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**Peak for Dow, Japanese tech stocks; low for Japanese value stocks:**

**January 13, 2000:** Happy Millennium. Now let us begin. The forecast Y2K short squeeze is over and the bear market in New York is free to begin. Japan will pull back with it on a lag as Westerners do the margin call thing. Its bull market vs. New York will accelerate, however, and many cheap Japanese equities in certain groups will actually rise (rotation) as the Nikkei is dragged down by the tech sector. For appropriate accounts, we are buying calendar put spreads (March/February) in New York....

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**Perfect All-time Dow peak nailed.**

**January 24, 2000:** While in Asia, the Dow dropped sharply to 11,000 and I commented that the Dow should either rally to a slightly lower high or to a new high to convince players that the smash was false before collapsing to the 9,500 – 10,000 range in this first quarter. As I reminded members of the media last week, it is important to probe key intermediate cycle peaks as one may actually end up successfully shorting the peak of the long term cycle. We may have achieved precisely that 10 years to the month after having shorted, what was at that time, the greatest bull market ever, to the week, in Japan (Jan./90)....

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**Puts exited at peak:**

**February 25, 2000:** ...Intermediate term forecasts called for a breakout and acceleration to the upside of the Nikkei versus the Dow Jones along with a break in the latter index THIS QUARTER to the 9,500 – 10,000 zone.

Nailed.

We bought puts on the day of the peak (Jan. 14) and today we exited. Nailed?

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**Tech out, value in:**

**April 14, 2000:** ...It certainly is not good for hot stocks that, sure enough, have been deflated by margin calls needing to be met. This latter phenomenon has also hit Japan. We now see why I have consistently cautioned to shun the Softbanks of the World and stick to “domestic demand, undervalued, under-owned, non-new-economy Japan”. Especially with March 31<sup>st</sup> year-end out of the way, we are seeing the results....

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