

Merchant Of Hope & Prosperity (Jan 29,2001)

"Where Client Goals Become Our Goals"

As the month draws to an end, I have done a little review of where we are at in the markets. I have posted our current market changes and the end of the year numbers for comparison. I also have some statements issued from some of the press that we should read from time to time. I would say that on the surface we are probably looking at some positive things happening in the markets as far as performance is concerned. There is a lot of good value out there, things (company valuations) have been "beaten up" and for a reasonable good period of time, that indicates a good catalyst for a change, & I think we are starting to see that shift happening. This will be good for investors. This is an especially good time for new investors and those that have the resources to find more money to invest now. Sir John Tempelton said that "The best time to buy is when you have the money." That is especially true right now. Why? Because we all know that there is lots of movement in the market place, and to reduce risk, one way is to buy low. Now is the time, because this is about as close to a stable bottom in the market that you can find. For those that think about this, and reflect for a moment will realize that this type of opportunity is what the patient equity investor dreams about. If this opportunity fits with you, caught you in "a season of financial thought" please contact me, I would be pleased to expand on this further and help you build your wealth.

Timothy L Ross

Independent Financial Advisor

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www.timothyross.com Check Out Our Site: My Peers Say "It's Cool!" Plus we have added some more neat stuff!

_____ 1. Opening Thoughts _____

"Always be a little kinder than necessary." -- James M. Barrie

_____ 2. The Current Numbers

Today's overseas markets (as of 8:30 a.m. ET):

HANG SENG: 16099.82 / +55.61 or +0.35% / YTD: +6.63%

NIKKEI: 13845.28 / +149.22 pts or +1.09% / YTD: +0.43%

FTSE100: 6310.30 / +16.00 pts or +0.25% / YTD: +1.41%

DAX: 6698.61 / +3.41 pts or 0.05% / YTD: +4.12%

CAC: 5894.87 / -30.75 pts or -0.52% / YTD: -0.53%

Friday's North American numbers:

DOW JONES: 10659.98 / -69.54 pts or -0.65% / YTD: -1.18%

S&P 500: 1354.93 / -2.58 pts or -0.19% / YTD: +2.62%

NASDAQ: 2781.25 / +26.97 pts or +0.98% / YTD: +12.58%

TSE 300: 9158.20 / -25.20 pts or -0.27% / YTD: +2.51%

Misc:

Crude Oil Futr Mar01: \$29.77 US / +\$0.41 US or +1.40%

Canadian Dollar Opening Rate: \$1.5038 Cdn, \$0.6650 US

3. Market closes for Thursday, December 28, 2000:

**DOW JONES: 10868.76 / +65.60 pts or +0.61%
/ YTD: -5.47%**

S&P 500: 1334.21 / +5.29 pts or +0.40% /
YTD: -9.19%

NASDAQ: 2557.69 / +18.34 pts or +0.72% /
YTD: -37.15%

TSE 300: 8876.10 / +18.99 pts or +0.21% /
YTD: +5.50%

Canadian Dollar Close: \$1.5007 Cdn or \$0.6664
US

3. Market closes for Thursday, December 28, 2000: Year End Numbers

DOW JONES: 10868.76 / +65.60 pts or +0.61% / YTD: -5.47%

S&P 500: 1334.21 / +5.29 pts or +0.40% / YTD: -9.19%

NASDAQ: 2557.69 / +18.34 pts or +0.72% / YTD: -37.15%

TSE 300: 8876.10 / +18.99 pts or +0.21% / YTD: +5.50%

Canadian Dollar Close: \$1.5007 Cdn or \$0.6664 US

4. SOME INTERESTING POINTS

1. *"Rate cut rallies...of the past ten interest rate cuts in the U.S. aimed at buoying an expansion, 7 sparked a rally at the S&P 500."*

Business Week, 01/15/01

2. *"Stocks not overvalued now; the S&P 500 sells at 20 times 2000 earnings ~ half of the stocks in the S&P 500 have PE ratios under 15."*

Kiplinger's Personal Finance, 12/01/00

3. *"If the market loses value this year the odds of this repeating in 2001 are low. Only once since World War II has the S&P 500 dropped two years in a row. That was '73/'74 (huge inflation and interest rates, recession, oil embargo, Nixon scandal)."*

Kiplinger's Personal Finance, 12/01/00

4. *"How long before this correction stops is anyone's guess, but good investors don't try to outsmart the market, they outwait it."*

Globe & Mail, 12/01/00

5. *"...one fact is inescapable; in time, the Nasdaq Index will be worth significantly more than it is today. Technology still offers the highest growth prospects."*

VOX: Globe & Mail, 01/03/01

6. *"The Nasdaq will double far sooner than the DOW and the TSE 300. Given the massive sell-off on the Index, long-term investors who want inexpensive tech shares won't regret chasing this bottom, even if they don't hit it dead center."*

Vox: Globe & Mail 01/03/01

7. *"My observation is that business conditions have not changed much. It's the mood of investors that has changed, and their mood makes a huge difference. If you're missing expectations by a penny or if your growth is merely 90% a year vs. 120% a year, they magnify the differences and punish stocks the don't meet the upper expectations."*

Interview with Andy Grove, Fortune, 11/27/00

8. *"At the same time we're being aggravated as an industry into something more monolithic than we really are. Suddenly people say, 'Gigh tech is in trouble.' That's like saying 'Manufacturing is in trouble, 'that everything from Oreo cookies to numerically controlled machine tools is in trouble because they are all manufactured'."*

Interview with Andy Grove, Fortune, 11/27/00

9. *"The high-tech industry is humongous. Inside the difference sectors some companies gain and some companies lose. One would think that investment analysis would look at not only sector fundamentals but company fundamentals."*

Interview by Andy Grove, Fortune, 11/27/00

10. *"This idea that the Internet holds less promise now is silly. We're at the begining stages of a multidecade buildout of the Internet, which includes the network and the communcations infrastructure and all the apps to support it. Until we get the equivalent of projected into space in things like - we've got a long way to go."*

Fortune, 11/27/00

11. *"Historical analysis shows that stocks lead the econmy by about 5 to 6 months. If I am right that the rebound will begin in the second half, the time to buy stocks is now."*

Sherry Cooper, National post, 01/19/01

12. *"While you can never pick the bottom in stocks with precision, the improving breadth of the New York stock Exchange is a good sign. So is the recent performance of the Nasdaq."*

Sherry Cooper, National post, 01/19/01

13. *"History tells us that the average rate of return the first year of an econnmically induced stock market recovery is 37.5%. Interestingly, the stocks that lead the market down often perform the best on the rebound.*

Sherry Cooper, National post, 01/19/01

14. *"could that mean that the tech sell-off has been overdone? The recent resurgence in the U.S junk bond market is a harbinger of the recovery in stocks and the economy."*

Sherry Cooper, National Post, 01/19/01

15. *"The sky is not falling".*

Sherry Cooper, National Post, 01/19/01

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"Timothy L. Ross, is an Independent Financial Advisor. He provides a full service financial plan for all his valued clients. If you have any questions about your family's goals he can be reached at 613-498-2207, 1-800-667-4662 or by email timross@recorder.ca or advisor@timothyross.com . Most of Mr. Ross's new clients are by referral, so ask your friends and find out why so many family's choose Timothy L Ross as their family's primary financial advisor."

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