

BETTER CAUTIOUS



January 15, 2009

NIKKEI

The commentary has been the same as that for the Dow (see below). And as we see from CHART #1 on page 2, there has indeed been a very recent hit. This has provided a very small, though still much appreciated correction in the Japan-related cross-charts, which have accelerated since November.

DOW

In the most recent reports, I have written that the 2009 bull moves approach, with an all-likely pull in the opposite direction, pre-inauguration of the new US president.

Call it bear-concluding movements or fake-outs or whatever you like, but I seem to have been well-reasoned in postulating that the world's greatest insider traders would milk this bailout thing for all that they could, just as they always do with major news that "they" get to write.

Today's multi-hundred point reversal off of the day's lows was accompanied by news....that the bailout may be on. Ho-hum.

CHART #1: NIKKEI



CHART #2: DOW



GOLD

Our exit from a full 100% position in gold came around \$950, and I advised traders and wealth managers a bit differently. So, one might be 50% invested (those using gold to invest half of all liquid wealth), or one might not be invested all if one is a trader.

One should now (in the morning) be 100% long. If gold goes to \$750, who cares? It will not matter at \$3000. More importantly, better cautious.

This has been the attitude in asset allocation since the first quarter of 2002, and especially so since the metal crossed \$500. See [gold](#).



ASSET ALLOCATION

- Gold: 50%
- Swiss Franc: 25%
- Yen: 25%

Sid Klein

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