# Our stock forecasts thru mid 2002 were consistently bearish

15

2002

## BISHOP'S STOCK INDEX CALLS:

BEAR TRACKS

**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."

**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 it's 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

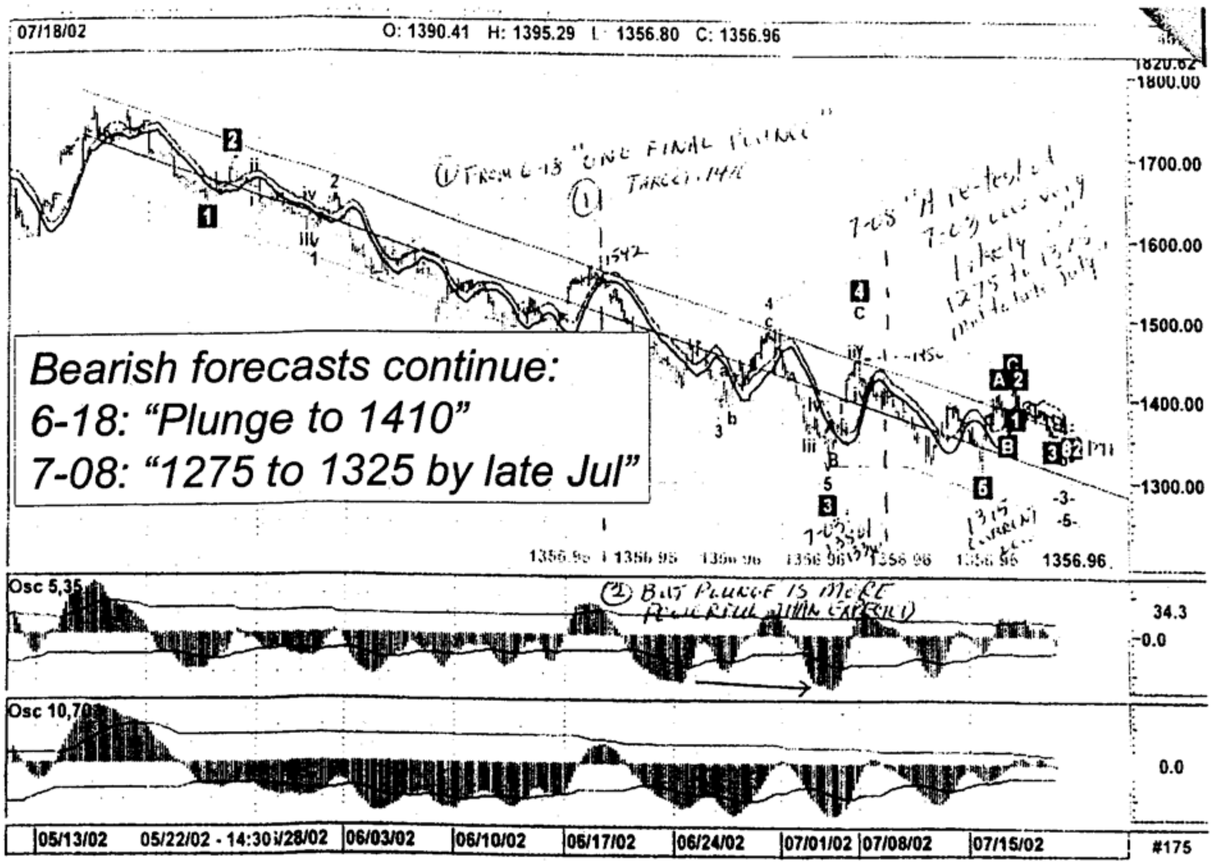
RU2000: ...an on-going selloff to bottom above the Feb lows (457 area) in May

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

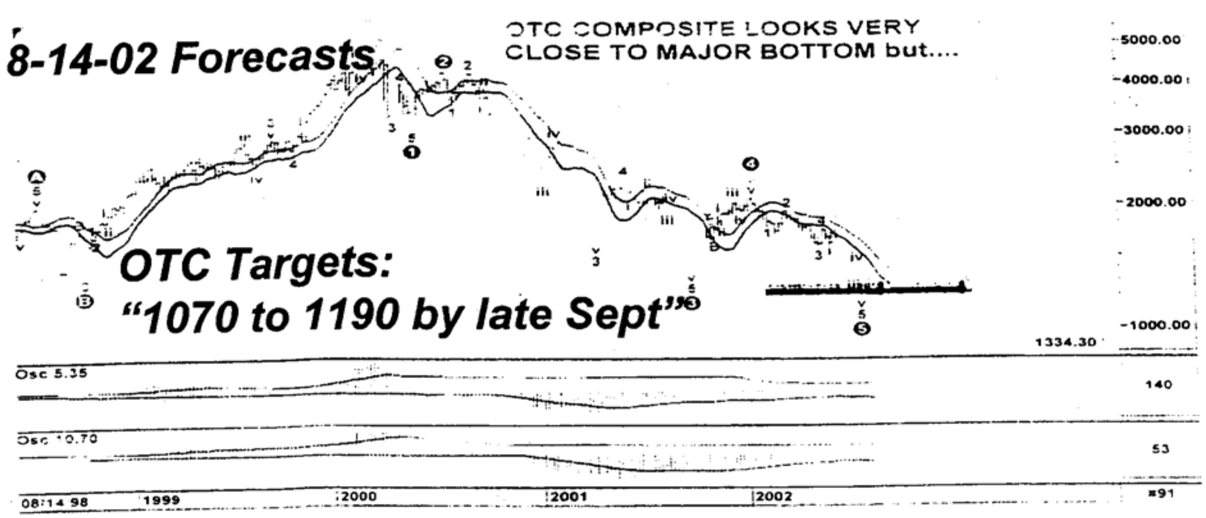
(S)

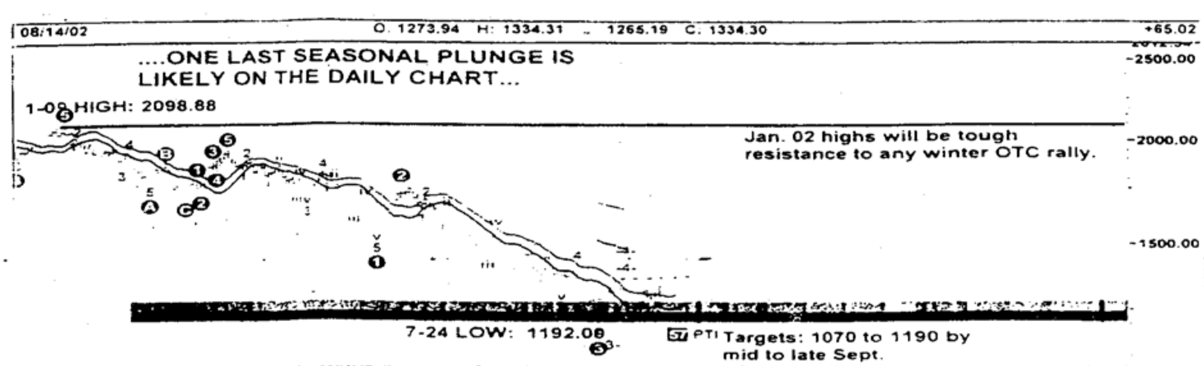
5-02

# SUMMER of '02 REMAINS BEARISH




30




52

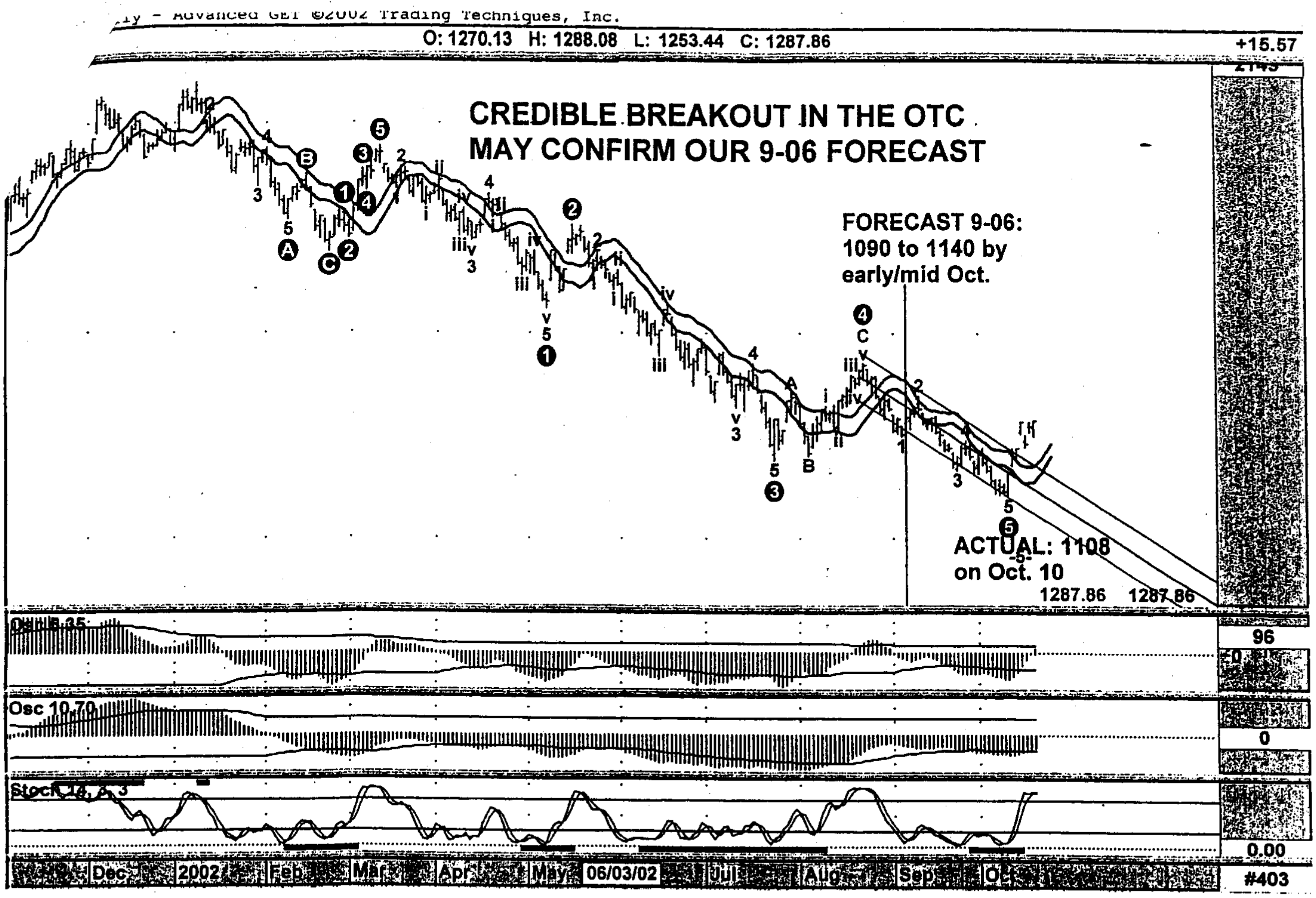
**Our projections for further steep stock selloffs from early Sept '02 into mid October….**

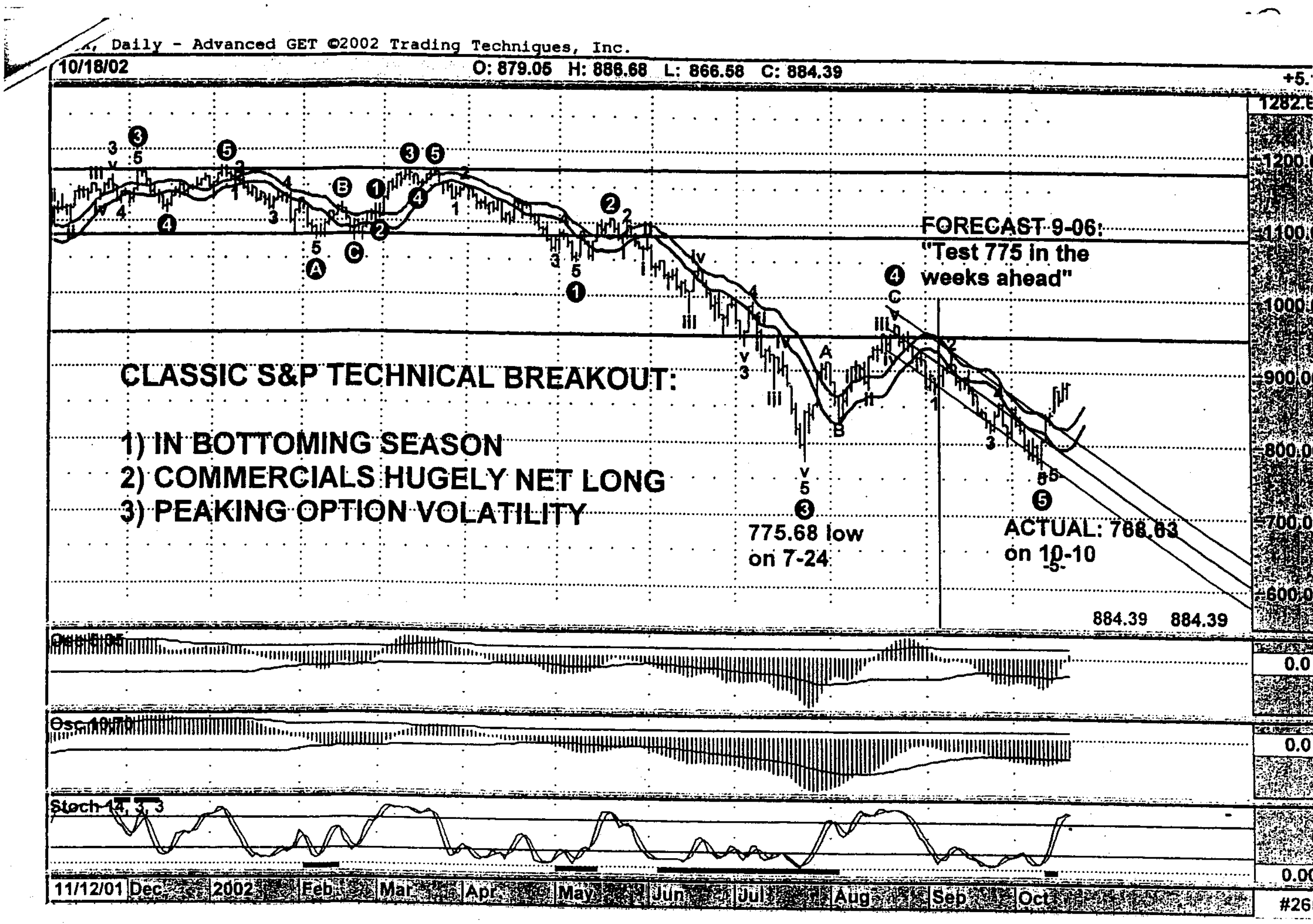
# THE STRIKER REPORT, 9-06-02

## BISHOP'S MARKET OUTLOOK FORECASTS

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

# 10-18-02: Calling the Oct. '02 stock market bottom to within a week…




54

58

**October 2002: All major stock market indices bottom Within a few points of our forecasts on 9-06-02**

'OUR 9-6-02 MARKET BOTTOM FORECAST HITS THE OCT. LOW!

13

# THE STRIKER REPORT, 9-06-02

## BISHOP'S MARKET OUTLOOK FORECASTS

| INDEX | PRICE on 9/6/02 | FORECAST TARGET LOWS PRICE | FORECAST TARGET LOWS TIME | LIKELY ACTUAL 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 |

56

$#

**Extremely important driver of the 2002 market bottom: Wall Street analysts slash EPS estimates. Positive earnings suprises more likely.**

## *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 money 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 65.07 points, or 0.82%, on Friday, to 7864.23, its lowest close in four months. That left it down 2.4% for the week and down 5.7% on the year.

**ABREAST OF THE MARKET**

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 Pace, portfolio manager at Deutsche Bank Private Banking in New York. "The biggest issue going forward is economic fundamentals and earnings."

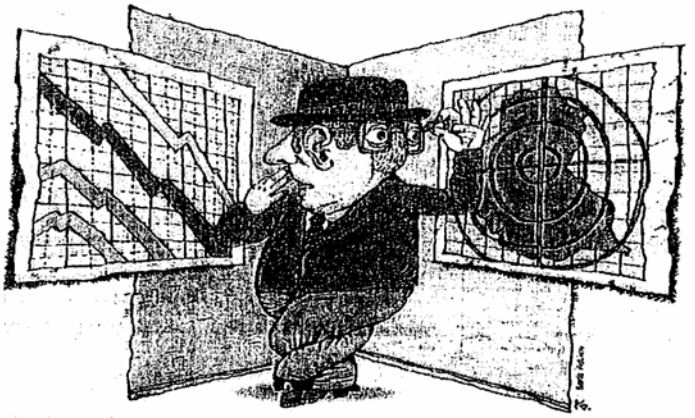
Earnings expectations will become irrelevant, of course, if something goes badly wrong in Iraq or North Korea. But few investors can predict that. As it is, they are finding plenty to worry about on the earnings front.

The initial indications of this year's profit picture aren't that strong. In recent months, morose 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.

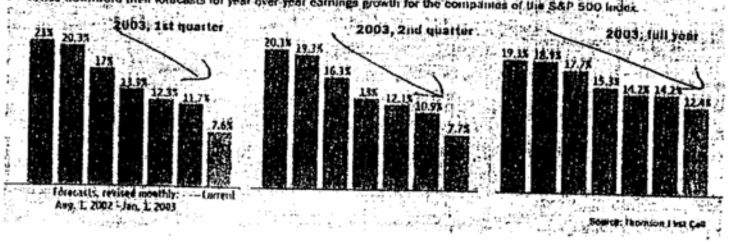
Just as worrisome, companies in the past few weeks have issued an unexpectedly large number of warnings that their performance won't meet even

*Please Turn to Page C3, Column 1*



### Don't Forget the Battle on the Other Front

Iraq aside, 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

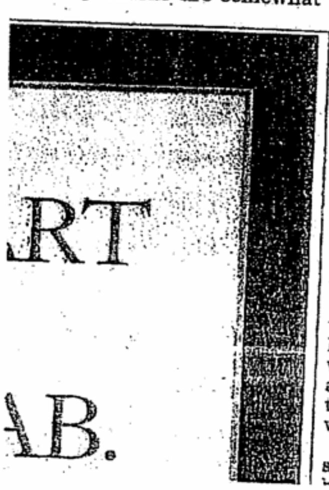
EPS REVISIONS COMING DOWN

45

overdone, and it feeds on itself," said Curt Hunter, head of research at the Chicago Federal Reserve. "They all talk to each other. One says things are bad, and then it builds."

Burned by retribution from the exuberance of the late 1990s, companies also are being "appropriately careful about not misleading the Street," said Timothy O'Neill, chief economist for BMO Financial Group and leader of a national economists group.

"Generally speaking, it's probably true that companies' public positions are somewhat




spiked in the first two months of the year, with eight times more selling than buying, according to Thomson Financial.

"If you're a CEO, the most recent recession was a horrible one, and the recovery has not been rapid. The market is down for a reason," said Jay Mueller, portfolio manager and economist with Strong Investments in Milwaukee. "That's why CEOs are so gloomy."

Investors are pricing in the corporate gloom, along with specific worries about war with Iraq and pension funding for an aging workforce. There are plenty of legitimate reasons to be concerned, executives say.

The Standard & Poor's 500 index closed Friday at 829.69, down nearly 6 percent since Jan. 1.

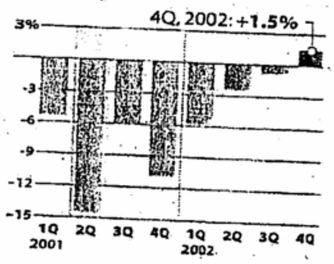
Analysts, who take their cues predominantly from companies rather than economists, still are aggressively cutting their estimates for corporate earnings in the first and second quarters, said Chuck Hill, research director for First Call, a data firm.

"The slashing started last fall, then leveled off at the holidays," Hill said. "The hope was that we'd revert to normal trimming after the first of the year. Unfortunately, slashing is still the word."

Earnings estimates for the second quarter have been ...

**BUSINESS INVESTMENT**

*Percent change from previous period*




**...earnings growth estimates have been cut**

**FIRST CALL EARNINGS ESTIMATES**

*Change from year-earlier period*


Sources: First Call, The Conference Board, Bureau of Economic Analysis

Chicago Tribune

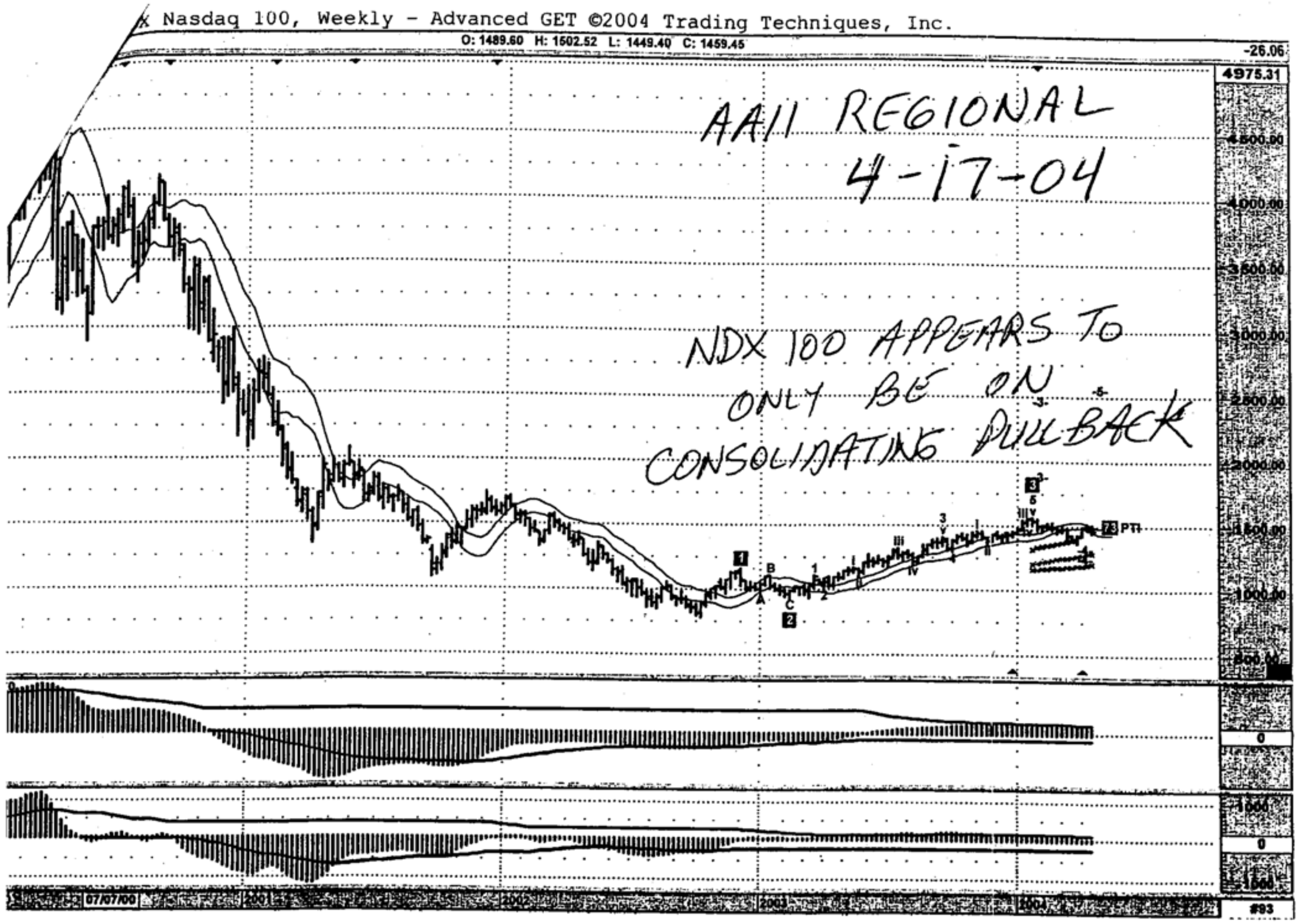
mists, many of whom believe we're in the early stages of a pickup.

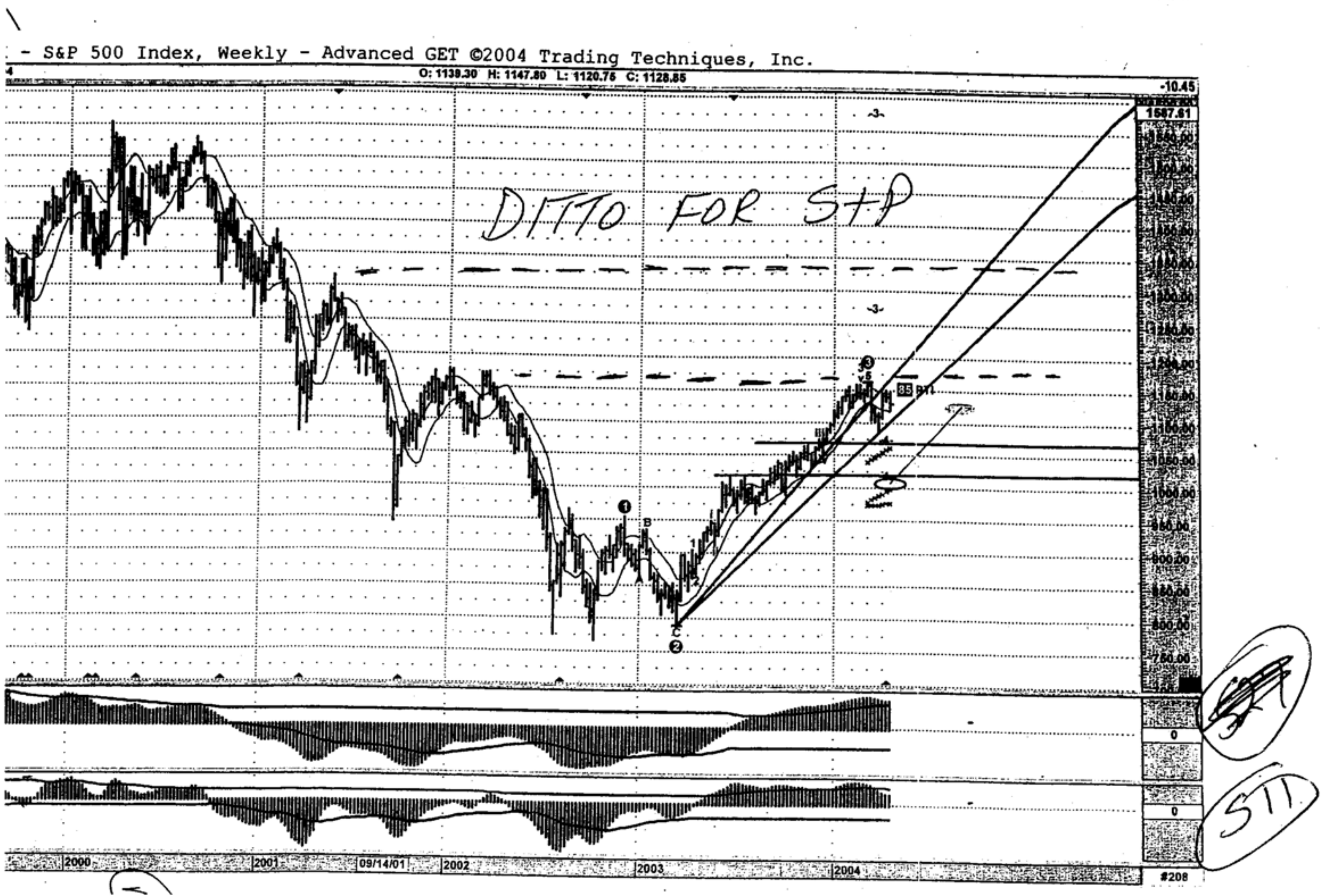
"Executives have always been jokingly referred to as lagging

**2-9-03 Estimate Cuts !**

524

**When the market looked grim in early ’04, we saw it as a pullback in an on-going uptrend.**



# Apr. '04: We recommend heavy accumulation of energy-related stocks based primarily on relative strength

DEVELOP WATCHLISTS of RELATIVELY-STRONG STOCKS THAT MAY RALLY in NEXT UPLEG

**RELATIVELY STRONG ENERGY STOCKS** [4-17-04]

Abraxas

Amerada Hess

Anadarko

BP

Burlington Resources

Smith Int'l

Vintage Petroleum

TRADES ONLY w/ TIGHT STOPS... Have moved a long way

Nuevo

Occidental

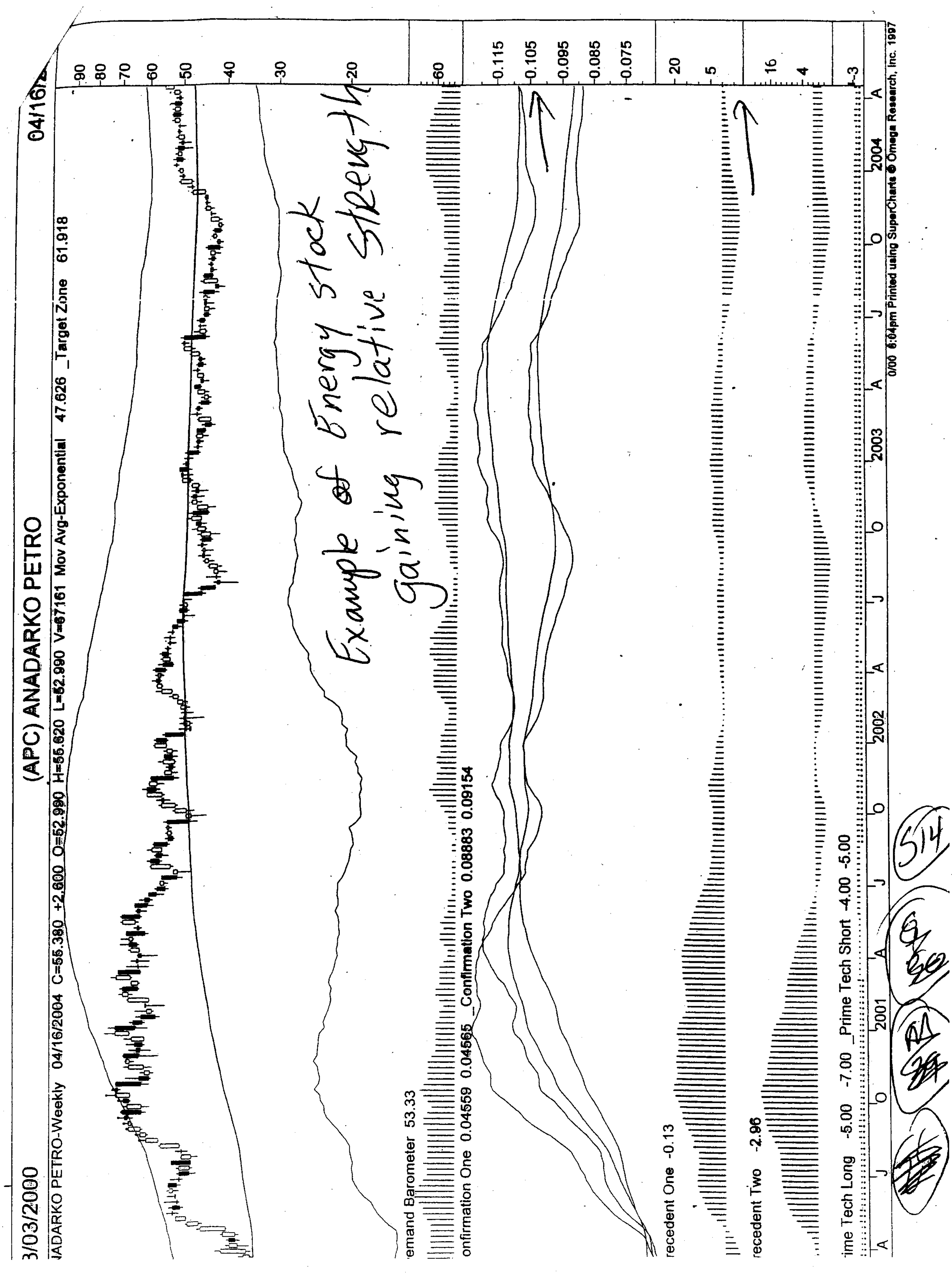
Sun Company

World Fuel Svcs

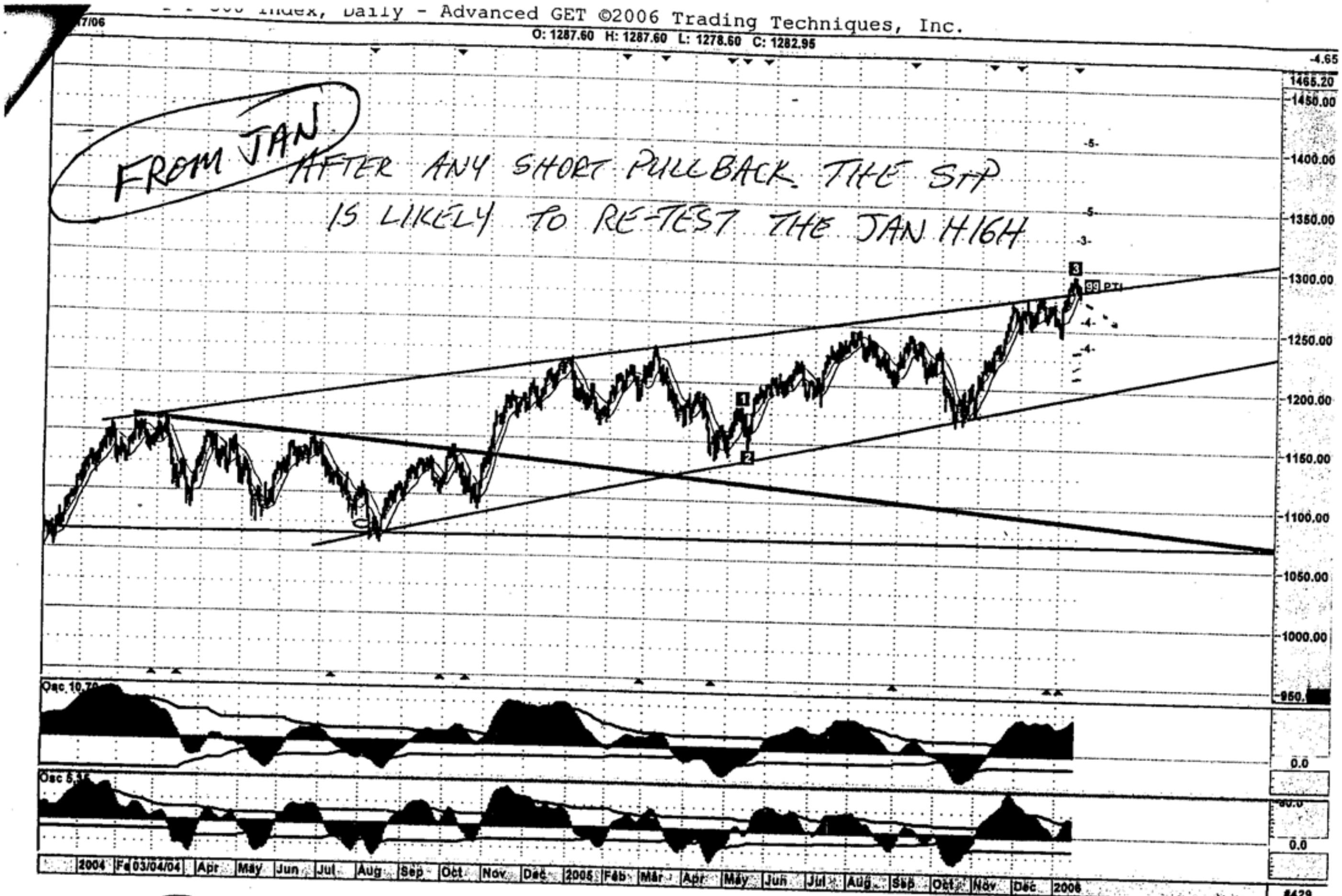
[STOCK PICKS ON 4-17-04]

513

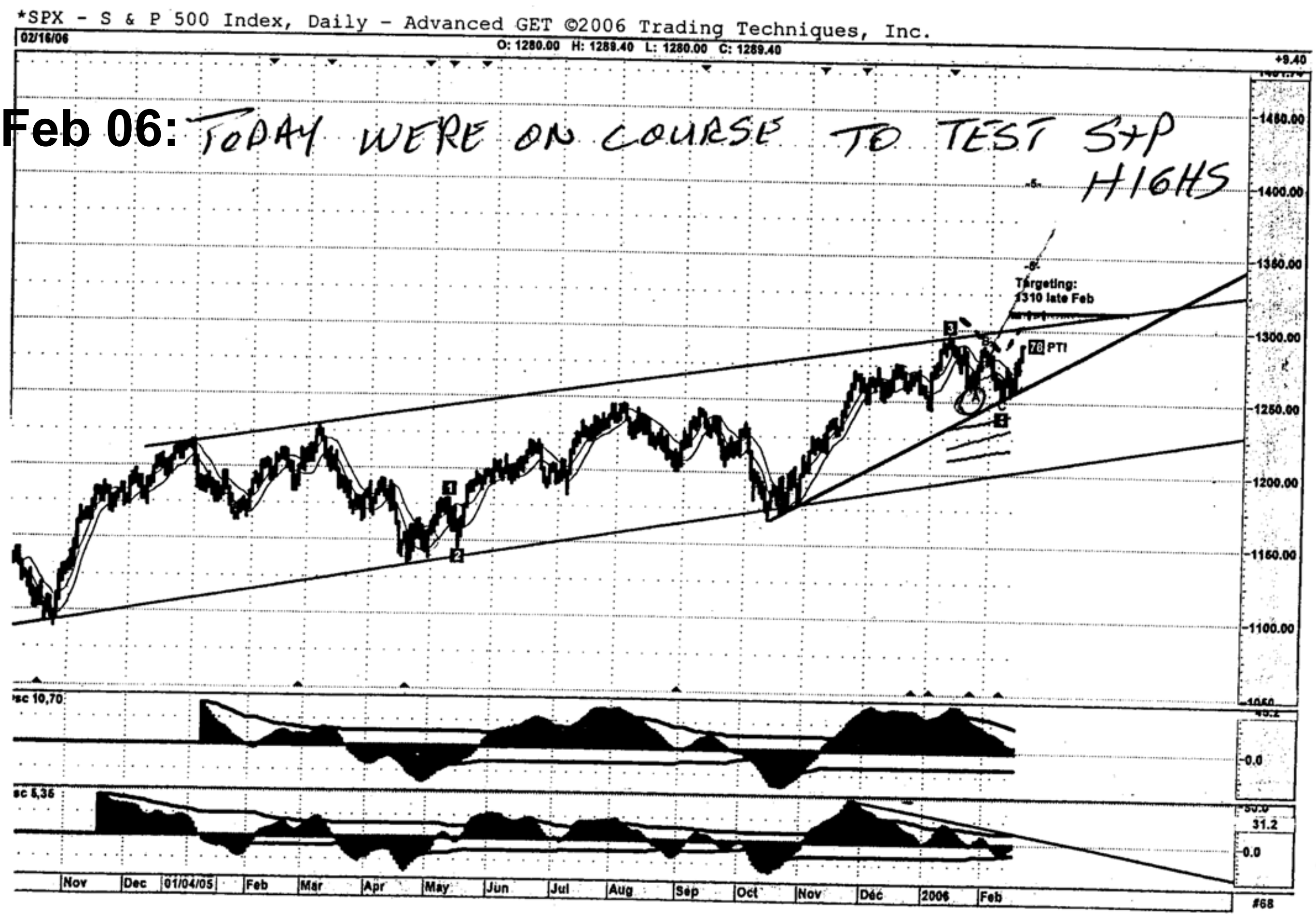
# Example: APC shows good pattern & relative strength



# Early ’06: Much toppier. Forecasting blip S&P rally to 1310




**Feb 06:**

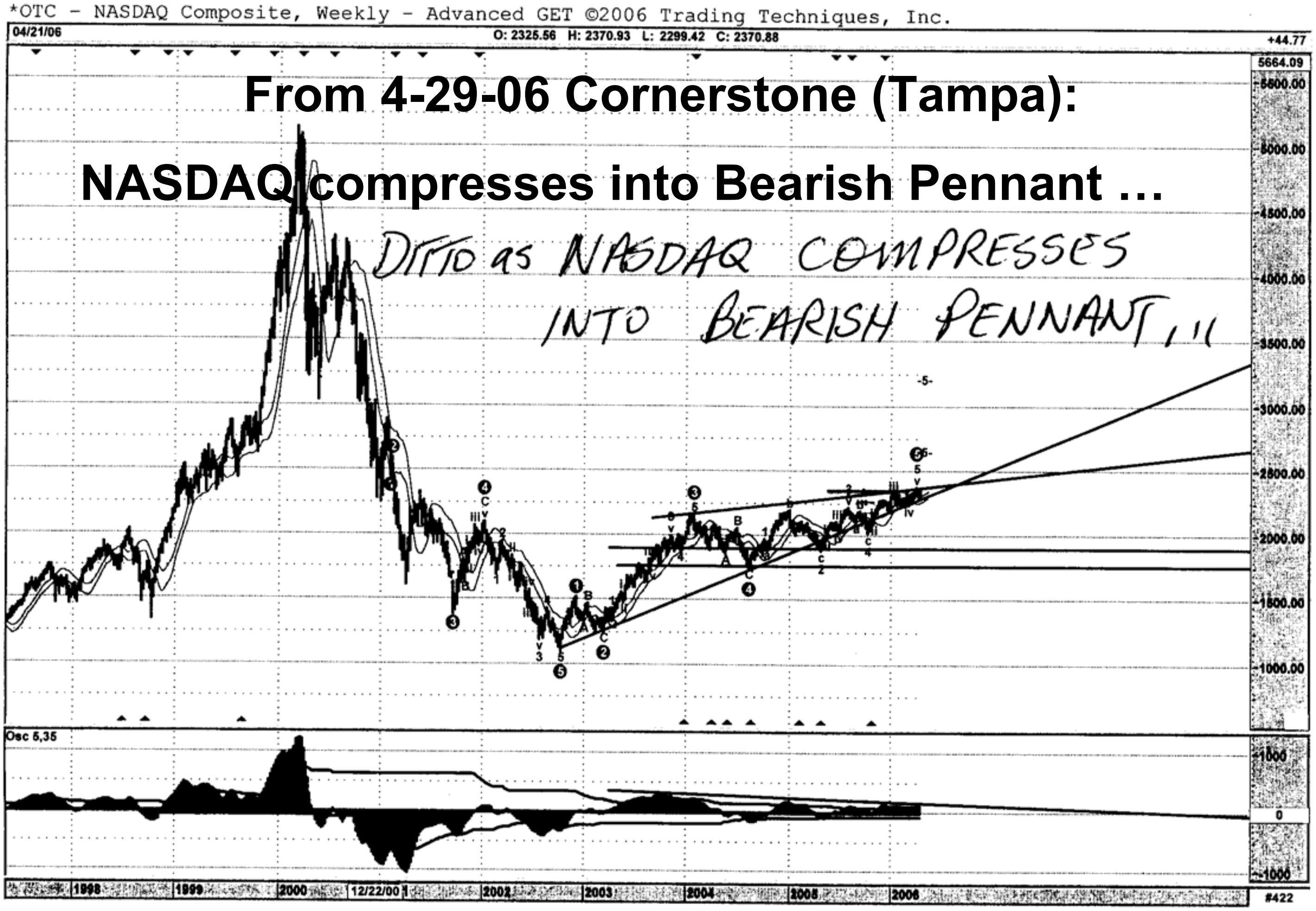



M5

**From 4-29-06 Cornerstone (Tampa):**

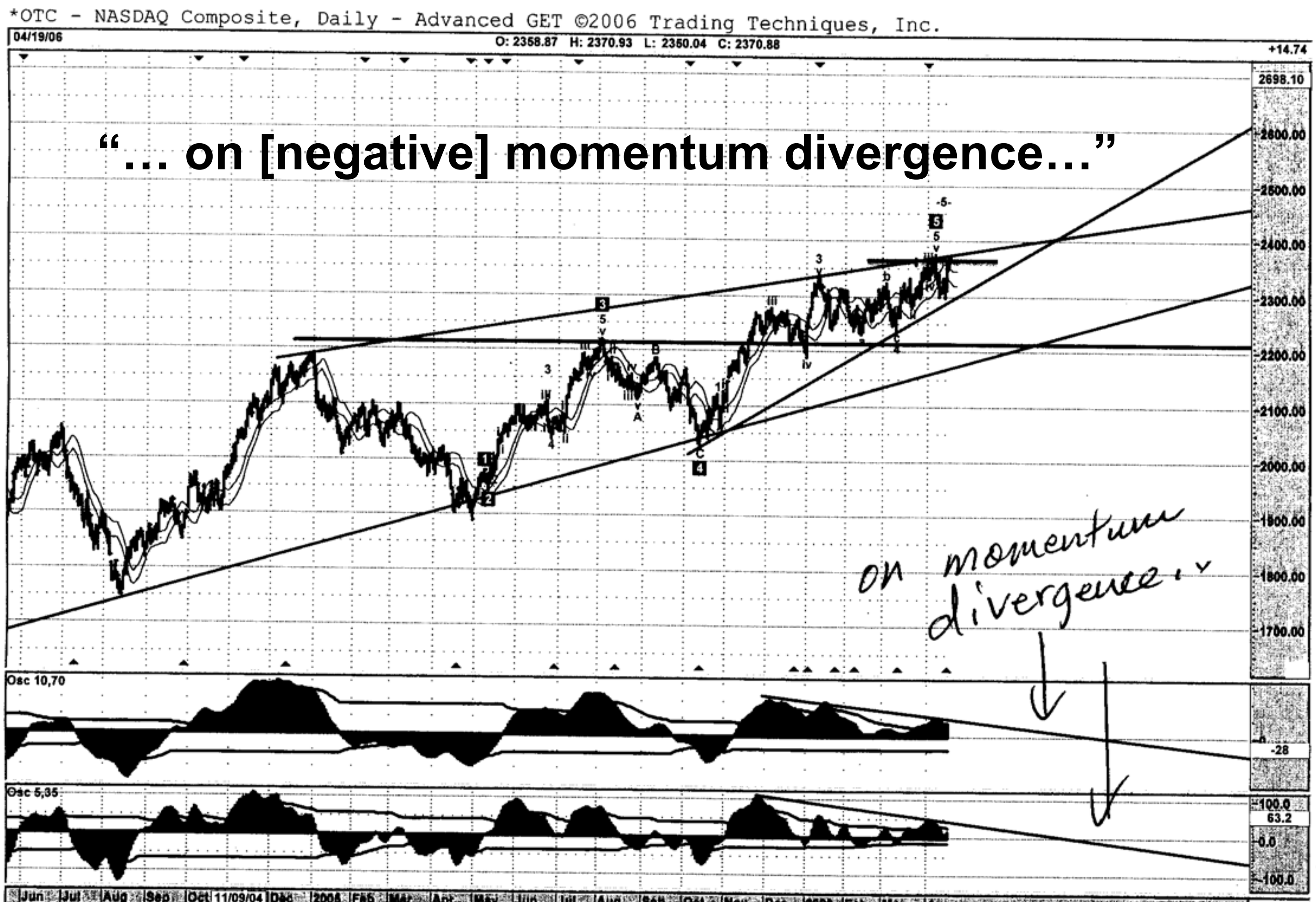
**NASDAQ compresses into Bearish Pennant …**

DITTO as NASDAQ COMPRESSES INTO BEARISH PENNANT,..!



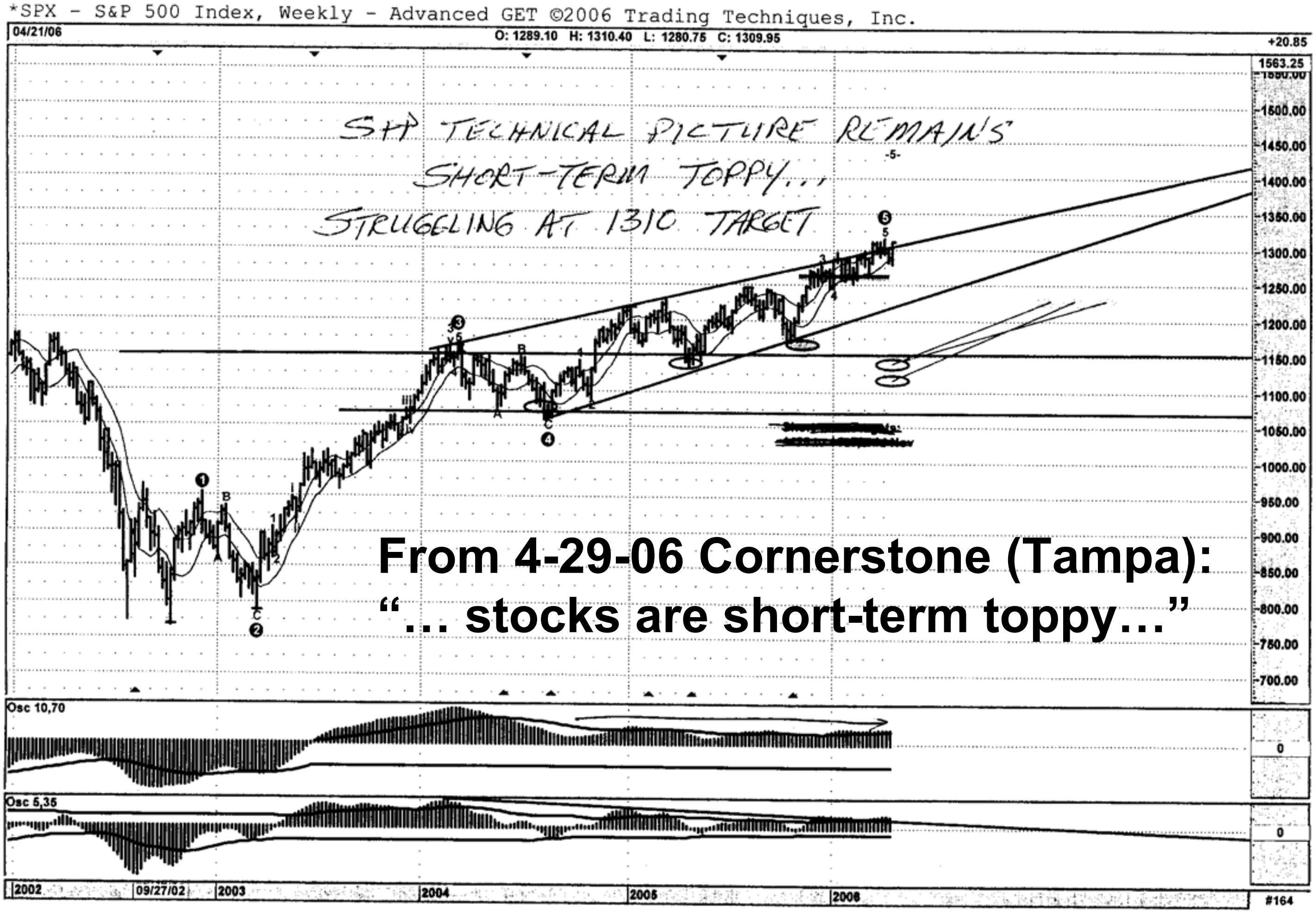

**"… on [negative] momentum divergence…"**

on momentum divergence..!

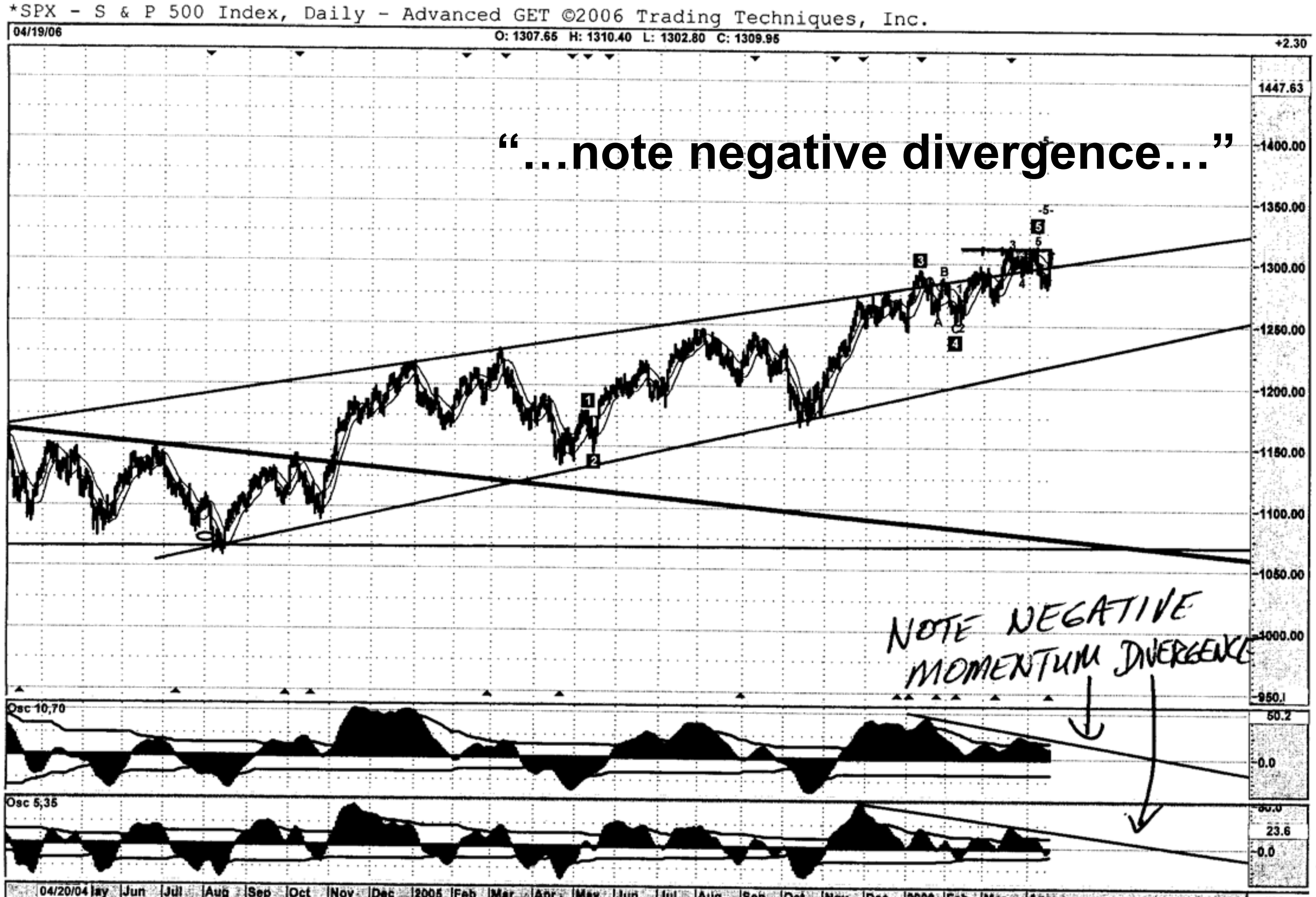



23

*SPX - S&P 500 Index, Weekly - Advanced GET ©2006 Trading Techniques, Inc.




*SPX - S & P 500 Index, Daily - Advanced GET ©2006 Trading Techniques, Inc.




22

# 4-29-06: Another risk: Very bullish sentiment at a technical top

MARKET VANE BULLISH CONSENSUS
READINGS ARE IN TOPPY TERRITORY

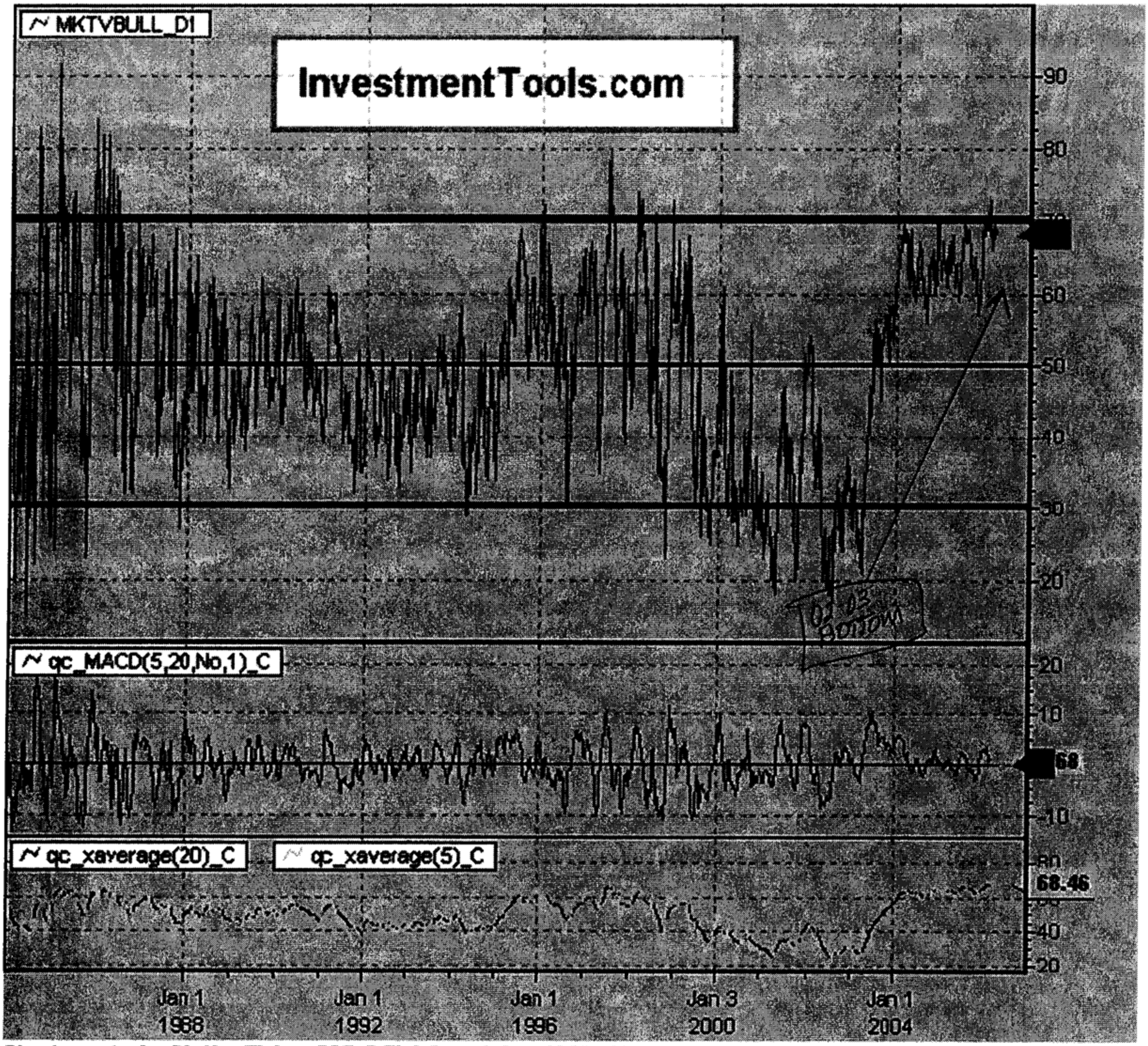



Chart created with NeoTicker EOD © TickQuest, Inc. 1998-2004

MIZ

# Another hurdle: analysts are RAISING EPS estimates…exactly opposite of the "slashing" at the late 2002 market bottom!

RISK: ANALYSTS RAISING ESTIMATES.. EVEN AS PROFIT OUTLOOK COOLS
NYT 7-2-05

**STOCKS & BONDS, WEEKLY CLOSE**

| | | | |
|---|---|---|---|
| DJIA | 10,303.44 | ↗ | **5.60** |
| NASDAQ | 2,057.37 | ↗ | **4.10** |
| DOLLAR | 111.70 yen | ↗ | **2.57** |
| 10-Yr TREASURY 4.05% | | ↗ | **0.13** |
| GOLD (N.Y.) | $427.80 | ↘ | **12.30** |
| CRUDE OIL | $58.75 | ↘ | **1.09** |
| NIKKEI 225 | 11,630.13 | ↗ | **93.10** |
| FTSE 100 | 5,161.00 | ↗ | **82.00** |

## Shares Rebound From Rate Increase to Finish Week Flat

By RIVA D. ATLAS

This week, the market only had eyes for Alan Greenspan. But that could change in the coming weeks, as investors turn their attention to second-quarter earnings reports.

On Thursday, the Federal Reserve announced, as expected, that it was raising short-term interest rates a quarter-point, to 3.25 percent. But the Fed gave no hint of halting its rate increases. Stocks dropped just ahead of the Fed report and immediately after it, as the market digested the outlook for rates.

But yesterday, stocks rebounded, as a better-than-anticipated report on manufacturing growth indicated that the economy was weathering the higher rates. The University of Michigan's consumer confidence index was also up for June.

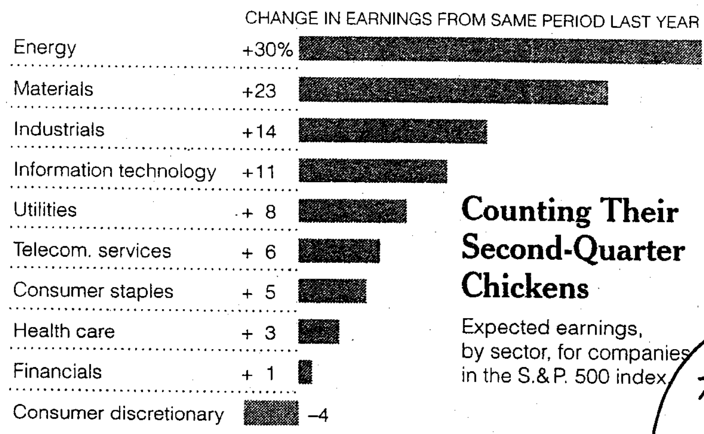
Yesterday, the Standard & Poor's 500-stock index rose 3.11 points, or 0.3 percent, to close at 1,194.44. The Dow Jones industrial average rose 28.47 points, or 0.3 percent, to 10,303.44, while the Nasdaq composite index rose 0.41 points, or 0.02 percent, to 2,057.37.

The markets ended the week basically flat, with the S.& P. 500 up just 2.87 points, while the Dow rose 5.6 points and the Nasdaq composite index gained 4.1 points

The major market indexes held their gains yesterday despite an increase in the price of oil, which closed at $58.75, up $2.25 a barrel. Still, investors could take some comfort in that price, which is below the 52-week high of $60.54 reached Monday. Financial markets will be closed Monday in observance of the Fourth of July.

Yields on 10-year Treasury notes edged higher, closing the week at 4.05 percent, compared with 3.92 percent a week earlier.

Now that the Fed has spoken, Wall Street will turn its attention to assessing what effect higher energy costs and rising rates are having on corporate profits.




**Counting Their Second-Quarter Chickens**

Expected earnings, by sector, for companies in the S.& P. 500 index

Source: Thomson Financial — The New York Times

"Earnings are ultimately the most important variable for the price of stocks," said Hugh A. Johnson Jr., chief investment officer of Johnson Illington Advisors, a money management firm based in Albany. "When we talk about Fed policy, oil prices, the housing bubble or China, we are really talking about the risks to the economy and earnings."

Early profit reports so far have been "a mixed bag," Mr. Johnson said. This week, Oracle and Walgreen both reported stronger-than-expected profits for the quarter ended in May, while other companies, including General Mills and Monsanto, announced weak results.

But as profit announcements pick up steam ~~in the coming weeks~~, investors could be pleasantly surprised by what companies have to say. Analysts have been steadily increasing their profit expectations in recent weeks, and collectively are now forecasting 7.4 percent growth in profits for companies in the S.& P. index in the second quarter, compared with a year earlier, according to Thomson Financial, a research firm.

But when all the results are in, the growth rate could be more than 10.5 percent, said Mike Thompson, Thomson's research director.

That growth rate is less than the quarterly increases of more than 20 percent that investors had grown accustomed to through the middle of last year, Mr. Thompson said. But it is still comfortably above the historical average growth of 7.5 percent for S.& P. 500 companies, he said.

"We are seeing sustained growth in corporate profits," Mr. Thompson said. "But I don't think the Street is excited. They want to see 20 percent-plus growth in profits," an unlikely outcome at this stage in the market cycle, he said.

Solid earnings are acting as a "stabilizing force" for stocks when investors remain concerned with the price of oil and the direction of interest rates, said Edward Yarden chief investment strategist at Oa Associates, an investment firm. B the fall, he expects worries about in terest rates and oil prices to dis sipate. "Then you will really se earnings shine," he said.

Investors will be looking to se how profits were affected by risin energy prices and interest rates, Mr Johnson said.

Another variable is the recent re bound in the price of the dollar. Man companies that do business oversea were helped by weakness in the dol lar last year, he said. "Now, with th dollar rising, we will have to se what the impact is."

Yesterday, the dollar hit a 13 month high of $1.1947 against th euro.

Even if corporate profits for th latest quarter are as good as ana lysts expect, investors should liste carefully to forecasts for the secon half of 2005, said Charles L. Hill whose consulting firm, Veritas e Lux, analyzes corporate profits.

Currently, analysts expect profi growth of 15 percent and 12 percent respectively, for the third and fourt quarters, he said.

"I am suspicious of those num bers," he said. If analysts end up hav ing to pull back their estimates, tha could be bad news for stock prices he said.

### The Favorites

Stocks held by largest number of accounts at Merrill Lynch.

| STOCK | CLOSE | CHANGE (%) DAY | CHANGE (%) 2005 |
|---|---|---|---|
| Agere rs | 11.73 | − 2.3 | −13.8 |
| Chevron s | 56.97 | + 1.9 | + 8.5 |
| Cisco | 18.99 | − 0.5 | − 1.7 |
| Citigroup | 46.16 | − 0.2 | − 4.2 |
| Comcast | 30.45 | − 0.7 | − 8.5 |
| ExxonMob | 58.31 | + 1.5 | +13.8 |
| GenElec | 34.74 | + 0.3 | − 4.8 |
| Home Dep | 39.49 | + 1.5 | − 7.6 |
| Intel | 26.21 | + 0.7 | +12.1 |
| IBM | 74.67 | + 0.6 | −24.3 |
| JPMorgCh | 35.06 | + 0.2 | −10.1 |
| JohnJn | 64.95 | − 0.1 | + 2.4 |
| Lucent | 2.94 | + 1.0 | −21.8 |
| Merck | 31.06 | + 0.8 | − 3.4 |
| Microsft | 24.71 | − 0.5 | − 7.5 |
| Pfizer | 27.10 | − 1.7 | + 0.8 |
| ProctGam | 52.90 | + 0.3 | − 4.0 |
| TimeWarn | 16.59 | − 0.7 | −14.7 |
| VerizonCm | 34.57 | + 0.1 | −14.7 |
| WalMart | 48.28 | + 0.2 | − 8.6 |

### Key Rates

| Percent | YESTERDAY | DAY AGO | YEAR AGO |
|---|---|---|---|
| Prime rate | **6.00** | 6.00 | 4.00 |
| Federal funds | **3.31** | 3.35 | 1.40 |
| 3-month Libor | **3.52** | 3.51 | 1.60 |
| 3-month T-bills | **3.16** | 3.12 | 1.22 |
| 6-month T-bills | **3.36** | 3.33 | 1.63 |
| 10-yr. T-infl. | **1.72** | 1.64 | 1.99 |
| 10-yr. T-note | **4.05** | 3.91 | 4.56 |
| 30-yr. T-bond | **4.29** | 4.19 | 5.29 |
| Telephone bd. | **5.56** | 5.54 | 6.60 |
| Municipal bds. | **4.30** | 4.24 | 5.18 |

*Sources: Citigroup; Telerate; The Bond Buyer, British Bankers' Assoc.*

26

# Rising EPS estimates create the risk of negative surprises…



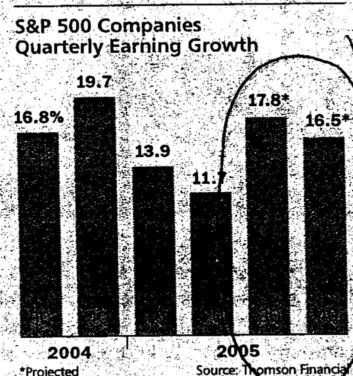
**The three months just ended should mark the ninth straight quarter of double-digit profit gains for the S&P 500. But without the boost from energy and financials, the gains would look considerably less robust. The culprits: the dollar, materials and tech.**

# Corporate Profits March On

by Michael Santoli

## Raking It In

Analysts' forecasts now show great confidence that double-digit profit gains will continue through the year.




ROSY E.P.S. ESTIMATES CREATE RISK

35

THE PARADE OF JAUNTY CORPORATE EARNINGS, NOW more than two years running, has continued through the third quarter, by all appearances. But as the profit cycle matures, the marchers are increasingly reliant on a narrow group of high-stepping leaders, creating the prospect of pitfalls for investors trying to wend their way profitably through a choppy and stingy stock market.

The companies of the Standard & Poor's 500 index are currently expected to report a 17.8% rise in third-quarter earnings over the year-earlier period, according to Thomson Financial. This would extend the corporate sector's streak of double-digit percentage gains to 14 quarters. It would also represent a reacceleration in the pace of growth, after two quarters of slowdown.

Analysts, too, have in aggregate inched their forecasts higher in the last month, since the strike of Hurricane Katrina, from 16.1% growth to the current 17.8%. Often, the trend is for the Street to trim forecasts heading into the quarter's end, after which companies always, as a group, exceed the final guesses. This would seem to be a rather clean and happy scenario for investors, the sort of upbeat news that could buoy a market that has gone almost precisely nowhere this year.

The trouble, as ever, is in the devilish details.

For one thing, the energy sector is projected to account for a heavy portion of the quarter's incremental profits, and energy is also entirely responsible for the recent

be this quarter's business, but it's quite possible that currency effects haven't been built into all the estimates. Tech has by far the greatest exposure to nondollar earnings.

In the groups where profit views have been tempered lately, the standouts are among makers of discretionary consumer goods and basic-materials companies. The former is now seen showing just 1% growth, near the flat performance of the second quarter and down from a forecast 3% one month ago. Auto-related names are major culprits, but the sights have also been significantly lowered for retailers and media firms.

The materials group is now seen registering a 9% drop in profits, versus an expected 3% gain pre-Katrina. Chemical producers are being squeezed by the vertical leap in natural-gas prices. And **Alcoa** (AA) warned of sharply weaker-than-expected profits just two weeks ago, also citing energy costs in part.

Of course, the market is well aware of these changes in analyst projections. In some cases, the stocks have moved to take account of the changes.

Consumer-discretionary stocks, as a group, have fared worst in the last month, falling 4.9%. To some analysts' eyes, parts of this group might have discounted ugly earnings, which could make for bounce potential in some areas like broadline retailers and media outfits.

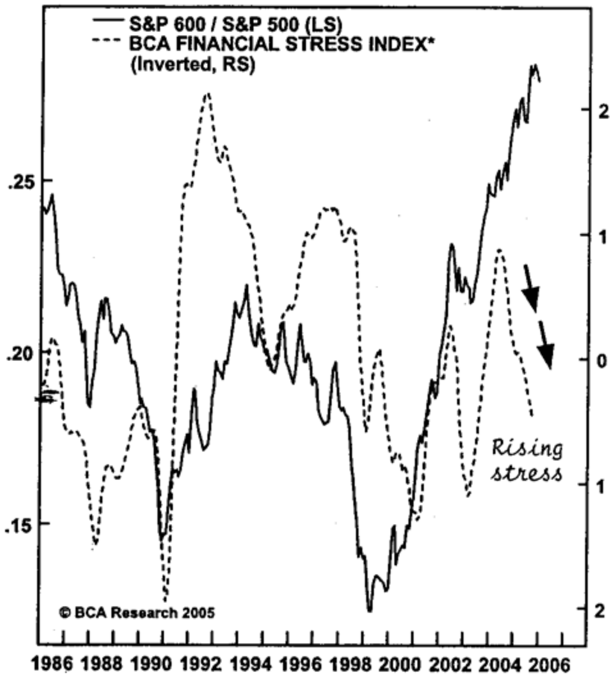
On the flip side, energy has run 11.3% higher in a month. It's understandable, given the behavior of the com-

# …especially when a profit slowdown is likely…



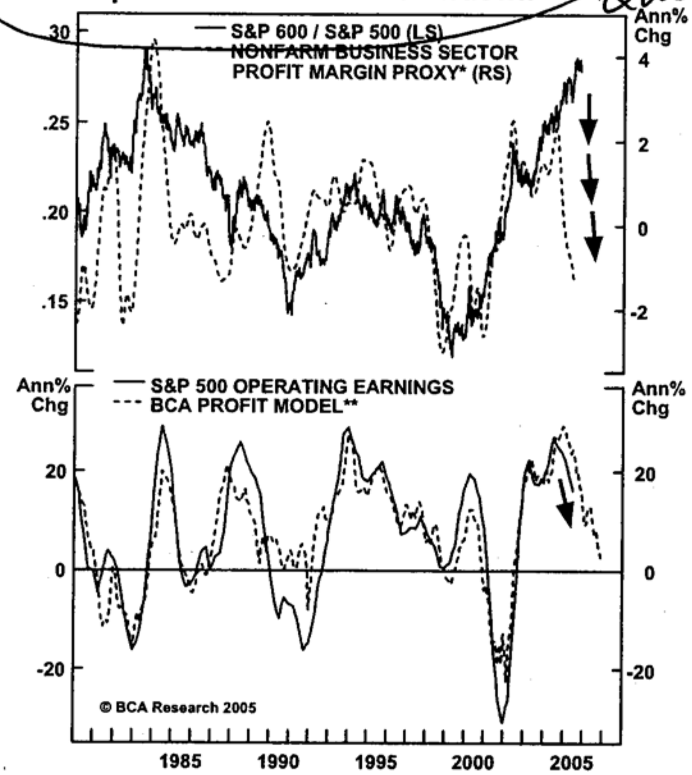
EARNINGS QUESTION

CHART 14
**Financial Stress Is On The Rise**



*Shown smoothed

CHART 15
**Expect A Profit Growth Slowdown**



*Implicit price deflator divided by unit labor costs
**Based on the yield curve, the dollar, oil prices, real corporate bond yields and a profit margin proxy.

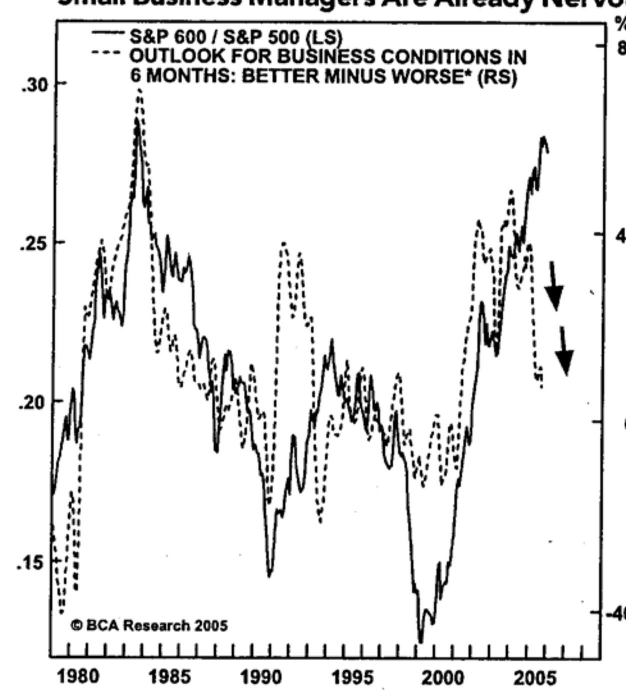
Importantly, financial system strains are on the rise, according to our proprietary Financial Stress Index (shown inverted, **Chart 14**). Rising stress is typically associated with the underperformance of the risky small cap asset class.

## Watch Out For Profits

Our profit margin proxy is highly correlated with the capitalization cycle (**Chart 15**). The marked divergence this cycle highlights that small caps are in overshoot territory. Rising wage bills, higher interest expenses, and high commodity costs combined with an expected slowdown in demand should ensure that profit margins get squeezed and profit growth decelerates steadily (**Chart 15**, panel 2). The implication is bearish for small caps to the extent that they are a play on profit growth.

It appears that some of the slowdown forecast by our profit model has affected small cap manager's

CHART 16
**Small Business Managers Are Already Nervous**

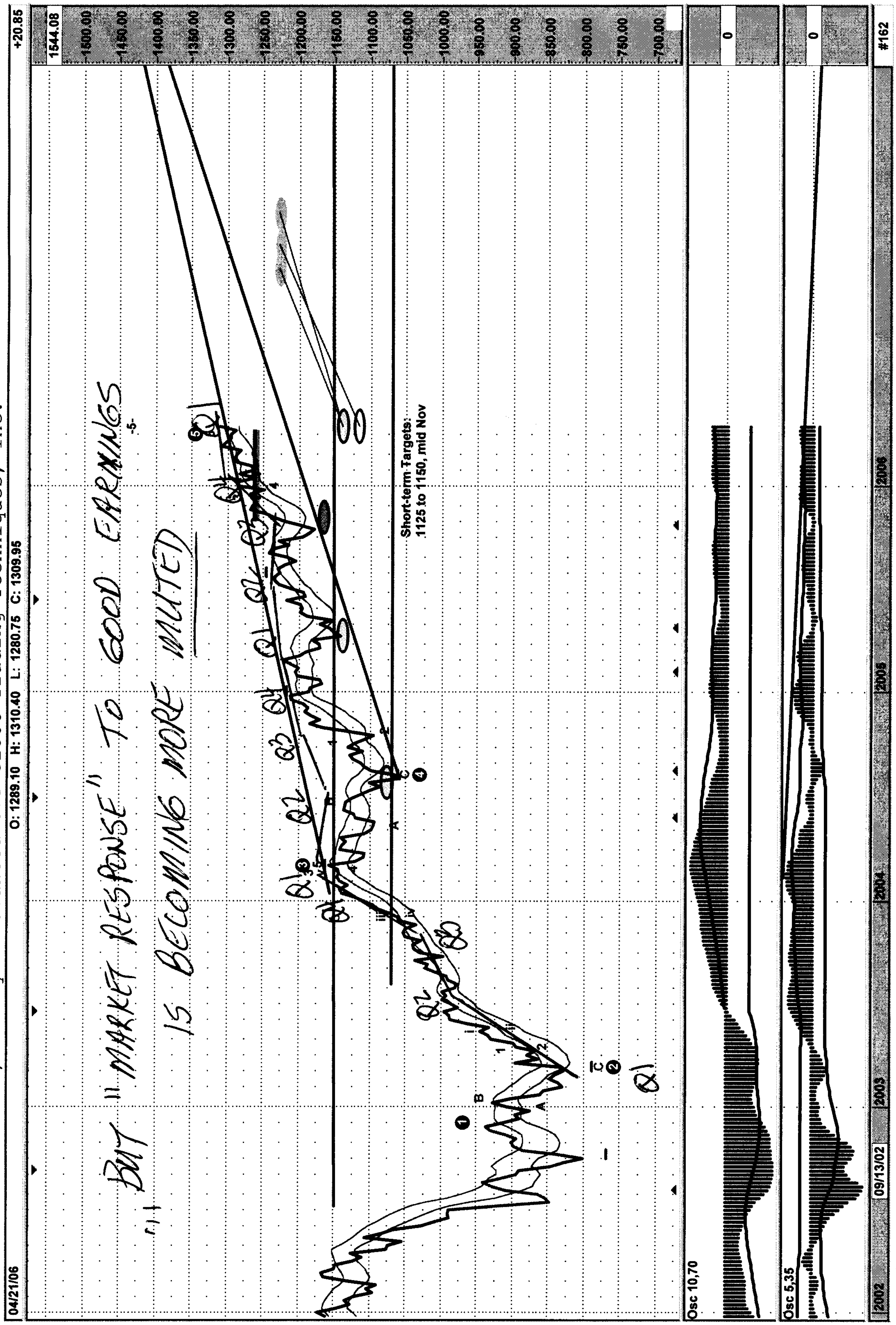


*Source: National Federation of Independent Business, data smoothed

34

# 4-06: As earnings estimate risks increase, the market response to "good" earnings quarters has become more muted…



## Apr '06: Stock valuations, while not overly excessive, are not screaming bargains either…

20x S+P P/E IS ON THE HIGHER SIDE BUT NOT "OFF THE CHARTS"

S+P P/E

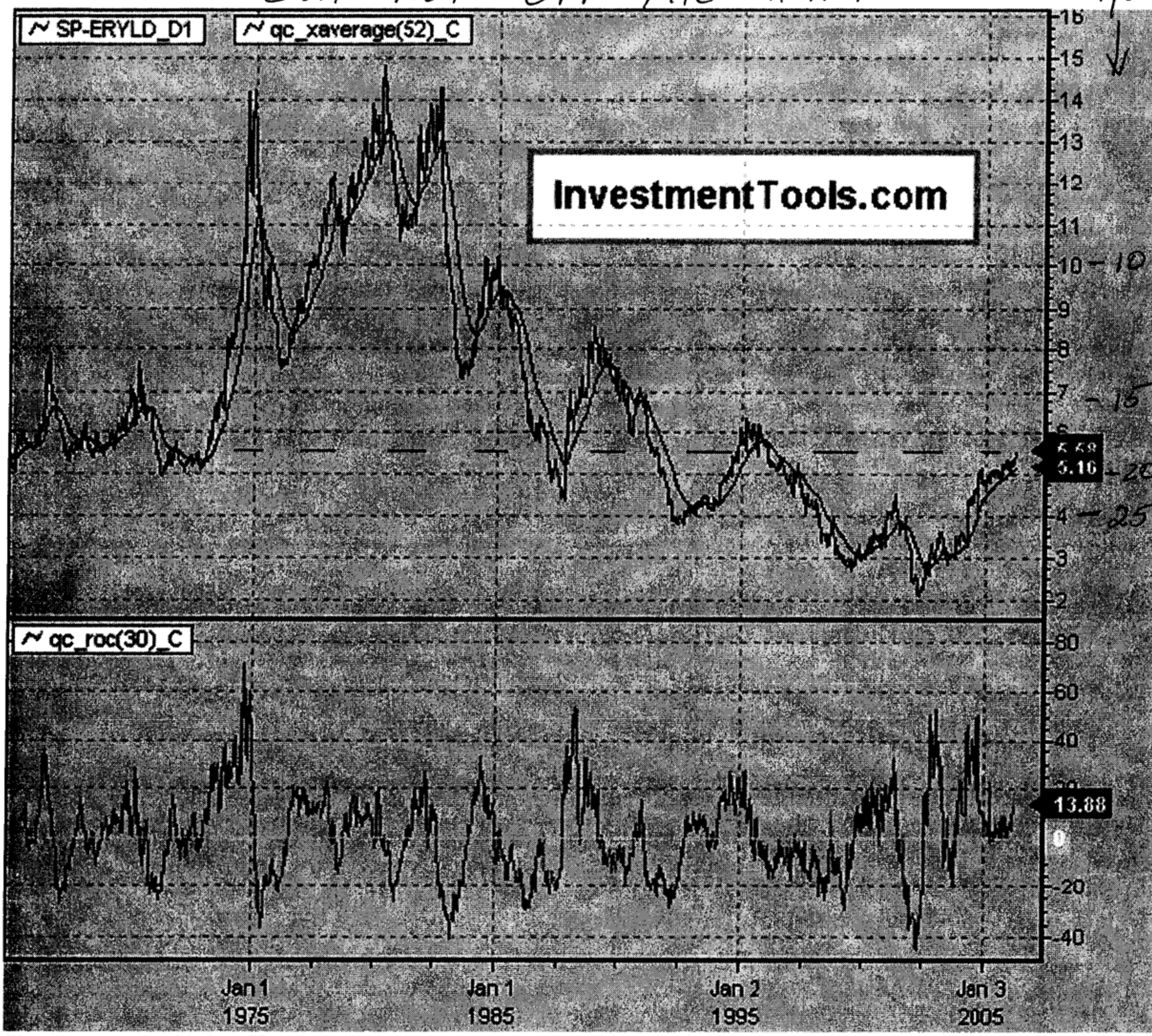
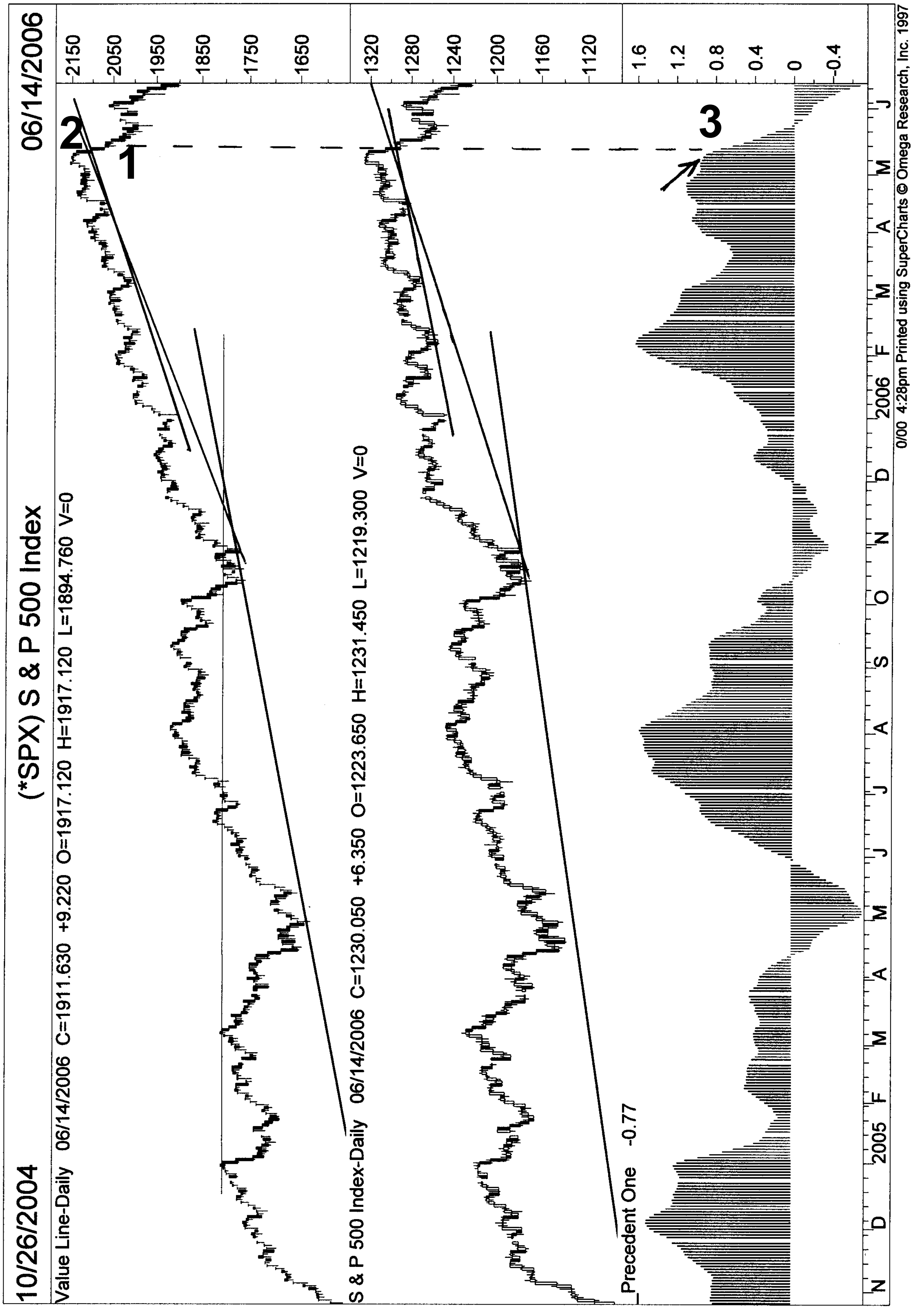



Chart created with NeoTicker EOD © TickQuest, Inc. 1998-2004

M10

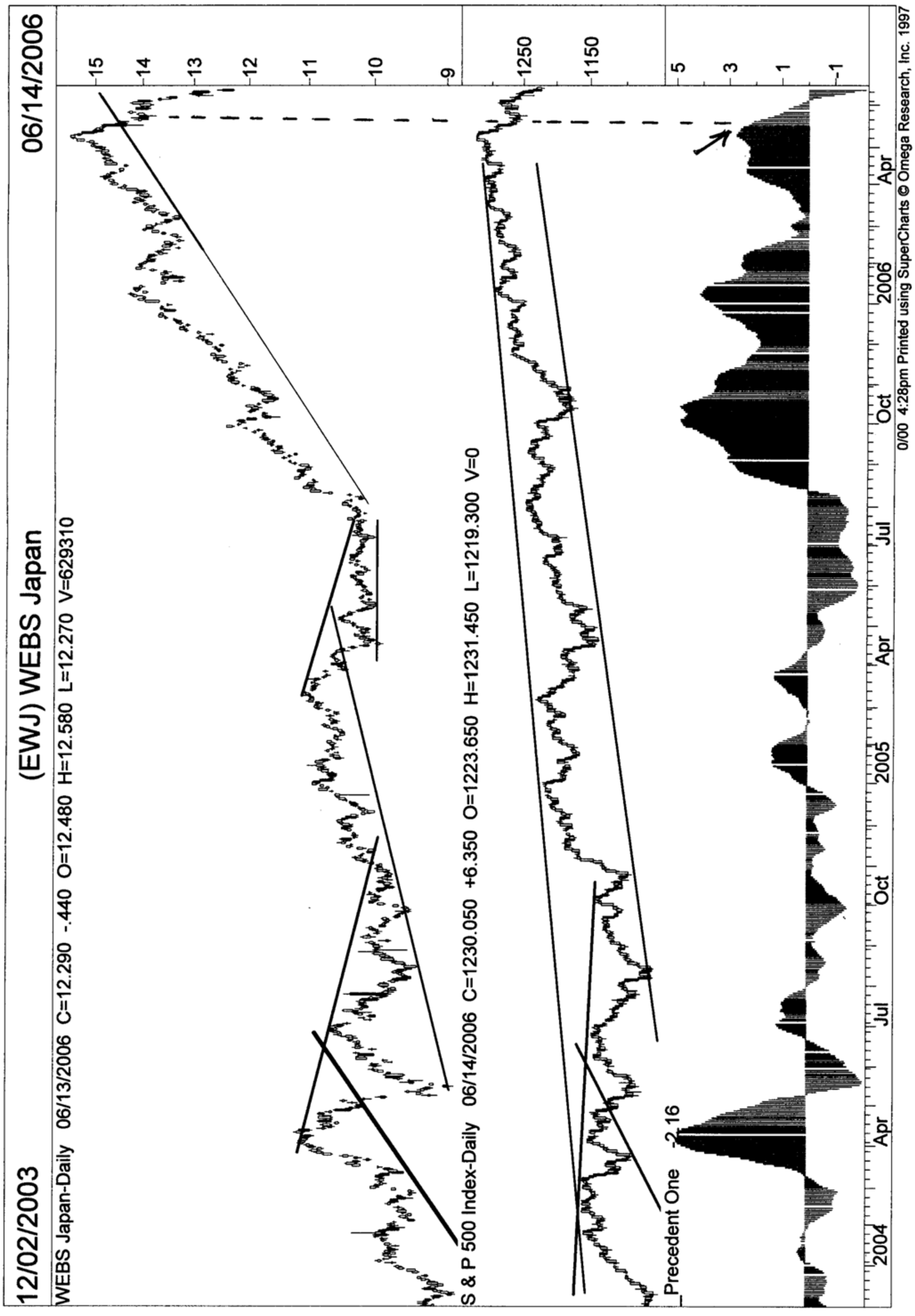
# 5-12-06 BREAKDOWN CONFIRMATION INDICATORS:

## 1) Two major black candles 2) Multiple support trendline breaks 3) Value Line relative strength Indicator turns negative.

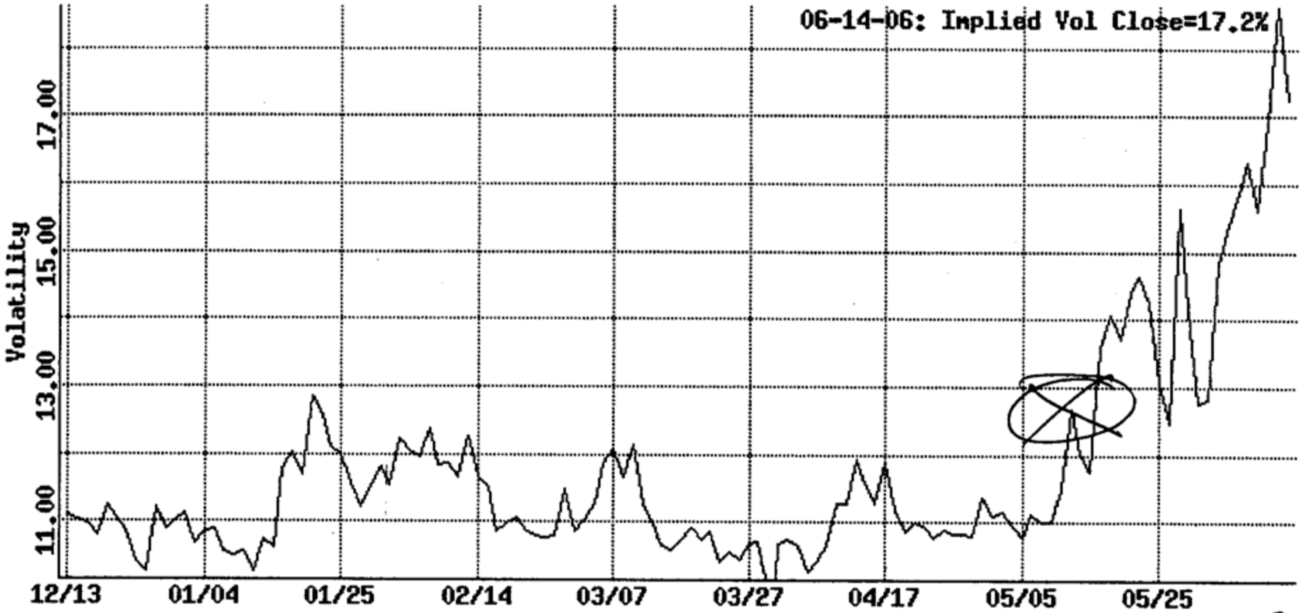


# 5-17-06: MORE SELLOFF CONFIRMATION

## 1) Japan LEADS to the downside 2) Volatility explodes

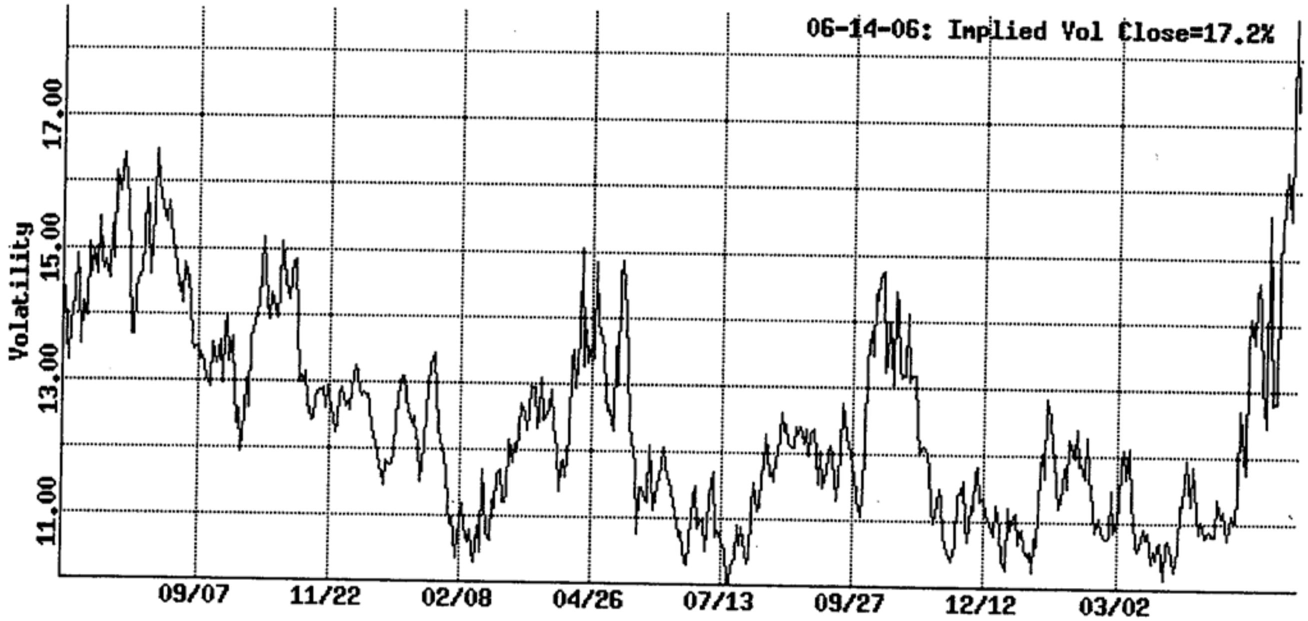


# 5-18-06: S&P Volatility breaks out & "confirms the move"




HUGE VOLATILITY BREAKOUT IN EARLY MAY WAS CLEAR SIGNAL SELLOFF IS FOR REAL...

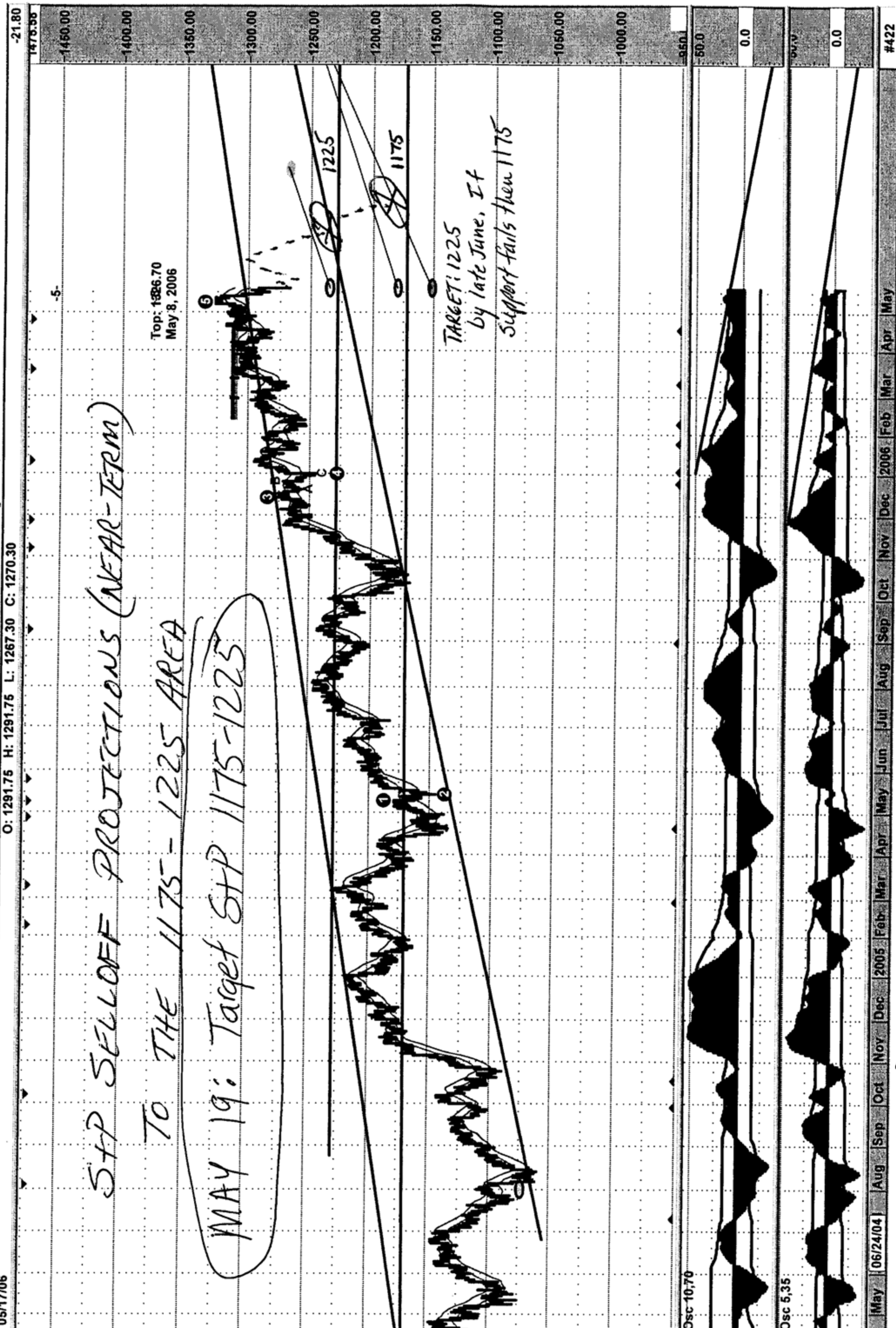
Page 1 of 1



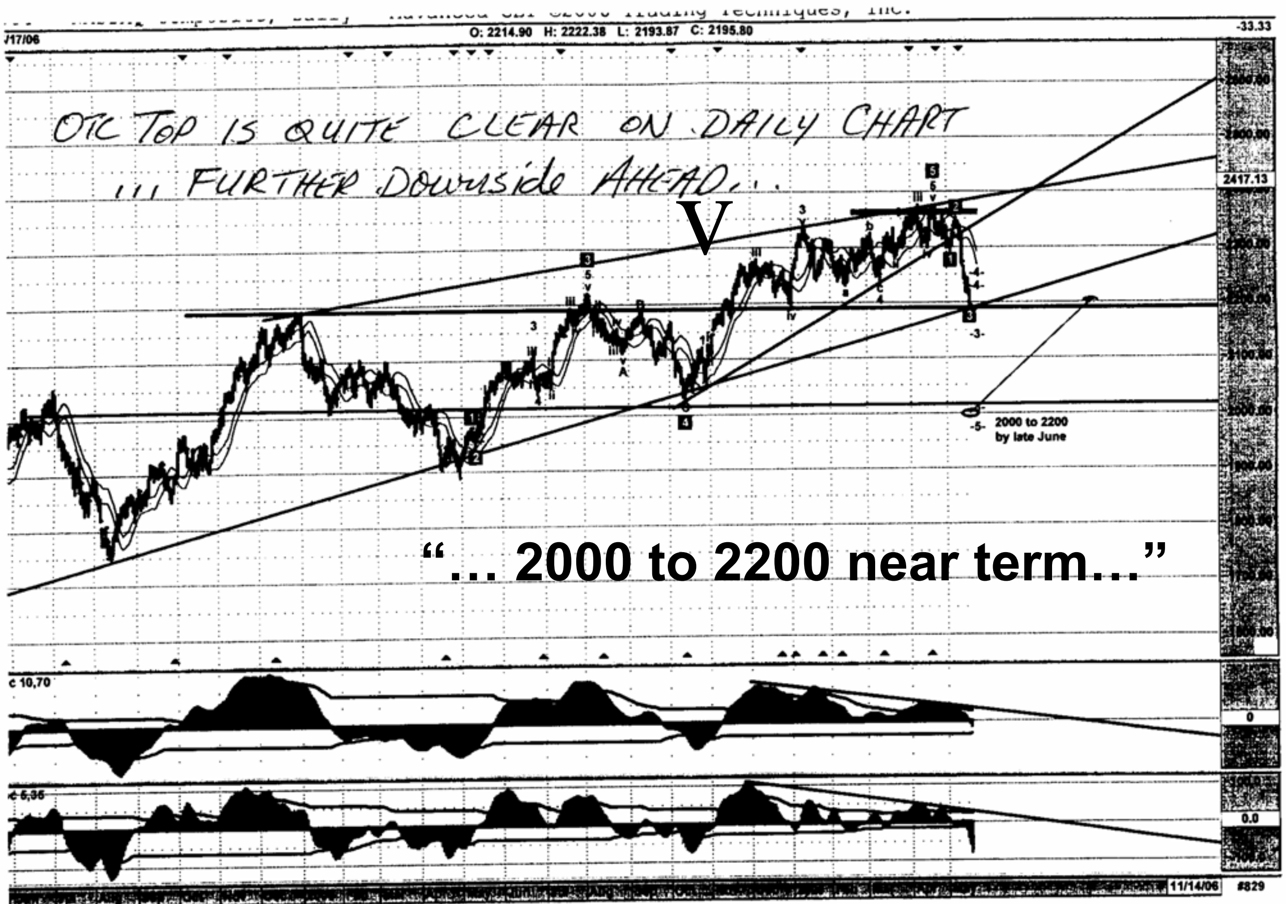

VOLATILITY NOW AT 2 YEAR HIGHS!

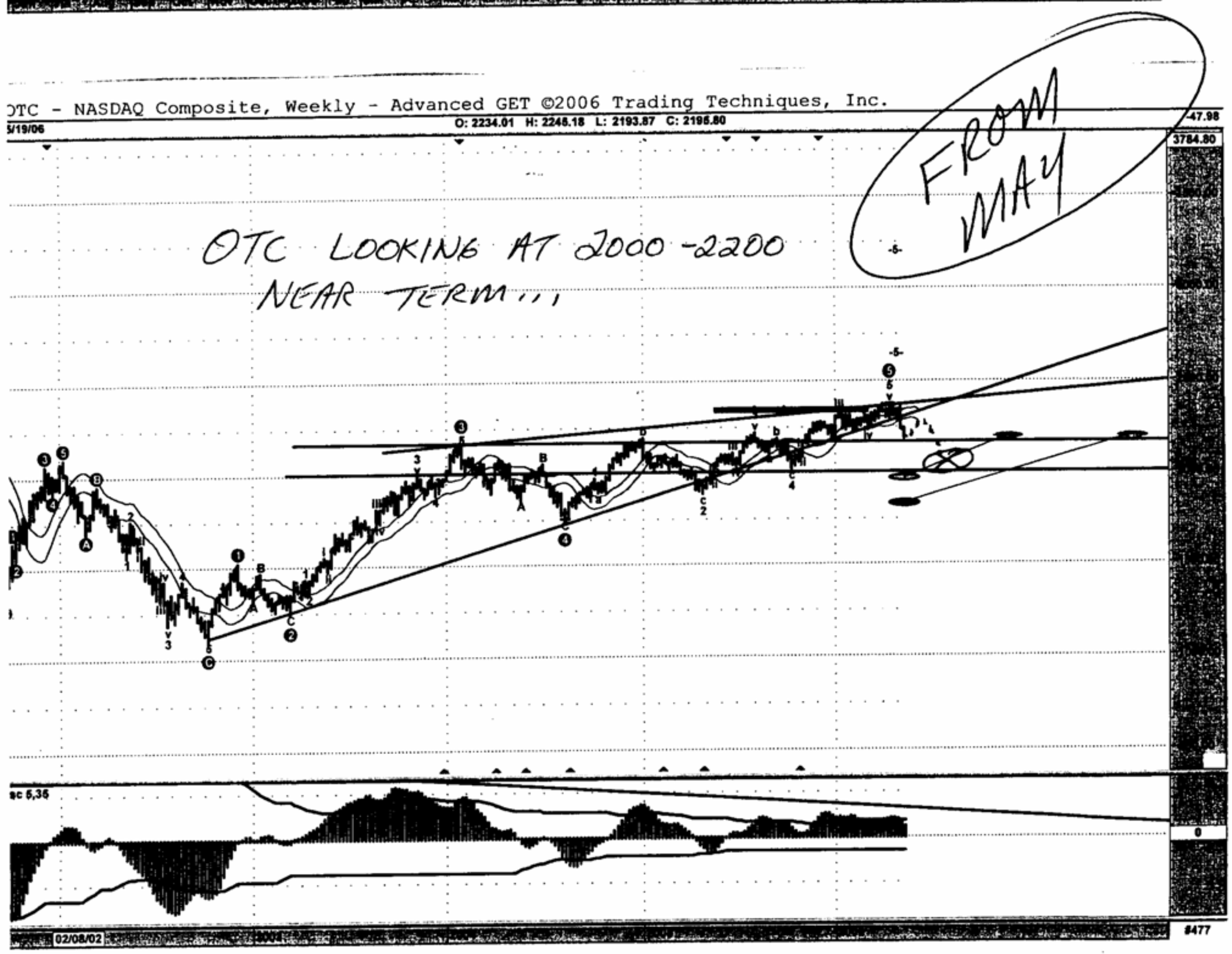
515

# 5-19-06: Projecting S&P selloff to 1175-1225 short term…



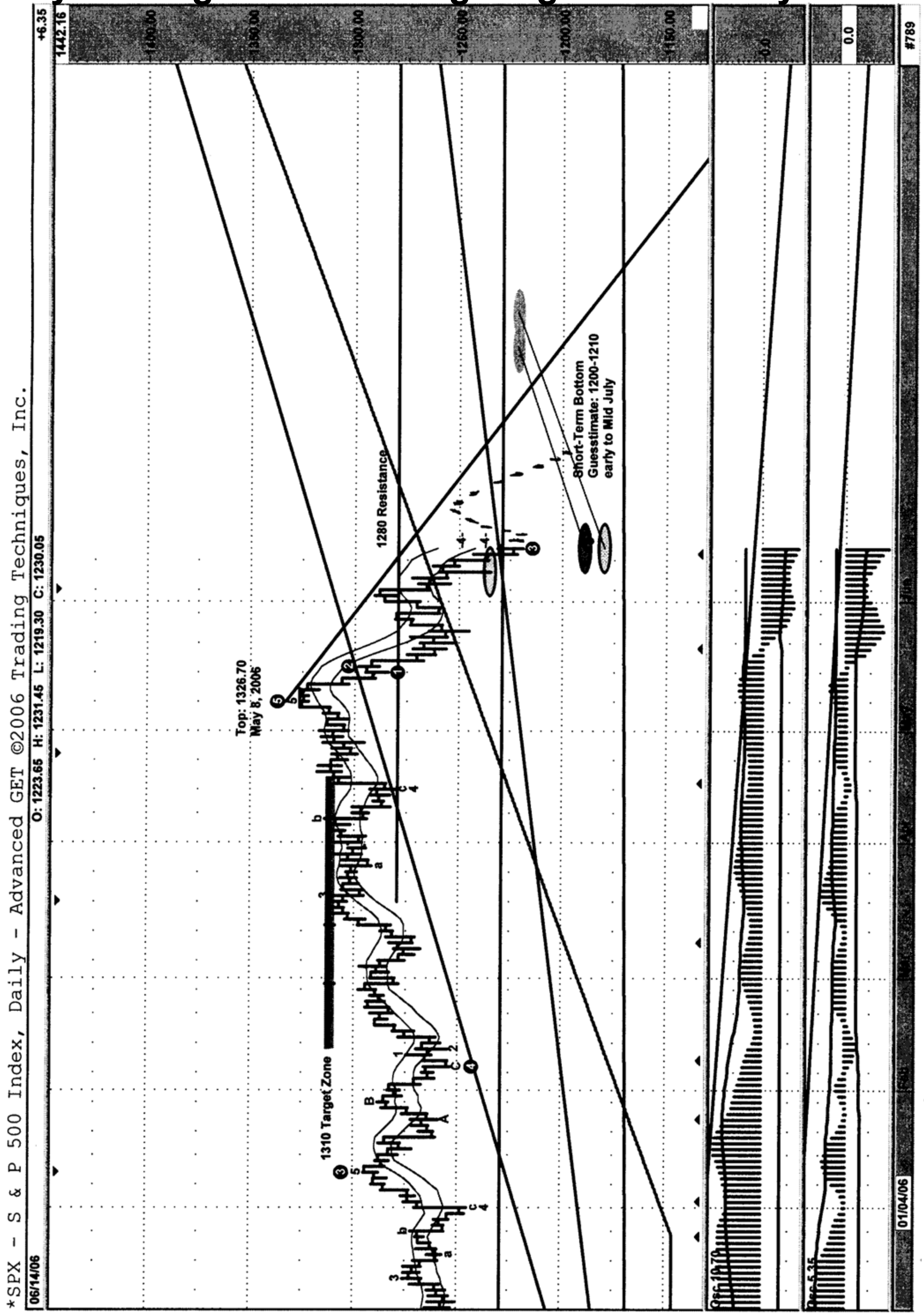
# 5-19-06: "… OTC Top quite clear… further downside ahead…"



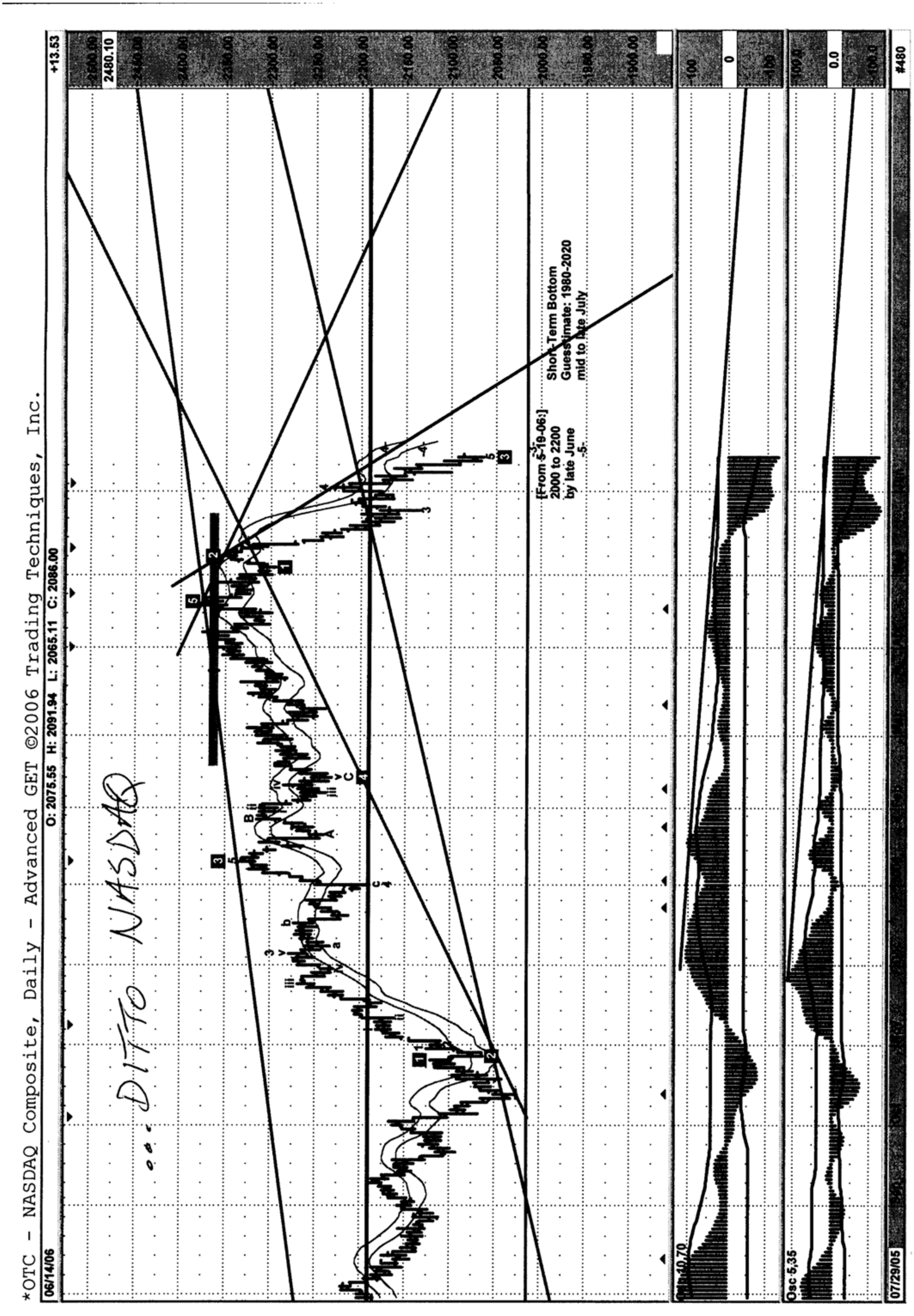

510

# 6-14-06: S&P Hits 1219 intraday… look for lower lows into July earnings season. Targeting 1180-1210 by mid July…



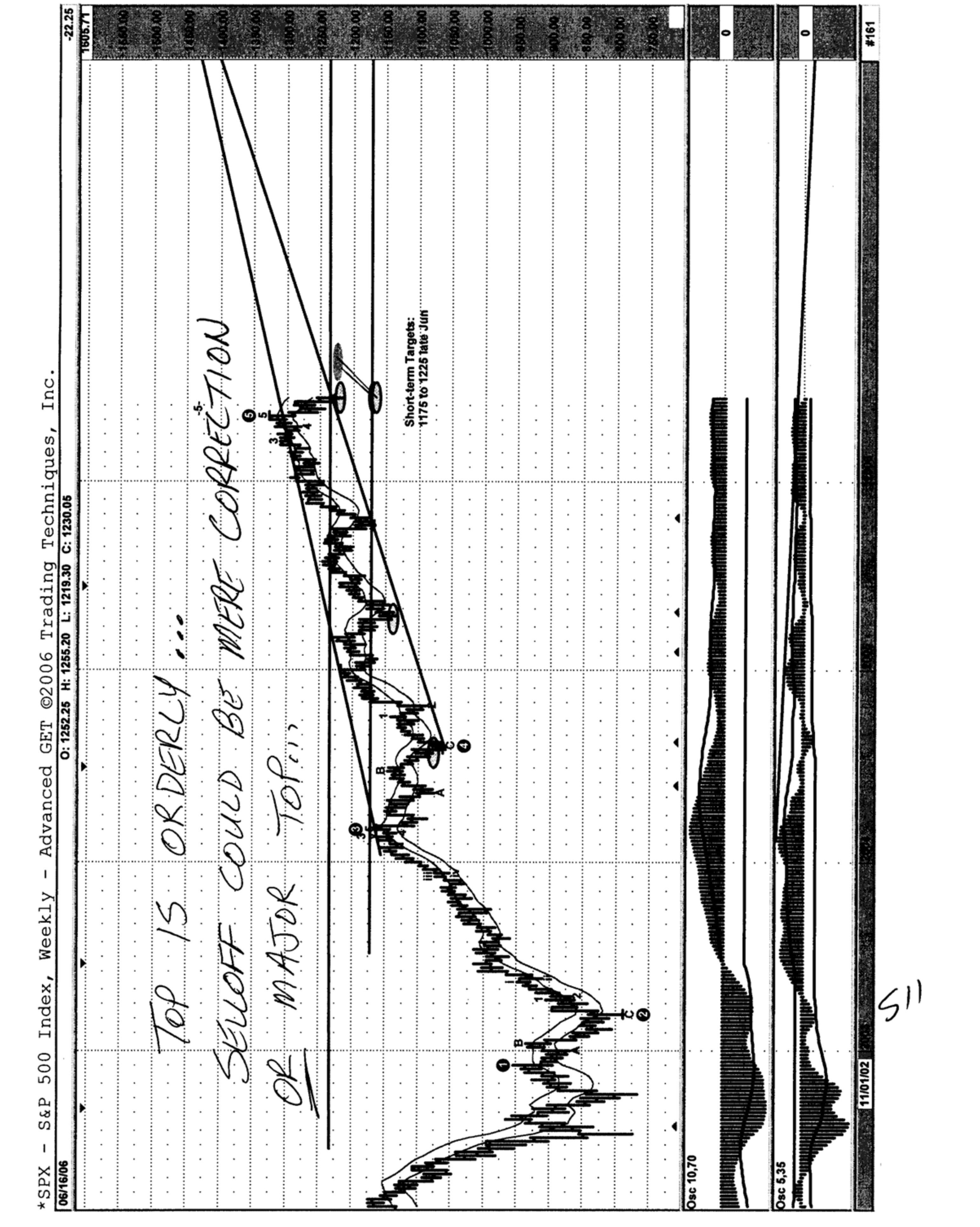

513

# 6-14-06: OTC hits 2065 intra-day… targeting further downside into July earnings… 1980-2020 by mid July

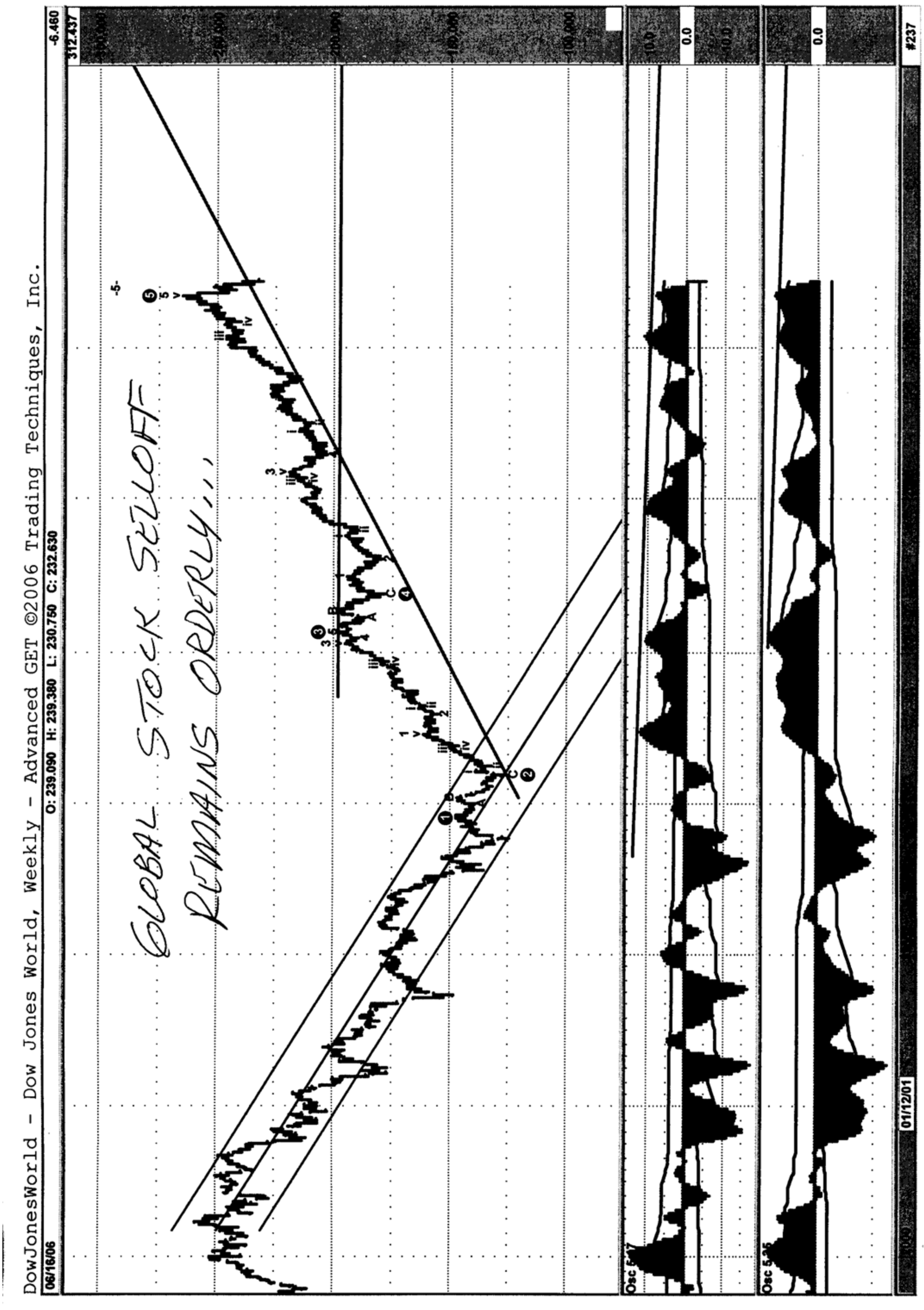



514

# So far the U.S. stock selloff is orderly, if abrupt… difficult to say whether it's merely a correction or a major top at this point…

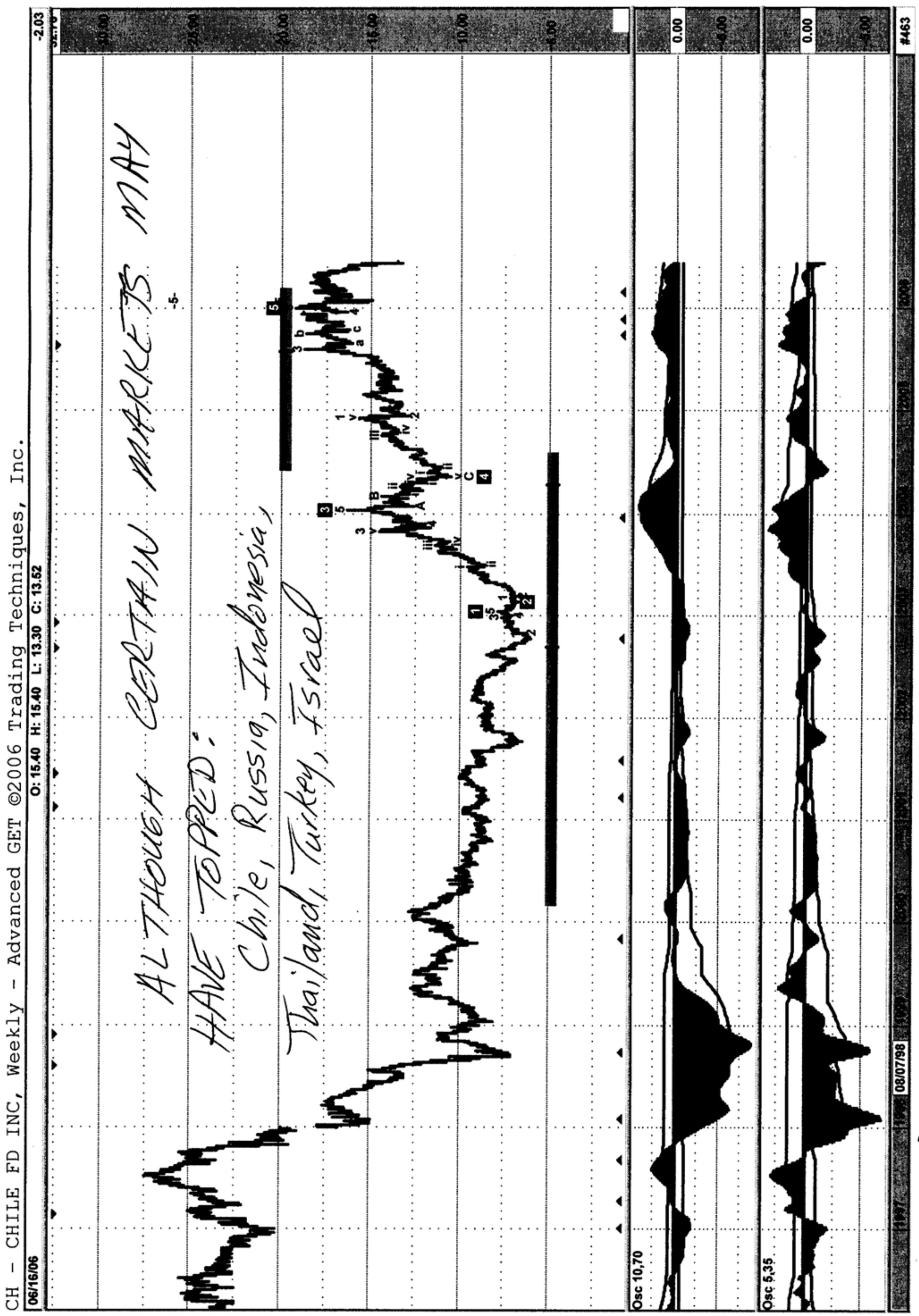


**Ditto the global stock selloff… difficult to tell if it's a major top or merely a correction in an uptrend…**




519

**Some smaller "emerging" stock markets do have the appearance of major tops: Chile, Russia, Indonesia, Thailand, Turkey, Israel…**




520