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## Monthly Update

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# Historic Bear Market Bottoming!

**This bear market is extreme and historic with 2008 losses in the S&P500 -45.5% and NDX100 -47.9%. There has been a 38.% drop in the S&P500 since 8/22/08. The Dow Jones Industrial average, and other indexes, continues to experience extreme daily moves both down and up. In addition to investor accounts being under water, their house has lost value, and their borrowing capability is significantly curtailed. These problems leave most investors fearful that the end of their world is near! There is usually maximum investor fear at market bottoms. On 11/20/08 there were 98 % sellers for every 2 % buyers. This is capitulation. Thus, there are indications that the bottom is close.**

**We think most of the losses since August 2008 are due to the credit dry-up crisis. You know, toxic non-securities that were securitized by non-bank banks. The US banking system was on the verge of collapse; only many of us outside the banking club didn't have a clue. The drop since August amounts to about -500 S&P500 points. Thanks Henry. When the US Treasury/other-country-bailouts re-liquify the world's banks, this 500 S&P500 point move should return to the upside.**

**We recently became aware that the US government does not own the Federal Reserve Bank. Rather, very wealthy shareholders own it and may exert their own agenda on the board. Only in America. Go figure.**

**Large up and down moves are one sign of a bottom. A graphic view of this October oscillation is illustrated in our S&P500 graph on page 2. But the 900 level was recently pierced and now the 800 level is a support level. We continue to think the US markets are in the bottoming phase and it is too late to sell.**

**Because the markets can turn quickly, be ready. May the market be with you!  
(November 21, 2008)**