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Monthly Update

2006, volume 12, Year 13 December 2006

Sarbanes-Oxley Poison!

This U.S. market seems to have peaked and is going down. It is a time to be cautious and to move money into money market, short OTC funds, and international funds. Our market timing indicators for: S&P500 is still on a buy, Nasdaq 100 has changed to a sell, Gold has changed to a sell, and US 10 year bond yields is still on a buy.

Our average hypothetical portfolio return for year to date, of our three hypothetical portfolio models, is 10.77% and is between the return for the S&P500 and the NDX100.

Our indicators for the style box indicate that only large company growth is going higher. Sectors on buys include: financial and banks, consumer products and leisure. The U.S. dollar continues to be weak. Ten-year bond prices are dropping and its yield is moving up.

The big change is that the U.S. markets are going lower as money flows again to outside the U.S. possibly because the Sarbanes-Oxley law seems to have poisoned the U.S. investing climate and enhanced off shore relative investing opportunities.

Because the markets can turn quickly, be ready. May the market be with you! (December 22, 2006)