



STOCK TRADING CONCEPTS

(Also applicable to investing)

- 1) **Favor trades in the direction of your overall U.S. and Global Stock forecast**
 - A) **If bullish on overall market, favor long-side stock trades**
 - B) **If bearish on overall market, favor short sales**
 - C) **If market is in congestion & breakout direction is unclear, favor sidelines**

Congestion periods are GREAT TIMES to FORMULATE WATCHLISTS !!

2) **Set tight initial stops and keep them. Adjust stops as trades move your way**

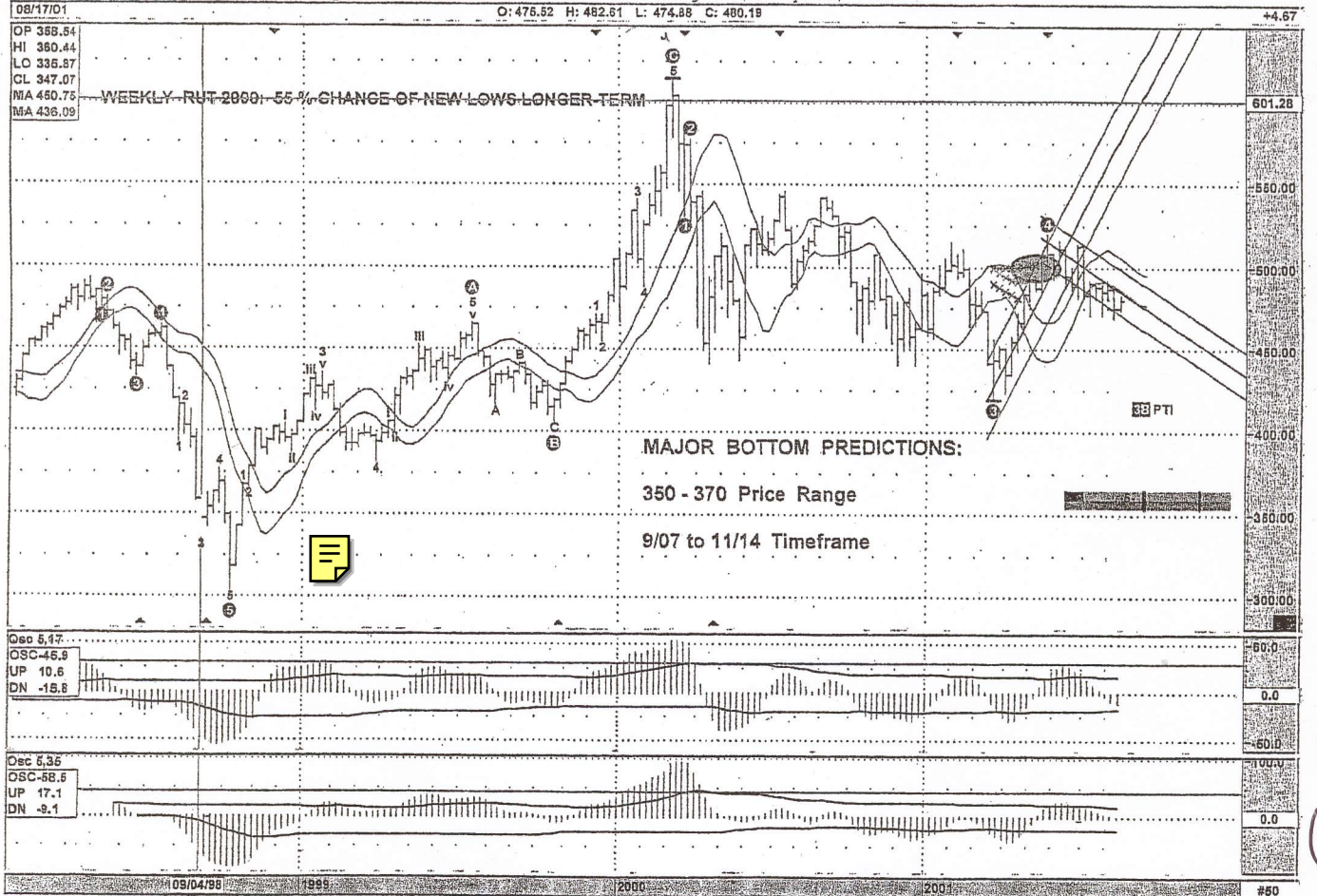
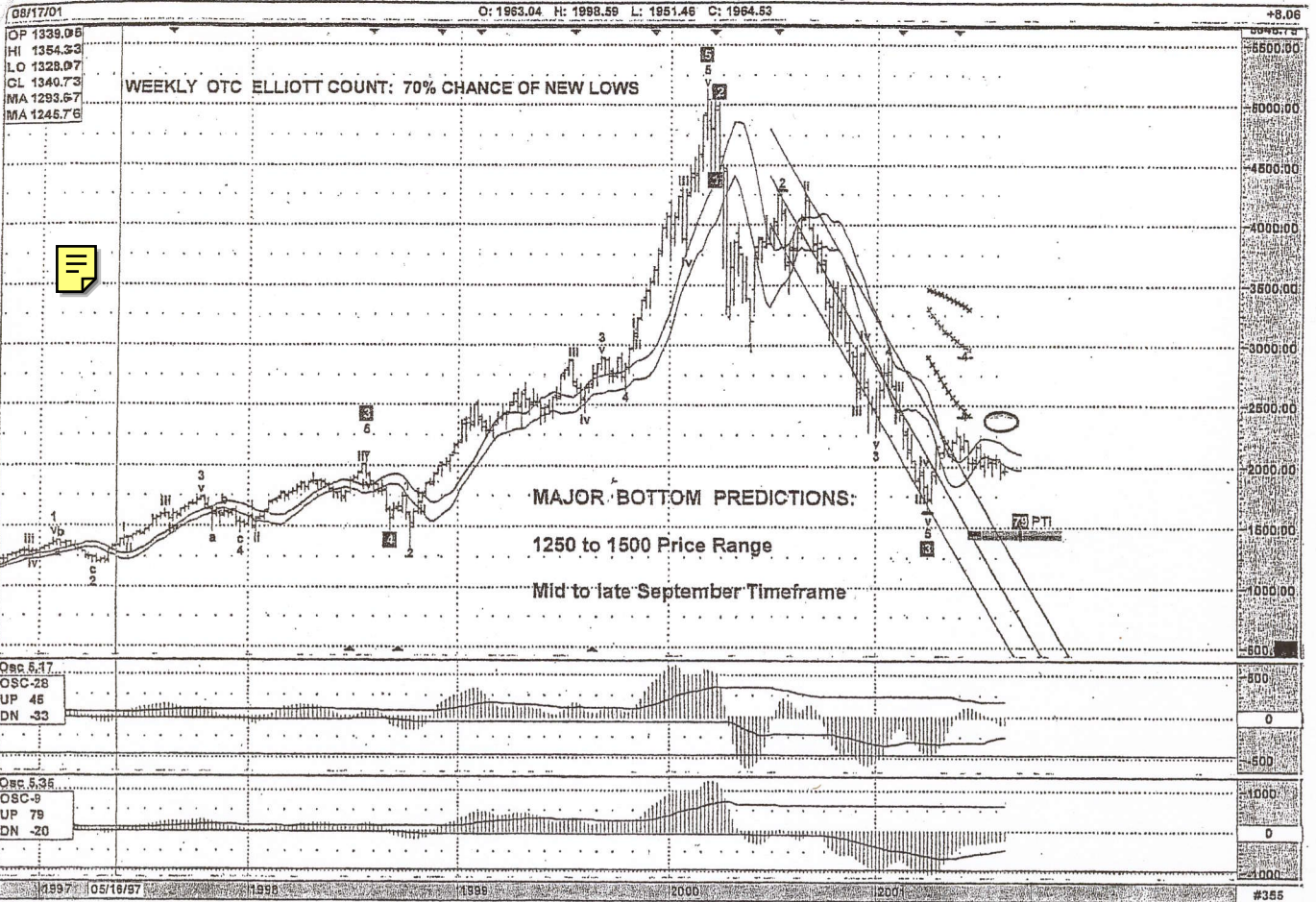
3) **Consider trades as part of a "portfolio"...**

...Diversification is vital because any 1 trade may underperform or lose

4) **Often only a few stocks from a trading portfolio will contribute the bulk of the overall return, especially the "very large moves"**

... these few "homerun trades" will add greatly to overall average returns

5) **Avoid trading ahead of a stock's earnings release date**



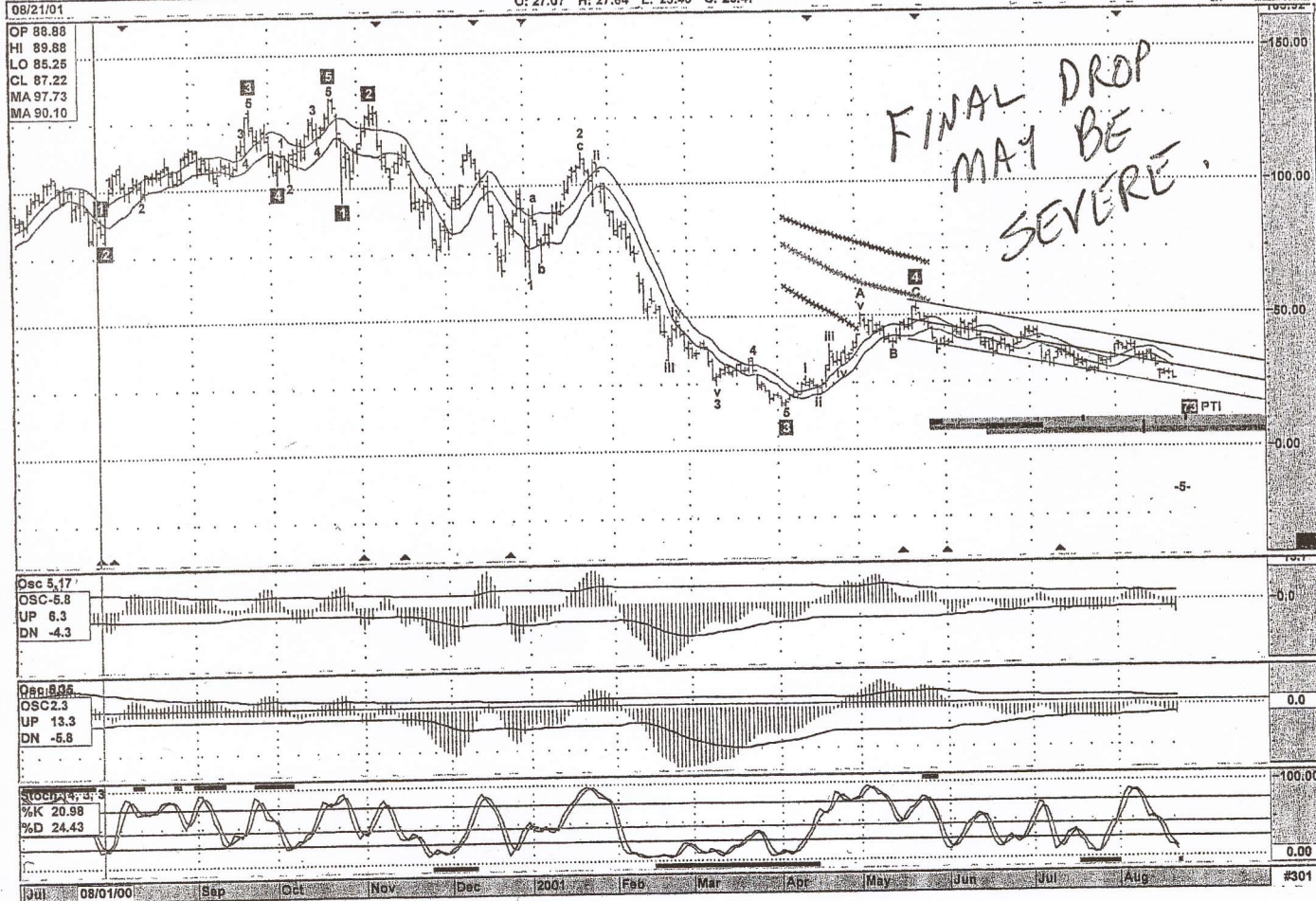
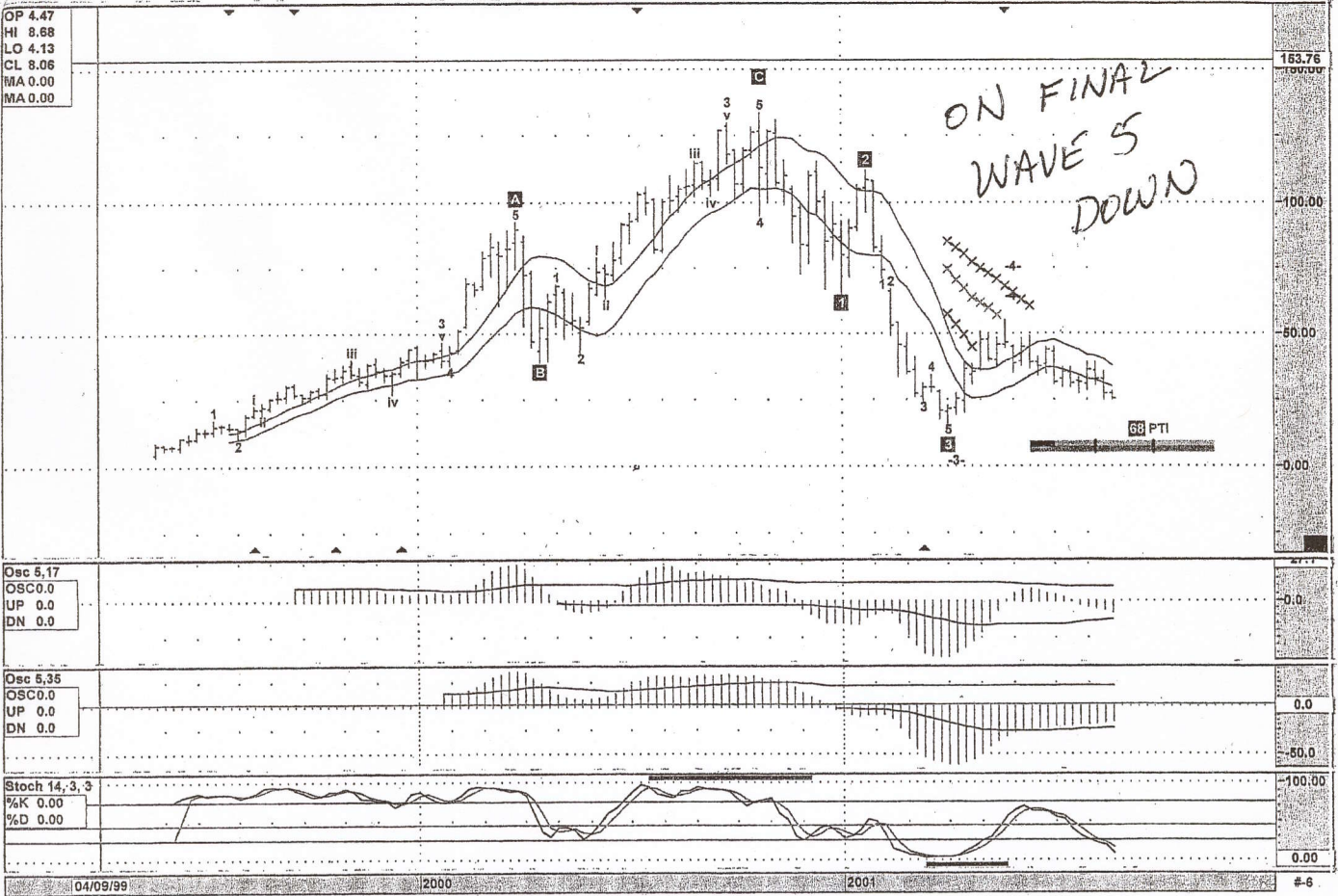
FINAL WAVE 5 TECH WRECK AHEAD ?

	<u>CURRENT PRICE</u>	<u>TARGET PRICE</u>	<u>% CHANGE</u>
BRCD	\$25.00	\$9.00	64.00%
BRCM	\$33.00	\$13.00	60.61%
DELL	\$22.00	\$13.00	40.91%
PMCS	\$29.00	\$12.00	58.62%
VRSN	\$43.00	\$18.00	58.14%
ORCL	\$15.00	\$10.00	33.33%
ADBE	\$34.00	\$20.00	41.18%
AMCC	\$14.00	\$8.00	42.86%
YHOO	\$14.00	\$8.00	42.86%

This is just a sampling. Several dozen QQQ type tech stocks have this similar pattern.



(3) *AK*



FB
 (4)

FINAL WAVE 5 TECH WRECK AHEAD ?

(from presentation at Wizards Roundtable, 8-21-01)

	<u>CURRENT PRICE 8/21/01</u>	<u>TARGET PRICE</u>	<u>EST. % CHANGE</u>	<u>ACTUAL LOW CLOSE</u>	<u>DATE</u>	<u>ACTUAL % CH.</u>
BRCD	\$25.00	\$9.00	64.0%	\$14.16	9/27/01	43.4%
BRCM	\$33.00	\$13.00	60.6%	\$18.77	10/1/01	43.1%
DELL	\$22.00	\$13.00	40.9%	\$16.63	9/21/01	24.4%
PMCS	\$29.00	\$12.00	58.6%	\$9.87	10/1/01	66.0%
VRSN	\$43.00	\$18.00	58.1%	\$34.16	9/6/01	20.6%
ORCL	\$15.00	\$10.00	33.3%	\$10.76	9/21/01	28.3%
ADBE	\$34.00	\$20.00	41.2%	\$23.98	9/27/01	29.5%
AMCC	\$14.00	\$8.00	42.9%	\$6.29	10/2/01	55.1%
YHOO	\$14.00	\$8.00	42.9%	\$8.11	9/26/01	42.1%

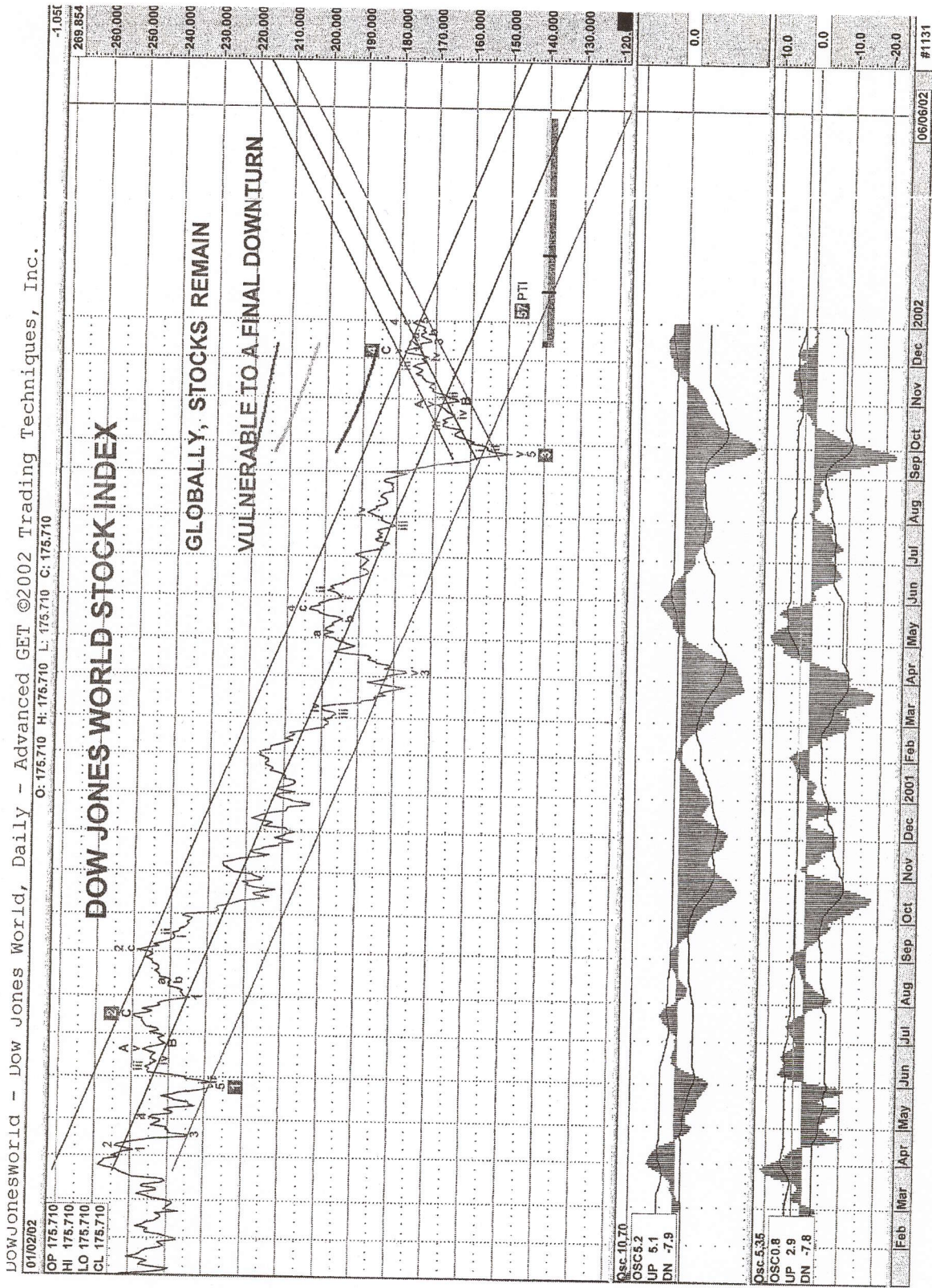
This is just a sampling. Several dozen QQQ type tech stocks have this similar pattern.

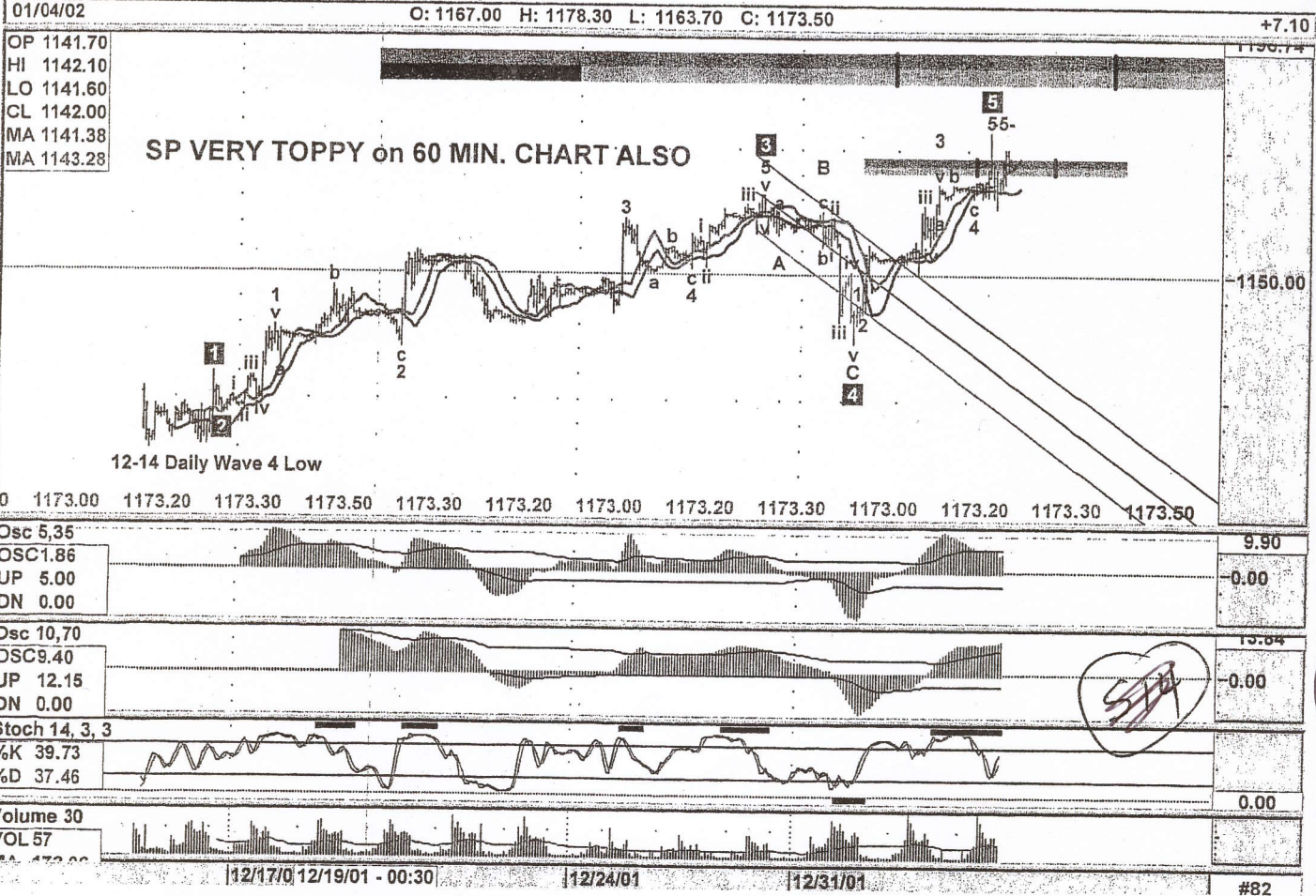
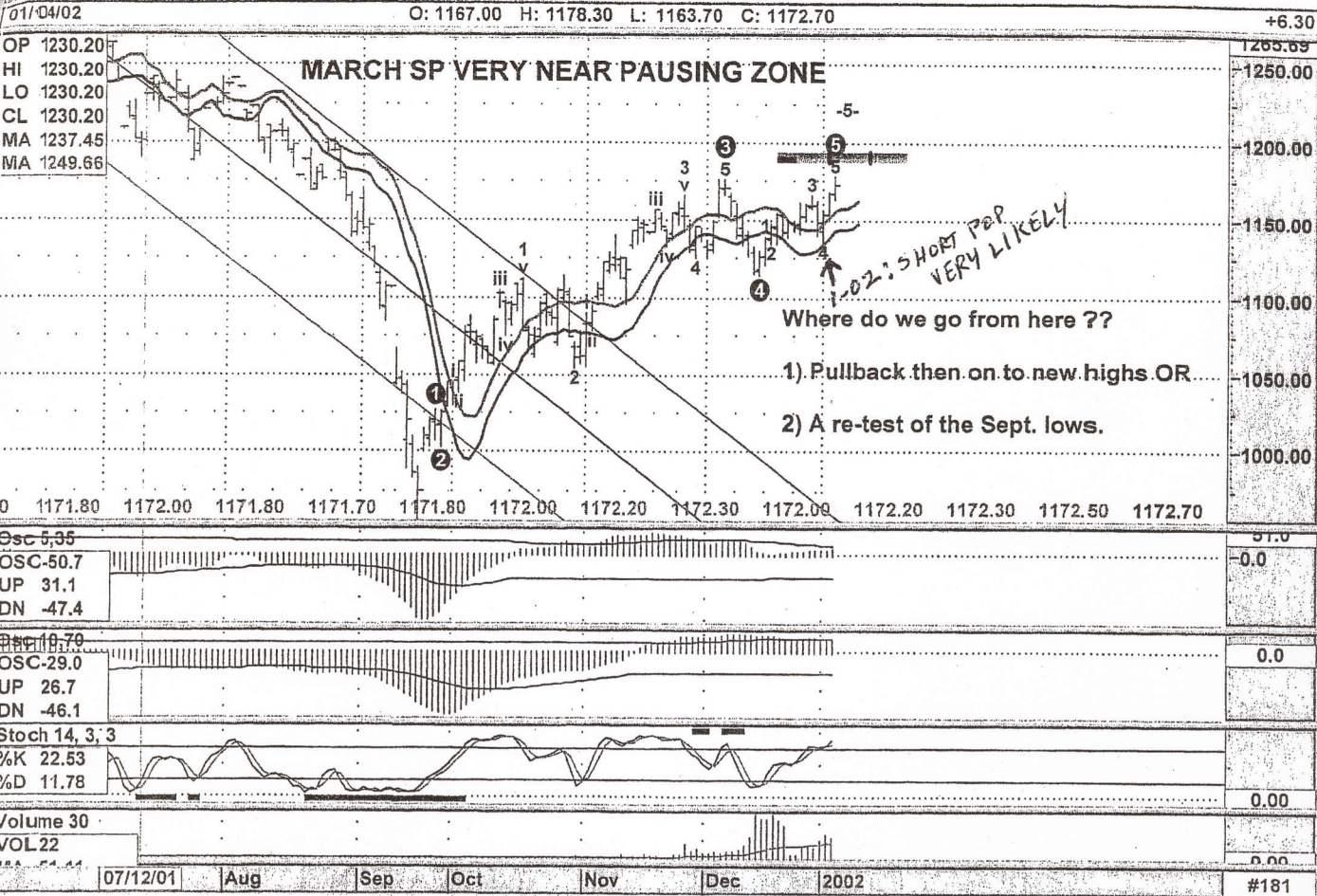
NOTE, 4-15-04: Above trades were taken "in the direction of the market".

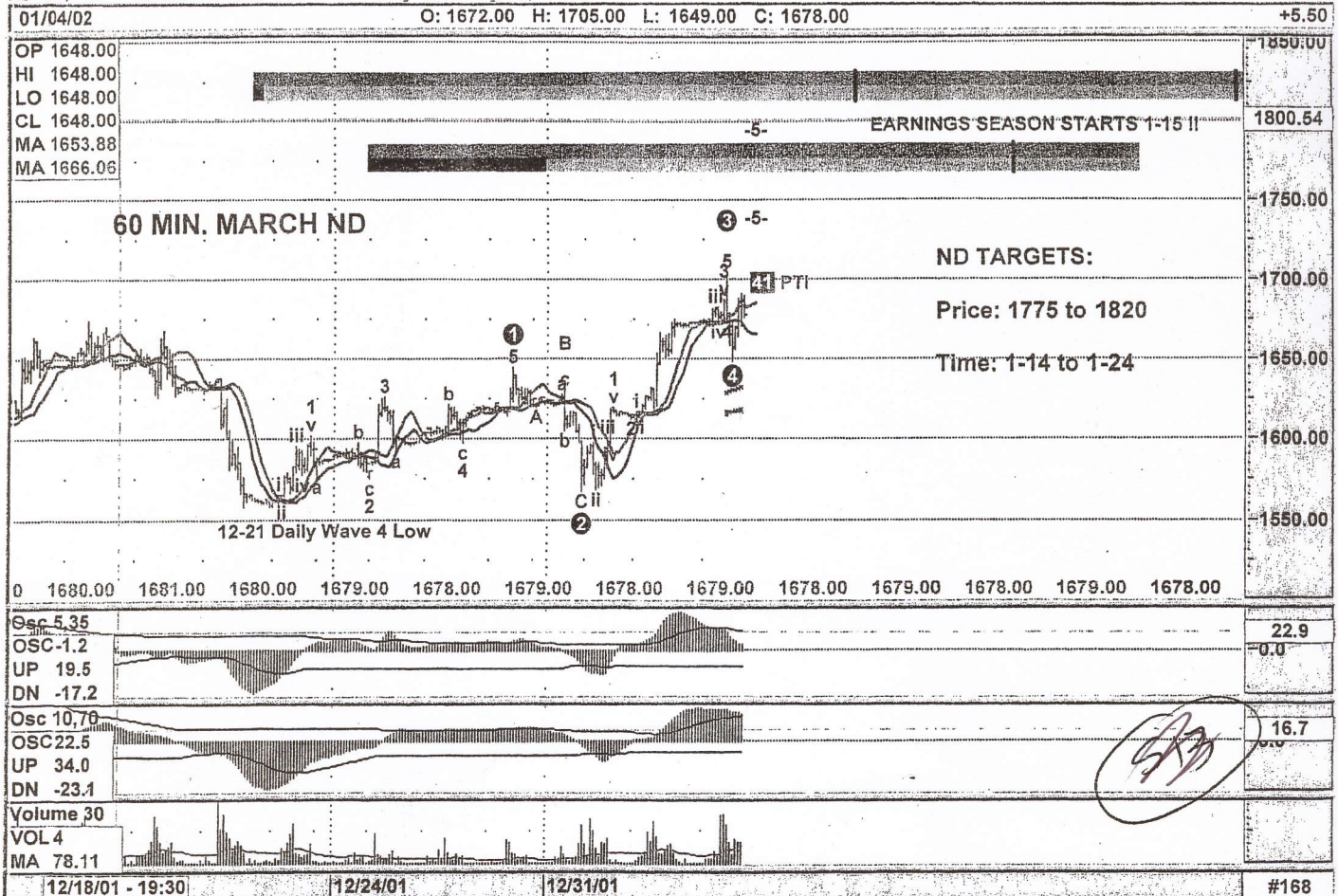
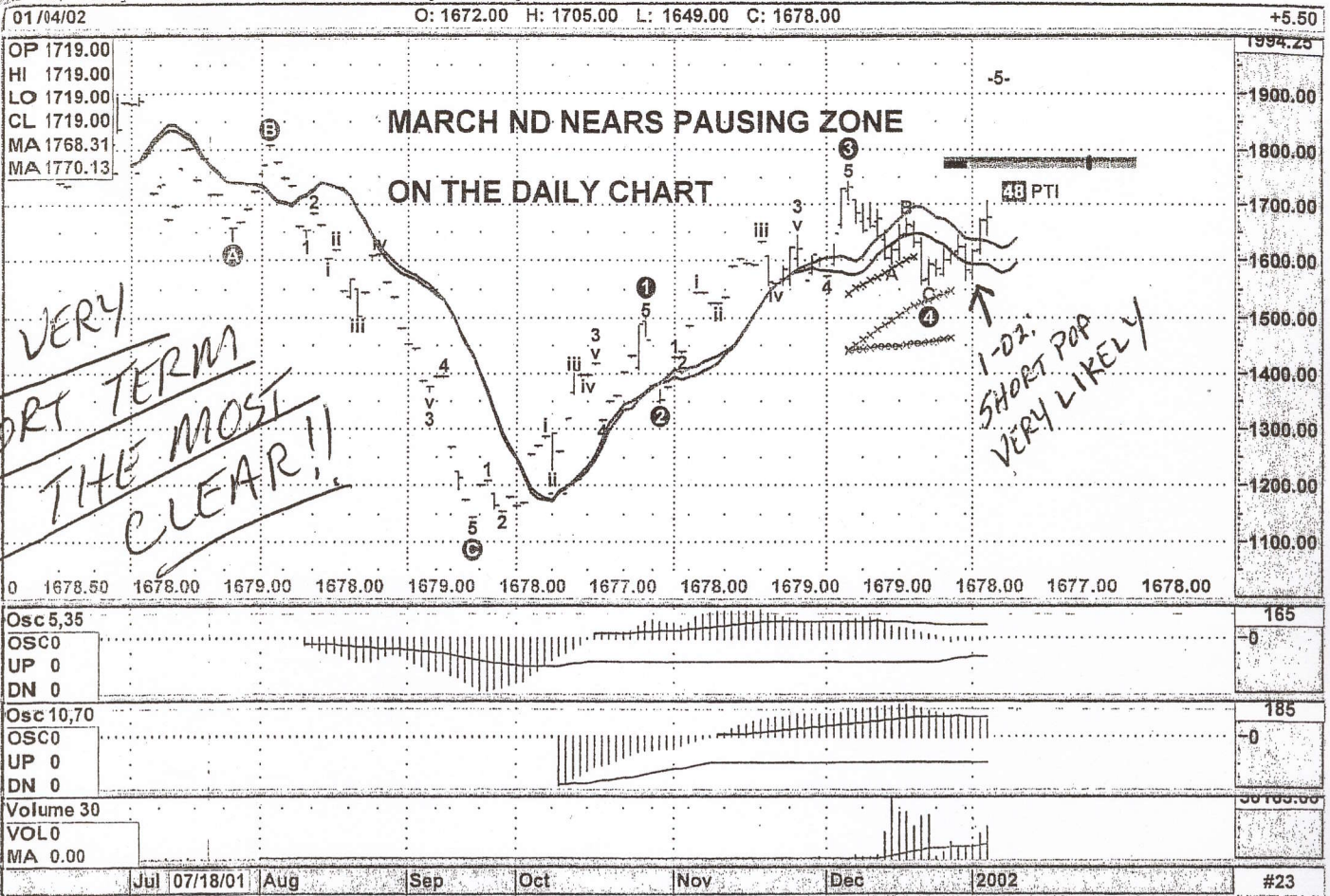
With our forecast for a market in short-term freefall, we selected these short-sale candidates to benefit from the forecast selloff.

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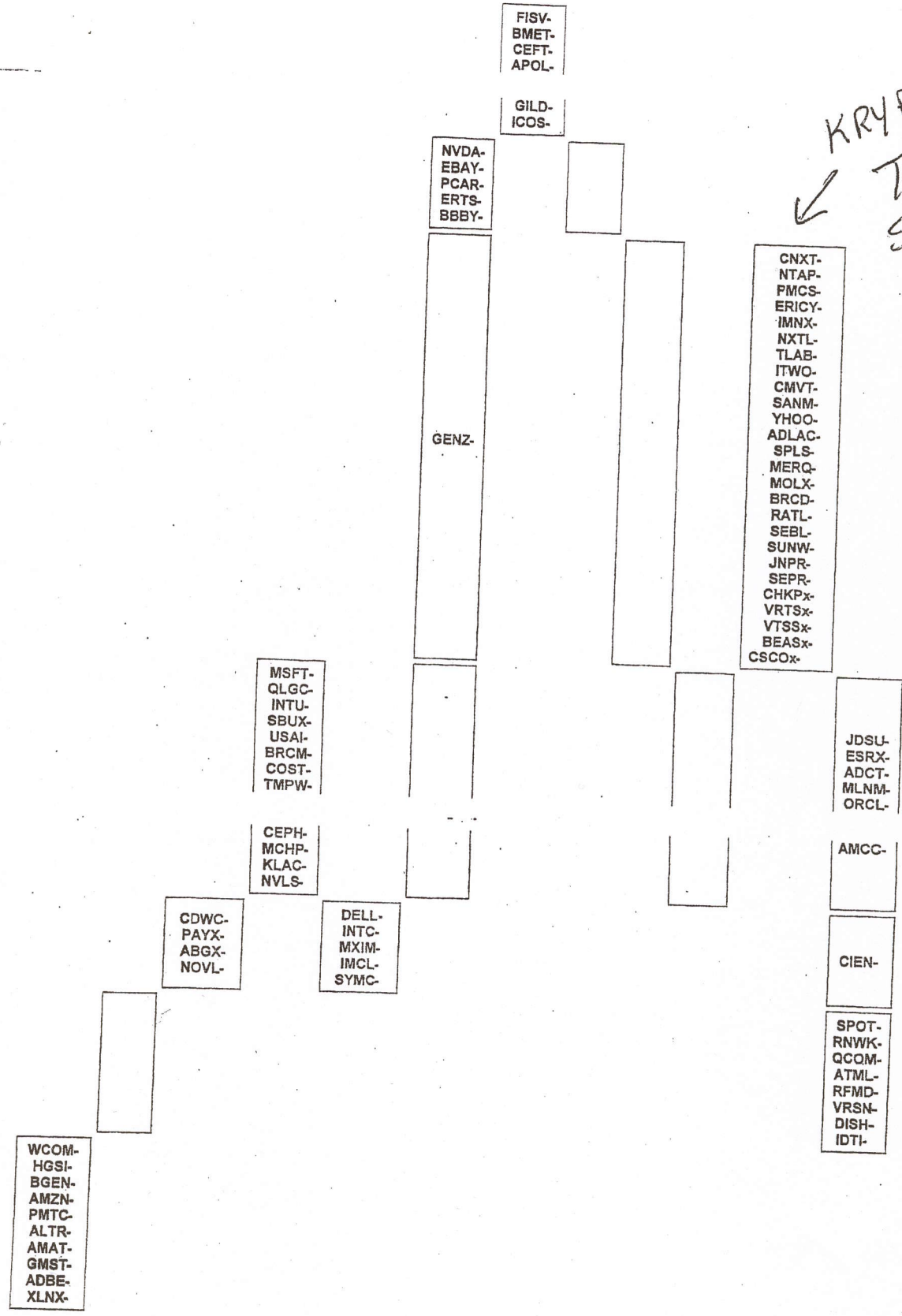
In Jan. '02, Global Stock Markets were Generally Weak







LOW ZONE	BULLISH PATTERNS					PEAK ZONE	BEARISH PATTERNS				
	BOTTOM (W5-1)	TURN UP (W1-2)	UPTREND (W3)	PAUSE (W3-4)	RETRACE (W4)		FINAL UP (W5)	TOPPY (W5-1)	TURN DOWN (W1-2)	DOWN TREND (W3)	PAUSE (W3-4)



*KRYPTONITE
TECH
STOCKS
IN ANY
TECH
Selloff*

UNCLEAR PATTERNS: AMGN, PSFT, CHIR, CMCSK, IDPH, SSCC, IVGN, PDLI, FLEX, CTXS, CPWR, AAPL, MEDI, LLTC, CTAS, SNPS

SA
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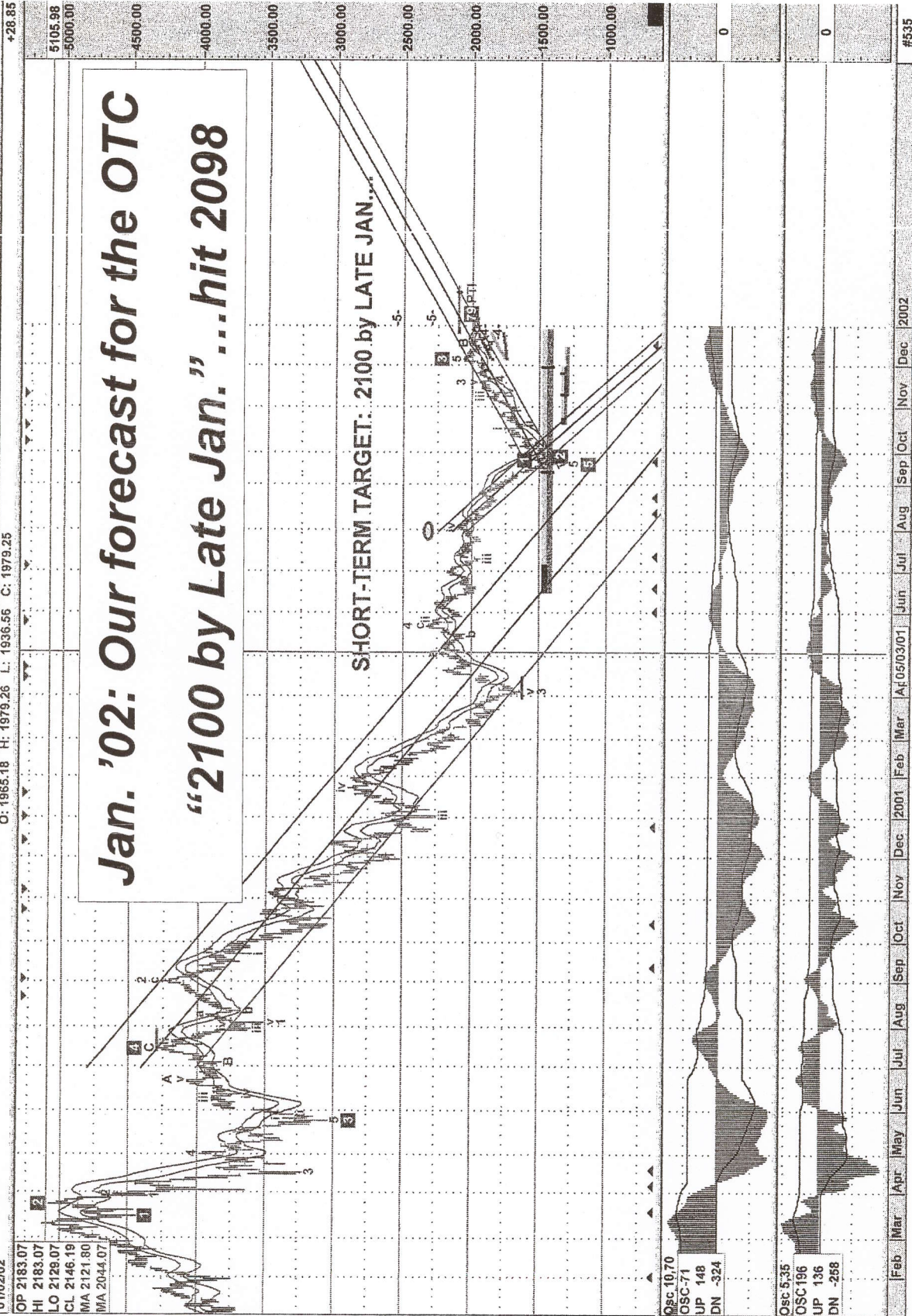
*OTC - NASDAQ Composite, Daily - Advanced GET ©2002 Trading Techniques, Inc.

01/02/02 O: 1965.18 H: 1979.26 L: 1936.56 C: 1979.25

OP 2183.07
 HI 2183.07
 LO 2128.07
 CL 2146.19
 MA 2121.80
 MA 2044.07

Jan. '02: Our forecast for the OTC
"2100 by Late Jan." ... hit 2098

SHORT-TERM TARGET: 2100 by LATE JAN...



Osc 10.70
 OSC-71
 UP 148
 DN -324

Osc 5.35
 OSC196
 UP 136
 DN -288

Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2001 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2002 #535

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S & P 500 CME, Daily - Advanced GET ©2002 Trading Techniques, Inc.

05/02/02 O: 1088.60 H: 1091.80 L: 1079.30 C: 1084.60

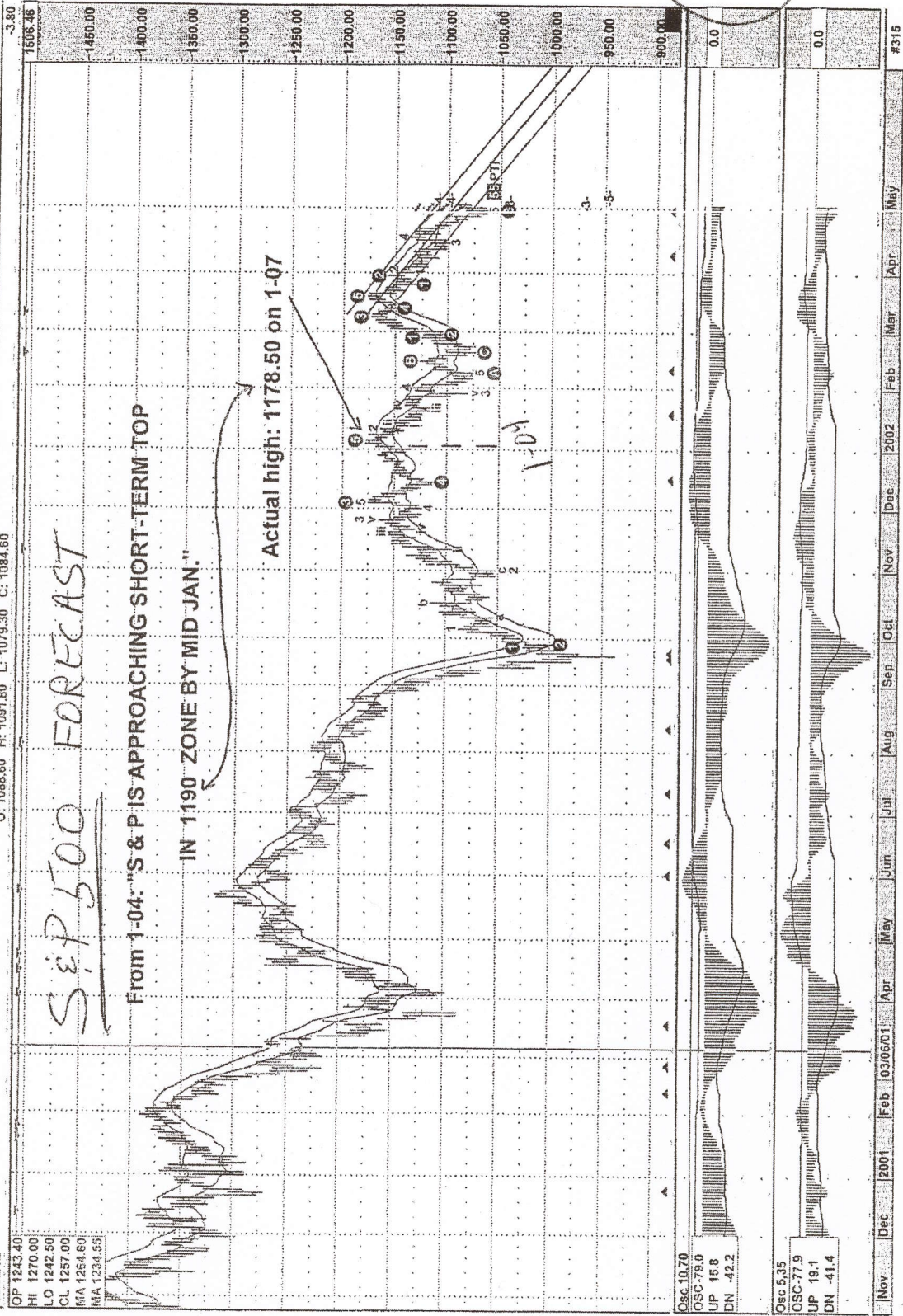
OP 1243.40
HI 1270.00
LO 1242.50
CL 1257.00
MA 1254.60
MA 1234.55

S&P 500 FORECAST

From 1-04: "S & P IS APPROACHING SHORT-TERM TOP

IN '1190 ZONE BY MID JAN."

Actual high: 1178.50 on 1-07



Osc 10.70
OSC-79.0
UP 15.8
DN -42.2

Osc 5.35
OSC-77.9
UP 19.1
DN -41.4

Nov Dec 2001 Feb 03/06/01 Apr May Jun Jul Aug Sep Oct Nov Dec 2002 Feb Mar Apr May #315

(R2)

25

1-04 STOCK PERFORMANCE

From OEX: "Short Candidates in any Pullback"

From OTC: "Kryptonite Tech Stocks"

<u>SYM</u>	<u>CLOSE</u> <u>7-Jan</u>	<u>CLOSE</u> <u>3-May</u>	<u>PCT.</u> <u>PROFIT</u>	<u>PCT.</u> <u>PROFIT</u> <u>w/20%stop</u>	<u>MAX.</u> <u>LOW POST</u> <u>7-Jan</u>
SLB	\$54.39	\$56.96	-4.7%	-4.7%	
HWP	\$23.02	\$17.44	24.2%	24.2%	\$15.55
MER	\$56.84	\$43.33	23.8%	23.8%	
RSH	\$30.92	\$31.74	-2.7%	-2.7%	\$26.13
CI	\$92.50	\$104.16	-12.6%	-12.6%	
AES	\$17.84	\$8.24	53.8%	53.8%	\$3.50
BA	\$41.00	\$44.63	-8.9%	-8.9%	
SO	\$24.78	\$28.17	-13.7%	-13.7%	
WFC	\$43.78	\$51.73	-18.2%	-18.2%	
CSC	\$49.98	\$41.45	17.1%	17.1%	\$40.52
NXTL	\$10.93	\$5.00	54.3%	54.3%	\$3.35
DAL	\$32.31	\$26.83	17.0%	17.0%	
CSCO	\$20.53	\$13.14	36.0%	36.0%	\$13.14
VIA	\$46.80	\$47.26	-1.0%	-1.0%	\$36.50
GM	\$50.61	\$65.68	-29.8%	-20.0%	
NT	\$8.59	\$3.06	64.4%	64.4%	\$3.06
LU	\$6.95	\$4.40	36.7%	36.7%	\$4.44
EMC	\$16.60	\$8.01	51.7%	51.7%	\$8.01
PHA	\$41.38	\$40.85	1.3%	1.3%	\$36.67
TOY	\$21.95	\$16.96	22.7%	22.7%	\$16.00
JPM	\$38.90	\$35.68	8.3%	8.3%	\$26.70
ORCL	\$15.49	\$8.43	45.6%	45.6%	\$8.43
AOL	\$32.98	\$18.05	45.3%	45.3%	\$17.75
T	\$18.48	\$13.86	25.0%	25.0%	\$12.84
CCU	\$52.19	\$46.49	10.9%	10.9%	\$42.24
F	\$16.50	\$16.09	2.5%	2.5%	\$13.90
EK	\$27.78	\$33.65	-21.1%	-20.0%	
CNXT	\$14.35	\$8.06	43.8%	43.8%	\$8.06
NTAP	\$23.44	\$14.63	37.6%	37.6%	\$14.63
PMCS	\$24.02	\$13.88	42.2%	42.2%	\$13.88
ERICY	\$5.64	\$2.29	59.4%	59.4%	\$2.23
IMNX	\$27.50	\$25.51	7.2%	7.2%	
NXTL	\$10.93	\$5.00	54.3%	54.3%	\$3.35

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TLAB	\$17.19	\$8.70	49.4%	49.4%	\$8.27
ITWO	\$8.27	\$2.68	67.6%	67.6%	\$2.68
CMVT	\$26.93	\$11.76	56.3%	56.3%	\$11.37
SANM	\$22.09	\$9.73	56.0%	56.0%	\$9.57
YHOO	\$19.73	\$14.77	25.1%	25.1%	\$13.41
ADLAC	\$32.66	\$8.02	75.4%	75.4%	\$6.80
SPLS	\$18.03	\$20.15	-11.8%	-11.8%	
MERQ	\$35.25	\$34.11	3.2%	3.2%	
MOLX	\$33.11	\$32.80	0.9%	0.9%	\$27.94
BRCO	\$38.10	\$22.38	41.3%	41.3%	\$21.61
RATL	\$21.17	\$12.17	42.5%	42.5%	\$12.17
SEBL	\$32.49	\$21.16	34.9%	34.9%	\$21.16
SUNW	\$13.61	\$6.77	50.3%	50.3%	\$6.77
JNPR	\$21.64	\$9.05	58.2%	58.2%	\$9.00
SEPR	\$54.58	\$12.20	77.6%	77.6%	\$12.20
CHKP	\$46.77	\$16.64	64.4%	64.4%	\$16.25
VRTS	\$46.70	\$25.90	44.5%	44.5%	\$25.90
VTSS	\$13.18	\$5.04	61.8%	61.8%	\$5.04
BEAS	\$19.90	\$9.92	50.2%	50.2%	\$9.92
CSCO	\$20.53	\$13.14	36.0%	36.0%	\$13.14
JDSU	\$9.71	\$3.84	60.5%	60.5%	\$3.84
ESRX	\$43.03	\$51.25	-19.1%	-19.1%	
ADCT	\$5.68	\$3.51	38.2%	38.2%	\$3.27
MLNM	\$23.05	\$17.94	22.2%	22.2%	\$16.72
ORCL	\$15.49	\$8.43	45.6%	45.6%	\$8.43
AMCC	\$11.70	\$6.33	45.9%	45.9%	\$6.21
CIEN	\$16.75	\$6.90	58.8%	58.8%	\$6.90
SPOT	\$21.80	\$22.87	-4.9%	-4.9%	
RNWK	\$6.05	\$7.04	-16.4%	-16.4%	\$5.11
QCOM	\$47.20	\$26.84	43.1%	43.1%	\$26.84
ATML	\$8.26	\$7.93	4.0%	4.0%	
RFMD	\$19.62	\$16.51	15.9%	15.9%	\$14.88
VRSN	\$34.05	\$8.75	74.3%	74.3%	\$7.96
DISH	\$28.92	\$24.84	14.1%	14.1%	\$21.92
IDTI	\$31.35	\$25.14	19.8%	19.8%	\$24.55

AVERAGES: 28.8% 29.0%

BASELINES

Dow	10197.00	10006.00
S&P 500	1164.89	1073.43
OTC	2037.10	1613.00
RU 2000	493.18	512.32

-1.9%
-7.9%
-20.8%
3.9%

vs.

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BISHOP'S STOCK INDEX CALLS:

2-15: "Today the stock market picture remains mixed with the Dow Industrials and Russell 2000 in positive patterns vs. the less clear S&P 500 and OEX. The NDX (QQQ) and OTC are the most bearish of the lot."

BEAR
TRACKS

3-01: "The most remarkable feature of the markets is the large number of Nasdaq 100 stocks moving together in a unified final downtrend. There simply is no similar group of stocks moving up on the bullish side at this point..."



The OTC Composite and NDX need to take out their 2-22 lows at least marginally in order to put in a meaningful post 1-09 bottom...

The downside pressure from the OTC increases the likelihood that the SPX will test its 2-20 low."

3-15: "...The current rally is likely to top soon, followed by a pullback into seasonally bearish April...However, this pullback is likely to hold above 2-22."

-(RIGHT)
-(WRONG)

4-01: "Today I'm less convinced of the '2-20 lows hold' thesis, largely due to the lagging performance of the OTC and NDX."

(RIGHT)
↓

Commercials are very net short, consistent with a coming substantial selloff.

Earnings season looms.... Jan earnings was a top, April a bottom ?

April often brings seasonal weakness.

A STOCK MARKET SELLOFF IN THE NEXT FEW WEEKS WOULD BE CONSISTENT WITH A SELLOFF IN THE CRB AND A BOND RALLY OVER THE SAME TIMEFRAME, BOTH OF WHICH I'M EXPECTING FOR INDEPENDENT REASONS.

!!

The NDX internals favor the downside.

4-12: OTC: ...very likely to take out the 2-22 lows...Commercials are not yet at a level high enough to stop this selloff.



S&P: ...when the 3-26 low was cracked on 4-03, there was no hope left of and rally and the downleg is confirmed....the challenge to the 2-22 low is real... After touching or taking out Feb 22 we will be well-poised for a summer rally IF the commercials have reversed and gone net long at that point.

4-26: A bottom is in sight and above the 9-21 lows but we're not there yet.

OTC: ...likely to be rocky but hold between 1550 and 1600.

SPX: ...the very short commercials point to further downside. For a bottom that can springboard a summer challenge of the Jan highs, look for a double bottom in May, between 1025 and 1050.

DOW: I look for a seasonal bottom in the 1-30 low area (+/- 9500) in May

RU2000: ...an on-going selloff to bottom above the Feb lows (457 area) in May

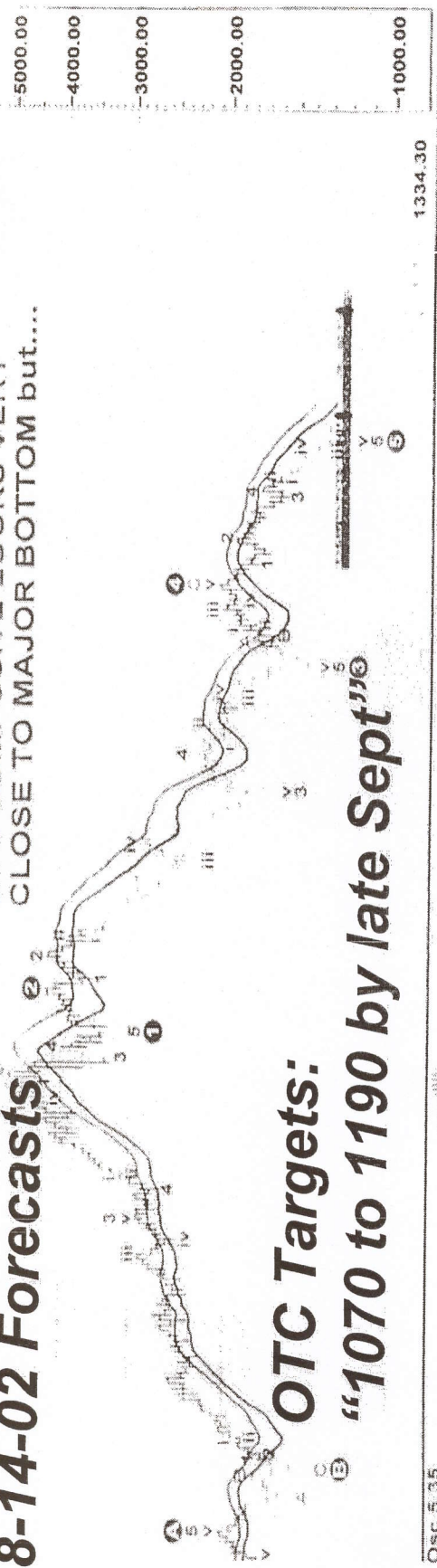
Now: When we get to these levels we'll re-evaluate

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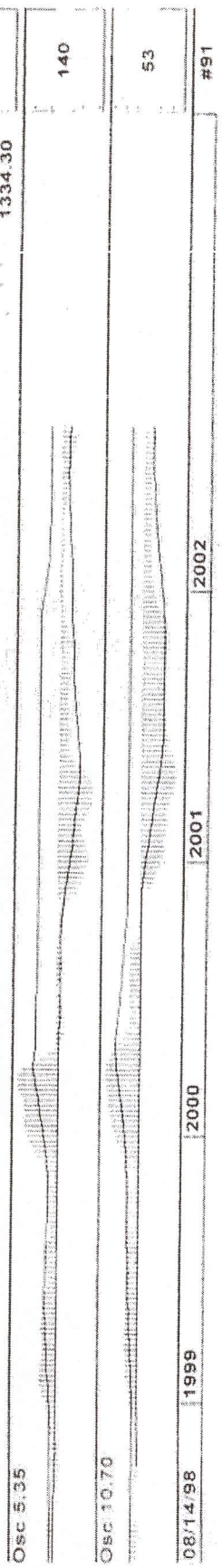
~~SPX~~

8-14-02 Forecasts

OTC COMPOSITE LOOKS VERY CLOSE TO MAJOR BOTTOM but....



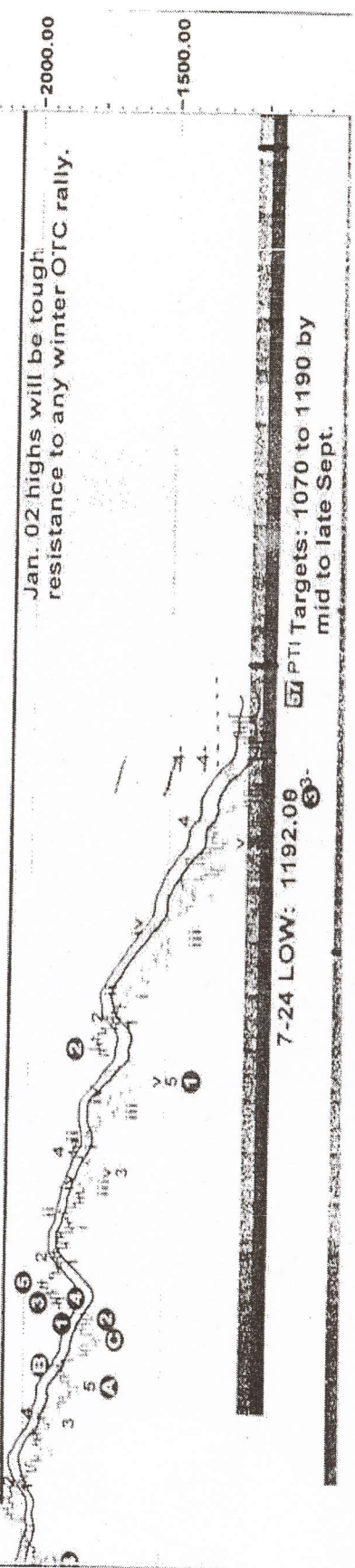
OTC Targets:
"1070 to 1190 by late Sept"



08/14/02 O: 1273.94 H: 1334.31 -- 1265.19 C: 1334.30 +65.02

...ONE LAST SEASONAL PLUNGE IS LIKELY ON THE DAILY CHART...

1-08 HIGH: 2098.88



Jan. 02 highs will be tough resistance to any winter OTC rally.

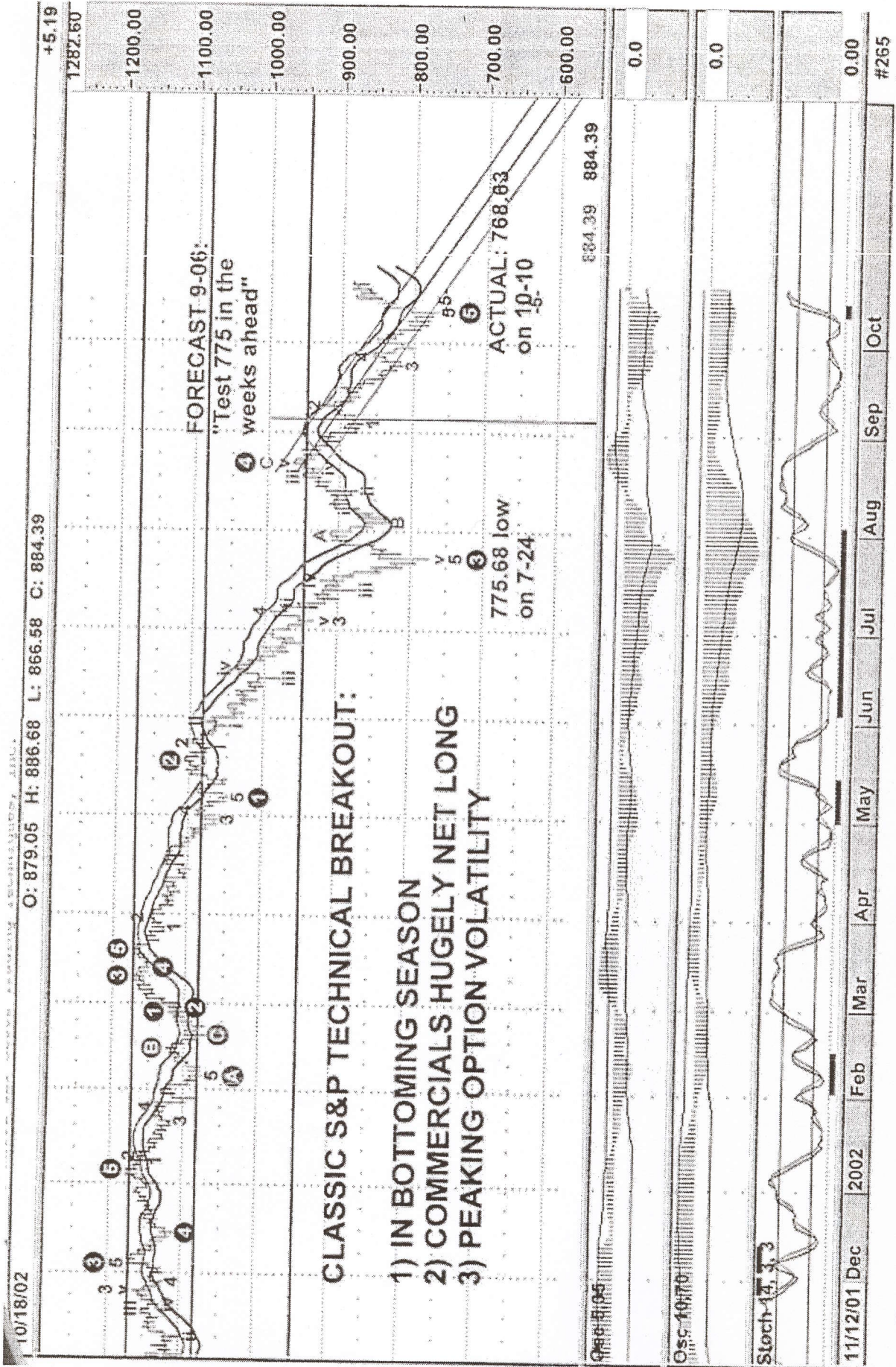
7-24 LOW: 1192.09
 PTI Targets: 1070 to 1190 by mid to late Sept.

Sept '02 Forecasts:

THE STRIKER REPORT, 9-06-02 BISHOP'S MARKET OUTLOOK FORECASTS

INDEX	PRICE on 9/6/02	FORECAST PRICE	TARGET TIME	LIKELY SEASONAL LOWS
OTC	1295.30	1090 to 1140	"early to mid Oct."	1108.49 on 10/10/02
NDX 100	922.22	750 to 810	"late Sept/ early Oct."	795.25 on 10/08/02
S&P 500	893.92	775.68 low is likely to be tested	"in the weeks ahead"	768.63 on 10/10/02
RU 2000	391.57	335 to 340	"by mid Oct."	324.90 on 10/10/02
VALUE LINE	1019.22	845 to 870	"by mid Oct."	824.77 on 10/10/02
DOW TRANS	2257.07	1980 to 2030	"by mid Oct."	2008.31 on 10/10/02
DOW UTILS	234.56	"break below 200 to test the 7-24 low (186.49)		162.52 on 10/10/02

10-18-02: MARKET OUTLOOK IMPROVES SHARPLY



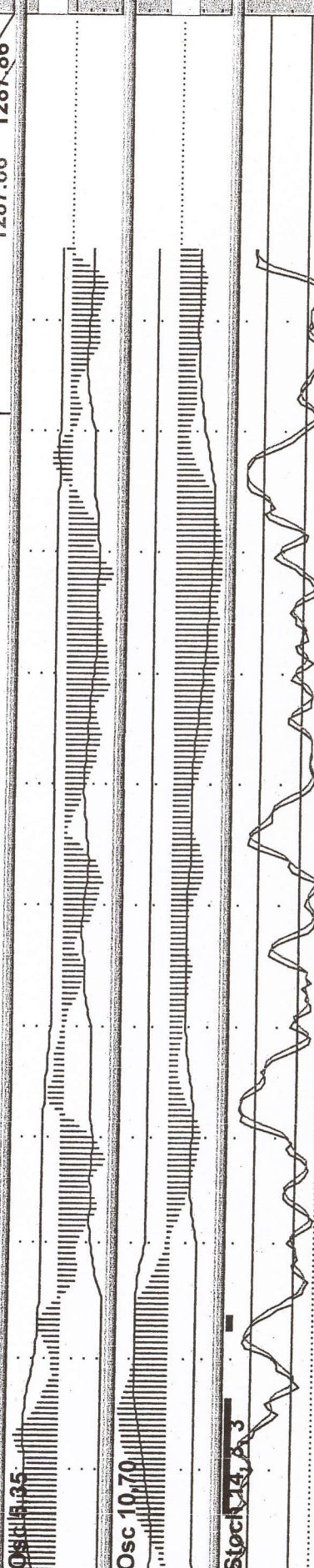
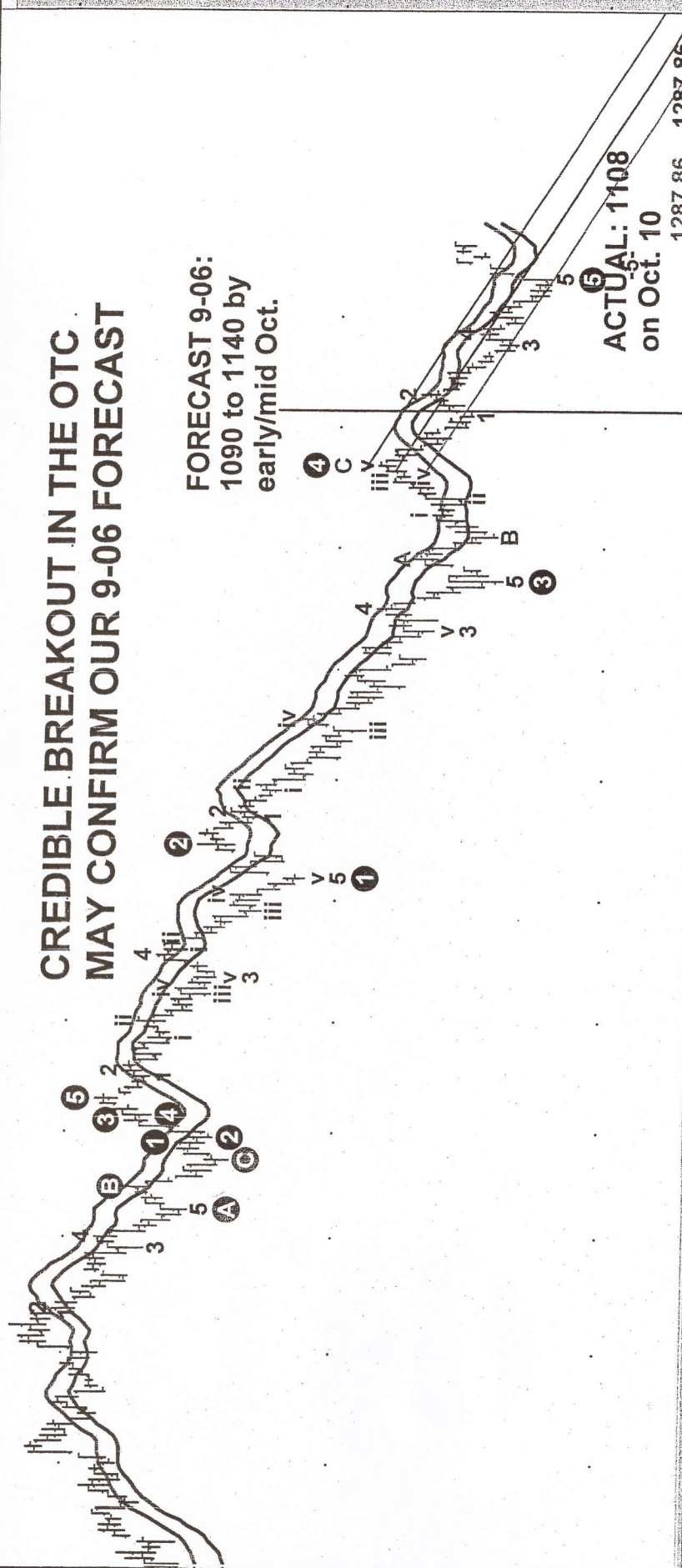
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CREDIBLE BREAKOUT IN THE OTC MAY CONFIRM OUR 9-06 FORECAST

FORECAST 9-06:
1090 to 1140 by
early/mid Oct.

ACTUAL: 1108
on Oct. 10



Dec	2002	Feb	Mar	Apr	May	06/03/02	Jul	Aug	Sep	Oct
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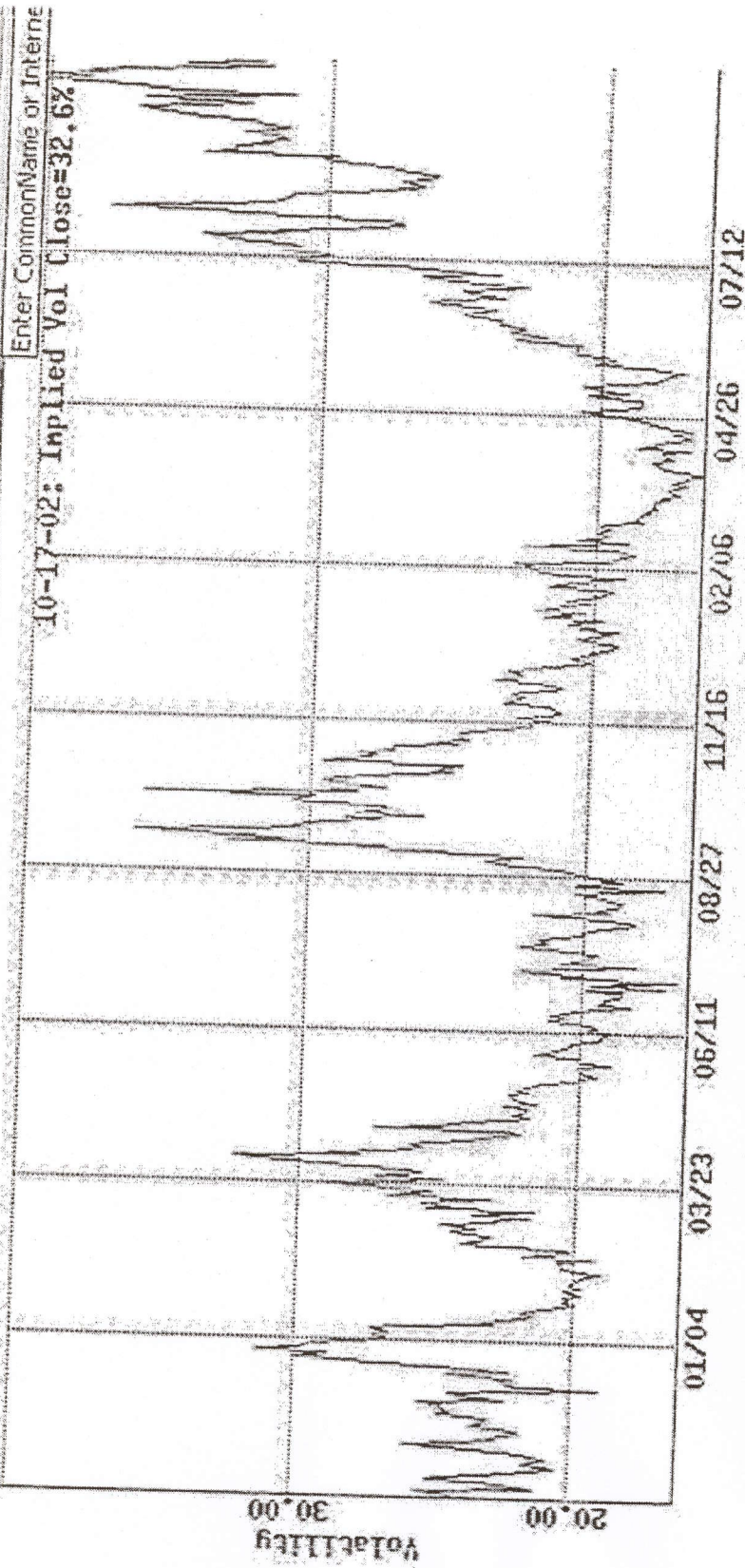
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10-19-02 STRIKER

IMPORTANT INGREDIENTS of the OCT '02 LOWS

Address <http://platinum.optionnetics.com/tables/5Pvol2yr.gif>



COMPONENTS of the OCT. 10 LOW:

- 1) Technical pattern
- 2) Bottoming Season
- 3) Net Long Commercials
- 4) Cresting Volatility

22

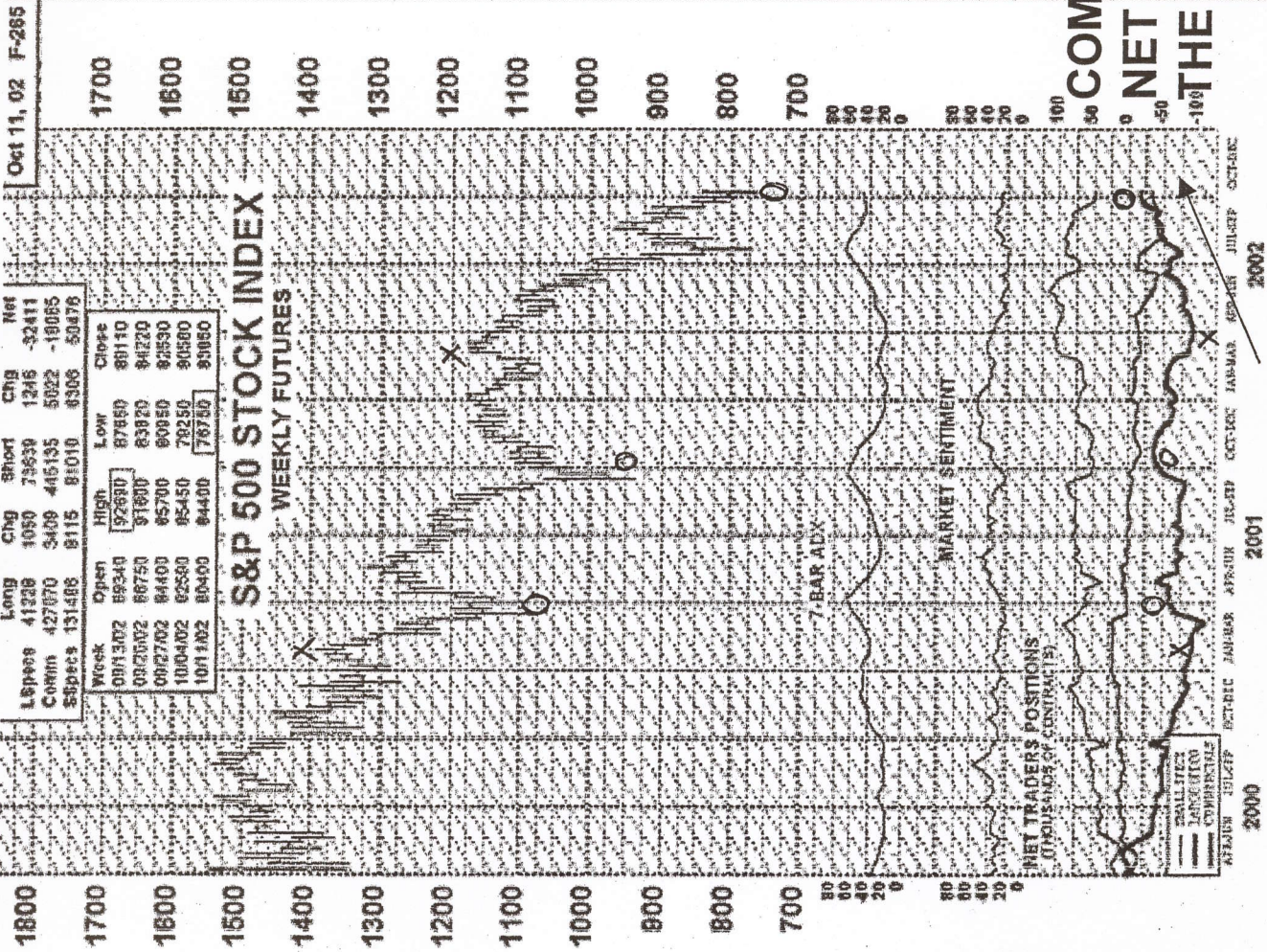
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Oct 11, 02 F-285

	Long	Chg	Short	Chg	Net
LEPPE8	41328	1050	75638	1246	-32411
COMM	427870	3409	445135	5022	-19085
SPDEC	131488	8115	85019	6306	50476

Week	Open	High	Low	Close
09/13/02	89340	92690	87850	88110
09/23/02	86750	91800	83820	84320
09/27/02	84460	85700	80850	82590
10/04/02	82580	85450	78250	80580
10/11/02	80400	84400	78750	80850

S&P 500 STOCK INDEX WEEKLY FUTURES



**COMMERCIALS MOVE
TO NET LONG PRIOR TO
THE 10-10 BOTTOM**

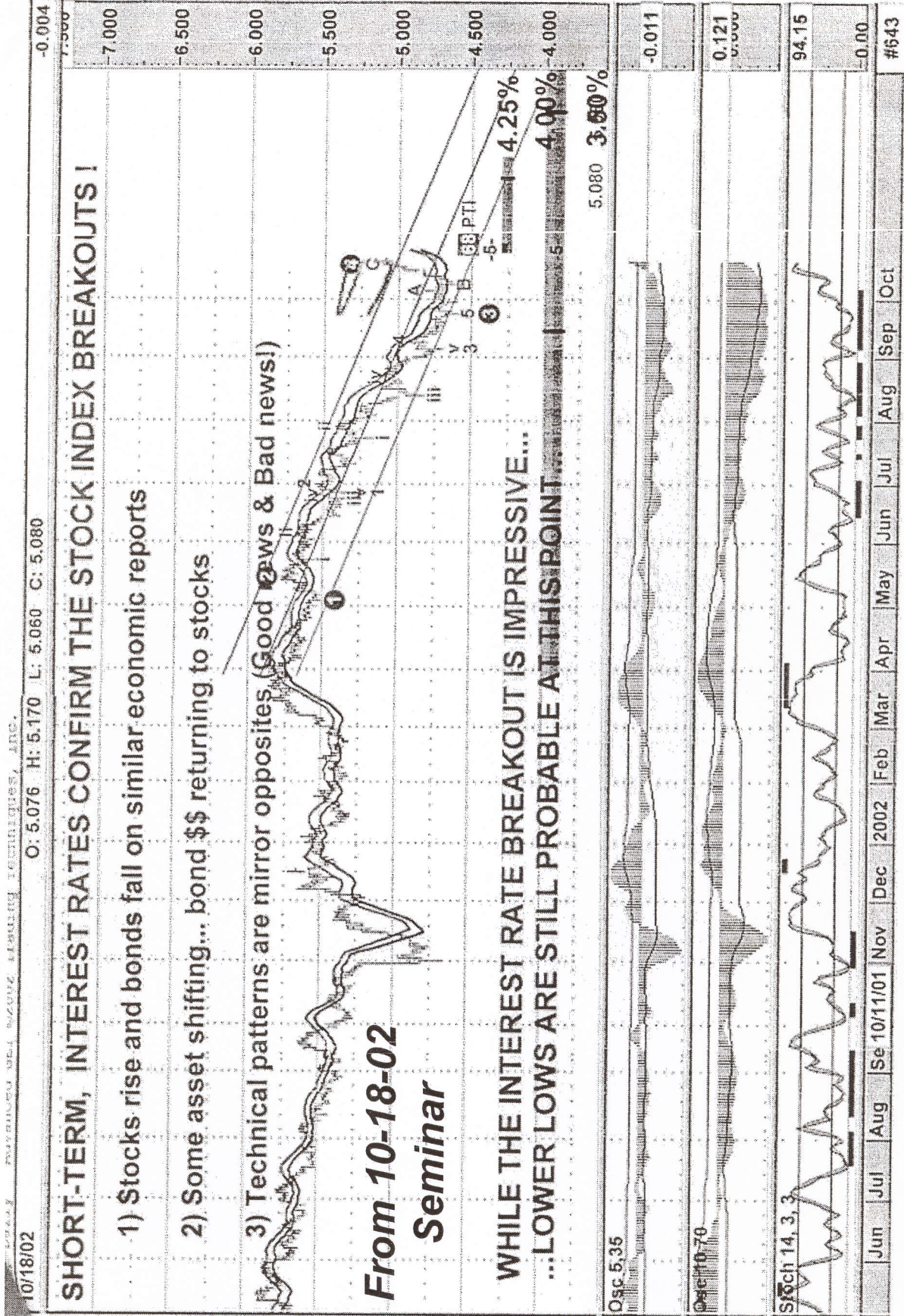
2000 2001 2002

29

10-19-02

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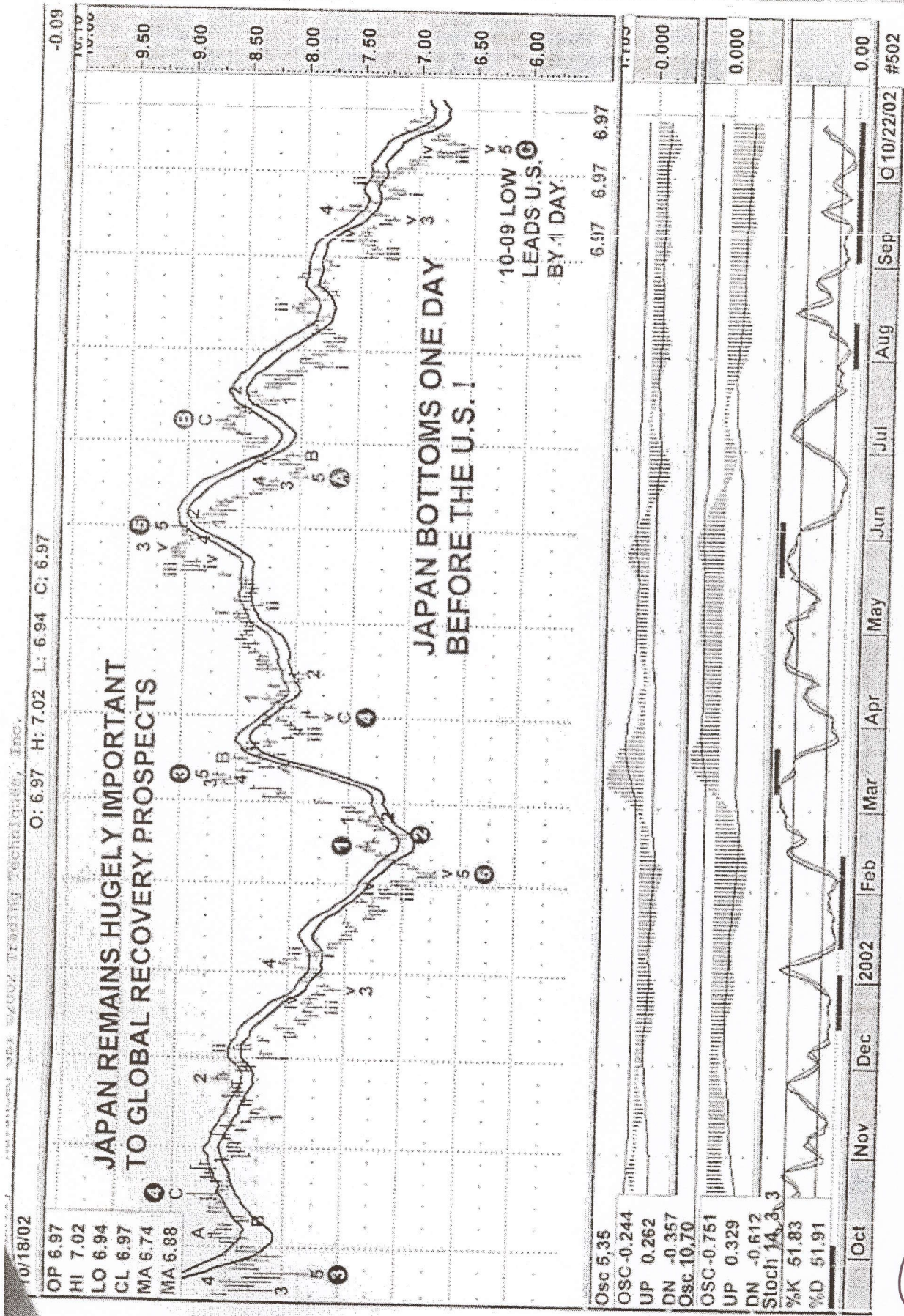
10-18-02 FORECAST: INTEREST RATES WILL GO LOWER



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OCT. '02: JAPAN BOTTOMS BEFORE THE U.S.



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STOCKPICKS FROM THE 10-18-02 SEMINAR

**USE CAUTION
WHEN TRADING
AHEAD OF ANY
EARNINGS RPT.!**

<u>STOCK WATCHLIST</u>									
SYM	PRICE 18-Oct	Min. Target	2nd Target	3rd Target	Initial Stop	Min. Risk/ Reward	Earnings Release		
BEAS	\$6.57	\$9.30	\$15.00	\$20.00	\$5.50	2.6	11/14/02		
BGEN	\$36.81	\$48.00			\$31.00	1.9	10/18/02		
BMET	\$31.17	\$36.00	\$41.00		\$28.00	1.5	12/17/02		
ELX	\$12.90	\$20.00	\$25.00		\$10.00	2.4	10/24/02		
GILD	\$34.25	\$41.00	\$46.00		\$30.50	1.8	10/31/02		
GMST	\$4.46	\$7.30	\$11.00		\$3.10	2.1	11/13/02		
INTC	\$14.46	\$20.00	\$25.00	\$30.00	\$13.25	4.6	10/15/02		
LLTC	\$27.60	\$33.00	\$39.00	\$45.00	\$22.00	1.0	10/15/02		
MERQ	\$24.15	\$30.00	\$40.00		\$19.28	1.2	10/17/02		
MU	\$14.00	\$17.00	\$22.00	\$28.00	\$11.90	1.4	12/17/02		
NOK	\$16.39	\$20.00	\$25.00		\$13.90	1.4	10/17/02		
SLB	\$40.69	\$45.00	\$60.00		\$37.10	1.2	10/16/02		
TXN	\$17.10	\$21.50	\$25.00	\$35.00	\$14.65	1.8	10/21/02		
VRTS	\$15.46	\$19.00	\$25.00		\$13.60	1.9	10/21/02		
XLNX	\$17.28	\$22.70	\$32.00		\$15.23	2.6	10/17/02		

Stocks from: SP 100, Nasdaq 100, & SSF "80"

27

76 (2) 40

TRADE ILLUSTRATION:

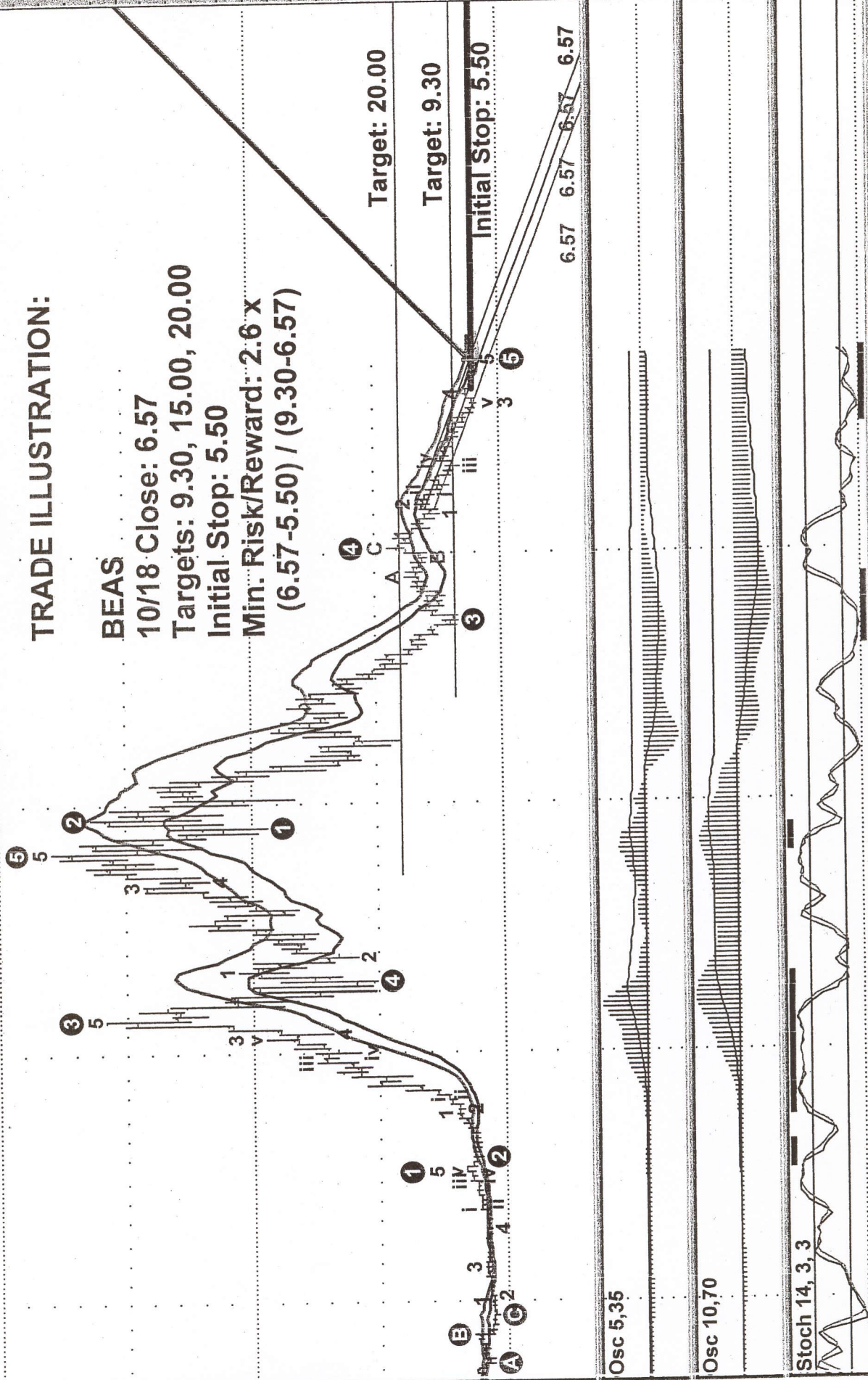
BEAS

10/18 Close: 6.57

Targets: 9.30, 15.00, 20.00

Initial Stop: 5.50

Min. Risk/Reward: 2.6 x
(6.57 - 5.50) / (9.30 - 6.57)



#	2002	2001	2000
	02/12/99		

28

28

10-19-02

Our 15 stocks averaged 61.65% gain vs. 18.31% for SP and 50.12% for OTC. Diversification benefits: 5 failed to top the SP and 6 didn't beat the OTC

<u>STOCKPICKS FROM OCT. 2002 SEMINAR</u>			
	<u>PRICE</u>	<u>10/31/03</u>	<u>PCT. CHANGE</u>
BEAS	\$6.57	\$13.90	111.57%
BGEN	\$36.81	\$40.42	9.81%
BMET	\$31.70	\$35.86	13.12%
ELX	\$12.90	\$28.30	119.38%
GILD	\$34.25	\$54.55	59.27%
GMST	\$3.65	\$4.69	28.49%
INTC	\$14.46	\$32.95	127.87%
LLTC	\$27.60	\$42.61	54.38%
MERQ	\$24.15	\$46.61	93.00%
MU	\$14.00	\$14.34	2.43%
NOK	\$16.39	\$16.99	3.66%
SLB	\$40.69	\$46.97	15.43%
TXN	\$17.10	\$28.92	69.12%
VRTS	\$15.46	\$36.08	133.38%
XLNX	\$17.28	\$31.77	83.85%
		Average:	61.65%
S&P	884.40	1046.34	18.31%
OTC	1287.00	1932.00	50.12%

29

41

Jan '03 - 2003 Outlook: Have We Bottomed or is a Major Crash Coming ?

U.S. STOCK MARKET OUTLOOK COMPARING THE ALTERNATIVES

FACTOIDS

	<u>SUPPORTS SCENARIO</u>			
	<u>H&S Oct. Bottom</u>	<u>Mild Re-Test</u>	<u>Severe Re-Test</u>	<u>Doom</u>
1) Bonds look to be about topped out	X	X		
2) One final blip down in rates possible		X		
3) Dollar looks ready to rally	XX	X		
4) Nikkei very near bottom but may have one final blip down	X	XX		
5) Recent strength on Jan. 2nd	X			
6) Failure to follow thru on Jan. 3rd		X		
7) Mutual Fund cash flows mildly positive	XX	X		
8) Commercials not as constructive as they were in October		X		
9) Analysis of 100 OEX stocks	X	XX		
10) Analysis of 100 NDX stocks		X		
11) Analysis of Global Stock Indices		X		
12) Generally weak SP seasonals ahead		X		
13) Narrowing bond quality spreads: vote of confidence for corporate balance sheets	X	X		
14) Weakness of many index pivots at recent 12-30 and 12-31 lows		X		

← KEY!

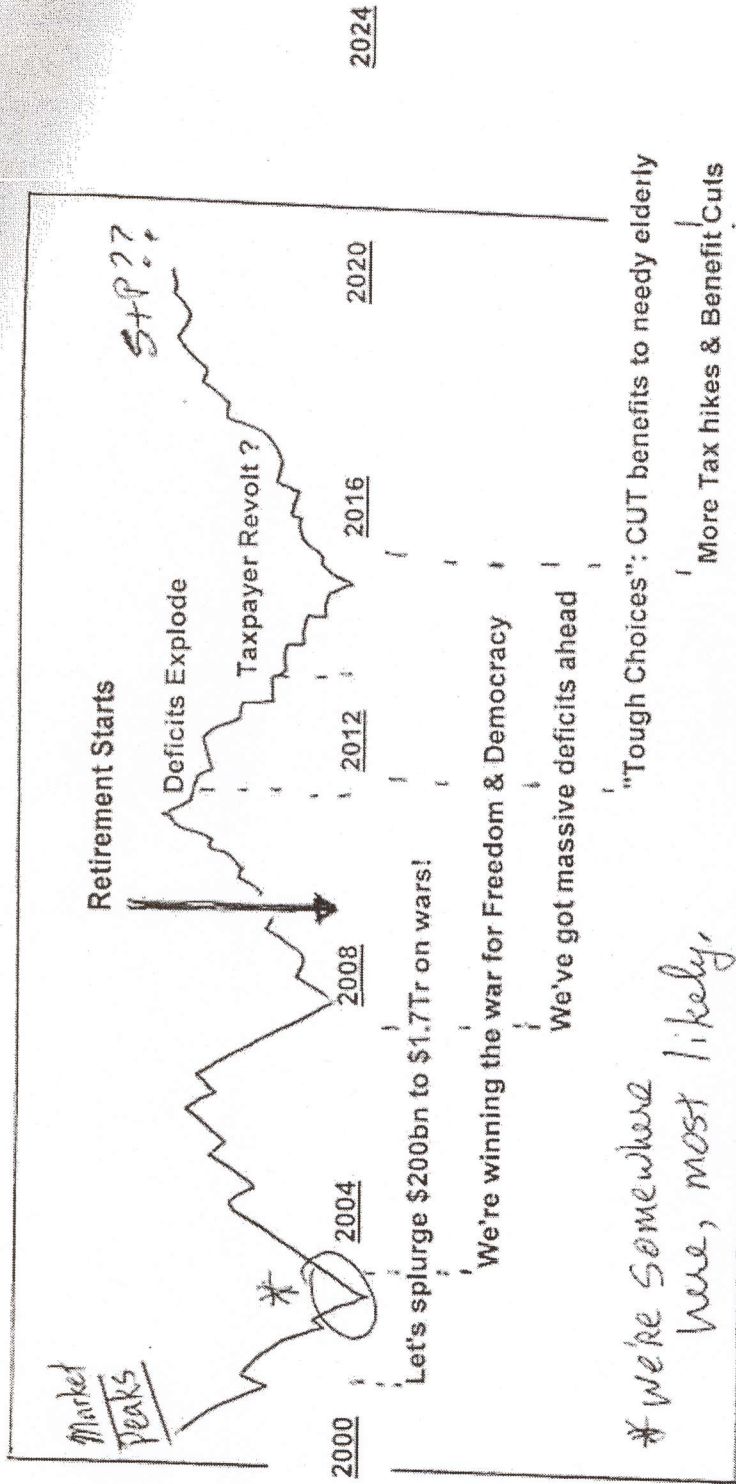
SP

Weight of evidence narrowly favors "mild re-test"

20

43

**BABY-BOOMER RETIREMENT:
THE SILENT "BLACK HOLE" OF FINANCE**



WILL MARKETS MOVE "SIDENWAYS", PULLED BY
THE GRAVITY OF ENTITLEMENT FINANCING DEMANDS
OVER THE NEXT 20 YEARS??

320

31

JAN 03

Jan. '03 ANALYSTS SLASH ESTIMATES & GET THEM RIGHT!

Keeping an Eye on Two Stormy Situations

By E.S. BROWNING

JOHN MEARA IS trying very hard to look past the war, which isn't easy.

But Mr. Meara, president of St. Louis agency-management firm Argent Capital Management, figures that, sooner or later, the war will be resolved, and then investors will start looking again at something that a lot of people have forgotten about: profits.

People like Mr. Meara are forcing themselves to keep buying stocks despite unsettling international news. They are a big part of the reason the stock market has been in a gentle slide, rather than a plunge, in recent weeks. As war looked more and more imminent, the Dow Jones Industrial Average fell another 65.67 points, or 0.82%, on Friday, to 7864.25, its lowest close in four months. That left it down 2.4% for the week and down 5.7% on the year.

The bet these pros are making is that earnings this year will rescue the stock market, a war with Iraq notwithstanding. The question is whether they are right to make that bet.

"We think there will be a resolution of the geopolitical situation," says Benjamin Fare, portfolio manager at Deutsche Bank Private Banking in New York. "The biggest issue going forward is economic fundamentals and earnings."

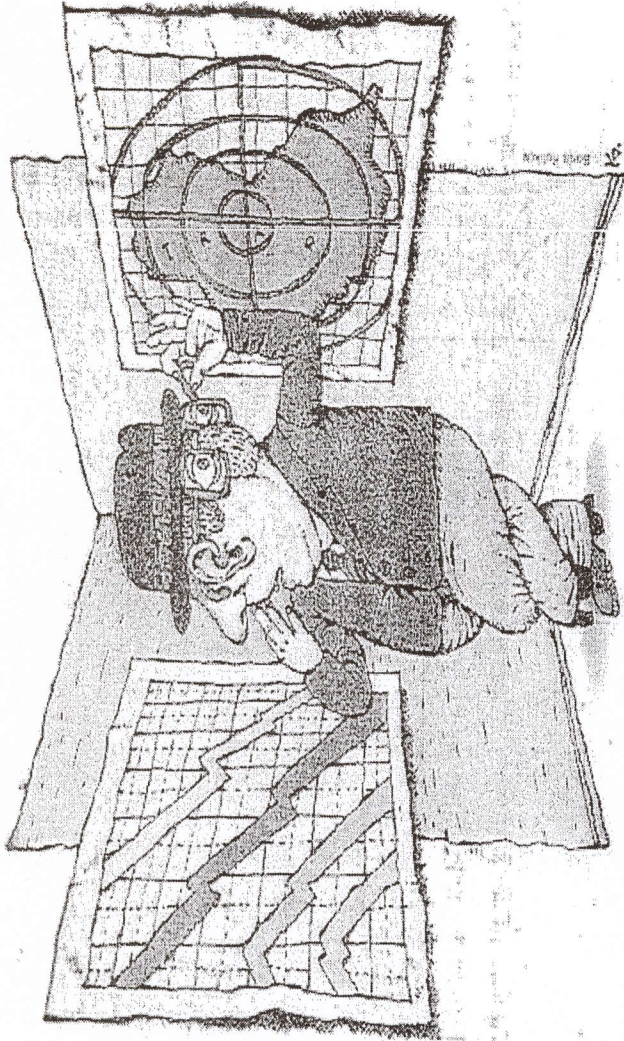
Earnings expectations will become irrelevant, of course, if something goes badly wrong in Iraq or North Korea. But few investors can predict that. As it is, they are finding plenty to worry about on the earnings front.

The initial indications of this year's profit picture aren't that strong. In recent months, income forecasts from big companies have led analysts to slash earnings expectations for the first half of this year.

In August, analysts thought earnings for companies in the S&P 500 index would grow at a rate of more than 20% in both the first and second quarters of this year. They thought that kind of growth could continue for the full year. Since then, they have steadfastly cut their expectations, and now are calling for less than 8% growth in the first half of the year, and about 12% for the full year, according to Thomson First Call, which collects such data.

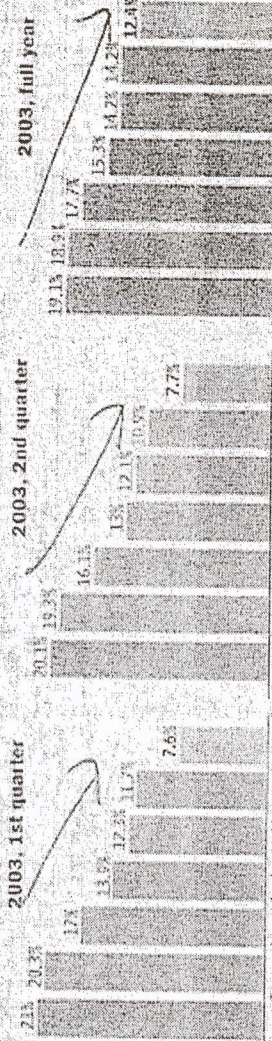
Just as worrisome, companies in the past few weeks have issued an unexpectedly large number of warnings that their performance won't meet, even

Please Turn to Page C3, Column 1



Don't Forget the Battle on the Other Front

In addition, stock-market investors could be facing plenty of unsettling news on the home front. Analysts continue to revise downward their forecasts for year-over-year earnings growth for the companies of the S&P 500 index.



Source: Thomson First Call
Forecasts, revised monthly
Aug. 1, 2002 - Jan. 1, 2003

EPS REVISIONS COMING DOWN

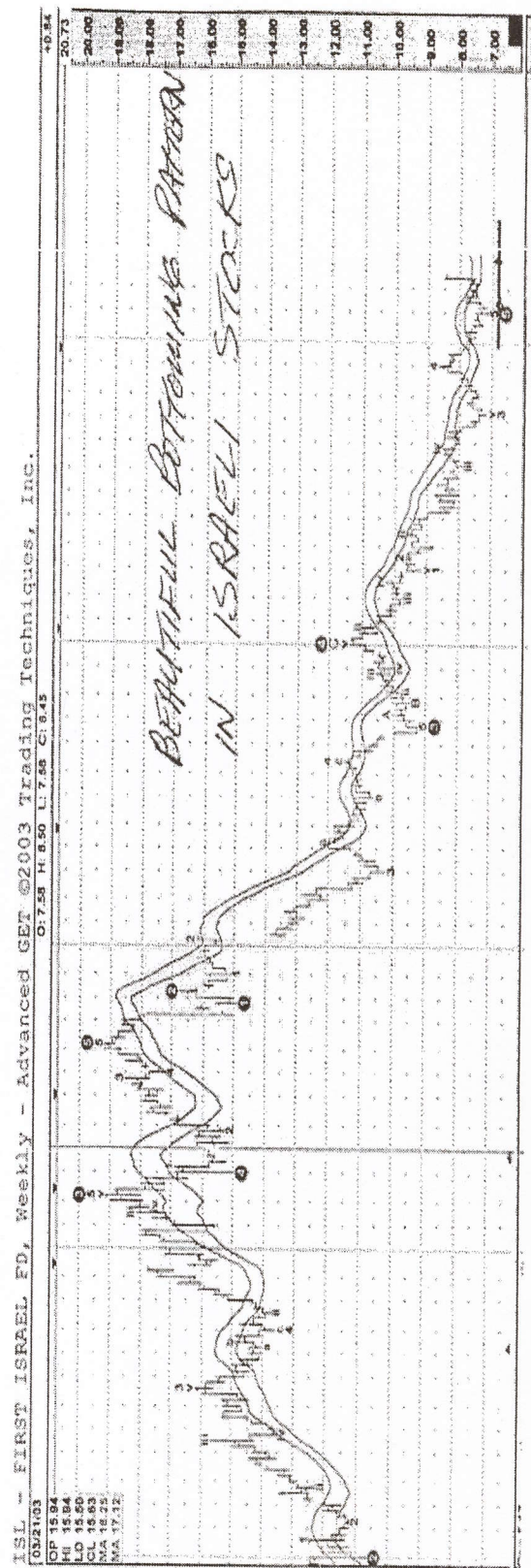
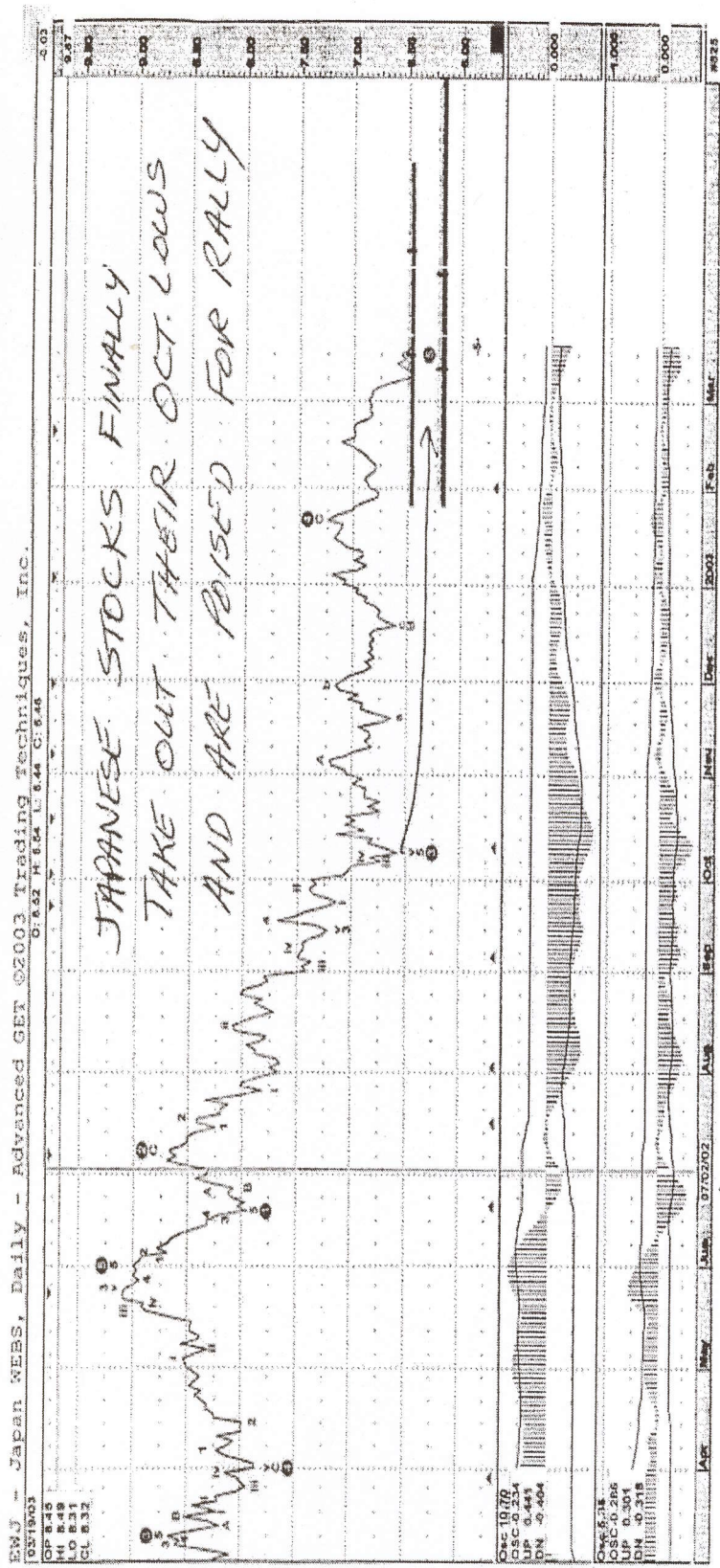
32

BUY LIST from JAN '03 CORNERSTONE MARKET OUTLOOK

	<u>Price</u> <u>1/6/2003</u>	<u>10/31/2003</u>		<u>11/28/2003</u>	
AVP	\$54.52	\$67.96	24.65%	\$68.50	25.64%
HPQ	\$19.65	\$22.31	13.54%	\$21.74	10.64%
MDT	\$47.30	\$45.57	-3.66%	\$45.20	-4.44%
CCU	\$41.09	\$40.82	-0.66%	\$41.81	1.75%
MCD	\$16.65	\$25.00	50.15%	\$25.63	53.93%
MU	\$10.56	\$14.34	35.80%	\$13.01	23.20%
BGEN	\$41.85	\$40.42	-3.42%	\$40.42	-3.42%
CTXS	\$14.00	\$25.17	79.79%	\$24.06	71.86%
QCOM	\$37.37	\$47.49	27.08%	\$44.55	19.21%
NVLS	\$33.57	\$41.25	22.88%	\$43.76	30.35%
IVGN	\$30.71	\$63.59	107.07%	\$68.17	121.98%
EBAY	\$36.50	\$55.93	53.23%	\$55.89	53.12%
EWK	\$10.19	\$12.49	22.57%	\$12.87	26.30%
CH	\$7.53	\$14.40	91.24%	\$12.82	70.25%
BZF	\$12.18	\$19.81	62.64%	\$20.80	70.77%
		AVERAGES:	38.86%		38.08%
SPX	929.01	1,050.71	13.10%	1,058.20	13.91%
OTC	1421.32	1932.21	35.94%	1960.26	37.92%
NDX	1061.48	1416.39	33.44%	1424.25	34.18%
OEX	469.74	519.98	10.70%	520.74	10.86%

33

3-19-03: JAPAN FINALLY MAKES NEW LOWS & CAN BEGIN TO BOTTOM!



34

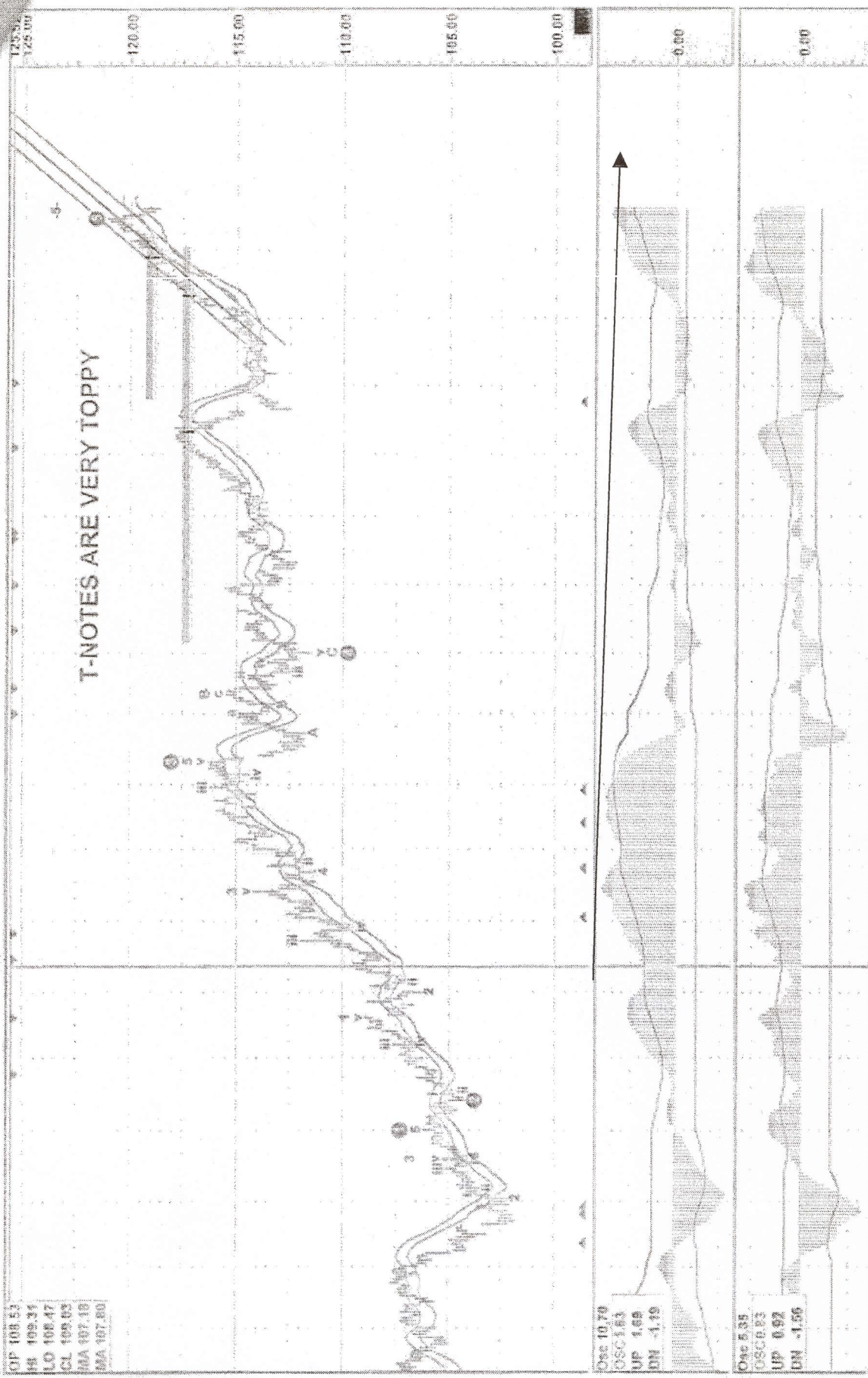
6-19-03: CALLING A MAJOR TOP IN BONDS

US 10 Yr T-Note, Daily - Advanced GET ©2003 Trading Techniques, Inc.

O: 119.31 H: 119.45 L: 118.69 C: 119.10

96/19/03
 OP 108.53
 HB 109.37
 LO 108.47
 CL 109.63
 MA 107.18
 SMA 107.80

T-NOTES ARE VERY TOPPY



Dec 10, 79
 OSC 1.53
 UP 1.69
 DN -1.79

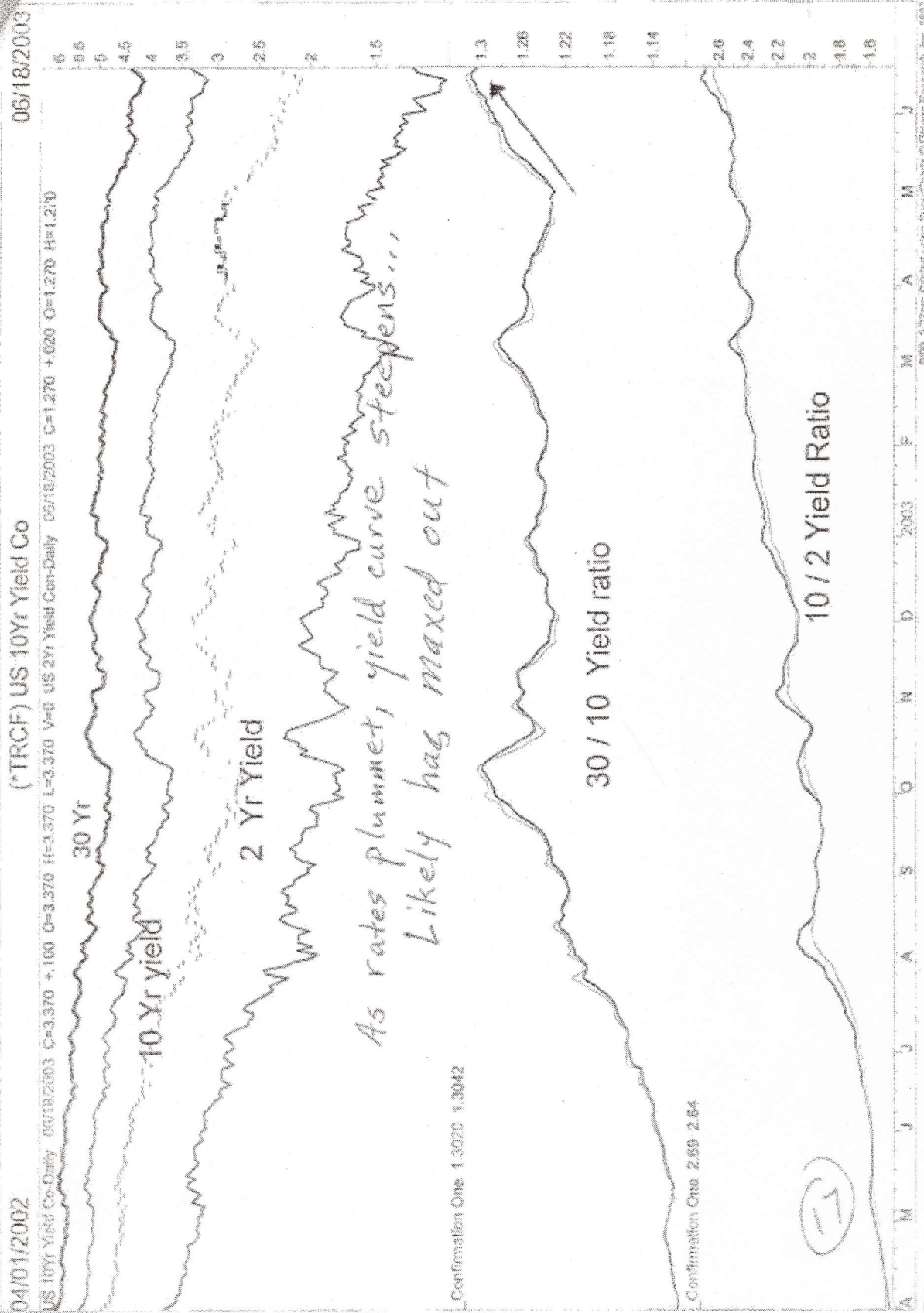
Dec 5, 03
 OSC 0.83
 UP 0.92
 DN -1.56

Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2003 Jan Feb Mar Apr May Jun #270

35

58

6-18-03: CALLING A TOP in YIELD CURVE STEEPNESS



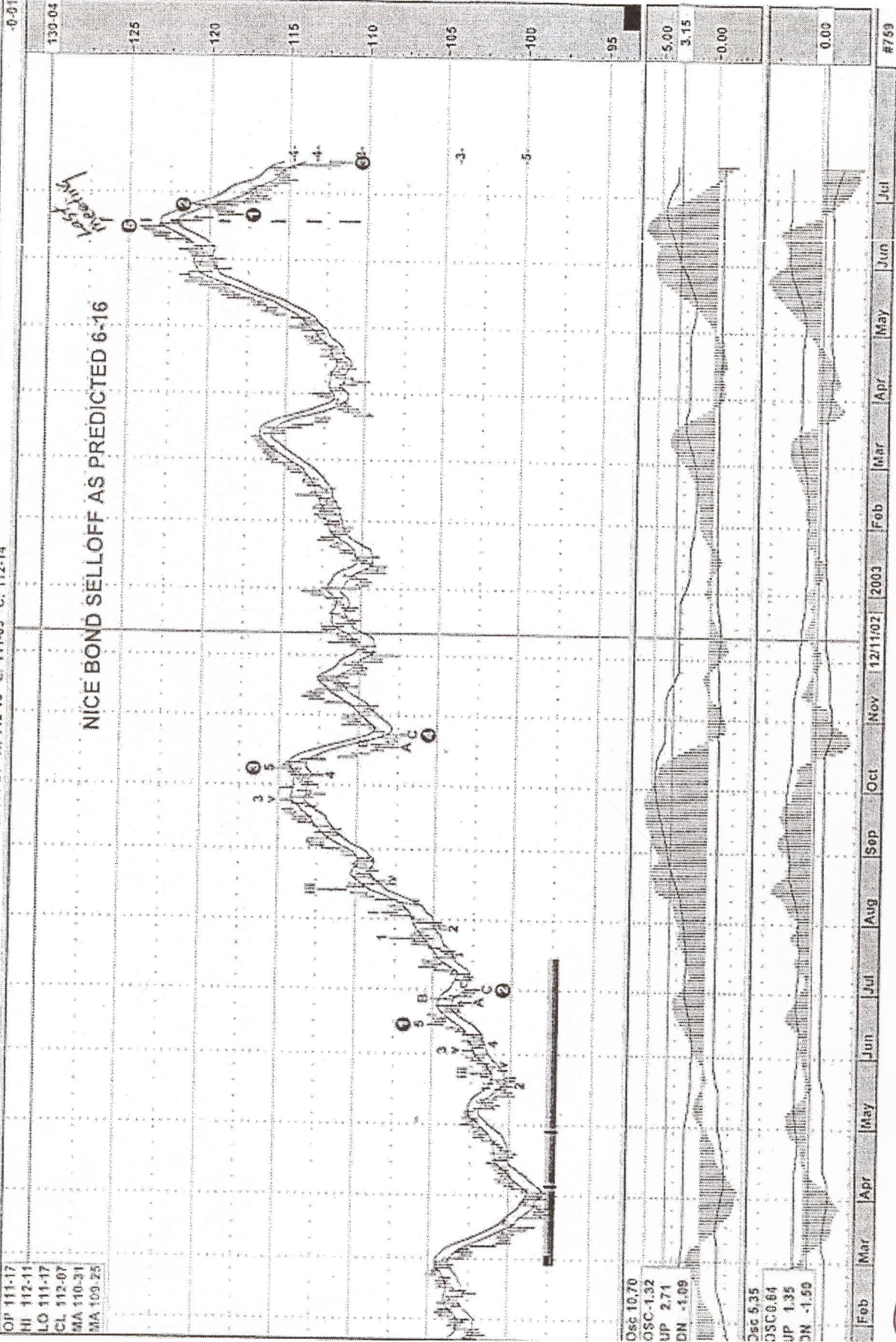
36

7-16-03: DRAMATIC BOND SELLOFF CONTINUES

US T-Bond, Daily - Advanced GET ©2003 Trading Techniques, Inc.
 O: 111-21 H: 112-16 L: 111-03 C: 112-14

OP 111-17
 HI 112-11
 LO 111-17
 CL 112-07
 MA 110-31
 MA 109-25

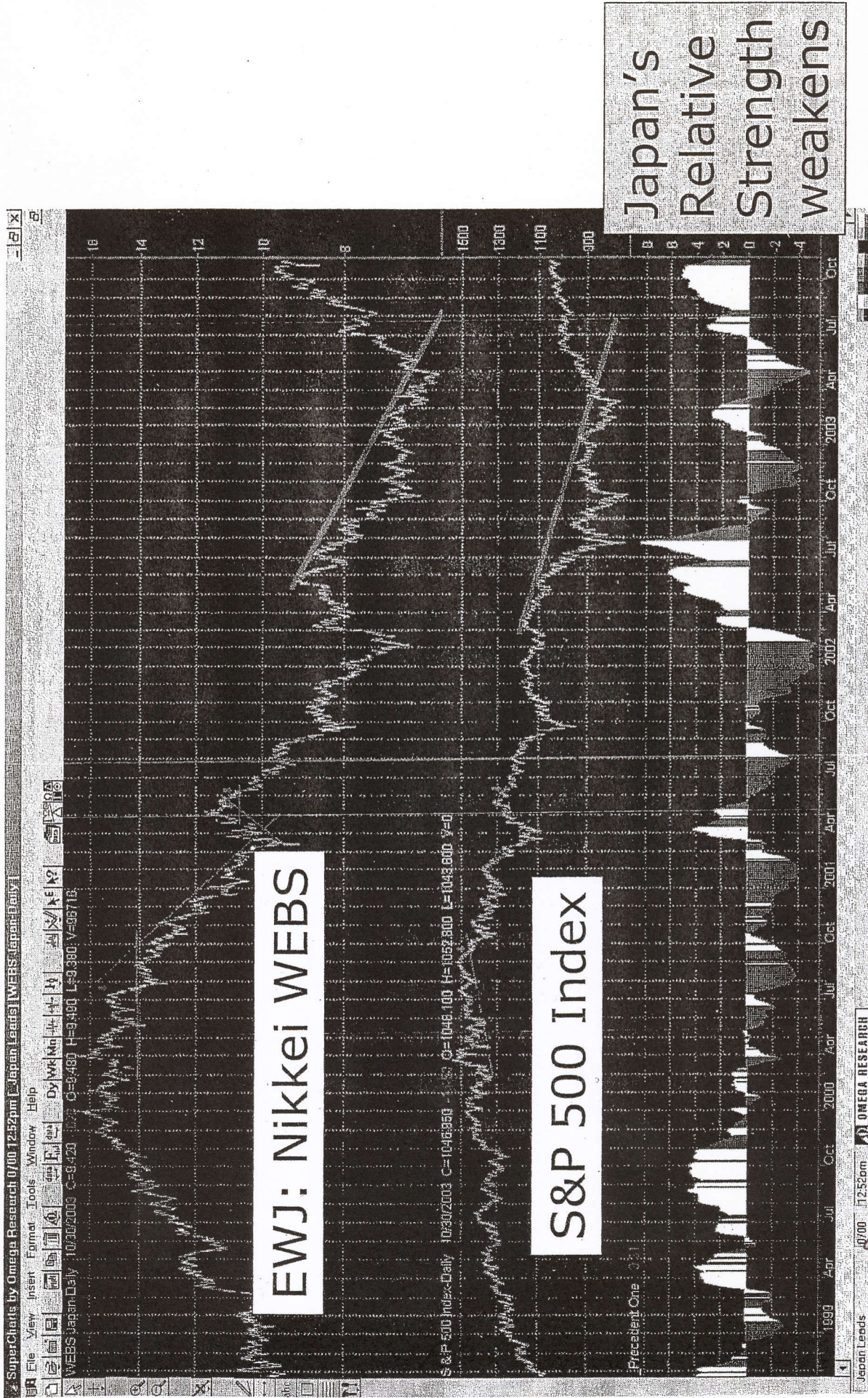
NICE BOND SELLOFF AS PREDICTED 6-16



37

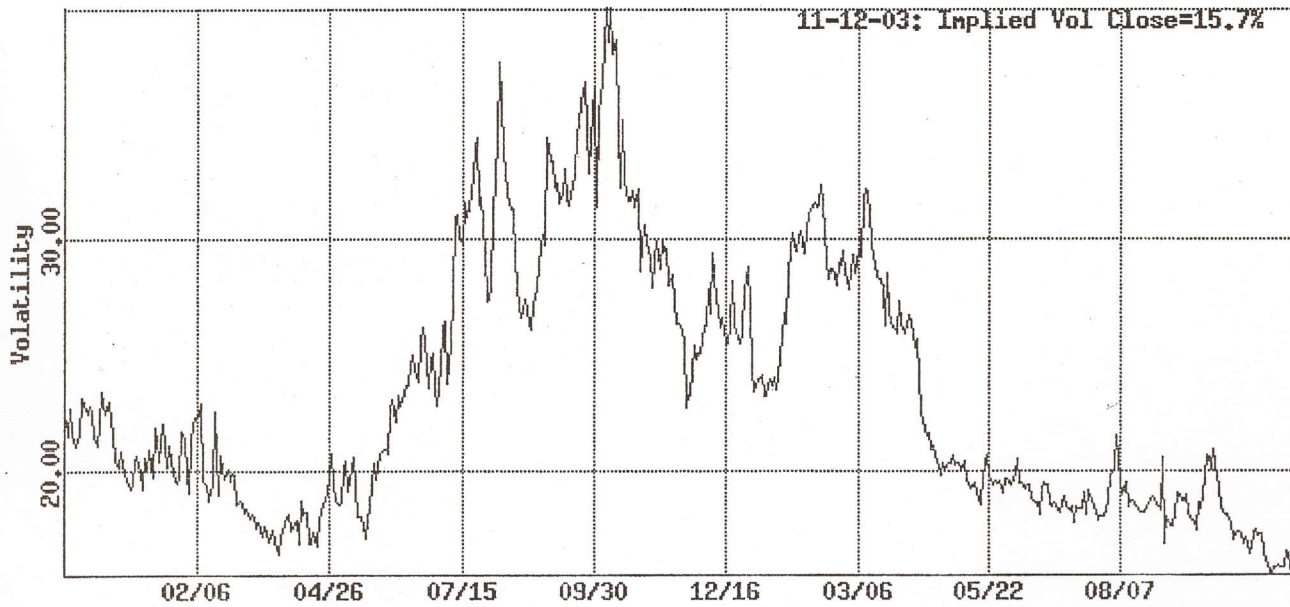
60

pr breakout in the Nikkei confirmed and fueled the rally from mid-March in the S&P. Both Nikkei and SP likely to "pause" here en route to higher highs in Dec/Jan.



38

11-03



STP VOLATILITY
REMAINS COMATOSE..
WILL INCREASE
BEFORE MARKET
TOPS

(39) ~~11/8~~

11-03

<u>STOCK MARKET OUTLOOK MATRIX</u>				
	<u>Roaring Bull</u>	<u>Moderate Upside</u>	<u>Tough Sledding</u>	<u>Market Crash</u>
Bonds near a bottom	X	X		
Interest rates inverse to stocks		X	X	X
Dollar likely to rally	X	X		
Japan market & economy up	X	X		
Market's recent "laboring" on good econ news (ex: Nov. 6 jobs)		X	X	X
Advance/Decline holding up	X	X		
Internals of NASDAQ 100	X	X		
Internals of SP 100	X	X		
Global stock strength	X	X		
IPO Market picks up	X	X		
EPS Surprises are positive	X	X		
High PE's			X	X
WILDCARD: Consumer spending strength & jobs creation in 2004!				
Conclusion: Short-term the U.S. market is very likely to follow Japan into the January EPS season. Thereafter 2004 is likely to be closer to moderate upside than tough sledding. Interest rates and P/E levels will continuously pressure stocks, even in best scenarios.				

STOCK & STOCK INDEX PICKS, CORNERSTONE MARKET OUTLOOK 12-6-03

<u>STOCKS</u>	ENTRY PRICE 8-Dec	INITIAL STOP	PRICE @ sale or 4/15/04	POINTS GAIN or LOSS	% GAIN	CURRENT STOP	EXIT INFO
CPWR	\$5.67	\$5.08	\$7.36	\$1.69	29.8%	sold	sold @ 7.36 (3-16-04)
CHIR	\$55.03	\$51.00	\$54.56	-\$0.47	-0.9%	sold	sold @ 54.56 (1-6-04)
KO	\$47.75	\$45.00	\$49.30	\$1.55	3.2%	sold	sold @ 49.30 (1-22-04)
PCAR	\$80.93	\$73.56	\$85.75	\$4.82	6.0%	sold	sold @ 85.75 (1-13-04)
AMZN	\$51.08	\$49.53	\$49.50	-\$1.58	-3.1%	sold	sold @ 49.50 (12-9-03)
EWH	\$9.92	\$9.05	\$10.78	\$0.86	8.7%	sold	sold @ 10.78 (3-9-04)
EWJ	\$9.13	\$8.55	\$9.55	\$0.42	4.6%	sold	sold @ 9.55 (2-20-04)
TRF	\$31.74	\$28.50	\$45.25	\$13.51	42.6%	\$42.20	
Average Gain:					11.4%		
<u>INDICES</u>							
DOW	9965.00		10520.00	555.00	5.6%	sold	sold 3-09 @ 10520
SPX	1,069.30		1,127.00	57.70	5.4%	sold	sold 1-28 @ 1127.00
NDX	1,418.05		1,511.50	93.45	6.6%	sold	sold 1-28 @ 1511.50
RUT	543.04		584.75	41.71	7.7%	sold	sold 1-28 @ 584.75

NOTES 4-15-04: Importance of tight stops, ESPECIALLY IN WEAK MARKET CONDITIONS

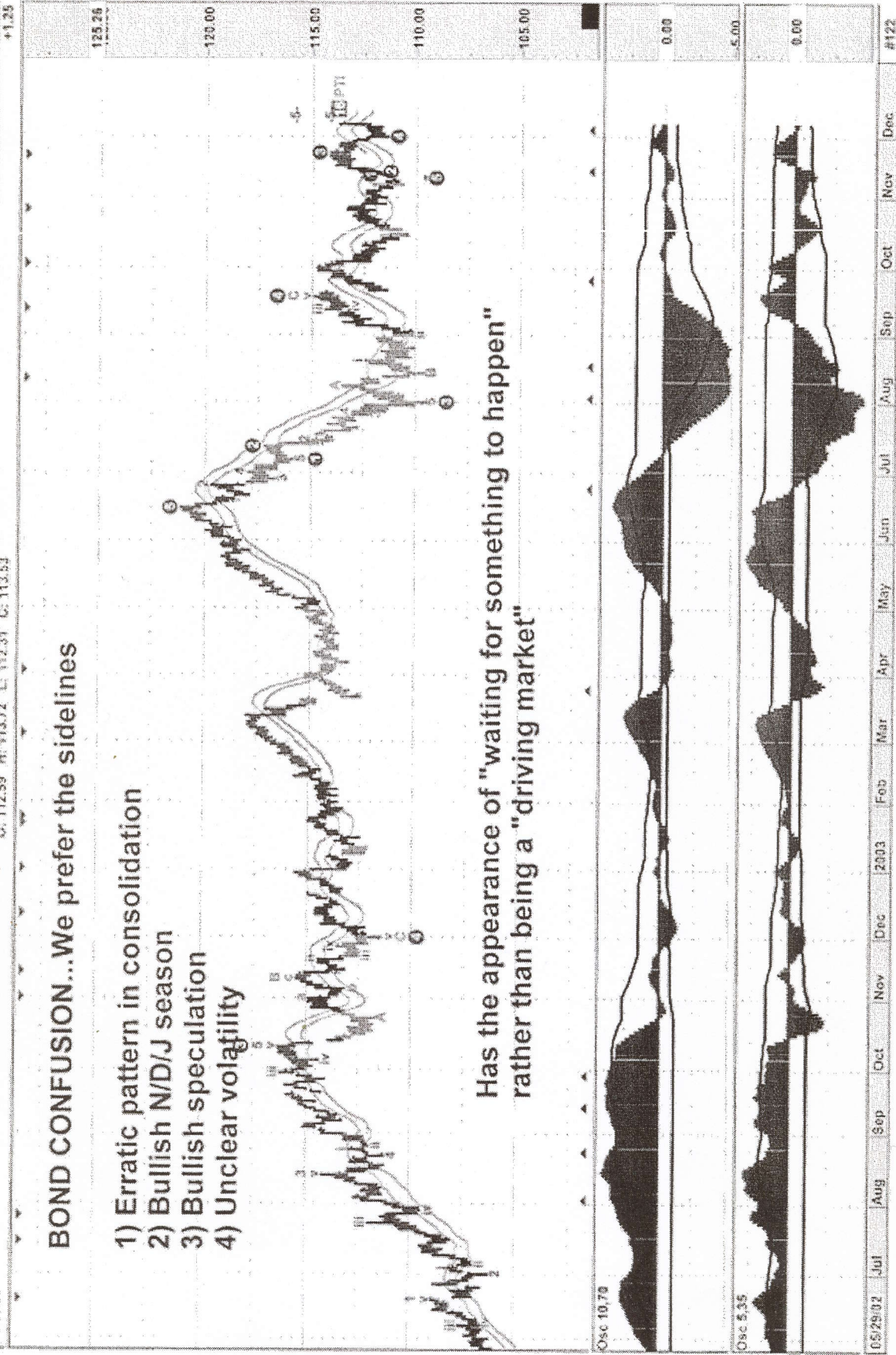
- One great trade can add a lot of percentage return to a portfolio! (TRF)

41

BOND PATTERNS ARE VERY ERRATIC

12-05-03

12/05/03 ADVANTAGE BOND TRADING TECHNIQUES, INC.
 C: 112.59 H: 113.72 L: 112.31 G: 113.53



BOND CONFUSION...We prefer the sidelines

- 1) Erratic pattern in consolidation
- 2) Bullish N/D/J season
- 3) Bullish speculation
- 4) Unclear volatility

Has the appearance of "waiting for something to happen"
 rather than being a "driving market"

87

42

12-05-03

PROFITABLE LEADING TECHNIQUES, INC.

O: 1197.500 H: 1211.300 L: 1197.500 C: 1207.300

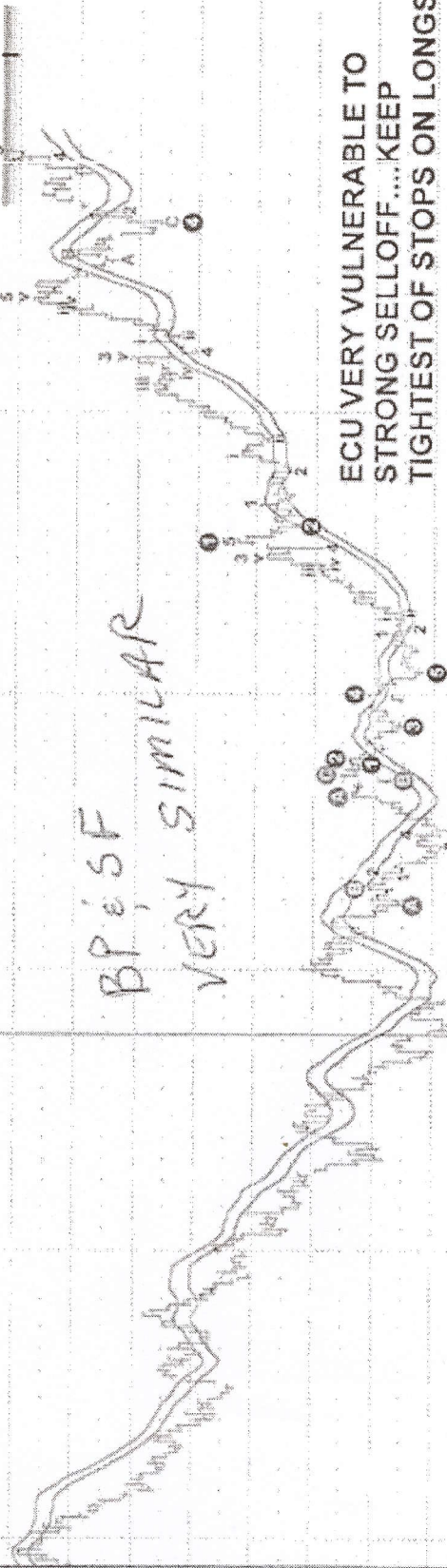
*\$ 200

OP 863 800
HI 872 300
LO 853 600
CL 863 800
MA 905 887
MA 892 800

EURO MAY HAVE ONE LAST GASP...
...BUT NOT LIKELY TO REACH MUCH ABOVE RECENT HIGH

BP & SF
VERY SIMILAR

ECU VERY VULNERABLE TO
STRONG SELLOFF...KEEP
TIGHTEST OF STOPS ON LONGS!



Osc 10.70
OSC 59.0
UP 35.7
DN 78.5

Osc 5.35
OSC 59.9
UP 24.2
DN 45.9

1999

2000

10/13/00

2001

2002

2003

#160

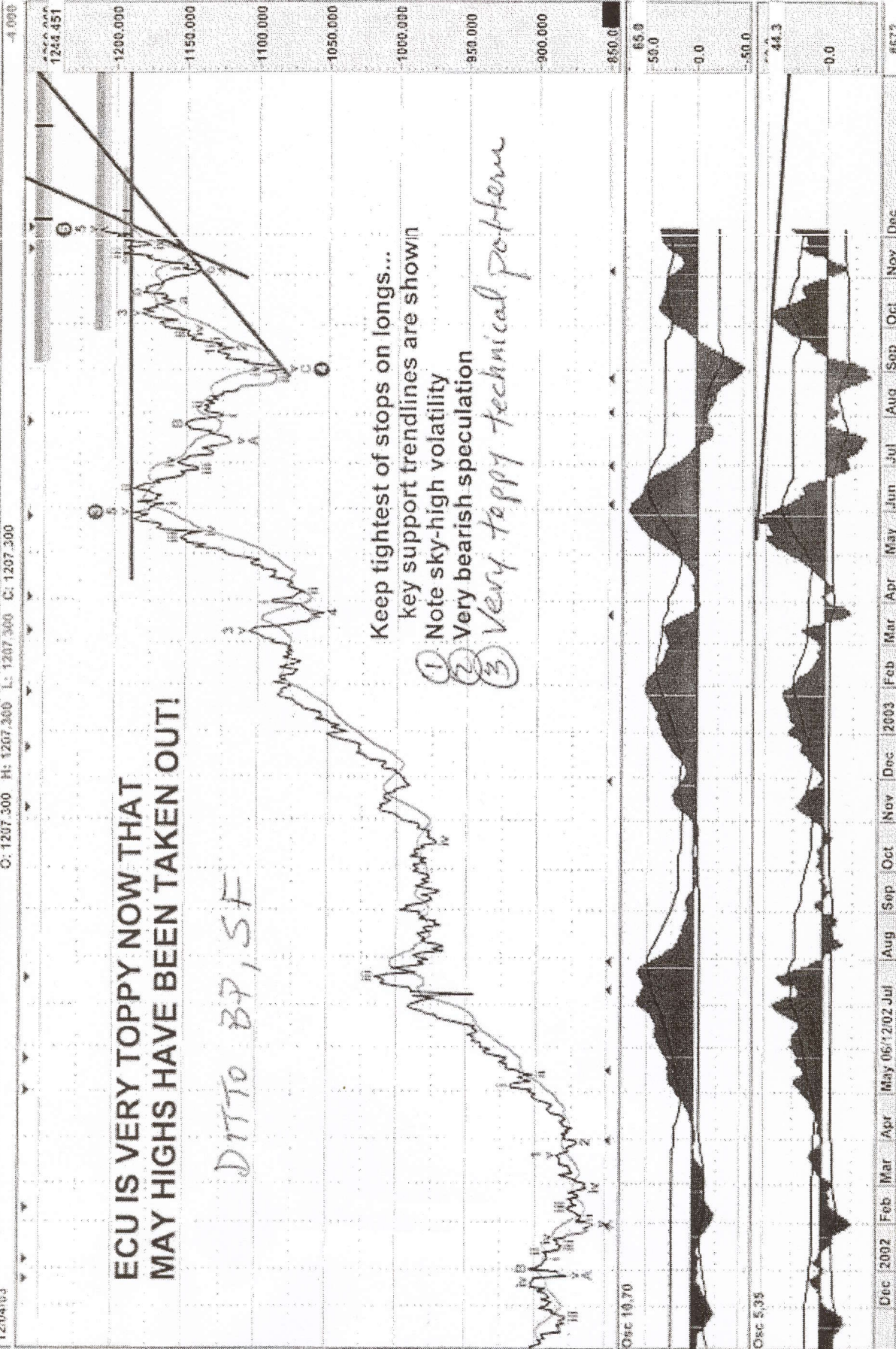
43

73

12-05-03

ECU, Daily - Advanced GET ©2003 Trading Techniques, Inc.

12/04/03 O: 1207.300 H: 1207.300 L: 1207.300 C: 1207.300



ECU IS VERY TOPPY NOW THAT
MAY HIGHS HAVE BEEN TAKEN OUT!

DITTO BP, SF

Keep tightest of stops on longs...
key support trendlines are shown in

- ① Note sky-high volatility
- ② Very bearish speculation
- ③ Very topy technical patterns

74

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