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An audacious call in 1995 looks golden now

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In January, 1995, Ron Meisels, president of P&C Holdings, made a fearless forecast before a joint session of the Canadian Society of Technical Analysts and the Toronto Society of Financial Anal-

ysts: The Dow Jones industrial average would hit 10,000 in 2000.

He even immortalized it with that slogan — "10,000 in 2000." It was an audacious call, with the Dow at about 3,800.

The forecast grew out of his study of stock market cycles. Looking at

statistics back to the 1880s, he became convinced that the U.S. market operates in roughly a 40-year cycle. As evidence, he points to the movement in the Dow since the Wall Street crash of 1929. The U.S. market dropped even lower, bottoming in 1932. It did not really

start to recover until 1942. The rally that materialized carried through until the late 1960s, at which time, the U.S. market again stumbled.

He then took the average rate of return in the U.S. market, which was 8 per cent a year, and came up with the projection of 10,000 for the Dow industrials in 2000.

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