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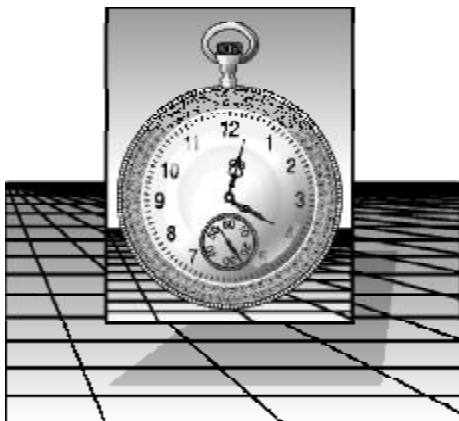
PROFESSIONAL TIMING SERVICE

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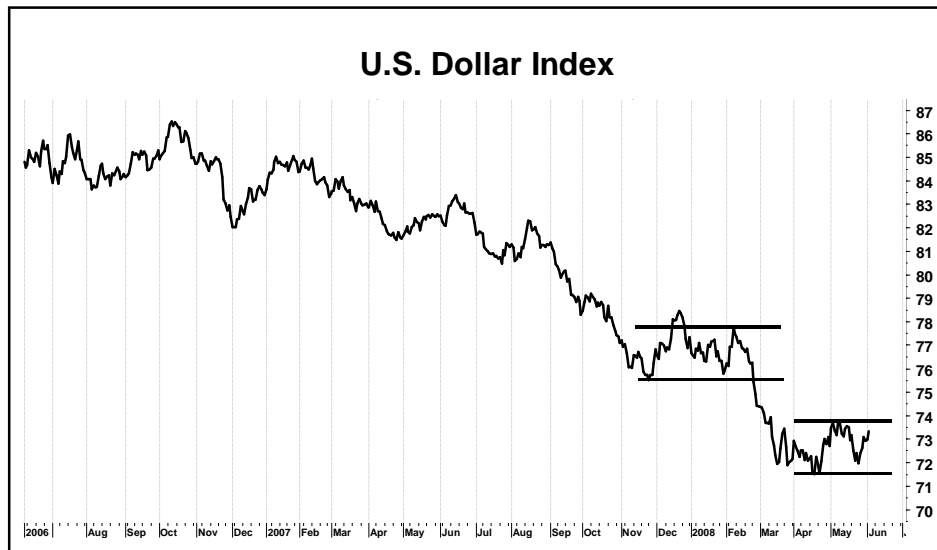
The next issue will be published June 19.

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The Golden Age Is Far From Over



The value of the U.S. dollar has continually eroded since 1913 when the Federal Reserve was formed, and it will keep on depreciating over the long term. The trick is to find which asset class - tangibles or financials - will give you the advantage at any given time versus holding dollars and suffering this erosion. Sometimes it is best to convert your dollars to financial assets like stocks and bonds. Sometimes it is better to invest in tangible, non-financial assets. Simply being in the correct asset class will account for 85% of your investment success.

Knowing which asset class to be in is amazingly easy if you monitor the Dow/gold ratio. This is the ratio between the ultimate representation of financial assets, the Dow Jones Industrial Average, and the quintessential real asset, gold. The ratio topped out in 2000, well over 40. It has since fallen to about 14. During this time, tangible assets – commodities – and those stocks advantaged by rising commodity prices have outperformed ordinary stocks and bonds by a huge margin. This will continue to be the case until the ratio falls under 5. In fact, the 5 level will only be a yellow caution light that it is time to begin looking at shifting out of tangibles. I believe the ratio will fall to 2 before the commodity bull is finally over.

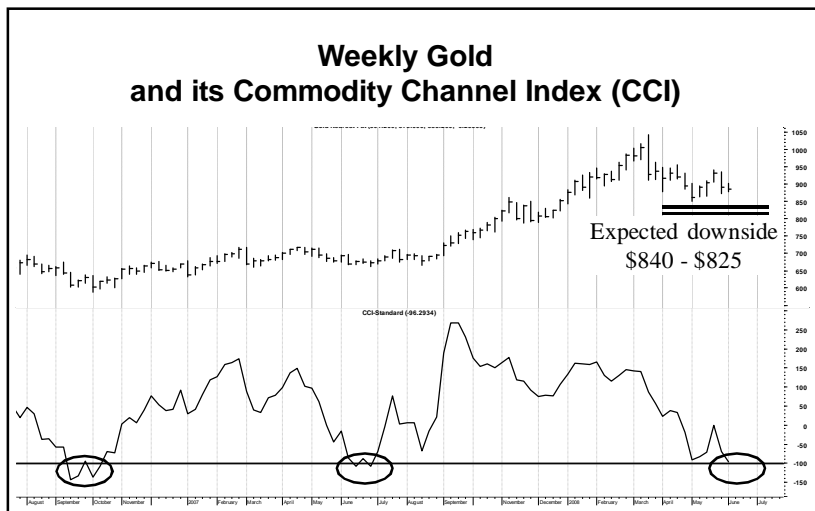
Over the short term, the value of the U.S. dollar can give us some timing clues and assist us in finding advantageous buying points in commodity-related assets - especially gold. That is due to the fact that gold is real money; and as the dollar falls, gold will rise. Not much is certain in the markets, but this relationship is cast in stone.

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.

After falling significantly during 2007, the U.S. dollar, as represented by the U.S. Dollar Index, stalled out during December-February between 76.00 and 78.00. This is an index derived from the relative value of the dollar against a basket of other currencies. It then took a steep drop to 71.50 when the current trading range began. The index is now bounded between 71.50 and 74.00. Our Rydex dollar trading program kicked in with a trading buy on May 2; but so far, not much has come of this trade one way or another. Frankly, I don't expect anything but a continuance of the trading range until August when the next down leg is due to begin.

This dollar trading range has been accompanied by a general correction in the commodity sector, including gold. This is as it should be. It is important for you to understand that this is only a correction in an ongoing bull market - like that earlier this year when the dollar decline stalled out. We are beginning to hear all sorts of bearish commodity talk from the media, as you always do when prices correct. You must firmly understand that this commodity bull is not a "bubble." It will become a "bubble" eventually, but not for some time yet - not until the Dow/gold ratio falls under 5.

Gold has been pulling back after running over \$1,000 an ounce in March. This is in line with seasonal tendencies and the recent trading range in the dollar. This correction is a normal occurrence in an ongoing bull market. We will see more rallies and corrections along the path of this bull. Corrections are buying opportunities.



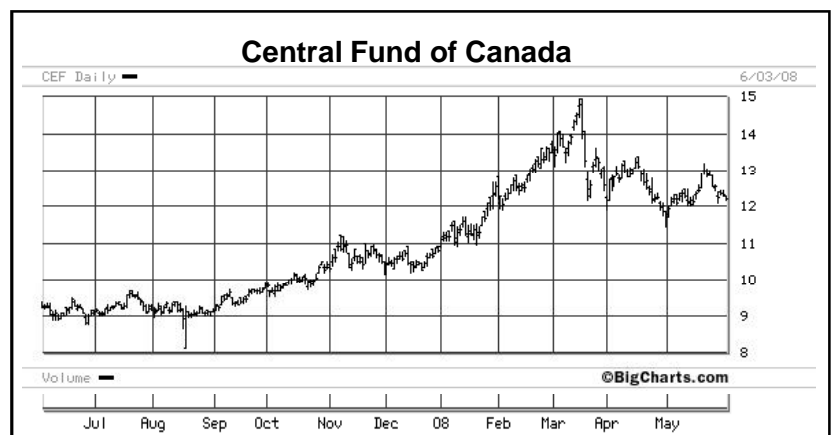
We likely have a little more time in this gold correction before the next bull move begins, but prices look close to making lows soon. I have been forecasting \$840-\$825 in gold for some time, and we have seen prices as low as \$850 basis August. I do believe the \$850 level will be challenged, and this will trip sell stops just under that level. The result will be a final washout, taking prices into support at \$840-\$825.

As we see additional weakness in gold toward our downside expectations, the

weekly Commodity Channel Index should drop to -100 or less. You will note the buying opportunities this has signaled in the past.

Here are two ways to exploit this. First is to have open orders in on the **StreetTracks Gold ETF** (GLD-NYSE-\$86.88). I am moving the buy price to \$83.00. Your long term capital gains from ETF's that invest in commodities will be taxed at 28% rather than the more advantageous 15% you will pay on stocks. Consequently, you might want to confine your investments in GLD to tax-deferred accounts.

Another precious metal "bullion fund" that I am adding to our list is **Central Fund of Canada** (CEF-AMEX-\$12.20). It holds 98% of its assets in gold and silver bullion with approximately 50% in gold and 48% in silver.



Central Fund is not an ETF; it's a closed-end mutual fund. As a closed-end mutual fund, CEF trades during the day like an ETF does, but long term gains are taxed at a minimum of 15% rather than 28%. They do not lease out bullion, and the bullion is held "in the highest security rated Treasury vaults at a Canadian chartered bank on an allocated, segregated, and insured basis." There is a small premium to net asset value of about 4%. You can get specifics at their Web site centralfund.com. If you would like a nice, easy way to invest directly in gold and silver bullion, put your open orders in to buy CEF at \$11.05 or better.

I have changed a few of the downside buy prices for our gold and silver stocks on Page 6. Specifically, I want to point out the change for **Goldcorp** (GG-NYSE-\$39.50). I am raising the buy price to \$35.10. **Kinross Gold** (KGC-NYSE-\$19.41), my current favorite among the major gold producers, has fallen back under our \$20.00 buy price and warrants consideration in your precious metal portfolios. If you already have some and are looking for a good place for a deeper bid, put a GTC order in at \$18.00 or better.

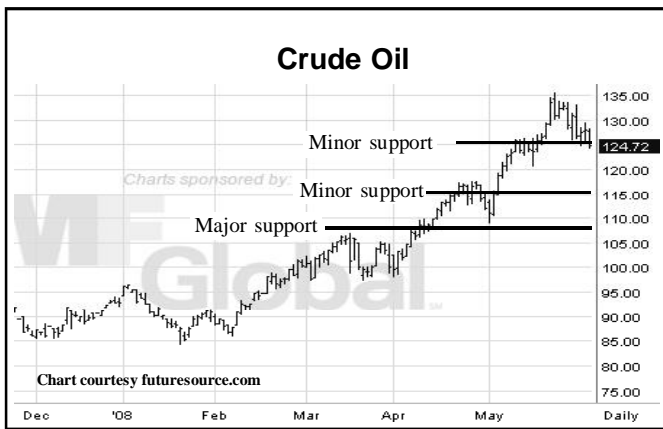
Silver should not go unnoticed in all of this. The Central Fund of Canada holds close to a 50/50 split between gold and silver. I look for more weakness in silver as well as gold before the current correction is over. My long held downside expectation for silver is still \$15.50 to \$15.00 basis July. That may sound like a little too much, but silver is more volatile than gold and has formed minor support at \$16.50-\$16.00, under which lie a lot of sell stops. Once the stops get triggered, prices can easily fall another \$1.00 to major support. The key is to buy into this weakness. Again, see Page 6 for downside buy prices.

In the silver sector, I particularly like **Silver Wheaton** (SLW-NYSE-\$14.27) and **Silver Standard Resources** (SSRI-OTC-\$28.80). Both are trading near their respective buy prices. If you already own these yet feel under invested, hang on to what you have and consider putting in some deeper open orders at \$12.00 for SLW and \$26.00 for SSRI. I have a friend that calls these "stink bids," but sometimes you can snag a good one during a brief selling panic if you are there waiting ahead of time. Nevertheless, once the precious metal correction is over, we will do very well with both of these silver producers.

The juniors on our list are not likely to perform as well as the majors during the next rally phase - for reasons espoused in previous letters. There will come a time, though, when mergers and acquisition activity will heat up among the mining companies. These will all be potential takeovers at that time. The reason is that it is still cheaper and safer for the majors to augment reserves by acquiring depressed juniors for their proven but undeveloped assets rather than exploring for new deposits on their own. Those not on a "hold" rating are good speculations, but I anticipate it will take another year before they come into their own.

The weak dollar, of course, influences the value of crude oil - but more indirectly than it influences the precious metal market. The real crux of the price of crude oil is that global demand is running ahead of supply. Pre-election posturing aside, there is nothing the politicians can do about high crude prices. Production in exporting countries is on the wane while their domestic demand is increasing. When push comes to shove, they will export only if they have excess beyond their domestic needs.

I have mentioned the plight in Mexico on the online updates recently. They are beginning to suffer from peak oil syndrome, and they have announced that they will ship 184,000 barrels a day less than they anticipated to the U.S. this year due to declining production. Mexico represents 14% of America's imports, and they will likely cease all exports by 2015. Indonesia (an OPEC member) and the U.K. both used to be net exporters and are now net importers due to peak oil. This will become much more common in the future with exporters. China - who used to export crude and is now a net importer - has worked hard in making arrangements with energy exporters to insure future supplies. The U.S. has been negligent in this regard - other than endeavors to



colonize Iraq. Within the next 10 years, the U.S. will suffer from supply unavailability. High prices may be the least of our problems in the long run.

In the May 27 online update, we recommended selling **Energy Split II** (EN-TSX-C\$12.95) at \$13.50 or better. Since that update, Energy Split has not reached that level, but we continue with that recommendation. Many of the Canadian Trusts did fairly well in the recent crude rally, but Energy Split lagged the pack badly. It is time to cull out this week sister from our portfolios.

I think we can now officially say that gasoline costs \$4.00 a gallon. The next step will be \$5.00, and then \$6.00. How soon is an open question, but we could see \$5.00 this year. At this point, the crude oil rally which pushed prices to \$135.00 in May is taking a necessary breather, and prices have come off to the first level of minor support at \$126.00 basis August. I am expecting that this will be broken and we will see \$115.00 - and then perhaps even another drop to major support at \$110.00-\$108.00 basis August futures.

These resistance and support levels are not difficult to ascertain on the charts. Old highs and consolidations offer support, and old lows and consolidations offer overhead resistance. This is not an exact science, of course, but it's very helpful in discerning where rallies will stall and corrections will find footing in the future.

We recently recommended **Valero** (VLO-NYSE-\$52.11) and **Frontier Oil** (FTO-NYSE-\$31.54). You can review the past couple of letters on this. Valero is still selling close to our buy price of \$51.50, but Frontier has moved up to \$29.00 of late after dipping under our \$25.00 buy price earlier in May. I like both of these.

As crude sells off this month, I expect to see some relief in the price of gasoline, at least on the wholesale end as represented in the futures market. I do not expect to see a commensurate percentage decline to match that in crude. Gasoline will hold up in price much better than crude, and refining margins will improve.

There has been a lot of hype concerning the Bakken area in Montana and North Dakota. The talk is that there are 200 to 500 billion barrels of oil there. This is creating some excitement, much like that around the Jack Well in the Gulf a year or so back. Yet the USGS says that only 3.0 to 4.3 billion barrels in the Bakken are recoverable due to the formation and other difficulties involved. This isn't a panacea with U.S. consumption at 7.3 billion barrels a year and world production declining at an accelerating rate. Bakken will not reduce the price of oil or solve our domestic energy problems. All in all, there will be some money made here, especially by the state of Montana, but investors should be very careful of the current excitement surrounding Bakken. Be wary of phone solicitations or those touts you will get in the mail, and don't chase issues that have been running strong on this news.

There is more time and distance ahead in the energy sector, and we will be looking for a better place to buy energy stocks during July. Consequently, I will be able to offer better energy recommendations in a few weeks than I can now. In the meantime, hang on to your positions. Do not convert long term investments into short term trades by selling with the intention of buying back cheaper. The sage of Omaha didn't become a billionaire by flipping his investment positions. Remember, when you are right, sit tight. I am looking into some energy alternative ideas, but I have not found much of interest as yet. It is better for us to consider increasing our exposure to coal and natural gas than to get into more exotic things like solar, wind, fuel cells, etc. Exotics are

not going to provide you with the returns that you can get by staying more on the conservative side of the issue. Your success with energy investments will do best if kept to the ancillary side of the sector – shipping, drilling, oil service, etc.

It would seem the Federal Reserve has done about all they can do to stimulate the economy with lower interest rates. Their objective in lowering rates is to keep the economy on life support long enough that the member banks can recover from all of those sour loans they made earlier in the decade. By lowering rates on the short end of the yield curve, the Fed has improved profit margins for the banks and, thus, are assisting them in reconstructing their balance sheets. Another drop in rates would not add much to the fix. However, low rates have stimulated inflation and will continue to do so as long as yields remain under the true rate of inflation. The CPI would be about 11.7% if we used pre-Reagan administration math. Eventually, the Fed will have to address this; but for now, they will not. In fact, they cannot, and tangible assets will benefit.

As the government faces a tsunami of unfunded liabilities in the years directly ahead from baby boomer induced shortfalls in Medicare, Social Security, and private and public pension guarantees, they will have to furiously print money to cover these obligations, regardless of any tax increases. This will have a devastating impact on the value of the dollar. For a long time, I have forecast the Dollar Index would fall to 60.00, but that appears woefully short of the mark. We need to seek additional ways to diversify out of dollars in order to protect our wealth. What will the dollar buy next year? Certainly less than it will now.

The **Treasury Inflation Protected Security ETF** (TIP-NYSE-\$106.31) offers some relief in this regard since TIPs are adjusted for inflation, although only by a factor related to the current understated CPI. TIPs are Treasury securities, and they offer the safety of principal inherent in any security issued by the U.S. government. The coupon rate on each issue stays the same, but the principal is adjusted every six months by a factor derived from the CPI. Thus, in an inflationary environment such as we are experiencing, as the principal increases, so does the payout. You can buy TIPs through your Treasury Direct account - treasurydirect.gov. The TIP ETF offers an easy way to participate in a portfolio of issues. It is easier to buy and sell, and it will give you a monthly payout as well.

I am currently investigating **Everbank**, everbank.com, and the interesting products they offer. They offer FDIC insured CDs denominated in foreign currencies as well as some CD products tied to the value of gold and silver. I am opening an account and will report on my experience. If I am happy with what I find in terms of service and investment opportunities, I will delve deeper into timing the purchases of their products.

Do not be seduced by the stock market bulls. I expect the S&P 500 will trade between 1,600 at the extreme up side and 800 on the down side for the next 7 to 10 years. We are closer to the top of that trading range than the bottom, and the economy is certainly still on shaky ground. I think we will see another shoe drop in the financial sector. I wouldn't be surprised to see another unexpected problem at one of the larger investment banks ... Lehman Brothers perhaps? There will be a bailout like that for Bear Stearns, of course, but the fallout will be worse. Look for Congress to take up the tiller at that point and begin re-regulating the finance business. The era of deregulation in the financial sector that began in the early 1980's is over, and the pendulum will swing toward increased regulation with every new crisis.

The bond market, representing the longer term interest rate picture, looks vulnerable to weaker prices and higher long term interest rates. Our Rydex bond trading program is currently short, and bonds are falling. The weakest link in the economy is the household sector. Bottom line, keep your investment money in anti-dollar, commodity-asset categories.

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 1.01. 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 6/03/08	Downside Buy Price	Div 6/03/08	Target-T Stop-S	Web Site
U.S. \$									
Agnico-Eagle	AEM	NYSE	1/10/2007	36.00	68.37	60.00	0.25%		agnico-eagle.com
Alliance Res	ARLP	OTC	9/29/2004	27.98	48.50	34.00	4.79%		arlp.com
Apache Corp	APA	NYSE	3/5/2007	68.00	130.91	115.00	0.44%		apachecorp.com
ASA (1)	ASA	NYSE	11/19/2002	31.00	80.81	72.50	2.79%		asaltcd.com
Baker Hughes	BHI	NYSE	2/5/2008	64.63	85.27	70.00	0.59%	S = 62.50	bakerhughes.com
Baytex Energy	BTE	NYSE	5/18/2004	9.00	28.69	19.50	8.09%		www.baytex.ab.ca
Blackrock	BGR	NYSE	8/3/2005	25.99	35.60	29.50	4.19%		blackrock.com
Central Fnd. Of Can.	CEF	AMEX	Buy at	11.05	12.20	11.05	0.08%		centralfund.com
Fording Coal	FDG	NYSE	11/16/2004	22.74	81.72	HOLD	2.42%		fording.ca
Frontline Ltd. (2)	FRO	NYSE	1/4/2007	31.00	60.28	46.00	4.18%		frontline.bm
Frontier Oil	FTO	NYSE	8/3/2005	14.38	31.54	25.00	0.73%		frontieroil.com
Gabelli Glob. Gld.	GGN	AMEX	1/3/2005	22.10	29.18	28.00	5.69%		gabelli.com
Goldcorp	GG	NYSE	Buy at	35.10	39.50	35.10	0.44%		goldcorp.com
Headwaters	HW	NYSE	3/10/2006	36.30	11.02	10.00	n/a	S = 8.95	headwaters.com
Kinder Morgan LP	KMP	NYSE	6/8/2007	52.50	59.00	HOLD	6.53%	S = 48.40	kindermorgan.com
Kinross Gold (3)	KGC	NYSE	6/6/2002	2.39	19.41	20.00	0.40%		kinross.com
Kinross Gold	KGC	NYSE	1/4/2007	11.00	19.41	20.00	0.40%		kinross.com
Mkt. Vectors, ETF (4)	GDX	AMEX	9/11/2006	37.00	45.45	42.10	6.42%		n/a
Pimco Com. Fund	PCRAX		3/2/2005	13.97	19.17	17.00	4.58%		pimcofunds.com
Schlumberger	SLB	NYSE	1/18/2008	75.00	98.98	85.00	0.84%	S = 72.10	nat.bm
Ship Finance (5)	SFL	NYSE	3/6/2007	0.00##	30.60	HOLD	7.24%		www.shipfinance.org
Silver Standard	SSRI	OTC	1/4/2007	30.00	28.80	28.00	n/a		silverstandard.com
Silver Wheaton	SLW	NYSE	3/10/2006	8.40	14.27	15.00	n/a		silverwheaton.com
St. Trs. Gold, ETF	GLD	NYSE	9/11/2006	58.85	86.88	83.00	n/a		n/a
TIPS iShares ETF	TIP	NYSE	5/28/2008	106.00	106.31	106.00	5.01%		n/a
Transocean (6)	RIG	NYSE	1/4/2007	75.00	144.38	120.00	n/a		deepwater.com
Yamana	AUY	NYSE	4/14/2005	2.90	14.89	14.00	0.25%		yamana.com
Valero	VLO	NYSE	4/26/2005	36.63	52.11	51.50	1.13%		valero.com

Canadian Dollars

Altius Minerals	CA:ALS	TSX	8/9/2007	17.88	12.86	12.00	n/a		altiusminerals.com
Energy Split II	CA:EN	TSX	9/11/2006	17.00	12.95	HOLD		T = 13.50	scotiamanagedcompanies.com
Peyto Energy	CA:PEY.UTSX		7/18/2003	8.75	19.69	HOLD	9.05%		peyto.com
Silvercorp Minerals	CA:SVM	TSX	1/21/2008	8.00	7.34	8.00	1.99%		silvercorp.ca

(1) ASA dividend includes year-end distribution. (2) Frontline dividend based on regular payment of \$0.625 per quarter. Extras have been paid, bringing the dividend on the past 12 months' payments to 13.38%. (3) On 2/27/07, Kinross acquired by exchange for Bema, originally purchased at \$1.06 on 6/6/02. (4) Market Vectors dividend was an annual distribution, not a regular dividend. (5) Ship Finance Intl. was acquired as a spinoff from Frontline on 3/6/07. (6) 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 6/03/08	Downside Buy Price	Div	Target-T/ Stop-S	Web Site
U.S. \$									
Coeur d'Alene	CDE	NYSE	9/2/2003	3.19	3.27	3.35	n/a		coeur.com
Endeavor Silver	EXK	AMEX	7/26/2007	4.60	3.09	3.00	n/a		edrsilver.com
Great Basin Gold	GBN	AMEX	12/21/2007	2.45	3.25	3.25	n/a		greatbasingold.com
Nova Gold	NG	AMEX	2/29/2008	11.50	8.32	7.50	n/a		novagold.com
Taseko Mines	TGB	AMEX	7/24/2006	2.40	4.58	4.50	n/a		tasekomines.com
US Gold Corp	UXG	AMEX	9/9/2005	1.70	2.04	HOLD	n/a		usgold.com
Canadian Dollars									
Everton Res.	CA:EVR	TSX	1/4/2007	1.30	0.43	HOLD	n/a		evertonresources.com
Golden Valley	CA:GZZ	TSX	2/20/2007	0.50	0.29	HOLD	n/a		goldenvalleymines.com
Laramide Res.	CA:LAM	TSX	3/16/2006	5.20	4.02	HOLD	n/a		laramide.com
Mega Uranium	CA:MGA	TSX	5/1/2007	6.75	2.29	3.00	n/a		megauranium.com
UTS Energy	CA:UTS	TSX	5/15/2006	6.50	5.80	HOLD	n/a		uts.ca
Minera Andes	CA:MAI	TSX	9/11/2006	1.20	1.44	1.20	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 1.01 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.