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Inside this issue

[Thank You Barrons!](#)

[Scraping Along The Bottom... For Now](#)

[We Get By With A Little Help From Our Friends!](#)

Thank You Barrons!

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**As part of my weekend ritual, I usually sit down and read as much as I can from the new issue of Barrons, my favorite business publication. But last weekend, between being on the phone and computer from the Bear Stearns mess and taking my son to see Go Diego Live, I only skimmed the issue late Sunday night.**

**When I went back to read it in depth on Monday, I discovered that right there on page M10 was an excerpt from our very own Street\$marts newsletter. So, thank you Barrons for sharing some of my thoughts with your readers. It's very gratifying to be included with my peers.**

**If you don't read Barrons, I really do believe it's the best mass financial market publication. You can probably get a no cost trial at [www.barrons.com](http://www.barrons.com)**

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**Also, as most of you know, Teri and I will be having our third child on Thursday, so there is a small chance I won't be writing anything in the next week, to the delight of a few I am sure! (Unless the markets go haywire again, which seems like an every day occurrence these days) But I will have my laptop, Blackberry and cell phone if you need to reach me. Just don't tell my wife!**

## **Scraping Along The Bottom... For Now**

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Market wise, the record volatility just continues along unabated. And I've written about for some time, I don't see that ending any time soon. But when it does, we'll be back to the much quieter market we got used to over the past few years.

Volatility behaves somewhat like the weather. Some years we see violent weather week after week and month after month. Yet other years, it seems very quiet. It's definitely cyclical. The longer it stays quiet, the more fierce the volatility when it returns and vice versa.

You need not look any further than this month to really see and feel just how schizophrenic this market is. Forget about my repeated comments that 100+ point moves in the Dow are now the norm. It's worked its way to 200 and 300 point ranges and sometimes even more.

On the one hand, you either want to stick your head in the sand like an ostrich and come out when the coast is clear or curl up in the fetal position sucking your thumb in bed for a few months. And who could blame you!

But just as those extremely quiet times in 2005 and 2006 led to some much bigger moves in 2007 and now historic ranges in 2008, this too shall pass. It's certainly taking its toll on both bulls and bears, but the former has been beaten a lot more this year.

Not to beat a dead horse, but nothing I look at has changed much this week. Monday morning was one of those truly scary events where we saw relentless selling carry over from Friday's collapse on the Bear news. After a midday reversal, stocks closed much firmer, leading to that giant rally into the Fed meeting on Tuesday.

In the span of less than two weeks, we have seen two separate trading days where the ratio of up volume to down volume was at least 9:1, with almost 20:1 on Tuesday. Historically, that's yet another signal of a market turning point.

But today, just when it looked so safe to go back into the water, Jaws swam up and ripped apart our boat. Does this end all hope for a stock market bottom? Absolutely not! As painful as it may feel to have to endure the emotional roller coaster day after day after day, it's all part of the healing process.

A few folks asked me to use the Dow Jones instead of the S&P when giving upside reward and downside risk. So... I believe the downside risk in the short-term is to the 11,250 area, while the upside reward is a minimum of Dow 13,000 in the second quarter and possibly up to 14,000 this year.

Yes, we may still have to endure a few more trading days here and there of pain, but there is light at the end of the tunnel not too far away.

We Get By With A Little Help From Our Friends!

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