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Yves's Liquidity Index Goes Into Buy Mode!

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It would be difficult to not take advantage of the amazing bargains available in today's equity market.

Time and again events repeat themselves but always with a new twist each time. The boom to bust cycle is curiously taking on more and more ridiculous proportions. It guarantees us that the next bust will dwarf the subprime crisis, but hopefully not before this last deflation bubble.

The difficulty that most have in the interpretation of where we are in this cycle comes from the fact that we have had assets on different time horizons. It is perhaps not usual but most accurate, that observers had pointed to the banking weakness early on. The rest of the market marched on higher until it was untenable. My index did accurately give us "advanced warning" to buy and sell, and this is the reason we avoided the financial sector all together for most of the year. I suspect that this is a new leg up must include financials as the backbone of the new bull market. Therefore I have been most bullish on them since early November. I do believe that this sector has about 3 months lead time as opposed to the general market. I would subsequently not preclude revisiting the lows of this market in the near future for other sectors such as tech or energy.

Receiving a signal from my liquidity index has shown in the past to have a lead time that varies between 2 months (signal from December leading to the March sell off) or by only one week (our current sell signal since October 3rd) which now moves to a Buy signal as of today.

We are buyers of select themes and will highlight next time our favorite one.

— Yves Lamoureux, Investment Advisor, Blackmont Capital Inc.
Host of the show *Lamoureux des Finances*, writer and regular media commentator

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