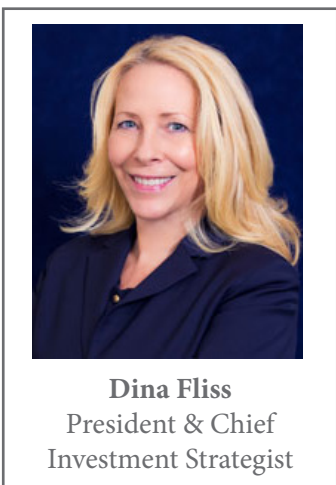




Do you know if you are Protected & Prepared?

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The old expression “a picture is worth a 1,000 words” has once again come to the forefront of today’s world. We are too busy to read 1,000 words, so let’s use this chart instead.

At Global View Capital, our clients expectations are to manage risk and provide **DEFENSE**. When our research begins to identify key pivot points in the markets, we take aggressive action.

Our research ranks all global asset classes on a scale of 1 – 100, with 1 ranking the highest and 100 the lowest. Currently cash ranks #4 and all of our long-term trend signals hit **SELL** in late August (see chart below). The only asset classes ranking higher than cash are inverse funds, meaning funds that are intended to profit from a falling market.

According to Bloomberg, “The S&P 500® Index has seen its average price over 12 months fall for two straight months”.

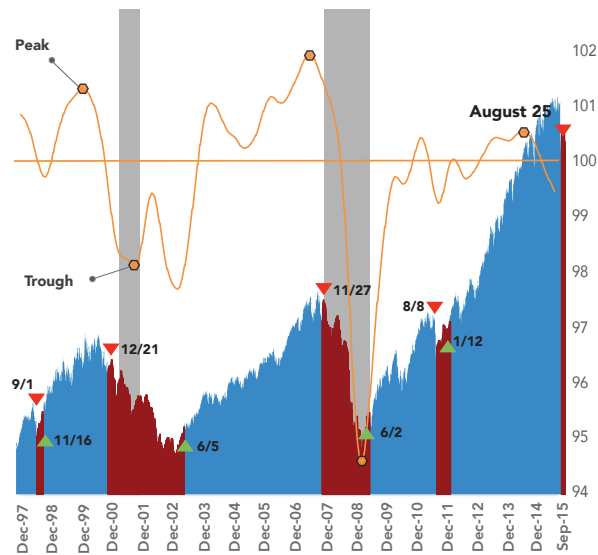
In the past twenty years, declines lasting two months or more only happened twice—at the beginning of the Financial Crisis, and at the start of the Dotcom bubble bursting. According to one analyst, the decline in the S&P 500® average is “among our biggest long-term concerns right now. While we are not expecting anything like either of those bear markets, we think to dismiss this development at the present time would be a mistake.” The recent downturn ended a 38-month streak of gains.

On this chart, we have overlaid the Composite Leading Indicator (CLI) from the Organization of Economic Cooperation (OECD). The CLI is a composite of business activity within the current business cycle. It anticipates key turning points in economic activity 6-9 months **IN ADVANCE** of the not yet observable in the current market environment.

Quite simply, the downtrend here suggests that much more pain may come from equities in the near term.

In our opinion, the only thing likely to reverse the trend would be either a big surge in global growth or the announcement of another round of Quantitative Easing. Neither seems likely anytime soon.

S&P 500® Index



Organization for Economic Cooperation (OECD) and Composite Leading Indicator (CLI) is typically utilized to anticipate key turning points in economic activity 6-9 months in advance that is not yet observable in the current business environment.	
— Downward Trend: Peak to Trough - Business Growth Below Normal	— Upward Trend: Trough to Peak - Business Growth Faster than Normal
▲ Buy Signal	■ S&P 500 - In the Market
▼ Sell Signal	■ S&P 500 - Out of the Market
■ Official Recession	

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