

**“THE 1929 STOCK MARKET CRASH HELPED SIGNAL THE GREAT DEPRESSION.” “BLACK MONDAY STOCK PLUNGES IN 1987”. “LAST MONTH SAW THE WORST 1 MONTH DECLINE IN 21 YEARS.” ALL OF THESE OCCURRED IN THE MONTH OF OCTOBER.**



The Dow Jones Wilshire 5000 Composite Index represents almost all stocks traded in the U.S. This index dropped 17.7% in October. The Dow Jones Industrial Index dropped a little over 14%. Yes, October was the worst month for stocks in 21 years.

Your October statement will probably meet you on the wrong side of the bed.

There was some good news for October, though. The last week in October saw the best 1 week gain for stocks in 34 years. Without that rally, the Dow Jones Industrial Index would have been down over 25% for October.

The seeds for the October decline were sown in mid-September when Lehman Bros. Holdings filed for bankruptcy on Sept. 15th. This was the largest bankruptcy in U.S. history. Bear Stearns Co. failed earlier in the year.

In early October, there was the warning of a global recession. Then mutual funds, pension funds, hedge funds & individual funds really fled the stock markets here & abroad.

The Dow Jones Industrial Index is still down approx. 34% compared to roughly 12 months ago.

However, there is a light at the end of the tunnel. Money from banks and institutions is beginning to see its way into the economy... thanks to stimulus and bailout packages from the Federal Reserve and U.S. Government. Things are being done in the home mortgage market to slow foreclosures.

The market anticipates changes & moves accordingly. So, were the October lows in the stock market the bottom of the slide? Maybe.

We still need to get through the election & year-end tax loss selling. Unemployment is still on the rise. Credit card debt is a burden.

**AMIDST THE UNCERTAINTY, IT IS IMPORTANT TO HAVE AN INVESTMENT STRATEGY. YOU DON'T WANT TO SPEND YEARS DIGGING OUT OF THIS HOLE. HOW YOU GET UP WILL BE MORE IMPORTANT THAN HAVING FALLEN.**