

**PROFESSIONAL
TIMING SERVICE**
Creating Profit

info@protiming.com • Tel: 800-778-3333 • WASHINGTON, DC 20007 • (900) 800-8333

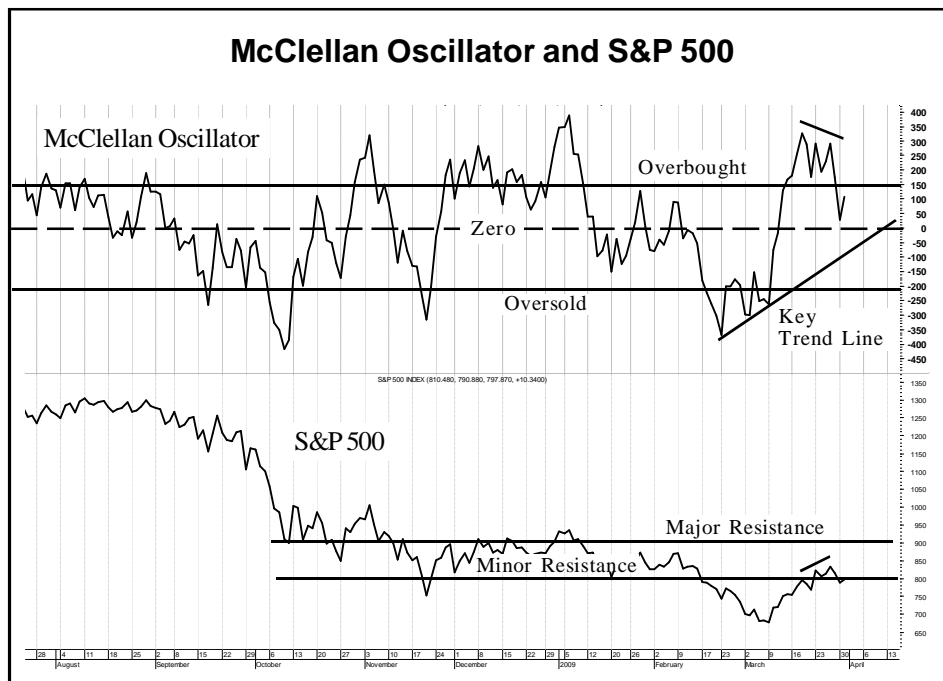
The next issue will be published April 15.

- **The recent strength in copper is important.** Page 3
- **Gold.** Page 4
- **My top picks are Goldcorp and Kinross.** Page 5



www.protiming.com
e-mail: info@protiming.com

Time For A Little Profit Taking



It is time to settle in for some selling. This is going to be a technical thing only. The first phase of the rally has gotten off to a decent start, but it is time for prices to cool off before moving higher. I don't expect this correction to amount to much. It may well offer an opportunity for us to add to some of our commodity-enhanced positions as I look for the profit taking to be broad-based.

The McClellan Oscillator has become quite overbought, as you can see. I do feature the oscillator in the Tuesday and Thursday updates; and if you Google "McClellan Oscillator," you will find a wealth of information on the oscillator's computations and application. You can also go to StockCharts.com and use the symbol \$NYMO to bring up a daily chart. This "normalized" chart will differ somewhat from the one I keep, but the patterns will be the same.

The fact that the oscillator is overbought is not necessarily a signal to sell, but it is a warning. The next price decline will often begin after a period of negative divergence ... but not always. A drop below the zero line is the official sell from this indicator, but a break of the trend line usually produces a better signal. Regardless, it is too late to buy anything at this point. Do not chase strength.

Our short term Palio model is holding on to its previous sell signal, and it has refused to turn positive thus far. The Nasdaq Slow Tracker will officially generate

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 © 2009 by Professional Timing Service.



a positive signal if the Nasdaq Composite trades at 1,599. So far, the Composite has only come close. My bottom line take is that we will see prices back off early this month. The rally will then catch its breath and resume. I expect to see Palio and the Slow Tracker kick in during this resumption.

Although I expect some minor weakness here, it is my opinion that it is too early to aggressively sell. We will suffer through this consolidation as well as a couple of additional selloffs before encountering the culmination later this summer of the “Obama rally.”

My work is pointing to some weakness again during May and a more serious correction in July. However, the rally should struggle on into late August – early September, where I look for the rally to terminate. September and October look disastrous. I believe that once the highs are in, the averages will fall to new lows.

Don't get too anxious about weakness this month. Again, there are higher prices coming this summer. The question is, just how high? I look for the S&P 500 to find support in the 740-775 zone, and then it should recover to 900 where the next serious level of overhead resistance will be. Beyond that, it is difficult to tell. Once beyond 900, it will be better to rely on our Palio and Slow Tracker models to call the turns.

There is a technique I like to use called “comparative strength and weakness.” It will help you put these highs to best use. The method is simple. As the averages approach our forecast highs, review your positions and see which ones are keeping up and which are not. The laggards are the best sale candidates. Note the difference between **Arch Coal** (ACI-NYSE) and **Alliance Resources** (ARLP-OTC), for example. Arch is dead in the water while Alliance has followed the market quite well. Between the two, Alliance is comparatively strong while Arch is comparatively weak. Arch would be the sell candidate, and it's certainly not a good choice for purchase. Incidentally, I believe it is a bit early to get too excited about coal, but Alliance is on our recommended list as a buy at \$25.00 or better.

This technique is useful in selecting stocks within a sector or in comparing stocks to the market overall. I also like to compare issues to a representative ETF if one is available. As a general recommendation, I suggest that you hold your commodity-advantaged issues and use strength this summer to liquidate issues not advantaged by higher commodity prices. Until the Dow/gold ratio falls under 5, you will find the best returns in commodity-related investments. You will find that the junior minors are by and large laggards still, and one can make a comparative strength argument against some of them. Nevertheless, I do not recommend that you sell those on our list. I'll write more about the juniors later.

Stick with tangibles until the Dow/gold ratio falls under 5. That will be a warning to begin doing your homework on where you are going to shift your money. The ratio will likely fall under 2 before the commodity bull is finally over; but once under 5, it will be too late to buy into the commodity bull on a long term basis. It will be time to study how and where you are going to liquidate and specifically what investments you will be shifting into.

The ratio will not fall under 5 any time soon. I see another 5 to 7 years left before the commodity bull and stock bear is over. Once we see the highs in the popular averages late this summer, the averages will fall to new lows. I would not be surprised to see the S&P 500 fall to 400 before the stock market bear is finally over. Your best opportunity to prepare for this is to sell financial/paper assets during the current rally.

The recent strength in copper is important. Copper bottomed out in December at \$1.30. We got a “buy” from our Critical Price Point (CPP) model at \$1.49. The CPP model is purely objective, and it cuts through subjectively-laced fundamentals. The CPP model could care less what anyone “thinks.” Recently, copper hit \$1.88 basis June futures. The importance is not the rally in copper as much as what it implies. Copper often leads the base metals, and it’s telling us that although the U.S. is destined to languish in the current economic morass, some economies are beginning to recover. The epicenter of recovery, not surprisingly, is in Asia.

Economic recovery in Asia is going to support higher commodity prices across the board; but most important, it is going to impact energy prices. Crude oil is already moving higher, and our CPP work at this writing is positive. In a micro sense, crude looks like the rest of the markets - a little overbought. We may well see some further profit taking this month. If so, weakness will be a buying opportunity in energy.

Over the next 24 months, you are going to see a surprising jump in fuel consumption in China and India. Tata’s new \$2,000 car is a big hit. It is being called India’s Model T. All of these cars are going to need paved roads and gasoline. Only 1 in 20 people in China own a car, and only 1 in 100 in India own one. Cars are now affordable. In January, the Chinese bought more cars than anyone else in the world.

The per capita oil consumption in China and India is about 1.6 barrels a year. In contrast, oil consumption in Taiwan is 17 barrels a year. As their standard of living continues to improve, per capita consumption is going to increase dramatically in Asia. Don’t lose the fact that Asia has a huge number of “capitas” as well.

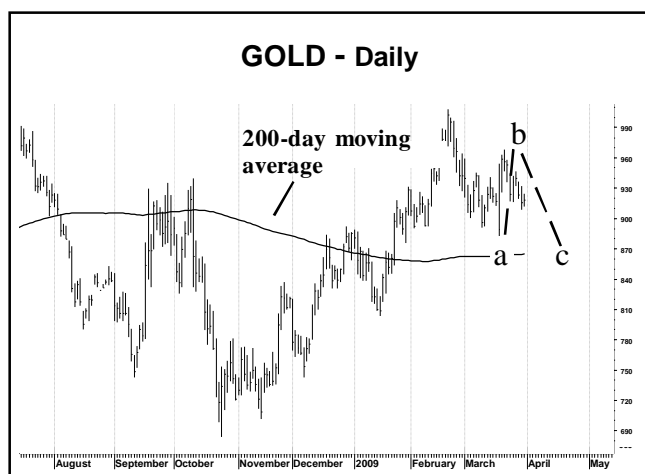
I have reviewed the energy stocks on our list and have adjusted a couple of the downside buy prices on Page 6. As a short aside, I do not necessarily expect to see the downside buy prices reached. Those prices are levels where one should buy if reached - and they are to be considered maximum buy prices in any case. Buying right will not guarantee against loss, but it will go a long ways toward managing risk in the long run.

I recommended **Advantage Energy Income Fund** (AAV-NYSE) as a speculative position last month at \$2.30 or better; but on March 19, they announced that they were going to convert to a growth-oriented corporation. The stock dropped from a high of \$3.03 to \$2.34. I pulled the recommendation on the update that evening pending a chance to review the specifics of the news. It is not a good sign when price crashes on news. After looking it over, it is my opinion that we can find a better speculation. If you jumped the gun or don’t keep up with the online updates, I would take a profit here if you can. In any case, use a stop at \$2.05.

A little less speculative is our old friend **Enerplus** (ERF-NYSE-\$16.37). I have had a buy price of \$15.00 for some time. We have had several opportunities to buy there over the last couple of months, and \$15.00 or better is still an excellent place to buy Enerplus.

My favorite major is **Apache Corp.** (APA-NYSE-\$64.09). I feel they are the only major worth including in your portfolio. They operate in relatively “safe” regions in the world and are very good at profitably squeezing oil out of played-out fields. Buy Apache at \$60.00 or less.

Crude oil has some support at \$45.00, and it may well settle back there. Crude tends to consolidate during late spring and early summer before moving strongly up to highs in October. Here are a couple of things to think about for the longer term. According to one study I saw recently, 87% of the increase in crude oil prices can be explained by the increase in money supply. Also, there is no risk premium priced into this market; and with the latest brouhaha from Iran over Iraqi pipelines crossing their territory, we may see \$15.00-\$20.00 suddenly added to crude prices if the bad guys begin to act up in the Middle East.



Profit taking induced weakness this month will likely bring gold off one last time. I wrote about the importance of the three highs at the \$1,000.00 an ounce area last month. I fully expect those highs will be exceeded; and once that occurs, the best precious metals opportunities will be left behind ... with one exception – the juniors. Nevertheless, I am looking for another drop in gold, perhaps to as low as \$850.00. This will complete an a-b-c correction and set up a superior launch point for the next rally through \$1,000.00. There is very nice support at \$850.00-\$860.00 basis April. It is apparent that the next negative CPP number for gold is \$882.60 April basis (see Page 2 of the Tuesday and Thursday updates).

If prices fall back to support, the CPP work will turn negative. I cannot forecast where the next positive CPP point will be. My feeling is that support will hold a drop through \$882.60 in this case. One can buy into weakness at our downside buy prices, which is what I recommend. Or, you can wait for the CPP model to move back to positive on gold. This strategy will likely leave you behind the curve, though. Don't panic if prices fall off to support. I, for one, am going to add to my positions if it does. I will perhaps add some more once the CPP kicks in positive again.

The fuel that will propel gold above the \$1,000.00 highs will be a sudden drop in the U.S. dollar. The technical action the other day when Treasury Secretary Geitner “deep sixed” the dollar by commenting positively on China’s suggestion that the world should consider a new reserve currency is all the evidence you should need of the precarious position the U.S. dollar is in. The Secretary was able to jawbone and backpedal the problem away, and the dollar recovered. Weakness in equities this month will involve more deleveraging, and it will be accompanied with some short term firmness in the dollar while gold completes the a-b-c correction I am expecting.

My technical work in the dollar is negative nonetheless, and it is simply a matter of time before something dynamic occurs in this market. It will be sudden and savage. If you wait for it, it will be too late. You need to prepare for future dollar depreciation now, not later. How? Buy gold during the next decline.

Consider that the Fed has monetized \$1 trillion thus far. They announced that they were buying \$700 billion in agency bonds (which the Chinese hold a lot of) and \$300 trillion in Treasuries. This does two things. One, it artificially pushes bond prices higher short term and supports artificially low yields. Second, it substitutes the government for absent investors. Monetizing debt in this way adds incentive for foreign holders. They are encouraged to stand aside on the auctions, thus increasing the need for the Fed to further monetize future auctions. Ask yourself - who should trust in the full faith and credit of the world’s largest debtor? Bottom line, don't invest long term in bonds, and hedge against further depreciation in the U.S. dollar.

The monetization movement is not only domestic. The British call their Treasuries “Gilts.” They had a Gilt auction late last month; and in a word, the auction “failed.” There were not enough buyers to take up the issues being sold. The British government stepped in to pick up the slack. Monetization of debt is self-perpetuating once started, and it is very, very inflationary, pure and simple.

I believe the U.S. dollar will fall 35% over the next 18 to 24 months, and gold will be the primary beneficiary. For wealth protection, stick with gold. Base metals are fine; but in order to protect yourself from a long term erosion in the purchasing power of the U.S. dollar, I prefer to stick to the heart of the matter. Clyde Harrison teaches that currencies do not float, they sink - just at different rates. We will be seeing a great race among them as they all head for zero. Gold is money, and it is the only currency that is not going to depreciate.

I have reviewed the buy prices for our favorites on Page 6. My top picks are **Goldcorp** (GG-NYSE-\$33.32) and **Kinross** (KGC-NYSE-\$17.87) at \$22.50 and \$12.50, respectively. We still have not gotten down to our buy price for **Royal Gold** (RGLD-OTC-\$46.76). Stick with the downside target at \$32.50. Incidentally, these issues have all shown very decent comparative strength during this rally.

I removed **Central Gold Trust** (GTU-NYSE-\$42.95) from the recommended list because it has not reached our buy price of \$36.00. I have it on my radar, but let's see what goes with the correction in gold. You have to be careful with this one as it carries a hefty premium to its underlying net asset value per share.

I am putting the **iShares Silver ETF** (SLV-NYSE-\$12.79) on a hold rating and have adjusted the sell stop up to \$12.25. If the stop is hit, we will take a little profit and look to re-establish the position at a better price.

As for the juniors on our list, some are on hold. That is what you should do with those issues - continue to hold them. If you are interested in some speculative positions, **Nova** (NG-NYSE-\$2.76) should be bought at \$2.10 or better. I am raising the buy price on **U.S. Gold** (UXG-NYSE-\$2.04) to \$1.40 and **Great Basin** (GBG-NYSE-\$1.27) to \$1.00. The rest will stay on hold for now.

Some thoughts on the economy. Countries that go to a fiat standard with no gold or silver backing to their currency have never made it past the 40-year mark without a severe inflationary panic. Nixon took us off the gold standard in 1972. You do the math. We are running short on time and should be preparing for the likelihood of hyperinflation.

During 2009, we will see the end of a brief spate of cheap natural resources. In the future, growth will not be a plausible corporate goal any longer. Rather, survival, maintaining the status quo, and avoiding contraction will be the goals of successful corporations. The key to becoming tomorrow's stock market star will be the ability to generate predictable profits and produce tangible returns for investors. The investment world is going to become much more conservative over the next 10 years. The secular bear that began in 2000 will not end until the Dow yields 6% to 7%.

I like tangible assets, but I am not ready to jump into the real estate market. I will expand on real estate in a future letter, but it certainly looks like the commercial market - office and retail space, etc. - has not suffered the liquidation necessary to adjust prices back to reality. Commercial real estate and its associated derivatives have yet to implode.

How might the U.S. become a global economic powerhouse again? Could you imagine what it would be like if the U.S. became a tax haven? Just wrap your mind around the incredible implications of that.

I have had so many flattering e-mails from subscribers congratulatory about my retirement, but also concerned. Thank you for your kind sentiments. One question I have been asked is whether I will offer some suggestions as to alternative newsletters. I am working on this and will have some information for you in this regard later in the year. There is still some time left until March 31, 2010.

Incidentally, I have posted several booklets on the Web that you can access if you are interested. Those who subscribe through Forbes can log in to Professional Timing Service at the Forbes' newsletters site and find the booklets in the "Special Reports" folder. Direct subscribers can find the booklets after logging in to the "Subscriber Services" section at protiming.com.

As announced, I am retiring and will cease publication of this newsletter on 3/31/2010. You can extend your subscription to that date at \$16.25 per month, online only. If you are interested in doing this, send me an e-mail at info@protiming.com and I will get back to you with a summary of your current subscription and the cost to extend.

Recommended Stocks For Buy And Hold

Note: You can get quotes on Canadian stocks in Canadian dollars by using the symbols we have listed at www.bigcharts.com. Thus, if you want a quote for Peyto Energy, go to www.bigcharts.com and type in CA:PEYUN. You can approximate the price in U.S. dollars by multiplying the Canadian dollar quote by .79. You should buy at or below the posted downside buy price. The downside buy price does not imply that this level will necessarily be reached, but that this is the maximum price we recommend that you pay for the issue. Changes since our last posting are in bold letters.

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 3/31/09	Downside Buy Price	Div 3/31/09	Target-T Stop-S	Web Site
U.S. \$									
Agnico-Eagle	AEM	NYSE	1/10/2007	36.00	56.92	39.50	0.32%		agnico-eagle.com
Alliance Res	ARLP	OTC	9/29/2004	27.98	29.10	25.00	10.14%		arlp.com
Apache Corp	APA	NYSE	3/5/2007	68.00	64.09	60.00	0.97%		apachecorp.com
Baker Hughes	BHI	NYSE	2/5/2008	64.63	28.55	30.00	2.04%		bakerhughes.com
Baytex Energy	BTE	NYSE	5/18/2004	9.00	12.07	10.50	9.73%		www.baytex.ab.ca
Blackrock	BGR	NYSE	8/3/2005	25.99	15.36	15.00	10.69%		blackrock.com
Central Fund Can.	CEF	NYSE-Alt	12/1/2008	9.50	11.92	HOLD	0.08%	S=\$11.09	centralfund.com
CurrShrs. Eruo ETF	FXE	NYSE	8/22/2008	148.57	132.87	HOLD	0.53%	S=\$124.00	currencyshares.com
Enerplus Res.	ERF	NYSE	11/20/2008	19.00	16.37	15.00	10.95%		enerplus.com
Gabelli Glob. Gld.	GGN	NYSE-Alt	1/3/2006	22.10	15.68	13.10	11.13%		gabelli.com
Goldcorp	GG	NYSE	7/24/2008	40.00	33.32	22.50	0.54%		goldcorp.com
iShares Silver ETF	SLV	NYSE	12/15/2008	10.56	12.79	HOLD	n/a	S=\$12.25	ishares.com
Kinross Gold (1)	KGC	NYSE	6/6/2002	2.39	17.87	12.50	0.45%		kinross.com
Kinross Gold	KGC	NYSE	1/4/2007	11.00	17.87	12.50	0.45%		kinross.com
Mkt. Vectors, ETF	GDX	NYSE-Alt	9/11/2006	37.00	36.88	24.75	n/a		n/a
Pimco Com. Fund (2)	PCRAX		3/2/2005	11.89	6.06	HOLD	5.14%		pimcofunds.com
Royal Gold	RGLD	NYSE	Buy at \$32.50		46.76	32.50	0.72%	S=\$22.70	royalgold.com
Schlumberger	SLB	NYSE	1/18/2008	75.00	40.62	35.00	2.06%		slb.com
Ship Finance (3)	SFL	NYSE	3/6/2007	0.00	6.56	HOLD	19.08%		shipfinance.org
Silver Standard	SSRI	OTC	1/4/2007	30.00	16.12	10.05	n/a		silverstandard.com
Silver Wheaton	SLW	NYSE	3/10/2006	8.40	8.23	5.05	n/a		silverwheaton.com
Spdr Gold Trust	GLD	NYSE	9/11/2006	58.85	90.28	84.00	n/a		n/a
Transocean (4)	RIG	NYSE	1/4/2007	75.00	58.84	49.20	n/a		deepwater.com
Yamana	AUY	NYSE	4/14/2005	2.90	9.25	6.00	0.45%		yamana.com
Valero	VLO	NYSE	4/26/2005	36.63	17.90	HOLD	3.45%		valero.com
Canadian Dollars									
Altius Minerals	CA:ALS	TSX	8/9/2007	17.88	6.89	HOLD	n/a		altiusminerals.com
ARC Energy	CA:AET.UN	TSX	9/8/2008	25.85	14.15	HOLD	10.59%		arcresources.com
Crescent Point En.	CA:CPG.UN	TSX	9/16/2008	30.20	26.36	24.00	10.95%		crescentpointenergy.com
Great Lakes Hydro	CA:GLH.UN	TSX	12/17/2008	15.99	15.77	16.00	7.92%		greatlakeshydro.com
Peyto Energy	CA:PEY.UN	TSX	7/18/2003	8.75	7.79	HOLD	19.20%		peyto.com
Silvercorp Metals	CA:SVM	TSX	1/21/2008	8.00	2.84	HOLD	2.81%		silvercorp.ca

(1) On 2/27/07 Kinross acquired by exchange for Bema originally purchased at \$1.06 on 6/6/02

(2) PCRAX paid a distribution of \$2.08931 on Dec 08, 2008 thus reducing our purchase price by this amount.

(3) Ship Finance Intl. was acquired as a spinoff from Frontline 3/6/07

(4) Transocean merged with Global Santa Fe on 11/27/07 receiving .6996 shares in the new Transocean, plus \$33.03 in cash.

Buy And Hold Junior Gold & Silver Stocks - The Option Alternative

Company	Symbol	Exchange	Initial Recom. Date and	Price	Price 3/31/09	Downside Buy Price	Div	Target-T/ Stop-S	Web Site
U.S. \$									
Coeur d'Alene	CDE	NYSE	9/2/2003	3.19	0.94	HOLD	n/a		coeur.com
Endeavor Silver	EXK	NYSE-Alt	7/26/2007	4.60	1.55	HOLD	n/a		edrsilver.com
Great Basin Gold	GBG	NYSE-Alt	12/21/2007	2.45	1.27	1.00	n/a		greatbasingold.com
Nova Gold	NG	NYSE-Alt	2/29/2008	11.50	2.76	2.10	n/a		novagold.com
Taseko Mines	TGB	NYSE-Alt	7/24/2006	2.40	1.25	HOLD	n/a		tasekomines.com
US Gold Corp	UXG	NYSE-Alt	9/9/2005	1.70	2.04	1.40	n/a		usgold.com
Canadian Dollars									
Everton Res.	CA:EVR	TSX	1/4/2007	1.30	0.08	HOLD	n/a		evertonresources.com
Golden Valley	CA:GZZ	TSX	2/20/2007	0.50	0.09	HOLD	n/a		goldenvalleymines.com
Laramide Res.	CA:LAM	TSX	3/16/2006	5.20	1.32	HOLD	n/a		laramide.com
Mega Uranium	CA:MGA	TSX	5/1/2007	6.75	1.43	HOLD	n/a		megauranium.com
UTS Energy	CA:UTS	TSX	5/15/2006	6.50	1.70	HOLD	n/a		uts.ca
Minera Andes	CA:MAI	TSX	9/11/2006	1.20	0.70	HOLD	n/a		minandes.com

C\$ Denotes Canadian dollar. Quotes for Canadian stocks can be obtained on the U.S. OTC Bulletin Board (pink sheets) with the following symbols. I want to caution you, however, that OTCBB quotes are not always current. They can be a day or more old at times. You should take the quote in Canadian dollars (as described above) times .79 to see if the OTC quote looks correct. You can access these OTCBB quotes by using www.barchart.com.

Peyto Energy-PEYUF Laramide-LMRXF UTS Energy-UEYCF Minera Andes - MNEAF

Target-T A price in this column preceded by "T" represents the price at which you should liquidate the position and take profits. **Stop-S** A price in this column preceded by "S" represents the price at which you should place a sell/stop. Do not short on the target price or the stop price. There will not always be a target or stop price listed. For a further definition of a sell stop, see the Welcome Letter.