



Exceptional Bear Market Letter

This move is Real - the Bottom is in.

October 18, 2008

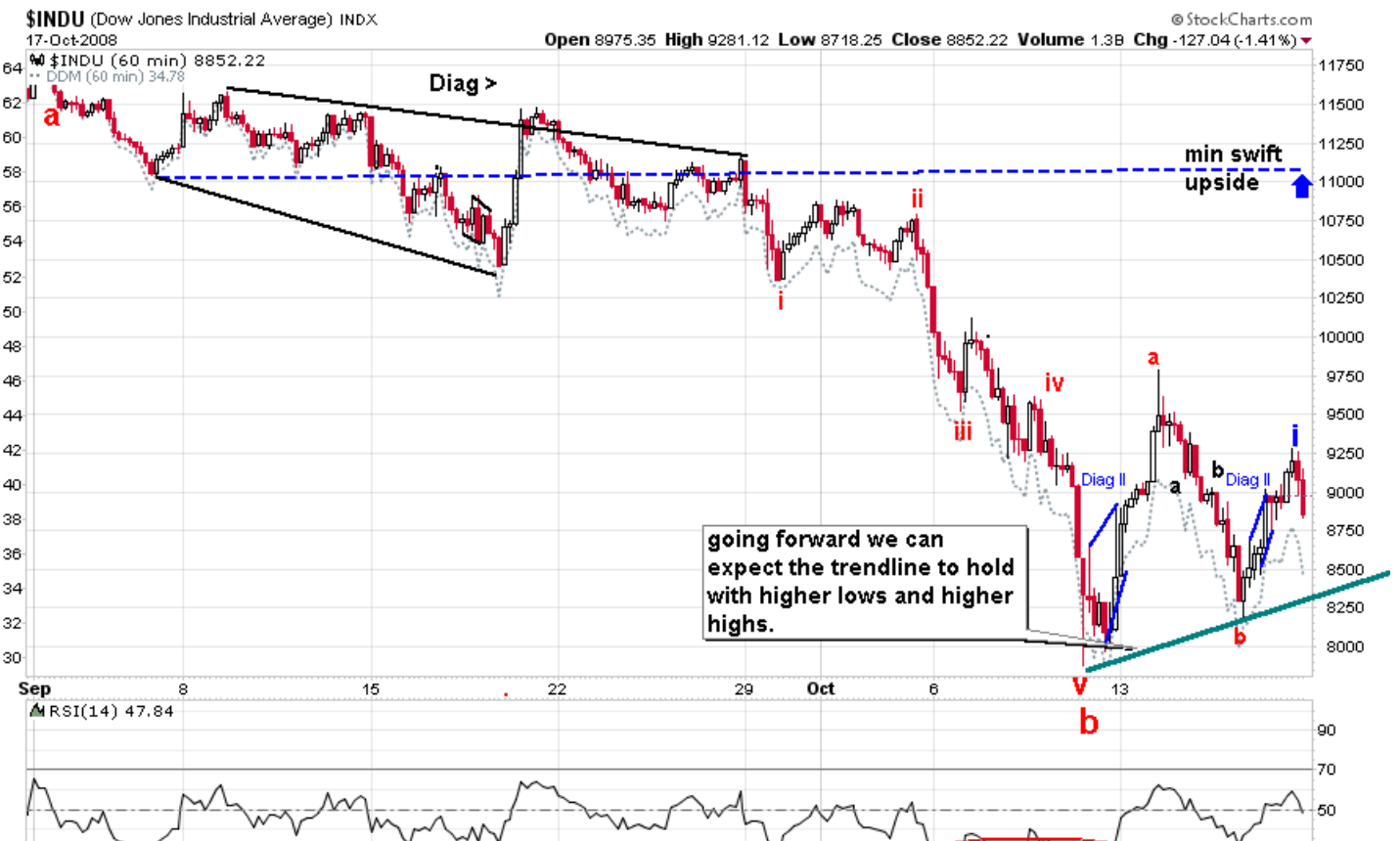
This move is the real thing, you've already gotten a taste of it, and although you're not so comfortable with the volatility, that's the way of Bear Markets. Adjust and you can make more money faster than ever before....In the Big Picture Dow we are completing an (a)-(b)-(c), similar, yet larger than the one at the Bull Market Top in 2000. The downwards (b) wave is most likely complete, and all that's left is the final (c) to a new high in the Dow, but not likely the S&P. Many others including financials, homebuilders, airlines, and real estate for example have irrevocably started down, yet they all have one big bounce left before the plunge...make the most of it.



Zooming in to the Dow Daily chart you can match the (a)-(b) from above to get your bearings. At the far right you see an a-b, which transitions back to the upside. The blue hashed line at 11250, is the minimum swift retracement, where the Diagonal Triangle (*Diag >*) began.



Now if we look at the hourly chart, we can confirm the third of the third (of 1) is about to take off. This is usually the longest and strongest of any 5 wave series, obviously where the most money is made. Afterwards, the observers jump in just before another correction....essentially if you wait to hear about it in the news, or read it in the Journal, you will always get mediocre results. Like Edmund Rothschild advised long ago, "buy when there's blood in the streets"...that time is NOW. If you don't anticipate, you will always fall prey to your primitive instincts, instead of buying low and selling high, you will be selling precisely when you should be buying. The chart below is slightly revised, rather than a failure, the a-b transition replaces what I previously labeled as wave i incorrectly. Notice there have been 2 *Diag IIs*, in the a wave and again in wave i (Roman Numeral one represents a small degree of trend). As you may know whenever there is a *Diag* involved, the subsequent move retraces almost entirely and sometimes exceeds its origin. Two back to back *Diagonals* compound the the upside violence, to the next upside likely ~11000 or above, the *swift minimum retracement*.

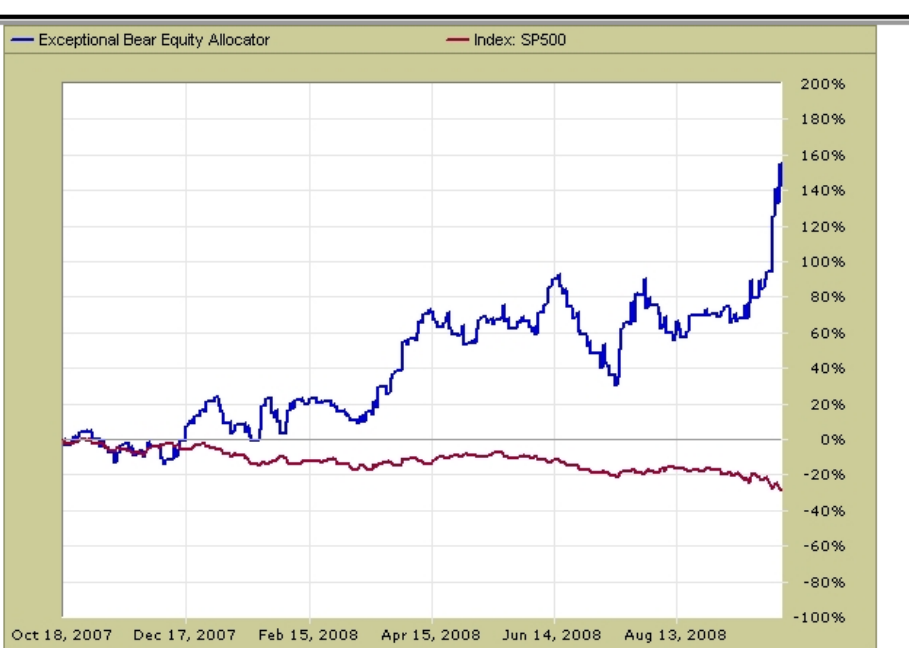


In conclusion: The bottom occurred at **V**, in the chart above just above Dow 7750. Once we complete this correction, which could drop to the area of Dow 8450, we begin a powerful, energetic *Bear Market Rally*. When Bears stampede not much can get in the way... For the best entry, why not click here to [subscribe?](#) It's risk-free for the first 30 days. If a "good" hedge fund money manager were handling your money, you'd pay him 2% of the funds plus 20% of the profit. I've performed better than 90% of them. Our subscription is only \$100 a month. You can make that up on the first trade. As of Friday....

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Regards,

Eduardo Mirahyes

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