

## Investment Timing

### Purpose

*This is a reissue of previously disseminated information.*

The *CJ* Investment Newsletter deals with the entire spectrum of securities investing, including cash (money market funds), bonds, equities and options. It will evaluate the overall investing environment and then discuss the relative allocations of these asset types, as well as strategies to implement within them. Essentially, it reflects what I'm actually doing with my clients.

These letters are not sent "cold." Either I know you or someone you know gave me your name. Yes, this letter *is* a sales tool. It communicates how I apply my investment strategies, so that you can decide, without any sales pressure, if my thinking is compatible with how you want your money invested. If you're not already a client, I would like to discuss your *becoming* a client. Please call me for more information.

However, that's not its only purpose. Even if you never become a client, if you want this information, I want you to have it – for a while, anyway. My hope is that providing this information and teaching you what I think is important when investing may help you. Please contact me if you have any questions or comments. I'd love to hear your reaction to my letter.

### Quick Look

#### Market



- Even if you can't catch all the peaks and troughs, it still pays to time the market.
- I pay tribute to a friend.

#### Next

#### Expected Move



### You Can't Catch Them All

As all my clients and almost anyone else that understands how I invest knows, I believe in timing investments. My tagline is, "I use fundamentals to decide in what to invest; I use technicals to decide when."

Why am I writing about this? I haven't discussed my investment techniques in a while, so newer readers may not understand how I invest.

The *CJC Indicator* consists, among many other things, of investment bands defined by cycles of specific lengths. I will not be more specific than that. If you knew more, I'd have to kill you to keep it proprietary. I'd really hate to have to do that. As clients know, I'll show them what the *CJC* looks like, but never let a copy of one of my proprietary charts out of my hands.

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The *CJC Indicator* has multiple indicators that are time sequenced and coordinated to provide buy or sell signals simultaneously as often as possible between the indicators. This gives greater assurance that a buy or sell signal is valid. When the signals work properly and say “go” and they are acted upon, it allows us to literally “buy low and sell high.”

But, no system is perfect, as is no person, especially me. I missed selling gold and silver miners last fall because the large, sudden drop in commodities prices caught me by surprise. By the time it was clear what was happening, the damage was done; it was pointless to sell, if you believe (as I do for gold and silver) that the security you’re holding is in a primary bull market. My charting system literally failed to signal. Both gold miners are now profitable; the silver miners lag.

It’s especially difficult to sell sometimes when you think a security will realize greater profits by waiting a while longer, especially if the profits realized by selling now are so small they would not justify the transaction friction (commissions, ticket charges, possibly taxes) to the client. Of course, if you do know when it’s time to sell, you should sell. Considerations such as those above seem petty when the stock you should have sold goes down. Still, as anyone who has worked in securities for anytime at all knows, it’s much harder to know when to sell than when to buy. There are so many ways to “lose” that deciding to sell is a great source of angst.

Not that I’m complaining; I love the challenge of deciding when to buy and sell. Just don’t expect me to tell you it’s easy, even with the *CJC Indicator*; it’s not. Sometimes the technicals miss the signal. Sometimes it’s “operator error,” that is, my fault. But, often it works wonderfully and we make money and/or lower risk.

The “crystal ball” may be murky and temperamental at times and doesn’t always work, but for over 8 years, it’s allowed us to make enough good decisions to know that you don’t have to catch *all* the peaks and troughs to make it worthwhile to time the purchases and sales of securities.

### **Tribute to a Friend**

Tomorrow (4/1/09) is Chris Lester’s last day as the business editor of the *Kansas City Star*. I read his column each Tuesday faithfully, enjoying his analytical mind, his point of view and his sense of humor, not to mention his easy-to-read writing style.

I think the *Star* and Kansas City mass media will be poorer for his absence. Thankfully, Kansas City will still have the use of his talents elsewhere.

Chris was the first person in a major media company to publish one of my articles. It was called “The most regressive tax a government can use” and it appeared in the 6/14/05 *Kansas City Star* Business Section in the guest column slot. I doubted I would ever be published in a publication that leans left like the *Star*, but Chris is one of those rare, open-minded media folks that believes *all* points of view should appear in the mass media.

As I submitted more articles to Chris, we spoke fairly often, and I came to understand a couple of other things about him:

- He really is a moderate; I didn’t think such a thing was possible. He is almost free of extremist ideology; his mind and heart are in the middle – where common sense prevails. Would that we could all say that.
- He really understands economics and the implications of economic data. He was also kind enough to talk to me about these things, jointly try to arrive at some reasonable understandings, even at the expense of his often-precious time – with no payback other than the joy of discovery and meaning.

When Chris and the *Star* published my pharmaceutical cost article in 9/08, it opened the door for me to appear on Fox Business Network twice that September – once about the article and then a couple of weeks later to talk about gold.

Chris believed in my ideas and writing despite some of his own ideas being different from mine. He gave me a chance to be published – 9 or 10 times in the *Star*. He gave Kansas City a conservative voice other editors probably wouldn’t have both in the *Star* itself and in their business blogspace, *Dollars and Sense* (economy.kansascity.com), where I am one of a couple of local money managers who were asked to blog there.

Giving of one’s self generously without seeking payback is almost the very definition of a friend, isn’t it? Thanks for everything, Chris. I really appreciate it. All the best in your new endeavor.

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