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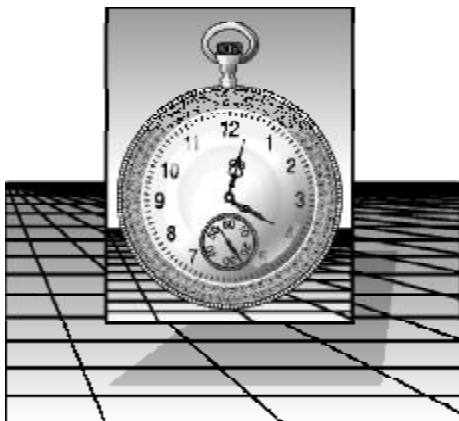
PROFESSIONAL TIMING SERVICE

Curry & Hester

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The next issue will be
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The Dollar Is At The Root Of It All

*For we humble Americans, investing is all about the U.S. dollar.
The idea is to get more of them and hang on to those we have.*

The task is not an easy one, even for the super rich. Furthermore, our society has been built on the premise of cheap energy. Energy makes our world go around; but when the value of the dollar falls, it takes more of them to power the economy.

I hear all sorts of debate about high energy prices and solutions – alternate energy, drilling in the federal protected zones, etc. There are plenty of reasons that crude oil is \$140.00, but no one includes a weak dollar among the culprits.

Although there has been a contingent calling for a big dollar rally since January, so far all that has happened is that it has quit falling. Interestingly enough, the dollar typically doesn't do much other than gyrate in a trading range from March through July, so any illusion that the dollar is not weak here is but a normal seasonal tendency. Sub rosa, the dynamics in the U.S. Dollar Index look weak, and I expect to see new lows by the end of August.

The Fed is no help, but what should you expect from them? The Fed is finally caught in the position we forecast some years ago. They are between a rock and a very hard place indeed. What will they do? What can they do? We all make decisions and are then bound to suffer the consequences, be they good or bad. The Fed has made this bed of roses, and they must suffer the thorns that go with it.

It is all easier to understand once you realize the Fed's true purpose. They were founded in 1913 to protect and defend their member banks. That was all ... not to protect the value of your money or to fight inflation, or even to husband the economy - other than a good economy sometimes goes hand in hand with defending bank profits. There is, however, a time for defense and a time for offense. Right now, they are in a defense mode, and their decisions will be directed at alleviating the mess that they have gotten the banks into during the last 10 years.

Interest rates will be kept low in order that bank profit margins will stay high, and the economy will be left to manage as best as it can. Employment is important to the Fed right now since laid-off workers do not pay their debts, and they do not vote for the powers that be. Those powers, incidentally,

appoint Fed chairmen. Bottom line, as long as interest rates remain below the true rate of inflation (about 11% and rising fast), inflation will continue to rise, and gold, in particular, will do well. We have not yet seen the end of the commodity bull in terms of U.S. dollars.

Crude oil has captured the headlines. It has been quite volatile lately, moving \$3.00 to \$5.00 in a day, up or down, and the press loves to make a big deal over this. Crude has been trading essentially between \$140.00 and \$130.00 for the last several weeks, and there is now minor technical support at \$130.00, and stronger support at \$125.00. I have a commodity model that has been long crude since it was \$92.72, and there is a sell stop at \$122.00. However, even if the stop is hit, I don't see prices falling drastically or for long.

I am looking for energy prices to move to new highs this fall. October is typically when we will see important highs set in, and I am looking for a very emotional run to the up side later this summer. As we sit now, there is not much that looks enticing for investment at these prices. There are not always ideal times to be putting new money in a market. Energy looks like it is a hold here pending higher prices in the fall.

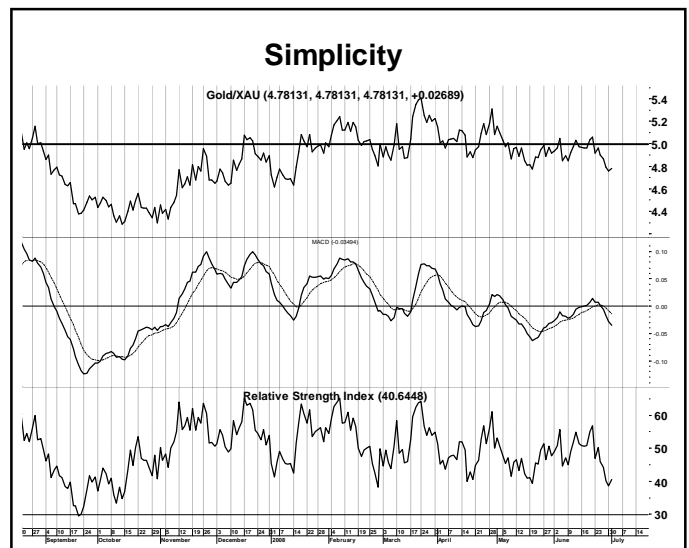
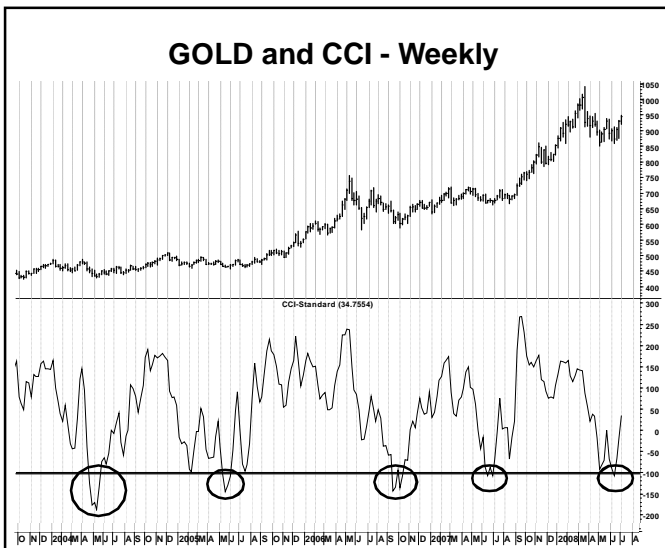
I know, if prices are going higher, why not buy regardless of price? Well, it is because none of us is actually clairvoyant. This is a business of playing the odds. The odds are for new highs in crude by the end of October, but placing bets on that eventuality at current prices does not offer the investor an advantage. You need that edge to maximize profits and manage long term risk. The best current strategy for energy is to hold; and once prices move to new highs, we will announce protective stops and upside targets for some of our holdings.

Precious metals – some signals. Our Rydex gold program is based on a momentum model that took the program 25% long on June 27. Other technical models of mine are looking more positive for the metals as well. Gold's weekly Commodity Channel Index (CCI) dipped under the -100 line in early June (see the chart on Page 3). It has since recovered. I can't help but wonder if gold isn't anticipating the next break in the dollar. We all should be thinking about the trillions of dollars in U.S. government unfunded liabilities for Medicare, Social Security, pensions, etc. There's going to be a tsunami of dollars printed to cover all of that.

Another interesting relationship concerning gold is the gold/oil ratio. It typically stays over 10 and averages 16. Currently, it is about 6.5. It appears that crude may have outrun gold of late, and gold has some catching up to do. With crude at \$140.00, a ratio of 10 would put gold at \$1,400.00. I think gold is a better place right now to focus new investment money than energy. Simplicity also has been running over 5.00 for some time, as you can see on the chart on Page 3. It looks like it is finally beginning to break down ... a positive.

The coast is clearing for gold to advance to new highs by October when its next seasonal high is due. Short term, we may have another brief buying opportunity ahead. There are going to be some traders interested in selling at \$955.00, and they may well push prices back to \$910.00 briefly into early August. This will present a final opportunity before the late summer and early fall strength returns to precious metals.

I think we are on the brink of a massive international infrastructure boom. Asia and many petroleum producing countries are sitting on a pile of cash. They will certainly spend some of that on their militaries. China badly needs a navy, but a good chunk is going into their infrastructure. Much of this trend will be international, but the U.S. is going to be a part of it. There are movements afoot in Congress and in several state governments - California and Pennsylvania among them - to generate a participating federal infrastructure program. The American transportation system is in dire need of repair, maintenance, and upgrading. Our country's bridges have been woefully neglected. Renewing and improving domestic infrastructure (including rail) is going to be the mother of all economic stimulus programs.



We are researching companies that will ride the crest of this coming movement. I don't think the time is right just yet to jump in, but it is not too early to begin thinking about this and doing some homework. As the overall stock market weakens further into this fall, infrastructure companies will be dragged down with the tide. That will set up some excellent buying opportunities by the end of October. This is not yet a recommendation, but stocks of interest are Curtis Wright and KHD Humboldt Wedag, among others. I will keep you posted.

There is one thing fairly certain about the emerging infrastructure boom. The world is going to put a lot more pressure on raw material supplies, including iron, copper, cement and, of course, energy. Some of these commodities are related. For example, it takes a tremendous amount of natural gas to produce a ton of cement. Bottom line, the commodity bull market will actually be stimulated by U.S. efforts to reverse the recession.

A quick review of some of our stocks. In the energy arena, most of our companies are doing famously. I have removed the stops we initially had on **Baker Hughes** (BHI-NYSE-\$88.57) and **Schlumberger** (SLB-NYSE-\$109.86). We are ahead on these nicely. At this point, however, I don't want to chase them, and I'm going to put them on hold. It isn't that I don't like these stocks. It is that I don't think they are advantageous buys here.

Our buy-and-hold recommendations are not meant as trading positions. Right now, it is a good time to hold energy, and I have put several of the other energy issues on our list on hold for now. Again, there is an ideal time to buy - like last January-February when we were looking for lows. There is also a time to hang on to those buys and wait for the next opportunity. Let's hang on and see where our energy issues are in October.

It is never necessary to discuss the winners, but the problems should be addressed. The "low-hanging fruit" on our list include the refiners **Valero** (VLO-NYSE-\$40.38) and **Frontier** (FTO-NYSE-\$23.68). The high price of crude has put the squeeze on profit margins - especially in the case of gasoline, even though it is selling for over \$4.00 now. Gasoline always becomes a political issue during election season. Nevertheless, gasoline prices are generally rising. The stock market is also getting "depression minded," to the point of paranoia; and this fear is dragging some stocks like refiners lower with the tide.

Refineries enjoy a virtual monopoly. The current profit squeeze will not be permanent, but Valero and Frontier have another arrow in their quiver. They are able to process sour crude, which is becoming more prevalent as exporters keep more of the good stuff (light sweet crude) at home and ship the heavy sour crude. Their stock prices have been disappointing, I know; but this still reminds me of the mood surrounding coal a few years back when all the press was negative.

Valero has been expanding their retail operations, which is an interesting strategy during a real estate slump. Obviously, they make more money selling fuel at retail than wholesale, but I keep falling back on worries about availability. When will we see the day when gasoline is rationed, or simply not available through all outlets?

Valero may take the export land model approach and channel their refinery production to their own outlets first, giving them a big advantage on the retail side. It is also interesting that just last May, Valero increased their dividend by 25%. That is not the sort of thing you see from a company on the brink of oblivion.

There was some surprising bad news on **Altius Minerals** (ALS-TSX-\$C8.72). Their partner NLRC, who is working on the new refinery project in Newfoundland, filed for creditor protection. This is, indeed, bad news, but the new refinery is fully permitted now, and it will be built. NLRC may have to divest their interest to someone else, but I feel the project is not dead. Meanwhile, Altius has more than 40 other exploration partnerships and joint ventures in base metals, gold, uranium, nickel, etc. The problem with NLRC is unfortunate, but I don't think it justifies the extreme weakness in the Altius stock.

Another weak sister on our list is **Headwaters** (HW-NYSE-\$11.40). They have been suffering from profitability problems, but they hold valuable patented technologies that allow normal refiners to process some sour crude. They are also pre-eminent in coal liquefaction technologies, which I see as a major player among future energy alternatives. The profitability problems come from Headwaters' construction products divisions. However, their products also solve some energy related problems. For example, they make building products out of fly ash, which is a major nuisance byproduct of coal-fired electric plants. The stock dipped to \$8.80 in January, and it since has recovered to about \$12.00. It is still a buy if it falls back under \$10.00, with a stop at \$8.95.

Since our last letter, we sold **Energy Split II** (EN-TSX-\$C13.89) at C\$13.50. This one has not kept up with the pack, and we let it go. We will find a better place for this money in the months ahead. I would like to buy more **Baytex** (BTE-NYSE-\$34.34), but it needs to come off some first. For the time being, I am putting Baytex on hold with the others.

The other dog in the kennel is uranium. Nuclear power is a must. Those electric plug-in cars everyone is talking about still have to get electricity somewhere. Nuclear is the answer, but we all know the political problems with this approach. Perhaps the U.S. is hoping that everyone else will go nuclear, and we can have all the crude they won't use. It does appear that **Mega** (MGA-TSX-C\$2.31) and **Laramide** (LAM-TSX-C\$4.88) have found a base here. It is just going to take some time for these to come back into their own.

I am more excited about the immediate potential in our precious metal issues than in energy. Energy has been overhyped to some extent by the media while the metals have been correcting for several months and are not at this time headline grabbers. That may be about to change, though, as the gold/oil ratio and other improving technical signs in the metals are indicating.

What to buy. At the top of my list is **Kinross** (KGC-NYSE-\$24.03). We have been recommending purchase at \$20.00 or less, with extreme buys at \$18.00. There has been ample opportunity to buy under \$20.00, and I was able to buy some at \$18.00. Don't overload on Kinross; but if you don't have any, our recommendation still stands to buy at \$20.00 or less in the event gold corrects back.

We have not been able to buy **Central Fund of Canada** (CEF-AMEX-\$13.38) at our price of \$11.05, and I am raising the buy price to \$12.05. I would recommend buying some there and leaving an order in at \$11.05 just in case you get lucky.

Gabelli Global Gold (GGN-NYSE-\$30.30) still has a shot at being bought at \$28.00 or better. The price touched \$28.04 the other day ... close. This is an income stock, so the price you pay directly affects your yield.

Yamana (AUY-NYSE-\$16.25) dipped under our \$14.00 buy price earlier last month, hitting \$13.46 on June 12. Yamana is an excellent diversification in the precious metals sector.

Dont forget silver. Silver has been lagging behind gold to some extent, but it will not stay behind during the next rally. **Silver Wheaton** (SLW-NYSE-\$15.08) and **Silver Standard Resources** (SSRI-OTC-\$29.47) are over - but still close - to their downside buy prices of \$15.00 and \$28.00, respectively. Last month's weakness had both of these in our buy zone, but a final downside test in the metals later this month should pull them back to their buy prices one final time before the next up leg begins.

ASA (ASA-NYSE-\$83.91) has announced they will be buying back 25% of their shares. I am not sure that it matters a whole lot if you take this tender offer or not. It is a bit strange for a closed-end fund - which ASA is - to do such a thing. I am putting them on hold with a sell stop at \$73.95. There are better places to put new gold money or the proceeds if you decide to tender on the buy back offer.

The juniors on our list are going to take some time to show the performance the majors will for the rest of this year. You should hold what you have, but don't expect any immediate fireworks from them. They will make you a good deal of money down the road, but it is going to take some time.

Everywhere I look, there is good news on our juniors. **Great Basin** (GBN-AMEX-\$3.53) announced a new vein system at their Hollister property. It increases measured and indicated reserves by 60% at the property. **Coeur d'Alene** (CDE-NYSE-\$2.81) says Palmarejo silver-gold project reserves have significantly increased, and production will begin in the first half of 2009 with a projected production of 5.1 million ounces of silver and 67,000 ounces of gold. Their projections for 2010 production are substantially higher. The news from **Taseko** (TGB-AMEX-\$5.05) has consistently been positive. **Nova Gold** (NG-NYSE-\$7.79) reported that their Donlin Creek project with partner Barrick is ongoing with an infrastructure plan now in place. They expect to produce 1.0 million to 1.5 million ounces of gold annually. Nova, by the way, is a bit unique in that they have other operating properties; and unlike most speculative ventures of this ilk, they have cash flow. The good news goes on. Gold is strong, yet the juniors languish under concerns about future financing, etc. Nevertheless, I think once we see gold move back to new highs over \$1,050, the juniors are going to attract more investor attention.

The mega super cycle in commodities is not over yet. The economy is going to get worse while the prices of goods and services is going to move higher. The S&P 500 will be trapped between 1,500 and 800 - perhaps for 10 years. Regardless of recent weakness, it is still closer to the top of that range than the bottom.

We have been trading our new Phase Advantaged Trading Program in real time since May 2007 using Scottrade. As of the end of May, the last 12 month return was 28% net of commissions, and this is a conservative program.

Subscribers to this service receive an e-mail in the afternoon on each day that the stock market is open with instructions for the next day. All orders will be entered that afternoon or evening online and will be on a good for the day only basis for the next day. This program will require some discipline on the part of subscribers. All orders must be followed. If you have a mind to do some trading and have the discipline to keep up, this program should do a good job for you. The introductory cost is \$525 per year, and it is online only. If you are interested, send me an e-mail at info@protiming.com and I will send you further information.

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 7/01/08 | Downside Buy Price | Div 7/01/08 | Target-T Stop-S | Web Site |
|-----------------------------|---------------|-------------|----------------------------|--------|------------------|-----------------------|----------------|--------------------|--|
| U.S. \$ | | | | | | | | | |
| Agnico-Eagle | AEM | NYSE | 1/10/2007 | 36.00 | 75.27 | 60.00 | 0.24% | | agnico-eagle.com |
| Alliance Res | ARLP | OTC | 9/29/2004 | 27.98 | 55.12 | HOLD | 4.24% | | arlp.com |
| Apache Corp | APA | NYSE | 3/5/2007 | 68.00 | 142.10 | HOLD | 0.42% | | apachecorp.com |
| ASA (1) | ASA | NYSE | 11/19/2002 | 31.00 | 83.91 | HOLD | 2.73% | S = 73.95 | asaltd.com |
| Baker Hughes | BHI | NYSE | 2/5/2008 | 64.63 | 88.57 | HOLD | 0.59% | | bakerhughes.com |
| Baytex Energy | BTE | NYSE | 5/18/2004 | 9.00 | 34.34 | HOLD | 8.59% | | www.baytex.ab.ca |
| Blackrock | BGR | NYSE | 8/3/2005 | 25.99 | 37.27 | HOLD | 4.02% | | blackrock.com |
| Central Fnd. Of Can. | CEF | AMEX | Buy at | 11.05 | 13.38 | 12.05 | 0.07% | | centralfund.com |
| Fording Coal (7) | FDG | NYSE | 11/16/2004 | 22.74 | 92.56 | HOLD | 10.63% | | fording.ca |
| Frontline Ltd. (2) | FRO | NYSE | 1/4/2007 | 31.00 | 68.69 | HOLD | 3.65% | | frontline.bm |
| Frontier Oil | FTO | NYSE | 8/3/2005 | 14.38 | 23.68 | 25.00 | 1.01% | | frontieroil.com |
| Gabelli Glob. Gld. | GGN | AMEX | 1/3/2005 | 22.10 | 30.30 | 28.00 | 5.56% | | gabelli.com |
| Goldcorp | GG | NYSE | Buy at | 35.10 | 48.16 | 40.00 | 0.37% | | goldcorp.com |
| Headwaters | HW | NYSE | 3/10/2006 | 36.30 | 11.40 | 10.00 | n/a | S = 8.95 | headwaters.com |
| Kinder Morgan LP | KMP | NYSE | 6/8/2007 | 52.50 | 56.12 | HOLD | 6.84% | S = 48.40 | kindermorgan.com |
| Kinross Gold (3) | KGC | NYSE | 6/6/2002 | 2.39 | 24.03 | 20.00 | 0.33% | | kinross.com |
| Kinross Gold | KGC | NYSE | 1/4/2007 | 11.00 | 24.03 | 20.00 | 0.33% | | kinross.com |
| Mkt. Vectors, ETF (4) | GDX | AMEX | 9/11/2006 | 37.00 | 49.48 | 42.10 | 6.03% | | n/a |
| Pimco Com. Fund | PCRAX | | 3/2/2005 | 13.97 | 20.68 | 17.00 | 5.16% | | pimcofunds.com |
| Schlumberger | SLB | NYSE | 1/18/2008 | 75.00 | 109.86 | HOLD | 0.77% | | nat.bm |
| Ship Finance (5) | SFL | NYSE | 3/6/2007 | 0.00## | 29.23 | HOLD | 7.68% | | www.shipfinance.org |
| Silver Standard | SSRI | OTC | 1/4/2007 | 30.00 | 29.47 | 28.00 | n/a | | silverstandard.com |
| Silver Wheaton | SLW | NYSE | 3/10/2006 | 8.40 | 15.08 | 15.00 | n/a | | silverwheaton.com |
| St. Trs. Gold, ETF | GLD | NYSE | 9/11/2006 | 58.85 | 92.66 | 83.00 | n/a | | n/a |
| TIPS iShares ETF | TIP | NYSE | 5/28/2008 | 106.00 | 107.15 | 106.00 | 6.27% | | n/a |
| Transocean (6) | RIG | NYSE | 1/4/2007 | 75.00 | 152.17 | HOLD | n/a | | deepwater.com |
| Yamana | AUY | NYSE | 4/14/2005 | 2.90 | 16.25 | 14.00 | 0.74% | | yamana.com |
| Valero | VLO | NYSE | 4/26/2005 | 36.63 | 40.38 | 51.50 | 1.49% | | valero.com |
| Canadian Dollars | | | | | | | | | |
| Altius Minerals | CA:ALS | TSX | 8/9/2007 | 17.88 | 8.72 | HOLD | n/a | | altiusminerals.com |
| Energy Split II | CA:EN | TSX | 9/11/2006 | 17.00 | Sold | at C\$13.50 | | | scotiamanagedcompanies.com |
| Peyto Energy | CA:PEY.UN | TSX | 7/18/2003 | 8.75 | 20.15 | HOLD | 8.93% | | peyto.com |
| Silvercorp Minerals | CA:SVM | TSX | 1/21/2008 | 8.00 | 6.00 | 8.00 | 2.50% | | 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. (7) The Fording distribution in June 08 looks unusually large.

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

| Company | Symbol | Exchange | Initial Recom. Date and | Price | Price 7/01/08 | Downside Buy Price | Div | Target-T/ Stop-S | Web Site |
|-------------------------|--------|----------|----------------------------|-------|------------------|-----------------------|-----|---------------------|--|
| U.S. \$ | | | | | | | | | |
| Coeur d'Alene | CDE | NYSE | 9/2/2003 | 3.19 | 2.81 | 3.35 | n/a | | coeur.com |
| Endeavor Silver | EXK | AMEX | 7/26/2007 | 4.60 | 3.35 | 3.00 | n/a | | edrsilver.com |
| Great Basin Gold | GBN | AMEX | 12/21/2007 | 2.45 | 3.53 | 3.25 | n/a | | greatbasingold.com |
| Nova Gold | NG | AMEX | 2/29/2008 | 11.50 | 7.79 | 7.50 | n/a | | novagold.com |
| Taseko Mines | TGB | AMEX | 7/24/2006 | 2.40 | 5.05 | 4.50 | n/a | | tasekomines.com |
| US Gold Corp | UXG | AMEX | 9/9/2005 | 1.70 | 2.33 | HOLD | n/a | | usgold.com |
| Canadian Dollars | | | | | | | | | |
| Everton Res. | CA:EVR | TSX | 1/4/2007 | 1.30 | 0.31 | HOLD | n/a | | evertonresources.com |
| Golden Valley | CA:GZZ | TSX | 2/20/2007 | 0.50 | 0.37 | HOLD | n/a | | goldenvalleymines.com |
| Laramide Res. | CA:LAM | TSX | 3/16/2006 | 5.20 | 4.88 | HOLD | n/a | | laramide.com |
| Mega Uranium | CA:MGA | TSX | 5/1/2007 | 6.75 | 2.31 | 3.00 | n/a | | megauranium.com |
| UTS Energy | CA:UTS | TSX | 5/15/2006 | 6.50 | 5.96 | HOLD | n/a | | uts.ca |
| Minera Andes | CA:MAI | TSX | 9/11/2006 | 1.20 | 1.27 | 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.