

HIGHLIGHTS 1998-99

1998

The highlights of 1998 were the successful testing of two models.

- The Boom Indicators reversed to a warning in March and anticipated the summer top by 3 months.
- The Bank Trading Guide provided a dramatic sell signal some 4 weeks before the top. The selloff in most bank indexes ranged between 30% to 40%.
- Tom Peterson's independent work identified the top in July and projected a 20% decline in the S&P (✓).
- Tom recognized the bottom in early October and called for the resumption of the bull market.
- After a possible crisis in credit spreads in August-September, the panic was likely to end in October. The adverse trend ruined LTCM.
- After October, spreads were expected to return to narrowing (✓).
- The Boom Indicators started to recover in October and by 1Q99 had returned to a positive reading.

1999

- The highlight was Peterson's Portfolio of "Top Picks". Up 151% for all of 1999, this includes long recommendations only without leverage or options.
- The Boom Indicators were positive during the year and reached their best reading at +12 (+14 is max) at the end of the year.
- The work of both Tom Peterson and Ross Clark methodically identified the buying opportunity in October.