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Monthly Update

2009, volume 4, Year 16, April 2009

Buy-Hold Investors Not Covered

Our buy signals are holding. As reported last month, we received buy signals, from 3/10/09 to 3/16/09, for nearly all long funds and indexes we follow. Few other market strategists report signals for individual funds and indexes.

The debate is on again whether the strategy of holding diversified asset classes is dead. This concept purchases a diversified portfolio once or twice a year and holds it. Problem is, when a recession washes in, the investment tide washes out. It is easiest to see who is swimming without a swim suit when the investment tide goes out. We believe buy-and-hold investors are not covered when the investment tide goes out.

Our absolute momentum (HVI) comparison for the style box on page 2 indicates that value stocks beat growth stocks and small cap stocks beat large cap stocks. Our sector line up this month is finance first, then semiconductors, then oil. Precious metals are resting now. Emerging markets are quite strong.

The bank and finance sectors continue to benefit from congressional bailout dollars. The Fed is printing dollars to inflate our money supply to rescue insolvent banks.

We have buys on S&P500 and NDX indexes, and a continued buy on gold/precious metals, see page 1. We have a new buy signal for bond yields, i.e. short bonds.

**Because the markets can turn quickly, be ready. May the market be with you!
(April 24, 2009)**