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XMA
ZQQ

\$17.65 -0.05
\$14.21 -0.15

It's probably worse than the usual summer doldrums in the markets these days because of the ongoing debate this time about recession or possible double dip. The result has been a whole bunch more fear than greed in the market. Our favorite line comes from Scott Koyich who says "You can almost feel people putting their money under their mattress".

As far as the amount of money going into those mattresses there are different analysts and brokers suggesting somewhere between 1.3 trillion and 2 trillion is dollars sitting in corporate accounts and individual investor's accounts in North America and lost as to what to do with it. Imagine if they ever gain some confidence and lose their fear.

Which gets us to Bill Carrigan and Larry Berman. Both are technical analysts with wide followings in Canada, Berman because of regular appearances on BNN and Carrigan with his own website and weekly articles in the Toronto Star. Both were on BNN in the last week go to <http://watch.bnn.ca/monday/clip326524#> for Berman and <http://watch.bnn.ca/#clip326056> for Carrigan to see their presentations on BNN and note that they have almost exactly opposite views. Yes folks, they both look at the same squiggly lines, same breakout and breakdown patterns, divergent patterns, flag patterns and all that technical stuff, and both give courses on this technical information and yet Berman says sell and Carrigan says buy.

Berman is lavished with time by BNN so he must have made some money for someone sometime somewhere. And Carrigan has made some great calls we've been aware of...such as shorting Shopper's Drug Mart. Both make their calls based on some activity in the Bond markets and Berman suggests that if people are so concerned that they put money in T-Bills for ten years for only 3% yield, something bad is coming. While he thinks gold is okay and uranium is basing, he's not keen on oil suggesting that the world is well-supplied and with slack in the economy \$70 is the current support level and then he says \$60 and then possibly \$53. The markets will be volatile, he suggests, and time to sell in the coming weeks. He is expecting a tough 6-12 months in the market.

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Then there is Bill Carrigan who looks at the same charts and to those same bills with their low yields and calls it the sell of the generation. He is shorting those bonds saying "that if you do drop to 2.5% we're all done anyways, we've got to start getting out of this thing".

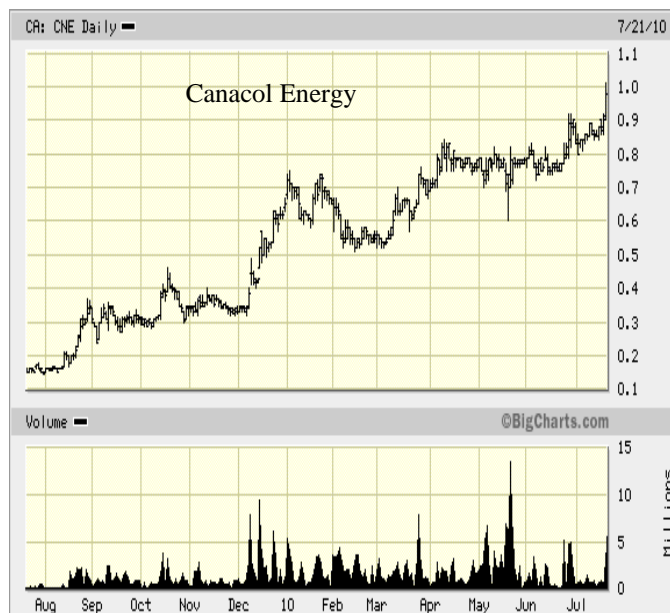
Carrigan expects us to muddle through the summer and then see a better market in the fall. He is bullish on gold because it's currently "irritating gold bugs", he likes oil, base metals and particularly forestry and agriculture. He is bullish on equities in general. One sector he watches closely are the railroads. He suggests that if the trains are busy the economy is okay. Corporations, he says, are healthy with cash, it's just the fear that is lingering. For his stock picks he goes with ZQQ for their technology and XMA for materials index including everything from gold to base metals to agriculture. We suspect only one of these technical wizards can be right!

CANACOL ENERGY (V-CNE) \$0.97 +0.07

Canaccord's oil and gas analyst Fred Kozak has had too much fun in Colombia with stocks such as Pacific Rubiales and PetroMinerales which unfortunately are way too blue-chip for us. That is why when Fred started following Canacol and said he really liked it back at \$0.35/\$0.40 we started covering it closely.

Wow, has it been a nice ride, and look at today an ugly one, and it is still hitting new highs.

However, on a conference call today Fred suggests don't be afraid to take profits...but at the same time let a little bit ride. Canacol now has an awful lot of stock out having done a 50 million dollar equity issue and a 42 million dollar debenture. But for those looking for a reason to have a few shares to ride, remember that big high risk/high reward play on the Brazilian-Guyanese border which should be drilled sometime in September and the target is anywhere between 30-200 million barrels. Meanwhile, Canacol is doing big volume, part of it is probably because it makes its debut on the Colombian exchange tomorrow.



Disclosure: Canacol Energy: Canaccord Genuity covers this stock and has a Speculative Buy rating on it. (Speculative buy: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.)
Canacol Energy: Canaccord Genuity has recently led a financing for Canacol Energy.

DEB'S DITTY:

The early bird gets the worm...
but the second mouse gets the cheese!

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