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## A Sampling of Advisory Opinion

Edited by ANITA PELTONEN

### **Bear Grip**

*Possible April 2006 Recession*

*by Harloff's Intelligent Fund Investor*

815 Crocker Rd., Westlake, Ohio 44145

**Oct:** Recently in Alaska, the Kodiak bears didn't have enough berries to eat...They were food-stressed and needed more meat before hibernation. When hunters shot deer and processed them in the field, bears, attracted to the meat, sometimes attacked the hunters; two hunters were severely mauled and one was killed....

Imagine what a bear grip feels like! This is what is happening now in [U.S.] equity markets. Consider that on Oct. 4, most equity markets around the world went down. The hedge-funds cabal operates worldwide and can force the world's markets down all at once.

Since October 3, the Standard & Poor's 500, Nasdaq 100, and XAU [Philadelphia/precious metals] are all lower. In nine recent trading days, Profunds Oil and Gas (ENPIX) was down 13.53%, the NDX by 3.82%, and the S&P 500 by 3.27%; the latter two are negative for the year. In contrast, the long-term bond yields and dollar are going higher. These increases signal lower gross-domestic-product growth rate as the economy slows down. Nearly all the funds [we've] analyzed are going down, except for the short funds. Even precious metals have weakened, while the XAU index remains on a buy since May 13. Based on recent market activity, we see a possible recession starting April 2006. Farewell, Dr. Greenspan.

-- Gary Harloff

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