# ROBERT D. MCHUGH, JR., Ph.D.
## Weekend Market Newsletter
*A Publication of Main Line Investors, Inc.*

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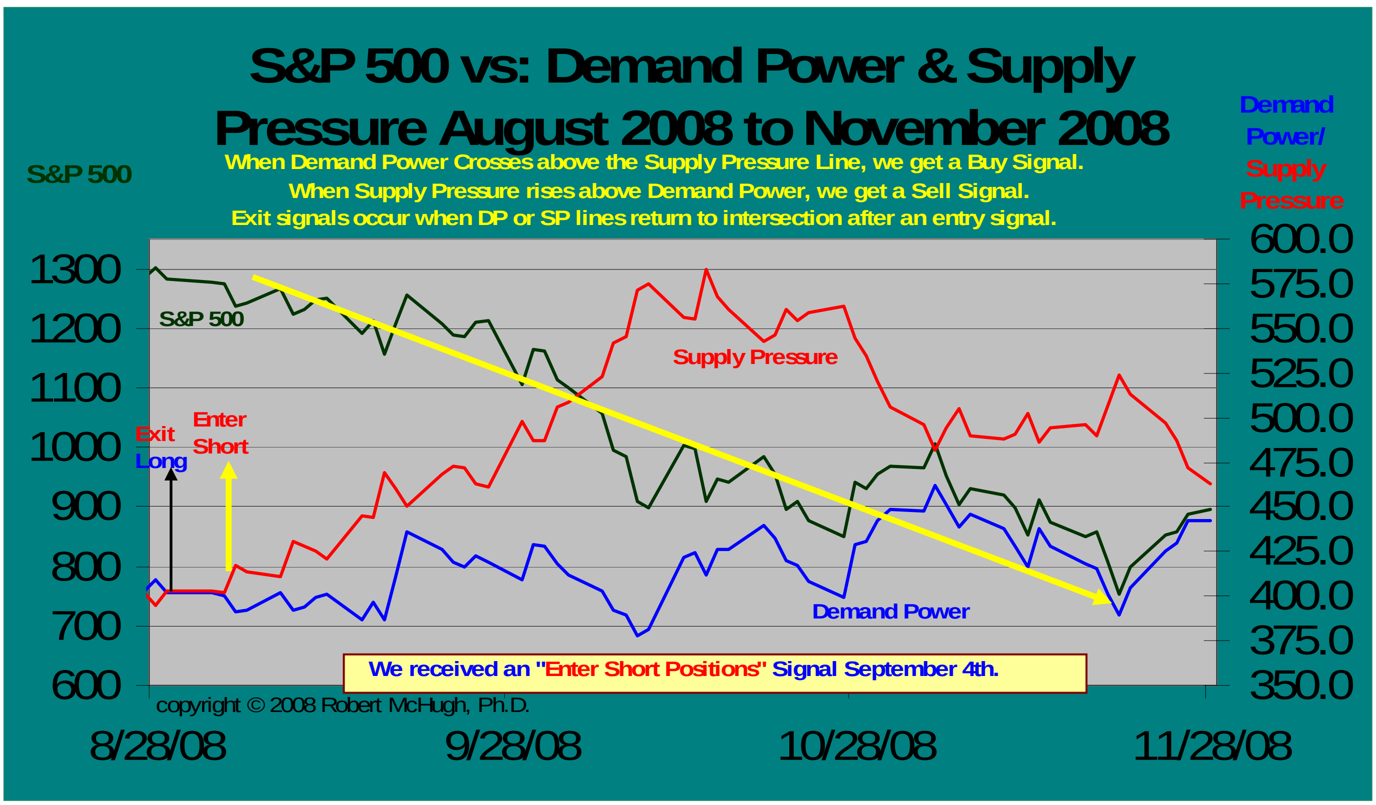
**SUMMARY OF INDEX DAILY CLOSINGS FOR FRIDAY, NOVEMBER 28th, 2008**

| Date | DJIA | Transports | S&P | NASDAQ COMPQ | NASDAQ 100 | Russell 2000 | 30 Yr Treas Bonds |
|---|---|---|---|---|---|---|---|
| Nov 20 | 7552.29 | 2988.99 | 752.44 | 1316.12 | 1036.51 | 385.31 | 127^24 |
| Nov 21 | 8046.42 | 3122.75 | 800.03 | 1384.35 | 1085.57 | 406.54 | 126^09 |
| Nov 24 | 8443.39 | 3300.13 | 851.81 | 1472.02 | 1154.34 | 436.80 | 125^09 |
| Nov 25 | 8479.47 | 3393.44 | 857.39 | 1464.73 | 1142.58 | 443.18 | 126^29 |
| Nov 26 | 8726.61 | 3500.60 | 887.68 | 1532.10 | 1193.09 | 468.85 | 127^02 |
| Nov 28 | 8829.04 | 3512.20 | 896.24 | 1535.57 | 1185.75 | 473.14 | 127^15 |




## Status of Demand Power/Supply Pressure Key Trend-finder Indicator

| Index | Term | * Signal | First Date of Signal | Current Demand Pr. | Current Supply Pr. | Fullest Extent of Index Move Since Signal |
|---|---|---|---|---|---|---|
| S&P 500/DJIA | Short | Enter Short | 9/4/2008 | 442 | 463 | SPX Fell 491 Points ( 39.9 %) |
| NDX | Short | Enter Short | 8/25/2008 | 419 | 442 | NDX Fell 870 Points ( 46.1 %) |

* We consider a new entry point for a signal the day when one measure crosses more than 10 points above the other. We like to exit when (or before if conservative) the two measures return to an intersection.

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**Summary of McHugh's Proprietary Index Key Trend-finder Buy/Sell Signals**

| | Index | Term | Signal | Date Current Signal | Fullest Extent of Index Move Since Signal |
|---|---|---|---|---|---|
| **Purchasing Power Indicator** | DJIA/S&P | Short | Buy | Nov 21st, 2008 | DJIA Rose 785 Points ( 9.8 %) |
| **DJIA 14 Day Stochastic** | DJIA | Short | Buy | Nov 24th, 2008 | DJIA Rose 388 Points ( 4.6 %) |
| **DJIA 30 Day Stochastic** | DJIA | Short | Buy | Nov 24th, 2008 | DJIA Rose 388 Points ( 4.6 %) |
| **DJIA Primary Trend Indicator** | DJIA | **Long** | Sell | Sept 30th, 2008 | DJIA Fell 3401 Points ( 31.3 %) |
| **Secondary Trend Indicator** | DJIA/S&P | Short | Sell | Oct 2nd, 2008 | DJIA Fell 3033 Points ( 28.9 %) |
| **NDX Purchase Power Indic** | NASDAQ 100 | Short | Buy | Nov 21st, 2008 | NDX Rose 107 Points ( 9.9 %) |
| **NDX 14 Day Stochastic** | NASDAQ 100 | Short | Buy | Nov 24th, 2008 | NDX Rose 38 Points ( 3.4 %) |
| **RUT Purchase Power Indic** | RUT | Short | Buy | Nov 21st, 2008 | RUT Rose 66 Points ( 16.4 %) |
| **HUI Purchasing Power Indic** | HUI | Short | Buy | Nov 21st, 2008 | HUI Rose 35 Points ( 16.5 %) |
| **HUI 30 Day Stochastic** | HUI | Short | Buy | Nov 21st, 2008 | HUI Rose 35 Points ( 16.5 %) |

The ***Dow Industrials rose 102.43*** points Friday, closing at 8,829.04. It was the fifth consecutive day stocks rallied. ***NYSE volume was down at 40*** percent of its 10 day average Friday, in an abbreviated holiday trading day. Upside volume led at 68 percent, with advancing issues at 68 percent, with upside points at 70 percent. ***S&P 500 Demand Power was flat at 442, while Supply Pressure fell 9 points to 463,*** telling us the rally was due to abandoning selling against mild buying.

We believe wave ***(B)*** up started Friday, November 21st, 2008, but for confirmation we need a few things to occur. We would like to see a pattern of higher highs and higher lows, which means that once prices correct the past week's huge bounce, we would like to see ***the next decline bottom above November 21st's intraday lows, 741.02 in the S&P 500, and 7,449.38 in the Industrials. Then we would like to see higher highs, meaning a breakout from the declining parallel trend-channel we show tonight on page 13. More confirmation would come with buy signals in the Weekly and Monthly Full Stochastics for the S&P 500 and the Industrials. Those buy signals would be coming from oversold levels and are close to occurring.***

***Wave (B) up will likely be a 3 to 4 month rally, and a last opportunity to raise cash before a cataclysmic decline occurs starting by mid-2009 and lasting into 2010. This is a Grand Supercycle wave {IV} Bear Market occurring, correcting a wave {III} up that started before the United States of America existed. Grand Supercycle degree waves change nations and empires.*** It is of a higher degree than the Great Depression of the 1930's, meaning the fallout will be worse. So use this gift, wave ***(B)*** up, to prepare. Do not rely upon any lines of credit at any financial institution. They could yank them. ***Cash is king in a Depression.*** Look for cash from all sources. A bird in hand is worth two in the bush. Build up cash. Bank FDIC insured accounts, U.S. Government short-term securities, Gold and Gold coins, these are the primary assets in our conservative investment portfolio model, an investment educational tool — not trading advice — and it has outperformed the stock market, the real estate market, and pretty much all markets by a country mile in 2008. That asset mix still looks good to us as we head into 2009 and especially 2010.

***The Demand Power/Supply Pressure indicators generated an enter short position signal September 4th, and remains there Friday***. ***Friday's McClellan Oscillator improved to positive + 233.0. The Summation Index improved to negative –3,267.12***. ***NYSE New Highs fell to 12***, with ***New Lows falling to 21 Friday***.

***The percent of DJIA stocks above their 30 day moving average rose to 50.00 from 46.67***. The percent above 10 day rose to 96.67 from 90.00. ***The percent above 5 day fell to 96.67 from 100.00.*** The ***NYSE 10 day average Advance/Decline Line Indicator worsened to negative –220.6, a short-term Bearish divergence, remaining on a "sell" signal from November 12th, when it fell below the negative - 120.00 threshold necessary for a new "sell."*** This argues that another leg lower is coming over the short-run before a bottom.

***Our three Blue Chip key trend-finder indicators (other than the Demand Power/Supply Pressure Indicator) remained on a "buy" signal Friday***. The ***DJIA 30 day Stochastic*** Fast rose to 50.00, above the Slow at 35.33, ***remaining on a "buy" signal from November 24th.*** The ***DJIA 14 day Stochastic*** rose to 90.00, above the Slow at 42.78, ***remaining on a "buy" signal from November 24th.*** The Fast had to cross *more than* 10 points below the Slow for a new "sell." The ***S&P 500 Purchasing Power Indicator rose 1 point to negative –102.44, remaining on a "buy" signal from November 21st***.

The ***Plunge Protection Team Risk Indicator*** fell to ***positive + 4.07 Friday, remaining on a "sell" signal from November 17th. A rise above positive + 20.0 or a drop below –16.0 would trigger a new "buy" signal. After it generated a buy signal on July 31st, the Industrials rose 489 points.*** When the reading rises above positive + 20.00, or falls below negative –16.00, we usually see multi-week rallies. ***On the other hand, declines can (don't have to) occur when this reading falls within the range of negative –16.00 to positive + 20.00.*** The PPT Indicator was in the range where declines typically occur, between negative –16.00 and positive + 20.00 for most of the late December/January decline, which saw the DJIA drop over 1,100 points. It then rose above + 20.00 January 14th. Rallies usually start about a week or two after this measure exceeds positive +20.00. When this indicator last went below negative –16.00, triggering a new "buy" signal, on February 7th, 2008, the Industrials closed at 12,247. After that the Industrials rose 509 points. After they rose above negative –16.00 on March 3rd, the DJIA dropped over 500 points. ***From May to July 2008 we saw a significant decline within this range, 1,650 points. After this indicator generated a sell signal October 1st, the Industrials declined 2,948 points. After this indicator generated a sell signal November 17th, the Industrials fell 824 points, or 10 percent.***

***The DJIA Call/Put Ratio rose to 1.04 Friday, on a "neutral" signal from May 27th*** (moving below 1.00 and above 1.40 is neutral, while rising decisively above 1.00 ***(above 1.10)*** triggers a new "buy"). ***On Friday, the Secondary Trend Indicator rose 2 points to negative –16, remaining on a sell signal.*** Above zero is Bullish. Below zero is Bearish. The closer it moves toward zero, the greater the risk of a coming trend turn, thus caution with open positions would be recommended. ***After it turned Bearish on December 31st, 2007, the Industrials fell 1,630 Points, or 12.3 percent. After it generated a sell, on June 17th, the Industrials fell 1,200 points. After it triggered a sell signal on October 2nd, the Industrials fell 2,600 points.*** This indicator correlates well with price trends.

***Shorting should only be done with funds that are speculative and the investor is willing to accept a substantial loss on.*** That is because the PPT is very active at this time.

## SUMMARY PAST WEEK'S DEMAND POWER/SUPPLY PRESSURE STATISTICS

**Blue Chips S&P 500/DJIA**

| Date | Demand Power | Supply Pressure | Purchasing Power Indicator | Secondary Trend Indicator |
|---|---|---|---|---|
| Nov 20 | Down 12 to 389 | Up 17 to 524 | Down 25 to –156 | Down 6 to –42 |
| Nov 21 | Up 16 to 405 | Down 11 to 513 | Up 28 to –128 | Up 8 to –34 |
| Nov 24 | Up 20 to 425 | Down 16 to 497 | Down 17 to –111 | Up 6 to –28 |
| Nov 25 | Up 5 to 430 | Down 10 to 487 | Up 1 to –110 | Up 3 to –25 |
| Nov 26 | Up 12 to 442 | Down 15 to 472 | Up 7 to –103 | Up 7 to –18 |
| Nov 28 | Flat 0 at 442 | Down 9 to 463 | Up 1 to –102 | Up 2 to –16 |

**NASDAQ 100**

| Date | Demand Power | Supply Pressure | Purchasing Power Indicator | PPT Risk Indicator (Above +18% Means High Risk of a Short-covering Rally) |
|---|---|---|---|---|
| Nov 20 | Down 6 to 395 | Up 7 to 474 | Down 17 to –124 | - 2.39 |
| Nov 21 | Up 9 to 404 | Down 8 to 466 | Up 14 to –110 | + 7.79 |
| Nov 24 | Up 13 to 417 | Down 9 to 457 | Up 19 to –91 | + 10.50 |
| Nov 25 | Down 2 to 415 | Down 1 to 456 | Down 2 to –93 | + 10.44 |
| Nov 26 | Up 8 to 423 | Down 10 to 446 | Up 10 to –83 | + 9.19 |
| Nov 28 | Down 4 to 419 | Down 4 to 442 | Down 1 to –84 | + 4.07 |

**10 Day Average Short-term Advance/Decline Signals**

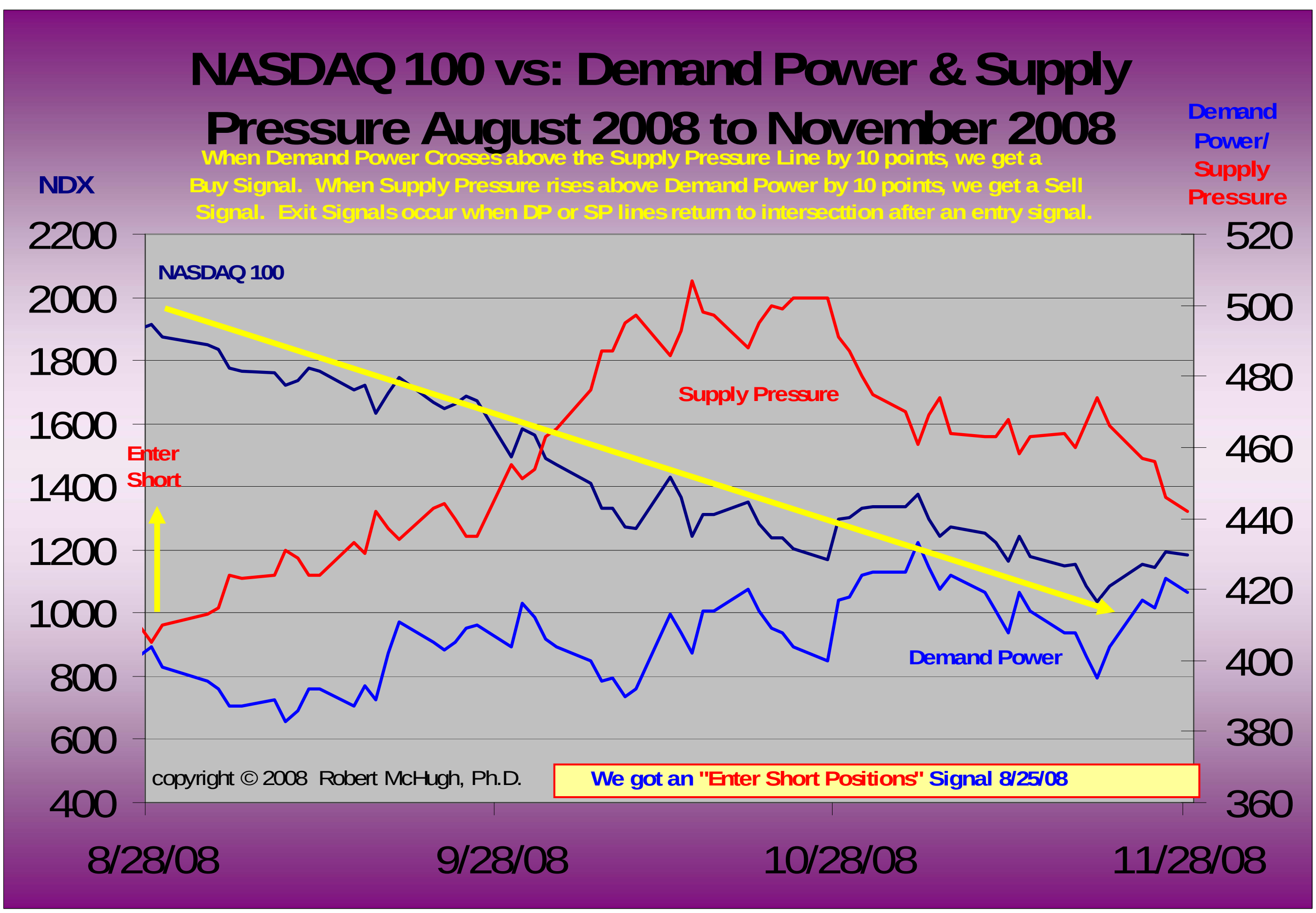
| Index | Nov 28th A/D Indicator | Signal | Date of Signal | Fullest Extent of Index Move Since Signal |
|---|---|---|---|---|
| **NYSE/S&P 500** | - 220.6 | Sell | Nov 12th, 2008 | SPX Fell 111 Points ( 13.1 %) |
| **NASDAQ 100** | - 9.8 | Sell | Nov 11th, 2008 | NDX Fell 206 Points ( 16.9 %) |
| **Russell 2000** | - 37.0 | Sell | Nov 12th, 2008 | RUT Fell 81 Points ( 18.0 %) |

***Wave (C ) down of {IV} down could result in clusters of nations merging into new political federations, with likely strong authoritarian structures, which means new currencies are coming. Fiat currencies in existence now will be at risk of being recalled, of becoming worthless, just like the confederate currency did at the end of the Civil War, just like most fiat currencies have ended up in the history of the world. Gold is the common safety net.*** I'm not recommending anyone invest 100 percent in Gold or Silver, however it does have a prudent place in any diversified portfolio of assets, and will perform well if a new currency is coming. Gold and Silver coins in hand will give you the most control. Warning: Many sellers of Gold coins are charging an unscrupulous 35 percent or so commission. Shop around. At this time, it is nearly impossible to find Gold coins at spot prices. But pay attention during this coming wave ***{B}*** up stock market phase, as you may find supply increase, creating accumulation opportunities.

***Check out our new Thanksgiving Day Specials, extended through Sunday, November 30th, including an 18 month offering. If you are enjoying your subscription, please tell a friend.***

The ***NASDAQ 100 fell 7.34 points Friday, closing at 1,185.75.*** Volume was down at session shortened holiday 32 percent of its 10 day average. ***Downside volume led at 53 percent. Declining issues led at 51 percent, with downside points at 63 percent. NDX Demand Power fell 4 points to 419, with Supply Pressure falling 4 points to 442,*** telling us the decline was mild, with neither side particularly interested in taking a position Friday.

***Our key trend-finder indicators remain on a "buy" signal Friday.*** The ***NDX 14 day Stochastic*** Fast rose to 67.00, above the Slow at 40.00, ***remaining on a "buy" signal from November 24th.*** The ***NDX Purchasing Power Indicator fell 1 point to negative –83.87, remaining on a "buy" signal from November 21st***. The ***NDX 10 day average Advance/Decline Line Indicator*** rose to negative –9.8, ***remaining on a "sell" signal from*** November 11th, when it fell below the negative - 5.0 threshold for a new "sell" signal. The ***Demand Power/Supply Pressure Indicator generated an enter short positions signal Monday August 25th***, when the SP indicator rose more than 10 points above the DP indicator, and remains there Friday, November 28th.

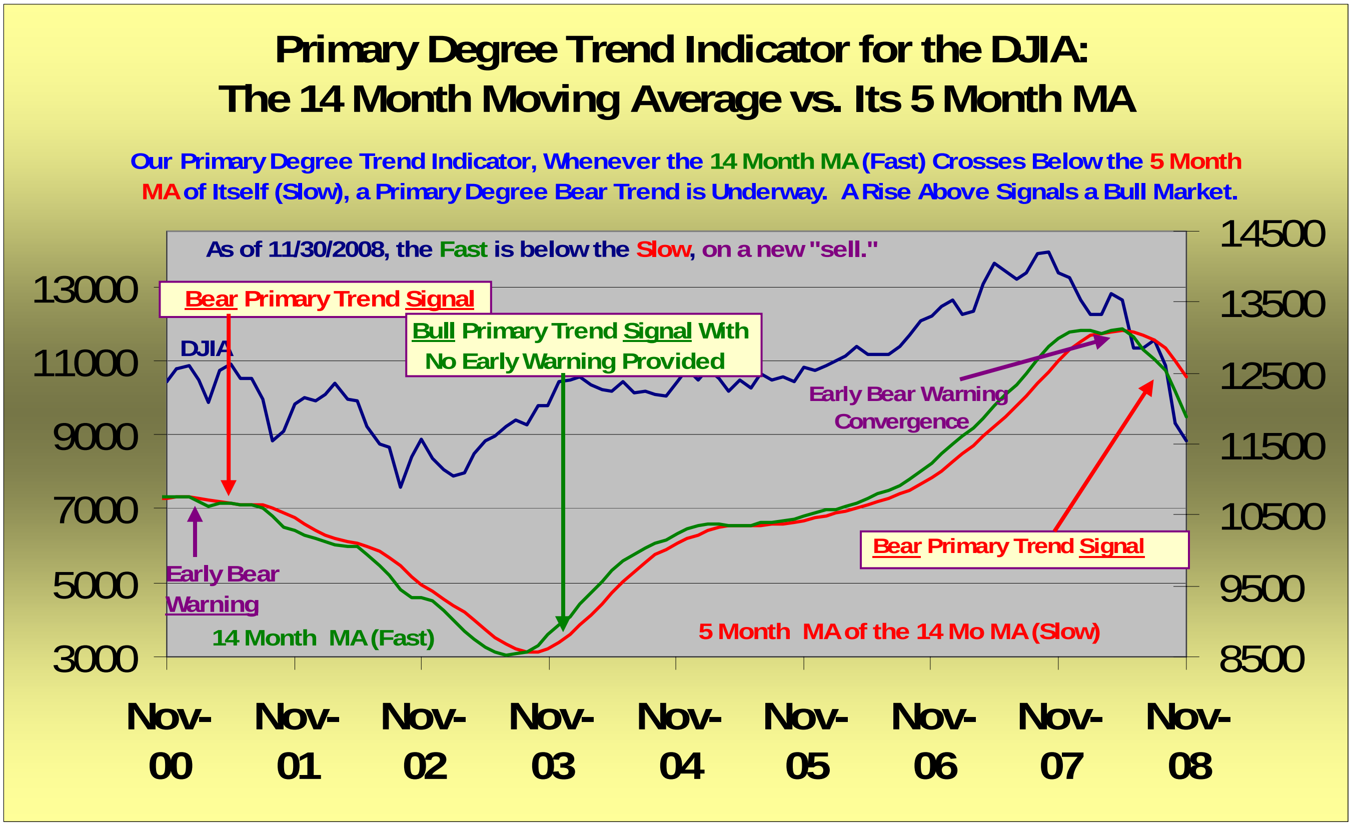


The ***Russell 2000 rose 4.28*** points Friday, closing at 473.14. Volume fell to 35 percent of its 10 day average, with upside volume leading at 59 percent, with advancing issues leading at 62 percent. ***The RUT Purchasing Power Indicator*** rose to negative –3.64, ***remaining on a "buy" signal from November 21st***. The ***RUT 10 day average Advance/Decline Line Indicator*** worsened to negative –37.0, a short-erm Bearish divergence, ***remaining on a "sell" signal from November 12th***, needing to rise above the positive +180.00 threshold for a new "buy" signal.

The ***HUI Amex Gold Bugs Index rose 3.87 points Friday, closing at 247.46. Volume was lower at 31 percent of its 10 day average.*** Upside volume was 71 percent, with advancing issues at 70 percent, and upside points at 80 percent. ***Our key trend-finder indicators remain on a "buy" signal Friday, November 28th.*** The ***HUI 30 day Stochastic*** Fast fell to 85.00, above the Slow at 45.56, ***remaining on a "buy" signal from November 21st.*** The Fast had to rise more than 20 points above the Slow to trigger a new "buy." The ***HUI Purchasing Power Indicator rose to 204.62, remaining on a "buy" signal from November 21st.*** December ***Gold*** was higher at 816.2. ***Silver was down at 10.19***, while ***Oil was down at 54.43.*** The ***Dollar*** rose 0.94 to 86.54. ***Bonds rose half a point at 127^15.*** The PPT has to buy the long end to keep Bonds headed in the right direction, to support the housing market, especially now that AMBAC and MBIA are no longer rated AAA, Fannie Mae and Freddie Mac — who hold half of all mortgages - have collapsed, and credit markets have frozen, requiring lower interest rates, and Master Planner interest rate (bond) intervention. The ***VIX rose 0.92 to 55.84.***

The ***Australia SPASX200 rose 154.50 points, or 4.31 percent Friday***. Click on the Weekend Australia Report, ***which includes EW charts of the FTSE and DAX, for the latest analysis***.

**Bottom Line:** ***The Fed has to continue hyperinflating to bail out this sick economy, feeding a major trend up in precious metals. Households, not just Wall Street, must be bailed out. If this doesn't happen we are headed for an economic depression***.




The above chart updates our ***Primary Trend Indicator*** for the month of November, 2008, the long-term view, which has nothing to do with the short-term view. ***It generated a new long-term trend "sell" signal September 30th, 2008*** when the DJIA closed at 10,850.66, the first change from the buy signal October 31st, 2003, four + years ago, and the first sell signal since 2000. What this means is there is a high probability the Industrials will fall substantially lower over the next 2 to 4 years +/-. We've already seen a 3,400 point drop from this sell signal over the past two months.

Here is how the indicator works: One of the tools we have in our arsenal to identify the status of a Primary Degree trend is a simple analysis of the 14 month moving average versus a Slower moving average calculation, the 5 month MA of the 14 month. It has been terrific at identifying multi-year trends, both up and down. While it is a little late in generating the buy and sell signals, ***it triggered a "sell" near the start of Primary degree wave (4) down, in mid 2000. What followed was a two and a half year, 39 percent drop into the wave (4) bottom on October 10th, 2002***. It took a while for this indicator to confirm that the rally that started on October 11th, 2002 would in fact be a multi-year primary degree wave up, wave **(5)** up. But in ***October 2003, this analytical tool did in fact trigger a Primary Degree "buy" signal, which led to a four year further rally to new all-time nominal highs on October 11th, 2007 at 14,198.10.*** We got a near "sell" signal in mid-2005, but the rally rejuvenated itself, continuing on its "buy."

***As of November 30th, 2008, our PTI remains on a "sell." The spread between the Fast and the Slow has gone negative for the sixth month in a row. The spread went negative, to –75 in June, –188 in July, and –250 in August, –305 in September, and –556 in November. This compares to a 1,744 positive spread in December 2003***. The 5 month moving average fell to negative for the first time, at –44 in July, was negative again in August, at -94, and for the third month in a row in September at negative –158, triggering the long-term sell signal. It is negative –343 in November. We require a 5 month moving average of the Spread between the Fast and Slow to reverse in a new direction for 3 consecutive months in order to declare that a new primary trend, a new multi-year trend, is underway.

***There had only been two signals since 1997 before the new sell signal in September 2008*, so this tool is useful for *long-term* investors**, as it filters out the noise of up and down corrections of significance in favor of the primary trend. ***Again, we now have a third.***

***With a new Bear Market signal, it meant we were likely headed into the 7,000's in the Industrials, or maybe even lower — eventually. We hit 7,449 November 21st, 2008. This suggests to us that the current decline from October 2007, a year ago, through now, is just the first phase of a three phase Bear Market. That means once this first phase ends, we should see a dramatic bounce for several months, but then that will lead to the third and final phase, a disastrous decline below 7,000ish.***

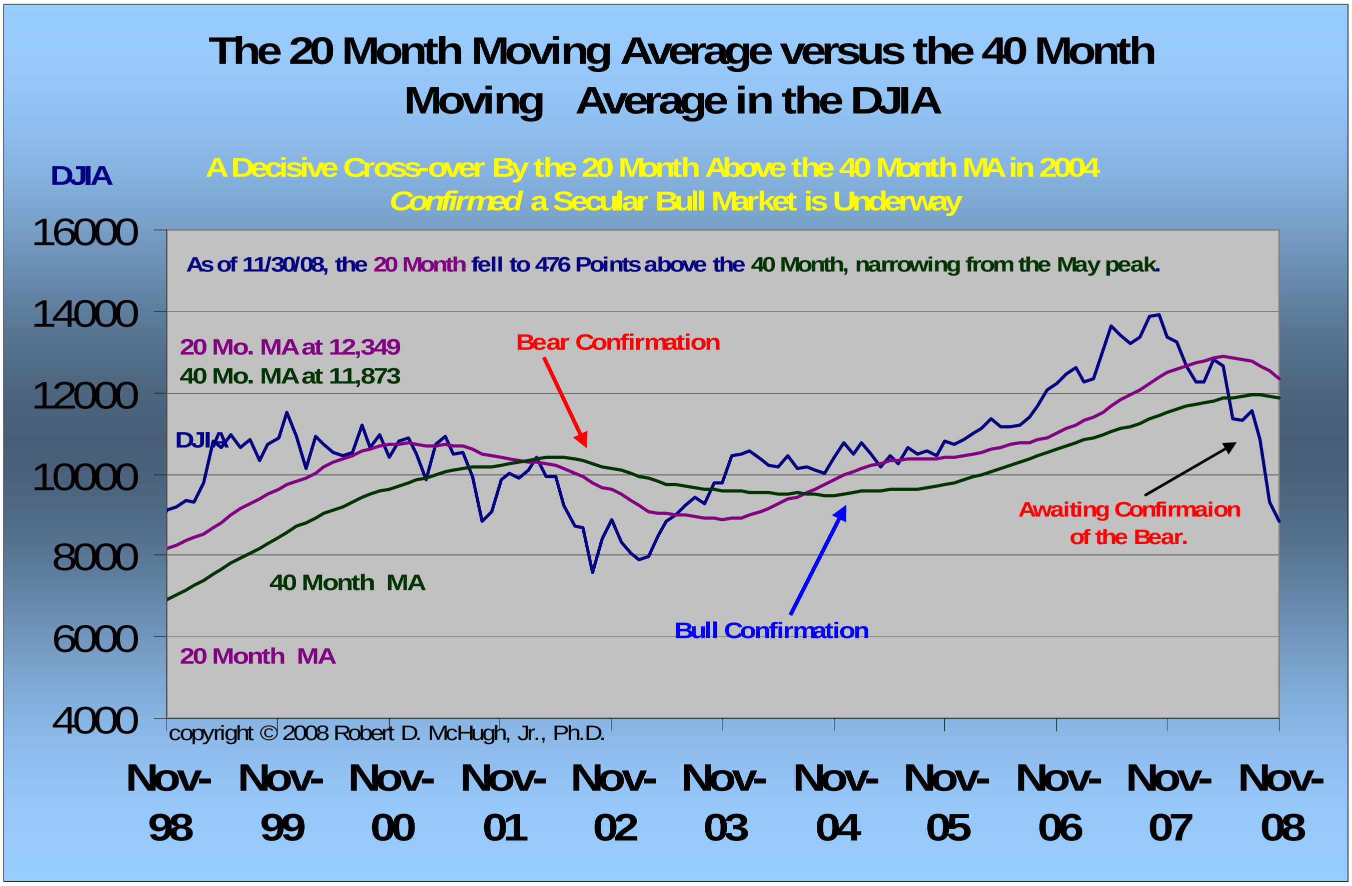
***This chart is useful for our Conservative Balanced Investment Portfolio since once we get a new signal, we can rely upon that signal for years***. Further, it tells us which direction surprises are likely to occur, so when playing speculative options or futures, we will know the direction where a surprise trend turn is most likely. Knowledge of the primary trend is also useful for trading. In this case, we can be more aggressive when entering a position in the same direction as the primary trend, and less aggressive when entering a short-term trend play against the primary trend.

Next, we look at the chart at the top of the next page as a confirming indicator of ***the Primary Trend Indicator*** shown on the previous page. It is a comparison of the position of the 20 Month Moving average versus the 40 month. As of November, 2008, the 20 Month narrowed to 467 points above the 40 month, down from May's 1,026 peak spread. What is nice about this indicator, is that ***once we get this indicator's confirming "buy" or "sell," we can look forward with high confidence to a large chunk of the primary trend's move still being ahead of us***.

For example, the 20 month MA crossed below the 40 month MA in February 2002, with the Dow Industrials at 10,106. From that "sell" signal point, the DJIA dropped 2,909 points, or 28.8 percent. That suggested a great spot to purchase Leaps Put options.

Then, going the other way, the 20 month MA rose above the 40 month MA in August 2004, at DJIA 10,174. The Dow Industrials then rose 4,106 points, or 40.35 percent. Here, your strategy could have been to either play long-term leaps call options, or to simply go long in the cash market and stay there, in other words, increase your long investment position.

***There were no false crossovers or cross-unders with this confirming 20 Month/40 Month MA measure.*** Once it turned negative, the trend was down. Once it went positive, the trend was up. Short-term countertrend moves can occur within the primary trend.




Next week we will present the charts and data related to the *next phi* mate turn date for 2008, which is actually two dates that are 3 trading days apart. This analysis will also include a review of the last *phi* mate turn date.

***What we can tell you this weekend is that the next phi mate turn date is December 23rd, 2008, with one more on December 29th.*** The closeness of these two suggests to us there will be one turn some time around or between both dates, a turn window.

***Now this is pure logical speculation, however it could be that this coming turn will represent the end of the first wave up for wave (B) up.*** That would make sense if wave ***(B)*** is going to last about 3 months, as this coming *phi* mate turn is about one month from the last *phi* mate turn date, November 20th, 2008. The timing of this rally, from November 20th to December 23rd-29th would seem to fulfill the usual Santa Claus rally. Again, this is speculation.

***The last phi mate turn date came precisely on our scheduled date of Thursday, November 20th, and represented the closing bottom for the decline from October 2007, the first of three phases for this Bear Market, wave (A) down. Since that phi mate turn date bottom, stocks have risen sharply, the Dow Industrials rallying from November 20th's closing bottom of 7,552.29 to Friday, November 28th's intraday high of 8,831.35, a 1,279.06 point, 16.93 percent five consecutive day rally. More upside is possible.***


The above chart is a closer look at the big picture. We originally hoped that the decline we are seeing now would be the bottom of wave **2**, however ***with the recent reconfirmation of the Dow Theory Signal, and a new "Sell" signal in our long-term PTI signal, clearly there is more substantial downside coming*** after this wave **(B)** rally. This fits with November 20th's development where the S&P 500 fell decisively below their 2002 lows, confirming we are in Grand Supercycle wave **{IV}** down.

***A multi-week bottom, perhaps multi-month bottom, occurred on November 20th***. The Monthly and Weekly Full Stochastics are oversold, and the Daily has generated a new buy signal. This suggests the first leg of the Bear Market is complete, wave **(A)** down within an **(A)**-down, **(B)**-up, **(C)**-down Grand Supercycle Wave **{IV}** down. The start of wave **(B)** up is underway. This rally should be dramatic, should consist of three waves, **A**-up, **B**-down, **C**-up within wave **(B)**-up. There is a possibility this coming wave **(B)** forms a triangle pattern. If so, it will consist of five violent swings, each successive wave smaller than its preceding wave. We will identify which pattern is developing as soon as evident.

The bad news is, that once this wave **(B)** rally finishes, maybe early to mid 2009, a nasty decline will follow, the third leg of the Bear Market, wave **(C)** down. That bottom suggests something along the lines of Armageddon is transpiring, in its early stages, which no doubt will lead to change in our political structure, installing either fascism or socialism to a degree never before imagined. What we are saying is, this should be worse than the 1930's, which led to World War II. That political environment is where holding actual gold coins would be beneficial.


A decisive decline below 10,800 confirmed this Very Bearish pattern, giving a downside crash target of 7,500ish.

That target was precisely hit Thursday, November 20th, 2008, our recent scheduled phi mate turn date.


Here is a multi-year "M" pattern in formation for the S&P 500, also known as a Double Top pattern. If this is occurring, we could see a complete meltdown all the way to 500, Or lower.

This pattern's downside target will likely be hit once wave (C ) down takes over. The Monthly Full Stochastics Suggest wave (B) up is about to start Or has started.


$INDU (Dow Jones Industrial Average) INDX
© StockCharts.com
28-Nov-2008 Close 8829.04 Volume 5.8B Chg +782.62 (+9.73%)
MACD(12,26,9) -953.173, -790.892, -162.281
$INDU (Weekly) 8829.04
Volume 5.76B, EMA(60) 4.47B
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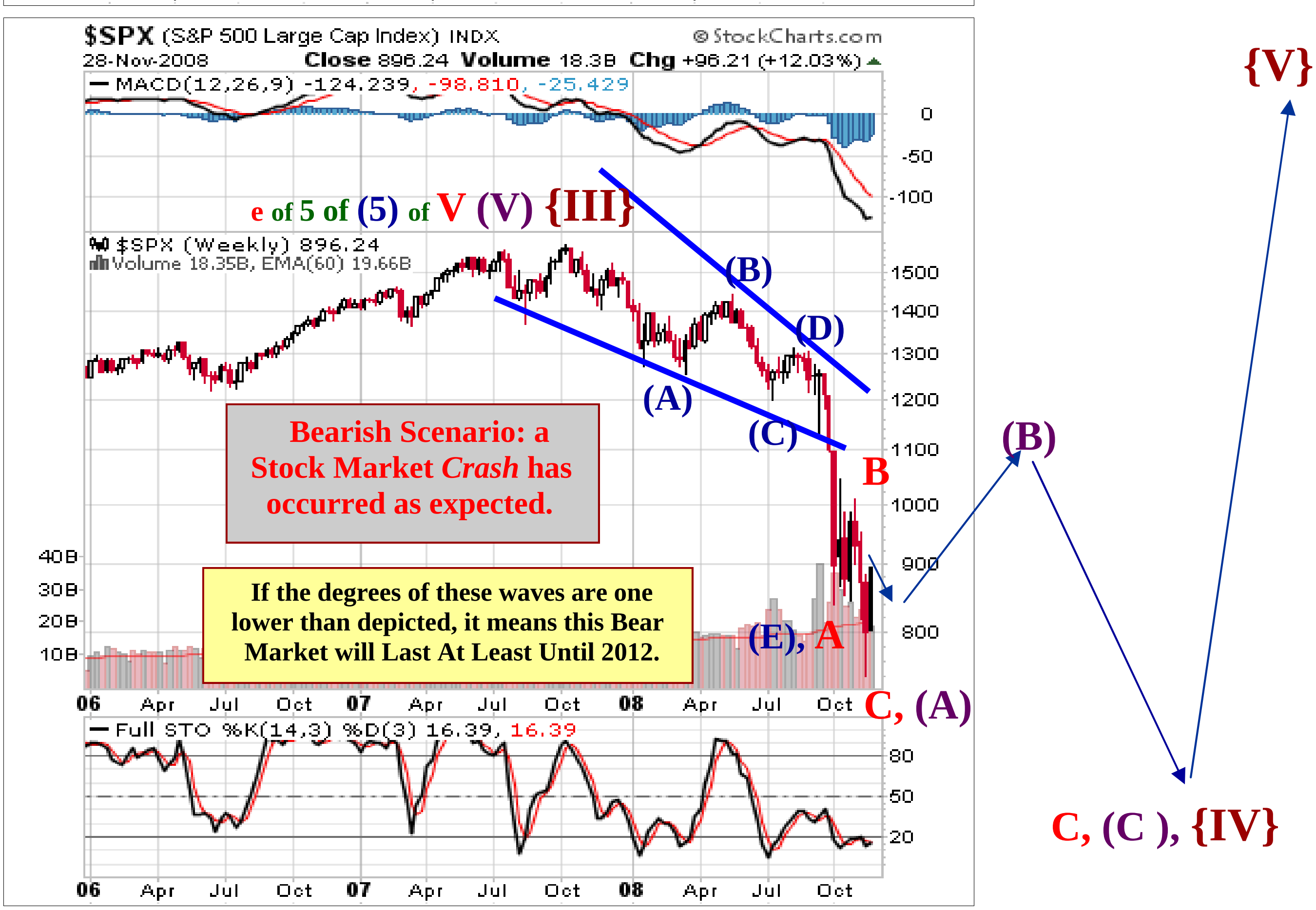
(A)
(B)
(C)
(D)
(E), A
B
C, (A)
(B)
C, (C ), {IV}
{V}
Bearish Scenario: a Stock Market Crash has occurred as expected.
If the degrees of these waves are one lower than depicted, it means this Bear Market will Last At Least Until 2012.
Full STO %K(14,3) %D(3) 21.07, 23.04
06 Apr Jul Oct 07 Apr Jul Oct 08 Apr Jul Oct


$SPX (S&P 500 Large Cap Index) INDX
© StockCharts.com
28-Nov-2008 Close 896.24 Volume 18.3B Chg +96.21 (+12.03%)
MACD(12,26,9) -124.239, -98.810, -25.429
$SPX (Weekly) 896.24
Volume 18.35B, EMA(60) 19.66B
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(A)
(B)
(C)
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B
C, (A)
(B)
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{V}
Bearish Scenario: a Stock Market Crash has occurred as expected.
If the degrees of these waves are one lower than depicted, it means this Bear Market will Last At Least Until 2012.
Full STO %K(14,3) %D(3) 16.39, 16.39
06 Apr Jul Oct 07 Apr Jul Oct 08 Apr Jul Oct


A breakout above the upper boundary of this declining parallel trend-channel would confirm wave **(B)** up started on November 21st.


A breakout above the upper boundary of this declining parallel trend-channel would confirm wave **(B)** up started on November 21st.


Wave (B) up Started Friday, November 21st. The day after our phi mate turn date


Wave (B) up may have Started Friday, November 21st. The day after our phi mate turn date


$SPX (S&P 500 Large Cap Index) INDX
© StockCharts.com
28-Nov-2008
Close 896.24 Volume 2.1B Chg +8.56 (+0.96%)
MACD(12,26,9) 6.696, 6.693, 0.003
$SPX (15 min) 896.24
Volume undef
Full STO %K(14,3) %D(3) 90.18, 89.70
B
C, (B)
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A
B
C, (D)
A
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C, (A)
C, (C)
B
A
Prices Could Fall Monday.
C, (E), C, (A)
10
17
24


$INDU (Dow Jones Industrial Average) INDX
© StockCharts.com
28-Nov-2008
Close 8829.04 Volume 669.3M Chg +102.43 (+1.17%)
MACD(12,26,9) 65.592, 63.936, 1.655
$INDU (15 min) 8829.04
Volume undef
Full STO %K(14,3) %D(3) 93.10, 92.91
B
C, (B)
A
B
A
B
C, (D)
A
B
B
C, (A)
C, (C)
A
Prices Could Fall Monday.
C, (E), C, (A)
10
17
24

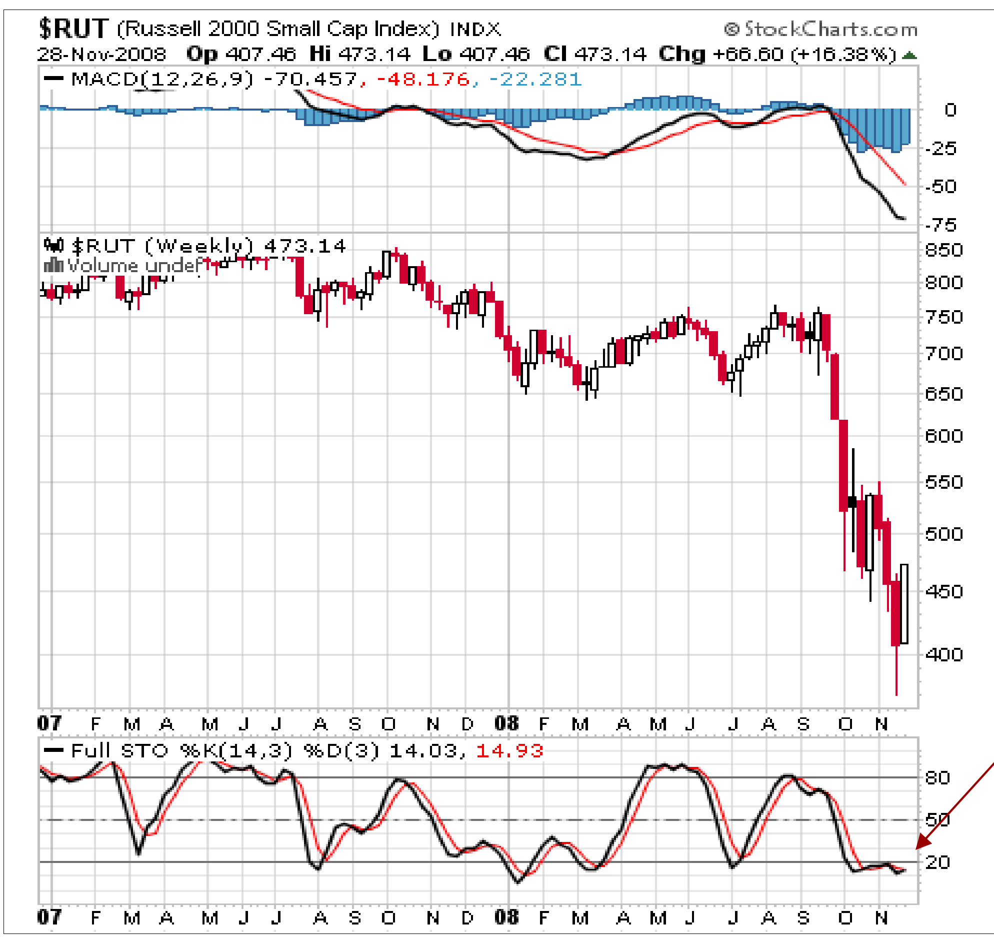

$TRAN (Dow Jones Transportation Average) INDX
© StockCharts.com
28-Nov-2008 Close 3512.20 Volume 319.2M Chg +389.45 (+12.47%)
MACD(12,26,9) -413.216, -282.676, -130.540
$TRAN (Weekly) 3512.20
Volume 319.17M, EMA(60) 414.23M
e of 5 of (5) of V (V) {III}
{V}
(B)
C, (C ), {IV}
C, (A)
The Weekly Full Stochastics on a sell signal, But nearing a bottom.
Full STO %K(14,3) %D(3) 15.08, 15.94


$TRAN (Dow Jones Transportation Average) INDX
© StockCharts.com
28-Nov-2008 Close 3512.20 Volume 35.5M Chg +11.60 (+0.33%)
MACD(12,26,9) -143.485, -171.234, 27.749
Daily MACD on a buy signal.
$TRAN (Daily) 3512.20
Volume 35.54M, EMA(60) 99.13M
(B)
(5), C, (A)
Full STO %K(14,3) %D(3) 65.35, 51.13
The Daily Full Stochastics On a buy signal.


$NDX (Nasdaq 100 Index) INDX
©StockCharts.com
28-Nov-2008 Close 1185.75 Volume 3.8B Chg +100.18 (+9.23%)
MACD(12,26,9) -192.551, -145.607, -46.944
NDX Big Picture Highest Probability Labeling
$NDX (Weekly) 1185.75
Volume 3.75B, EMA(60) 4.91B
e, C up of (B)
The NASDAQ 100 Is Completing the first wave of a five wave Declining Wedge, for wave (C ) down. B up is next, and may have started.
The NDX's Weekly Full Stochastic Is on a sell, but Bottoming.
%K(14,3) %D(3) 11.21, 12.19
E, (C)


$NDX (Nasdaq 100 Index) INDX
©StockCharts.com
28-Nov-2008 Close 1185.75 Volume 386.6M Chg -7.34 (-0.62%)
MACD(12,26,9) 11.441, 12.898, -1.457
$NDX (30 min) 1185.75
Volume undef
Wave B up may have Started Friday, November 21st. The day after our phi mate turn date
The NDX Crashes from Election Day.
Guidance Indecisive for Monday.
Full STO %K(14,3) %D(3) 60.73, 57.50
C, (C)


Wave **(B)** up Started Friday, November 21st. The day after our phi mate turn date




**The Weekly Full Stochastics suggest a multi-month bottom is approaching.**


$USD (US Dollar Index (EOD)) INDX
© StockCharts.com
28-Nov-2008 Op 87.53 Hi 87.91 Lo 84.72 Cl 86.54 Chg -1.26 (-1.44%)
MACD(12,26,9) 3.320, 2.520, 0.800
We had a decisive break below 80.00 giving us a minimum downside target for the U.S. Dollar of 40.00, another 50 % devaluation of the Dollar.
Head
$USD (Weekly) 86.54
Volume undef
Weekly
Left Shoulder
Right Shoulder
Neckline at 80.00
The final devaluation point could take years, but the trend would be down for a long time. The cause is the Master Planners will have to Hyperinflate us out of the Economic Crisis — sooner or later.
90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08


$USD (US Dollar Index (EOD)) INDX
© StockCharts.com
28-Nov-2008 Op 87.53 Hi 87.91 Lo 84.72 Cl 86.54 Chg -1.26 (-1.44%)
MACD(12,26,9) 3.320, 2.520, 0.800
(5), V
$USD (Weekly) 86.54
Volume undef
2
1
3
a
c, 4
b
2
1
4
3
5
5, (1)
a
b
c, (2)
(3)
The Weekly Full Stochastics suggest a top is approaching fast.
Full STO %K(14,3) %D(3) 89.31, 88.71
1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008


The Monthly Full Stochastics are on a buy, but the Fast is approaching the level where tops occur. This rally is corrective.


The Daily Full Stochastics are on a Sell Signal.

***Short-term the Dollar completed a wave 4 triangle***, meaning wave ***5*** up is underway. Once the Dollar hits its coming high, perhaps around the 90ish level, the Dollar should descend into its wave ***b***-down leg, which should be well underway in early 2009. Technically, ***the Monthly and Weekly Full Stochastics suggest a top for the Dollar is nearing. The Daily Full Stochastics argue for one more rally leg short-term.*** Patience during the height of this market turmoil should payoff for Dollar Bears.

Fundamentally, the ***Dollar*** has been in high demand during this crisis, as over 10 trillion dollars of wealth have been destroyed in the stock market and the housing market. That is an entire year's GDP. That creates a shortage of Dollars. A credit market freeze has also placed increasing demand for dollars. As lines of credit were cut, as the ability to borrow was cut off, it meant that cash was in demand, that dollars were of increasing value. Further, given the international scope of this crisis, a flight to quality, to U.S. Dollars as well as U.S. Treasuries was occurring, increasing demand for Dollars. ***Under these conditions, the Dollar should have rallied to 100. It did not, only rising from the high 70's to the mid 80's. Technically, this confirms that the Dollar's rally is corrective in an ongoing long-term Bear market.*** Our forecast remains the same, that the Dollar will fall sharply, long-term into the 40's. This means hyperinflation or competition from another currency that backs itself with gold is coming. Or it means economic collapse will require repudiation of Dollar denominated debts and a new currency is coming.

As for ***Oil***, the depth of the decline is arguing that this is a primary degree correction going on, which means we should expect an **A**-down, **B**-up, **C**-down for wave **(2)** down. ***A bottom of significance is approaching.*** The Daily and Weekly Full Stochastics are at a bottom level, suggesting hyperinflation, or supply limitations, or a combination of both are about to drive Oil prices higher. The Monthly Full Stochastics are approaching a bottom, but allow for a bit more decline.

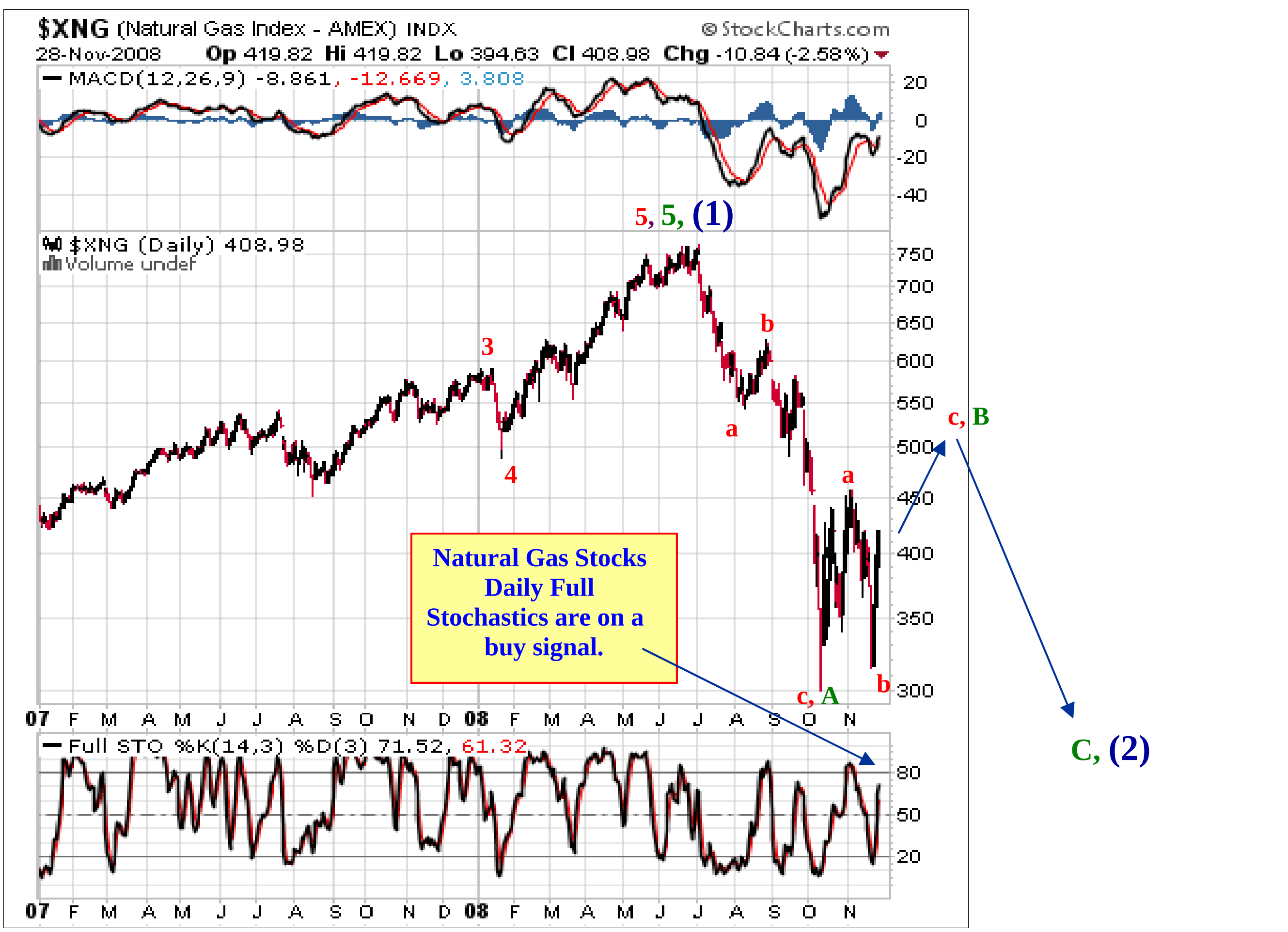
***Gold*** has held up relatively well during this worldwide financial crisis, its intrinsic monetary nature providing a floor for its value during deflationary times. The ***HUI***, which is gold below ground, does not hold gold in the form of money, so it behaved more like a stock and experienced a similar crash to the general stock market. However, ***the HUI rallied hard recently, as the Daily Full Stochastics suggested it would. Daily Full Stochastics are now nearing a top, suggesting a short-term decline is coming***. Wave two declines can retrace a substantial percentage of wave one moves, and the HUI has seen this. However, it is a wave **II** decline that is wrapping up, with wave **III** up next, as shown on page 25, which could be dramatic. The Weekly Full Stochastics suggest a bottom is approaching, as do the Monthly Full Stochastics. If you study the Monthly chart, it is clear that rallies starting from monthly bottoms tend to be impressive.

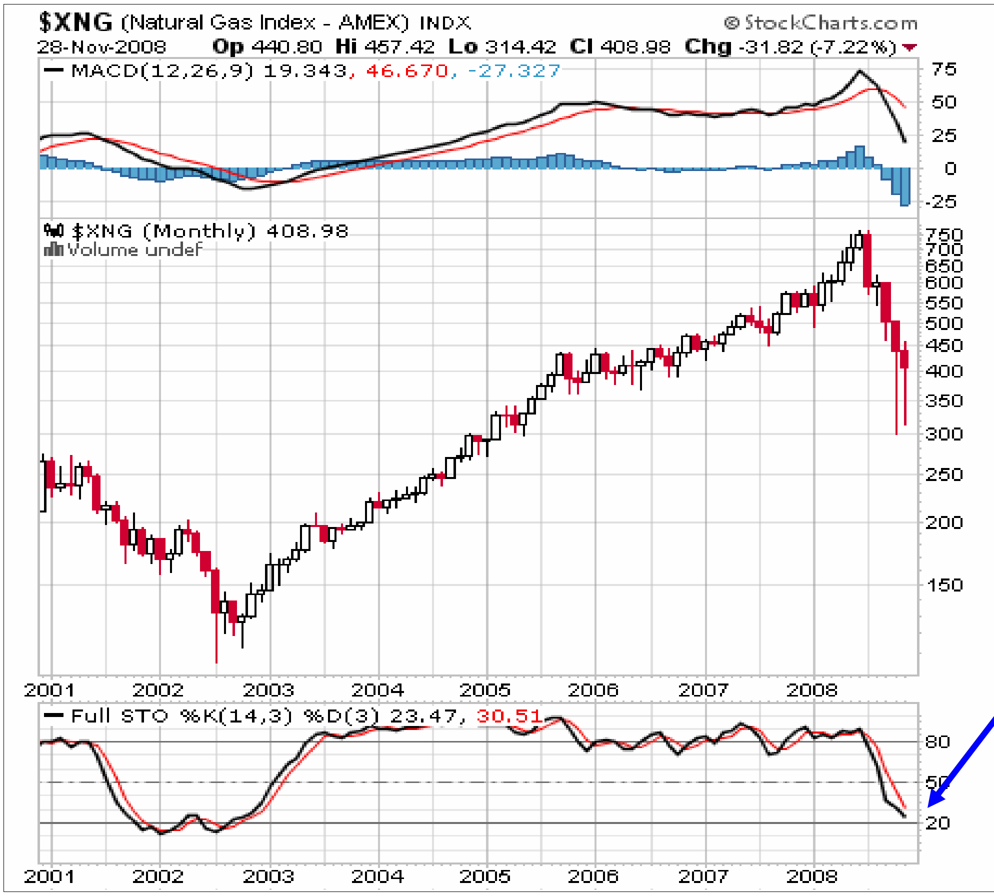
***Gold could be approaching a short-term top according to the Daily Full Stochastics***, after generating a nice short-term rally recently. However, both the weekly and monthly Full Stochastics suggest more larger degree upside is likely. A closer look at the weekly Full Stochastics suggest a significant bottom occurred during the summer. ***So we continue to believe a rally should resume after a short-term correction, one that takes Gold to new highs.***

Short-term, the Daily Full Stochastics suggest a decline is next for Silver, however, once that decline is over, the Weekly Full Stochastics are suggesting ***a significant bottom is approaching in Silver***. This implies huge hyperinflation injections into world-wide economies by central banks.

The Daily and Weekly Full Stochastics allow for a short-term decline in U.S. Bonds, wave ***2*** down, however ***the Monthly Full Stochastics suggest that once that correction lower finishes, a major bottom is approaching in Bonds***, wave ***3*** of ***iii*** up occurs.

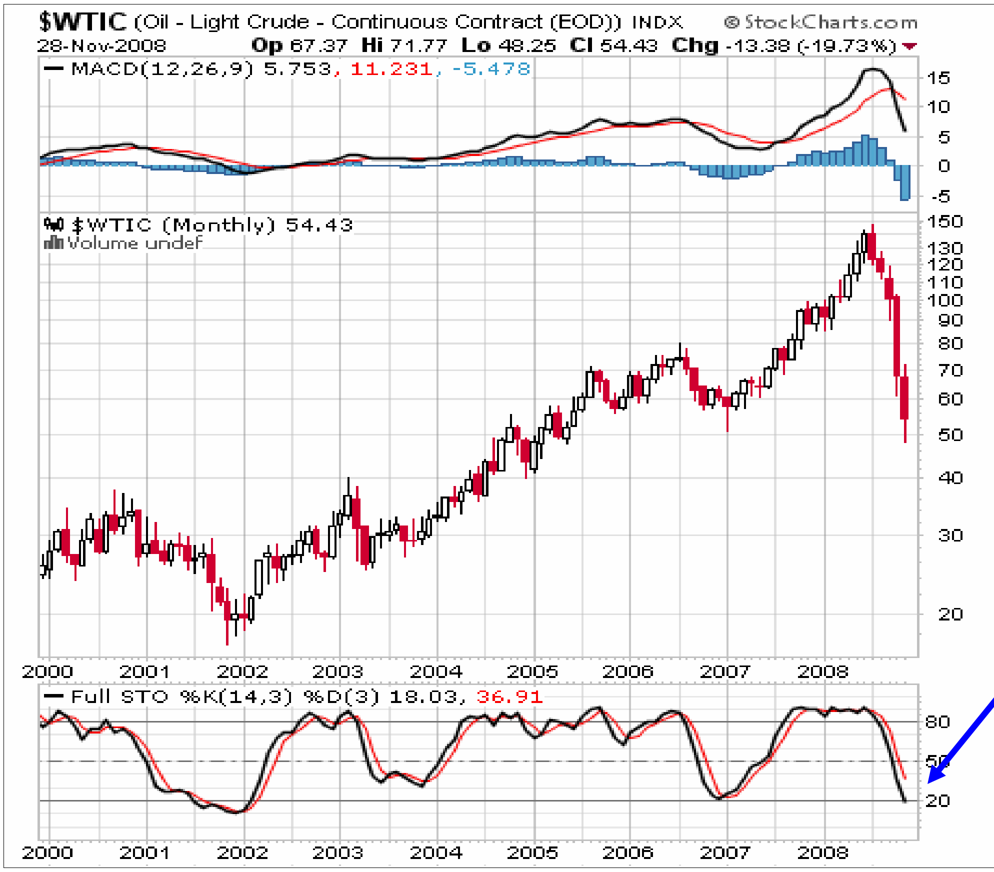

$XNG (Natural Gas Index - AMEX) INDX
©StockCharts.com
28-Nov-2008 Op 358.43 Hi 419.92 Lo 358.43 Cl 408.98 Chg +50.55 (+14.10%)
MACD(12,26,9) -64.130, -53.143, -10.987
Natural Gas Stocks Should Rise
$XNG (Weekly) 408.98
Volume undef
Weekly
5, 5, (1)
5, 3
5, 1
B
A
C, (2)
Full STO %K(14,3) %D(3) 26.88, 30.67
Natural Gas Stocks Correct in Wave (2) down.
Natural Gas Stocks Weekly Full Stochastics are on a sell signal.


$XNG (Natural Gas Index - AMEX) INDX
©StockCharts.com
28-Nov-2008 Op 419.82 Hi 419.82 Lo 394.63 Cl 408.98 Chg -10.84 (-2.58%)
MACD(12,26,9) -8.861, -12.669, 3.808
$XNG (Daily) 408.98
Volume undef
5, 5, (1)
c, B
c, A
Natural Gas Stocks Daily Full Stochastics are on a buy signal.
Full STO %K(14,3) %D(3) 71.52, 61.32
C, (2)



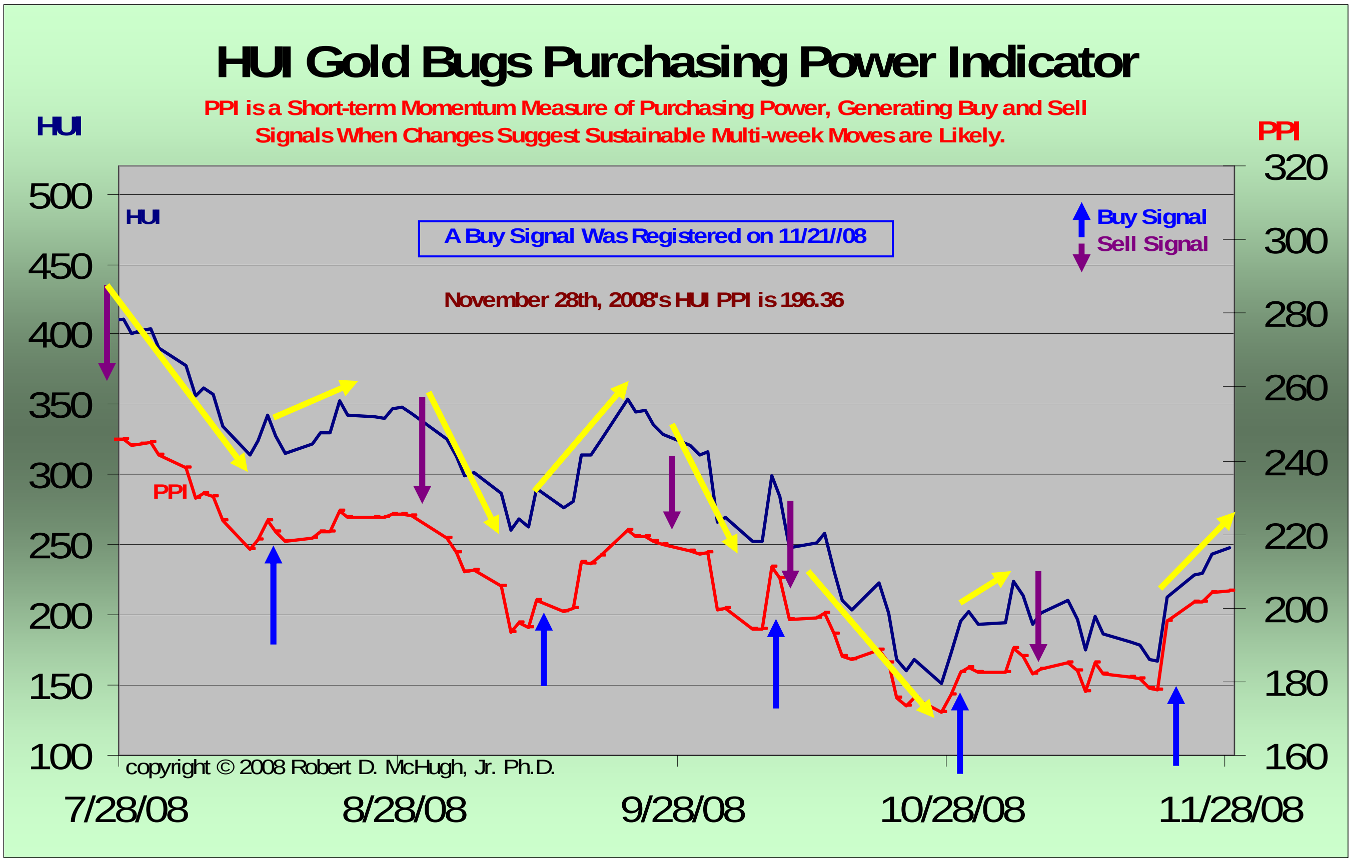

The Monthly Full Stochastics are on a sell, but approaching the level where bottoms occur. This decline is Corrective


The MACD is on Buy signal. On a short-term basis, the Daily Full Stochastics is on a buy signal, *at levels where short-term Rallies start.*

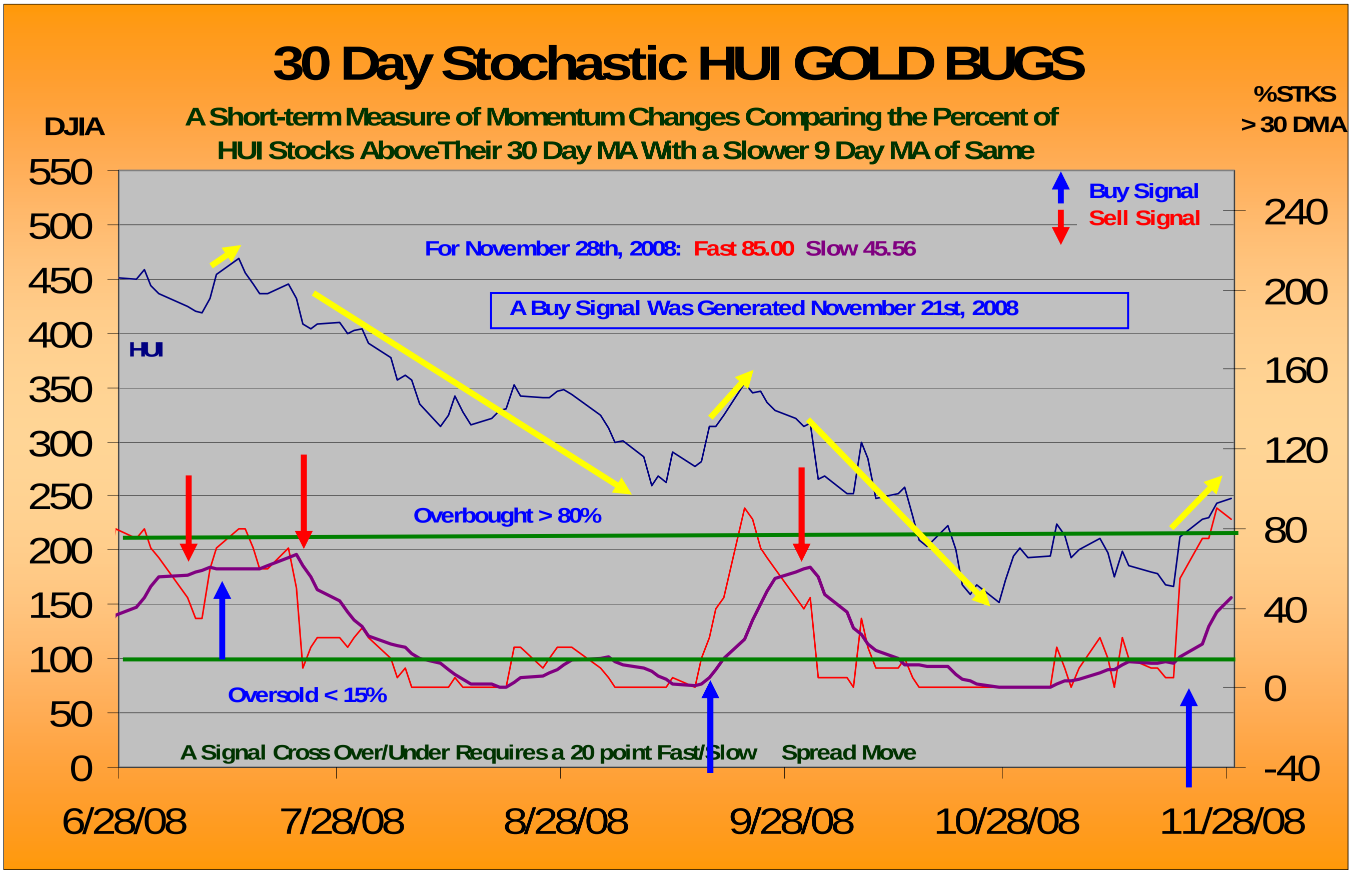



The Monthly Full Stochastics are on a sell, but approaching the level where bottoms occur. This decline is Corrective

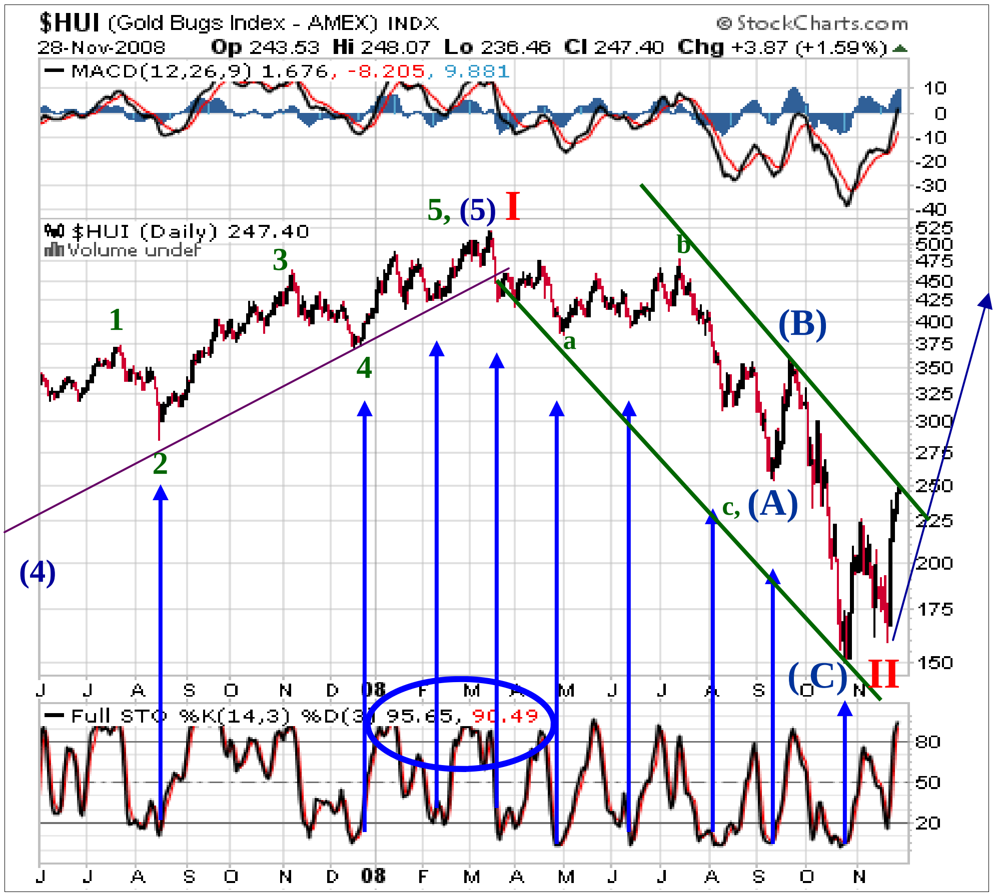

The Weekly Full Stochastics are on a **Buy**, and at the level Where bottoms occur. This decline is Corrective And about over.


HUI Gold Bugs Purchasing Power Indicator
PPI is a Short-term Momentum Measure of Purchasing Power, Generating Buy and Sell Signals When Changes Suggest Sustainable Multi-week Moves are Likely.
HUI
PPI
A Buy Signal Was Registered on 11/21//08
Buy Signal
Sell Signal
November 28th, 2008's HUI PPI is 196.36
copyright © 2008 Robert D. McHugh, Jr. Ph.D.
7/28/08
8/28/08
9/28/08
10/28/08
11/28/08


$HUI (Gold Bugs Index - AMEX) INDX
@StockCharts.com
28-Nov-2008 Op 212.85 Hi 248.07 Lo 212.85 Cl 247.40 Chg +34.55 (+16.23%)
MACD(12,26,9) -53.115, -49.763, -3.352
$HUI (Weekly) 247.40
Volume undef
(3)
(4)
(5) I
II
Alt. (A) (B) (C) II
Full STO %K(14,3) %D(3) 31.16, 23.97


30 Day Stochastic HUI GOLD BUGS
A Short-term Measure of Momentum Changes Comparing the Percent of HUI Stocks Above Their 30 Day MA With a Slower 9 Day MA of Same
DJIA
%STKS > 30 DMA
Buy Signal
Sell Signal
For November 28th, 2008: Fast 85.00 Slow 45.56
A Buy Signal Was Generated November 21st, 2008
HUI
Overbought > 80%
Oversold < 15%
A Signal Cross Over/Under Requires a 20 point Fast/Slow Spread Move
6/28/08
7/28/08
8/28/08
9/28/08
10/28/08
11/28/08

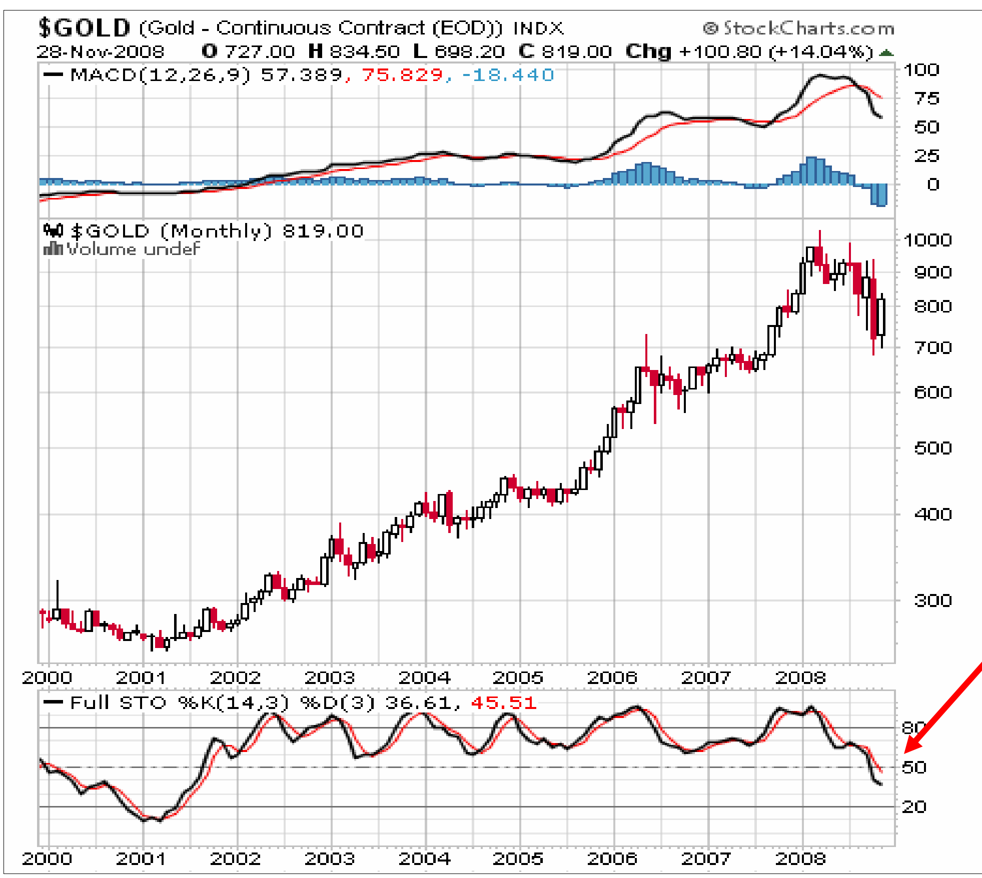

$HUI (Gold Bugs Index - AMEX) INDX
© StockCharts.com
28-Nov-2008 Op 212.85 Hi 248.07 Lo 212.85 Cl 247.40 Chg +34.55 (+16.23%)
MACD(12,26,9) -53.115, -49.763, -3.352
The HUI Big Picture
$HUI (Weekly) 247.40
Volume undef
Weekly
5, (1)
b
a
3
4
1
2
c, (2)
(3)
(4)
(5) I
II
Primary Degree
Intermediate Degree
Alt. (A) (B) (C) II
Full STO %K(14,3) %D(3) 31.16, 23.97
The Weekly Full Stochastics Are on a Buy signal, at the level where Intermediate-term Rallies Occur.




The MACD triggers a Buy signal.
The Full Stochastics Are on a Buy signal,
But at the level where short-term tops arrive.


The Weekly Full Stochastics trigger a buy signal, at the level where bottoms arrive.
Once the short-term decline ends, we should see a huge rally.


The Monthly Full Stochastics are on a sell signal. However, the Monthly Full Stochastics are at The level where bottoms arrive.




Gold's Monthly Full Stochastics allow for more decline, however by dropping to the 50 level, they have fallen further than at any time since 2001. That suggests either a deep decline is underway, or a bottom is imminent.

$GOLD (Gold - Continuous Contract (EOD)) INDX
©StockCharts.com
28-Nov-2008 Op 802.50 Hi 834.50 Lo 787.20 Cl 819.00 Chg +27.20 (+3.44%)
MACD(12,26,9) -29.929, -27.135, -2.794
$GOLD (Weekly) 819.00
Volume undef
3 $730 5/12/2006
Weekly
5, 1
2
Alt. a b c 2
Weekly Full STO Suggests Gold is bottoming.
(C ) II
$253
8/25/1999
Full STO %K(14,3) %D(3) 40.51, 29.89
3 of (1), III


$GOLD (Gold - Continuous Contract (EOD)) INDX
©StockCharts.com
28-Nov-2008 Op 802.50 Hi 834.50 Lo 787.20 Cl 819.00 Chg +27.20 (+3.44%)
MACD(12,26,9) -29.929, -27.135, -2.794
$GOLD (Weekly) 819.00
Volume undef
v, 5, 1
c, 2
e, 4
Full STO %K(14,3) %D(3) 40.51, 29.89


**Daily MACD On a buy signal.**

**Daily Full STO on a sell signal.**


**The MACD is On a Sell Signal.**

**The Weekly Full Stochastics Are on a Buy Signal, at the level where significant rallies start.**


The Daily Full Stochastics are on a Buy Signal But at the level where short-term tops arrive.


3 of 5

Weekly Full Stochastics on a buy signal, at the levels suggesting *an explosion higher is approaching.*


This is a close-up of a concluding long-term Intermediate wave 4 Triangle, which is a hybrid between a Symmetrical and an Ascending, which in either case is Bullish, as the trend going into the triangle will be the trend coming out — up.

The Weekly Full Stochastics on a buy.


The Daily Full Stochastics on a buy, But at the level where short-term declines start.

**Key Economic Statistics**

| Date | VIX | U.S. $ | Euro | CRB | Gold | Silver | Crude Oil | 1 Week Avg. M-3 |
|---|---|---|---|---|---|---|---|---|
| 11/14/08 | 66.31 | 86.72 | 126.04 | 247.58 | 742.5 | 9.49 | 57.60 | **Hidden** |
| 11/21/08 | 72.67 | 87.80 | 125.89 | 231.58 | 791.8 | 9.48 | 49.93 | **Hidden** |
| **11/28/08** | 55.84 | 86.54 | 126.94 | 241.68 | 816.2 | 10.19 | 54.43 | **HIdden** |

***Note: VIX and Dollar fall; inflation assets rise.***

**Conservative Balanced Portfolio Recent Transactions As of Friday November 28th, 2008**

* On 8/25/08 we increased the Market Timing segment allocation of our conservative portfolio from 5 percent to 10 percent, by moving $50,000 of cash to this segment.

* On 8/25/08, we sold 50 shares of IYT, an ETF that mirrors the Trannies, at $89.17 per share. We also sold 100 shares of QQQQ, the ETF that mirrors the NDX, at $46.50 per share.

* On 8/25/08, we purchased 50 shares of SLV, at $136.89 per share, an ETF that mirrors Silver. We also purchased 300 shares of GDX, at $36.91 per share, an ETF that mirrors the HUI Amex Gold bugs Index. We also purchased 100 shares of GLD, at $80.95 per share, an ETF that mirrors the price of Gold. These purchases were made within the Market Timing Segment of our Conservative portfolio.

* On 8/25/08, we purchased 12 ounces of actual Gold at $820 an ounce, in the Gold segment of our portfolio.

**Note: Our Conservative Portfolio Model substantially outperformed the S&P 500 in the first quarter, 2008. Check it out! Click on the Conservative Portfolio button at the left side of the home page.**

***We posted an updated Balances/Market Value Portfolio as of March 31st, 2008, available in the Conservative Portfolio section.***

***"Jesus said to them, "I am the bread of life; he who comes to Me shall not hunger, and he who believes in Me shall never thirst.
For I have come down from heaven,
For this is the will of My Father, that everyone who beholds the Son and believes in Him, may have eternal life;
and I Myself will raise him up on the last day."***

***John 6: 35, 38, 40***

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Let them know about our free — one time — 30 day trial subscription.***

***Here are the symbols for Exchange Traded Funds for the Major Indices:***

| | | | |
|---|---|---|---|
| ***DIA*** | ***Dow Industrials*** | ***IYT*** | ***Trannies*** |
| ***SPY*** | ***S&P 500*** | ***GDX*** | ***HUI Amex Gold Bugs**** |
| ***QQQQ*** | ***NASDAQ 100*** | ***GLD*** | ***Gold*** |
| ***IWM*** | ***Russell 2000*** | ***SLV*** | ***Silver*** |
| ***EWA*** | ***Australia*** | | |

****Note: The GDX actually tracks the GDM, a grouping of 45 mining stocks, but the GDX has very high correlation to the HUI so we mention that as a suitable ETF for the HUI.***