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## **Monthly Update**

**2006, volume 11, Year 13 November 2006**

### **Market trend is still up!**

**This market turned up in July and is still trending upward. Volatility is at normal levels. The entire world market is moving up. We measure upward price opportunities in international markets including: China, Spain, S. Africa, and emerging markets. The Santa Claus rally is upon us and it started last summer.**

**Many investors remain skeptical of this market and are still bearish. Some believe that the inverted yield curve predicts a US recession and fear the markets going lower .....tomorrow! Fundamental analysis might get the trend right, but the time frame could be off by 6 to 24 months. Our work indicates that this market is going higher in the short run.**

**Our average return of our three hypothetical portfolio models is ahead of the general US market return.**

**Our models for gold and bond yields recently moved to the buy side.**

**Oil prices have decreased to around \$58. per barrel. This is a good buying opportunity; the oil index, XOI, is on a buy. We think oil will increase as lower winter air temperatures increase the need for oil products.**

**Our indicators show the style box indexes in this order: small company growth, small company value, large company growth, and large company value. Growth is growing in importance. Sectors on buys include: wireless, internet, energy, and leisure. The U.S. dollar continues to be weak.**

**Because the markets can turn quickly, be ready. May the market be with you!  
(November 16, 2006)**