The U.S. dollar index which has been in a consolidation pattern closed the month still well below the resistance level of 73.89 at 72.86.



Despite jawboning about commodity speculators, crude oil remains above \$125/bbl for West Texas crude. Consumers, however, are reacting to the high price by cutting their mileage. Gold rebounded slightly from the bear raid that drove the price down about \$40/oz. in the last two weeks as commodities were under pressure from all quarters.



In the Aggressive portfolio, RIG was short as it violated its Action Point. There were no other changes in the portfolios today.

Have a great weekend.

Fred Richards/Strategic Investing.

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