



# OUTLOOK

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I USED TO EAT A LOT OF NATURAL FOODS UNTIL I LEARNED THAT MOST PEOPLE DIE OF NATURAL CAUSES.

–AUTHOR UNKNOWN

We all know it's going to happen sometime but none us of know exactly when. Eventually, Bull Markets (markets that keep going up) die and they generally die from natural causes. At the root of every Bear Market (markets that keep going down) is the realization that all of the good things we thought were going to happen may not happen as soon as we had hoped...or they may not even happen at all.

Here's a Bull/Bear recap of the last 20 years:



I am not immediately proclaiming this is a Bear Market, but it's starting to look a lot like one. Bull Markets tend to be stronger and last longer than Bear Markets which why many advisors preach a "buy and forget" strategy.

In this case, the most natural cause of entering a "Bear Market" is a company not earning as much as it was expected to earn. If you look at the two charts on the bottom of this page, the chart on the left tracks total corporate profits. Those profits now seem stuck in neutral since 2012. The chart on the right shows Operating Earnings per share. Operating earnings track what companies are earning from ongoing operations while excluding one-time items. Operating Earnings are now trending down. Earning less money would be a "natural" cause of death for a Bull Market.



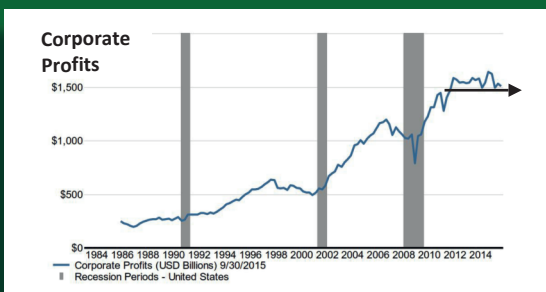
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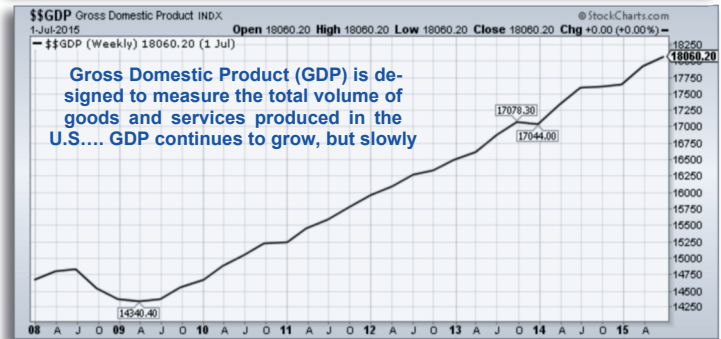


## CORPORATE PROFITS & OPERATING EARNINGS

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## LOOKING AT THE LAST 8 YEARS



## MORE DISCLOSURES: BET YOU CAN'T READ JUST ONE

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