

# SECULAR BULL & BEAR MARKETS PROFILE

Market Cycle		(#) Total	Market	P/E Ratio		Inflation		(#) Positive	(#) Negative	(%) Positive	(%) Negative	Max Pos. Yrs	Max Neg. Yrs	Avg Gain In Pos.	Avg Loss In Neg.	Change Begin To End
From	To	Years		Beg.	End	Beg.	End	Years	Years	Years	Years	In Row	In Row	Years	Years	End
1901	1920	20	BEAR	23	5	-2%	16%	9	11	45%	55%	2	3	30%	-17%	2%
1921	1928	8	BULL	5	22	-11%	-2%	7	1	88%	13%	5	1	24%	-3%	317%
1929	1932	4	BEAR	28	8	0%	-10%	0	4	0%	100%	0	4	n/a	-32%	-80%
1933	1936	4	BULL	11	19	-5%	1%	4	0	100%	0%	4	0	34%	n/a	200%
1937	1941	5	BEAR	19	12	4%	5%	1	4	20%	80%	1	3	28%	-16%	-38%
1942	1965	24	BULL	9	23	11%	2%	18	6	75%	25%	4	1	16%	-8%	774%
1966	1981	16	BEAR	21	9	3%	10%	9	7	56%	44%	3	2	13%	-15%	-10%
1982	1999	18	BULL	7	42	6%	2%	16	2	89%	11%	9	1	18%	-4%	1214%
2000	????		BEAR	42		3%		0	3	0%	100%	0	3	n/a	-10%	-27%
WEIGHTED AVERAGE BEAR (excluding 2000)										42%	58%	2.1	2.7	21%	-18%	-14%
WEIGHTED AVERAGE BULL										83%	17%	5.8	0.9	19%	-5%	810%

Notes: The index and returns reflect the Dow Jones Industrial Average at year-end from Dow Jones & Company. The P/E ratio is based upon the S&P 500 as developed and presented by Robert Shiller (Yale; Irrational Exuberance). Bull & Bear Market classifications are based upon Crestmont's assessment of cycles using peak and trough P/E ratios, inflation trends, and other analysis. The presentation does not include dividends, taxes, inflation adjustments, or transaction costs.

RETURN PATTERN (Red = Down, Green = Up)		Annual Returns (starting and ending DJIA index is presented on the ends of the rows)																				Total																												
<b>1901 - 1920: BEAR</b>	<b>71</b>	<b>-9%</b>	<table border="1"> <tr> <td>3%</td><td>-10%</td><td>-31%</td><td>82%</td><td>-4%</td><td>-22%</td><td>11%</td><td>30%</td><td>-33%</td> <td>14%</td><td>12%</td><td>11%</td><td>12%</td><td>12%</td><td>9%</td><td>6%</td><td>7%</td><td>5%</td> <td>7%</td><td>3%</td><td>1%</td><td>1%</td><td>8%</td><td>17%</td><td>18%</td><td>15%</td><td>16%</td> </tr> </table>																				3%	-10%	-31%	82%	-4%	-22%	11%	30%	-33%	14%	12%	11%	12%	12%	9%	6%	7%	5%	7%	3%	1%	1%	8%	17%	18%	15%	16%	<b>72</b>
3%	-10%	-31%	82%	-4%	-22%	11%	30%	-33%	14%	12%	11%	12%	12%	9%	6%	7%	5%	7%	3%	1%	1%	8%	17%	18%	15%	16%																								
P/E Ratio	23																																																	
CPI: Inflation	-2%																																																	
<b>1921 - 1928: BULL</b>	<b>72</b>	<b>13%</b>																					<b>300</b>																											
P/E Ratio	5																																																	
CPI: Inflation	-11%																																																	
<b>1929 - 1932: BEAR</b>	<b>300</b>	<b>-17%</b>																					<b>60</b>																											
P/E Ratio	28																																																	
CPI: Inflation	0%																																																	
<b>1933 - 1936: BULL</b>	<b>60</b>	<b>67%</b>																					<b>180</b>																											
P/E Ratio	11																																																	
CPI: Inflation	-5%																																																	
<b>1937 - 1941: BEAR</b>	<b>180</b>	<b>-33%</b>																					<b>111</b>																											
P/E Ratio	19																																																	
CPI: Inflation	4%																																																	
<b>1942 - 1965: BULL</b>	<b>111</b>	<b>8%</b>	<b>14%</b>	<b>12%</b>	<b>27%</b>	<b>-8%</b>	<b>2%</b>	<b>-2%</b>	<b>13%</b>	<b>18%</b>	<b>14%</b>	<b>8%</b>	<b>-4%</b>	<b>44%</b>	<b>21%</b>	<b>2%</b>	<b>-13%</b>	<b>34%</b>	<b>16%</b>	<b>-9%</b>	<b>19%</b>	<b>-11%</b>	<b>17%</b>	<b>15%</b>	<b>11%</b>	<b>969</b>																								
P/E Ratio	9	11	11	13	14	11	11	10	11	12	13	12	14	18	18	16	15	18	17	21	19	20	23	23																										
CPI: Inflation	11%	6%	2%	2%	8%	14%	8%	-1%	1%	8%	2%	1%	1%	0%	1%	3%	3%	1%	2%	1%	1%	1%	1%	2%																										
<b>1966 - 1981: BEAR</b>	<b>969</b>	<b>-19%</b>	<b>15%</b>	<b>4%</b>	<b>-15%</b>	<b>5%</b>	<b>6%</b>	<b>15%</b>	<b>-17%</b>	<b>-28%</b>	<b>38%</b>	<b>18%</b>	<b>-17%</b>	<b>-3%</b>	<b>4%</b>	<b>15%</b>	<b>-9%</b>									<b>875</b>																								
P/E Ratio	21	22	22	19	15	17	18	16	11	10	12	10	9	9	9	9																																		
CPI: Inflation	3%	3%	4%	5%	6%	4%	3%	6%	3%	10%	3%	10%																																						
<b>1982 - 1999: BULL</b>	<b>875</b>	<b>20%</b>	<b>20%</b>	<b>-4%</b>	<b>28%</b>	<b>23%</b>	<b>2%</b>	<b>12%</b>	<b>27%</b>											<b>11497</b>																														
P/E Ratio	7	10	9	11	13	16	14	17	17	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16																									
CPI: Inflation	6%	3%	4%	4%	2%	4%	4%	5%	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%																									
<b>2000 - ????: BEAR</b>	<b>11497</b>	<b>-6%</b>	<b>-7%</b>	<b>-17%</b>																																														
P/E Ratio	42	32	26																																															
CPI: Inflation	3%	3%	2%																																															

On the top of the page, various measures and statistics are listed for each of the cycle periods.

Note that Secular Bull cycles are generally long series of positive years due to P/E ratios trending upward and inflation trending toward price stability.

Secular Bear cycles tend to be choppy, mixed performance periods resulting from P/E ratios trending down and inflation trending toward higher inflation or deflation.

The annual returns for each year in the cycle are presented here; up years are shaded green and down years are red; the P/E ratio and inflation for each year are presented as well.

The value of the Dow Jones Industrial Average at the beginning and end of each period are presented here.