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Monthly Update

2008, volume 3, Year 15, March 2008

Caution abounds: financial and real estate are buys!

The world economy is uncertain. Many investors are cautious. The Dow, S&P500, and NDX appear to be recovering. Many funds and indexes with negative momentum are starting to move higher. Leading sectors are real estate, bonds, banking, and financials.

The style box index funds have negative HVI values with value slightly beating growth.

World commodity markets and precious metals have negative HVI values. The large sell off in precious metals and energy this past week probably indicates profit taking and a deflation in the risk premium of financial speculation. The real commodity demand still exists, yet commodity prices can go lower with the exodus of the financial worldwide cabal.

We have a new sell on gold at this time. We have a new buy on the NDX from neutral last month, and a buy on 10-year government bonds (sell yield).

The foreign country funds are not appealing, possibly due to the short-term U.S. dollar improvement.

In summary, we think a short-term rally in the US markets is just starting.

**Because the markets can turn quickly, be ready. May the market be with you!
(March 20, 2008)**