

U.S. railcar usage points to recovery-Acampora

- * Railroad watch indicates economy pick up - Acampora
- * Aftershocks may continue, but markets recovering
- * Volatility index won't hit post-Lehman peak again

By Martin de Sa'Pinto

GENEVA, Sept 15 (Reuters) - The queues of unused railroad cars in sidings in Montana in the United States have shrunk dramatically in the last year in a sign that economic recovery is taking hold, investment guru Ralph Acampora said on Wednesday.

Acampora, a technical analyst famed for his 1997 call that the Dow Jones industrials index <DJI> would reach 10,000, told the Invest10 investor conference in Geneva the worst of the financial crisis was over, despite continuing scares over euro zone debt and slowing Chinese growth.

"I think we're setting ourselves up for a very good 12 months. I don't know of any major surprise out there that's going to take the market down like Lehman," Acampora said.

Anecdotal evidence abounds that the global economy is not as precarious as bears maintain, he said, noting that the length of the queue of unused railroad cars deposited in Montana and used to transport containers of finished products had fallen from 20 miles a year ago to two miles this year.

Shrewd investors were well aware of the trend, he said, noting the acquisition of a large stake in the railroad company Burlington Northern Santa Fe [BNI.UL] by Warren Buffet's Berkshire Hathaway <BRKa.N>, which has also bought stakes in the Union Pacific <UNP.N> and Norfolk Southern <NSC.N> railroads.

Acampora, now a partner at Geneva-based Altaira Wealth Management, said that in seismic terms, the market had had its major earthquake with the collapse of Lehman Brothers.

The earthquake's epicentre was New York, he said, and the aftershocks had crossed the Atlantic, like a financial tsunami, hitting Ireland, Portugal and Spain particularly hard, while having little effect on China and India.

The VIX volatility index -- Wall Streets fear gauge, and what Acampora called "the seismograph of the stock market" -- peaked at around 90 in the immediate aftermath of the Lehman collapse, but had not since come close to those levels even when markets hit bottom in March 2009.

Subsequent market worries centering on bank stress tests, Greek sovereign debt and the 'flash crash' have failed to move the market lower than the March 2009 low, Acampora said.

"When bad news can't take the stock market down, that's good news," he said.