

4 stock 'sell signals' have guided investors

This is a repeat of a column that ran before. I feel this is an appropriate time to repeat the analysis.

Over the years, the pundits have developed many stock market sell signals, which have presumably worked for them.

Some of these signals are bizarre, like the length of women's skirts, sun spots and abnormal temperature changes.

Others are more mundane and sensible. Today, we will discuss four signals that appeal to me.

Discount rate vis-a-vis Treasury Bill rate

One of the best-known sell signals is the crossing over of the 90-day Treasury Bill rate over the Federal Reserve's discount rate. Both rates are regularly published in the local newspapers.

The Treasury Bill rate is the best indicator of the tightness or easiness prevailing in the current market, whereas the discount rate is the rate the Fed charges on the loans it makes to its member banks.

Whenever the Treasury Bill rate has risen above the discount rate, stock prices have declined on a monthly basis about 75 percent of the time.

The reason is simple: An increase in the short-term rates signals a tightening of credit conditions which, in turn, harms the stock market.

Some small business women are providing on-side day care

By Mary DiPaolo
special writer

For business owners who want their children near them while being cared for during working hours, the concept of on-site day care is one that is quickly catching on.

For many of these business owners, care is being provided by the parent(s) or employees on an ad hoc basis. To make this (and other) on-site day care arrangements mutually beneficial, there are planning factors to consider.

First, is the site being considered large enough to accommodate chil-

dren without affecting the operation?

"OUR SALON is structured to easily care for our new baby," said Dawn Capaldi, co-owner of Jo Talme Salon in West Bloomfield.

"We have a large kitchen in the back as well as plenty of floor space in and around the reception area. Clients enjoy the baby and have commented on how nice it is to see how well she has adjusted to being in the salon when she's here."

A makeup artist, Capaldi provides the majority of care for her baby, although she has several volunteers

when things get busy.

"We're all like family here, so the baby has at least five other 'mothers' who keep an eye out for her."

ACCORDING TO the Office of Advocacy of the U.S. Small Business Administration, female business owners have been seeking a more "creative approach" in securing quality day care for their children.

"They understand both sides of the issue as mothers and business owners," said Carol Crockett from the SBA's Washington headquarters.



finances and you

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Real corporate profits

Stock prices are a function of corporate profits. The higher the corporate earnings, the higher the potential for an increase in the related stock prices.

Real corporate profits are easy to track, since they are published every quarter by the Department of Commerce in the Wall Street Journal and "Business Week."

Tightening action by Fed

We know that a tightening action by the Fed lowers stock prices. Three consecutive tightening actions generally signal the end of a bull market.

The tightening action may result from an increase in the discount rate, member bank reserve requirements, or stock market margin requirements. Whenever the Fed decides that inflation is too high or that the dollar needs strengthening, it takes tightening actions as a corrective measure.

Such a measure usually lowers corporate profits. Lower profits lead to lower stock prices.

Leading indicators

The Department of Commerce regularly publishes an Index of Leading Indicators. A fall in this index precedes a bear market.

Obviously, it is important to keep a close track of this index.

Personal taxes

An impending increase in personal taxes generally lowers stock prices. Personal taxes have not been raised in recent years, but a cut in taxes less than anticipated also could lower stock prices.

Next week: tax laws

Sid Mittra is a professor of management at Oakland University and proprietor of Coordinated Financial Planning.

Infertility Research and Treatment

How much help will you need to fill these shoes?



A couple trying to overcome a serious fertility problem has basically two options. Seek help from a small fertility clinic associated with a general hospital (a few of these actually attempt fairly advanced procedures like in vitro fertilization). Or choose the Hutzel Fertility Center. The difference is dramatic. Hutzel's program is medical center- and university-based; encompassing both treatment and research. Unlike general hospitals that mostly apply established technology, a comprehensive clinical and research center like Hutzel actually pioneers and develops new techniques.

Hutzel's century-long leadership in the reproductive sciences includes Michigan's first in vitro fertilization babies, the newest techniques of egg retrieval, and, to date, Michigan's first

and only embryo freezing capabilities (which contribute significantly to reducing the risk of multiple births). Hutzel has also pioneered the concept of treating couples rather than individuals. This helps avoid unnecessary delays, expenses and frustration.

Hutzel's extra research and clinical dimension means more hope, every day, for patients with the most complex problems. And, because Hutzel's care costs no more, even couples with less serious problems can afford the extra peace of mind that comes with the Hutzel program.

Infertility programs often require considerable economic and emotional investment by couples. To make the most of that investment, call the Hutzel Fertility Center for more information.

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