



>: Want to know what you should invest in right now?

Thursday, March 23, 2006 / Chris Rowe

Hi there! The question is whether the Fed has started to raise rates too quickly. Do you like the necessity of the Fed raising rates to control inflation, but not so strong that Bernanke will have to raise interest rates too quickly.

Anyway ...

To borrow from the Goldilocks analogy, the economy is just right. If you are wondering:

1) Which way the market is going, or 2) Where you should have been next.

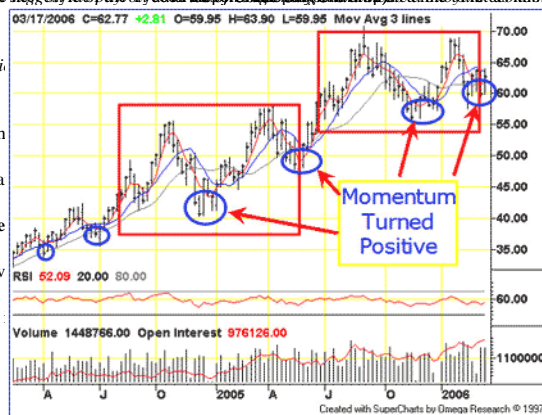
... then I think this simple article is going to help you make a decision.

Ever heard of the Investors Intelligence "Investor Sentiment" indicator?

Well, Investors Intelligence conducts a widely followed survey of market participants to gauge their level of bearishness or bullishness being expressed by each editor.

This is considered to be a contrarian indicator, meaning that when the market is very bearish, it is often a sign that a market correction or rally is due.

Check out the recent results:



open next.

ishness or bullishness being expressed by each editor.

1. But if we are very bearish, the market is bound to turn the upside.

Investors Intelligence has just recorded the "highest level of bearishness since April 2003, and the least bullishness since August 2004.

Investors are worried about interest rates, oil not able to stay below \$60.00 a barrel, a housing bubble, trade disputes with China, and the Avian flu.

We are seeing extreme bearishness, which is a sign that there is a lot of bad news already being discounted in stock prices.

If you went long stocks at either one of these points, you might have been accused of having a crystal ball stashed away in the closet.

So there is one indicator that you might consider.

And then we have the bullish argument, as Dylan talked about when he recently said:

As I always say, I never try to predict the direction of the general market. There are just too many variables flying around for anyone to be right on a consistent basis.

What I do for the members of *The Trend Rider* is I focus on what is happening today. We have a handful of indicators that we look at on a day-to-day basis, and we have a clear picture of where the money in the market is currently headed.

Now I'm going to help you participate in some pretty big profits ...

On Tuesday I recommended a trade (which shot up 20% the very next day) that was a NO BRAINER. I'll sell it soon with a 40% gain.

Instead of telling you what the trade was (which wouldn't be fair to my subscribers), how about I show you how easy it was for me to come to my conclusion ...

80% of a stock's move has to do with which sector it is in, and the strength of the over-all sector, so that's what I focus on first.

So what you want to do is to find a sector that is in a major uptrend, that has just corrected, but is now turning around ...