



Exceptional Bear Market Letter™

August 30, 2008

A Smoking, run-away Market - Soon

The Dow recently completed a very large **Diagonal II** originating in January. As some of you well know, a **Diagonal II** marks the beginning of a move **proportional to its size**. All that is left to begin the thrust is bit of upside for **a** followed by a 3-part corrective **b**. Again we may go lower than 10,800, but once that's over, we begin a run-away market. With the dollar compounding foreigners' US stock market returns, while their own currencies depreciate, the US stock market will be the natural choice. Six diagonal II's guarantee a smoking, run-away market.



Financials may have a slight upside ahead, followed by a sharp correction. A **failure** occurs when wave 5 fails to exceed wave 3. The subsequent move in the opposite direction is usually exaggerated. As you see below, there was a failure in the **a** wave in May, followed by very long drop to **a**. We expect this pattern to repeat in the **b**.



In the **Homebuilders** the **b** wave is likely complete, again a substantial downside likely ahead, but then its over!



In addition to these, our subscribers received recommendations on Real Estate, Oil & Gas, China index, the Russell 2000 and the NASDAQ. Coupled with timely alerts of reversals, the opportunities to make money are greatly increased. What's more, we have just completed Special Reports on Gold and Oil, which will give you an in-depth understanding of where we are, and where we're going for in these commodities. *All new subscribers receive these special reports as a bonus.* [Click here to subscribe.](#)

Best regards,

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"Opportunistically timed investments that maximize wealth"