

## TURNING POINTS: Con't



November 13, 2008

### **NEW YORK/SILVER**

From the October 25, 2008 letter:

“(New York) Is groping for its own lows, which will experience a higher (?) test before the year is out.

October was the print low for the Dow and it is conceivable that the higher low previously contemplated has indeed been seen. This is particularly so given the fact that the VIX appeared yesterday to be completing a lower high en route to 70, a level from which it did reverse today.

And from the November 9, 2008 SKC report:

“When the Dow broke under 8000, I wrote that the index was hitting its low, with a probable higher re-test of the low before yearend. The hedge funds had to prepare for the liquidations, and the ensuing bargains would bring in the those buyers who are not hemmed in by seasonality, and are thereby free to act according to what should ideally be able what governs us all: the ability to take advantage of prices at those times that prices are dictating action.”

Con't:

“Sometimes, the high or low in question is in November, or December, which is a secondary opportunity, borne merely of the lack of selling or buying pressure, as

the case may be. But the peak buying or selling was seen, hence the already experienced price extremes, in the case of either higher lows or lower peaks.”



**Strategy:**

I do not know whether or not the basing phase is complete, but it matters little insofar as how to be positioned strategically. Dow 9000 was broken and with the year-old target achieved there is no need to be greedy. My lack of conviction leaves me unprepared to go long gold but, in deference for the increasing weight of positive technical evidence in favour of assets heretofore shunned through this panicked global liquidation phase, I am now moving from 100% to 200% long silver, basis tomorrow’s average price. The chart above illustrates the perfection with which the initial (100%) position was established. Coupled with a short VIX position from 75, we are well positioned for a rebound in asset prices.

Sid Klein

**LEGAL NOTICE:** This market letter is the work product and intellectual property of Mr. Sidney Klein. It arises out of his training and profession as an international expert on financial equities. It is a private correspondence from Mr. Klein to his subscribers. Any person who copies or otherwise

disseminates this letter becomes subject to international criminal and/or civil prosecution under the Universal Copyright Convention and the Berne Convention for the Protection of Literary and Artistic Works. Nearly all countries in the world have signed both of these Conventions and have pledged to enforce them through their own legal systems. In addition, Interpol may be called upon to assist in the international enforcement of these Conventions through its processes of arrest and extradition. If you are the *recipient* of a copy of this market letter, whether through the internet or by facsimile, you should immediately report to Mr. Klein the name of the person or entity who sent it to you. Send your email to [sidklein@sidklein.com](mailto:sidklein@sidklein.com).

**DISCLAIMER:** This market letter is intended to assist in the dissemination of information to private subscribers. The information contained herein represents Mr. Klein's best efforts in good faith to advance knowledge to his clientele, but there can be no implied guarantee as to its accuracy or completeness. The information is given as of the date appearing on this market letter, and Mr. Klein assumes no obligation to update the information or advise on further developments relating to the information provided herein. No solicitation to buy or sell securities is intended, and none should be inferred. Investments are inherently risky, but investment risk itself is a function of individual preferences. Thus any opinions, recommendations, or judgments expressed in this market letter are of necessity abstract and general. They must be modified, accepted, or rejected by individual subscriber/investors whose risk averseness cannot be known to Mr. Klein.