



## MARKET UPDATE

**To paraphrase Mark Twain:  
The reports of the Bull Market's death  
are greatly exaggerated.**

**January 10, 2011**

The Toronto market was down every day this year (well actually just for the 4th day, but that is every day this year) and the bears are already poking their heads out of the snow. One of the measures of the health of the market is the number of new highs per day, and lo-and-behold, market statistics for the last 2 days showed 46 and 43 new 52-week highs vs only 4 new 52-week lows in Toronto!!!

How can there be 46 or 43 new highs in a bear market? There can't. So either the market is right or the bears are. We let you decide for yourself, but the answer should be obvious to all.

By the way, these 46 and 43 stocks reaching new 52-week highs in Toronto were not just ordinary stocks. The list included such senior securities as Agrium, CAE, Finning, Forzani, JDS Uniphase, MartinRea, Newalta, Precision Drilling, Saputo, Tim Horton, etc. (\*).

Similarly, new 52-week highs in New York were achieved by Alaska Air, Boise, CSX, Deere, Dow, Ford, Honeywell, IBM, Marathon Oil, Viacom, Exxon Mobil, etc. (\*).

Of course there were only a few Gold stocks on the list. Obviously we all know why, since Gold is going to \$1,000. Right? **Wrong.**

Such new 52-week highs on senior securities such as the above do not suggest a bear market, *au contraire*, they suggest an oncoming new up-leg.

Recent action is no surprise to us. Our latest Market Comment forecast a minor weakness for January in advance of better markets later on. Such January weakness will probably put the kibosh on all those who are likely to forecast a weak 2011, using the first five days of January as the forecasting tool.

***So let the Bears announce the death of the bull, but those who recognize the current activity as just a minor weakness in the ongoing bull market, should look at it as an ideal buying opportunity.***

**Ron Meisels**