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Monthly Update

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Election Market

The CRB index of 287.6 is at a 23 year high: precious metals and oil are high on our buy list, see inside. U.S. 10 year interest rates are quite low at 4.1%: not surprisingly the U.S. dollar is still going down. With a weaker dollar, oil is still going up and international equity markets like Latin America, Eastern Europe, and China are much stronger than the US markets. And with our election about three weeks away: our election uncertainties will cease shortly.

The market seems to be improving and we believe that higher earnings and the election date will propel our markets higher as large insurance and pension funds become more fully invested. Our analysis shows a strengthening in technology and small cap growth.

Our timing models, summarized on this page, are bullish for the S&P500, NDX, gold, and remain bearish on 10-year bond yields.

Our overbought and oversold charts see page 2, clearly shows support and resistance lines in an up trend. At this time we show an upward move for both the S&P500 and the NDX.

Because the markets can turn quickly, be ready. May the market be with you. (October 8, 2004)