

# SPECIAL STAAR REPORT

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Has the market bottomed? I don't know. More bad news could certainly drive it lower. But even if it does retreat to, say 7000, consider the big picture from an historical perspective.

We now have the second worst Bear Market since 1926. On a month-to-month basis, only September of 1929 through February of 1933 saw a longer and deeper Bear. It lost 78% over 3.6 years.

	End Month	Total Return	Years
<b>BEAR</b>	Aug-1929		
	Feb-1933	-78%	3.6
<b>BULL</b>	<b>Mar-1934</b>	<b>99%</b>	<b>1.1</b>
	Aug-1936	248%	3.5

<b>BEAR</b>	Sep-1939		
	Apr-1942	-30%	2.6
<b>BULL</b>	<b>Jun-1943</b>	<b>74%</b>	<b>1.2</b>
	May-1946	210%	4.1

<b>BEAR</b>	Dec-1972		
	Sep-1974	-43%	1.8
<b>BULL</b>	<b>Dec-1976</b>	<b>86%</b>	<b>2.3</b>
	Nov-1980	198%	6.3

<b>BEAR</b>	Mar-2000		
	10/07/02	-49%	2.6
<b>BULL</b>	?	?	?
	?	?	?

If you have been sitting on the sidelines, you should do one of three things:

- 1) Buy stocks now.
- 2) Dollar-cost-average into stocks on a weekly, bi-weekly or monthly basis.
- 3) Be very vigilant and when the market displays a solid upward trend, buy.

Most people cannot or do not pay enough attention. Nor can they really identify when the market turn has occurred. The danger is in waiting too long to get in and miss a large portion of the gains. If you want to try and pick an ideal time to invest, I suggest you get professional help. (no, not a psychiatrist, a professional money manager). Otherwise start doing number one or two.

Of course the money you put in stocks should only be long-term dollars that you won't need for three to five years. If you have larger expenses for which you are saving that are needed within the next three years, keep those dollars conservatively invested.

If you believe in buying low and selling high, you should probably be thinking about:

- Selling Real Estate
- Selling Gold and Precious Metals
- Selling Long Term Bonds
- Refinancing your real estate (interest rates are historically low)
- Buying Stocks

The current bear Market has lasted 2.6 years (tied with the 1939-42 Bear) and has lost 49%. The 1939-42 Bear lost only 30% while the 1973-74 bear lost 43% and lasted only 1.8 years.

The big question is: Are we at or near the end of this Bear? If so, can you afford NOT to be in stocks? The initial recoveries in each of the former bear markets were swift and steep.

In just a little over a year after the 1929-1933 slide, the market gained almost 100%! In 3.5 years it had gained 248%! After the 1939-42 downturn, stocks gained 74% in 1.2 years and 210% in 4.1 years. And after the 1973-74 debacle, the market rose 86% in 2.3 years and 198% in 6.3 years. (See Chart.)

OK, let me repeat the question: Are we at or near the end of this Bear? If so, can you afford NOT to be invested in stocks?

If you are interested in hiring a professional to watch your investments and make changes for you depending on market trends, please call me at 412-367-9076 and I will provide information regarding the MetaTrends private management service.