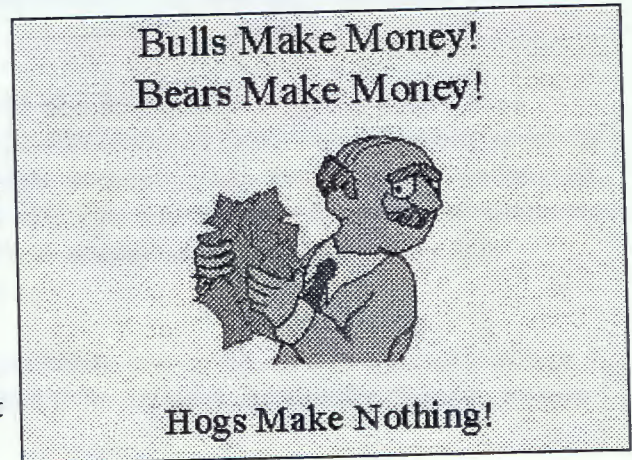


Dave's Comment on the Recent Events of Bre-X

Last month, I noted that "Markets seem to move in waves and every now and then one of the hottest companies on the market collapses." At the time I was thinking of the early eighties and Dome Canada. Unfortunately, I know of some people that lost their house and family over that issue. I certainly was not expecting the same thing to happen to Bre-X in March. However, I am not totally surprised with the recent turn of events. Whenever something is this hot, people get burnt. Emotions always seem to cause people to over react, causing speculative companies like this to be either grossly over or under valued.

Now, I hope and expect that the market has overreacted again, and I hope that I do not hear of anyone losing everything over Bre-X. Although it appears that one life may have already been lost. In light of this turn of events, I thought that it might be a good time to repeat some basic rules that just keep turning out to be true:

1. Do not put all your eggs in one basket.
2. If you cannot afford to lose, you probably will.
3. When something sounds too good to be true, it usually is.
4. When all the experts agree, they are usually wrong.
5. When people start telling you that something has never happened before, it may mean that it is about to happen.



6. Bulls make money, bears make money, but hogs get nothing.

Long time readers will recognize that I have used some of these in the past as Dave's rule of the month. Maybe we should reread them every few months.

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