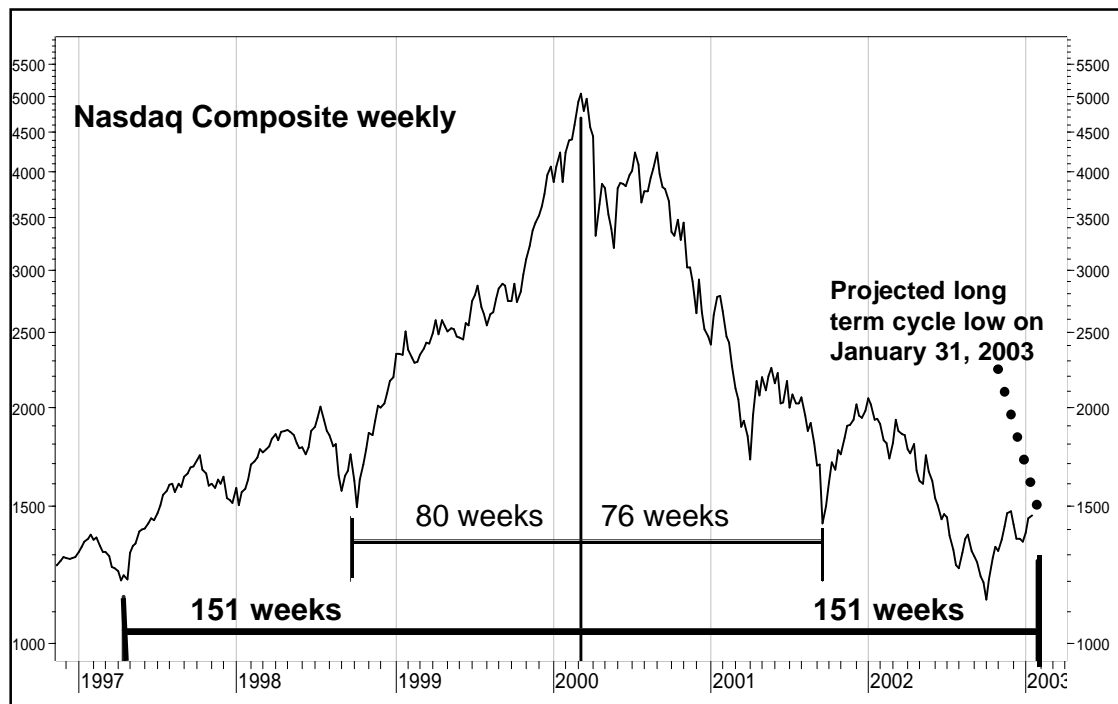


Nasdaq Composite T-Formation suggests we are near a long term cycle low

Long term market cycles appear bullish for the Nasdaq. The chart below shows the Nasdaq Composite weekly from 1997-2003. During this period this index rose and fell in a remarkably symmetrical manner. The interval from the major low of April 18, 1997 to the major high of March 10, 2000 spans 151 weeks. Projecting the same amount of time from the March 10 high to the next major low leads to a projected long term cycle low on January 31, 2003. (It appears as if the projected cycle low will end up being a few months later than the actual low of October 4, 2002.)

Similarly, the 1998 double bottom (centered around Sept. 25, 1998) and the high March 10, 2000 were spaced almost the same (80 weeks) as the interval from the high to the post-9/11 low of 2001 (76 weeks later).

Bottom line: Cycle projects 3-year bull market in Nasdaq.



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