

Still a Great Bear Market?

By Peter Beuttell

I have clearly made a mistake in calculating the time zone for a Great Bear Market (GBM) low. I assumed that, since the mania was technology-related, the high to use was March 2000, but the September-November 2002 zone only produced GBM-sized declines in France and Germany, and the overall configuration in the US and UK did not look convincing. Perhaps more importantly, the indicator readings on the October-November recovery did not confirm a new bull market. Furthermore, the FT World Index reconfirmed on the downside in late January, as Chart 1 illustrates.



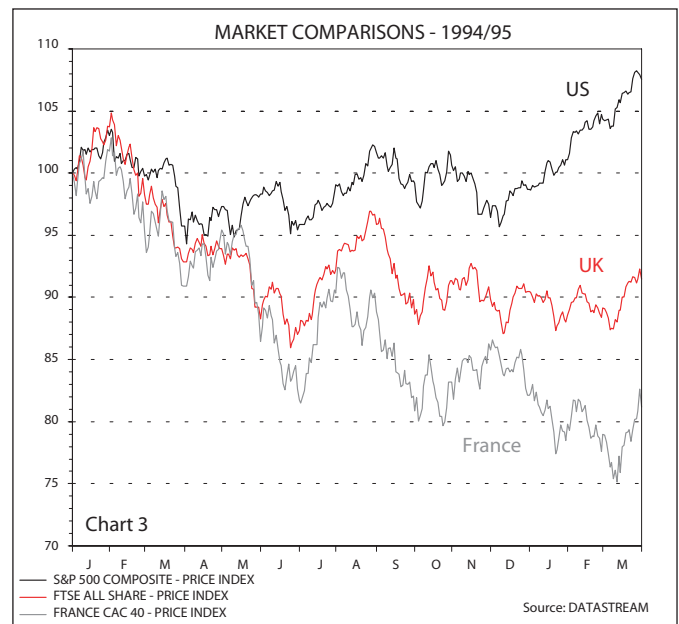
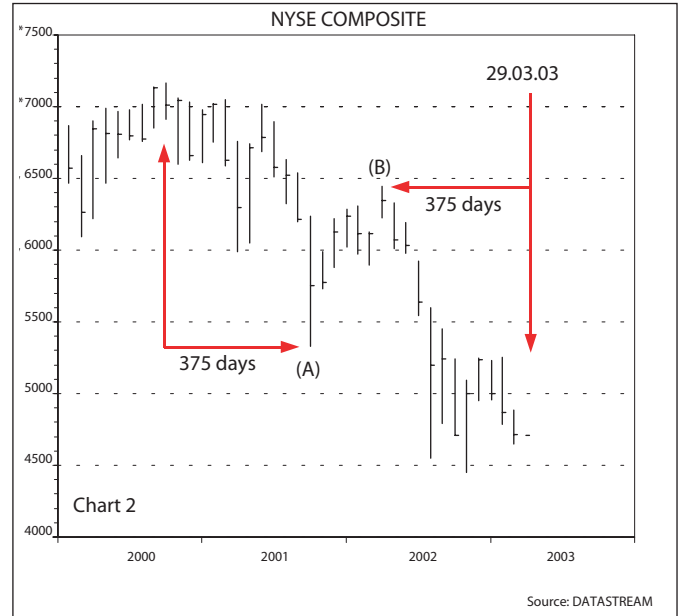
If it is not March 2000, then it is September 2000 where calculations should start. Apart from the fact that the FT World Index peaked then (FT All-Share and CAC 40 on the 4th and NYSE on the 11th), my Elliott count for the S&P 500 treats its 31st August high as ending the bull market with a "failed" fifth wave Diagonal Triangle. Extrapolating the GBM time periods from 4th September produces a time range of 6th February 2003 through 6th July. This can be narrowed down further.

In Elliott terms, I believe that an (A)-(B)-(C) pattern has been unfolding since September 2000. It is therefore worth looking for a low where (C) equals (A) in time terms. For the NYSE, this is Saturday 29th March - see Chart 2. For the FT World, CAC and UK All-Share indices, it is Saturday 5th April. Broadly, therefore, a low could fall in the last week of March or the first week of April.

In addition, if you look at a range of indices and Fibonacci ratios, there is one further cluster of dates worth watching: 26th June to 12th July.

The appearance of this second cluster is interesting for two reasons. Firstly I believe that the decline from the November 2002 high may sub-divide into two downward legs, so if the overall configuration does not look right by the end of this month, it may be July. A more

important reason is that, if you look back at the history of global market lows over the past thirty years, it is quite common to see different countries producing final closing lows months apart, as the table reveals. If indeed a Great Bear Market bottoms this year, it may be drawn out globally. The table highlights well where September, October and November get their reputations. I am hoping/expecting that 2003 will be different.



	<u>1974</u>	<u>1987</u>	<u>1990</u>	<u>1994</u>	<u>1998</u>
Dow Jones	06.12.74	19.10.87	11.10.90	04.04.94	31.08.98
S&P 500	03.10.74	04.12.87	11.10.90	04.04.94	31.08.98
UK	13.12.74	10.11.87	24.09.90	24.06.94	05.10.98
France	26.09.74	29.01.88	14.01.91	13.03.95	08.10.98
Germany	07.10.74	10.11.87	28.09.90	28.03.95	08.10.98
Japan	09.10.74	11.11.87	01.10.90	29.06.95	09.10.98
Hong Kong	10.12.74	07.12.87	28.09.90	23.01.95	13.08.98