

March 19, 1984

Timer

DIGEST



PETER ELIADES

REASON, RHYME AND RHYTHM

PETER ELIADES

Stockmarket Cycles

We have never before done an article on any analyst unless he was on our TOP TEN list. This month we are making an exception - - because PETER ELIADES and his work are exceptional!

For instance, how many people would put forth the effort required to graduate from Harvard, go to law school, pass their bar exam and then decide to pursue a singing career? And then, how many established baritones give up the stage after 10 years to become stock market advisors? Fortunately for us, after 30 years Eliades had found his REAL passion - - the market.

After years of study, Peter's attention became focused on the theory of cycles and in 1975 he began publishing his letter STOCKMARKET CYCLES. It came to our attention through one of our favorite services, RATING THE STOCK SELECTORS (8949 La Riviera Dr., Sacramento, CA 95826). Editor Mannie Weeb had placed Eliades at the top of their list for market timing and said, "Stockmarket Cycles has been most consistently on target. We always want to know which way and how far Peter Eliades thinks the market is going." A letter swap was arranged and we certainly agreed that it was an outstanding service and that the almost daily hotline messages were invaluable. However, there was one major stumbling block! There was no neat and clear statement that the service was bullish or bearish or that this was a BUY or SELL signal. Since we must be precise to be fair in our ranking, we would not be sure that we were objective and correct in our interpretation. Consequently, the letter is not on our TOP TEN list (but this is going to change).

In spite of this, we have recently been sharing some of Peter's comments with you on the hotline and they have been of great help apparently. Enough of you have called or written to get his address to justify putting his picture on our cover. To give you a flavor of his work, we went through the letters for the last year and a half. Looking at last year's predictions in the cold light of history can be very revealing. Here are just a few of the many predictions that were made along with our comments of what really happened:

Aug 6, 1982 (DJIA 784) "Today's weekly work gave a downside projection of 775 plus or minus 8, with the maximum downside being 14 points below today's intra-day low." The market bottom of 769.98 was hit the following trading day (Monday).

Jan 21, 1983 (DJIA 1053) "Both a short term and a very consistent long term cycle are due to bottom next week. Downside projection at 1035 plus or minus 7." The following Monday the market dropped 23 points to close at 1030, the lowest close in 1983. After that it was all UP.

May 20, 1983 (DJIA 1190) "The market is due for another rally next week." The following Monday was the low point and the DOW rose 60 points in 4 weeks.

Aug 5, 1983 (DJIA 1183) "We would not expect a convincing rally to take place until Tuesday or Wednesday. Any move below 1170-1180 is a classic buy area." On Tuesday, 8/9, the intra-day low was 1152. In 9 weeks the market rose to 1286.

Jan 20, 1984 (DJIA 1259) "We have come to a critical level because Monday would allow for slightly lower closes but would have to turn quickly and dramatically upward to avoid lower projections. Should the advance fail to materialize by Tuesday at the latest, traders should stay in close touch with the telephone update." The market did not rally by Tuesday and initial downside objectives slightly under 1200 were given.

Feb 17, 1984 (DJIA 1149) "On an intra-day basis, the worst decline we would expect would call for 1115-20 on the DOW. We would consider such a move to be the best buying opportunity since August 1982." The following Thursday the DOW hit an intra-day low of 1114.95. We have rallied to 1184 in the 3 weeks since then.

Of course, no market timer is 100% correct all the time. However, I would have to give Eliades a rating of SUPERIOR over the past year that I have tracked him. The only turn that seemed to catch him a little off guard was the January high this year. But as you can see from the January 20th quotes above, he moved quickly when the expected lows failed to hold and his clients had ample warning to avoid the big sell-off. You also have to consider that most short term timers were badly whipsawed by the market's frustrating "stop and go" action during most of 1983. Peter proved his mettle in very difficult markets.

For active stock traders , option speculators and Index Futures traders , this letter and the telephone hotline are absolutely essential. For longer term investors , it provides some " fine tuning " and helps confirm or deny your opinion of the broad market picture. The most recent issue announced that Stockmarket Cycles will soon begin to give intermediate BUY and SELL signals for mutual fund switch traders. That's exciting for us because we will then be able to develop a track record for inclusion in the TOP TEN list (and I assume that Eliades will be a consistent member of that elite group).

If Peter continues to create the kind of performance he's had recently , we couldn't fault him if he opened his hotline messages by singing a song. What tune would we suggest? How about , " Nobody Does it Better " .

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