THREE STAGES TO NAVIGATING THE TRANSITION FROM RISING TO FALLING MARKETS

CRITICAL SIGNALS REPORT

WITH MATT PIEPENBURG

CRITICAL SIGNALS REPORT
WITH MATT PIEPENBURG

Investor's Report
From: Matt Piepenburg
For: *Critical Signals Report* Members

Three Stages to Navigating the Transition from Rising to Falling Markets

Dear Subscriber,

In our prior reports, we showed you the classic forces behind a **market melt-up** as well the **market meltdown** that always follows.

In this report, we show you how to navigate this transition from rising to falling markets in three stages.

The Titanic Moment

Most of us remember Leonardo DiCaprio and Kate Winslet frantically gripping the stern of the *Titanic* as it rose briefly and steeply out of the Atlantic before charging toward the ocean floor.

Well, as we've seen already, markets can make a similar melt-up just before sinking.

The trick, of course, is knowing when and how to ride the rise, avoid the sinking, and make money on the way down rather than drown.

This is easier said than done when it comes to gauging, timing, and trading the three stages of a stock market melt-up climbing toward a meltdown: (1) The ride up can be bumpy, (2) the "pause" before sinking is hard to time, and of course (3) the ride down is never straight down.

When the Nasdaq began sinking on April 15, 2000 (which, ironically, was the *precise* date the *Titanic* sank in 1912), it took another three years for it to lose 80% of its value.

During that slide down, the markets rose here and there in desperation before finally drowning in 2003 to its ocean-bottom lows.

The same was true of the Great Depression and the infamous crash of 1929. On the melt-up in 1928, the markets skyrocketed by 37%.

In 1929, those same markets then crashed and unleased an economic disaster. But it took three bumpy years for the 1929 stock market to lose 90% of its value before hitting the ocean bottom.

In short, nothing happens in a straight line or without bumps and dips on the way up or temporary surges and gasps for life on the way down.

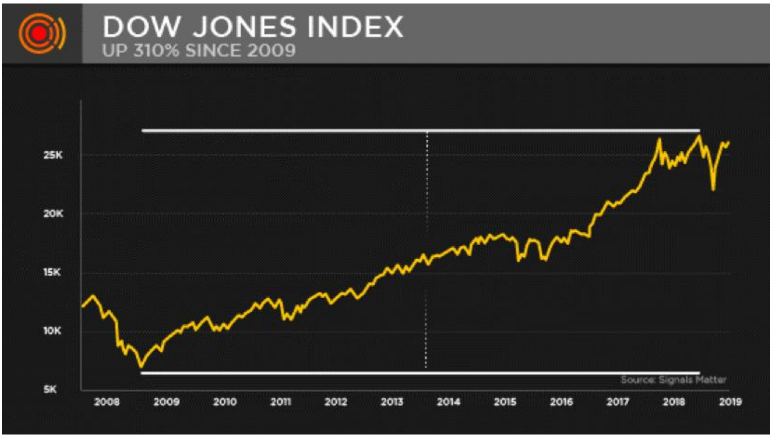
The key is to have a system and plan for tracking these phases with confidence and data rather than greed, fear, hope, or panic.

Critical Signals Report gives you the charts and compass to best approach each of these three critical phases of the melt-up leading into a meltdown.

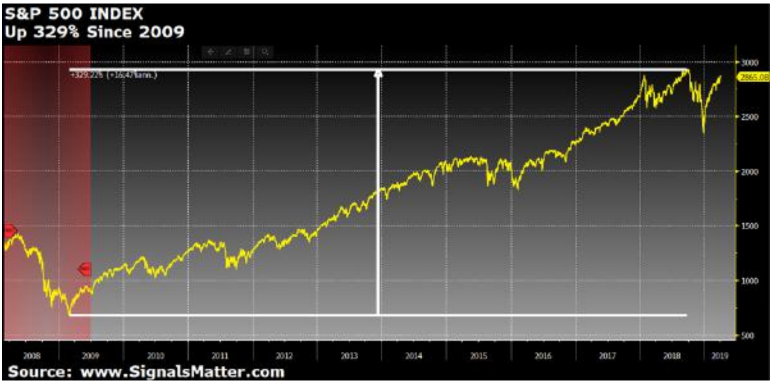
Stage 1:
Capturing the Last Breath of the Fed-Driven Bull Market

There's no doubt that ever since the Fed stepped in to "support" the post-2008 markets, we've seen a heck of a ride up, with the S&P and Dow up over 300% in just over a decade.

The Dow…



And the S&P…



But as good (and crazy) as that was, this melt-up is different. This melt-up is the last, final, and steep rise of an otherwise dying market just before it pauses in mid-air (like the *Titanic's* stern) and then begins its third-stage race to the dark depths of a market low.

Again, 1928 was a classic case of a such a melt-up, climbing by over 88% in two years before tanking…

The current market melt-up shares many of the characteristics of prior melt-ups. Namely, it is driven by a historic combination of key technical, psychological, and financial factors.

At the technical level, we are tracking what we call "signal boxes," a technical support signal composed of either **GREEN** (positive) or (negative) time boxes that signal risk-on or risk-off based upon price movements in given time boxes.

These boxes are a critical part of our proprietary indicator that combines data on interest rate levels, Fed support, stock buy-back volume, moving averages, and other volatility bands.

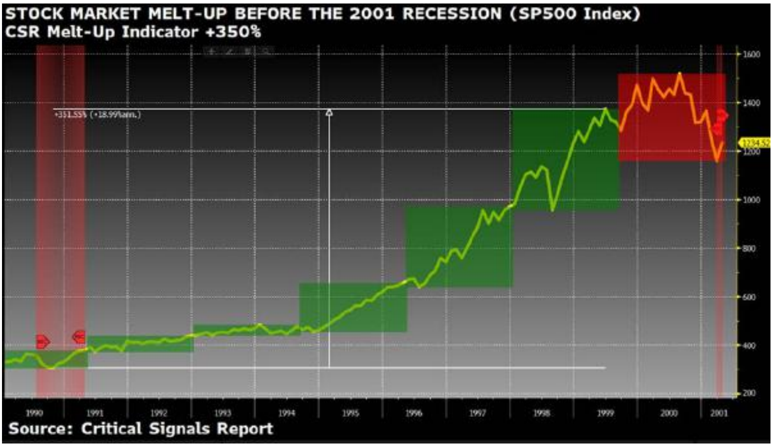
Our indicator signals **GREEN** in bullish market conditions, including a melt-up, or in bearish, falling trends, including a meltdown.

At the psychological level, we know most investors have a "fear of missing out" and thus crowd into rising markets just before they crash – typically just as our indicators are turning.

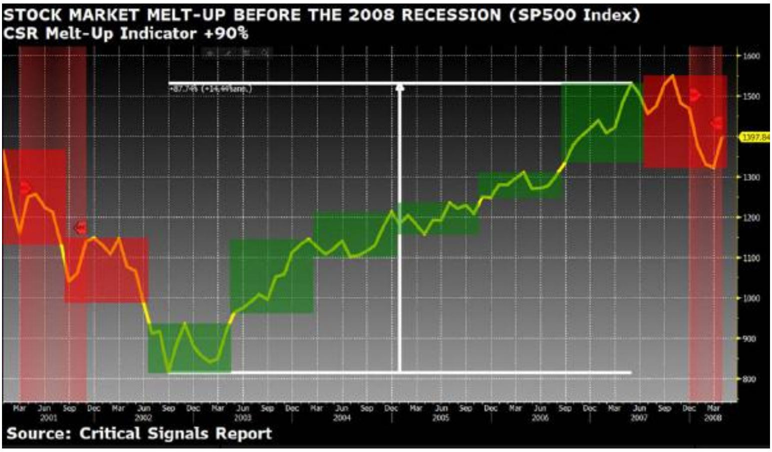
In short, most investors go all in at precisely the wrong time.

Our signal boxes have been invaluable to us in tracking past market tops and capturing **GREEN** gains before markets turn dangerously.

Just before the dot-com bubble burst in 2000, for example, we rode markets until the **GREEN** turned to…



The same was true of markets climbing toward the 2008 crash. Our **GREEN** signal boxes kept us in the markets right until they turned. Thus, we avoided the epic losses which followed.



So long as the markets stay in the **GREEN**, investors following ***Critical Signals Report*** can capture gains on the final and often massive melt-up stage.

In 1928, our melt-up boxes would have looked like this, allowing us to make huge profits in the **GREEN** and then to avoid the bigger losses that came when the signal boxes showed up in 1929…

But it's easy to backtest the 1929 *history*. Today, our melt-up boxes are still **GREEN** with melt-up upside for early to mid-2019 and look like this…

At some point, however, stocks hit a final peak and then begin to turn downward. This ushers in the next phase or stage. We are tracking this very carefully now – in real time.

Stage 2:
Protecting Wealth as Markets Turn Red and Shorting Markets on the Way Down

At this stage, the general direction of the markets turns decidedly bearish. Again, this trend is gradual, not all at once. The markets will have momentary peaks, but the clear direction from such a signal is downward.

At this stage, we will provide signals and strategies that make money as markets decline.

This involves shorting stocks and buying inverse ETFs and put options that "short" (or bet against) the markets, as well as going long on those sectors (commodities, consumer staples, certain government bonds, etc.) that go up when markets are going down.

For those of you (especially those in or nearing retirement) who rightfully are more concerned with simply avoiding losses and protecting your gains rather than trading a market decline, we can also recommend going to cash.

This all hinges upon individual investors' risk tolerances and profiles.

Unlike 1929, however, today the U.S. Fed will desperately try to prevent this sinking phase by printing more money (QE ad nauseam) or pushing down rates, perhaps even into negative rate territory.

If we see such moves, then we will have to adjust our investing strategy on the way down, as this phase is likely to see longer periods of temporary and totally Fed-driven surges.

If declining markets go from to **GREEN** and hold, our signals will change.

Primarily, however, this second stage of the meltdown phase trends decidedly south as markets begin their slow and steady slide, which can take years to hit their final bottom.

Based on basic mean-reversion analysis and historical precedent, as well as historical patterns, we foresee lows in the Dow as deep as a 70% loss (that's 18,850 Dow points deep) and a similar decline in the S&P from the high 2,900–3,000 level to as low as 2,000 or more.

That's right, lower than the 2009 bottoms. Why? Because we are not just dealing with a mortgage crisis this time. We are dealing with a corporate debt crisis and sovereign debt crisis at the same time.

As we approach these historic lows, we turn to the final and most *profitable* stage of the meltdown.

Stage 3: Making Money at Market Bottoms – the Real Key to Massive Wealth

The number-one rule to making a fortune in the stock market is this: *Don't get caught in a meltdown*.

If markets lose 50% or more, you'll need to see a recovery of far greater than 100% just to get back to where you started.

It can take years, even decades to "recover," especially as the Fed runs out of printed money.

If it does print more, then it faces hyperinflation and a gutted currency. We'll have to see what the Fed does as this phase plays out. Either way, the markets will be falling hard at this stage.

As markets near bottoms and stocks are trading at 60%, 70%, or even 80% or greater discounts as we saw after the U.S. crashes in 1929, 2000, and 2008 or the Nikkei crash in Japan of 1989, this is precisely the time to get back and start buying the bottoms.

Why? Because the second yet equally most ignored secret to making a fortune in the stock markets is buying at bottoms, not tops.

Almost no one follows this rule, but folks like John Astor, Joseph Kennedy, John Templeton, Warren Buffett, or Paul Tudor Jones all made fortunes following this simple, patient rule. So can YOU.

Will ***Critical Signals Report*** be able to perfectly call the next market bottom? Nope. No one can. But we sure can get you close enough. That's key.

As markets ride up, pause, and then ride down to the bottoms, we hope you'll stay informed with ***Critical Signals Report***. In the interim, and as always, be careful out there. An iceberg is off the bow.

Please Note: From time to time, Money Map Press will recommend stocks or other investments that will not be included in our regular portfolios. There are certain situations where we feel a company may be an extraordinary value but may not necessarily fit within the selection guidelines of these existing portfolios. In these cases, the recommendations are speculative and should not be considered as part of Money Map Press philosophy.

Also, by the time you receive this report, there is a chance that we may have exited a recommendation previously included in our portfolio. Occasionally, this happens because we use a disciplined selling strategy with our investments, meaning that if a company's share price falls below a certain price level, we immediately notify our subscribers to sell the stock.

NOTE: Money Map Press is not a broker, dealer or licensed investment advisor. No person listed here should be considered as permitted to engage in rendering personalized investment, legal or other professional advice as an agent of Money Map Press. Money Map Press does not receive any compensation for these services. Additionally, any individual services rendered to subscribers by those mentioned are considered completely separate from and outside the scope of services offered by Money Map Press. Therefore if you choose to contact anyone listed here, such contact, as well as any resulting relationship, is strictly between you and them.

Privacy Notice

You and your family are entitled to review and act on any recommendations made in this document. All Money Map Press publications are protected by copyright. No part of this report may be reproduced by any means (including facsimile) or placed on any electronic medium without written permission from the publisher. Information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Money Map Press expressly forbids its writers from having a financial interest in any security recommended to its readers. All Money Map Press employees and agents must wait 24 hours after an Internet publication and 72 hours after a print publication is mailed prior to following an initial recommendation. Money Map Press does not act as a personal investment advisor, nor does it advocate the purchase or sale of any security or investment for any specific individual. Investments recommended in this publication should be made only after consulting with your investment advisor, and only after reviewing the prospectus or financial statements of the company.