

Thank God It's Friday!

August 8, 2008

08.08.08: What a lucky date to begin the Olympic Games in Beijing. And what a day on Wall Street as **stocks rose 302 points** and bonds followed suit. Cash ploughed into stocks from the sidelines on impressive volume indicating that there are REAL buyers in addition to traders covering their short positions. The highly anticipated Olympic event will bring modern-day China into homes across the globe for the first time. It will be interesting to see how NBC and the other international broadcasters present the fastest growing nation on our planet...and how the fastest growing nation presents itself to the world.

What a coming out party for China! How they pull it off will be widely scrutinized. Will the polluted air be more of an issue than it needs to be? How will the Chinese government deal with the millions of foreign visitors and the inevitable protesters? These are just a handful of issues that skeptics will be focused on. On the flipside, the excitement of seeing this emerging global powerhouse firsthand will be captivating: A population of a billion strong and growing, with the birth of its middle class less than 10 years old, and accumulating wealth at light speeds. This 5,000 year-old nation is reinventing itself in front of our global eyes, live and in color!

In addition, with geo-political tensions so high and American sentiment so low, many question if the 2008 Olympics could help bring the world closer. Will American pride be restored, putting politics and economics on the backburner? Any of us who had the honor of attending Olympics in the past intuitively know the answer: It'll help for sure. Furthermore, those of us in the investment world have already seen optimistic signs of the USA on the move up again reflected in the U.S. Dollar. It has recovered from its lows on **JULY 14th** when it hit \$1.60 versus the Euro. Today it's at \$1.51: a 5.6% improvement. This dollar rally is due to real economic events like declining oil prices and good news about interest rates from our own Federal Reserve, as well as from the European Community which also did NOT raise interest rates.

JULY 14th is also a remarkable date - not because it's Bastille Day - but because the MARKET put in a bottom and rallied, retested then rallied some more. Since that auspicious day in July, oil prices have **decreased 20%** while the **US Dollar increased 5%**. This convergence is highly significant and leads us to believe we have indeed **hit a meaningful bottom which could easily develop into a rally for the next few months. This is not saying the BEAR is dead, but possibly in hibernation.** The recent bear market which began in October has been vicious, heartless and grizzly. However, we foresee some favorably investment opportunities over the next few months based on past market behavior AND the fact that 2008 is a Presidential Election Year which involves more flag waving and improved American optimism that change is coming in DC... which translates to relief on Main Street.... and less pessimism on Wall Street.

When Team USA struts its remarkable sportsmanship, talent, discipline, citizenship and goodwill, the Greenback may react accordingly. Much will be made of these 2008 Olympic Games. This event will likely prove to be as unique as the date in which they commence: **8/8/08**. Politics, Economics, and Cultural diversity will congregate in Beijing, and be visually distributed across the globe like never before. It's an exciting time. It's a significant time. Let the Games begin!

INDEX	08.08.2008	12.31.2007	%Change
DOW JONES	11,734	13,265	-11%
S&P 500	1,296	1,468	-9%
NASDAQ	2,414	2,652	-11%
Bond YIELD	3.95%	4.03%	+2%*

Bond Prices



Bond Yield %



By: Jude, Mike and the new guy!