

SECULAR BULL & BEAR MARKETS PROFILE: 2017

Market Cycle	(#) Total	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	Market	Begin 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	18 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 8	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%	12 6	67% 33%	6 3	14%	-11%	115%		
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 year; Green = up year; #% = annual change in the index; starting and ending DJIA index is presented on the ends of the rows)																										
1901-1920: BEAR	71	-9%	0%	-24%	42%	38%	-2%	-38%	47%	15%	-18%	0%	8%	-10%	-31%	82%	-4%	-22%	11%	30%	-33%				72	
P/E Ratio		23	22	18	16	19	19	13	13	15	14	14	14	12	11	11	12	9	6	7	5					
CPI: Inflation		-2%	6%	1%	0%	1%	3%	6%	-4%	8%	4%	-8%	7%	3%	1%	1%	8%	17%	18%	15%	16%					
1921-1928: BULL	72	13%	22%	-3%	26%	30%	0%	29%	48%																	300
P/E Ratio		5	8	8	8	10	12	16	22																	
CPI: Inflation		-11%	-6%	2%	0%	2%	1%	-2%	-2%																	
1929-1932: BEAR	300	-17%	-34%	-53%	-23%																					60
P/E Ratio		28	21	15	8																					
CPI: Inflation		0%	-2%	-9%	-10%																					
1933-1936: BULL	60	67%	4%	39%	25%																					180
P/E Ratio		11	12	13	19																					
CPI: Inflation		-5%	3%	2%	1%																					
1937-1941: BEAR	180	-33%	28%	-3%	-13%	-15%																				111
P/E Ratio		18	14	16	15	12																				
CPI: Inflation		4%	-2%	-1%	1%	5%																				
1942-1965: BULL	111	8%	14%	12%	27%	-8%	2%	-2%	13%	18%	14%	8%	-4%	44%	21%	2%	-13%	34%	16%	-9%	19%	-11%	17%	15%	11%	969
P/E Ratio		9	11	11	13	14	11	11	10	11	12	12	12	14	18	18	16	15	18	17	20	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%	
1966-1981: BEAR	969	-19%	15%	4%	-15%	5%	6%	15%	-17%	-28%	38%	18%	-17%	-3%	4%	15%	-9%									875
P/E Ratio		21	22	21	19	15	17	18	16	11	10	12	10	9	9	9	8									
CPI: Inflation		3%	3%	4%	5%	6%	4%	3%	6%	11%	9%	6%	7%	8%	11%	13%	10%									
1982-1999: BULL	875	20%	20%	-4%	28%	23%	2%	12%	27%	-4%	20%	4%	14%	2%	33%	26%	23%	16%	25%							11497
P/E Ratio		7	10	9	11	13	16	14	17	16	18	20	21	20	23	26	31	36	42							
CPI: Inflation		6%	3%	4%	4%	2%	4%	4%	5%	4%	3%	2%	3%	3%	3%	2%	2%	2%	2%							
2000-????: BEAR	11497	-6%	-7%	-17%	25%	3%	-1%	16%	6%	-34%	19%	11%	6%	7%	26%	8%	-2%	13%	25%							
P/E Ratio		42	32	26	24	26	26	26	27	21	17	21	22	21	23	25	26	26	30							
CPI: Inflation		3%	3%	2%	2%	3%	3%	3%	3%	4%	0%	2%	3%	2%	1%	2%	0%	1%	2%							