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Page 1 Illustration
Charles Powell

to me, "But they always used to come back. Why won't they come back again?"

Well?

I can only say these stocks don't *look* the way they did when they were coming back all the time. They look like there's been *much* more distribution overhead. And even *if* they did come back, where would they come back from? If Intel went to 20 and then it came back to 50, wouldn't that be terrific? It would be a great gain! But it would still not be back anywhere, on a long-term basis, versus a high of 75 7/8. The stocks just are not the same as they were during that entire bull cycle. I remember—and this is off the top of my head, I haven't thought about this in a long time—when I first started to talk to institutions, back in 1980. Wertheim, in those days, took me around the country, and I went to visit a client in Pasadena who pulled out a Horsey long-term chart book that I'd never seen before in my life. Anyway, those charts had an overlay of the earnings growth. He had one of those big pencils, no ruler and he was just slashing away at these charts of the drugs stocks through the '60s and maybe the '70s, and showing me how their earnings were growing strongly, it was a good steep line on **Merck** (MRK) and things like that, but the stocks were going sideways. They hadn't moved in mega-years. So he was then saying, "It's now time for these stocks to move because, look, they've lagged and yet the earnings are terrific." I think, without my knowing beans about the fundamentals, that you could have a comparable decade-long period in which the tech companies are okay, but the stocks come down and become the laggards. Don't go anywhere for a long time. That's essentially what happened to the oils when the oils went out of favor.

It wasn't that they ceased to exist.

No, they just became normal, ordinary companies.

With feet of clay like all the rest. But surely, not Cisco.

You could have the same thing happen, I don't care what the fundamental progress of Intel or Cisco is. It's clear to me that as technology goes along, new ideas will emerge and new companies with new ideas will all of a sudden become Cisco. So Cisco will be old hat already. It'll be **Telephone** (T) or **Motorola** (MOT) or something like that. That's what technology does. A **Caterpillar** (CAT) is a Caterpillar generation by generation, but technology can be expected to create new faces.

Creative destruction, at internet speed.

But look at where—if we had talked six months ago, the **Amazons** (AMZN) and the **Yahos** (YHOO), **Pricelines** (PCLN) were still in the 100s. And if we talked two years ago, it would have been Netscape and Egghead. There is a progression in which a formerly hot company gets stale, and they sell it down into an ordinary company. The recent hot stuff has been telecom equipment and wireless and things like

that. But they are the early decliners in here. I mean, there's a lot more room to go on the downside in **JDS Uniphase** (JDSU) and Juniper than there is in KLA or Micron—even though the percentage decline in Micron might still be 50% more—it might be broken in half again. In fact, Micron could go back to the teens. It went to 17 in the mid-'90s and it could do that again. You'd want to be short it, in that sense. But the *way*-overpriced stocks, in terms of being way up at the tops of their charts, are still JDS Uniphase and **Ciena** (CIEN), Juniper and Brocade. You can name a dozen of them, and EMC is in that category. EMC is probably going to be the *last* one to go down. I find it fascinating, the degree to which they cling to this faith. There's an enormous amount of switching, "Well, I really don't want the semiconductor equipment stocks, but look at Nortel. I'm going to buy that on this dip."

If it has been acting well, it's a buy.

Well, they keep talking that way. If you spend your day watching CNBC, which no one should do, under any circumstances—and I try not to, but I wind up tuning back in from time to time. They're always pushing ideas like that. The Wall Street people that they interview tend to be the people who'll come in and recommend Nortel because "It's cheap now, it's come down." Or Cisco, because "It's such a great company," and things like that. The people *who know better* don't want to talk on these programs, so you never see them. But guests like that have an enormous effect on the people who are watching. I don't have the sound on often enough to be sure, but I suspect that the majority of the questions that come in for these people are really sad. "What do you think of Micron? Should I buy it, hold it, sell it, whatever? They're, almost always, "I'm stuck in this stock."

True enough. But why does a Brocade or an EMC or any of the others with legions of faithful followers have to follow that melancholy pattern?

I guess because it's the natural way the market works, I don't think there's any other more specific answer. The "theys" will stay with the stocks that they think are the great companies or the leaders in those particular fields that they think are great fields, just as long as they possibly can.

And who cares if the P/E ratio is 59 or 590?

Well, that's okay. Someday they'll miss their number by a penny. Or they'll meet expectations, but not the whisper number—and the stock will open down 20. There's been enough of that. Or they'll gradually erode like **Nokia** (NOK) did, for months and months and months. Then all of a sudden, it'll dawn: there's something wrong here, it's not a good place to be. That's really the way the market works, it comes to a point where—it's what I call the "paddywagon" effect. You know, the cliché that they take the good girls with the bad girls. So at the end, they will take

down all the stocks that seem to be good—and you'll have some sense of "Now I'm near the end."

But why does there have to be an end? After all, all through this incredibly long bull market and extraordinarily long expansion, leadership within the techs has rotated, but there have always been new new things to take the lead.

I guess there are several answers. One is the distribution, the toppiness visible on the charts over a period of time. And that time may be by now three years, four years, in some cases. You may even be able to go back to 1995, in the case of Micron, at 95, if you look at a long-term chart. It would look like that's how long this distribution was taking place. But even over the last, let's say, 18 months, two years, the heaviness visible in the charts is different than it was at any important peak from 1982 on. They have changed their look. Then you have the succession of lower highs, which has become so persistent in these stocks, and that you didn't have before.

You didn't?

No. What you had before, let's say Intel would get some bad news, whatever it happened to be. The stock would come down sharply, 30% or 40%, and take six months to straighten out. It would go sideways, that low would hold, and then be okay. But they're not coming down like that now. They're coming down in layers of sell-offs, making lower highs, selling off, making lower highs—and all over a period of time. So the stocks' charts look different and they act differently. They don't have that abrupt selling which turns into a consolidation or *just* a correction. Then you have the pattern in which this takes place three times, sometimes four times. So you have three or four successively lower highs—and that's enough. *Then* the stock rallies *above* the previous lower high, so it has broken that pattern. So when it sells

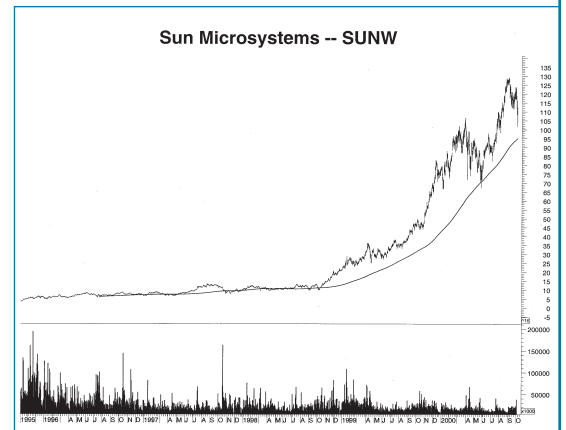
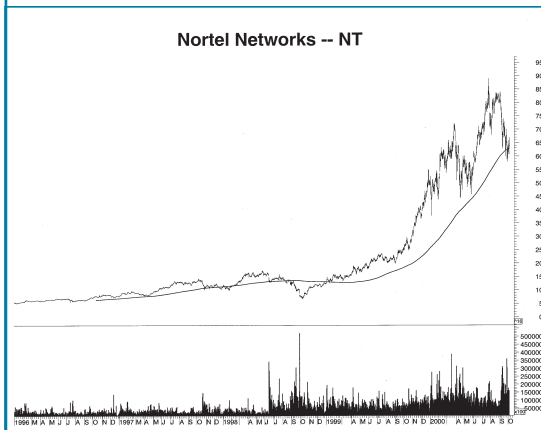
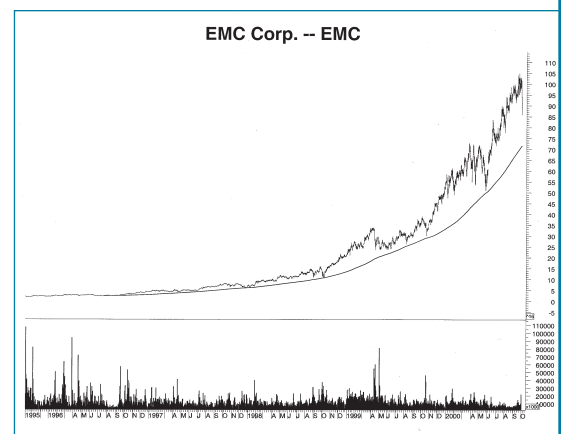
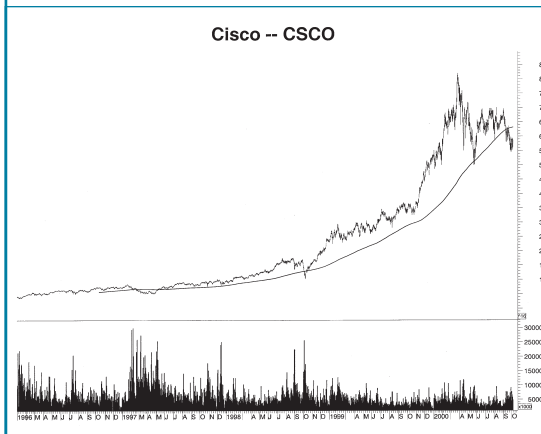
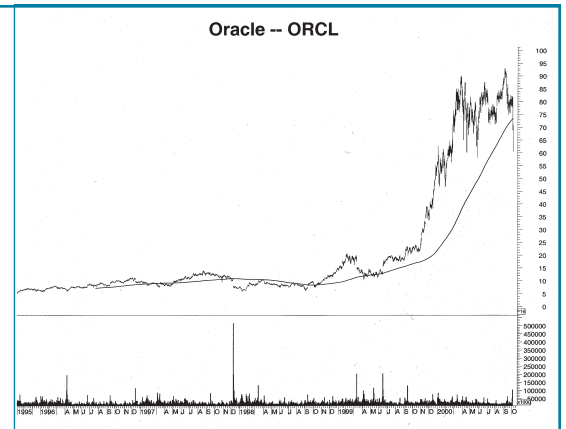
off it *holds* above the previous low and *looks* okay again.

Which brings in all the suckers?

All of them. So you have this kind of classic 50% rebound or maybe even a little bit more than 50%, so that they *really* get enthusiastic *just* as the rally is over. These are really intervening rallies within a long-term downturn—and they're *substantial* intervening rallies. Therefore people believe and believe and believe that if they stick it out long-term, even if it comes back down again, the low will hold. What they're doing with the broad averages now, is like that.

How so?

"These stocks don't look the way they did when they were coming back all the time... there's much more distribution overhead."



People are not really bothered by the Nasdaq Composite or the Dow or the S&P now, because they *look much better* than the individual tech stocks do. The rotation has done that. So they're not really worried and they can blame **Apple** (AAPL) or Intel on individual company problems rather than believing that there's something wrong with the whole market, because it doesn't *look* like there's something wrong with the *whole* market.

Which whole market? There is a real dichotomy now between "the market" as portrayed by the Value Line Arithmetic, or even NYSE Composite, which aren't so skewed by tech stuff, and the Nasdaq market.

Yes, you have a rising market in those and improved breadth is part of that. But putting tech aside now, you don't have a heap of stocks that are really going up well. There are some—there's **Cardinal Health** (CAH) and **United Health** (UNH) and you can find some others in health care apart from the drugs. And you can certainly find some improved charts in the insurance stocks that have done well. But let me put it this way: It's not the start of a new bull market in a different place. It's switching to other places that are still good, but not *broadly* good, not

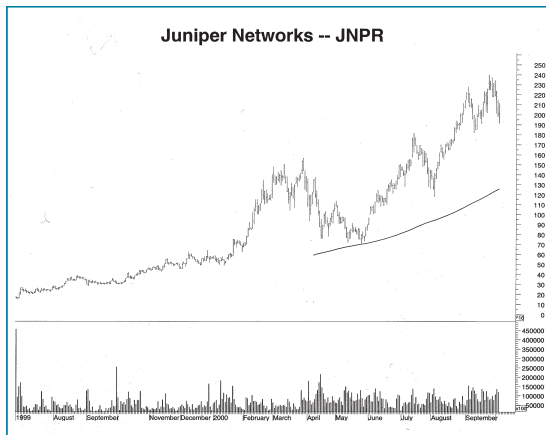
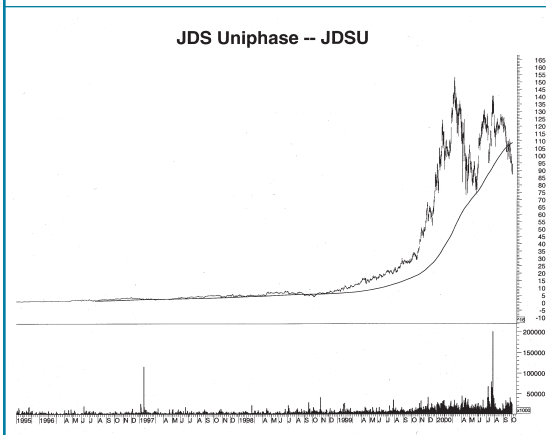
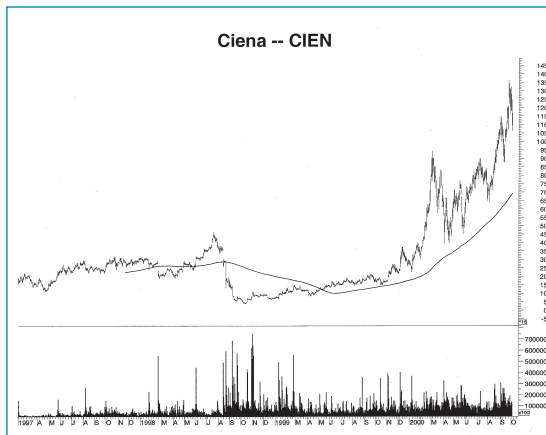
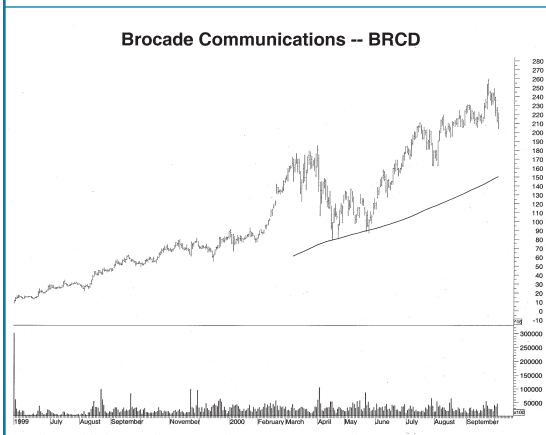
dynamically good. You can find stocks that you wish you'd bought. I don't want to deride it whatsoever. Any port in a storm. So those stocks are okay, but they don't amount to the way the market looked at the lows in '82 or '84 or 1990. They're Bs; they're not As. I mean I look at this stuff and I say, "Geez, my wife bought **Washington Mutual** (WM) well. In fact, I gave her your thing on John Neff [w@w Sept. 22] because he mentioned it as having gone an enormous distance. And it has gone from like the low 20s to 40. Well, you can find those. They *have* existed and I bet you there are others that have come along. But as an investor you had to have great patience. I showed her **Trinity Industries** (TRN), which is a WM-like stock. And you can find others. **Milacron** (MZ) probably is. There's something called **FlowServe** (FLS). There are probably a number of these stocks, that if you held them *very long term*—but they're not trades—

In other words, the positive charts you're seeing are the sorts of stocks only a John Neff remembers how to invest in anymore? Well, nobody's *allowed* to do it. It's interesting. Even the State of Ohio or Wisconsin or the people we talk to in Berkeley, don't want to buy a Trinity. It does them no good in a \$30 billion portfolio. It's like

what **Peter Lynch** used to say about the S&Ls. You just have to buy 100 companies like that and treat them as one stock. So it is more than just no one knowing how to do it. But there are people who used to know how to do it, but have lost their touch. The people who made their own reputations by identifying those stocks are not allowed to do it anymore. They have too much money to invest, it would cause them to stray away from the mandate straightjackets that the consultants have put them in. Or "I have to buy 100 of them to use up the money I just got from selling my Intel!"

I know a manager who, to his credit, bought EMC early and knows he should be selling it. And has been. But he can't sell as fast as they've been spitting the stock. Not to mention that every sale has been "a bad sale." They're really prisoners of the way the business

"These are the early decliners in here, with a lot more room on the downside."



has evolved. Instead of being free to pick—if you're going to give your money to someone, you have to give your money to someone who's free who's independent of all of this. Otherwise, it's all relative. The number of clients who say to me, "Oh, no, wait a minute, let me explain to you...it's not absolute, I just have to go down less than the other guy, I want stocks that won't go down very far." If there's anything different out there, it's the practical part of how the business functions. Because managers are being measured by Morningstar or whoever, they have to trade. Now, if I say, "Well, you could buy **Comcast**" (CMCSA), (it looked good a few days ago so I said it could rally from let's say 40 to 44 or something like that) where they used to say, "that's too short-term for me," now they say, "I'll take it." So they've changed the way they run their own mind. And I am—I mean me, editorially—I am really a dinosaur in this. I've lost probably 8 or 10 or maybe even a dozen clients—the value people—who've said, "I can't stand this anymore," "I don't need it anymore," "I've made enough money, I'm gone."

It's been torture for them for a long time. But value has actually started to make a comeback in the last couple of quarters. Although there's certainly been no stampede of money into value funds.

None. The public just doesn't have any interest in it whatsoever. The money still flows into the techs on the theory, "Well, they're down. This is a good time to buy them." The electricians are the great case in point. They're terrific. They have really been great stocks here for several months now—and everybody says they're done. You walk in and they say, "Don't you have a good group?" and you say, "How about the electricians?" and they say, "Oh well, they're done already." Or, "I can't buy those kinds of stocks." They are dismissive. So I take out a chart of some handy technology stocks—Cisco or Juniper or whatever I happen to have at the top of my pile. I show them how the great run-ups in those charts started (apparently) from \$5 or \$10. Then I point out that it looks like \$5 or \$10 because the stocks have been split 2:1, 3:1, 4:1 a couple of times along the way. So they really started from \$20 or \$30. Then I show them that **Duke Energy (DUK)** or **Reliant Energy (REI)**—I only deal with the utility stocks in the DJUA—look the same as those tech stocks did when they were starting their runs, if you make allowances for the splits. They have the same incipient parabolic look about them that was visible very early in those techs. At that point, the client will sit back and say, "Oh my, that's interesting, maybe I ought to look at them." Then, of course, along comes the new thesis, "These are not just electricians, they are "other power," or "power generators", or "power distribution" or whatever the analysts want to write about that *makes* them something different than just poor old Con Ed struggling in NYC.

Which look best?

I don't know. In the first place, you can't tell where they are anymore, because they've changed all the names. But take Duke, it's going to correct mildly, because people don't want to give up their positions. The people who are early into these things, just like in the EMC case, go a long way before they are willing to give up those positions. Especially when you have no place else to go and this is still, in a sense, a solid company. Some of these utilities stocks had yields of 5%-6% when these moves started. It was just a great idea and it's still a good idea. You have to buy them into some kind of pullback. But so here's what has taken over the life of the market in terms of a mania. The utilities are hot stocks now!

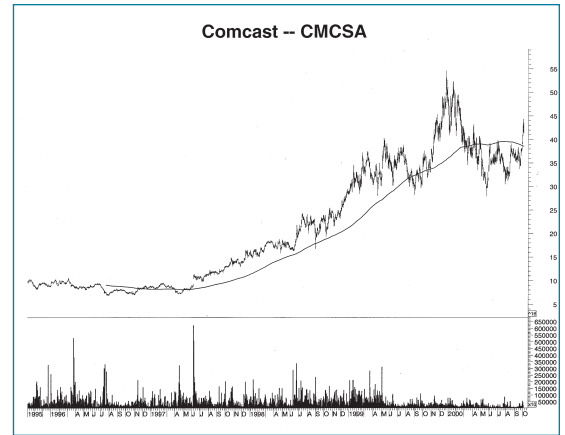
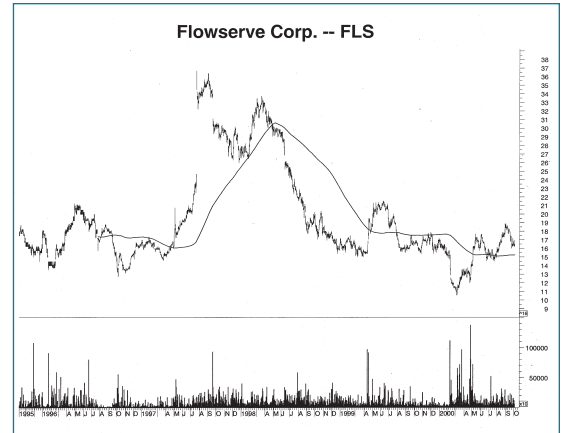
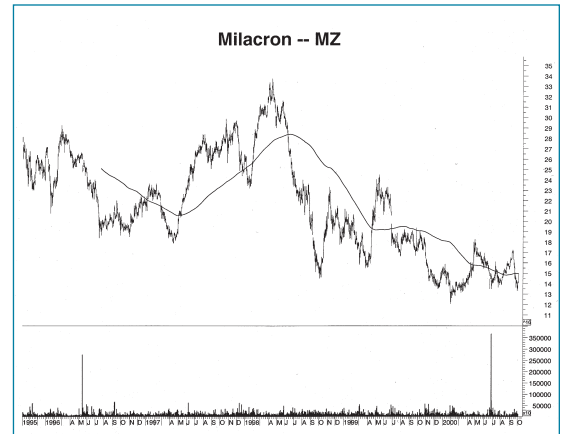
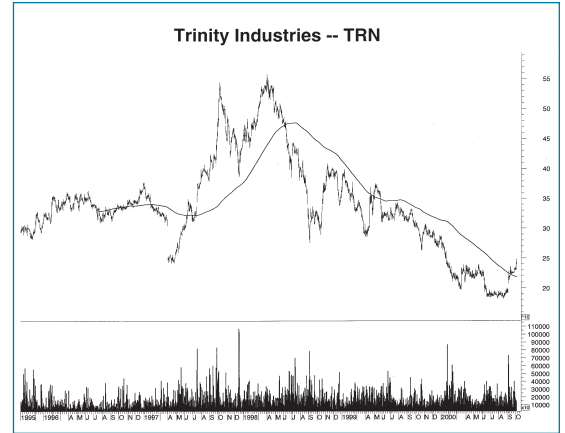
Albeit amid considerable disbelief.

No, that's what's so wonderful about it! And if you look at the new high list, it's mostly these stocks. It was mostly REITs for a while, it's some insurance stocks now. Last week, a number of the energy trust stocks, made the new high list.

Talk about a backwater—

But there's some life to them all of a sudden. People decided that they have incremental value. That's why, in a sense, you've been seeing the improvement in breadth. Why you see the improvement in the Value Line kinds of things—because there *are* places that are okay. You *don't* see it in the *leading names* of the cyclicals. All the recognizable names in the papers come down, all the recognizable Deeres, CATs, Perkins Elmers, but Trinity is part of that same syndrome of "this is not going to make a new low anymore." What's interesting about that is that when we went through the oil blowoff in 1980, in which some of those stocks were like EMC now—they really

The New Leaders? Secondary, Tertiary Cyclicals



went beyond what anybody thought was rational, there were also stocks that very quietly, at the same time, starting to act like Trinity.

Trinity is the next leadership?

You really don't know, but the stocks that act like our only other previous experience with this are basically the secondary, tertiary, for want of a better word, cyclical stocks. The Milacron, Trinity types. I don't think you can make a leadership case out of that until you actually see the whole thing change, which could take three to five years. We only have that one experience of the end of a secular, bear followed by a big breakout in 1982. So we only have one experience in our lifetime to compare this

with—which is certainly inadequate to make a case. But that is the way I would make the comparison.

What about in the mid-'70s? Coming out of the Nifty Fifty hang-over?

That was basic industry's turn, U.S. Steel made its low in May of '74. The Dow made one low in October and then another about 5 or 6 points lower in December. The basic industries were already rallying into that second half of '74 while the Dow was making that enormous bear cycle low. There was a big rally into the fall of '75, about an 8 or 9 month rally, then a big correction, another rally and then you went into the small stocks and inflation stuff. I can remember because I had retired. I had sold the *Professional Tape Reader* by then, and was playing tennis out in the desert for a year. But I used to

talk to John Phelan's specialist firm from out there. And I can remember someone shouting in the background, "Justy says you have to buy anything ending in x," Telex or whatever, because those were the small stocks that were moving in '77 and '78. But if you look at a long-term chart, '74-'82 looks like a big base for the breakout.

Which was a long time in coming—and frustrated any number of investors who weren't lucky enough to pick the "x's."

But everybody wants these things to happen NOW. I know guys who roll up their sleeves and say, "Please let them do that again, that was when I made the

most money." Because they were stockpickers. But when I talk to people, what everyone wants to know is what's going to happen *right now*? What's *next*? Where do I go *now*? There's a kind of urgency about their own needs. Personally, if I were running money, I'd probably feel the same way. But our *experience* is that the market takes its own sweet time and it can be a *very* long time.

Still, do you really expect investors to get excited about cyclical stocks?

Well, the life experience of most investors is that there's no point to owning them. But if we "know" and I put the "know" in quotes at this juncture—but I believe that this is a major change—that the techs have peaked the way the oils peaked and therefore are in a very long, very slow, drawn out with lots of intervening rallies kind of decline, then the next turn, whenever that is, (and there are probably two or three turns if we go to a '74 or '82 like market) the next one is going to be a severe change in leadership. Just the way '82 was. And that severe change in leadership is most likely—now I'm just talking off the top of my head—to be the industrial thing, rather than the consumers because the consumers at that point will be broke. So the government will need to enhance the cyclicals in order to regenerate some growth. So those are the stocks that should move. And I hope I'm around to see it because it could be a long, long time from now.

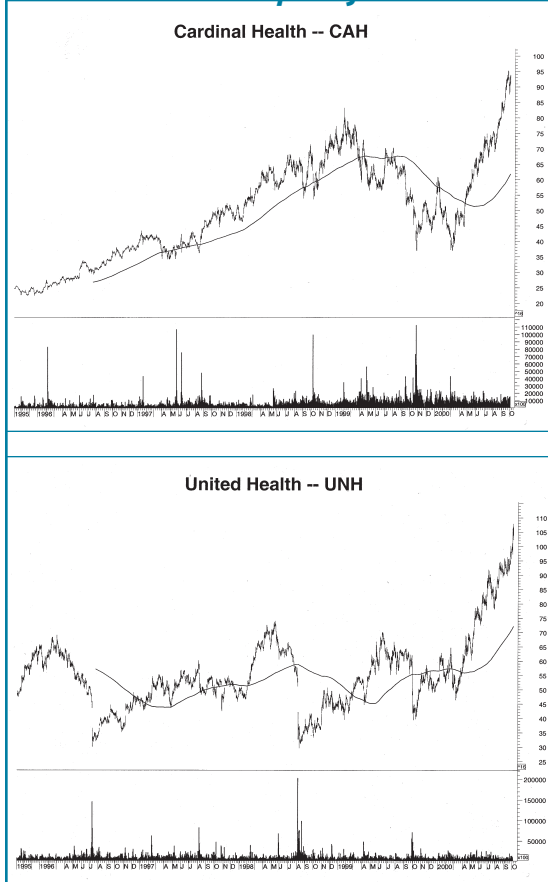
It's not a pretty picture you're painting for the name-brand market indices.

Over a long period of time they have to come down. This is why it becomes a long-term cyclical bear cycle. When those averages come down and break the lows, which have now become extremely conspicuous and important to the defense of the bull market, the selling increases. "Well, I held up, but there's something wrong now," Finally. But that happens well into the decline and well down in the economic problems that would cause that. So as long as they can hold the Nasdaq above let's say it's 3000 or 3200, or the Dow at the 9500 or whatever, bearishness won't hold sway. But at some point, when those numbers give way, it becomes officially bearish in everybody's mind, and then you get, "I can't stand this anymore," "I better sell now because the kid's got to go to college and I need the money." But that's well into a decline. It's only in the later stages of a decline that you change the psychology that way and that's a long way from here.

What is here is a lot of churning—

One of the marvelous things in my experience of posting daily charts is that lately, you can't find the action. You could see it on days like last Thursday to the upside, or on other days to the downside. The Dow was up 200 points but where? I can't find it. Sure, I can do the math but there's no feeling of that kind of change. What that gives me is a longer term sense of sanity. Everybody gets excited by those 200 points. But I'm looking at it and saying, "Don't get excited, not much is happening here." Despite enor-

"There Are Some Already Doing Well"



mous volatility. I don't know if I've ever seen, within the Dow itself, another day in which there were 10 stocks up more than a point, including a couple that were up 5, and six stocks that were down more than a point in the same day. And yet the net effect is nothing. And now **Wal-Mart** (WMT) is giving way, it has lost its cache and it's giving way in the same sense as Apple and Intel did—except that they did it all in one day and WMT is going to erode its way down—and has already from much higher numbers.

It's already eroded into the mid-40s, from 70.

See, then people who own these old leadership names, the big cap names, they're gradually losing money. We're getting to the point, I think, where the ordinary citizen, the long-term boomer, who has been told he is supposed to be long, no longer wants to open his monthly statement. He just doesn't need that aggravation anymore. That's starting, I sense that from the people I play tennis with. The great remark, of course, is "it's only a paper loss." But in a rational sense, I suppose, this has been a great, huge bull move over a great number of years and has been persistent. So it should come down the same long way. We should not just get it over with in 18 months. So we're still in the relatively early stages of it. All we've really seen in here now have been substantial declines in the ordinary New York-listed stock going back to when breadth peaked almost two years ago. They've been in downtrends. But some, like the foods or the grocery stores, have had big intervening rallies already. So we know that they've been out of favor and we know now that the techs have peaked and are turning down in a major way. But "they" won't give up the rotation and they would like to be able to find other places to go—instead of saying, "My God, this is awful, I should be in the bond market," or something like that. They really want to keep playing. And to a very great extent this goes back to the practical matters. These guys have jobs and they want to protect those jobs. Go to Fidelity and say well, "You kids should all leave and go somewhere else." No, they're doing their best to protect their lifestyles—the Porsche and Mercedes, the nanny, the house on the Cape. They've *spent* this money and probably more. And they can't afford not to keep trying to produce.

The savings rate statistics certainly indicate that's the case.

The stock market *was supposed to be their savings*—and it's taking them away. People do not feel prosperous anymore, if they've been in the market. They do say, "Well, but I'm in this long term, and it's okay, they'll come back." But I get shrugs now. Nobody on the tennis courts now says, "What the hell's going on in this market?" But they did for a while when it first started to go down. Now I think they're past it.

"If I can ignore it, maybe it'll go away".

That's what I mean when I say they don't want to open the envelope. In fact, I'm starting to joke that this market is like the Yankees, with all this recent weakness. Essentially, what's going to happen is my oscillators will go back maybe as far as into overbought territory simply by dropping the old, big pos-

itive numbers out of the formula, as time passes. The market can lose and lose and lose, day after day, like the Yankees, and still get overbought.

But will it advance in the playoffs?

They will take my oscillators back up into overbought territory. And whenever this has happened, and this is probably going to be the most glaring instance of this backing into overboughtness I've seen, it's been a sign of underlying weakness.

The massive level of insider selling this year, certainly supports the distribution you've been talking about.

Anybody with freedom has moved out. The person with the leeway to be short, has gone from the 90% long/10% short sort of conservative hedge fund stance to probably 70% short and 30% long. They're short the funny things. The Wal-Marts, not the Brocade or Juniper or EMC. Those kinds of shorts are for the Jim Cramer types.

Wal-Mart is a funny short?

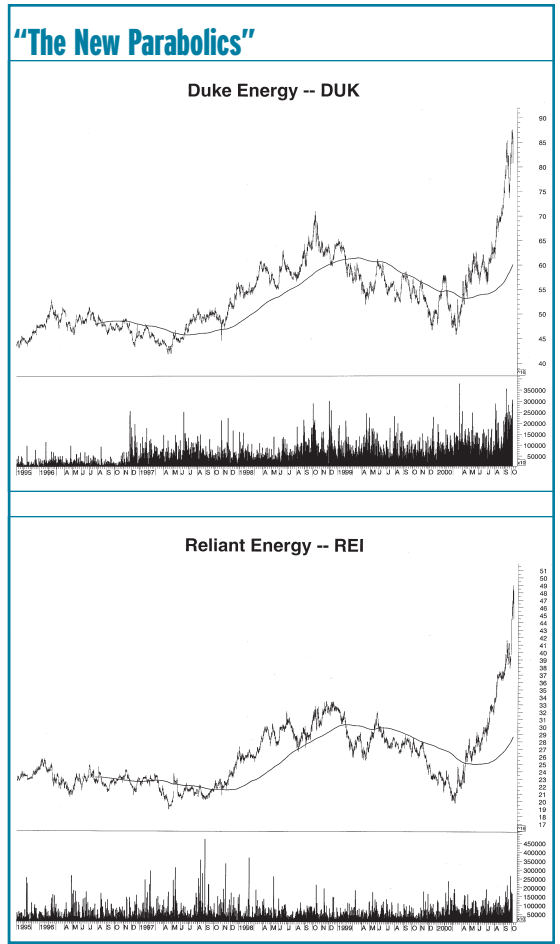
In the sense that it's not the risky kind of short that could go up 20 points in a day and ruin everything for a hedge fund manager. They don't need that. They want to short weak companies, I know someone who's short K Mart (KM) and JC Penney (JCP) and won't give them up until the companies disappear! That reminds me of a great Roy Neuberger story, back in the days when I'd go into Neuberger to talk and he would come and sit in the conference room. He sat down there one day as I was talking negatively about Coke and said, "I've been short that stock since it was Minute Maid!"

Likewise, I can remember John Neff talking about shorting Coke way too early at a Barron's Roundtable. But eventually, their patience was rewarded.

Exactly. What's happened, as I wrote in my letter two or three weeks ago, is that the short side has become the investment side. You ride out bounces against your short position because you know that the long-term trend is down. You could have done that with Wal-Mart. It came down to 48 and then bounced to 51 or 52. But here it is now down to 44.

The irony is, who's left who knows how to short?

Thanks, Justin.

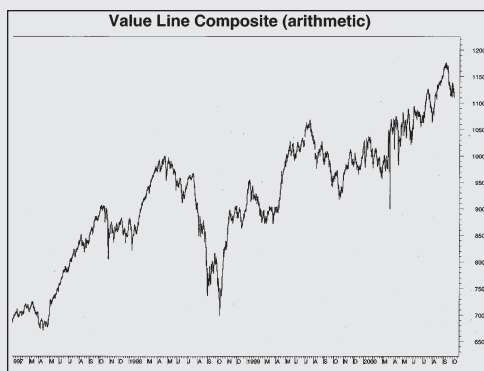


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The Bull Market Is Where You Find It...So Is The Bear

Markets are not monolithic, never have been. Never will be, as long as the human animal holds sway. That's scarcely an original insight, but one that's all-too-frequently lost in the din of sound bite pontification on "the market." We were in an (at least) bifurcated bull market last year, as any issue even tangentially sprinkled with internet fairy dust winged toward the heavens—and all else was dross. So we are again this year. Even as most of tech-land's shooting stars smolder in an ash heap, value funds are besting their growthier brethren in the performance derby. And **Steve Leuthold's** "paid-to-play" portfolio is up a blistering 50%-plus through September (and has handily outpaced the S&P since inception, in January '96)...because his Weeden/Leuthold research group has managed to pick the right stocks in the right groups. It's just that who, but an inveterate contrarian, armed with a systematic and quantitative system for constructing aggressive portfolios skewed to the groups fundamentally, quantitatively and technically most likely to outperform, would have placed big bets, back in January, on a motley crew of insurers, oil stocks, nursing homes and such? And who could fathom, as recently as January, what the likes of **Mario Gabelli** or **George Lindemann** saw in *utilities*, for gosh sakes?

About as many, we'd venture, as would have bet, as **John Neff** (w@w Sept. 22) did, against the Nasdaq 100. But the carnage since visited upon the once-teflon techs has been gruesome in the extreme. And the pain has not been contained just in the revenues- and earnings-less wunderkinds of the net, as some numbers crunched by **Fred Hickey**, who publishes the High Tech Strategist, bring into sharp relief. Fred tracks the market caps of what he calls his "top 10 techies," the biggest and best of the breed. Valued on April 3 at an aggregate \$2.7 trillion, MSFT, INTC, CSCO, IBM, LU, DELL, ORCL, AOL, HWP and TXN, have seen their collective market cap bubble deflate by \$778 billion, or about 30%, over the last six months. Which adds up to a whole heck of a lot of vaporized paper wealth. Without even considering the bloodletting in the internets. But humungous as that haircut is, it still leaves the new era darlings multiples filthy rich, by all but new paradigm yardsticks. Are they due for a better bounce than Wednesday's not altogether rousing affair? Certainly. An election season going into overdrive on top of what, traditionally, has been a strong growing season for silicon, argues that surprises could come on the upside for a while. But just a while. For it looks like the trend in motion is mean—a reversion to the mean.



What that will mean to other sectors of the market worries our old friend Justin Mamis, as he makes abundantly clear in the accompanying piece. The good news, as we noted at the top of the page, is that the market isn't monolithic. So even as three-quarters of a trillion were chopped from tech portfolios over the six months, some of that green found its way into long-neglected sectors. For evidence, look no farther than the chart of the Value Line arithmetic average, displayed above, which has climbed roughly 20% in the last six months, even as techs took gas.

Weeden's chief market strategist, **Steve Goldman**, who despite qualms about the techs followed his monetary model and issued a nicely timed positive call "on the average stock" last March, remains sanguine. "Roughly 90% of the stocks out there have performed quite nicely, as predicted. Look at the early market leaders off the lows: it's quite classical: financials, utilities stocks. You're seeing rates of change in financial stocks, in some of the oscillators, very similar to those in other major bull markets that have emerged from an easing of monetary conditions. A lot of classic signs have appeared. The median valuation of S&P stocks, going into March, was down to levels we hadn't seen since '91-'92."

Steve's take is that the doughty secondary and tertiary stocks that have only just awoken this year, will continue to revive, even if the tech's fortunes continue their collapse. His bet is that this transition from growth to value leadership "becomes more gradual and not as dramatic, but that monetary conditions will continue to see an easing of interest rates. That's not to say the tech stocks are over. "A very strong seasonal influence comes along at the end of this month. So maybe it will even be a little easier for the overall market to make progress here."

But even if the tech backdrop remains "irregular," says Steve, "the path of least resistance for the Value Line and the NYSE comp should be up." By another 3-4%, by yearend, he added when pressed.

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