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*DO NOT FORWARD*

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In This Issue: Current Market Analysis, Letters to the
Editor, How to Make Money Using The Dines Letter, Latest
on Rare Earths, Immortality, Seasonalities

The information contained in this update may be acted on only by a subscriber and only after a review and understanding of the information contained in previous issues of The Dines Letter (TDL) plus the “Introductory Subscriber Kit” sent to all new subscribers to The Dines Letter (TDLs). All conditions and restrictions contained in The Dines Letter are incorporated into this update by reference and apply as if fully set forth herein.

May 8, 2015                                     DJI        17,924.06                                            NASDAQ                   4,945.54
VOLUME 55 NUMBER 6             DJT         8,717.05                                            Gold     7 May 15       1,182.40
DJU            579.77                                            Silver    7 May 15            16.27

CURRENT MARKET ANALYSIS

It is better to have a permanent income than to be fascinating.  
Oscar Wilde

This page contains the essentials on market timing, the original and current function of this newsletter. These wonderful charts concisely sum up the analyses laid out in Current Market Analysis features of previous TDLs (The Dines Letter). At the bottom of this column is the chart of the DJI going back to the 2008 crash low. The long-term entrenched uptrend will force markets higher, until Line (T) is broken.

However, as the second-longest bull market in the DJI’s history, we must be on the alert for the inevitable Top Formation. It took some daring on our part to flash our recent "Sell" signal considering the upmomentum of the extended Uptrend, but the nearer-term charts right, shows what has happened since then: all three market averages are basically neutral, approximately level with the price around eight months ago, a possible precursor of either a Top Formation or Group Rotation within an ongoing bull market.

The bottom chart, of the US dollar, had risen 24% in value against a basket of other currencies in the world, from our 14 Jan 14 dollar "Buy" signal, until the 10 Apr 15 "Sell." Since then, the dollar might be forming a Downtrend (D).

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Advice and Information for Traders and Investors

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TDL’s Letters to the Editor

(When corresponding, please specify use of your initials, or full name. Due to volume of correspondence, we always appreciate it when it says, "No reply necessary.")

He who stands most remote from his age, is he who mirrors it best.  
Oscar Wilde

Sir: I have been a subscriber of The Dines Letter (TDL) for over 15 years, and I think that you are no longer a "financial" newsletter. For more than a year now, you have made no stock recommendations, while numerous stocks have skyrocketed. What will it take for you to get back in the business of researching stocks and recommending such. We are tired of your newsletter full of non-financial information. Thank you. 

(BG, California, 14 April 2015)

Editor: Thank you for being a long-term, loyal, subscriber to TDL, and having taken the time to write. We value your comments and longevity and are always gratified to retain so many original, and even second-generation TDLrs.

In fact, we have recommended 30 new stocks since January 2014, but they did not work out as well as had many of our previous recommendations in the years since the 2008 market Bottom – which is often a sign of market change as per Dinesism #6: DROLL.* A lot of these recommendations got stopped out, as we have consistently observed properly-placed stops.

This is a historically long bull market, so we are increasingly sensitized to a possible Top Formation. There have been several of these punctuations on the way up, but this is the first to concern us this much, for many reasons, though it could merely be a benevolent Group Rotation within a long bull market.

In a real bear market, virtually everything goes down, and the name of the game is to have buying power at the dirt-cheap Bottom. For example, see the Raw Materials crashing since 2011; there were no unaffected stocks, and many are even now lying there unwanted, available for pennies, some remarkably underpriced values, waiting patiently for their turn.

At the time we received your email on 14 Apr 2015, TDL had already begun to add stocks in a new group – Cybersecurity. We’re picky buyers, but this group has promise enough for what the military calls "probing attacks," with reinforcements available in the form of buying power.

You suggest that TDL has too much to read and not enough on the stock market, that it needs more stock recommendations. Actually, we provide more specific stock market coverage than any other newsletter of

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* Dinesism #6, DROLL: When bull or bear stock market leaders finally falter, the market usually reverses direction.

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which we are aware. Our recommendations often come in clusters, when hunting in bull markets.

TDLrs who have too much to read could simply look at the Trigger Box, Supervised Lists and Newly-Recommended stocks. That could be it. Then, for more, check the charts, with opinions and analyses in the editor’s notes. If that’s all TDLrs wanted, we could save ourselves a huge amount of work and expense by contracting this to a two-page letter, as do some other editors. We’ve seen many such come and go over the years. For more on why we believe it is important to include TDL’s additional material, please see the next feature, How to Make Money Using TDL (right, bottom).

We are aware of the frustration some investors have been experiencing these days due to flat markets, and have commented on it often. In previous precarious markets, an investor was able to pull back from stocks, and park capital in interest-generating instruments, making some return on stored wealth. The Fed’s policies, as with central banks worldwide, have made this impossible with interest rates near or actually below zero! Savers are punished for their saving, encouraged instead to switch to speculating in overpriced investments, so as to substitute capital gains for paltry income. We have repeatedly warned that the Fed’s policies are unsustainable and would not end well, but in the meantime investors are relegated to being satisfied with capital preservation despite little income. No newsletter could always pick stocks that are "skyrocketing," especially in treacherous conditions, so our goal is to help subscribers understand the full range of market forces and considerations - the market as a whole -- to better protect themselves. When the situation improves, with our ongoing research, we will be ready to strike and add to our Supervised Lists. Market turning points are often marked by investor sentiment approaching the extreme antipodes of either profound negativity or overexuberance. We hope you will patiently stay with us.

Cybersecurity stocks (right, top) are our probing attack in case markets are in Group Rotation. Also a new recommendation, Agnico-Eagle, in case a new group is gold/silver.

* Please see a complete list of our profits in TDL’s past supervised lists since 2013 in your 2015 Annual Forecast Issue, page 33.

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We make clear, based on past experience, that the worst way to get into the stock market is to look for a specific "hot stock." But the lessons were expensive, so these days we go from the general to the specific, starting with the overall market – often covered on the front page with Current Market Analysis – then seeking Confirmation from groups with good growth prospects plus rising chart patterns. Only after narrowing down promising groups do we hunt for the specific stocks to recommend. Indeed an example of this is our focus on the Cybersecurity Sector, since page 6 of our 2015 Forecast Issue on 8 Jan 15.

TDL began when the only newsletters on Wall Street were given away free by brokers, and they were always optimistic "Buys" and never "Sells" – for fear of antagonizing corporations that might be clients someday. When writing a newsletter for a Wall Street broker, your editor did try to recommend selling, at times, and it contributed to his being fired. But when the market subsequently plunged, it brought us popularity – albeit with a modicum of shock and notoriety. There were other reasons for getting the boot, such as our work as a founder of heretic Technical Analysis, along with predictions of "The Coming Currency Crises" related to buying gold – then at $35 – which nonetheless came true.

We have called our fair share of bull markets over the years (Commodities, Gold and Silver, Graphite, Internet, Platinum/Palladium, Rare Earths, Uranium), usually before the world even imagined them, leading our subscribers toward amazing profits, and we are patiently waiting, with cash, to identify the next one. As such, recent TDLs have fleshed out our concerns for why we remain largely on the sidelines. Our foray into cybersecurity stocks, however, is playing out as we had expected and we might be adding more stocks in this Sector.

Here are twelve topics exemplifying what we often cover in our "financial ecosystem" and we contend that these issues are all "financial" when viewed as components of the whole decision-making ecosystem of buying or selling stocks:

1. **World Markets:** Many TDLrs follow this newsletter because of its internationality, its plethora of time-saving subjects is encapsulated in a way that is especially useful for busy TDLrs. Our ecosystem includes the world’s markets, short-term but also long-term. For example, this very long-term chart of Japan’s markets (top, right) shows our only two signals on the Nikkei average. Each TDL also devotes an entire page to the nearer-term charts of leading exchanges, worldwide (see page 16). The flow of these charts shows in which direction the broad sweep of them are moving. That’s because the Mass Psychology of all humans is similar. However, local customs have an impact on each, creating regional differences. That is why European markets tend to move similarly, as seen in the charts on the left side of page 16, a Confirmation of our discovery of DIWPAT (The Dines Wolfpack Theory). These thumbnail portraits, with our trendlines drawn in, are a quick way to check out how a TDLr’s country of interest fits in with others worldwide.

2. **Real Estate:** This chart of our track record would be hard to beat (see chart, above).

3. **Health:** We scooped the world’s media in warning about Ebola,* which might have helped TDLrs who had considered traveling to West Africa. Also TDLrs particularly are becoming sensitized to the importance of our prediction of "The Coming Germ Wars," hopefully to change the world. TDL was also the first financial newsletter to recommend organic foods, to expose food as actually being addictive, sugar as a poison, and warn of pesticides cumulating in our bodies that cause cancers – seemingly of mystifying causes. With diminished health you have less of everything else. So, personally, we believe Health is among TDL’s most important features. As we go to press, bird flu virus H5N2 is spreading through America’s Midwest, attacking humans through their food supplies in "The Coming Germ Wars."

4. **Current Market Analysis:** One of the hallmarks of an ongoing bull market is its counterintuitive ability to keep going up despite bad news. That’s been happening, but as the leading averages (on page two) splay off in different directions we ponder which underlying realities about the economy and world that might reveal. We have seen this type of market trick before, often appearing near tops. It is a shell game of fewer and

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*And again cautioned in TDLs 16 times.*
EXAMPLE OF MARKET'S INTERNAL DETERIORATION

DECLINERS

GOOGLE (GOOG)
www.google.com

LINKEDIN (LNKD)
www.linkedin.com

QUALYS (QLYS)
www.qualys.com

STRATASYS (SSYS)
www.stratasys.com

3D SYSTEMS (DDD)
www.3dsystems.com

TWITTER (TWTR)
www.twitter.com

WHOLE FOODS (WFM)
www.wholefoodsmarket.com

YELP (YELP)
www.yelp.com

ZILLOW (Z)
www.zillow.com

RISERS

AMAZON (AMZN)
www.amazon.com

APPLE (AAPL)
www.apple.com

EXPEDIA (EXPE)
www.expedia.com

FACEBOOK (FB)
www.facebook.com

NETFLIX (NFLX)
www.netflix.com

PALO ALTO NETW (PANW)
www.paloaltonetworks.com

SALESFORCE (CRM)
www.salesforce.com

Ed: Rise due to possible acquisition candidate.
fewer stocks making razzle-dazzle leaps (Amazon, Apple, Netflix, Palo Alto Networks, Priceline, Salesforce), while former high-flyers plunge (LinkedIn, Stratasys, Twitter, Whole Foods, Yelp and Zillow) – see their charts on the next page. When we see potential danger and above-average risk, we are compelled to wait on the sidelines protecting capital, continuing our steadfast research and study of both individual stocks and our unique indices. These are often reported in TDL directly while others are incorporated in our decisions seamlessly. At times, Indicators give a clear answer as to the direction of the market while at others they can relay a mixed and more complex message.

However, as noted, these types of mixed markets also occur during normal “Group Rotations” within longer bull markets. We must include this possibility, along with a Top Formation, when considering into which new groups money might flow. For example, if cash is coming out of the utilities and bonds, suggesting higher interest rates ahead, we try to ascertain into which areas it might be reinvested. Usually, Group Rotation moves into the overlooked and depressed, so the now-despised Raw Materials stocks are among our prospects these days. We also cover gold and silver intensively, which nobody seems to be recommending these days. Gold has been flat since June 2013, and we are watching for a possible Bottom Formation leaping from out of nowhere.

5. Geopolitics: We provide in-depth coverage of the geopolitical situation because news can ignite sudden market disruptions. News is constantly changing and evolving so we must consider all possibilities in this “geopolitical market.” Our prediction of “The Coming World War III” is unfortunately at risk of coming true, and would affect investors.

6. Currencies: Currency coverage is especially useful to international investors, even to travelers knowing when to stock up on a destination currency. Again, our recommendation in December 2014 of switching into cash, plus our previous Buy signal on the US Dollar, were big winners this year as the dollar rose against all other currencies.

7. Federal Reserve: The Fed sets interest rates, and refuses to admit that its policy of near-zero rates "to stimulate the economy" has failed, because it would invalidate its Keynesian economic theory. Instead, the Fed has painted itself into a corner because, if it raises rates, the dollar would get stronger, harming American companies competing overseas against cheaper currencies, and thus cause an economic downturn in America. Worse, a plunge in bond markets would surely follow, which is a reason we are pessimistic on US Government bonds (see chart US Treasury Bonds, right, middle).

8. TDL’s Charts: Our charts are a great visual application for those so inclined, many of them unique, so serious market students could visualize trends and follow along with us on their evolution toward change – perhaps even detecting transitions and fulcrums (tops and bottoms) before we do.

9. Mass Psychology: TDL is the pioneer in the field, as originally outlined in your editor’s book *Mass Psychology*
Advice and Information for Traders and Investors

(1996), and its principles are an integral component of our investment decision-making.

10. **Seasonalities**: The Seasonalities, near the back of each TDL, have value for percentage players and professional investors. Such historical data can be usefully quantified to analyze the market better.

11. **Futurology**: Particularly valuable are our far-forward predictions of futurology, as they identify growth areas we are watching, waiting for specific stock opportunities to emerge (Robotics, Marijuana, Cybersecurity, Uranium, Rare Earths, and Graphite, are examples we covered in our Annual Forecast Issue).

12. **Newly Recommended Stocks**: Finally, taking all the above into account, we recommend individual stocks. No need to describe each company since details are widely available on the Internet these days, in fuller detail than we could provide. On occasion we do however highlight specific information or updates not immediately apparent, that we deem important to our recommended stocks – such as the next feature, on Tasman.

The above is our methodology of reasoning we leave behind for worthwhile study by serious market students. A way to make money with this newsletter is to use any and all of the features that might be useful to you in your investing (short-term or long-term). The other features help inform your travel, planting-reaping-or hunting, or provide information about today’s world to make you a more-interesting conversationalist.

And much more.

**Whimsy – A smile is the best medicine:**
Experts at the New England Aquarium in Boston are playing matchmaker to encourage eight pairs of African penguins to breed more chicks. The effort is aimed at helping a population that is expected to be extinct in the wild by 2025 to continue to thrive in captivity. The Boston facility is giving its penguins “honeymoon suits” – cozy plastic igloo-style homes and other private nooks off the main exhibit designed to get them in the mood.

*San Francisco Chronicle*, 19 Apr 15

Ed: Donald Trump is said to be interested.

**TDL’S LATEST ON RARE EARTHS:**
Tasman Metals a "Buy"?

The European Commission’s President Juncker’s new “Investment Plan for Europe” is looking to have 20% of Europe’s GDP sourced from industry by 2020. With over 300-billion euros of well-focused funds, the re-industrialization of Europe is promising and the combination of highly skilled jobs, tax revenues, and secure access to raw materials for industry means that some resource companies with a European focus are well placed. **Tasman Metals** has Europe’s only 43-101 compliant, Western friendly, heavy Rare-Earth asset. The European Commission could fund its development to the benefit of existing Tasman shareholders. Down from its 14 Apr 11 high at $6.20 (US) Tasman might be in a recovering nascent Uptrend, as in the chart below. A “Buy” on Pullbacks by long-term investors.

Tasman does not compete with any existing European businesses, small or large. China’s industrial companies have exploited (and perhaps created) weak market conditions, and already moved to establish offtake agreements or purchase blocking stakes in a number of key prospective Western Rare Earth Elements producers. The geological scarcity of heavy Rare Earth Elements-bearing rocks, and high financial barriers to entry, limit current and future competition. Due to the risk created by the overwhelming Rare Earth Elements supply monopoly of China’s state-owned enterprises, combined with their irreplaceable chemical and electrical properties, heavy Rare Earth Elements were identified in 2014 as the most at-risk raw material for the European Union by “The Ad Hoc Working Group on Defining Critical Raw Materials.” Then, as now, there is no “plan B” to source heavy Rare Earth Elements. The market segment positioned for strongest growth is the field of high-strength, permanent magnets. Permanent magnets, produced with Rare Earths extracted from Chinese mines, are now consumed by all participants in Europe’s industrial mega-sectors.

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Combining China’s current monopoly on processing Rare Earths, and its military expansionism, we wonder how long would it take for the Pentagon to fully comprehend that cruise missiles can’t be produced without Rare Earths. During a possible war with China it might be embarrassing for the Pentagon to ask it for those elements.

Tasman’s Nora Kärr project remains available to European industry to form the basis of a long-lived and sustainable European supply chain. The full downstream supply chain already exists in Europe, so all value-added steps, which are currently carried out in China, would be undertaken in Europe. This is in contrast to Canada, Australia or Africa, where Rare Earth mineral resources may be found but no such downstream industry exists. An independent technical-economic study (Pre-Feasibility Study) was published in January 2015 by Tasman, indicating project development meets or exceeds technical, financial and environmental hurdles that are expected at this stage of mining project development. With a post-tax internal rate of return (IRR) of 20%, a net present value (NPV) of US$313-million, and a Return on Investment (ROI) in less than 5 years, the project has financial viability and should deliver an acceptable return to shareholders.

THE COMING PHYSICAL IMMORTALITY:
I Plan On Living Forever... So Far, So Good!

I remember my youth and the feeling that will never come back anymore – the feeling that I could last forever, outlast the sea, the earth, and all men.  

Joseph Conrad, (English novelist)

As noted previously, our Flashforwards are a particularly important feature of The Dines Letter – special predictions, glimpses of the future – that we often share. The future is always unbelievable from today’s vantage point. Yet travel to the moon was, until relatively recently, considered impossible – as were airplanes (before aviation often portrayed in literature as "flying carpets"). Also the Dick Tracy comic strip had a "wristwatch" radio at a time when radios were large pieces of furniture containing antediluvian "vacuum tubes," yet Apple already has a wristwatch that goes far beyond it!

Many of our futurology Flashforwards also seemed impossible, such as "The Coming World War III," "The Coming End of the Age of Jobs, and Travel," “The Coming New Social Order," all of which are becoming visible through the mists.

But our most incredible prediction is probably "The Coming Physical Immortality."* By far. And they laughed when TDL first began to predict it. But we suspect it will someday be looked back on as our most radical and correct prediction. We have been deeply satisfied recently as several mainstream publications have published stories in studied, scientific and world-class writing, which we recommend to all TDLrs as worth reading in the original. We have excerpted some of them below.

Let there be no mistake, we are deadly serious about our immortality prediction. It is not a fanciful exercise in wish fulfillment, and it would have a fantastic impact on the world. To be clear, by immortality we are not referring merely to the replacement of organs that would extend life, although that is already being done in arteries, bone, cartilage, corneas and urethras. Bladders, kidneys, limbs, esophagi and tracheas have already been scaffolded and propagated with stem cells in the field of regenerative tissue. While pancreata and livers are not achievable yet, we predict they are coming soon. We were disappointed that Organovo’s work on livers has not helped the stock. Since patients are placing their own cells on chemically-inert scaffolding, there won’t be a problem with organ rejection. We predict you’ll hear more about the field of "regenerative medicine," which is not a "someday, pie-in-the-sky fantasy," literally regrowing limbs, eyeballs and teeth – from scratch.

* See its prediction in our Mass Psychology book (1996) on page 143, and much before then in TDLs.
As bold as we are, we confess to have been originally intimidated to make that immortality prediction. It is still a bit of a "kook" position, and we cannot afford to lose our credibility as that would undermine our ability to Serve you. For decades we had been specifically predicting immortality would be discovered in 2005 and we believe it began to come true in 2003 with the Human Genome Project’s mapping of the DNA in genes. Also in 2003, scientists isolated the gene responsible for Progeria; Sam Berns was perhaps the most well-known victim of this rare disease that involves rapidly premature aging. We restate our belief that this gene might be involved in immortality and, when flawed, results in Progeria.

At first it was thought immortality was in the genes, but then the so-called “junk” DNA was discovered to be an important factor, now called epigenetics. We even suspected that the disgraced scientist Jean Baptiste Lamarck, whom we lauded in our TDL of 30 Nov 12 (page 12), despite his negative image, was correct when he hypothesized that giraffes, for example, developed elongated necks because of epigenetic feedback from the environment as the animal reached higher for leaves – even now not every scientist might agree with that.

We reiterate our prediction that there are people alive right now who will live an unbelievable number of years, and we hope it could be you. According to the World Health Organization, in the last half-century US life expectancy has increased from 69.8 to 78.6 years. Fifty percent of cancers are preventable, by not smoking, proper nutrition and annual checkups for early detection – for example, colonoscopies. In an age of increasingly sophisticated microscopes and computers, we think immortality will happen sooner than anyone else on this planet believes possible, believe the unbelievable or not.

Immortality will come with a new set of concerns. Already by 2025 we’ll have 1.2-billion humans over the age of 60, and people of that age require higher costs for their care, suggesting incalculable trillions of dollars in health costs. Those who live to 85 will have a 45% chance of Alzheimers, and the lifetime chance of cancer is 1 in 2 for men.

Forgive us the non-sequitur, but everything always works out in the end, and if it hasn’t worked out – then the end is not yet!

1. The number of living people who witnessed the 19th century has dwindled to four, after the world’s oldest person died in Japan at the age of 117. The previous record holder was also Japanese and highlights the country’s long life expectancy and ageing population, with the number of centenarians forecast to rise more than threefold over the next 15 years. By 2050 it is estimated that Japan will have 700,000 people aged over 100 – a far higher number than in the US, which is expected to have about 400,000 centenarians by 2050, despite Japan’s much smaller population. Japan’s life expectancy is 84. That is often attributed to the country’s traditional low-fat, fish-based diet. Japan has the most rapidly aging population on earth.

Robin Harding, Financial Times (London), 2 Apr 15
2. The Forever Pill. Is Novartis developing the first legitimate anti-aging drug? In the early 1980s, Suren Sehgal brought a strange package home from work. A white paste was all that remained of a rare bacterium that today is the foundation of the most promising anti-aging drug in decades. Sehgal had been studying it since 1972. A Canadian medical expedition had collected the soil from beneath one of the mysterious stone heads on Easter Island. In the dirt, Sehgal had discovered *streptomyces hygroscopicus*, a bacterium that secreted a potent antifungal compound. He purified the stuff and named it rapamycin, after Easter Island’s native name, Rapa Nui. In 1987, Sehgal found that, besides its antifungal properties, rapamycin also suppressed the immune system. It tamps down the body’s natural reaction to a new kidney or other organ. His brainchild saved the lives of thousands of transplant patients and went on to make Wyeth, the global healthcare company, hundreds of millions of dollars. Rapamycin is now used routinely as a coating on cardiac stents to prevent any scarring and blocking. Derivatives of rapamycin have been approved for use against certain kidney, lung, and breast cancers. That may be just the beginning. It’s shown promise as a drug that not only can extend life by delaying the onset of aging-related diseases such as cancer, heart disease, and Alzheimer’s disease, but also postpone the effects of normal aging. With an eye toward changing the way millions grow older, Novartis, the $260 billion Swiss pharmaceutical giant, has begun taking the first steps to position a version of rapamycin as the first true anti-aging drug.

From resveratrol (the “red wine pill”) in the 2000s all the way back to medieval alchemists (gold was thought to possess anti-aging properties). Until rapamycin came along, nothing actually worked in rigorously designed clinical studies. So far it’s demonstrated it can lengthen the lives of mice, not men, but what’s particularly exciting is how it did so. The drug appears to delay “age-related decline in multiple different organ systems, which is something we would expect if we were fundamentally slowing the aging process.” Matt Kaeberlein, a scientist at the University of Washington and a leading researcher in the biology of aging, says “we have the potential to delay the onset of all of these diseases at the same time by understanding and intervening in the molecular processes that drive aging.” In the early 1990s, a scientist at Novartis’s predecessor, Sandoz, discovered that a rapamycin molecule inhibits a key cellular pathway regulating growth and metabolism. This pathway was eventually dubbed “target of rapamycin,” or TOR, and it’s found in everything from yeast to humans (it’s known as mTOR in mammals). mTOR is like the circuit breaker in the factory: When it’s activated, the cell grows and divides, consuming nutrients and producing proteins. When mTOR is turned down, the “factory” switches into more of a conservation mode, as that cell cleans house and recycles old proteins via a process called autophagy. One reason caloric restriction extends life span in animals, researchers believe, is it slows down this mTOR pathway and cranks up autophagy. Rapamycin does the same thing, only without the gnawing hunger. “Really what rapamycin is doing is tapping into the body’s systems for dealing with reduced nutrition.” One of the most passionate advocates for rapamycin as an anti-aging drug is a Russian scientist named Mikhail Blagosklonny, who now works at the Roswell Park Cancer Institute in Buffalo. He realized the same qualities that made rapamycin effective at slowing tumor growth might also help it slow the aging process. When Blagosklonny submitted papers

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**DIGFOI** contains no theoretical backward projections - all entries were calculated at the time, by your editor, personally, and is surely the market’s longest-running Technical summation of its type.

**Current Outlook:** DIGFOI, one of our most-trusted Indicators, has never performed this way before, and we suspect the Fed’s reckless suppression of interest rates to nearly zero percent over six years has had something to do with it. Surely also fascinating to serious market students and professionals studying our work closely. This Indicator has ensconced itself in the new trading range between (X and Y) since 2010. We’re not certain what it means, but since it has coincided with the powerful bull market since 2009, we will assume it is bullish as long as Line (Y) remains intact. Penetrating Line (Y) might be the real “Sell.”

Recent “Buys” have faltered above 65.0, suggesting a short-term market decline from somewhat higher levels.
to major journals making these arguments, they were brutally rejected. “Sometimes, the reviewers would call me names,” he says. That started to change in 2009, when a large National Institutes of Health-funded study established that rapamycin and its derivatives helped mice live longer. The female’s life span was extended by 14 percent. This is roughly the equivalent of giving 60-year-old women a pill that would enable them to see their 95th birthday. There’s one catch: Rapamycin suppresses the immune system (that’s why it’s effective with transplants). Giving such a drug to older patients, whose immune systems are often already diminished, would make them vulnerable to life-threatening infections, defeating the purpose. A breakthrough came on Christmas Eve 2014. That’s when a paper appeared in Science Translational Medicine, part of the Science family of journals. A derivative of rapamycin called everolimus had been shown to improve the immune response of elderly patients when administered in limited doses. In the world of scientists who work on human aging, it was big. The study was noteworthy also because Novartis paid for it. For the most part, Big Pharma has shied away from aging, which conventional wisdom has deemed to be a quackery-ridden money pit. Resveratrol, the antifungal compound found in the skins of red-wine grapes, received a tremendous amount of coverage in the media, including 60 Minutes. But the drug flopped in human trials, and in 2013 GSK shuttered its Sirtris division. Rapamycin has been found to reduce age-related bone loss, reverse cardiac aging, and reduce chronic inflammation in mice. It’s even been shown to reverse Alzheimer’s disease in them. Periodic fasting also shuts down the same pathways, without the side effects. The Novartis researchers tried to get around the immune-suppression side effect by giving the drug in very low doses and for a defined period. They found its benefits persisted long after the drug was discontinued. But the Novartis study is far from definitive on the issue. An innovative clinical trial set to test the drug in small doses in middle-aged pet dogs to begin in March may resolve some of these issues.

Rapamycin isn’t the only widely used medication that’s turning out to have possible anti-aging properties. Millions of diabetics take a drug called metformin. Like Rapamycin, metformin extended the life of federally funded mice in a clinical trial. But the FDA is unlikely to approve any drug intended to “treat” aging, because aging is not considered a disease. Another obstacle is the high safety standards required of any drug that would, in effect, be used to treat healthy people. This may explain why Novartis is taking an incremental approach with therapies aimed at specific conditions. The company’s age-related drug pipeline includes bimagrumab meant to reverse muscle loss. It could have wide application for muscle wasting and frailty in older people. “This whole frailty business is right up there with Alzheimer’s as a cause of incapacitation and sadness for the elderly. Also in the works are a drug that could potentially restore cartilage in aging joints and, most interestingly, a radical gene therapy meant to reverse the loss of “hair cells” in the ear canal that are crucial for good hearing, but which are knocked out by things like antibiotics, chemotherapy, and too much Lady Gaga. Novartis is cautious about the anti-aging potential of rapamycin, which the company sells under the Afinitor brand name for cancer treatments and as Zortress for transplants, with 2012 sales of just more than $1 billion. (Pfizer, which purchased Wyeth in 2009, also sells a version under the brand name Rapamune.)

Stephanie M Lee, San Francisco Chronicle

3. Google’s health venture dedicated to extending human life lured a prominent scientist away from UCSF. Cynthia Kenyon, a biochemistry and biophysics professor acclaimed for her discoveries about the genetics of aging joined Calico, Google’s biotechnology company. Google wants to slow aging and fight age-related diseases. As Google CEO Larry Page once put it, Calico is truly a “moon shot.” Kenyon, a global pioneer in aging research since the 1990s, joined a roster of A-list scientists led by Chief Executive Officer Arthur Levinson, who also chairs the boards of Genentech and Apple. Kenyon began studying aging in the 1980s, but had trouble finding anyone who shared her enthusiasm for the notoriously difficult field. The scientific community suddenly became a lot more interested in 1993, when Kenyon and her team discovered that partially disabling a single gene – called daf-2 – doubled the life span of roundworms. The idea that humans could scientifically control aging was an unexpected breakthrough. The research paved the way for other experiments that demonstrated fruit flies and mice can also live longer because of the mutation. Humans who live to 100 are more likely to have mutations in the daf-2 gene, too. Kenyon’s work suggests that drugs targeting this pathway could treat maladies of aging such as Alzheimer’s and some cancers. Kenyon comes across as approachable, energetic and, yes, far younger than her age. So deep is her dedication that she avoids bread and sugar – except dark chocolate – because studies show they speed up aging. “The idea that you could have fewer diseases, and just have a healthy life and then turn out the lights, that’s a good vision to have. And I think what we know about some of these pathways suggests that might be possible.” Calico hired Dr Hal Barron as president of research and development. He had previously led global product development at pharmaceutical giant Roche. The company’s chief scientific officer is David Botstein, who was a noted geneticist at Princeton University. And Dr Robert Cohen, who is overseeing research and development and business development, comes from Genentech, where he helped bring several cancer drugs to market. "To me," Kenyon once wrote, "it seems possible that a fountain of youth, made of molecules and not simply dreams, will someday be a reality."

Businessweek, Cover Story, 16 Feb 15
Latest on Cybersecurity:

1. U.S. policy makers have struggled to address the growing problem of data breaches at major U.S. companies and government agencies, overwhelmed by the scale of the attacks and hamstrung by infighting over how to respond. The White House, State Department and Pentagon, along with entities including Target, JP Morgan Chase, Sony Pictures and Anthem have suffered embarrassing breaches, prompting calls for new strategies. In addition to legislation, Federal officials are readying steps to both deter attacks and better protect companies from future breaches.

   Damian Paletta, The Wall Street Journal, 23 Apr 15
   Ed: This is the kind of news that led us to recommend Cybersecurity stocks in our 2015 Annual Forecast Issue.

2. The Pentagon released a new strategy that for the first time explicitly discusses circumstances under which cyberweapons could be used against an attacker, and naming the countries it says present the biggest threat: China, Russia, Iran and North Korea. Mr. Obama is beginning to lay out conditions under which the nation would employ cyberattacks – either in retaliation for a strike, as an offensive weapon for conflict or in covert action. The strategy said that routine attacks should be fended off by companies. The Department of Homeland Security is responsible for detecting more complex attacks and helping the private sector defend against them. About 2% of attacks on American systems may rise to the level of prompting a national response – led by the Pentagon and through the military’s Cyber Command, which is based alongside the National Security Agency in Maryland. It adds "there may be times when the president or the secretary of defense may determine that it would be appropriate for the military to conduct cyberoperations to disrupt an adversary’s military related networks or infrastructure so that the U.S. military can protect U.S. interests in an area of operations." That seemed to leave open the door for pre-emptive cyberattacks. In the biggest case to date – the attack on Sony last November – the president chose to respond with sanctions on North Korea, “not in cyberspace.” But the price of conducting cyberattacks is simply too low for many countries to resist. David Sanger, The New York Times, 24 Apr 15
   Ed: See cyberwarfare in our 2015 Annual Forecast Issue (page 6).

Latest on “Coming End of the Age of Jobs.”

1. It’s software that can learn about and adapt to its environment, allowing it to do work that used to be the exclusive domain of humans, from customer services to answering legal queries. A challenge: What work will we do? To train the AI, it watches and learns while humans do simple, repetitive database tasks. By eliminating drudge work, ROSS’s automation will open up the market for lawyers, reducing the repetitive database tasks. By eliminating drudge work, ROSS’s automation will open up the market for lawyers, reducing the

2. The American labor market and middle class were once built on the routine job – workers showed up at factories and offices, took their places on the assembly line or the paper-pushing chain, did the same task over and over, and then went home. Routine work has collapsed and the economy’s job growth has come entirely from non-routine occupations such as computer programming or home-health assistance. Research reveals a labor market that has been cleaved in two, underscoring why the economic recovery of recent years remains unsatisfactory for so many people. This may be the new normal for the American economy.

   Josh Zumbrun, The Wall Street Journal, 11 Apr 15

Latest on the Fed:

1. Echoes of 1937: Then, as now, a recovery after a deep downturn sparked a stock-market boom. Then, as now, the Federal Reserve was poised to tighten monetary policy. Being a contrarian thinker isn’t enough – you also need the ability to act on your convictions, which meant having cash to invest at a time when money was scarce. “Opportunity is a stern goddess who passes up those who are unprepared with liquid capital.” During boom times, cash often is viewed as a drag on one’s wealth, earning measly interest while stocks surge. After stocks fall, it becomes clear how valuable it is. Cash can make it possible “to afford choices, flexibility, and be able to deal with whatever life throws at you.” Consider keeping a small portion of your overall portfolio in cash. I choose 10%, though your willingness to patiently wait in low-yielding cash may justify a different percentage. Keep it separate from an emergency fund meant to cover bills should you lose your job or suffer unexpected illness. Make a plan ahead of time for how to deploy the cash if stocks fall, so that you won’t get caught up in the heat of the moment. Mine is to put one-third of my cash hoard into my usual array of stock funds if prices fall 20% from a recent high, another third if they fall 30%, and the remainder if stocks fall 50% – which happens a few times a century.

   Morgan Housel, The Wall Street Journal, 28 Mar 15
   Ed: Fed mismanages because it’s based on the economics of 1930s instead of causes in the 1920s. The 1937 crash was the first punishment of Keynesian economists.

   (cont’d next page)
2. Most of the world’s leading economies should prepare for a prolonged period of significantly lower growth rates, which will make it much harder for governments and companies to bring down their debt levels, the International Monetary Fund has warned. Living standards – particularly in the developing world – could grow more slowly than they did before 2008. They also show that the global financial crisis was worse than previous episodes of turmoil and may have permanently lowered the rate at which economies can expand, rather than having only a one-off effect. China, in particular, could see a sharp contraction in growth of potential output. Growth in potential output in the rich world will be much lower than growth rates before the slump. The slowdown for emerging markets is set to be even sharper. Governments in rich countries will find it difficult to reduce the levels of debt accumulated during the crisis.  

Ed: The Fed’s suppression of interest rates is the source of suppressed growth worldwide.

Latest on Geopolitics:
Saudi Arabia, Iran’s chief regional rival, is leading airstrikes against an Iranian-backed faction in Yemen; backing a blitz in Idlib, Syria, by jihadists fighting the Iranian-backed Assad regime; and warning Washington not to allow the Iranian-backed militia to capture too much of Iraq during the fight to roll back the Islamic State, according to Arab diplomats familiar with the talks. With another major aid recipient, Pakistan, Saudi Arabia is also expected to step up its efforts to develop a nuclear bomb, potentially setting off an arms race in the region. “A deal will open up the Saudi appetite and the Turkish appetite for more nuclear programs. But for the time being Saudi Arabia is moving ahead with its operations.”  

David Kirkpatrick,  
The New York Times, front page, 31 Mar 15  

Ed: Saudi Arabia deploying its navy and air force against Houthis in Yemen and an invasion next would not surprise us. Not World War III yet, eh? When Libya really explodes, which seems imminent the world might notice.

Latest on China:
1. Steel consumption in China has risen at an average rate of 15% a year since the turn of the century, and last year it made up almost half of the world’s total usage. Alas, the ferrous fiesta may soon fade. Property markets around the country are cooling fast, leaving developers with a nasty debt hangover. BHP Billiton, an Australian miner, insists that Chinese demand will keep growing robustly for years. Rio Tinto, a British colossus, has predicted that steel production in China will keep rising. But such notions may prove to be wishful thinking. CITIC, China’s largest state-run conglomerate, recently announced that its net profits fell by nearly 18% last year thanks in part to the troubled iron and steel markets. Trade wars. Unable to peddle all of their output at home, Chinese steel producers have been exporting increasing quantities – to the consternation of producers elsewhere, who accuse them of dumping. China exported greater than the entire output of producers elsewhere, who accuse them of dumping. China exported greater than the entire output of other producers, and warning Washington not to allow the Iranian-backed militia to capture too much of Iraq during the fight to roll back the Islamic State, according to Arab diplomats familiar with the talks. With another major aid recipient, Pakistan, Saudi Arabia is also expected to step up its efforts to develop a nuclear bomb, potentially setting off an arms race in the region. “A deal will open up the Saudi appetite and the Turkish appetite for more nuclear programs. But for the time being Saudi Arabia is moving ahead with its operations.”  

David Kirkpatrick,  
The New York Times, front page, 31 Mar 15  

Ed: Saudi Arabia deploying its navy and air force against Houthis in Yemen and an invasion next would not surprise us. Not World War III yet, eh? When Libya really explodes, which seems imminent the world might notice.

2. China’s figures revealed that growth has slowed sharply and deflation set in, as the economy is weighed down by a property slump and factory production is at its weakest since the dark days of the global financial crisis.  

The Economist (England), 18 Apr 15

Current Market Analysis:
Forecasting central bankers’ moves has become more problematic as they fixate on deflation worries and waste little time trying to stimulate economies. Sharp rate corrections are being prompted by central banks’ own surprise at the deflationary global landscape. “It has taken a while [for them] to catch up with reality.” Much attention among investors focuses on how far the US Federal Reserve may push the surprise meter as it seeks to call time on years of easy money, a policy approach that has pumped up equity and bond prices.

Financial Times, 29 Apr 15  

Ed: We’re in a deflation instead of an inflation? Who knew? And the unauthorized purpose of the Fed is now to pump up stock and bond prices.
Advice and Information for Traders and Investors

**TDL’S SEASONALITIES: JUNE**

The tragedy of old age is, not that one is old, but that one is young.  
*Oscar Wilde*

1. **Stocks:** Since 1961, June has been a down month for the DJI more than twice as often as it has been up, with 36 downers and 18 gainers. Ten of those eighteen risers took place in the unusually bullish markets of the 1980s and 1990s, which was long ago, so June’s traditional negativity might reassert itself. May Tops typically transit through a June decline, evolving toward the traditional "Summer Rally" in July or August. Spring declines often bottom out in June, while rebounds in Julys or Augusts introduce positive seasonal markets. It is no surprise then that June has ranked as the second-worst month for both the Dow and the S&P 500 in the last 65 years.

2. **Golds:** In the last 47 Junes, The Dines Gold Stock Average (DIGSA) has risen 19 times and declined 28 times, so seasonal percentages are 60% bearish for gold shares this month. The Dines Silver Stock Average (DISSA) has been 61% bearish with 17 ups and 27 downs in the past 44 years.

**SPECIAL FEATURE:**

**LONG-TERM SEASONALITIES RECAP**

As we approach the middle of the year, a confluence of bearish market events has already materialized – with only one exception among the Seasonalities in our Annual Forecast Issue (8 Jan 15, page 36). Summary:

1) The first five days of 2015 for the S&P 500, aka Early Warning System, were up – bullish.
2) The January Barometer was down – bearish.
3) The DJI’s December low was broken on 2 Feb 15, predicting a lower Dow for 2015.
4) The probability of a 10% correction by the Dow is still increasing as now 43 months have passed since the last one. On average since 1972, there has been one every 9.2 months.
5) The offbeat Super Bowl Theory, with the winning New England Patriots not being an original NFL team – bearish.
6) We noted an overdue bear market bottom expected between August 2012 to November 2013 per our Market Bottom Theory, with a subsequent new bull market in 2014 per our Quadrennial bull cycle. Where’s the missing bottom, we wonder? For details see our Annual Forecast Issue: 8 Jan 15 TDL (pages 36-39).

We also saw a bearish consensus of Seasonalities exactly one year ago, yet this bull market pushed on to new all-time highs. Is a dreaded market peak really on us now, or are we looking at the making of an updated Super Bull Market? All will be revealed in the fullness of time.

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**Latest on Uranium:**

1. Nuclear power plays an important role in Central & Eastern Europe (CEE). The region’s 68 operating reactors account for 15% of operating units worldwide. Roughly half of CEE’s nuclear generating capacity is concentrated in Russia, which is the region’s nuclear energy leader. Total plans to add new capacity are approximately equal to the current operating capacity. The vast majority of the reactors in CEE are Russian-designed. This faithfulness to the atom is supported by countries’ prioritizing energy security and self-sufficiency, as well as anticipating a resumption of a strong economic growth once the ongoing economic downturn is over.

*UX Weekly, 4 May 15*

*Ed: TDL still watching jobs in the nuclear-power industry drift away from America to Russia and China.*

**Latest on 3-D:**

1. Seven-year-old Faith Lennox never thought much about putting a prosthetic limb where her missing left hand had once been – not until the little girl learned she could design her own, strap it on easily, then jump on her bike. Just a short time before, that hand had rolled off a 3-D printer that built it overnight. It represents a breakthrough in small, lightweight hands that are economical and easy for children to use. Each weighs only a pound and costs just $50 to construct. When Faith outgrows it in six months or a year, a replacement can be made just as cheaply and easily. She could use the hand to help with things like schoolwork.  

*Associated Press, 2 Apr 15*

**Newly Recommended**

*Never buy on margin or speculate with money that you cannot afford to lose. Invest in the Supervised List appropriate to your circumstances, and then make your final decisions with your trusted advisors. The “Sell” decision is entirely yours, although we will try to suggest selling somewhere near a Top area. Try to buy on dips. We wish everybody good luck!*

**List #1:** Proofpoint Inc (PFPT)* Stop 46  
**List #2:** CyberArk Software Ltd (CYBR)* Stop 52  
**List #3:** Agnico Eagle (AEM) (AEM.TO) Stop 23 (27.95 Cdn)  
**List #4:** Fortinet Inc (FTNT)* Stop 31  
**List #5:** None  
**List #6:** None

* Recommended in IWB 21 Apr 15

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30 WORLD STOCK MARKETS

THE TREND IS YOUR FRIEND! THINK DIWPAT!

LONDON FTSE 100
FRANKFURT XETRA DAX
ZURICH SWISS
MADRID GENERAL
PARIS CAC 40
MILAN FTSE MIB
SWEDEN SX ALL SHARE
IRELAND ISEQ OVERALL
SOUTH AFRICA JSE ALL SHARE
RUSSIA RTS

AUSTRALIA ALL ORDINARIES
CANADA & PTX COMP
MEXICO IPC
SAO PAULO BOVESPA
TOKYO NIKKEI 225
HONG KONG HANG SENG
SINGAPORE STRAITS TIMES
KUWAIT KSE
TAIPEI WEIGHTED
BOMBAY SENSEX

DOW-JONES CHINA 30
KUALA LUMPUR KLISE COMP
MANILA COMP
BANGKOK SET
ISRAEL TEL AVIV 100
SAUDI ARABIA TADUWAL ALL SHARE

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