



If You're in the Market You Need

ShareTradingEducation.com™



Your Free Wrap today is based on an extract from Edition 658 of our weekly Mentoring-style 'Investing & Online Trading' Stock Report

"Crash or No Crash?"

By John Atkinson

This is the 64 dollar question which should be on all traders' or investors' minds *at any time* when they have any money invested in the market.

It is part of the risk of participating in the market – just like a plane could crash or a ship could sink if you decided to travel that day – but what is the probability of such an event?

However, right now there are various commentators who are writing that we're in for a crash "soon".

For instance, in last week's Edition 657 of our ['Investing & Online Trading'](#) Report, we provided a link to an interesting article on global growth, market valuations and debt.

We included it as it provided some interesting stats and a compelling argument. Yet, when you read on to the bottom you discover that after deliberately raising every fear in your body, it then aims to sell the Author's book.

Similarly, this week we received an email to let us know that a famous author and seminar presenter returns to Australia soon. The email included this headline quote;

"The markets crash every 10 years and it happens on schedule. I don't know why it's surprising. 1988, 1998, 2008, 2018. It's going to crash again. The next one is going to be twice as big as 2008."

Headlines like these may sell books or seminar tickets but look closely now at the charts below of the Dow Jones Industrials and the Nasdaq Composite and in particular the green ringed years for 1988, 1998 and 2008, then ask yourself "do you see crashes on those years?"



Dow Jones Industrial monthly chart

Customer Caution Notice Jim Berg and John Atkinson are Authorised Representatives (AR Nos. 322724 and 1251439) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, Australian Financial Services Licence AFSL 292464. Information provided in this document is of a General nature only. Examples from the Australian and USA markets are provided to demonstrate that Jim Berg's principles may be used globally. This educational material is from an Australian source and complies with Australian law and not necessarily any other (local) law. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)



Nasdaq Composite monthly chart

From our perspective:

- 1) The Stock market actually did crash in a big way - in the famous crash of October 1987 (i.e. *BEFORE* 1988 and not shown on these charts as the data does not go back to 1987)
- 2) 1998 came and went *WITHOUT* a crash
- 3) TWO years later, the Nasdaq did collapse in early 2000 ('tech stock crash') - but not the Dow
- 4) In 2008, the market did *NOT* crash suddenly. Rather, from December 2007 to March 2009, these markets fell back month by month over 15 months in a long and protracted bear market. This is now known as the GFC.

In contrast, on Page 21 of [this week's Edition of our weekly Report](#), Dr Shane Oliver, AMP Capital's Head of Investment Strategy and Chief Economist, presents his more positive '*bullish*' outlook for the Australian market.

[Long term Members](#) of our Report will recall that on 22nd December 2007 in Edition 130, Jim wrote;

- " 1. Crashes and mini-crashes are panic driven social phenomena.
 2. The speed at which prices fall makes it difficult for investors to react.
 3. They are usually followed by significant rallies.

Bear markets generally fall further and last longer but exhibit price patterns that indicate the potential for a falling trend. Investors have time to react to price changes and protect their portfolio."

Jim also warned of the potential for a bear market in that same Edition ***in December 2007***. He detailed the technical criteria he was monitoring at that time and wrote:

" we must prepare for the possibility of a bear market. This bearish All Ords - S&P combination would be the ***fifth time this has occurred in the last twenty years***.

The ***four previous occasions resulted in bear markets*** with falls of greater than 20%. The shortest duration was 10 months. The market top was eight weeks ago and the fall is currently 10.3%.....

....This is not a prediction that we are going to experience a bear market. No one knows where markets are going. Common sense technical analysis is not about predicting the future but working with probabilities and reacting to price change. Common sense money management is about preservation of capital...."

Just 2 weeks later, Jim announced that the technical criteria he was monitoring at that time had triggered an overall market Exit Signal, so Jim closed our weekly Report's notional portfolio in early January 2008. It remained closed throughout the GFC, until Jim announced that markets had given an overall re-entry signal 1.5 years later, in June 2009.

Those Members who followed Jim's lead did **NOT** lose millions of dollars between them during the GFC.

* The past performance of STE products is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. STE's service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance

We also wrote in Edition 130 in *December 2007*:

" No uptrend will ever continue forever and no investor or trader should ever feel that they're invincible. As has been shown in this article, at any time the market can roll over and turn down, then fall for several months as a bear market forms.

Or it can crash almost instantaneously. We cannot predict what the market will do. However, what we can do is to:

- i) Educate ourselves fully to understand how the market works. Learn to combine technical & fundamental analysis and to understand the importance of our own personal and market psychology. Understand the vital importance of money and risk management.
- ii) Create a structured Trading Plan that suits our personality, lifestyle and circumstances.
- iii) Decide what *we will do in advance* of such a downturn. This vital factor means having a set of written rules and the discipline to follow them. Otherwise, as many have found out, the market can provide the most expensive education possible."

Ten years on, these principles still apply in 2018.

In last week's Edition 657 of our Report, Alan Hull gave his opinion on the current USA and Australian markets and concluded with "*Hence I will remain 100% in cash until I have a much better idea of what these markets are up to.*"

Those traders and investors who may share Alan's point of view may have also chosen to be in cash and wait. Our view is that:

- 1) The USA and Australian markets are **NOT** displaying the same warning conditions which were in place in late 2007/early 2008 for a bear market. In fact, if this does come anywhere close, [Members of our weekly Report](#) will be the first to be informed of it by Jim Berg.
- 2) **For investing in global markets:** In Edition 655 we wrote that during the February mini-crash, we progressively notified ETF Signals Members of Exit Signals for 7 of the 10 ETFs which had triggered various Stops - so that Members could protect their capital in case markets continued down.

"...7 ETFs were exited, with a total notional loss in a \$100k notional portfolio of -\$1,990 after dividends. I.e. -\$284 or -2.8% average trade loss each. While no one likes to experience losses emotionally, financially this equated to a **-1.99%** total closed loss on the overall notional ETF portfolio - **for all 7 exited positions combined**. This is significantly less than the 2% Portfolio Risk often quoted in many Money and Risk management books - **for each single trade.**"



We regarded this as a positive result as it "*passed the first test*" for our new Service under '*mini-crash*' conditions.

Since then, markets rebounded strongly, which provided us with the opportunity to add 7 replacement ETFs back into our new '*Super 10 ETF Portfolio*' Signals Service.

Customer Caution Notice Jim Berg and John Atkinson are Authorised Representatives (AR Nos. 322724 and 1251439) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, Australian Financial Services Licence AFSL 292464. Information provided in this document is of a General nature only. Examples from the Australian and USA markets are provided to demonstrate that Jim Berg's principles may be used globally. This educational material is from an Australian source and complies with Australian law and not necessarily any other (local) law. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

As at Monday morning 12th March, only 1 of these ETFs is showing a small open loss (of only **-0.6%**) while 9 out of 10 ETFs (*i.e.* 90%) in this notional '[Super 10 ETF Portfolio](#)' are now in small open profit*.

* The past performance of STE products is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. STE's service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance

These ETFs have been purposely selected by us as they are all in **rising trends** and they *represent markets from around the world*. These ETFs can be bought and sold by Australian Investors just like shares. They also have the added advantage that there is no need to open a separate international account (which are subject to exchange rate fluctuations).

- 3) **For the Australian market**, Jim patiently waited until the ASX200 (**XJO**) gave an overall market re-entry Signal, before he issued any new Entry Signals for shares.
- 4) Each night, we continue to scan the whole market on behalf of Members of Jim's Trading and Investing Signals Services. Sometimes, e.g. in July 2016, there be many entry Signals. At other times, the number of entry Signals may be far less, particularly as Jim has added extra filters in the current market to help him optimise his selection (see our '[What ended up on the Cutting Room Floor](#)' article in [this week's Edition](#).)
- 5) We also advise Signals Members if any shares have triggered an Exit Signal that day, if applicable.

As detailed in last week's Edition 657, we showed that several shares triggered stops during the '*mini crash*' in early February and beyond.

Since then, during March to date, there have only been:

- One Exit Signal for Trading (**BGA**) at a **-6.5%** loss and
- Two Exit Signals for Investing; **BGA** at a **-6.5%** loss and **IMF** at a **+35.9%** notional profit).

- 6) As at the close on Friday 9th March 2018 in Jim's [Investing Signals](#) Service:
 - There are currently **16 open** Investing positions
 - **ALL** of which are now in *open notional profit*, as shown in Table 1 below:

* The past performance of STE products is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. STE's service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance

- 7) Since we commenced in 2005, we have always *believed in continuous improvement*. For example, we recently announced that starting 3 March 2018 for Jim's [Investing Signals Service](#), we have decided to introduce a **new Profit Protection Stop** for Investing Positions once they reach **60% open profit**.

We plan to cover this new Profit Protection Stop in more detail in our '[Investing and Online Trading](#)' Report in coming weeks. This will include:

- ✓ How to add this new Profit Protection Stop, as one of your own investing tools
- ✓ Recent '*Before*' and '*After*' comparisons - to demonstrate how the use of this new Stop can help to protect open profits, after they have reached 60%

Open Notional Profit	No. of Open Positions		
0 to 5%	2		
5 to 10%	-		
10 to 15%	1		
15 to 20%	6		
20 to 30%	2		
30 to 40%	2		
40 to 50%	2		
50 to 60%	0		
> 60%	1		
	16	Total	

"Which Way From Here?"



Information on its own will NOT change your life. You can Google any topic you like and often find some fairly reliable information. To make a difference, **Implementation is the key.**

It's what YOU DO with what you learn which makes Expert Jim Berg's trading and investing education so VALUABLE.

Our focus is to **help you implement and get it done**, step-by-step, based on Jim's Volatility Indicators and common sense 'Weight-of-Evidence' approach.

To continue your journey with us, simply click the links below now to find out more about our:

A) OUR 2 MAIN CORE SERVICES

#1 Learn How to Trade and Invest Yourself

with our weekly mentoring-style 'Investing & Online Trading' Report, which includes:

- Jim's latest Watch Lists for the USA and Australian markets
- Practical tutorials on how to filter 'experts picks' - to help you find **WHICH shares to buy** & compare your analysis with Jim's
- Notional portfolios for the current USA and Australian Markets - to help you learn **WHEN to Buy** and, more importantly, when to **SELL**
- Money & Risk Management & trading/investing psychology
- Jim's and others' view of the market - so you'll know when Jim recommends to be in the market and when to be in Ca\$h



Click on these links to:

- Find out all about what you will receive and [how our Report can help you](#)
- Order [this week's latest Edition](#) or for [Jim's Ultimate \\$1 Trial](#) of this Report
- Receive [Your FIRST 2 MONTHS for the price of ONE](#), as a new Member, *with no lock-in contract.*



Customer Caution Notice Jim Berg and John Atkinson are Authorised Representatives (AR Nos. 322724 and 1251439) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, Australian Financial Services Licence AFSL 292464. Information provided in this document is of a General nature only. Examples from the Australian and USA markets are provided to demonstrate that Jim Berg's principles may be used globally. This educational material is from an Australian source and complies with Australian law and not necessarily any other (local) law. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

#2 Do you prefer to have US do the Analysis for you?

If so, then check out our 3 Australian Signals Services, which operate like 'Paint-by-numbers' - to help you learn how to trade and invest in the Australian market:

- 1) Jim Berg's [Trading Signals](#) for shares
- 2) Jim's [weekly Investing Signals](#) for shares
- 3) Our '[Super 10 ETF Portfolio](#)' Signals Service



B) PACKAGES

The main tools which Jim Berg uses are his now world famous **JB Volatility Indicators** -- to help him select:

1. **WHICH** shares and ETFs to Buy, then
2. **WHEN** to Buy and more importantly,
3. When to **SELL**.

Jim's Indicators are installed on many charting programs around the world, including Amibroker, Bullcharts, IC Investor, Market Analyst and now the benchmark, MetaStock too.

They are also included (along with price data and history data) in [JB Premium Charts](#), the charting program which Jim and John use every day.

In A) above we explained our 2 core services are our weekly '[Investing & Online Trading](#)' Report for the Australian, USA and other markets and our [3 Australian Signals Services](#).

The following 2 packages also include **JB Premium Charts and 6 months of USA or Australian data:**

1) MasterClass Package

Includes:

- 3 months Weekly Report
- Jim Berg's 12 weekly E-classes
- 6 months JB Premium Charts and data
- 1 month email support
- And more

For full details, [Click Here →](#)

2) Platinum Membership



Includes:

- As for the MasterClass above
- **PLUS** 3 months of our 3 Signals Services for Australian shares and ETFs
- And more

For full details, [Click Here Now →](#)

Customer Caution Notice Jim Berg and John Atkinson are Authorised Representatives (AR Nos. 322724 and 1251439) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, Australian Financial Services Licence AFSL 292464. Information provided in this document is of a General nature only. Examples from the Australian and USA markets are provided to demonstrate that Jim Berg's principles may be used globally. This educational material is from an Australian source and complies with Australian law and not necessarily any other (local) law. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

Have You Watched Your FREE Updated MasterClass Webinar Yet?



'7 Key Steps to Help You Survive and Thrive in the Stock and ETF Market'

Make sure you **watch this Master Class webinar**
- **before you risk another dollar in the market....**

Simply click on this link to [Start Your Free Webinar Now ==>](#)

General Advice Warning: This document is a tool to assist you in your personal judgment. It is not designed to replace your Licensed Financial Consultant or your Stockbroker. In preparing this document, Jim Berg and John Atkinson as Authorised Representatives (AR Nos. 322724 and 1251439) and ShareTradingEducation.com ("STE"), as Corporate Authorised Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd ("LCM") Australian Financial Services Licence AFSL 292464, have not taken into account the investment objectives, financial situation and particular needs of any particular investor, because readers come from diverse backgrounds, with diverse objectives and financial situations.

Because of that, the customer should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs; and, if the advice relates to the acquisition, or possible acquisition of a particular financial product, the customer should obtain a Product Disclosure Statement or offer document relating to the product and consider the Statement before making a decision about whether to acquire the product.

Examples from the Australian and USA markets are provided to demonstrate that Jim Berg's principles may be used globally. This educational material is from an Australian source and complies with Australian law and not necessarily any other (local) law.

As this information is of a general nature only, you should seek advice from your broker or other investment advisors as appropriate before taking any action. In particular, this may include consultation with your Taxation Advisor regarding any possible taxation implications from selling stocks, shares, Exchange Traded Funds (ETFs) or other instruments. (ShareTradingEducation.com P/L is not a registered tax agent and any reference to tax is incidental and must be confirmed with a registered tax agent). The decision to trade and the method of trading is for the reader to decide.

STE and/or LCM and its officers, employees, agents, associates and alliance partners ("Associates") may have or may obtain an interest in the securities referred to in this letter and will receive commissions, brokerage and other fees from dealing in the securities or advising in respect of the proposed listing of the securities. LCM and/or STE believe that the information contained in this letter was accurate at the time it was compiled.

Performance Caution: **Direct investing in the stock market can result in financial loss.** The past performance of STE products is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. STE's service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance.

Jim Berg, John Atkinson and STE believe that the information contained in this document was accurate at the time it was compiled. However, results reflect absolute trading stop loss discipline. Any projections made in this document are estimates only and no representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips, buy or sell recommendations are not provided in this document.

All case study trades are notional examples using reasonably attainable entry and exit points. Results reflect absolute trading stop loss discipline. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have over or under compensated for impact, if any, of certain market factors, such as lack of liquidity

Copyright: The information contained in this document is copyright © 2018 and for the sole use of trial and prepaid readers. It cannot be circulated to other readers without the permission of the ShareTradingEducation.com. Contributed material reflects the personal opinion of the authors and is not necessarily those of the publisher. Articles accurately reflect the personal views of the authors. Sharetradingeducation.com is an independent financial education organization and research is supported by subscription fees and affiliate rebates.

OFFICES: Copacabana, NSW 2251, Australia and Dromana, Victoria 3936, Australia.

Disclosure of Interest: LCM/STE and their associates and authors of the *Investing & Online Trading Report*© team may hold shares in the companies featured in this Report. **Further Conditions** are specified in the [Terms and-Conditions](#) at www.sharetradingeducation.com.