



Strategies Report

Market Comments

UNCERTAINTY

Brings Continued Volatility

And Opportunities



7/25/01

As I prepare to leave for vacation tomorrow, I contemplate the last few days of volatility and ascertain that my fundamental views remain the same as they have been for the last couple months.

- The economy has a bit of a virus, but it is nothing too serious; it just needs to run its course.
- Negative earnings surprises and bad news may level off the rest of the summer and the fall is likely to see slightly improving news.
- If the economy is going to pick up in 2002, the stock market is likely to anticipate it about six months before the upturn is confirmed by government statistics.



- Interest rates are not likely to go up until a recovery is confirmed. In fact they might go down a bit further.



- Two or three years from now we are likely to view this period as an excellent buying opportunity for stocks (and perhaps socks).
- Therefore, add to your investments regularly, and especially when the markets spike down as they did these

last few days.

VACATION INDICATOR WARNING



The Weisbrod Vacation Indicator is at least as significant as the World Series and Presidential Election Indicators. In fact, about 80% of the time, the stock market drops while I am on vacation. It is as if the market is ticked off it doesn't have my full attention.

The po' little 'ol DOW. Doesn't it know I will check in and say hello regularly?

Anyway, don't say I didn't warn you. Oh, yes, before you lose any sleep over it, it usually rises again after I get back.

So I'm gonna' swim and surf and run and bike and sun and read and eat and enjoy myself with long-term confidence and a continued sense of humor.

