

April 14, 2004

# BALTIC FREIGHT RATE

( AND OTHER SPECULATIONS )

- As noted in Thursday's Pivotal Events, the Baltic experienced a fabulous speculation similar to any of the great ones since 1720.
- The following page of charts compares the BDIY action (top chart) with gold (1980) and the Nasdaq (2000).
- Time scales are the same with the peaks of each extravaganza lined up. With the comparable log scale, equal distances up or down are the same percentage changes.
- The charts were done on Monday and as of Tuesday's close it looks as if silver is getting in line with the topping pattern so evident in the historical as well as in the recent blowoffs in nickel, the BDIY, and lead.
- Quite likely the huge leveraged trade against 1% Fed funds has topped.
- The increase in the gold/silver ratio is indicating an important reversal in the financial markets so necessary to launch the real bull market for gold.
- Gold shares are again very cheap.

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