

By Andre Weisbrod

## Bull Market Correction?



Yesterday's 105-point drop in the DOW looked a lot like the bottoming of a bull market correction. Today's action would seem to verify that conclusion. Consider the charts below, which cover weekly ranges for the 12 months ending 9/30/03. In each of the markets shown, a clear bull market trend has been in place going as far back as October 2002.

The upward trend channels show this latest downturn to be consistent with a market that is taking a couple steps forward and then on backward.

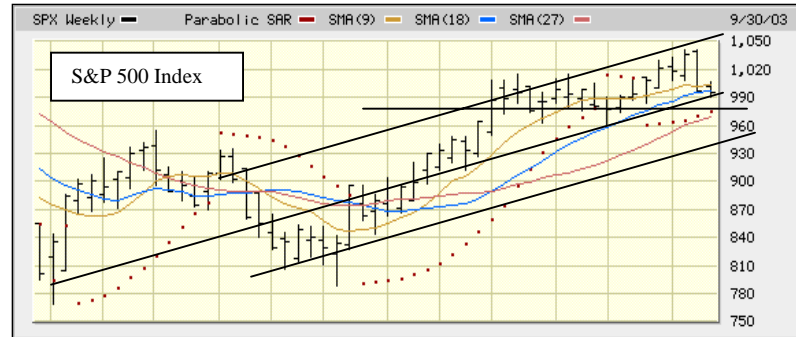
There is strong support for the Dow at

9000-9200. The next upward phase would have a target of 9,800-10,000. If this pattern holds up, then now is a good time to be buying, albeit carefully. At 9800 I would be more conservative.

Note there is always risk. Significant bad news could depress the DOW below 9000 again.

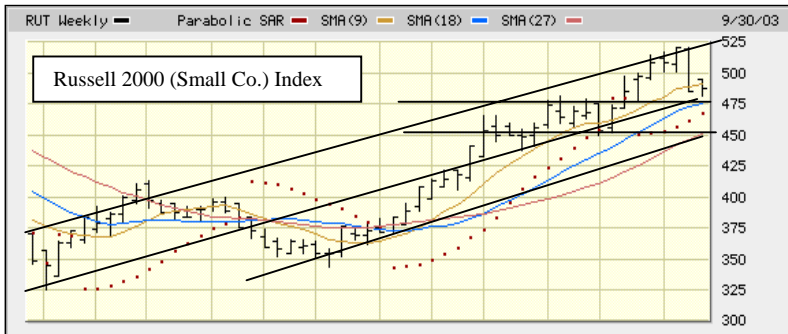
Small stocks have been out gaining larger stocks, up 28.61% year-to-date. The NASDAQ has been the best performer at plus 36.62%.

Expect more volatility in the coming months. I would be surprised if the Dow finished the year above 9800.



As of 9/30 the Dow was up 11.19% year-to-date. 9800 would be almost a 19% increase! At the beginning of the year I thought 10%-15% would be a realistic expectation.

The ups and downs of both the stock and bond markets this year have again solidified the argument for diversification. A well balanced portfolio could well be performing in the 10% to 15% range year-to-date.



If you would like to learn more and get specific questions answered, don't miss Thursday night's educational seminar here at the STAAR offices. To reserve a seat, call 412-367-9076 or go to [ThinkOfUs.com](http://ThinkOfUs.com) and use the sign-up form. We will be holding a number of educational events over the next few weeks, so don't procrastinate: make your financial health a priority this month!

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