



Cornerstone Investment Services, LLC

John J. Riley - Chief Strategist - RI: (401) 453-5550 - TX: (972) 563-8990 - jr@cornerstoneri.com

The Beginning...?

FAIL

The market didn't just drop after the Fed raised rates, it got clobbered.

It is now showing signs of a rollover - lower highs and lower lows.

Unless there is an outside influence, we would expect to see the market head lower.



The start of a bear?

This is what the beginning of a bear market can look like. - Lower lows and lower highs.

A drop below the previous low of 15750 will confirm its a bear market.

While there will be arguments back and forth in the media about whether a bear market has started or not, we will be planning for it.

Many strategists and media types will wait for the market to decline 20% before declaring a bear market. We believe that is too late.

Barring any outside influence on the market by the Fed, we expect to see the market zig-zag its way much lower. That doesn't mean there will not be rallies. There will be,



and they may be significant. However, without outside influences, those rallies should fail and head lower. Rallies should be used as a chance to lighten up on equities for those that want to reduce risks.

We are not declaring the start of a bear market, yet. But early indications are that when all of the evidence is put together, the poor performance of the economy, the valuation of the market and now the deteriorating technicals of the market, a strong argument can be made for this being the start of a bear market. Now is the time for Investors to ask themselves: "Do I want risk management, at the beginning of a bear market or at the end?"



245 Waterman St. Ste. 301
Providence, RI 02906

info@cornerstoneri.com
www.cornerstoneri.com

Tel: 1 (888) 277. 5968

Disclosures/Disclaimers:

Opinions, estimates, forecasts and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. This material is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values. Past performance does not guarantee future results.

Consult your financial professional before making any investment decision. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information. These are the views of Cornerstone Investment Services LLC, and not necessarily those of the named representative, Broker dealer or Investment Advisor, and should not be construed as investment advice. Neither the named representative nor the named Broker dealer or Investment Advisor gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information.

Fee based money management and Financial Planning offered through Cornerstone Investment Services, LLC's RIA.
Securities offered through Cantella & Co. Inc., Member FINRA/SIPC.

Accounts carried by National Financial Services LLC, Member NYSE/SIPC. Accounts carried by Pershing LLC,
a BNY Securities Group Co., and subsidiary of the Bank of New York Company, Inc.

Past performance is no guarantee of future results.