

**ICM** Harloff Capital Management  
815 Crocker Road, Suite D-10, Westlake, Oh 44145  
(440)-871-7278

## Monthly Update

2004, Vol. 1, Year 10 JANUARY 2004

### US Dollar: Sinking...Sinking

**International funds including Japan, Latin America, China, Eastern Europe, and Asia are the rage. Oil, Energy, and natural resources are going up. One common denominator is a weak dollar. Another is that the world is emerging from a recession. With our large trade deficit and low bond rates, a weak dollar is to be expected. Since our trade deficits are sure to continue, and many international economies are growing faster than the US growth rate, it may be time to commit more money to non-US markets.**

**Our analysis of the style box indicates that value is beating growth. This suggests that money is moving into the industrial sector and away from the technology sector. Some sector funds support this observation with investible funds in the industrial, chemical, and energy sectors.**

**Our gold timing (see page 1) is ranked number 1 for 2003 by Timer Digest in their January issue. Our HVI work for gold is positive, while our other gold timer is weak and this indicates a topping sideways action. So we think gold will go sideways for a time and then continue upward. We remain long on gold. We are also long the S&P500 and the NDX100, see page 2.**

**The Spitzer fund probe continues to look for illegal post 4:00 trading. This illegal procedure has broadened where the funds are now seeking SEC new regulations to add a 2% redemption fee on all funds sold within 5 days of purchase. Funds should be ranked in terms of their (punitive) trading policies. Increased restrictions and fees will reduce profits for individual investors. We urge you to contact your congressman to express your views.**

**Because the markets can turn quickly, be ready. May the market be with you. (January 3, 2004)**