DT SPECIAL REPORT

Comprehensive Analysis and Education For the Serious Futures Trader

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SPECIAL REPORT

The Stock Indexes

Panic Cycles, Bear Markets and More

March 28, 2020

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If you find this report useful, pass it along to your friends, neighbors, associates. Anyone you think may be interested.

Better yet, send them the link to the page where they can download the report and also view the video supplement to the report. The video provides additional valuable information. Like this report, it is not in technical jargon but everyday language that all who view it should understand.

This special report is a condensed version of what was written for subscribers to our DT Reports.

I have tried to eliminate the technical jargon that our subscribers are familiar with so the report and video will be accessible for all.

Reports of this depth and import are usually only available to subscribers and clients of financial advisory firms. But I believe this information is so important to everyone, whether they have commitments or investments in the stock market or not, that I am making it freely available to everyone and encourage you to share the report and the link to the video page with everyone. Pass the word. Everyone will benefit.

Be prepared.

Robert Miner

DynamicTraders.com

March 28, 2020

***Just the facts*.** Joe Friday

This report includes the weekly chart of just about every decline in the DJIA of 20% or more since 1900! I've marked off the beginning and end of the Bear trends and given you the critical information of the time and percentage change of each Bear trend, plus brief comments. I am presenting you with the facts without prejudice so you can arrive at your own conclusions.

The purpose of this information is to try to arrive at a single piece of information without prejudice. *As of March 26, 2020, after a brutal 36%+ decline in just one month in the DJIA stock index, is the Bear trend over?*

Will history help us to answer this question?

Will the answer be a very high probability yes or no or will the answer be inconclusive?

You don't have to be a stock market or financial cycles historian to consider this data and arrive at a confident conclusion. Study this information and I think you will arrive at a conclusion. That is why I'm giving you the same information I have.

Please, don't skip through any of this content. Read the report from beginning to end. It is a lot of pages, but most pages are just one chart with brief content. So we are on the same page, with the same background information, view the charts on the following pages, read the comments and we'll have the information needed to make some assumptions together.

I hope after reading the report you will arrive at a rational, unbiased and sound conclusion of the probable outcome for this financial cycle.

Regards,

Robert Miner

DynamicTraders.com

3/28/2020

Notes on the Charts and Content for non-technical traders.

Terminology

Bear Trend: A market that is losing value. A decline in prices. A decline of greater than 20% is usually considered a Bear market and not just a normal correction within a Bull trend.

Bull Trend: A market that is gaining value. An increase in prices.

Retracement: The percentage a market moves against a trend or section. For instance, if a market declined 100 points, a 50% retracement would be a gain of 50 points. The market "retraced" 50% of the decline.

Correction: A movement or section that trades against a prior section. A retracement of a trend is always a correction. Following a correction, the trend continues, usually to a new extreme.

Elliott Wave (E-Wave): There are some references to Elliott Wave or E-Wave. Elliott Wave is a pattern recognition system or principle that help to identify the position of a market within a cycle. If you do not have an Elliott Wave background, don't worry. For the purpose of this report, it is not necessary but I do make a few references to it for readers who have some E-Wave background.

Sections: I make reference to sections of the trend or cycle. It simply refers to a period of time that is an obvious section or period of time on a price chart.

Waves or W….: I sometimes refer to sections as Waves or W… Elliott Wave analyst and traders refer to sections as Waves such as Wave-A or W.A. If you read about a Wave-A for instance, just substitute Section A. It should be obvious on the chart what is being referred to.

The Weekly Charts

Charts and Bars: All charts in this report include weekly price bars. The date of the bar is the Week Ending (WE) date or the Friday date.

Chart Headings: The heading of each chart lists the time period of the total Bear trend from beginning to end and the number of weeks and total percentage decline. The sections within the Bear trend are marked and show the number of weeks and percentage change of each section. I have labeled the retracement percentage of the second section (B) in each chart so we have some reference of the approximate retracement before the third (C) section began.

A, B, C Sections: In almost every Bear trend or cycle, there are at least three obvious sections, some times many more. They are labeled on the charts as A, B and C. On each chart in this report, I have drawn a red arrow for the Sections A, B and C to show the obvious three sections (or more) to every Bear trend.

A Note On The Charts and Chart Comments

Each chart is a weekly chart of a Bear trend (greater than 20% decline) of the past 120 years.

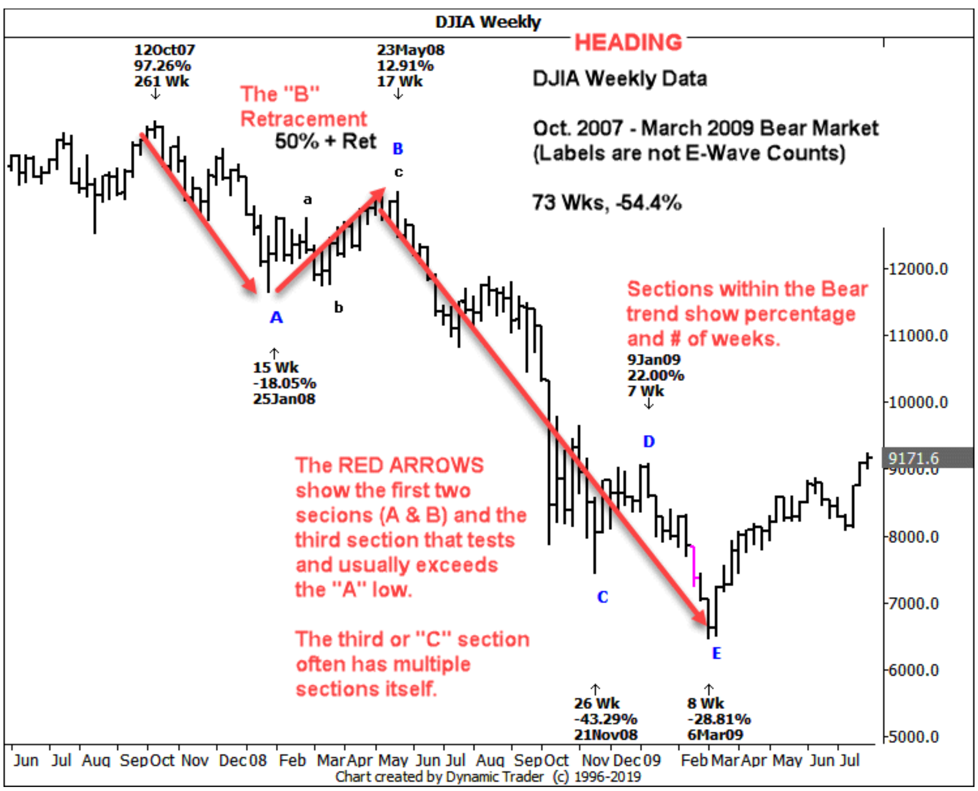
Each chart heading includes a wealth of easily understandable and very relevant information.

Heading: Includes the months of the beginning and end of each Bear trend, the time period in weeks and percentage change from the extreme high to the extreme low.

Retracement: The "B" section is always a corrective rally against the initial "A" section decline. The approximate retracement amount is shown on each chart. *This is very important information.*

Range of Interior Sections: Many of the major sections are made up of divisions of smaller sections. Some of these sections are also noted on each chart with the date of the high or low, the number of weeks from the previous extreme and percentage change up or down from the previous low or high.

Red Arrows: Show the "A" and "B" sections and the balance of the trend that continues to test or exceed the Section "A" low. Sometimes we get hung up on details. The Red Arrows help us to clearly understand that there are almost always (one exception in 120 Years) three sections to every Bear trend. *This is very important information.*



Why study all of these charts? Why not go straight to your conclusions?

The whole purpose of this analysis is for you to understand the typical and repeatable form or pattern of a Bear trend. I don't get too hung up on details, pattern variations, statistics and more. *I just want you and me to discover if there are some minimum criteria that should be met before we consider a Bear market is complete.*

You should not believe what you don't understand.

Unless you have a clear understanding of not just what is possible, but what is probable based on the lessons of history, you will not take action.

You will be one of the herd that is not prepared for the probable outcomes and will not take action when it benefits you most.

All market cycles trend from boom to bust, from euphoria to panic, from optimism to pessimism.

Most market participants make just the wrong decisions at a time of panic at just the time when they are hurt the most.

This report should give you the information to avoid panic and needless losses.

Heed the facts and lessons of history.

Let's begin our education and look at charts and brief comments of each of the Bear trends of the past 120 years.

Continued on the next page.

DJIA Weekly Data: Bear Market From Oct. 1909 – Dec. 1914 (271 Wks, -25.6%)

Lessons Learned: A bear market can last years. This one was not devastating, only a net 25.6% loss in over 5 years. It also shows how a corrective advance retracing well over 50% was just a correction in the major bear trend that eventually made a new low.

Like almost every bear market, it was not complete until at least three distinct sections (ABC or more) were made.

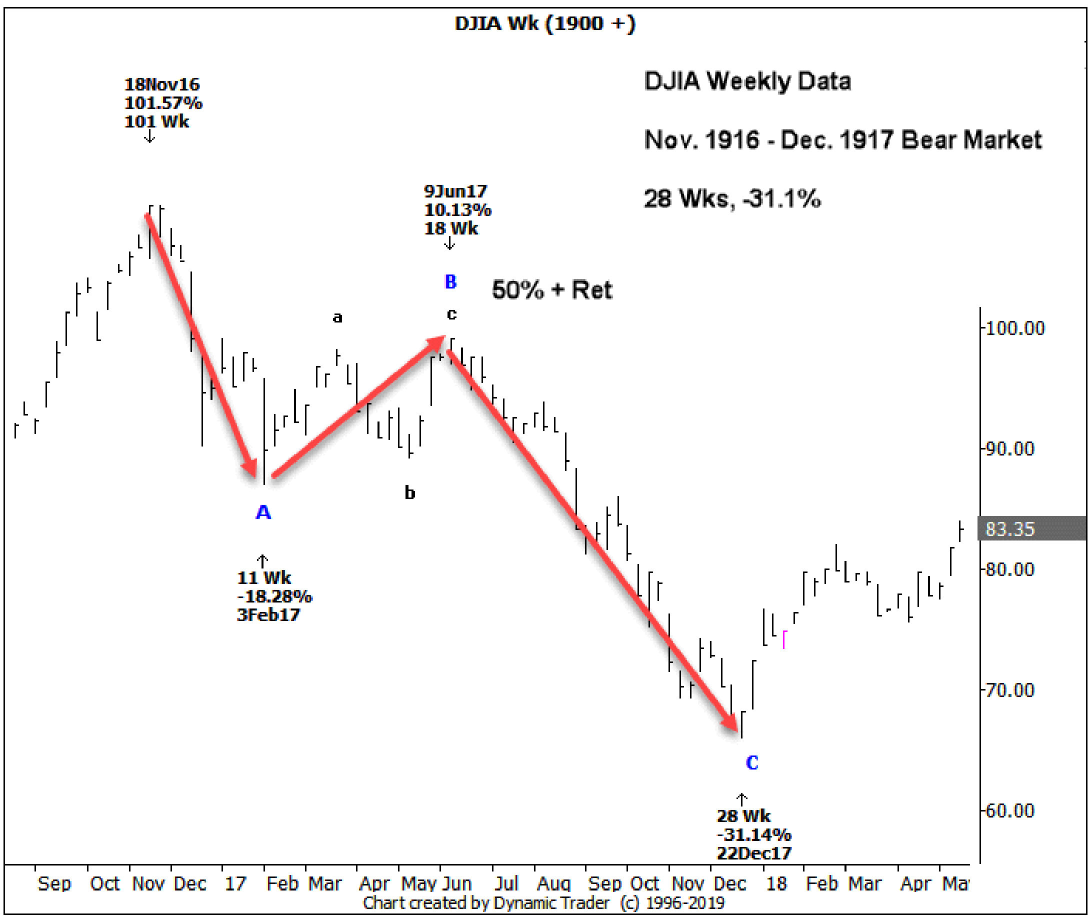
The first section down into the July 1910 low, labeled “A” did not have a distinct correction which implied it did not complete a bear trend.

DJIA Weekly Data: Bear Market From Nov. 1916 – Dec. 1917 (28 Wks, -31.1%)

Lessons Learned: Another clearly defined ABC correction to the 50% Ret (B) followed by a prolonged decline to a new low.

Another illustration that the second section of a Bear trend, the Wave-B (or 2) in Elliott Wave terms, usually retraces 50% or more of the initial decline (Wave A) fooling the amateur traders into thinking the Bull trend is resuming and then cleaning their clocks with a continuation to major lows once the third section, Wave-C continues the Bear trend to a new low.

SPECIAL NOTE: A lot has been made recently of this Bear trend because it was during the period of the 1918 Spanish Influenza when millions died world wide. As you will learn, at 28 weeks and -31.1%, the loss in the stock market was not that great compared to other Bear trends in history. We've lost more than that in four weeks!

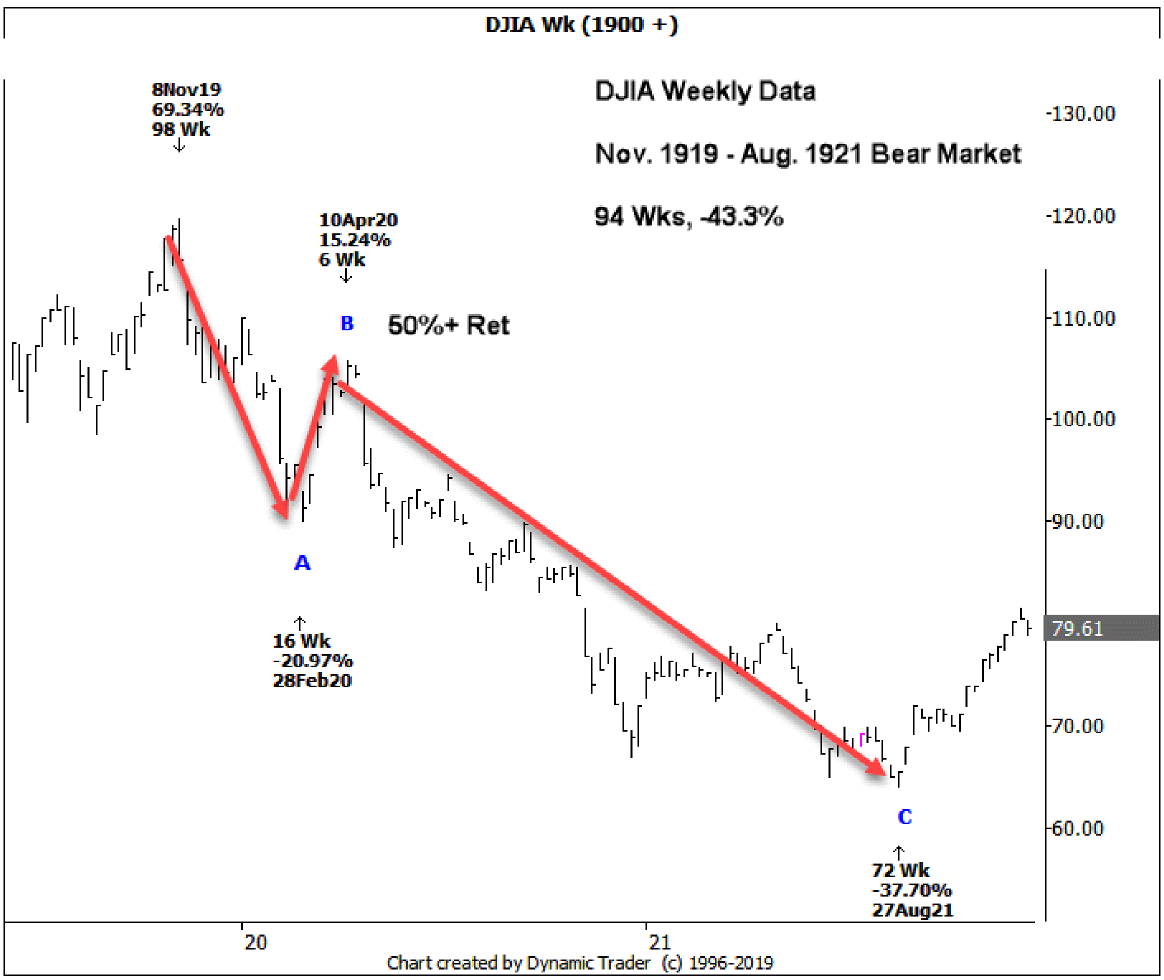


DJIA Wkly Data: Bear Market From Nov. 1919 – Aug. 1921 (94 Wks, -43.3%)

Lessons Learned: Almost every bear market of 20% or more has a double digit correction (10% rally or more) following the first section down (A) that reaches at least a 50% Retracement followed by a continued decline to test the initial low and more often, a new low.

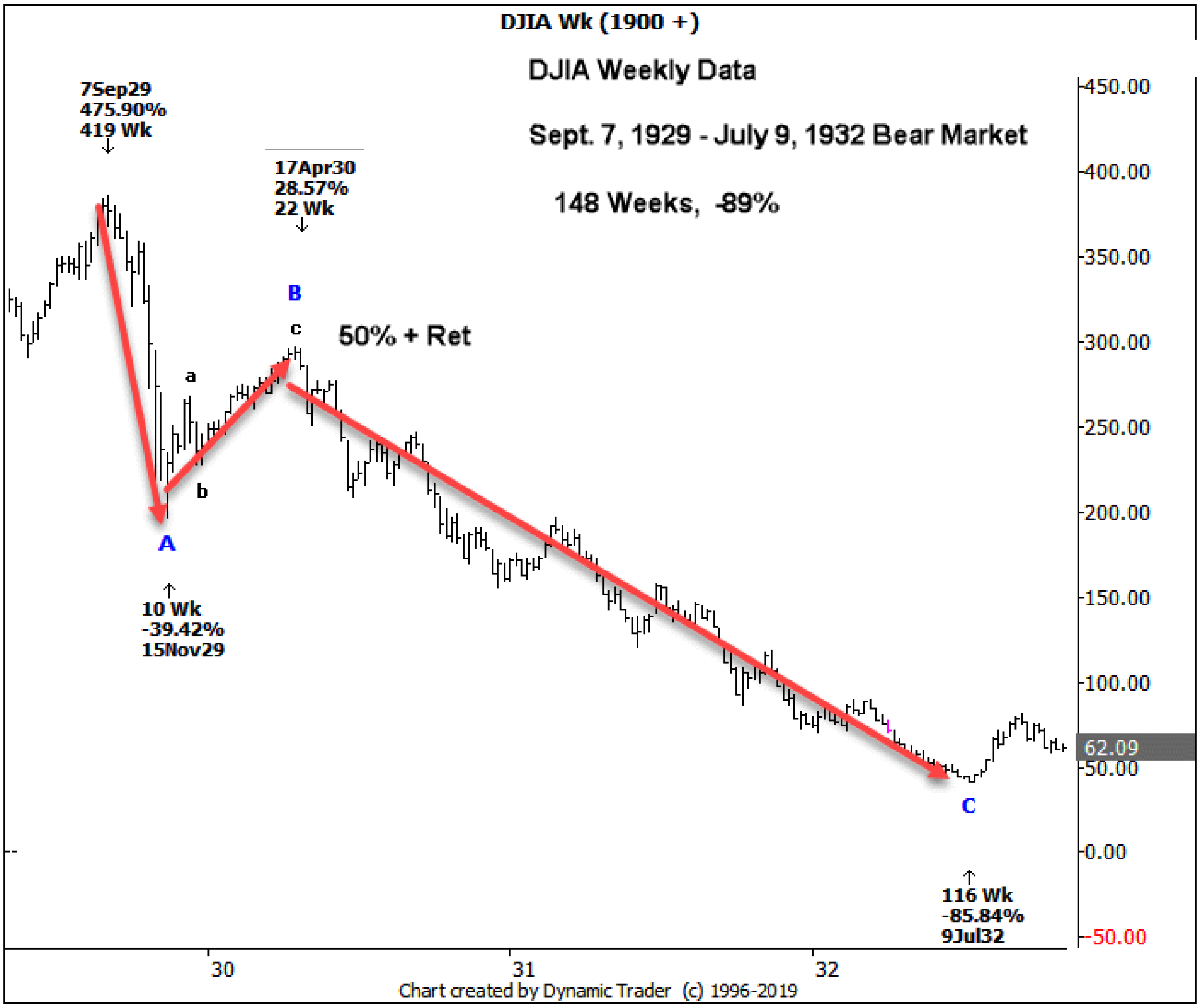
While I've labeled this bear trend an ABC just to demonstrate that there is at least one distinct corrective rally before a bear trend is complete, you can clearly count a five section or wave decline into the Aug. 1921 low.

If there is a 15%-20% decline followed by a double digit correction and then a new low, the bear trend often has a long way to go. The reason could be the initial decline is often considered a "bear trend", followed by a substantial correction than a new low which is unexpected and scares people to liquidate their position driving the market to much lower levels.



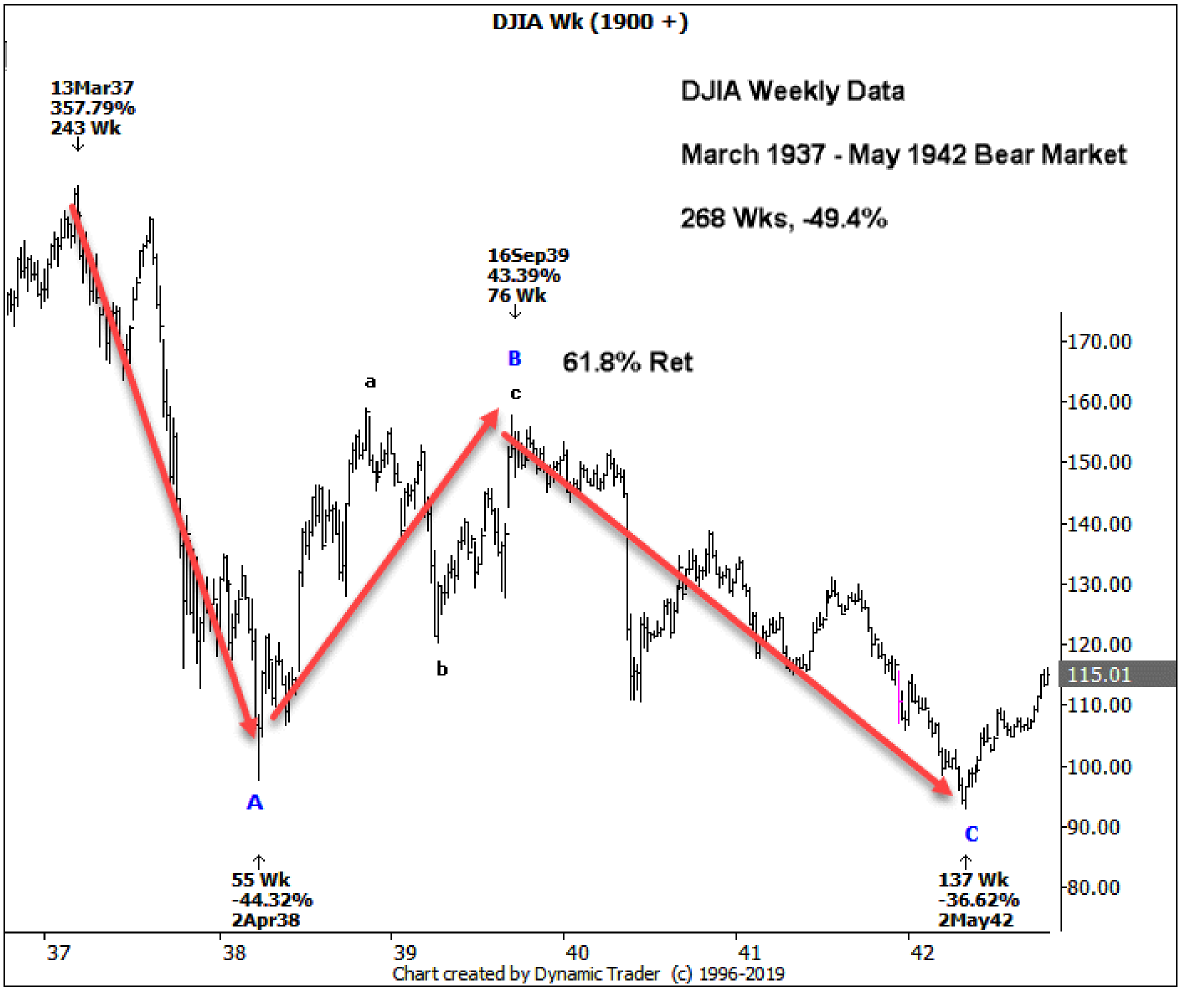
DJIA Weekly Data: Bear Market Fr Sept. 1929 – July 1932 (148 Wks, -89%)

Lessons Learned: Wave Cs can be a bitch!



DJIA Weekly Data: Bear Market Fr March 1937 – May 1942 (268 Wks, -49.4%)

Lessons Learned: Quit whining! We have no clue what really hard times are like!

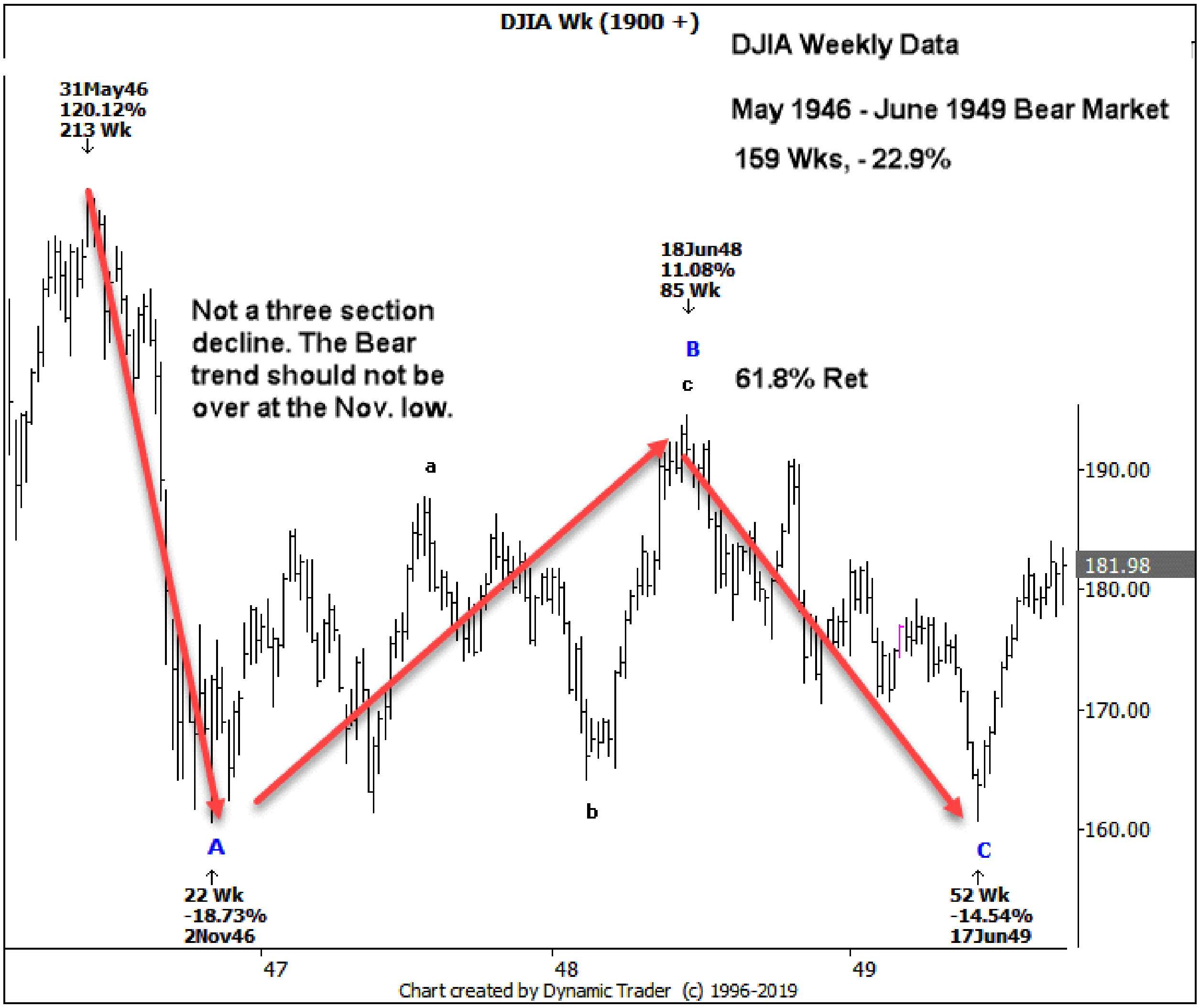


DJIA Wkly Data: Bear Market Fr May 1946 – June 1949 (159 Wks, -22.9%)

Lessons Learned: *Almost every trend has at least three distinct sections.*

There was not a typical correction to the first section down into the Nov. low. In fact, it could be counted as a textbook Elliott five wave (W.1 or A) trend.

A double digit correction to the 50% Ret or higher (W.B or 2) would be expected to follow the initial low, followed by another section down (W.3 or C) to test or exceed the Nov. low.

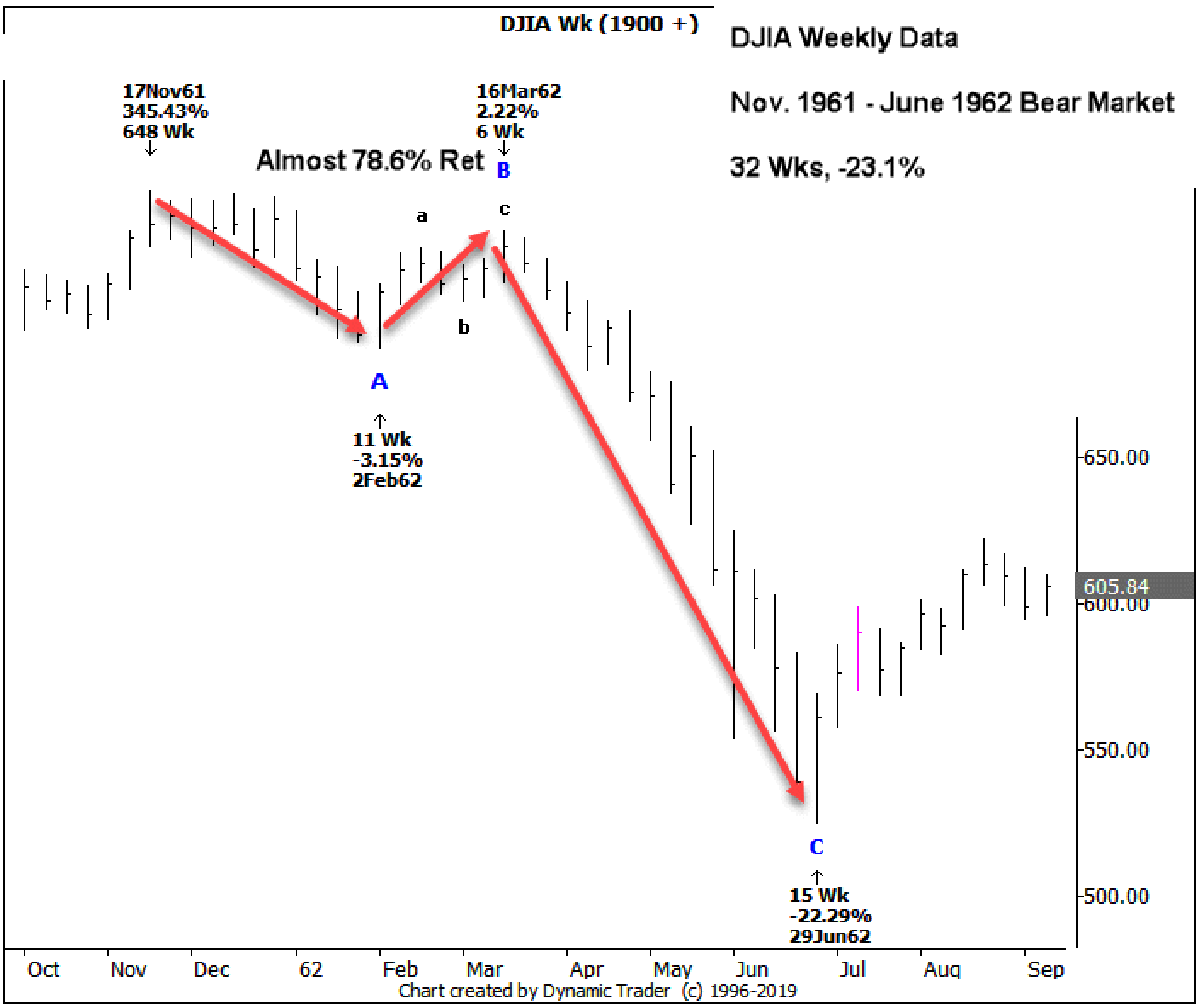


DJIA Weekly Data: Bear Market From Nov. 1961 – June 1962 (32 Wks, -23.1%)

Lessons Learned: Almost every Bear trend (20% or more decline) has a 50% or more correction followed by a test of the initial extreme (W.A) or a new low.

With such a short W.A (-3.15%), I'm sure few anticipated the W.C would continue more than another 22% decline following the B high.

As usually, at least three distinct sections (ABC or more), 50% or more correction ("the bull market is resuming"), usually followed by a new low and often acceleration of the Bear trend once the W.A low is exceeded (unexpected lows and panic liquidation).

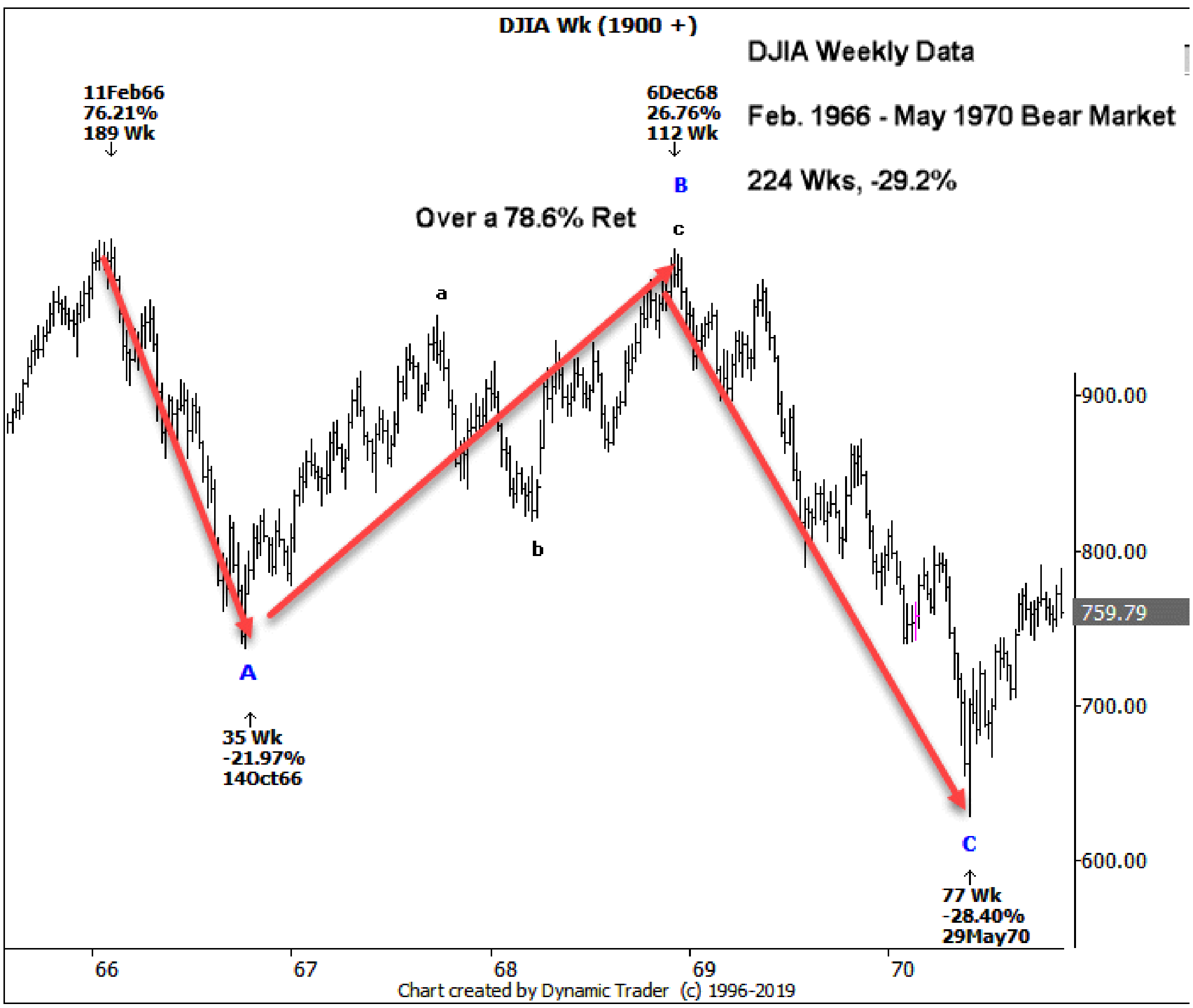


DJIA Weekly Data: Bear Market From Feb. 1966 – May 1970 (224 Wks, -29.2%)

Lessons Learned: "B" corrections can take a long time as we've seen in several prolonged Bear trends. When they make a technical signal they are finished, a Wave C is often brutal as traders give up hope of higher prices, the pain of their losses becomes to great and they fear financial ruin and bail out near what often becomes the low of the Bear trend.

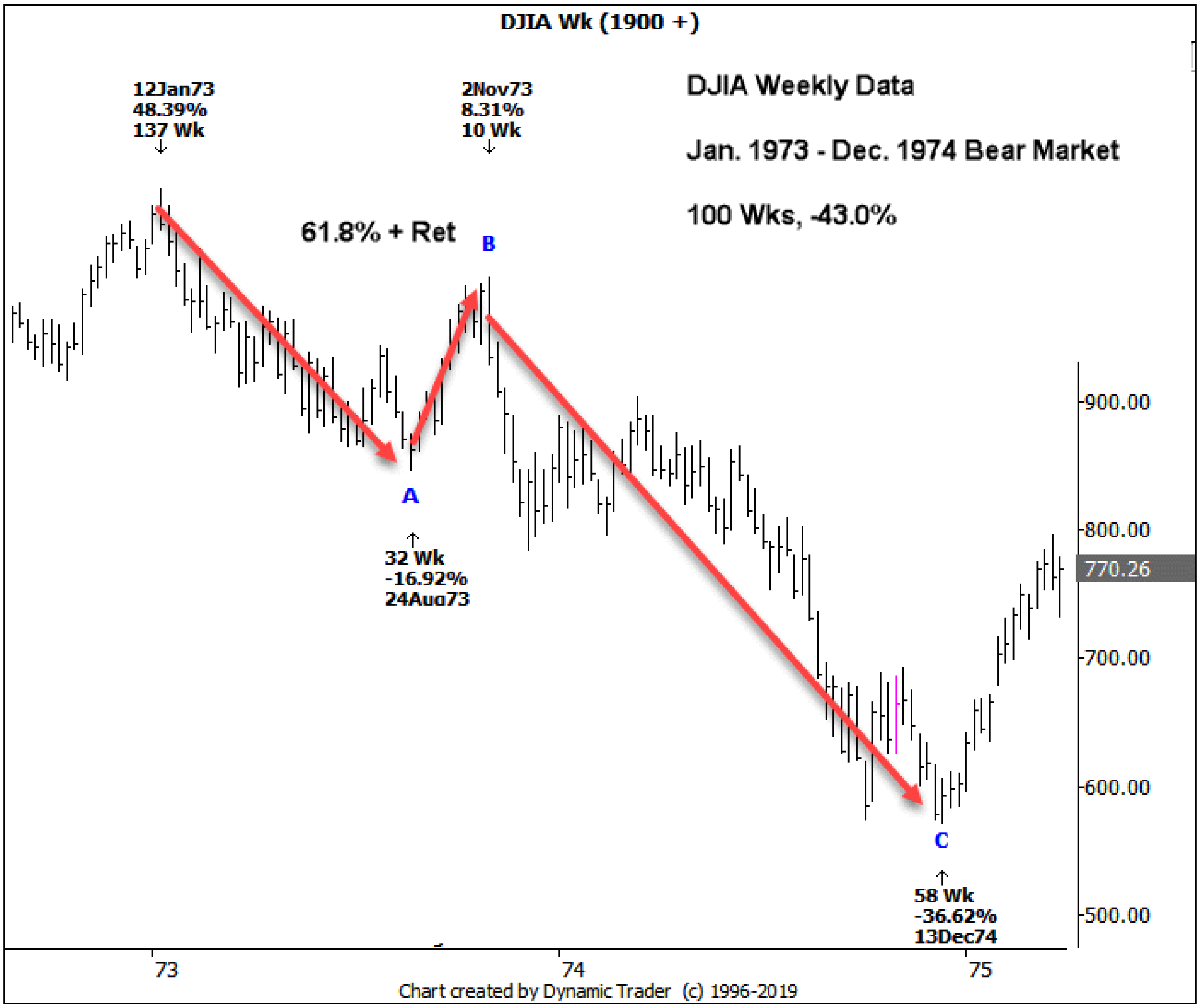
This Wave A should have been recognized at the time as an "impulse" trend, and just the first section of a major "correction" or Bear trend. Elliott Wave traders know what I am referring to.

The assumption would have been following the Oct. low that a Wave-B corrective advance would follow, probably to the 50% Retracement or higher, followed by another decline to test and usually exceed the Wave-A low.



DJIA Weekly Data: Bear Market From Jan. 1973 – Dec. 1974 (100 Wks, -43%)

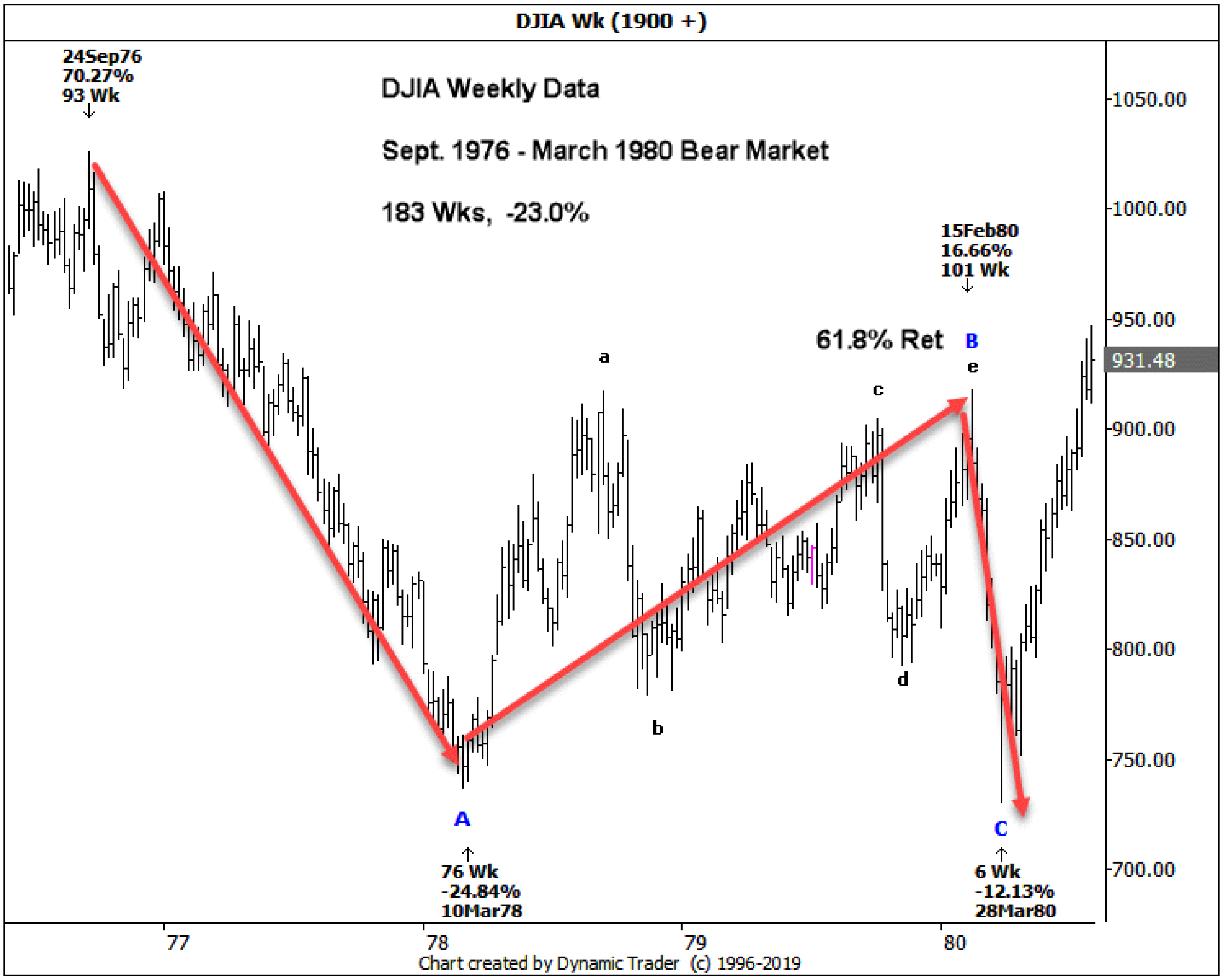
Lessons Learned: Once a 50% Retracement from the beginning of the initial decline is made, be prepared for a top followed by a resumption of the Bear trend to a new low.



DJIA Weekly Data: Bear Market From Sept. 1976-March 1980 (183 Wks, -23%)

Lessons Learned: The W.A of B rally (March 1978 – Sept. 1978) unfolded in a nice ABC to the 61.8% Ret., a typical pattern and retracement to complete a Wave-B correction. Turned out to be just a W.a of a prolonged and complex W.B.

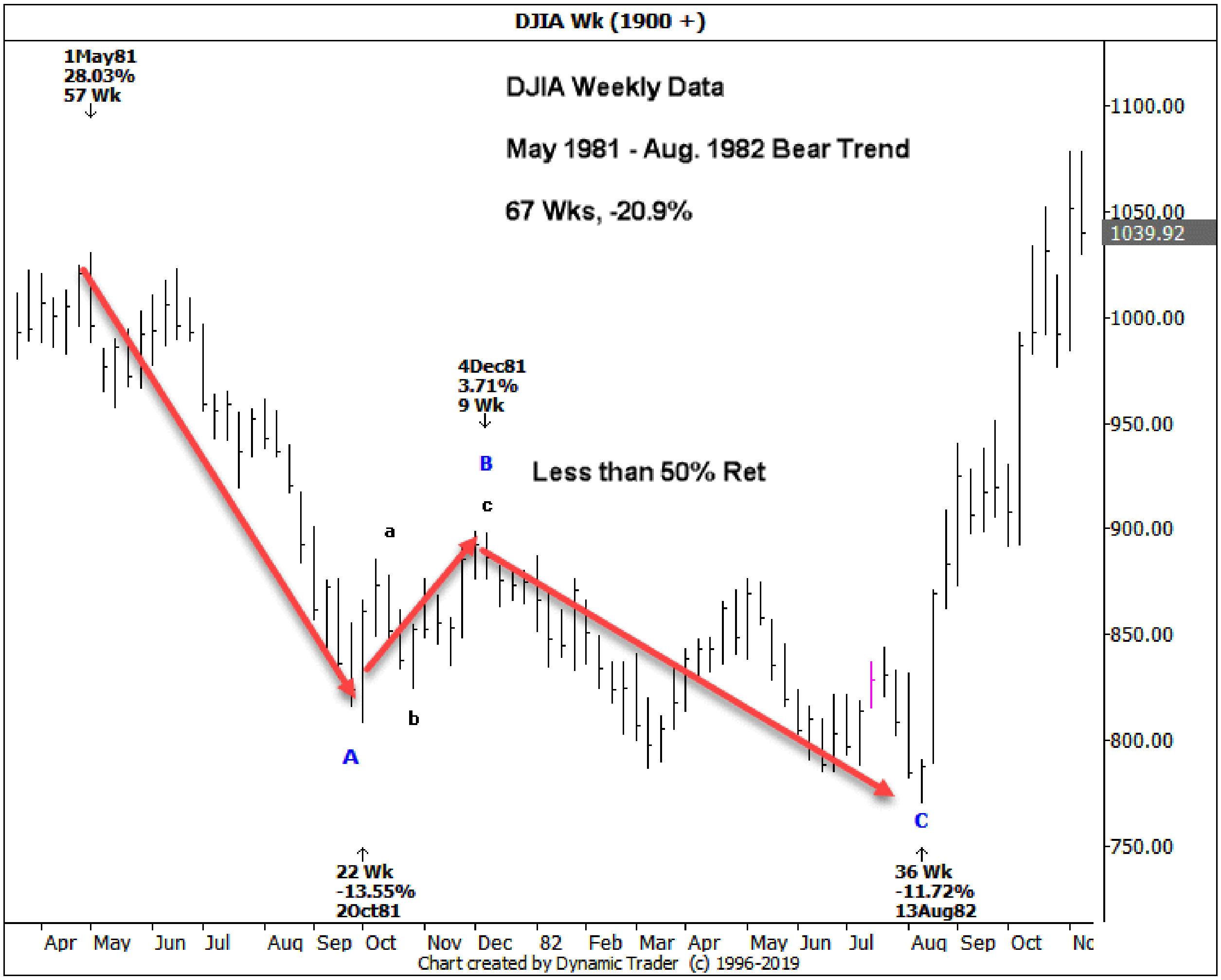
Until the market makes the third major section down (Wave-C) to test or exceed the initial Wave-A decline, the Bear trend should not be complete.



DJIA Weekly Data: Bear Market From May 1981 – Aug. 1982 (67 Wks, -20.9%)

Lessons Learned: This is the only Bear trend of the past 120 years of 20% or more that did not have a Wave-B of a 50% or more retracement.

It can only be classified as a Bear trend because it was just a fraction over a 20% decline.



DJIA Weekly Data: Bear Market From Aug. 1987 – Oct. 1987 (8 Wks, -26.1%)

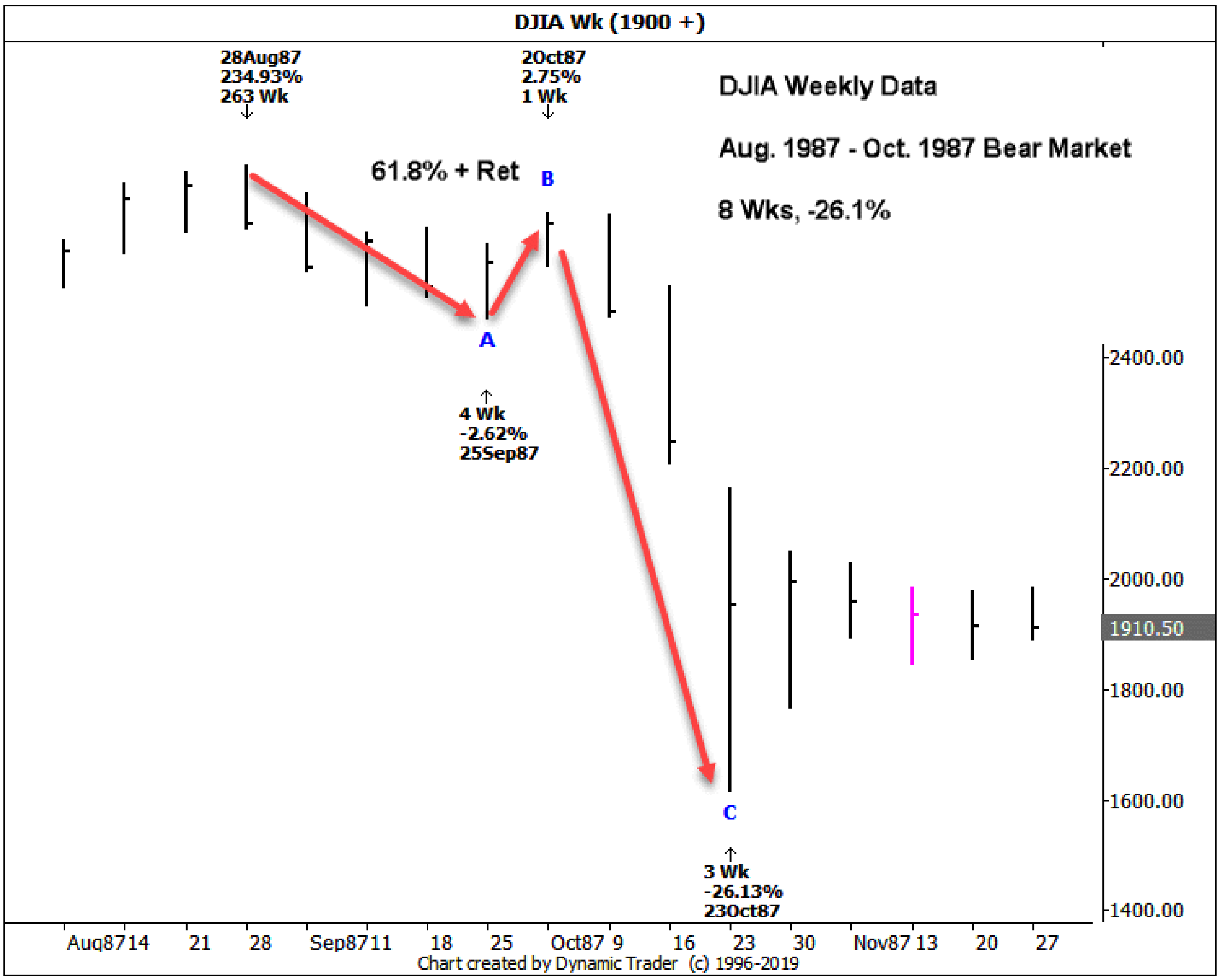
Lessons Learned: This was more of a short term panic than a Bear market.

As of the time this is written (late March 2020), the stock market has declined over 38% in five weeks. Could it be a short term panic like in 1987? Unlikely. Why?

There hasn't been a 50% or more correction since the top in Feb. 2020! This implies at best, the panic decline into the March low (almost 40%) is a Wave-A, a Wave-B, corrective rally should follow to make a 50% Ret or more, and a Wave-C to test and usually exceed the initial Wave-A low should eventually follow.

In every 20% or greater Bear market in over 120 years but one, there has been a 50% Retracement or more corrective rally (W.B) following the initial decline which was then followed by a new low.

This time should not be different.

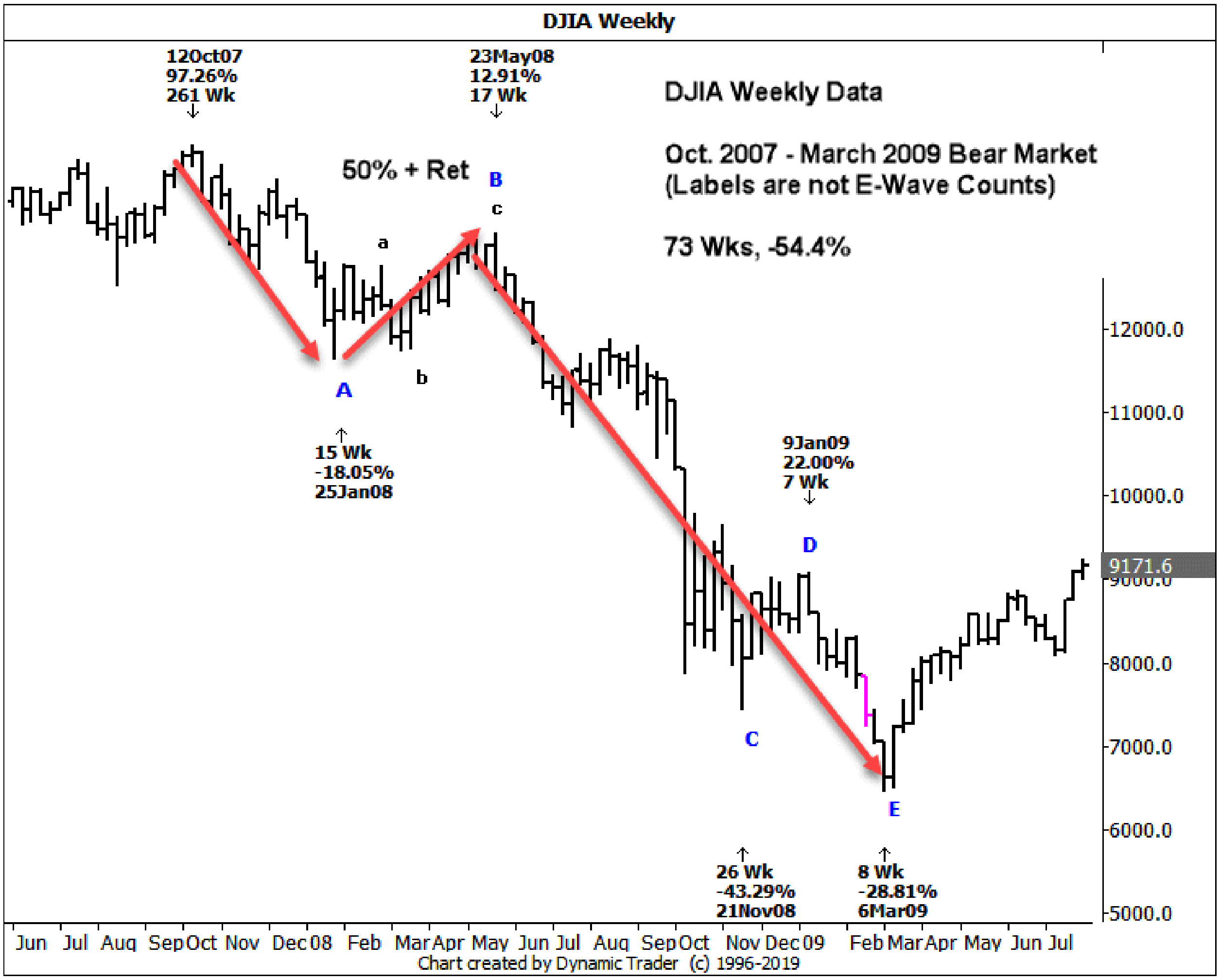


DJIA Weekly Data: Bear Market From Jan. 2000 – Oct. 2002 (143 Wks, -38.8%)

Lessons Learned: Every bear trend is not just a simple 3-section, ABC pattern. But every bear trend but one in the past 120 years made a 50% or more retracement against the first decline followed by a continue decline to test or exceed the Wave-A first low.

DJIA Weekly Data: Bear Market From Oct. 2007 – March 2009 (73 Wks, -54.4%)

Lessons Learned: It ain't over, til it's over! Lessons from the 2000-2002 and the 2007-2009 bear trends. Just because a market has made a three section decline of 20% or more and rallies for several weeks, doesn't mean the bear trend is over. You must use other tools and analytical strategies to recognize the early stages of a Bull trend and, hopefully, not get back in too early.



WHAT HAVE WE LEARNED?

1. Bear trends overwhelmingly have at least three distinct sections, labeled A-B-C. An initial decline (A) that may be relatively mild and more often fast and brutal to put fear into the hearts and minds of investors. Followed by a corrective rally (B) of 50% or more retracement to the initial decline (A). *When the "B" section is complete, the Bear trend continues to decline to test and more often exceed the extreme low of the "A" section.*

2. The "B" corrective rally should be more than a 50% Retracement of the "A" section decline. *Until the stock index has made at least a 50% Retracement, just the first section "A" of the Bear trend is probably not complete, let alone the "B" and "C" section to a new low.*

3. The shortest Bear trend in time was the 1987 panic of just 8 weeks. The second shortest was the 1961-1962 Bear trend of 32 weeks. *It is very unlikely that the 4 week Feb. – March decline is the end of the Bear trend.*

Conclusions Based on the Lessons of History
If history is to be our guide, the evidence is overwhelming.

It is very unlikely that the week ending March 27 low is the end of a bear market based on the time, price and pattern of bear markets of the past 120 years.

It may not even be the end of the initial decline, what I have labeled as the "A" on all the precious charts.

There has not been at least a 50% Ret following the initial decline. Only once in the past 120 years has there not been a "B" section, 50% or more retracement of the initial decline (A) followed by a new low.

Frankly, this is all we need to know at this time. Sometime in the weeks or months to come, the DJIA will complete a "B" *corrective* high above the 50% Retracement of the initial decline followed by another decline that should test and more likely exceed the March low. *Potentially exceed it by a large margin and many months if not years.*

It's not over, until it's over.

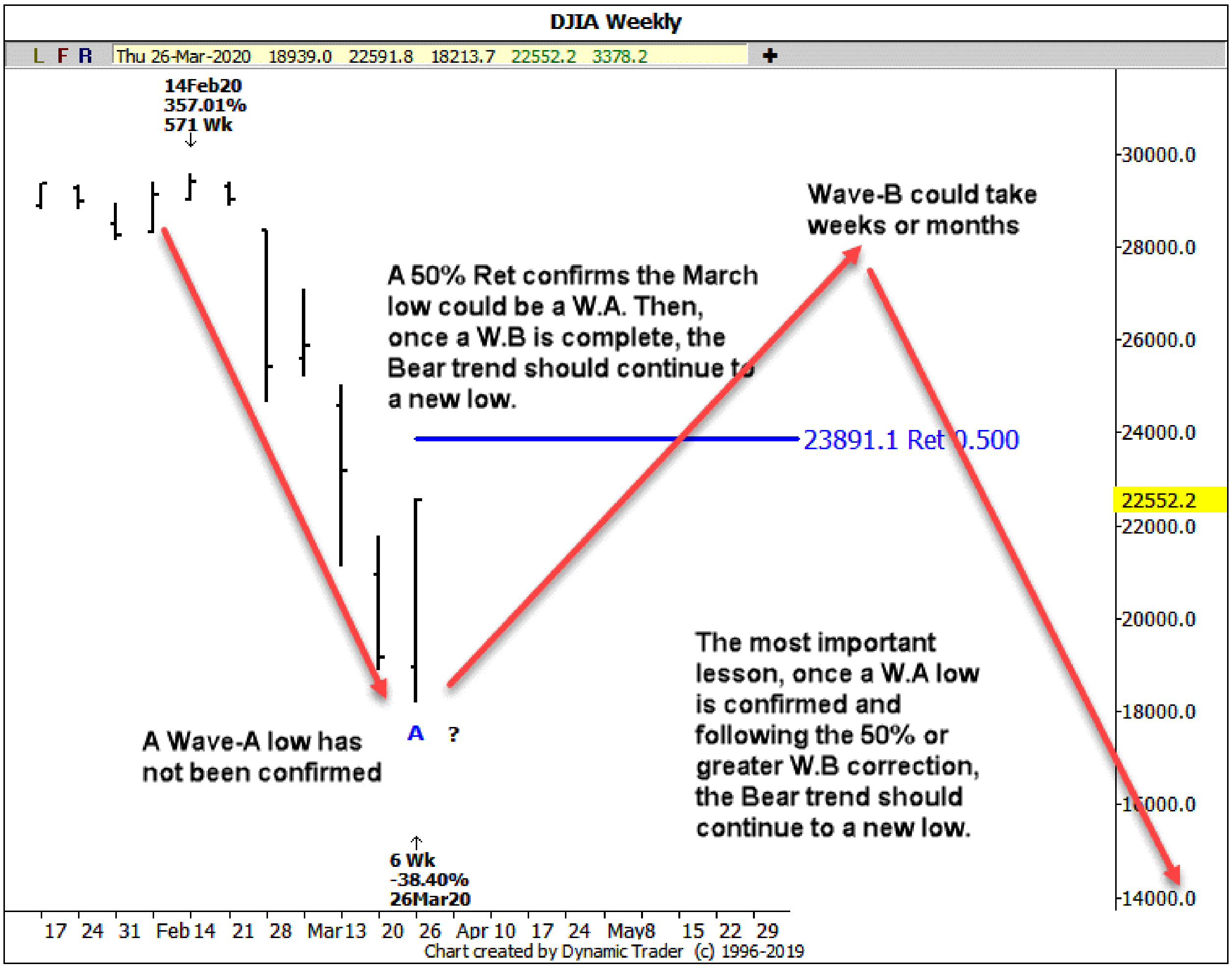
It is very unlikely March completed a Bear market low.

A Bear Trend Should Just Be In The Initial Stages

No bear market in the past 120 years has initially declined over just 20% in the first four weeks, let alone over 38%! This does not bode well for the months to come!

The red arrows on the chart below are not to any scale and do not represent what should be the pattern of the trend in the months to come. There simply represent what is the minimum probable in the months to come.

At some point, the DJIA should make a 50% or more retracement but not exceed the Feb. 2020 high. Then a resumption of the decline should follow to a new low, potentially *much lower*.



More of my conclusions based on history. If you disagree, let me know, but back up your disagreement with facts or well thought out opinions!

The 38% decline from the Feb. 2020 high into the March 2020 low is only the initial section of a much higher time frame (longer term) Bear trend that should eventually take the stock indexes to well below the March low.

The March low may not have completed the "A" section. Only a 50% or more retracement will signal the "A" section is complete.

The "B" section (advance from a confirmed "A" low) could last several weeks, even several months, retrace over 50% of the "A" section and eventually the DJIA will continue the decline to well below the March low or confirmed "A" low.

The advance before the resumption of the Bear trend should be similar to corrections over the past 120 years and offer hope of recovery to those with substantial loses and suck in the amateur traders / investors who think they are buying when there is "blood in the streets", but will soon suffer substantial losses that will result in panic liquidation and a fast move to new lows.

This 50% or more retracement, the "B" section, will offer investors an opportunity to recover some initial losses and reduce or eliminate their exposure to the stock market and avoid greater losses on the Section "C" decline to a new low. Unfortunately, if history is any guide, few will take advantage of the knowledge in this report and protect themselves and their family from unnecessary financial hardship.

This Bear trend should follow the template of almost all others in history as shown in the charts above.

The mania and panic of Bull and Bear financial markets have been well documented and the psychology of the cycles of optimism and pessimism described for all to learn through many books that are easily available. A few examples are *Manias, Panics, Crashes (Aliber and Kindleberger), Extraordinary Popular Delusions and the Madness of Crowds (Mackay), Markets, Mobs & Mayhem (Menschel), The Crowd (Le Bon)* and more. If you have substantial resources committed to the stock market and you have not read at least 2 or 3 of these books or similar ones, you have no business with an investment or trading account because you have no knowledge of the driving forces in all actively traded markets.

I hope this report will help you avoid debilitating financial losses, sleepless nights, family conflicts, and psychological stress and more disruptions in the months and possibly years to come.

There are more details of the conclusions, warnings and recommendations at the end of this report I hope you will find useful.

Regards,

Robert Miner

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3/28/2020

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