

Off to the Races—Probably Not October 10, 2006

It has been obvious for the past 30 days that Wall Street was intent on the Dow Jones Industrial Average reaching a new all-time high. And last week, it did. (Good for them.)

Be that as it may, it's quite interesting to view the various individual components of this 30 stock average. For example, 70% of these stocks, 21 of the 30, are down in value more than 20%. Two stocks that were in the index in 2000, but are no longer, are down 43% and 76% respectively from their 1997 highs.

None of these 30 stocks was at its peak on 10/3/06 when the industrial average reached its new high since 2000.

Without a doubt, traders are hopeful that the hype coming from a new "stock market high" will cause the necessary excitement to bring the public back to the market. That remains to be seen. The economic fundamentals don't favor following short-term highs, driven by emotions and human behavior.

We do not believe that a new bull market is underway. If, however, the Dow Transports, the S&P 500, and NASDAQ follow, we will become believers. Please note the table below taken from the Bull No Bull's [website](#).

Dow Stocks Record Highs, Year Achieved and Percent Away		
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Record Highs, Year Achieved and Percent Away					
Stock	Symbol	All Time High	Year	Price - 10/3/2006	% From High
Procter & Gamble	PG	62.85	2006	62.27	1%
American Express	AXP	56.19	2006	55.90	1%
United Technologies	UTX	66.39	2006	64.84	2%
Johnson & Johnson	JNJ	70	2005	65.48	6%
Exxon Mobil	XOM	71.22	2006	65.45	8%
Boeing	BA	89.59	2006	81.75	9%
Citigroup	C	55	2000	50.08	9%
Altria	MO	85	2006	75.56	11%
3M	MMM	90	2004	74.00	18%
Caterpillar	CAT	82.03	2006	65.28	20%
McDonalds	MCD	50	1999	39.67	21%
JP Morgan	JPM	65	2000	47.68	27%
Walt Disney	DIS	44	2000	31.00	30%
Wal Mart	WMT	70	1999	49.39	29%
American Int'l Group	AIG	104	2000	66.69	36%
Honeywell	HON	68	1999	41.90	38%
Alcoa	AA	45	2001	27.05	40%
General Electric	GE	61	2000	35.74	41%
IBM	IBM	138	1999	81.68	41%
Pfizer	PFE	50	1999	28.41	43%
Verizon	VZ	68	1999	37.44	45%
AT&T	T	60	1999	32.57	46%
Hewlett Packard	HPQ	69	2000	37.42	46%
Home Depot	HD	70	2000	36.85	47%
Coca-Cola	KO	88	1998	44.56	49%
Dupont	DD	85	1998	42.95	49%
Merck	MRK	90	2000	42.00	53%

Microsoft	MSFT	60	1999	27.36	54%
GM	GM	94	2000	33.14	65%
Intel Corp	INTC	76	2000	20.57	73%
Removed Components					
International Paper	IP	61	1997	34.70	43%
Eastman Kodak	EK	92	1997	22.16	76%