

GETTING TECHNICAL

Professional Market Technicians

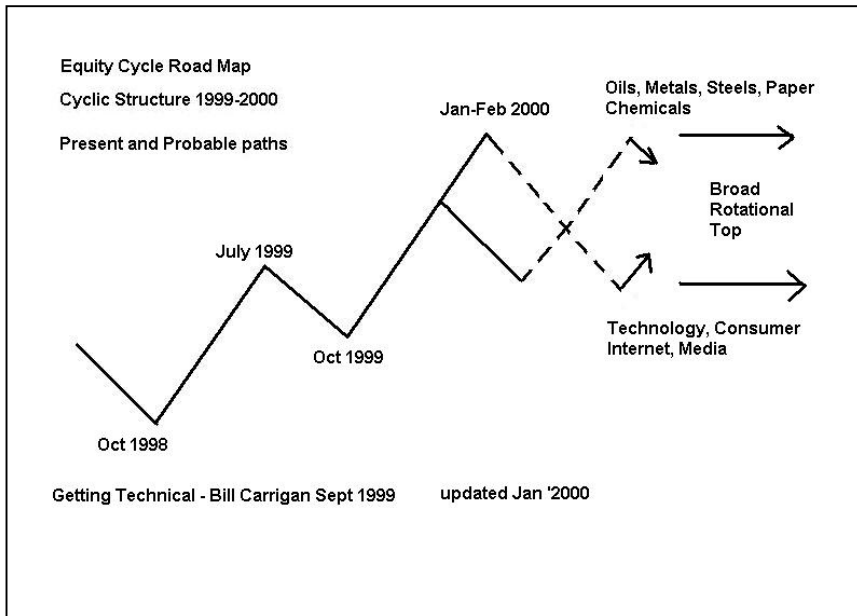
Editor Bill Carrigan

BI-WEEKLY UPDATE
JANUARY 14, 2000

DJII 11720
TSE300 8452

The gradual and persistent shift to a broad rotational top is now underway

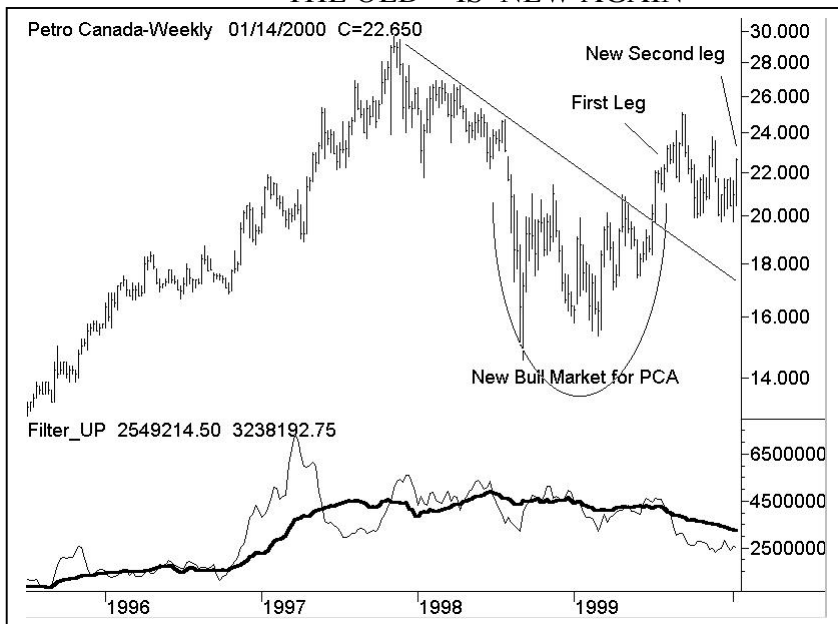
North American equities - present and probable paths



The current secular up trend began in 1982 and it has contained several bull and bear market cycles. The current bull market could well be the last of this long cycle. The completion of this bull in late 2000 could introduce a new secular down trend that could persist for several years

The Current bull market had its origins in October 1998 and is about to complete a second up leg in the January - February 2000 period. The third and final up leg could introduce a shift from the technology and internet or "click" sector to the end-of-cycle cyclical or "brick" sector.

THE OLD - IS NEW AGAIN



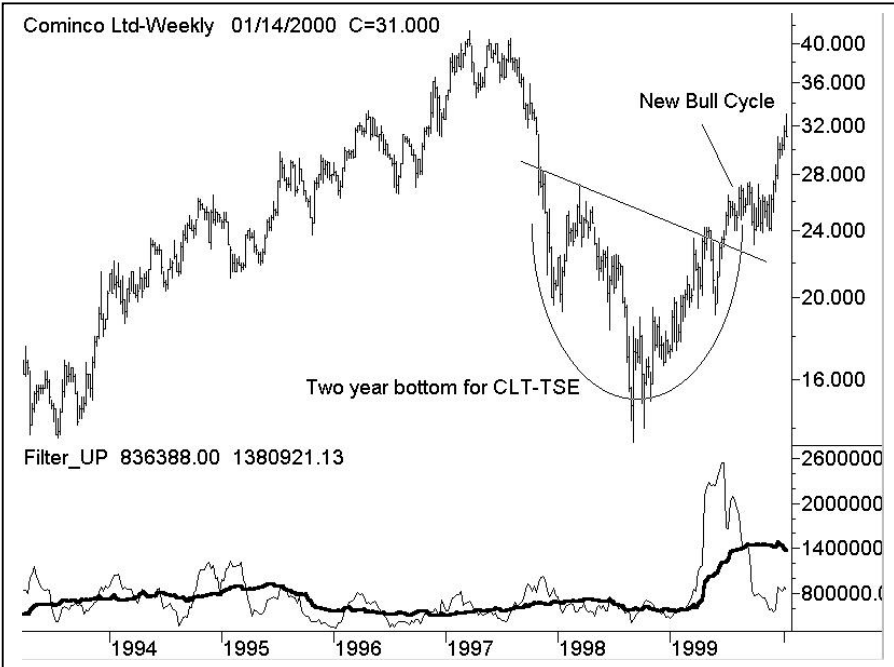
This shift in investment assets could produce large swings in the major indices for several quarters. The effect could be a wide sideways trading range much like the stock markets of the seventies.

This sideways market should present great opportunities for stock pickers and traders. The traditional strategy of buy-and-hold would be ineffective in this market environment.

Long term: The best strategy for the next several years is to shift from momentum investing to early cycle stocks and sectors. Monthly charts can reveal potential candidates with large bottoms and youthful bull cycles. Petro-Canada is a fine example of this concept and what is good for Petro-Canada is good for the rest of the oil sector.

A shift from the "click" or new economy stocks to the "brick" or old economy stocks should produce above average returns without the risks associated with momentum investing.

Cominco is a fine example of a long term base and a new bull cycle.

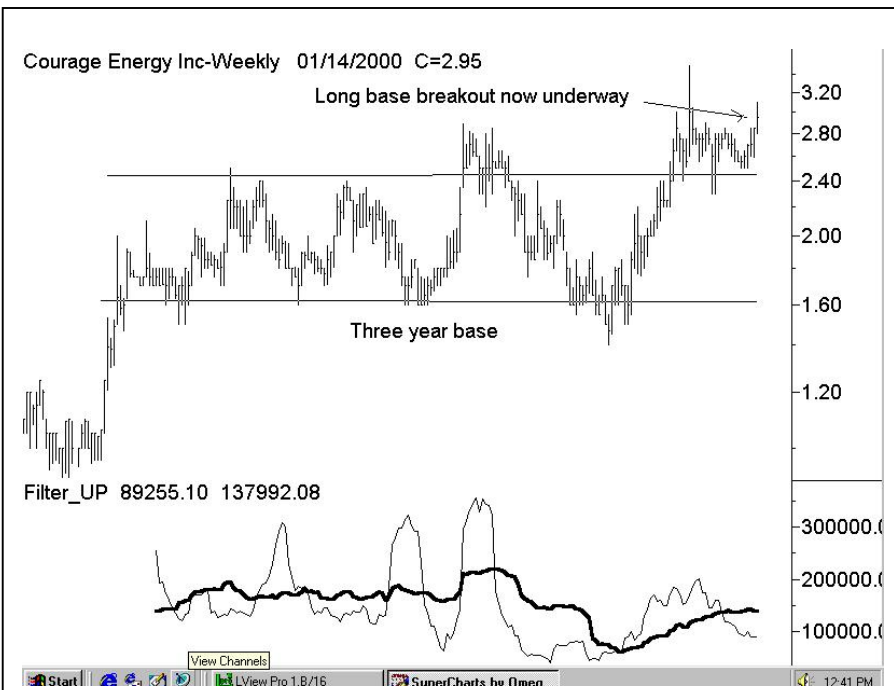


All of the following issues are candidates for a strong second leg advance in their current bull cycle. This second cycle advance should persist through June, 2000. A strong positive seasonal factor is also in play for this group.

The gold stocks are lagging and should follow the lead of a strong oil market.

Second Up Leg candidates mines & oils

			Jan 14, 2000
Akita Drilling	AKT.A	\$	8.50
Can Nat Res	CNQ	\$	35.55
Cominco	CLT	\$	30.00
Compton	CMT	\$	1.85
Courage	CEO	\$	2.80
Ensign Res	ESI	\$	33.50
Gulf Res	GOU	\$	4.78
Noranda	NOR	\$	19.30
Pen West	PWT	\$	31.00
Petro-Canada	PCA	\$	22.45
Ranger Oil	RGO	\$	5.45
Reserve Royal	ROI	\$	0.46
Rio Alto	RAX	\$	21.00
Talisman	TLM	\$	42.20
Trican Well	TCW	\$	6.60
Ulster Pete	ULP	\$	12.00

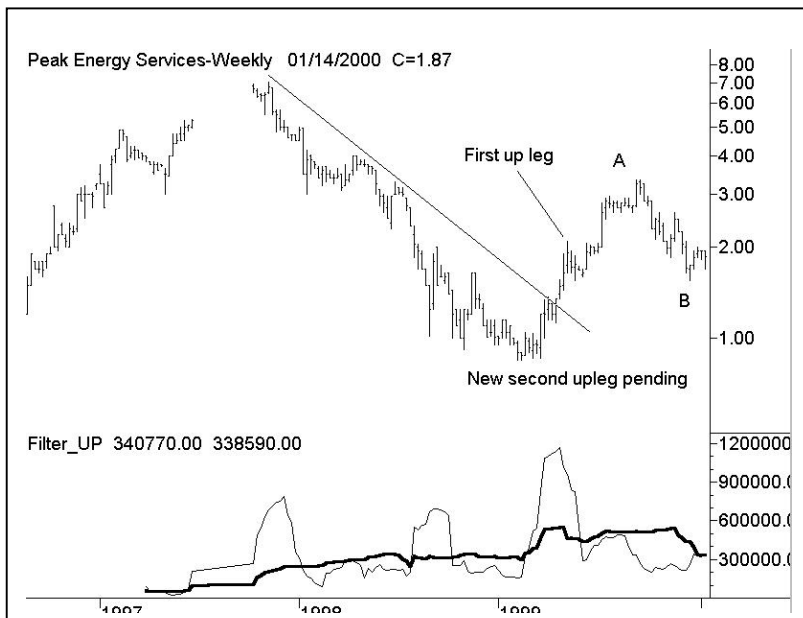


The internet fever has now spread from the big cap stocks to the small and micro-cap tech stocks. Most of them are just beginning a new second up leg. Some of them could generate spectacular capital gains over the next several weeks. They are risky, buy a basket - use stops.

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

SIX week return - Second leg tech stocks	Dec 06'99	Jan 14'00	net	
Angiotech Parma	ANP-TSE	\$13.50	\$26.50	96.30%
ATI Technology	ATY-TSE	\$18.25	\$18.45	1.10%
Biomira Inc	BRA-TSE	\$5.80	\$8.60	48.28%
Cangene Corp	CNJ-TSE	\$5.40	\$5.50	1.85%
Communication Sys	CSY-TSE	\$1.40	\$1.37	-2.14%
Inex Pharma	IEX-TSE	\$6.05	\$9.25	52.89%
Memotec Comm	MCM-TSE	\$1.10	\$1.07	-2.73%
Microforum Inc	MCF-TSE	\$7.65	\$9.60	25.49%
Mitel Corp	MLT-TSE	\$18.75	\$22.75	21.33%
Teklogix Intl	TKX-TSE	\$29.10	\$28.30	-2.75%
Telepanel Sys	TLS-TSE	\$2.20	\$3.75	70.45%
SCS Solars	SCS-VSE	\$0.94	\$1.07	13.83%
Visuallabs Inc	VLV-VSE	\$7.70	\$9.85	27.92%
			% gain	27.06%
	TSE	7860	8452	7.53%

The second up leg technology and bio tech stocks selected in the GT letter dated December 6, 1999 have returned 27% vs the TSE return of 7.53%. The current small and micro-cap technology should persist through February '2000. A short term bond market rally should help the group for a few more weeks.



A new second up leg in the oil and metals sector - due in mid January' 2000 is now under way. The gold stocks still lag but should participate and follow the oil stocks. An over due bond rally should avert a panic sell-off in the technology stocks. A U.S. rate hike in February is '2000 now factored into the markets.
- 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.

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