

MONEYLETTER HOTLINE 8/6/02

Does Rally Have Legs?

Once again we have had a strong rally. This time the rally came out of the blue. And once again we have to wait and see whether the rally has legs. There was absolutely no economic or corporate news behind the rally. After the close today, Cisco did announce earnings that beat Street expectations. This may help the market in the short-run.

The market, of course, the last few days has been coping with the discouraging economic news. about July activity. As we said in the last Hotline, what has to be decided is whether the July numbers were a one-time thing or a sign that the recovery is stalling. If the latter, then action by the Fed is not far behind. Wall Street already expects action by the Fed, with Goldman Sachs predicting a fed funds rate of 1% by yearend, $\frac{3}{4}\%$ lower than it is now. We are not so certain. We believe the Fed will wait another month and see what the August numbers look like before making up its mind. If there is little improvement, the Fed will certainly act.

As for the market, it remains undervalued. How far undervalued depends on how slow the recovery actually is. Still the market now has the expectation of more Fed action if necessary. At worst, we see the economy recovery regaining strength over the next few months. Once it does, the stock market will follow. We look for higher prices over the next 6-9 months.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds there are two new buys: American Century Equity-Income and Royce Premier. There are two new holds: Fidelity Value and Boston Partners Small Cap Value. There is one new sell: CGM Focus. For international stock funds, there is one new buy: Dreyfus Emerging Market.

The Economy – The focus of attention now is on the meaning and consequences of the recent data. The dollar has suddenly strengthened.. The explanation is new data in Europe showing its recovery stalling. We expect better numbers as we move into the fall.

The Stock Market – We are discontinuing the Signal Model Portfolio, as announced in the upcoming issue of Moneyletter. The Portfolio has outlived its usefulness. The last information on the portfolio will be carried in next week's Hotlines.

MONEYLETTER HOTLINE 8/2/02

Markets Affect Economy This Time

The economic news the past three days, capped by today's employment report, has had us all spinning, sending the market down over 400 Dow points. Almost every one, including us, has revised their outlook downwards to some extent. It now appears that the economy's momentum disappeared last month especially for manufacturing, and the promising outlook for increasing growth went with it. Undoubtedly, the effect of the downbeat reports will be to cause a downward revision by Wall Street of the outlook for profits.

The issue we will all be struggling with is whether the July numbers are just an anomaly or a new and true reading of a recovery that is faltering badly. It will take at least another month before we know the answer. If the recovery is faltering then we should expect quick action by the Fed, perhaps as early as next month. In trying to explain what is happening, we can only conclude that the steep market decline since May has taken its toll on business confidence. Nothing prefigured the numbers we are seeing.

There is no change in our recommended allocations.

Fund Recommendations – For domestic stock funds there are two new buys: Longleaf Partners and Third Avenue Small Cap Value. There is one new hold: Loomis Sayles Small Cap Value. There are no changes for international stock funds.

The Economy – The split between business and the consumer sectors continues. Business has pulled in its horns. The consumer bought cars close to a record rate last month. At the same time business held back from hiring and ordering. Production fell noticeably last month. As things look now, economic growth is much too slow for either the Fed or the administration. We look for some action if the stall continues.

The Stock Market – We should not expect much from the stock market in the very near-term. The true position of the economy has to become clearer. One extremely important prop for the market now is the level of interest rates. We may see some further selling next week. We still see stocks as being cheap, and expect to see higher prices over the next 6-9 months.

The Bond Market – The bond market has built in an interest rate cut in December. We think we will either get one earlier or not at all. If the economy needs help it will get it soon.

Domestic Stock Funds — data as of 8/2/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Yacktman Fund	B	-3.4%	-1.6%	7.3%	51 Berger Mid Cap Value	H	-10.3	-16.0	-13.1
2 Aegis Value Fund	B	-4.5	-2.6	6.1	52 Loomis Sayles Small Cap Value	H	-12.7	-15.0	-12.2
3 Longleaf Partners Smallcap	B	-2.3	-0.1	-5.9	53 Fidelity Small Cap Ind.(1.5%	H	-9.6	-18.2	-8.7
4 Vontobel U.S. Value (2%r<90d)	B	-1.5	-3.4	-0.9	54 Legg Mason Opportunity Trust	H	1.0	-17.2	-27.7
5 Clipper Fund	B	-2.5	-5.3	0.7	55 Vanguard Equity-Income	H	-9.0	-15.2	-17.9
6 Eclipse Small Cap Value	B	-9.9	-1.8	0.4	56 Dreyfus Appreciation	H	-5.8	-16.6	-19.5
7 T. Rowe Price Cap Appreciation	B	-4.6	-5.3	-2.3	57 Meridian Fund	H	-10.3	-16.6	-13.0
8 Fidelity L P Stock (closed,3%	B	-8.7	-7.1	1.0	58 Strong Mid Cap Disciplined	H	-11.1	-16.7	-11.9
9 Royce Total Return (1%r<180d)	B	-7.6	-5.9	-3.7	59 Selected American Shares	H	-7.1	-15.5	-21.3
10 Ariel Fund	B	-7.7	-7.4	-0.9	60 Nicholas Fund	S	-3.9	-17.2	-22.2
11 Longleaf Partners	B	-4.0	-8.4	-11.4	61 T. Rowe Price Equity-Income	S	-9.7	-15.6	-17.9
12 American Century Equity Income	B	-6.5	-8.8	-7.3	62 Marsico Focus	S	-11.3	-14.6	-18.3
13 T. Rowe Price S-C Value	B	-11.8	-7.9	-2.3	63 Vanguard Mid-Cap Index+	H	-9.4	-16.4	-17.4
14 RS Partners	B	-9.1	-8.1	-7.3	64 Sound Shore	S	-7.3	-16.6	-20.6
15 Neuberger Berman Genesis	B	-7.9	-10.0	-5.6	65 Preferred Value	S	-7.6	-15.2	-23.7
16 Fidelity Fifty+ (.75%r<30d)	B	-10.3	-8.2	-8.4	66 Heartland Value (1%r<90d)	H	-13.9	-16.3	-11.5
17 Baron Small Cap	B	-9.5	-10.1	-7.4	67 Baron Asset	H	-12.1	-14.3	-19.5
18 Fidelity Contrafund (3%)	H	-7.0	-9.9	-12.5	68 Vanguard Windsor II	S	-9.5	-14.9	-21.9
19 Royce Premier (1%r<180d)	B	-7.5	-10.7	-10.0	69 Dreyfus Mid Cap Index	S	-9.6	-16.6	-17.9
20 Neuberger Berman Fasciano Inv	B	-9.5	-9.9	-9.0	70 Fidelity Growth & Income(3%)	S	-6.4	-17.3	-21.0
21 Legg Mason Special Investment	H	1.8	-14.4	-16.4	71 Fidelity Convertible Securities	S	-7.0	-17.3	-20.0
22 Mutual Shares(1%)CIZ	H	-6.0	-10.1	-15.7	72 Boston Partners Mid Cap Value	S	-11.6	-17.6	-14.6
23 Babson Value	H	-8.4	-9.5	-13.9	73 CRM Small Cap Value Inv	H	-13.5	-16.0	-16.0
24 Third Avenue Small-Cap Value	B	-9.5	-10.0	-11.5	74 Marsico Growth & Income	S	-10.8	-16.0	-20.2
25 Baron Growth	B	-7.3	-11.8	-10.9	75 Gabelli Asset	S	-9.1	-16.2	-22.3
26 T.Rowe Price Mid Cap Value	B	-10.0	-12.5	-6.3	76 Vanguard Small-Cap Value	H	-15.6	-15.8	-14.0
27 Berwyn Fund (1%r<180d)	B	-14.0	-10.2	-6.3	77 Bogle Small Cap Growth(closed)	H	-11.5	-17.3	-16.3
28 Mutual Beacon(1%)CIZ	H	-6.5	-10.7	-16.3	78 Bonnel Growth Fund (.25%	S	-11.3	-17.6	-16.4
29 Ariel Appreciation	H	-9.1	-12.6	-7.9	79 T. Rowe Price Small Cap Stock	S	-11.3	-17.9	-15.7
30 ICM/Isabelle Small Cap Value	B	-15.0	-7.0	-13.8	80 Federated Kaufmann Fund+	S	-8.3	-17.9	-20.7
31 Mutual Qualified(1%)CIZ	H	-7.0	-11.3	-16.4	81 Wasatch Core Growth+	S	-12.9	-15.9	-19.4
32 Salomon Brothers Opportunity	H	-7.9	-11.6	-14.6	82 Fidelity Independence(ret.only)	S	-6.4	-18.6	-22.2
33 Tweedy, Browne American Value	H	-7.8	-11.4	-15.5	83 Harbor Value	S	-8.0	-17.9	-21.9
34 Oakmark Small Cap (2%r<90d)	B	-9.8	-12.9	-9.1	84 Nicholas II	S	-5.5	-19.7	-21.5
35 American Century Value	H	-8.2	-12.9	-12.4	85 Wasatch Small Cap Value	H	-16.5	-15.9	-14.7
36 Homestead Value	H	-10.0	-11.7	-13.5	86 UMB Scout Stock	S	-7.5	-18.5	-21.9
37 CRM Mid Cap Value Ins	H	-9.1	-15.1	-7.1	87 Fidelity Equity-Income	S	-9.8	-17.2	-22.3
38 Oakmark Fund	H	-6.1	-13.7	-15.6	88 Loomis Sayles Value	S	-9.4	-17.4	-22.8
39 CRM Mid Cap Value Inv	H	-9.2	-15.2	-7.4	89 American Century Vista	S	-8.2	-18.3	-23.3
40 Fidelity Value	H	-10.9	-12.2	-12.9	90 Fidelity Disciplined Equity	S	-8.5	-18.6	-22.4
41 Oakmark Select(closed) (2%	H	-6.1	-14.6	-14.3	91 Vanguard Extended Market	S	-8.6	-18.8	-21.9
42 Liberty-SteinRoe Balanced	H	-5.6	-13.5	-18.2	92 MSI Small Cap Value(closed)	S	-9.1	-18.5	-22.6
43 T. Rowe Price New Era	B	-14.3	-10.2	-14.0	93 T. Rowe Price Dividend Growth	S	-9.1	-19.4	-21.0
44 Vanguard Convertible Securities	H	-6.2	-14.0	-16.9	94 State Street Mid-Cap Value	S	-13.0	-18.6	-17.1
45 Royce Penn Mutual+(1%r<180d)	B	-11.8	-13.3	-10.5	95 Westport Small Cap R	S	-11.3	-19.8	-18.8
46 Strong Discovery+	H	-7.4	-14.2	-16.3	96 Fidelity Equity-Income II	S	-9.3	-19.1	-23.8
47 Dodge & Cox Stock	H	-9.8	-14.2	-15.1	97 Scudder Large Co Value	S	-10.9	-17.5	-25.4
48 Dreyfus New Leaders	H	-8.5	-13.4	-19.6	98 CS Warburg Pincus Value	S	-10.7	-18.7	-23.5
49 Boston Ptnrs Smlcap Val	H	-13.8	-13.8	-11.5	99 Janus Growth & Income	S	-9.5	-18.5	-25.8
50 Third Avenue Value	H	-10.1	-14.2	-17.1	100 Royce Opportunity+ (1%r<180d)	S	-15.9	-18.2	-17.7

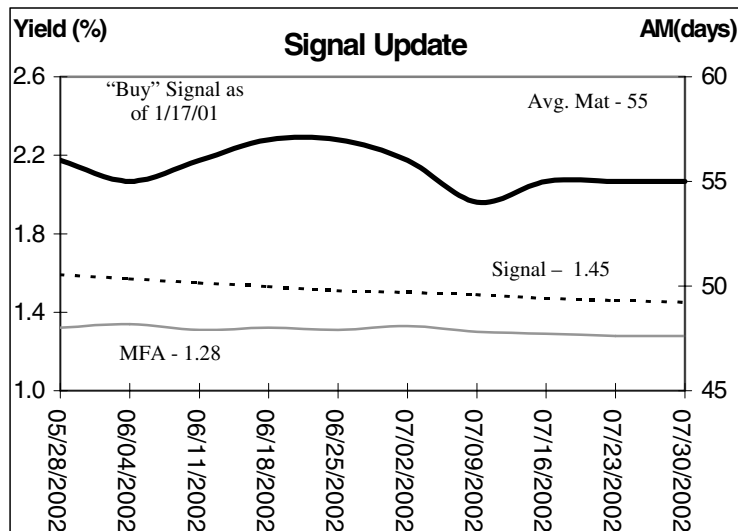
DOMESTIC STOCK FUNDS
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Domestic Stock Funds continued — data as of 8/2/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
101 Weitz Value Fund	S	-6.0	-20.8	-26.3	151 Vanguard/Morgan Growth+	S	-7.7	-24.6	-30.7
102 Royce Low Priced Stock (1%	S	-13.2	-20.7	-15.8	152 Muhlenkamp Fund	S	-14.6	-22.1	-26.9
103 American Century Income &	S	-8.4	-20.1	-24.8	153 WPG Large Cap Growth	S	-6.9	-25.6	-30.7
104 American Century Ultra+	S	-7.8	-20.0	-26.0	154 Fidelity Blue Chip Growth	S	-7.7	-25.1	-30.9
105 Liberty-SteinRoe Capital Opportu-	S	-10.4	-19.6	-24.0	155 Dreyfus Premier Aggressive	S	-9.4	-23.6	-32.6
106 Columbia Special+	S	-7.7	-20.5	-26.3	156 Vanguard Explorer+	S	-11.0	-25.6	-25.9
107 American Century Heritage	S	-10.6	-18.5	-27.4	157 Columbia Common Stock	S	-9.6	-24.2	-32.0
108 Wasatch Small Cap Grth+	S	-6.6	-24.4	-19.5	158 Salomon Brothers Capital	S	-9.0	-25.5	-29.7
109 INVESCO Core Equity	S	-10.2	-20.2	-24.9	159 Janus Enterprise+	S	-7.8	-22.4	-39.7
110 American Century Equity Growth	S	-8.8	-20.7	-26.5	160 American Century Growth+	S	-7.9	-25.9	-31.0
111 Vanguard Growth & Income	S	-8.2	-21.4	-26.2	161 Montgomery Growth	S	-8.9	-24.7	-32.6
112 INVESCO Value Equity	S	-11.1	-20.2	-25.1	162 Strong Growth	S	-9.1	-24.4	-33.8
113 Vanguard SmallCap Index+	S	-13.0	-20.5	-21.6	163 WPG Tudor	S	-11.1	-25.6	-29.0
114 T.Rowe Price Mid Cap Growth	S	-10.1	-21.5	-23.8	164 Liberty-SteinRoe Growth Stock	S	-8.3	-25.6	-34.0
115 USAA Growth & Income	S	-8.6	-21.1	-27.2	165 Strong Multi-Cap Value	S	-17.0	-23.2	-27.2
116 Schwab 1000 Fund (.75%r<180d)	S	-8.2	-21.6	-27.1	166 Galaxy Equity Value (3.75%)	S	-10.6	-26.1	-29.6
117 Fidelity New Millennium (3%)	S	-7.7	-23.2	-24.2	167 William Blair Growth (1%r<60d)	S	-10.2	-26.4	-30.7
118 Dreyfus Fund	S	-9.1	-21.9	-25.6	168 Vanguard PRIMECAP	S	-9.3	-26.8	-32.3
119 Dreyfus Growth Opportunity (2%	S	-9.1	-21.6	-26.4	169 Janus Fund	S	-9.0	-25.4	-37.0
120 Domini Social Equity Fund +	S	-7.8	-21.8	-27.9	170 USAA Aggressive Growth	S	-9.1	-25.6	-36.3
121 Scudder Growth & Income	S	-8.6	-21.6	-27.4	171 CGM Focus	S	-22.0	-27.8	-11.7
122 MSI Value Portfolio	S	-11.0	-21.2	-25.2	172 Scudder Capital Growth AARP	S	-6.5	-28.0	-34.4
123 Fidelity Stock Selector	S	-8.1	-22.5	-26.5	173 SIT Small Cap Growth+	S	-10.1	-25.7	-35.3
124 Vanguard Growth Index +	S	-5.4	-24.2	-26.6	174 Buffalo Small Cap	S	-14.1	-28.9	-22.5
125 Vanguard Windsor	S	-9.9	-22.3	-24.8	175 Harbor Capital Appreciation+	S	-9.5	-27.5	-33.1
126 WmBlair S-C Growth N (1%r<60d)	S	-14.6	-21.3	-20.7	176 Dreyfus Premier Third Century	S	-9.4	-26.7	-35.2
127 T. Rowe Price Growth Stock	S	-7.5	-23.1	-27.0	177 Scudder Large Company Growth	S	-6.6	-28.4	-35.6
128 Legg Mason Value	S	-5.2	-21.5	-34.6	178 Strong Large Cap Growth	S	-9.0	-27.5	-34.8
129 Salomon Brothers Investors	S	-8.5	-22.1	-28.4	179 Gintel Fund (2%r<45d)	S	-12.4	-23.0	-41.0
130 Janus Twenty(closed)	S	-7.8	-21.3	-31.5	180 Preferred Growth	S	-9.6	-27.7	-33.7
131 Northeast Investors Growth	S	-8.3	-22.9	-27.1	181 RS Value+Growth+	S	-11.1	-27.1	-33.3
132 Fidelity Trend	S	-8.6	-22.3	-28.2	182 MSI Mid Cap Value	S	-10.6	-27.6	-32.7
133 Vanguard 500 Index	S	-8.7	-22.4	-28.2	183 Strong Opportunity+	S	-10.8	-27.7	-32.1
134 Fidelity Spartan 500 Index	S	-8.7	-22.4	-28.3	184 SIT Large Cap Growth	S	-6.1	-28.6	-37.0
135 Fidelity Fund	S	-9.1	-22.4	-27.8	185 Strong Growth 20+	S	-10.3	-27.0	-35.0
136 Strong Advisor Common Stock	S	-9.4	-23.1	-25.5	186 PBHG Growth+	S	-9.2	-26.0	-39.4
137 Fidelity Dividend Growth	S	-7.6	-23.7	-28.1	187 T. Rowe Price New Horizons	S	-11.6	-28.4	-31.1
138 Fidelity Magellan (3%)	S	-8.7	-22.8	-29.6	188 Fidelity OTC Portfolio+	S	-9.1	-28.4	-34.6
139 T. Rowe Price Growth & Income	S	-9.6	-23.6	-26.4	189 Oberweis Emerging Growth+	S	-11.6	-28.3	-31.8
140 Neuberger Berman Guardian	S	-10.9	-22.5	-27.4	190 Babson Growth+	S	-10.2	-28.2	-34.5
141 Thompson Plumb Growth	S	-8.8	-26.0	-22.5	191 T. Rowe Price New America	S	-9.4	-28.8	-34.7
142 American Century Select+	S	-9.3	-22.8	-29.7	192 Janus Mercury+	S	-5.9	-29.0	-39.5
143 Vanguard Value Index	S	-11.9	-20.9	-30.5	193 Janus Venture (closed)	S	-13.7	-27.4	-32.0
144 Selected Special Shares	S	-12.6	-22.0	-26.8	194 Neuberger Berman Manhattan	S	-9.3	-28.1	-36.7
145 Artisan Midcap+(closed)	S	-10.9	-23.6	-27.2	195 USAA Growth	S	-6.7	-29.3	-38.2
146 Galaxy Equity Growth (3.75%)	S	-7.6	-24.1	-31.2	196 Fidelity Mid-Cap Stock+ (.75%	S	-10.0	-29.3	-34.8
147 Safeco Equity	S	-7.5	-24.7	-30.0	197 TCW Galileo Value Opportunity	S	-15.2	-29.9	-26.4
148 Fidelity Capital Appreciation	S	-10.0	-23.2	-30.0	198 Montgomery Small Cap	S	-12.1	-27.7	-37.4
149 Dreyfus Growth & Income	S	-8.9	-23.8	-30.2	199 MSI Midcap Growth	S	-10.6	-28.4	-38.5
150 Neuberger Berman Partners	S	-11.8	-23.6	-26.7	200 CS Warburg Pincus Capital	S	-6.6	-30.4	-39.3

International Stock Funds — data as of 8/2/02

Fund	Advice	1 month	6 month	1 year	Fund	Advice	1 month	6 month	1 year
1 Matthews Asia Growth&Income	B	-2.2%	8.8%	17.5%	36 Fidelity Overseas (1%r<30d)	S	-10.9	-10.4	-22.9
2 Matthews Japan Fund (2%r<90d)	H	-6.0	14.3	-20.3	37 American Century Global	S	-10.1	-12.3	-20.7
3 Oakmark Intl Small Cap	B	-9.7	2.3	5.8	38 Vanguard International Growth	S	-10.3	-12.3	-20.5
4 Japan Fund (Scudder) (2%)	H	-8.9	11.0	-20.8	39 Artisan International	S	-12.2	-11.8	-19.7
5 Fidelity SE Asia (3%&1.5%r<90d)	B	-5.0	-3.3	4.2	40 Loomis Sayles International	S	-10.4	-11.7	-23.0
6 T. Rowe Price New Asia	B	-5.1	-3.3	2.2	41 Babson-Stewart Ivory Intl	S	-10.6	-11.7	-24.9
7 Vanguard Pacific Stock Index	B	-6.7	5.9	-18.7	42 Strong International Stock	S	-10.5	-12.5	-24.2
8 Fidelity Japan(3%&1.5%r<90d)	H	-9.1	9.9	-25.1	43 CS Warburg Pincus Japan Grth	S	-10.8	-10.5	-29.0
9 T. Rowe Price Japan	H	-7.4	7.3	-22.6	44 Scudder Global	S	-10.0	-13.9	-21.8
10 Dreyfus Emerging Market(1%r)	B	-6.6	-4.2	4.5	45 T. Rowe Price Intl Stock	S	-11.2	-13.1	-22.6
11 Matthews Pacific Tiger (2%r<90d)	B	-8.1	-3.0	2.5	46 Galaxy International Equity	S	-11.8	-12.0	-25.8
12 Fidelity Pacific Basin (3%&1.5%	B	-7.7	2.3	-12.0	47 Vanguard European Stock Index	S	-11.9	-13.6	-22.0
13 Scudder Pacific Opportunity (2%	B	-5.6	-4.6	0.5	48 USAA World Growth	S	-9.5	-15.2	-22.6
14 Vontobel International Equity (2%	H	-7.0	0.7	-15.6	49 Fidelity Worldwide (1%r<30d)	S	-9.4	-16.4	-20.5
15 Julius Baer Intl. Equity A	B	-8.3	-2.6	-7.1	50 Scudder Global Discovery	S	-7.5	-16.8	-22.7
16 Preferred International	B	-9.1	-2.2	-11.1	51 T. Rowe Price European	S	-12.4	-15.9	-23.3
17 Fidelity Emerging Mkts (3%&1.5%	B	-7.3	-8.4	-2.3	52 Janus Overseas(closed)	S	-9.9	-16.8	-25.4
18 Fidelity International G & I	H	-9.5	-3.9	-12.3	53 Scudder Greater Europe (2%	S	-11.7	-15.9	-25.6
19 Investec China & Hong Kong	H	-7.0	-3.7	-17.7	54 Scudder Latin America	S	-8.9	-20.3	-22.6
20 Oakmark Global (2%r<90d)	H	-8.1	-9.3	-3.3	55 Janus Worldwide(closed)	S	-9.2	-19.9	-29.3
21 Oakmark International (2%r<90d)	H	-11.7	-5.1	-9.5	56 T ROWE Price Latin America	S	-10.5	-22.1	-23.4
22 Fidelity Diversified Inter'l (1%	H	-9.7	-5.5	-12.1	57 Fidelity Latin Amer.(3%&1.5%	S	-11.2	-24.9	-25.8
23 Vanguard Emerging Mkts Stk	H	-7.3	-10.4	-5.4	58 Fidelity Europe (3%&1%r<90d)	S	-14.0	-23.9	-26.7
24 Fidelity Aggressive Intl. (1%r<30d)	H	-11.7	-6.5	-9.1	59 SIT International Growth	S	-11.4	-22.5	-35.6
25 Tweedy, Browne Global Value	H	-8.0	-8.5	-13.7	60 INVESCO European (2%r<90d)	S	-12.2	-23.5	-37.1
26 Gabelli Intl. Growth	S	-8.9	-5.5	-20.2	61 Payden European Aggr Grth	S	-14.8	-31.7	-39.2
27 Montgomery Emerging Mkts	H	-8.3	-11.6	-6.1	—————Domestic Stock Funds	(Cont.)	—————	—————	—————
28 Harbor International	H	-12.6	-6.8	-11.6	201 Needham Growth Fund (.75%	S	-10.8	-30.7	-33.0
29 USAA International	S	-10.0	-7.6	-14.8	202 Berger Large Cap Growth	S	-6.9	-30.9	-38.6
30 Columbia International Stock	H	-10.0	-7.8	-18.3	203 Vanguard Growth Equity	S	-8.7	-30.2	-38.2
31 Schwab International Index (1.5%	S	-10.3	-9.0	-21.1	204 Vanguard Cap Opp	S	-8.5	-31.0	-37.2
32 Longleaf Partners International	H	-9.2	-11.1	-17.4	205 Janus Special Situation	S	-15.4	-27.5	-35.7
33 Scudder International (2%r<180d)	S	-10.8	-9.4	-23.4	206 CS Warburg Pincus Emerging	S	-13.7	-29.6	-34.1
34 American Century Intl Growth	S	-10.8	-10.2	-21.9	207 Berger Growth	S	-8.0	-31.2	-39.2
35 TR Price Intl Discovery	S	-9.0	-10.8	-24.0	208 SIT Mid Cap Growth+	S	-7.5	-31.6	-39.4



The Signal - For the week ended July 30 iMoneyNet Inc.'s Money Fund Report Averages/All Taxable 7-day yield (MFA) remained the same at 1.28% and the MONEYLETTER Signal dipped by one basis point to 1.45%. The average maturity remained at 55 days.

The MFA is below the Signal number and the current status is "in" the market. Signal investors should be 100% in aggressive domestic stock funds.

Signal Portfolio Funds: Royce Penn Mutual, Fidelity Fifty, Royce Opportunity, Potomac Small Cap Plus.

Next Issue will be up by Wednesday, August 14 by Midnight (ET).