

GETTING TECHNICAL

Professional Market Technicians

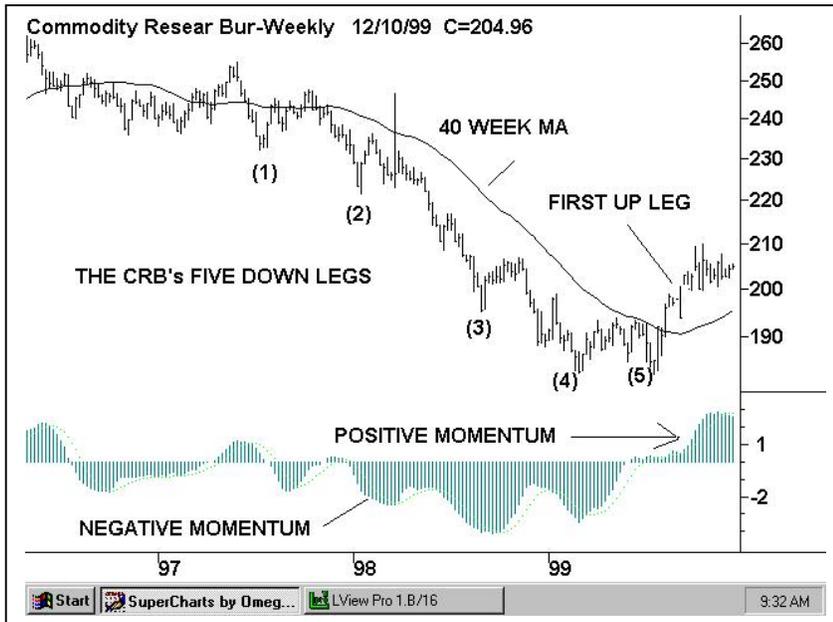
Editor Bill Carrigan

BI-WEEKLY UPDATE
DECEMBER 06, 1999

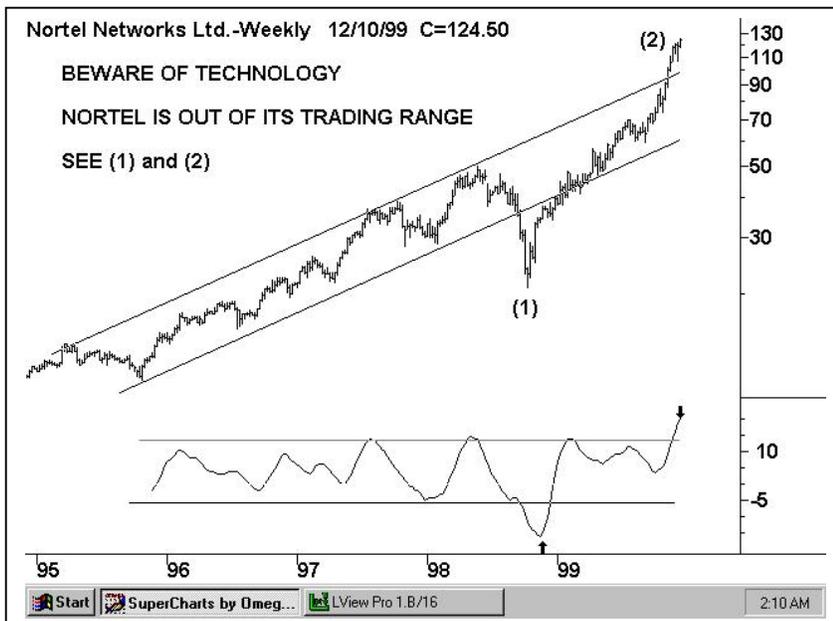
DJII 11090
TSE300 7860

The old world economy of oil, rocks and trees VS the new world economy of electronic commerce.

THE OLD (Commodities)



THE NEW (The internet)

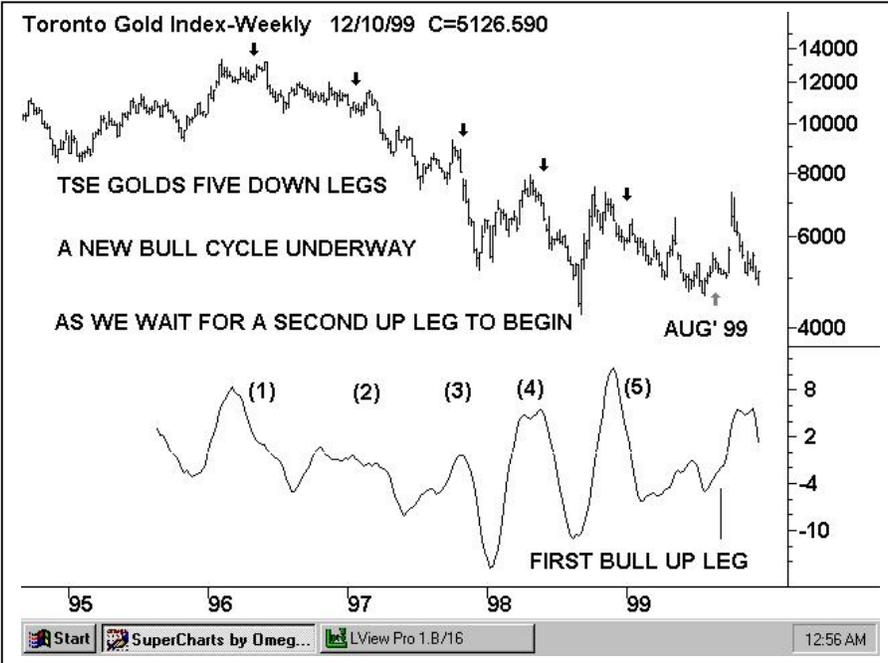


Ask radio historians about the Internet. The radio frenzy following WW1 also resembled the Internet mania in some of the predictions it inspired. Until the mid-'20s, Corporate America scoffed at radio as a marketing medium. Then, as with the Internet in the late '90s, resistance suddenly turned into euphoria. The industry's revenues went from \$60 million in 1922 to nearly \$850 million in 1929 for an eye-catching increase of 1,400 percent. The value of a share of stock in Radio Corp. of America increased from \$5 to more than \$500. Investors who bought RCA shares in the summer of 1929 lost nearly everything. Three decades passed before RCA's stock got back to its pre-crash high. The radio boom, like the Internet boom, was fed by an unprecedented increase in the number of Americans with the means and the confidence to play the stock market. Mr. Eben Moglen, a professor of law at Columbia University claims that radio stocks, like Internet stocks, are "sold the same way that underarm deodorant is sold," "People are made to feel that if they don't have it, they'll smell bad."

Long term: Nortel like RCA will be in business for decades. However, the current problem with Nortel is the price of the stock. Investor enthusiasm has pushed the stock up and out of the long term price channel. Nortel could enter months of congestion as it trades sideways into the lower trend line. Inflation will hurt Nortel and the breakout of the CRB Commodity index is a reality.

The "new" economy will still need "old" economy technology. Consider the crude oil spike in the early 20's followed by a 16 year oil glut. The big oil companies survived and grew.

World growth could be inflationary and GOLD remains the inflation bellwether,



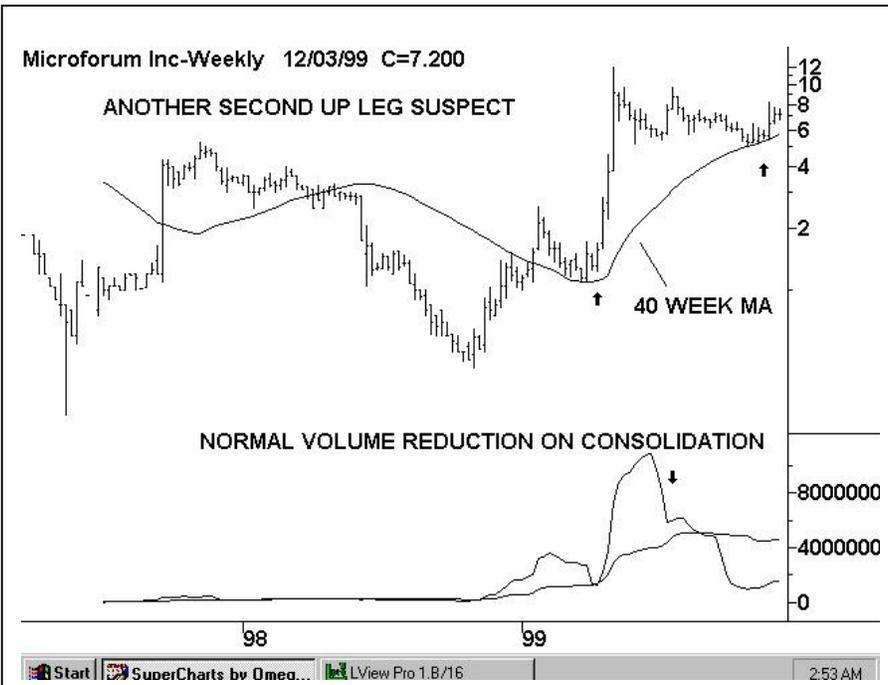
World growth was lead by the new technologies of canals, railroads, electricity, and airlines.

According to John Steele Gordon, whose book *The Scarlet Woman of Wall Street* deals with the railroad-stock boom that followed the Civil War, railroads were another case where some of the wildest speculation came before any earnings.

In the '20s, an announcement of intent to enter the airline business was enough to send just about any stock soaring "There was one company that called itself Seaboard Airlines," Gordon says. "Its stock went up with all the others even though it wasn't an airline at all, it was a railroad."

Many of the technology and bio-tech stocks trading to-day will never be profitable. For example the only Dow stock to survive the roaring 20's and the dirty 30's is General Electric.

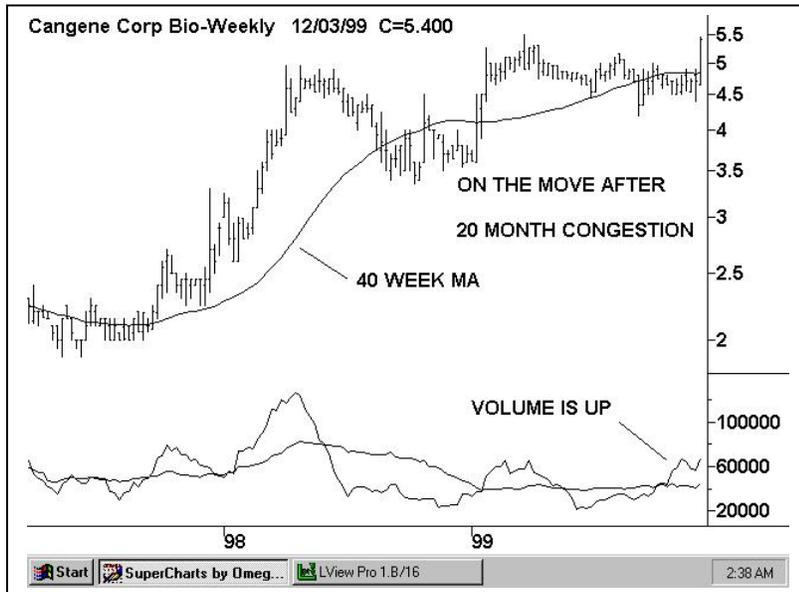
Several tech and bio-tech candidates were selected from stock filter on December 03'99. See page three.



The internet fever has now spread from the big cap stocks to the small and micro-cap tech stocks. Most of them are just beginning a new second up leg. Some of them could generate spectacular capital gains over the next several weeks. They are risky, buy a basket - use stops.

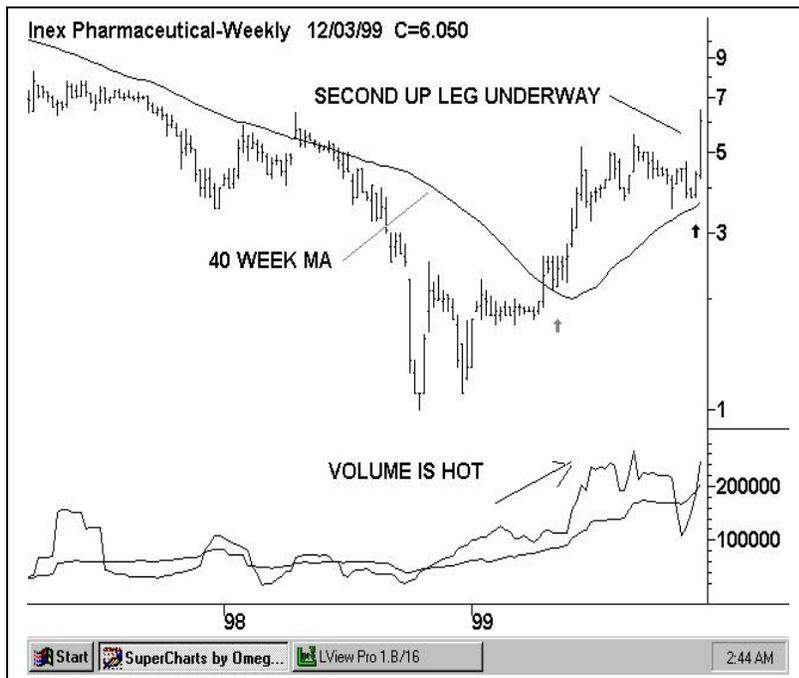
Second up leg candidates tech / bio tech for out-perform Dec' 99 - Feb '2000

Angiotech Parma (ANP-TSE)	\$13.50	Microforum Inc (MCF-TSE)	\$7.65
ATI Tech (ATY-TSE)	\$18.25	Mitel Corp. (MLT-TSE)	\$18.75
Biomira Inc (BRA-TSE)	\$5.80	Teklogix Intl (TKX-TSE)	\$29.10
Cangene Corp (CNJ-TSE)	\$5.40	Telepanel Sys (TLS-TSE)	\$2.20
Communication Sys (CSY-TSE)	\$1.40	SCS Solars Comp (SCS-VSE)	\$0.94
Inex Pharma (IEX-TSE)	\$6.05	Visualabs Inc (VLI-VSE)	\$7.70
Memotec Comm (MCM-TSE)	\$1.10		



There is still a window of opportunity to enjoy the current small and micro-cap technology play.

A stable bond market could also provide a positive environment for stocks through February '2000. The stage is now set for a buying panic in the technology sector.



Be alert for a new up leg in the oil and metals sector - due in mid January' 2000. The gold stocks should provide an early warning of a pending rally in the group. This will kill the current bond rally and also dampen the enthusiasm for technology stocks.

The threat of a U.S. rate hike is February '2000 is real.
— Bill C.

The opinions are based on technical analysis and more information should be obtained before making an investment decision.
There is no such thing as a perfect investment and there is no such thing as a perfect recommendation.
Bill Carrigan 3823 Brookside Dr Vineland, Ontario. Phone (905)562-3535. E-mail carrigan@vaxxine.com