



Harloff Capital Management  
795 Sharon Drive, Suite 226, Westlake, OH 44145  
440-871-7278

## Monthly Update

2009, volume 8, Year 16, August 2009

# Buy on Dips

**Our last buy signal for both the S&P500 and NDX100 was on March 20, 2009, a good call. The market continues to show strength. However, the markets weakened this month but recovered nicely. It looks like “buy on dips” is in vogue again. For the year, the S&P500 and NDX indexes are up 13.6 and 35.17% respectively. The average of our three portfolios is up 47.18%.**

**Our analysis indicates that: banks, financial, value, basic materials, real estate, and commodity funds are promising. Region/country funds including: Latin America, Europe, Japan and Emerging Markets are also promising. These funds and indexes indicate that the Emerging Markets, as producers of commodities, are thriving to feed growth in China, Europe and Japan. World indices are strongest at: London, US, Frankfurt, and then Emerging Markets. The US dollar continues to be a sell as the US pays its debt in fiat dollars.**

**Our absolute momentum (HVI) comparison for the style box on page 2 indicates that value continues to beat growth stocks. Our sector line up this month is first finance, oil, utilities, semiconductor, and then gold.**

**We have continued buys on S&P500, NDX, gold/ precious metals, and a new sell on bond yields (long bonds), see the left column on page 1. Because the markets can turn quickly, be ready. May the market be with you! (August 21, 2009)**