



**January 2002**

**Let History be your Guide!**

Back on June 23<sup>rd</sup>, 1994, Money Manager Ken Winans, President of Winans International was telling the audience at a taped Paine Webber investment conference to “let history be your guide”! The “post cold war” economic period would resemble the post war periods after the two world wars and produce a climate of strong economic growth, low inflation and high stock market appreciation that could send Dow Jones Industrial Average up as much as 400% (ie,12,000).

With the Dow Jones Industrial Average near his 1994 target and the NASDAQ in the stratosphere, Ken stated during an interview with Forbes magazine on December 28, 1999 “The recent run-up in technology stocks has brought the overall market to a point where you are looking at {expectations for} near-perfect business conditions. Any misses and it will get ugly!”

As Wall Street struggles with the worst bear market since the 1970's, Ken Winans is once again turning to economic history to help provide guidance for the future and there is light at the end of the tunnel!

According to Ken's research, most of the major bear markets have not exceeded three years and have been followed by powerful rallies over several years. This is primarily caused by low interest rates and moderate to strong growth in money supply.

This can be good news for the beleaguered Tech Investor. The Dow Jones Industrial Average of the 1920's & 30's resembled that of the NASDAQ of the last 12 years, because the high growth companies after WWI were in the Dow.

If Ken is right, investors may be able to make up a lot of the ground lost during the last three years over the next 6 years. He expects most major indices to move up at least 30%-40% during this time.