

## **Bad News and A Rally**

December 5th, 2008

The jobs number was truly awful. The US lost a half million jobs in one month. And yet the stock market, after an early selloff, powered back to a 260-point gain on the Dow. This is the kind of rally we see when the bears have spent all of their ammunition. It is a good technical sign that we may have hit bottom. If we can push over 9000, the worst for the stock market may be over, and we will have bought cheap. The worst for the economy is not over, and we are still guessing that the bottom for the economy will not appear before the summer of 2009.

Before the rally of the last few weeks, we estimate that the VL MAP had approached 225% on November 20th, a level we never thought we would see again. If the PAD System is still valid, this is the best buying opportunity since the fall of 1974. Don't miss it!

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