



## ***Exceptional Bear Market Letter***

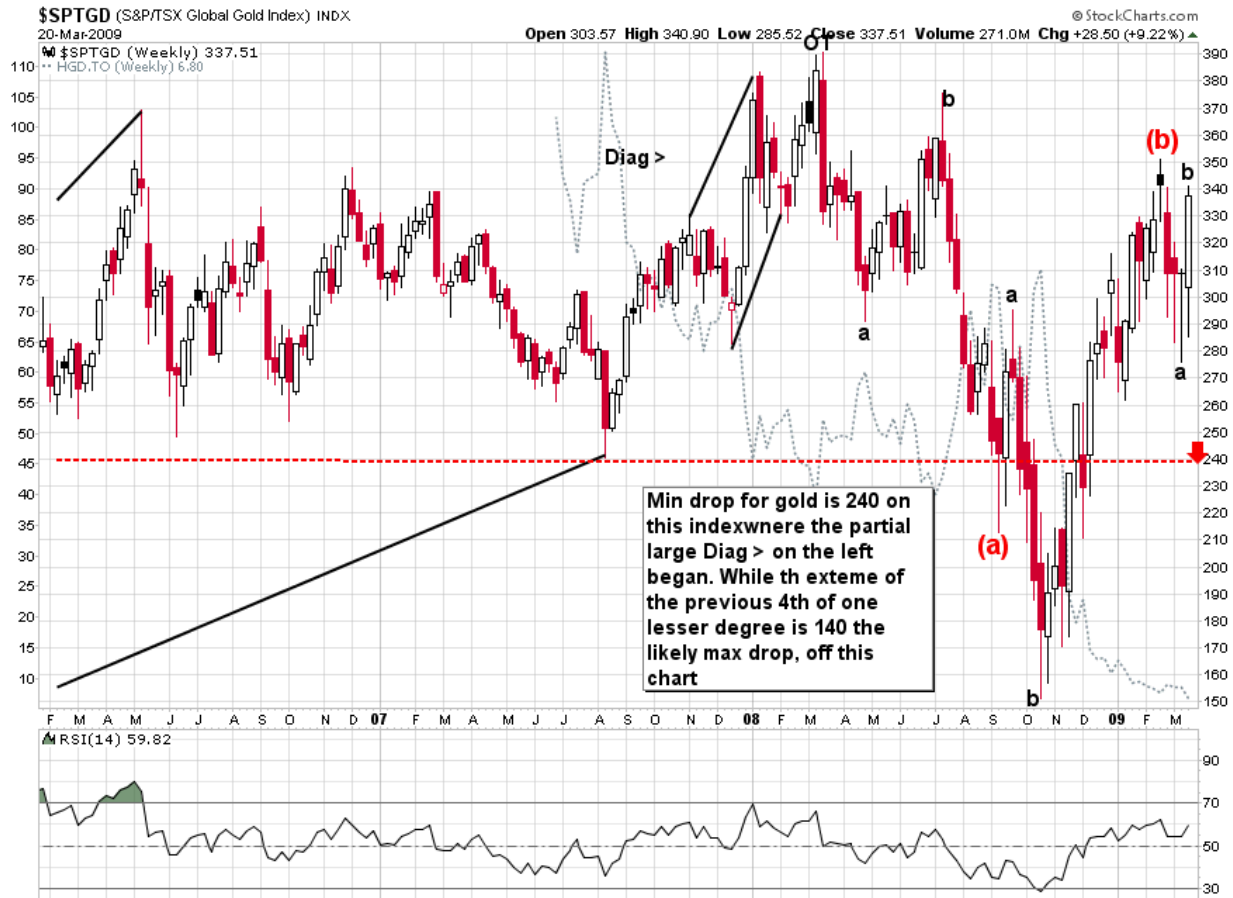
February 21, 2009

**The Last Stretch Down at least 25% gain**  
**Gold Bubble about to POP!**  
**Oil peaked in wave 4, next a plunge to new lows**  
**The Dollar has 2/3 more to drop**

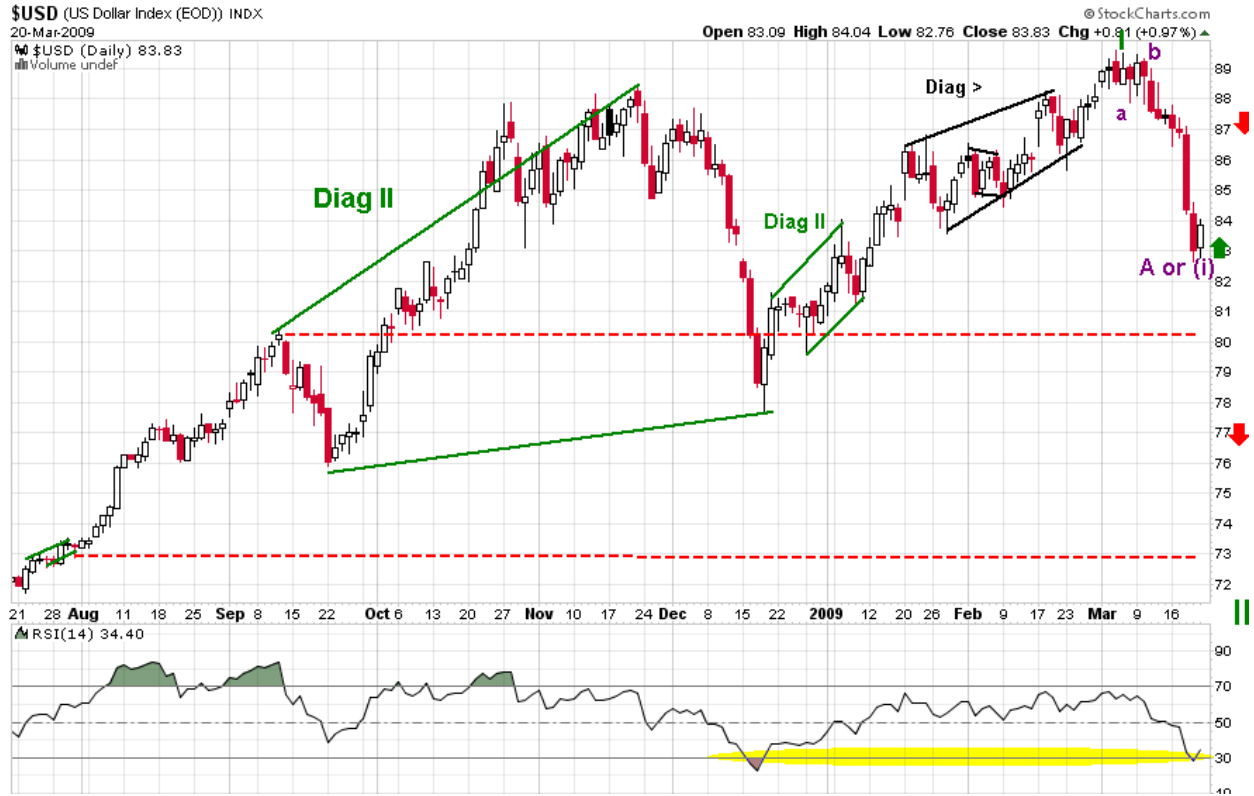
As you see the Dow should have an especially large bounce near Dow 7900 to complete the ***Diag >***, which is already complete in the others. There is an outside chance that the Dow's bounce could reach the target just above 8750 to complete ***wave iv*** of the ***Diag >***. Afterwards we must drop below the March Low. The Daily chart provides an additional stair-step in the climb back up designated by the green broken lines. Notice that the Dow and Dollar are in sync and will rise and fall in unison.



**Gold is in a bubble about to pop.** If we look at gold's big picture, we see that it has just completed a very large (a)-(b) transition to the downside on the weekly chart. From here we start down in 5 waves. If gold were to replace paper money anytime in the near future, then its price would be much higher. In real terms, at \$953 an ounce, gold remains at half its 1980 peak. According to the Financial Times, the value of all gold reserves totaling \$900 billion is worth a quarter of all the money in circulation.



By now you should be clear that the Fed's QE (quantitative easing) had nothing to do with the dollar plunge, it was about to drop anyway. As you see the press relates events as being the cause or effect of something, when in effect they are independent events. I told you the Dollar was about to fall off a cliff last week, long before any Fed announcement. It is collective psychology that moves the markets and why we can exploit their repeating patterns for an edge on the Market. Like stocks, we have a bounce next, lasting one or two days, before we continue the plunge. We are likely only 1/3 of the way down. Afterwards the Dollar is set to soar to over 100 on the index. **Par with the Euro within 12 months is highly likely.**



Regards,

Eduardo Mirahyes



*“Opportunistically timed investments that maximize wealth”*