

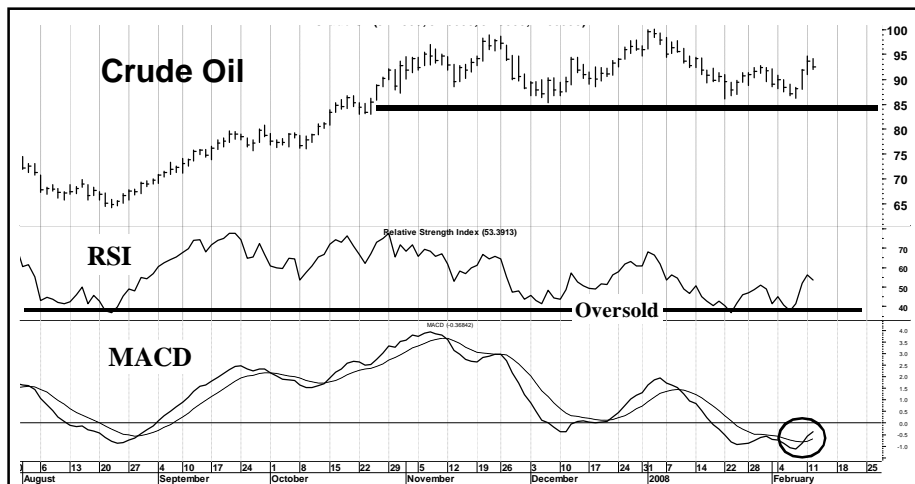
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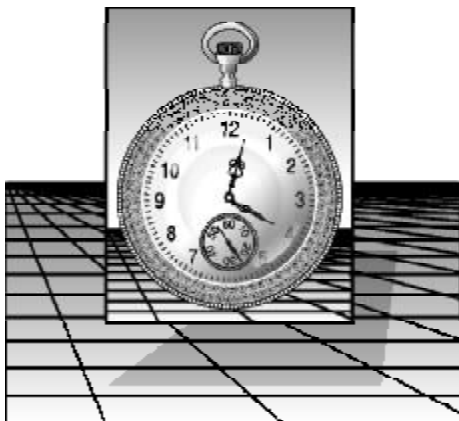
Only A Few Shopping Days Left



The next issue will be published March 5.

- It is all but impossible to drill for oil without Baker Hughes.

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Crude oil has been soft, as we anticipated, but this seasonally weak period is coming to an end. Prices have consolidated nicely, and our technical tools are beginning to give off positive signals. Note, for example, that MACD has turned positive (first signal), and the bottom of the consolidation has formed neatly at the higher end of our downside price expectation of \$80.00 - \$85.00. Spring is approaching; and by the end of March, I look for crude oil to be established in a new rally phase.

In perusing our buy-and-hold list, I see that all of our energy stocks traded at or below their respective buy prices over the last few weeks. The exception is the “stink bid” to buy **Enerplus** (ERF-NYSE-\$39.74) at \$25.00. That bid will remain unchanged for reasons stated in the January mid-month letter when we recommended it. Our more recent recommendations – **Schlumberger** (SLB-NYSE-\$81.49) and **Baker Hughes** (BHI-NYSE-\$64.77) - have reached their respective buy levels. Baker still qualifies as we go to press. I suggest that you buy Baker at \$65.00 or less as amended in our January 31 online update. It is an excellent company that is on a strong growth path. However, due to a weak overall stock market and a “disappointing fourth quarter earnings report,” its price has been pushed back to solid long term support just under \$65.00.

The earnings game is one of the silliest and most distractive things you will see on the Street. Analysts guess what the earnings reports will say. Of course, “earnings” are whatever the company’s accountant wants them to be. Nevertheless, attention is focused on whether the accountant’s report agrees with the analysts’ guesses. This time, Baker reported \$1.26 a share for the quarter while the analysts were looking for \$1.28. The stock fell before we published our letter, so you reaped the benefit of the lower price.

It should not be assumed that the recommendations made in the future will be profitable or will equal past performance. A list of all recommendations made by this advisor within the past 17 months will be furnished upon request. Professional Timing Service and/or associated individuals will from time to time have positions in the investments mentioned and recommended in this newsletter. All rights reserved - copyright © 2008 by Professional Timing Service.

