



Knowledge is Power

A Registered Investment Advisor

www.bigwaveresearch.com

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Commentary

Bears and Bulls: A year later, and perhaps wiser

In June 2007, I wrote my first column for The Business Ledger entitled “The rosy scenario turns to darkness.”

It was about the then unheard of sub-prime mortgage crisis that had been on my radar since early spring. In rereading it, I see that it was a pretty negative article about where we thought markets and the economy were headed. In hindsight, it wasn’t negative enough!

I have written for a little more than a year now and most of my columns have been pretty negative. That’s why Don Kopriva, editor at The Business Ledger, decided to name my column Bears and Bulls instead of the more positive opposite. Around our office at Big Wave and among our research clients, I am now known as Dr. Doom.

I want to go on the record now as saying I am not trying to be Dr. Doom. I have always been a pretty upbeat positive guy. I enjoy a great party, a nice cold beer after a round of golf and hanging with family and friends. I would love to start writing positive columns about the economy and the markets and I know that, in the future, that day will come. But just not yet.

My purpose in not only writing this column, but also in providing daily market research to our Big Wave clients, is to provide economic and market analysis and strategies that will make you a more successful, smarter investor. My conclusions are always based on extensive research and I try to relate this to my readers in a totally non biased point of view.

In today’s markets investors can make money in both up and down markets. A key to making and preserving wealth is knowing which side of the market we are on now, the bull side or the bear side. Should you be in or out?

My writings are aimed at answering these questions and more importantly, pointing out the risks and rewards that are present within the economy.

Another goal in writing is simply to provide you information and analysis that is unique and makes you think. You can read a lot of things about investing in hundreds of magazines, newspapers and Internet sites. Topics such as the “do’s and don’ts of mutual fund investing” or “Ten great tips for retirement” are a dime a dozen and not for me.

When I write this column I want to give you a different spin on the economic events of the day. When you read this column, I am making you aware of new information and give you a new and different analysis based on it. In June of last year, no one was talking about sub-prime and especially its negative implications to the markets and economy.

We presented that new information to you and our analysis provided a warning about stocks and the economy. We were ahead of the curve on this story and that may have provided you an edge in managing your portfolio. To recognize and act upon a key event before any one else does is the difference between big returns and mediocre ones. Helping you recognize these key events, positive or negative, is what I will try to continue to do in the upcoming year.

I wrote a column in January about thinking and becoming an “economic adult.” Its purpose was to extol the need for people to step up and take responsibility for their personal finances. It was a call for people to engage in learning more about investing.

Part of economic adulthood is facing economic reality. My columns over the past year, while

negative, have been all about reality. The reality of bad credit, lower housing prices, lower stock prices and a weaker economy. If you want to take responsibility for your economic future, it is important that you know the facts and realities of the marketplace.

While you may not have liked reading about bad news over the past year, it is essential that you accept the realities so you can act on them. I will continue to write about the realities of the markets and the economies, whether they are bad or good.

I have enjoyed writing these columns, talking to the hundreds of people who respond to them either through e-mails or phone calls and I thank you for reading them. I have established all kinds of relationships, including an e-mail one with an oilman

from Jordan in the Middle East who read the column on oil and now has become a great source of information. (Yes, The Business Ledger is being read in Jordan!)

My pledge to all my readers is to stay on top of the economy and the markets and continue to write it as I see it. Hopefully, all of you will benefit from the knowledge you gain from reading it and can take this knowledge and increase your investment returns.

And finally, is my sincere hope, that within the next year, I will be writing a lot more positive articles about the economy and the markets and that instead of Dr. Doom, maybe I can be known around Big Wave as Dr. Boom.

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