GETTING TECHNICAL

Professional Market Technicians

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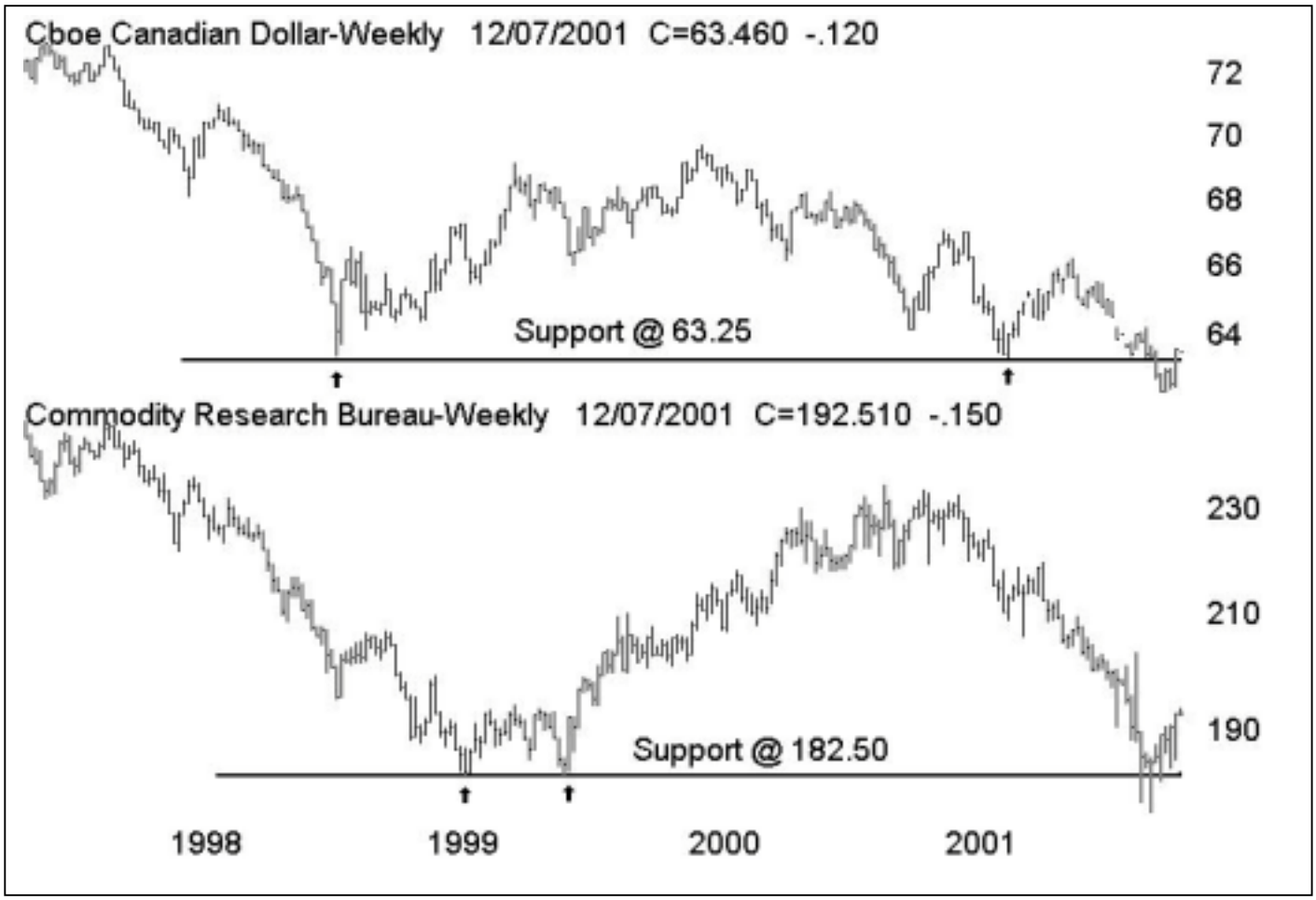
BI-WEEKLY UPDATE
December 04, 2001 GT1077

DJII 9894
TSE300 7450

Perfect correlation - The Canadian Dollar and Commodity Prices.

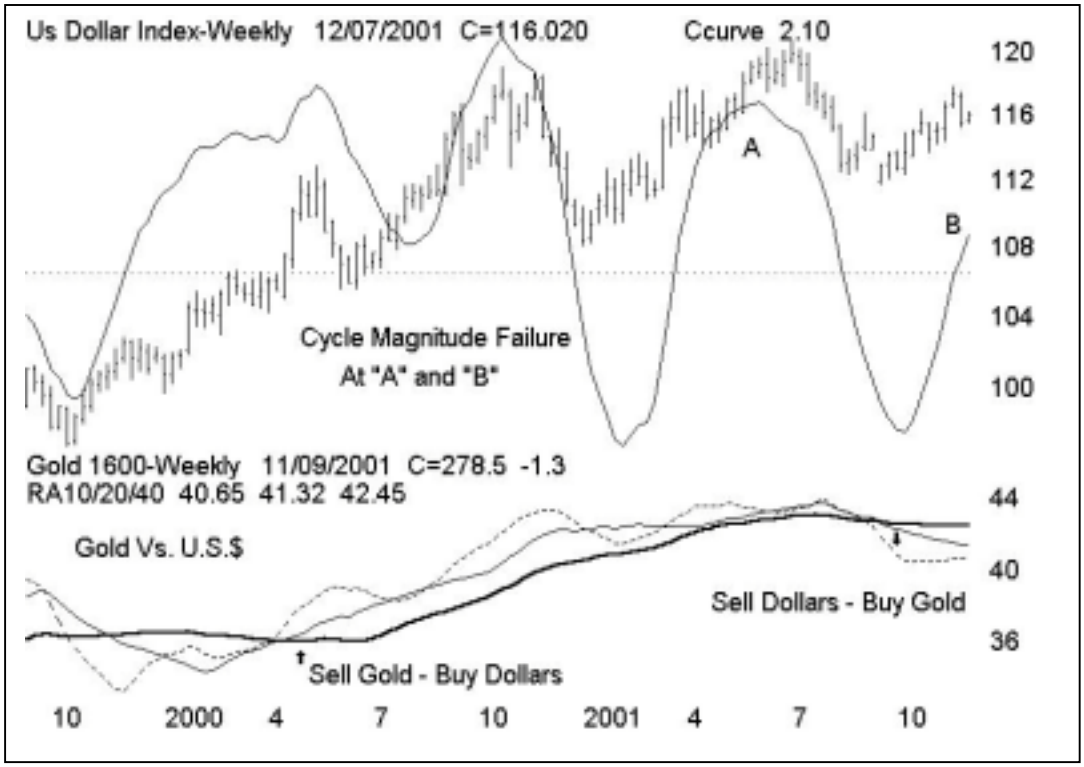


Gold Stocks Continue to Shine as the U.S. Dollar Decelerates — iUnit XGD-TSE Vs. U.S.$

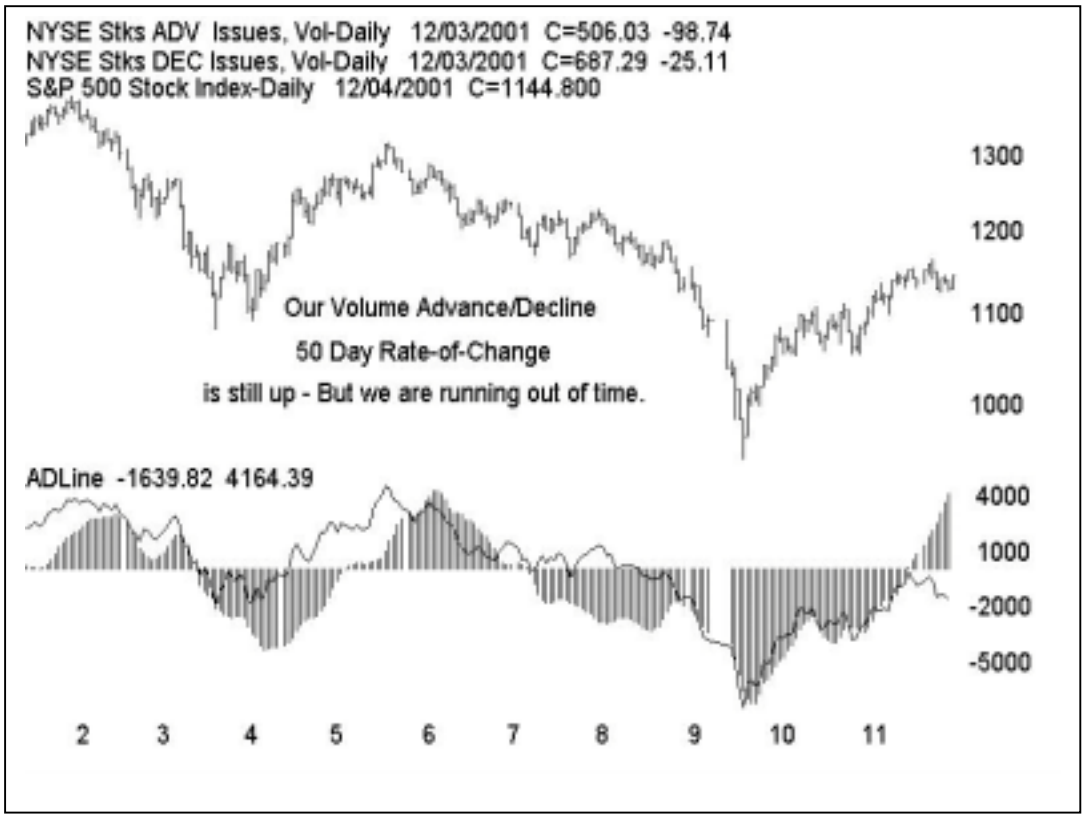
		Dec 29,2000	Dec 4,2001	Net %
BARRICK GOLD CORP	ABX	$25.00	$23.75	-5.0%
AGNICO EAGLE MINES LTD	AGE	$9.00	$15.10	67.8%
FRANCO NEV MNG LTD	FN	$17.10	$23.00	34.5%
GOLDCORP INC NEW A	G	$9.30	$18.00	93.5%
KINROSS GOLD CORP	K	$0.81	$1.11	37.0%
MERIDIAN GOLD INC	MNG	$10.70	$16.25	51.9%
PLACER DOME INC	PDG	$14.45	$16.95	17.3%
			Group NET %	**42.4%**
U.S. DOLLAR INDEX		$109.37	$116.00	**6.1%**

A topping U.S. dollar (see page 2) is good for commodity prices and the North American technology stock sector. The positive impact on technology and commodity stocks is also a good omen for the Canadian dollar. The 1998-1999 negative divergence in the Dollar/CRB has been replaced by the current positive divergence as the CRB breaks up and away from the lows registered in 1999. The Canadian unit has now confirmed the CRB advance when it rallied above the low registered in 1998.

The U.S. dollar is about to generate a second cycle-magnitude failure.



Our Volume Advance/Decline line should top in about 10 days



A declining U.S. dollar may be a good thing.

A strong dollar has kept the lid on inflation for the last several years during a period of economic boom.

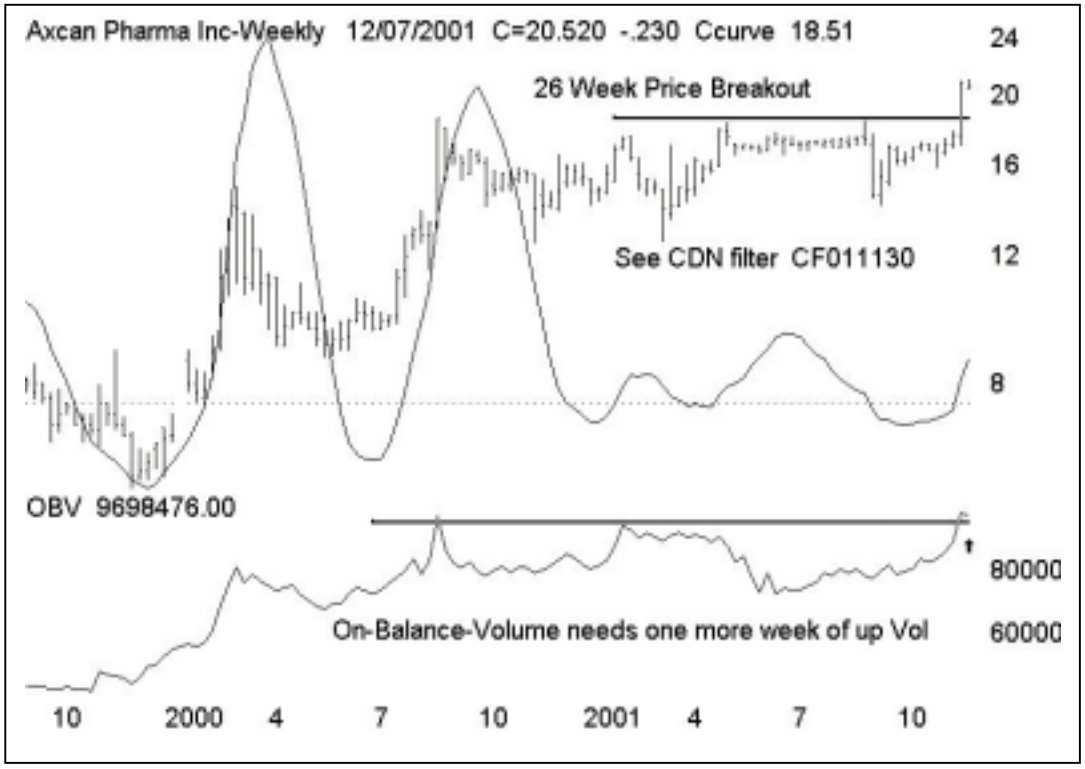
The disinflation of the late 1990's and the strong dollar set the stage for the 2000 technology collapse that was caused in part by the combination of falling prices and the strong dollar killing the profits of the large North American exporters.

The Bush administration is inclined to support a weaker currency, arguing that a strong dollar policy is no longer required during an economic downturn.

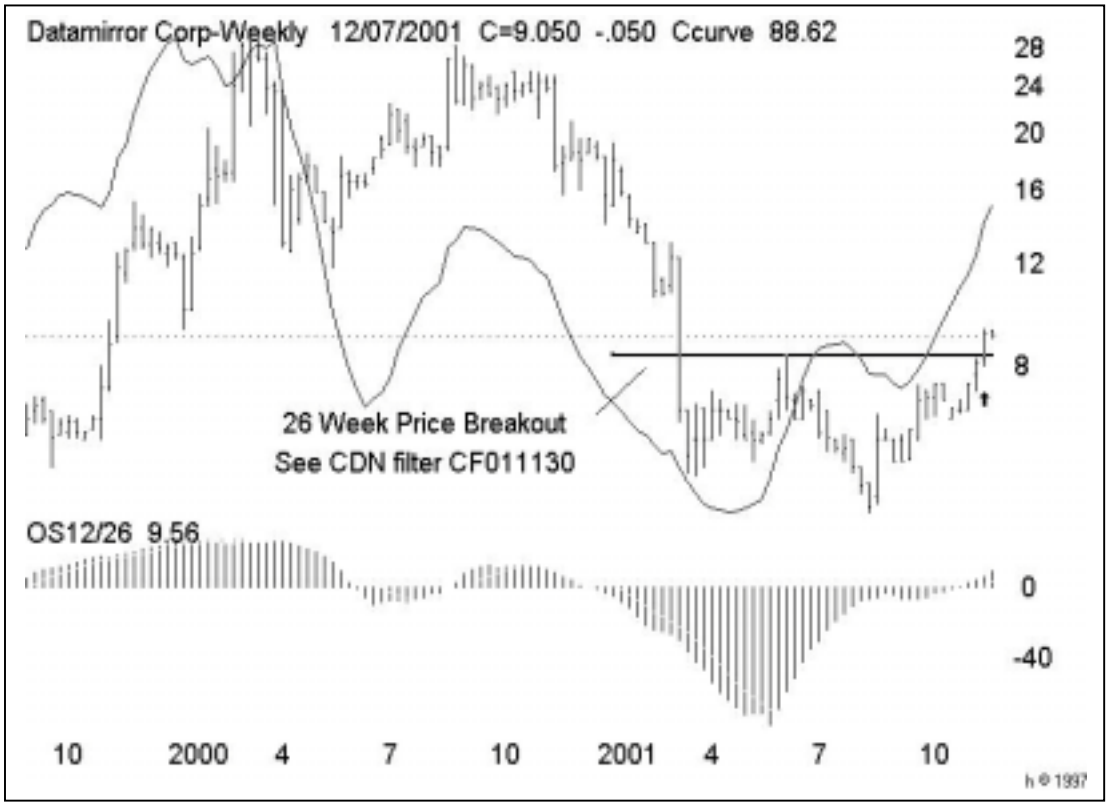
The current bull market first up-leg advance is running out of time and investors should lower their risk by rotating into the laggard financial and metals sectors.

For the financials use the TSE listed iUnit XFN to participate.

The Junior CDN biotech's and Pharma's – new bull cycles see page 4



Datamirror is a typical 26 week line breakout See CDN filter Nov 30



The pending intermediate cycle advance by the financial sector is confirmed by the recent advances of the fund management companies. AGF Management, Investors Group and CI Fund Management.

They Lead

Long term investors can hold TSE/S&P60 listed XIU, and the Amex listed QQQ (Nasdaq 100 Index), and enjoy a second January - March 2002 second up-leg in these technology related indices. Aggressive investors and traders should take profits in the XIU and QQQ and switch into tech laggards such as Axcan Pharma and Datamiror Corp. They are some of the long base breakouts that appeared on the CDN stock filter of November 30, 2001. The energy and metals/gold complex that has now completed a seasonal intermediate June-September correction.

Our biotech portfolio recovery candidates acquired in December, 2000 through March, 2001 was a failure for two reasons. It was selected during a second bear market down-leg and, we failed to set in place a stop loss discipline. Note that we still beat the TSE in spite of our poor market discipline.

Problem : We need to maintain exposure in the bio/health sector during a new bull market environment.

Strategy: We liquidate the portfolio and reselect using long term charts and use protective stops.
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Liquidated

Biotechnology Recovery Candidates Dec, 2000 - March, 2001

Name	SYMBOL	Dec 08,2000	Dec 11,2000	Net%
Axcan Pharma	AXP-TSE	$ 16.95	$ 21.00	23.89%
BioChem Pharma	BCH-TSE	$ 50.94	$ 56.00	9.93%
Bioniche Life Sc	BNC-TSE	$ 3.35	$ 2.70	-19.40%
Canadian Medical Lab	CLC-TSE	$ 14.50	$ 18.20	25.52%
Helix Biopharma	HBP-TSE	$ 6.95	$ 3.03	-56.40%
Hemosol Inc	HML-TSE	$ 15.35	$ 5.85	-61.89%
Inex Pharma	IEX-TSE	$ 5.35	$ 7.05	31.78%
Micrologix Biosystems	MBI-TSE	$ 6.00	$ 5.60	-6.67%
Patheon Inc	PTI-TSE	$ 15.00	$ 12.00	-20.00%
Stressgen Biotech	SSB-TSE	$ 7.20	$ 4.14	-42.50%
Vasogen Inc	VAS-TSE	$ 9.15	$ 7.31	-20.11%
				-12.35%
	TSE300	**9549**	**7450**	**-21.98%**

The lack of an index product in Canada in the health and biotech sector require us to us to use stock selection to create a portfolio. All selections are volatile and high risk but they should produce high returns through mid 2002. The stops are set to allow for the volatility of some issues.

The **New 2001–2002 Bio/Pharma** portfolio. All issues are in early first up-leg bull cycle advances.

The New 2001 - 2002 Bio/Pharma Portfolio

		4-Dec-01	Stops	Stop %
Axcan Pharma	AXP-TSE	$ 21.00	$ 17.50	-16.67%
Cangene Corp	CNJ-TSE	$ 7.75	$ 6.75	-12.90%
Glyko Biomedical	GBL-TSE	$ 5.80	$ 4.35	-25.00%
Helix Biopharma	HBP-TSE	$ 3.03	$ 2.25	-25.74%
Hemosol Inc	HML-TSE	$ 5.85	$ 4.40	-24.79%
Inex Pharma	IEX-TSE	$ 7.05	$ 5.25	-25.53%
Patheon Inc	PTI-TSE	$ 12.00	$ 10.00	-16.67%

The opinions are based on technical analysis and more information should be obtained before making an investment decision. There no such thing as a perfect investment and there is no such thing as a perfect recommendation.
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