



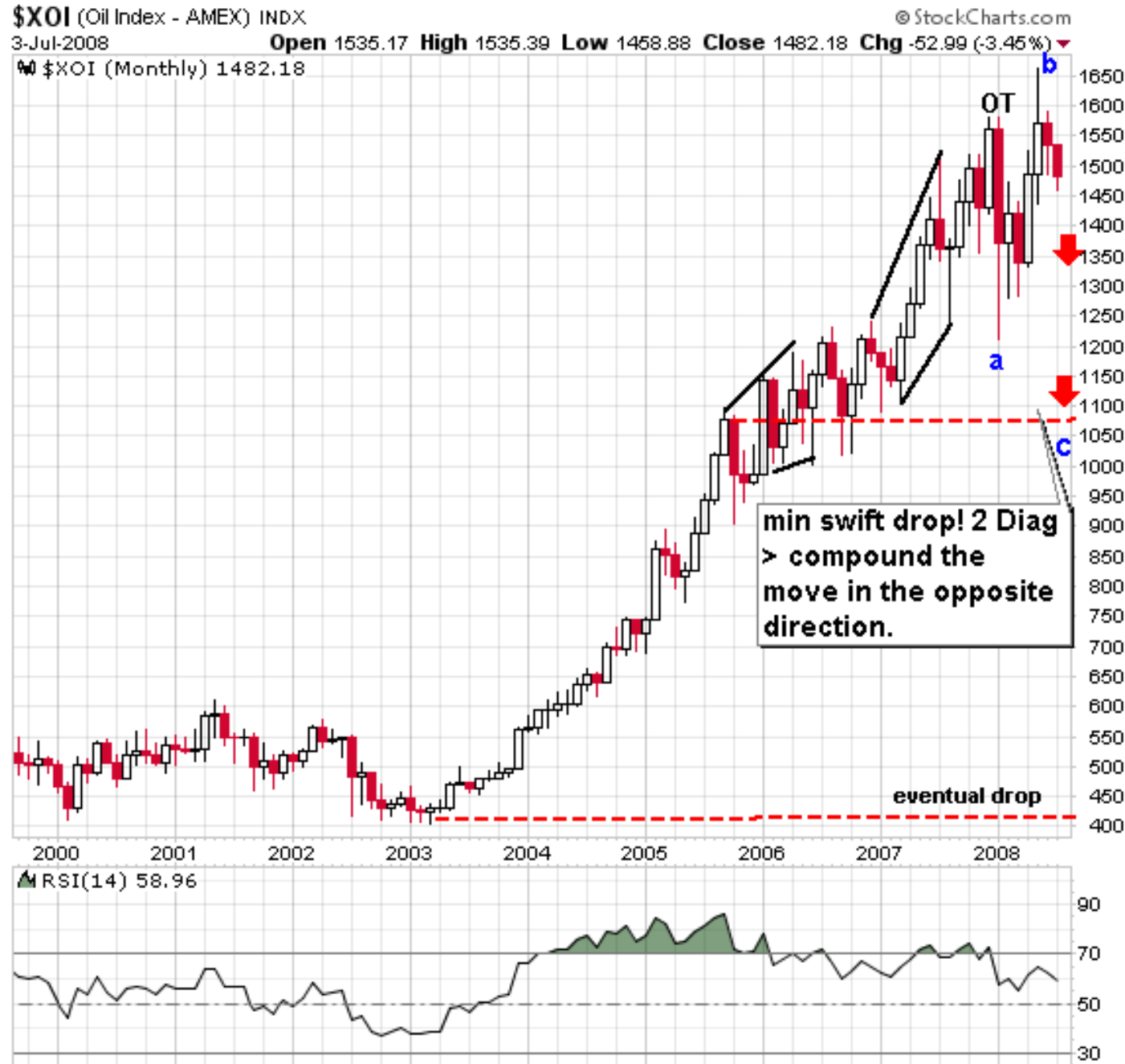
July 5, 2007

The collapse of Oil ignites a powerful, long-term Rally

All this talk of \$200 oil is analogous to the magazine cover syndrome. Once a topic makes it to the cover of a national magazine, we know the trend is over. Likewise Oil, along with most commodities, are in a bubble market about to Crash. While plummeting demand doesn't happen overnight, the near parabolic climb has been a powerful incentive as evidenced by preferences for new vehicles, while the Saudis have opened the spigot full tilt. Essentially demand is dropping while supply is rising. Like all bubble markets, oil should swiftly plummet at least 25-30%, and likely 50%.

Commodities in general achieved their best first-half performance in more than half a century, while equities put on the worst showing since the first half of 1982. You may recall that 1982 was the year the bull market took off - *in the second half*. I was just starting my career on Wall Street and remember thinking "this is like child's play: everything goes up". The same "no brainer" will repeat in the weeks and months ahead. A collapse in oil will certainly take the bite out of inflation, and likely be augmented by similar drops in most food commodities. This in turn takes the pressure off the Fed to raise rates, and my even spur further cuts. The Oil chart mirrors an up-side-down stock chart. Both are at the starting gates of a major move.

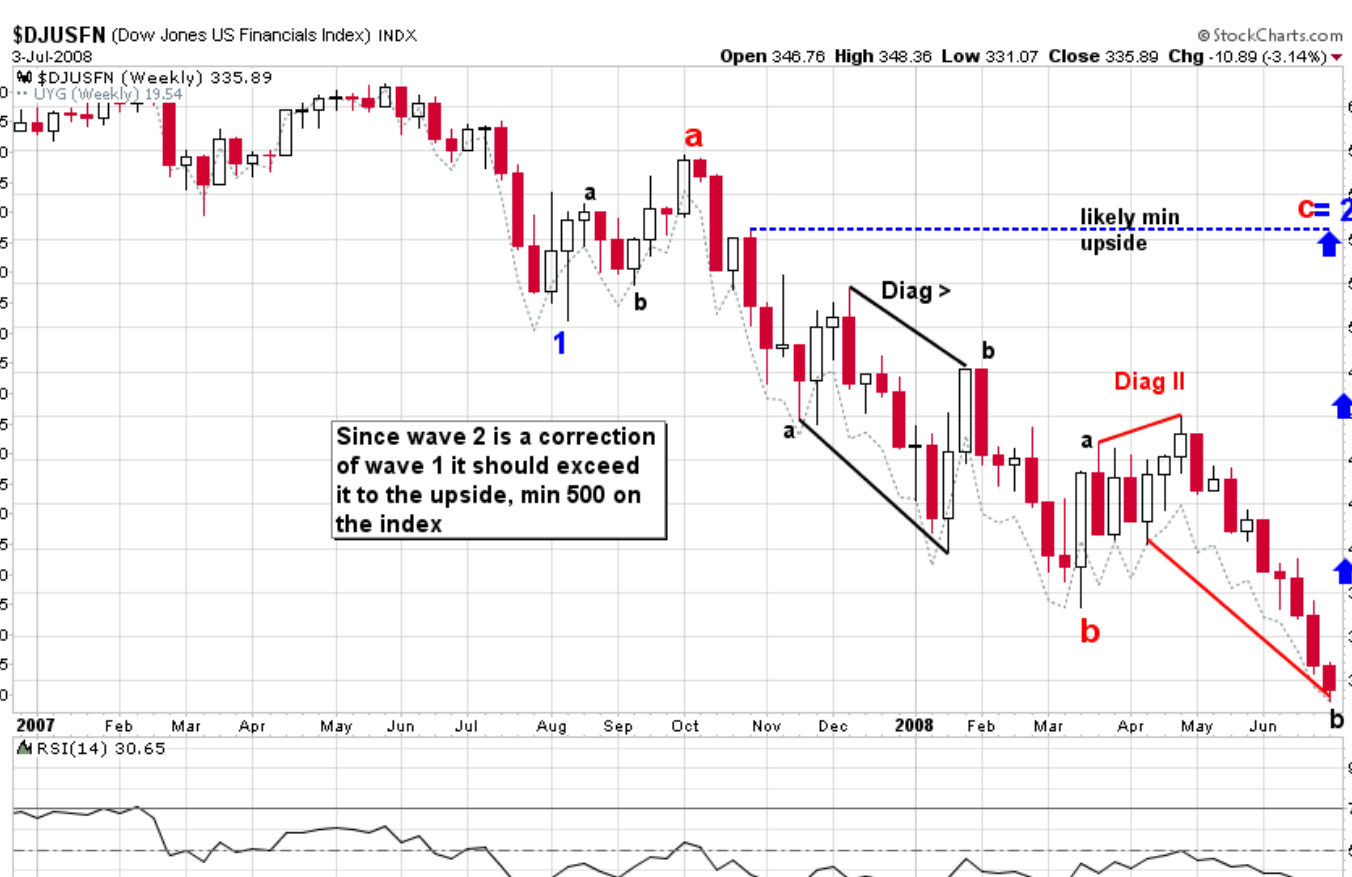
Below is the oil index which has traced out two back to back Diagonal Triangles. These indicate a swift, dramatic and likely *violent* reversal to *at least* the 1100 area, and possibly much lower.



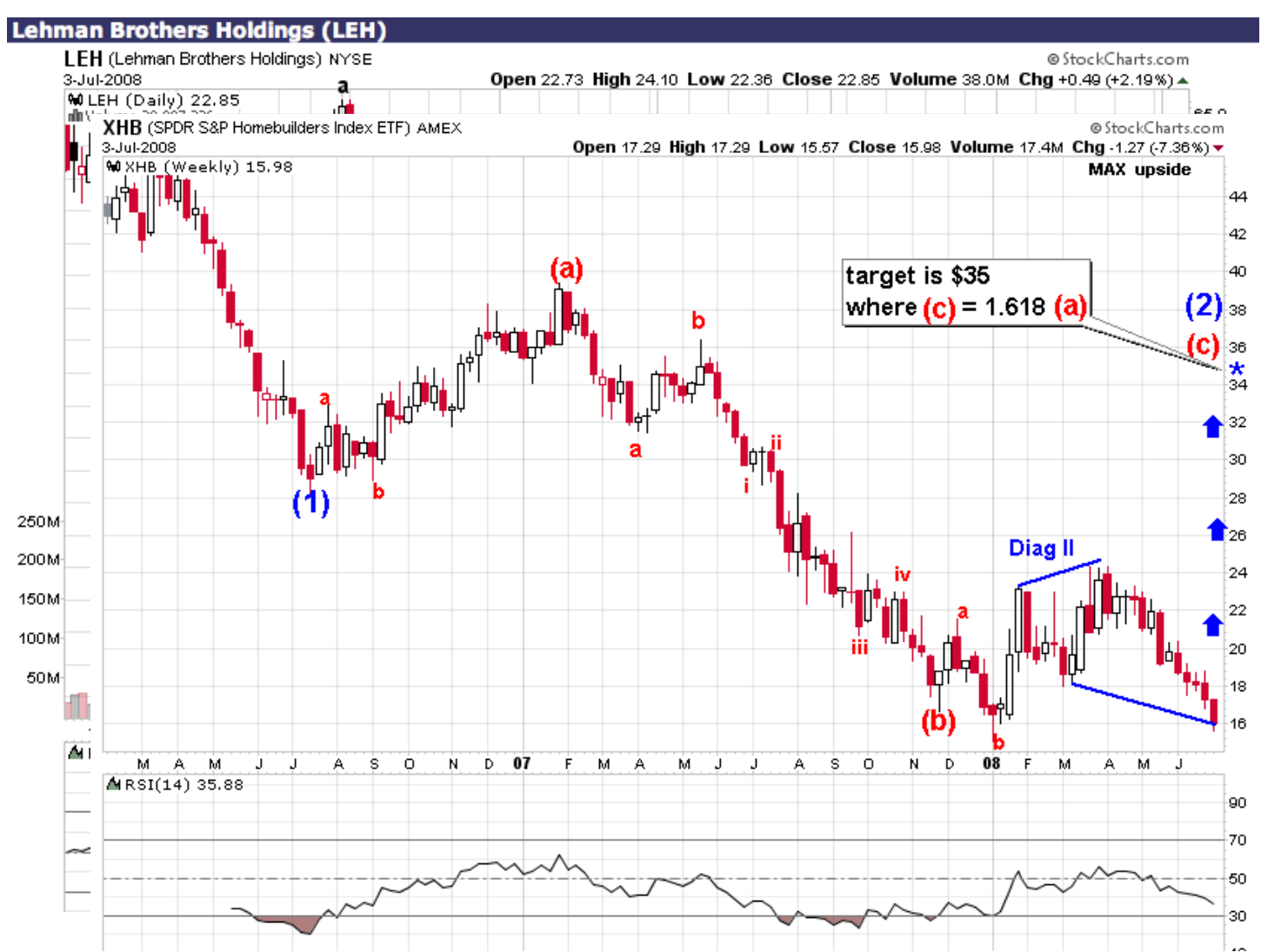
Meanwhile stocks mirror this formation up-side-down. Take for example the **Homebuilders** our favorite group. On Friday, the index closed at just below 16, while the likely upside is \$35, you do the math....The individual stocks we recommend to subscribers have expected returns far exceeding the index.



Next the **Financials** are due a similar rise, the equivalent of a move from \$20 to \$59. Here again you individual stocks should fare better.



The best of these is **Lehman** for its terrific volatility, you read right terrific because these moves allow us to make money in both directions, few trajectories are as clear cut. The next move is straight up to \$35.



I'm surprised that more of you have not taken us up on the free trial. If you are not delighted in 30 days, just request 100% of your money back. If you've gotten this far, you are on our website, take your time to explore a bit. There are no moving parts to distract you... and you may want to start with [Timertrac's verified performance](#). You can navigate either by **next**, or go directly to what interest you form the menu on the top right.

Best regards,

Eduardo Mirahyes

Exceptional Bear



"Opportunistically timed investments that maximize wealth"