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## Monthly Update

2005, volume 11, Year 12 NOVEMBER 2005

Year-end Broad Rally is here

**It is no surprise that gasoline prices dropped so far (about 30%) so fast (in a few weeks). You see, congress is investigating “price gouging” by the major oil companies and has had several of the oil CEO’s testify in Washington. Congress is proposing to take from their big-oil’s black-gold lined pockets and give to the poor consumers. The oil executives are publicity shy and have thin skins. They responded quickly to the television cameras. Why didn’t congress put them on the carpet sooner?**

**With the rapid and decisive drop in oil prices, the transportation and retail sectors have benefited. And the overall markets are much higher with the S&P500 rising about 5. % in the past month and the NDX100 up about 8.3%. The year-end rally is here at last. Short positions should be sold in favor of long positions.**

**Over seas the Japanese market is almost too strong and risks overheating. The German, English, and US markets are all rising and are about equal in HVI. In the US, Internet, biotech, technology, transportation are leading sectors. The semiconductor, gold, and financial sectors are also quite good. Weak areas to be avoided are oil and utilities.**

**In the “style box”, growth is finally beating value and large is beating small. It looks like the switch over from value to growth and small to large is happening. This has been expected for about three years by the fundamentalists.**

**The US dollar is strong and the interest rate rise has slowed down. There is a risk of the yield curve inverting and a recession occurring in 2006. But for now, the markets are going higher.**

**Because the markets can turn quickly, be ready. May the market be with you!  
(November 18, 2005)**