



Thank God It's Friday!

February 1, 2008

Thank God It's February!

January was a horror show on Wall Street. Traders overpowered investors. Short term fear won out over long term vision. Stocks were taken out in the hallway and shot...one by one...for no good reasons. This is the classic situation of throwing out the baby with the bathwater. First went the solar stocks, then the tech giants, then the healthcare leaders. These are sectors that traditionally outperform in slowing economies but sellers outnumbered buyers and the romp was on.

The sobering fact is that the LOSERS did just fine while the solid firms got punished brutally. Banks, finance companies and even home builders rallied despite their dismal fundamental problems in the wake of the sub-prime scandal.

The GOOD stocks got punished for the sins of the BAD stocks. Go figure. This irrational reaction brings to mind my MBA thesis called the Irrational Behavior of the Common Stock Investors” which proffered that investors BUY stocks for all the right reasons.... solid earnings. Impressive sales trends, rising dividend pay-outs... but abandon the logic when it's time to sell. They have no selling discipline so they follow the crowd and the door gets pretty narrow on the way out as herds try to exit at the same time.

The penultimate example of irrational selling awakened us today when news hit the tape that MICROSOFT was declaring war on GOOGLE by making a hostile bid to takeover Google's archrival YAHOO. Traders pummeled GOOGLE shares which are fundamentally dirt cheap based on its earnings potential. MICROSOFT knows Google is poised to enter—and possibly dominate—fields such as telephony, major television network, and newspaper advertising, and even taking on Mr. Softee in office software. According to sources we follow, Google enjoys a **9-year lead over its rivals in technology**. Time to load the boats again and THINK about where we want to invest our money for the long haul. With GOOGLE, it's a no brainer. Feel free to review our Research report on Google by visiting our website at [www.bedellinvest.com](http://www.bedellinvest.com) using your pass code “**goniners**” to access research and learn more about Google and other stellar stocks we have analyzed for you.

By: Jude Bedell

INDEX	02.01.2008	12.31.2007	%Change
DOW JONES	12,678	13,265	-4.5%
S&P 500	1,386	1,468	-5.5%
NASDAQ	2,396	2,652	-9.6%
Bond YIELD	3.58 %	4.03%	-11.1%*

Bond Prices

Bond Yield %