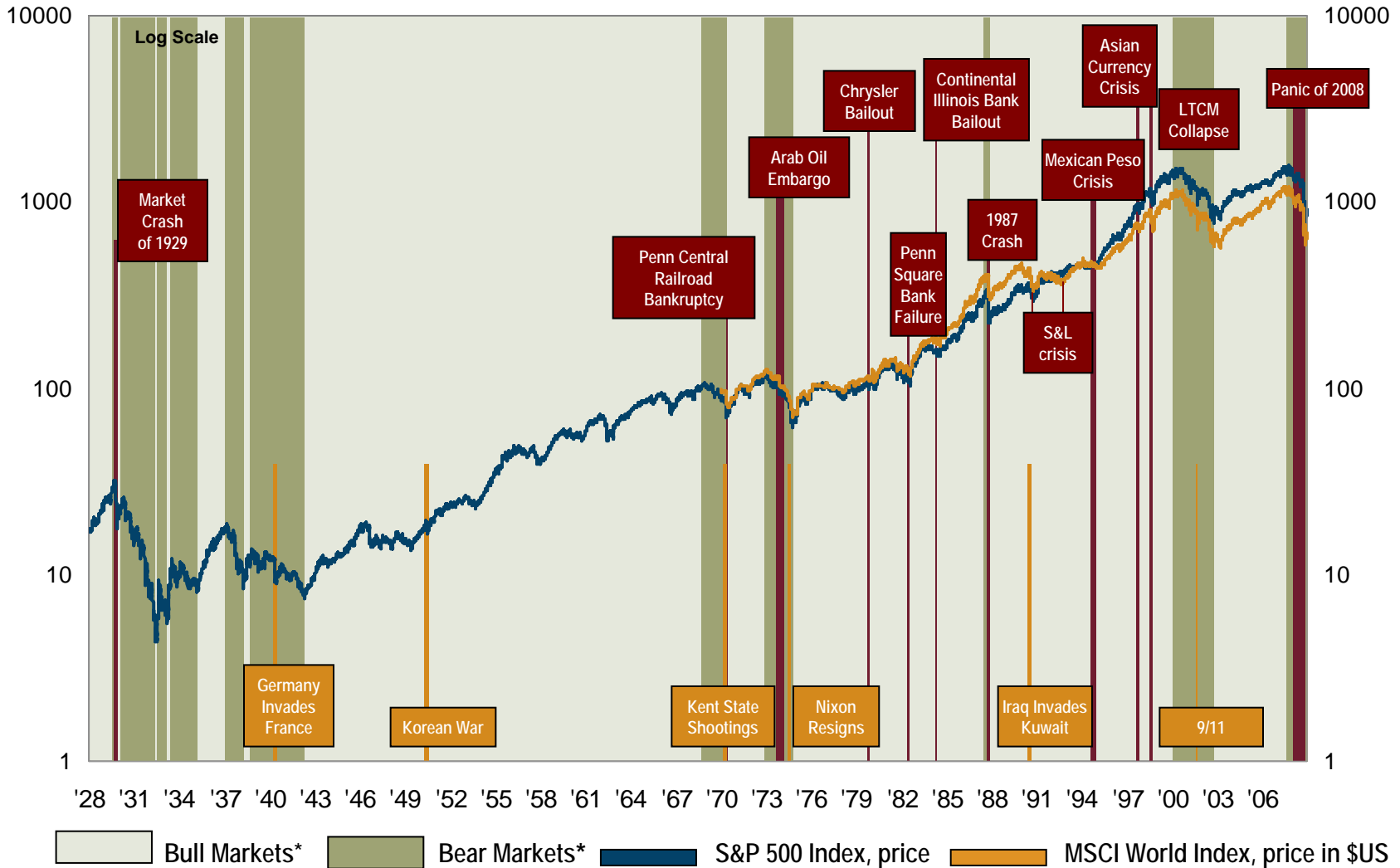


World and U.S.

The Market Has Always Recovered—Buy at the Point of Maximum Pessimism

February 20, 1928 to March 11, 2009



Source: Bloomberg, FactSet, created by Miroslava Litwak – Global Research Library.

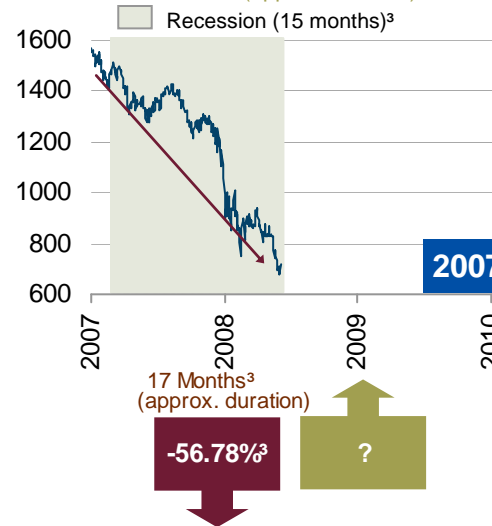
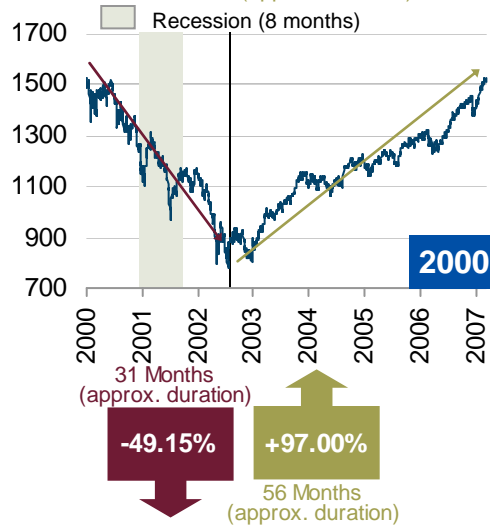
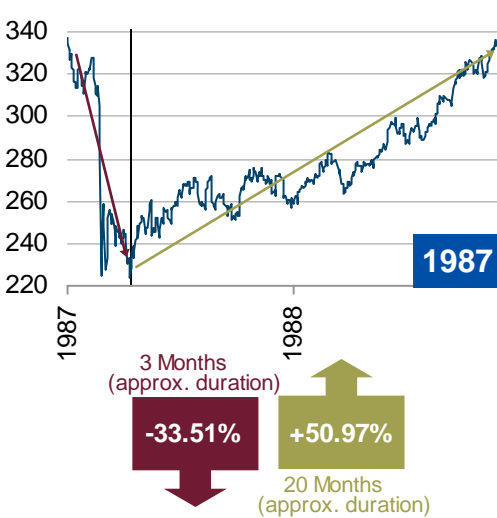
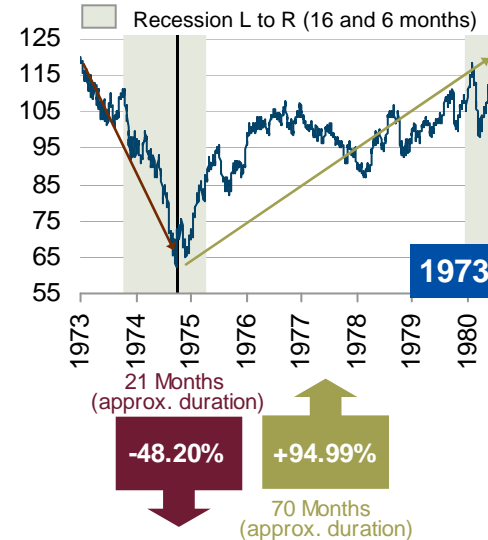
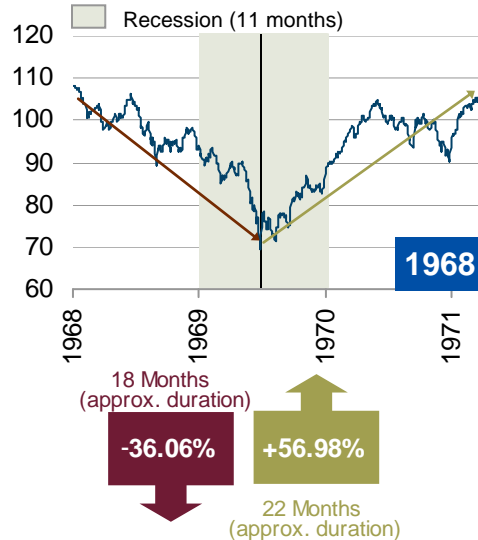
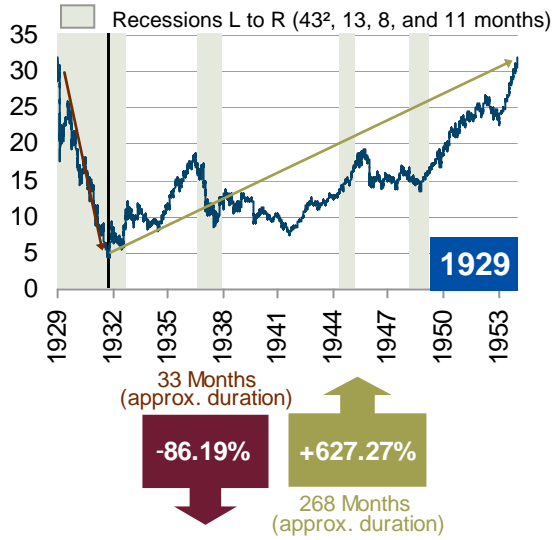
*Bull & Bear Markets Defined as 30% Reversals in the S&P 500 Index (from the low data to the highest and vice versa). The end of the current bear market has not been yet defined. All MSCI data is provided "as is." In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data describe herein. Copying or redistributing the MSCI data is strictly prohibited.

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S&P 500 Behavior During Major Downturns

Price Change (%) from the Low Price to the Recovery Price¹

As of March 11, 2009



Source: Bloomberg, National Bureau of Economic Research (recessions), created by Miroslava Litwak – Global Research Library.

¹ Percent change and duration is calculated from the highest to the low data and from the low to recovery data.

² Recession lasted for 43 months; the chart displays only 42 months of recession.

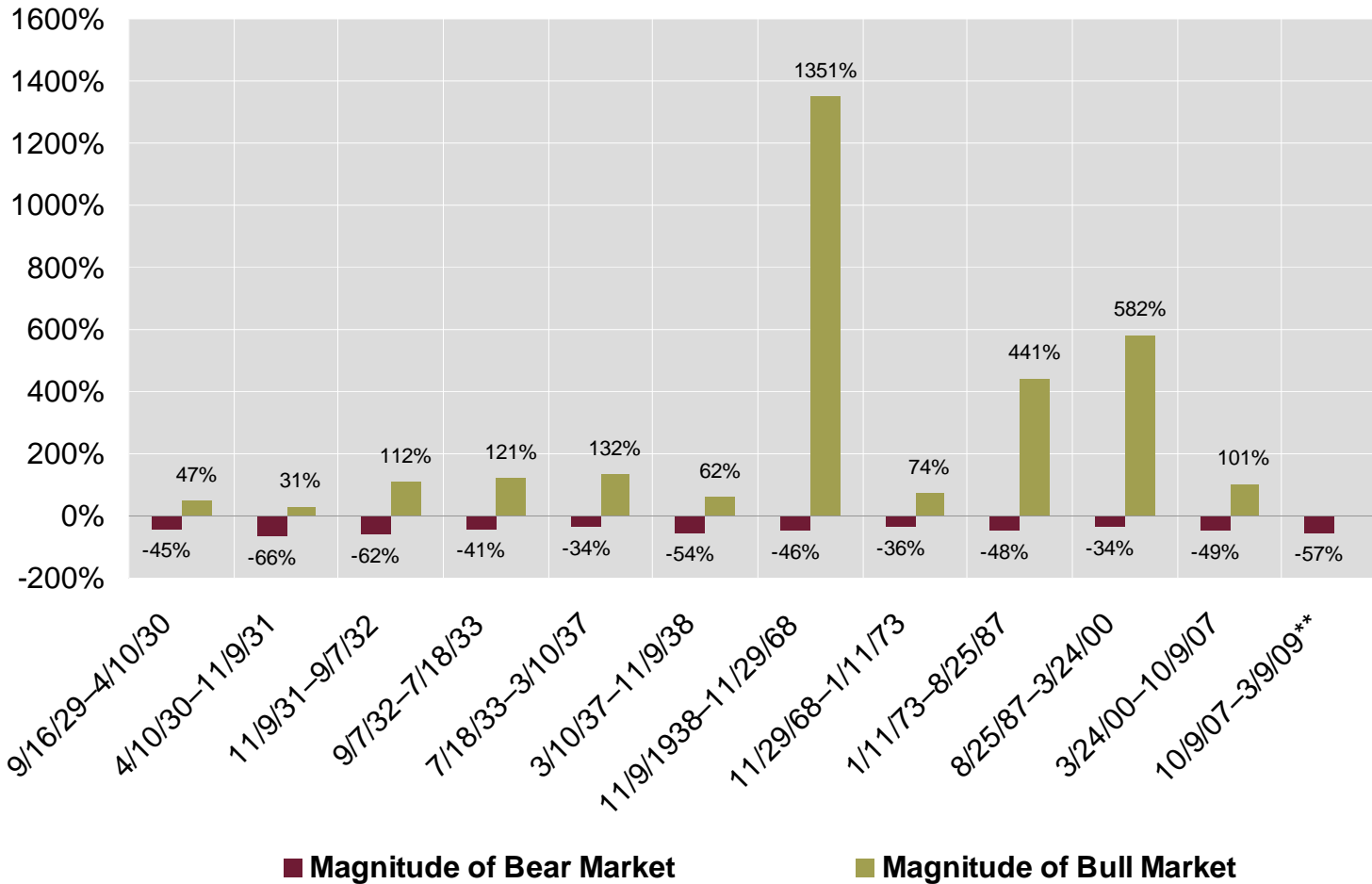
³ The end of the current bear market or recession has not been yet defined. Calculated from the highest to the low point (March 9, 2009).

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Magnitude of Bull and Bear Markets*

S&P 500 Index

September 19, 1929 to March 11, 2009



Source: Bloomberg, created by Miroslava Litwak – Global Research Library.

*Bull & Bear Markets Defined as 30% Reversals in the S&P 500 Index (from the low data to the highest and vice versa).

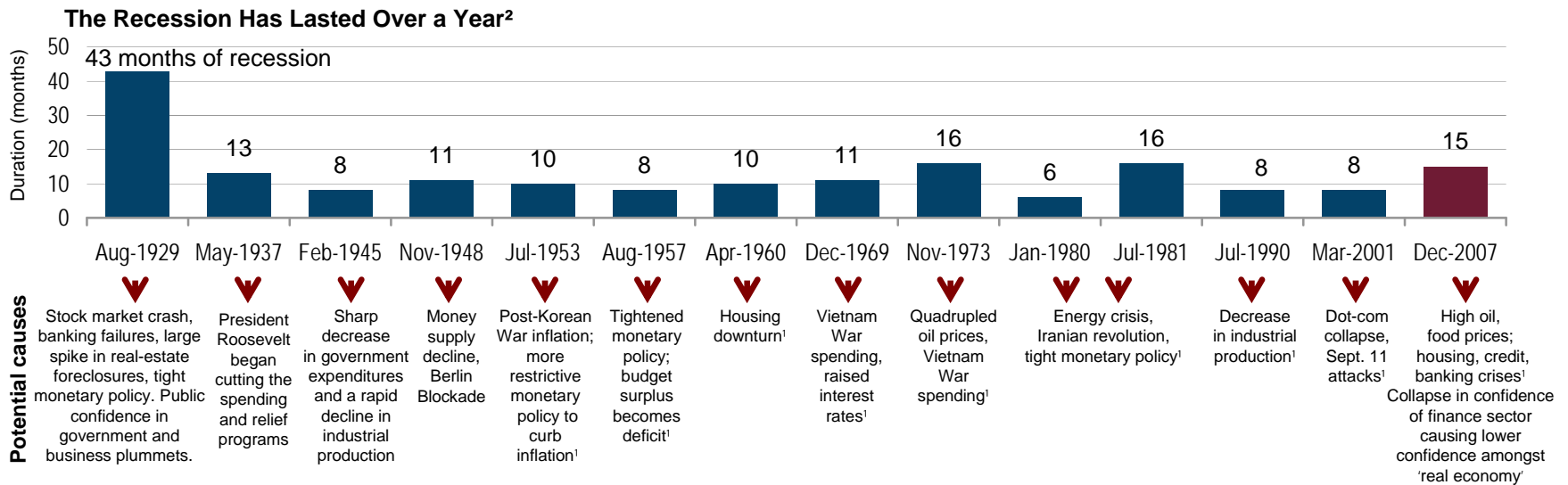
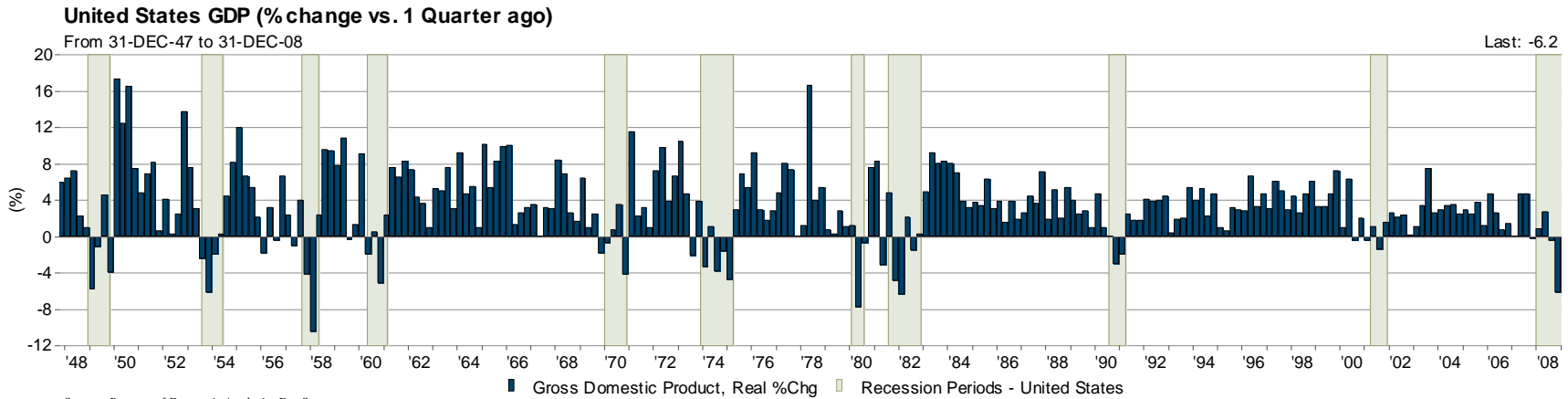
**Calculated from the highest to the low point (March 9, 2009). The end of the current bear market has not been yet defined.

For How Long?

Recessions in the United States

As of March 2009

A recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales. A recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. The NBER does not define a recession in terms of two consecutive quarters of decline in real GDP.



¹ Source: Mercury News.

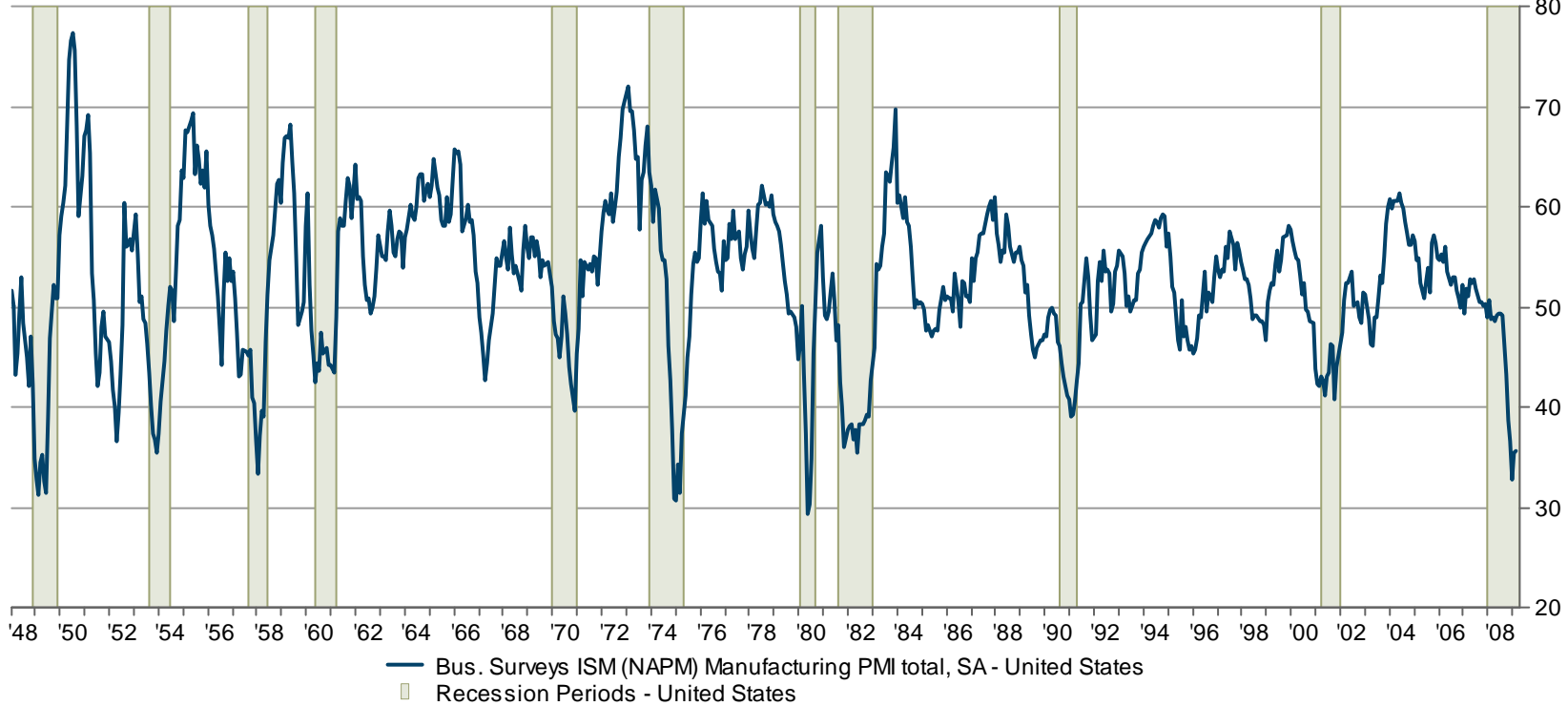
² Source: National Bureau of Economic Research (recessions). The end of the current recession has not been yet defined.

Purchasing Managers Index (PMI)

U.S. Purchasing Managers Index (PMI)

From 30-JAN-48 to 27-FEB-09

Last: 35.8

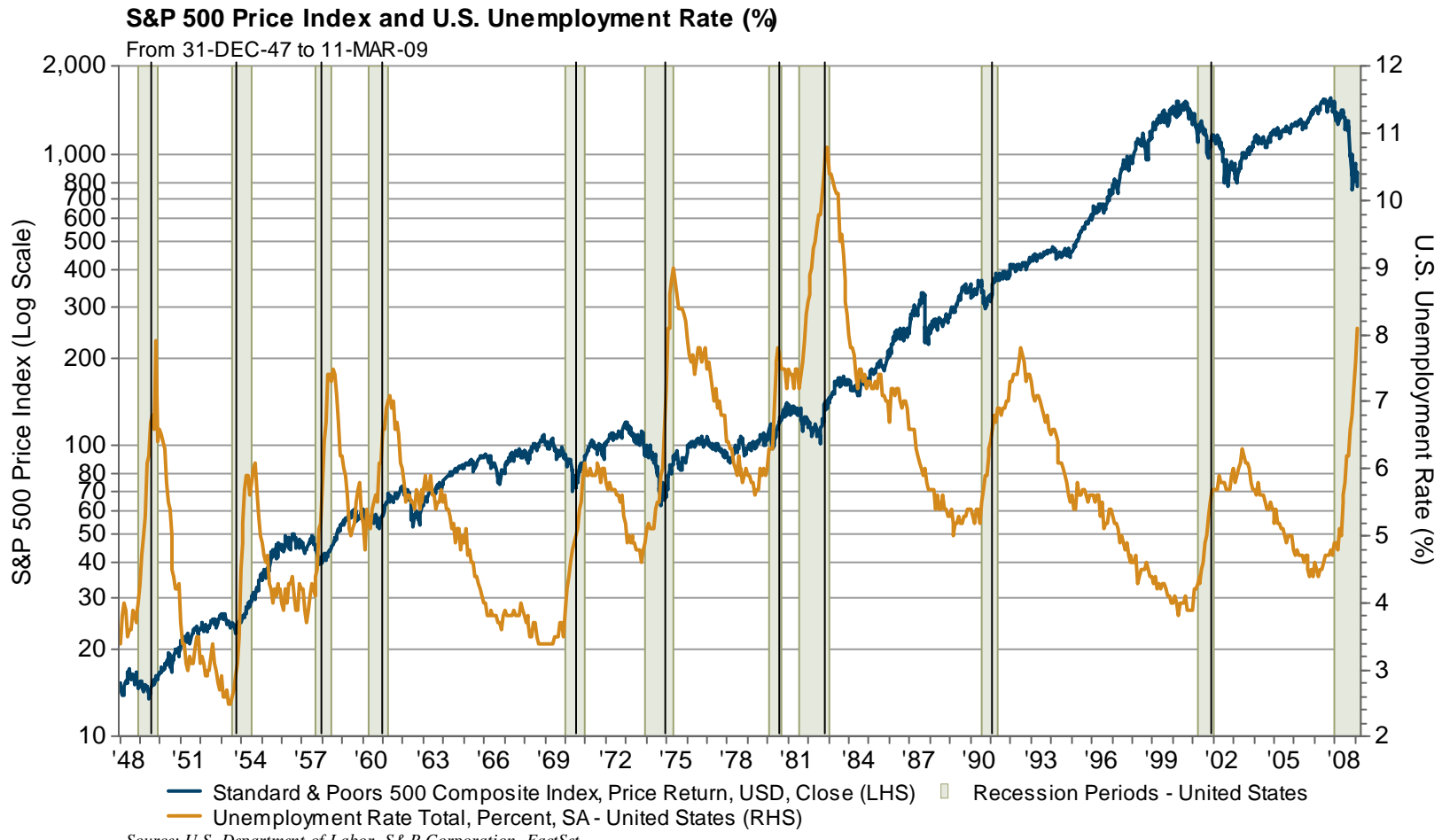


Source: FactSet, Institute for Supply Management (ISM).

The magic number for the PMI is 50. A reading of 50 or higher generally indicates that the industry is expanding. If manufacturing is expanding, the general economy should be doing likewise. As such, it is considered a good indicator of future GDP levels. Many economists will adjust their GDP estimates after reading the PMI report. Another useful figure to remember is 42. An index level higher than 42%, *over time*, is considered the benchmark for economic (GDP) expansion. The different levels between 42 and 50 speak to the strength of that expansion. If the number falls below 42%, recession could be just around the corner.

Source: Investopedia.

During Recessions S&P 500 Tends to Bottom Before the Peak of Unemployment

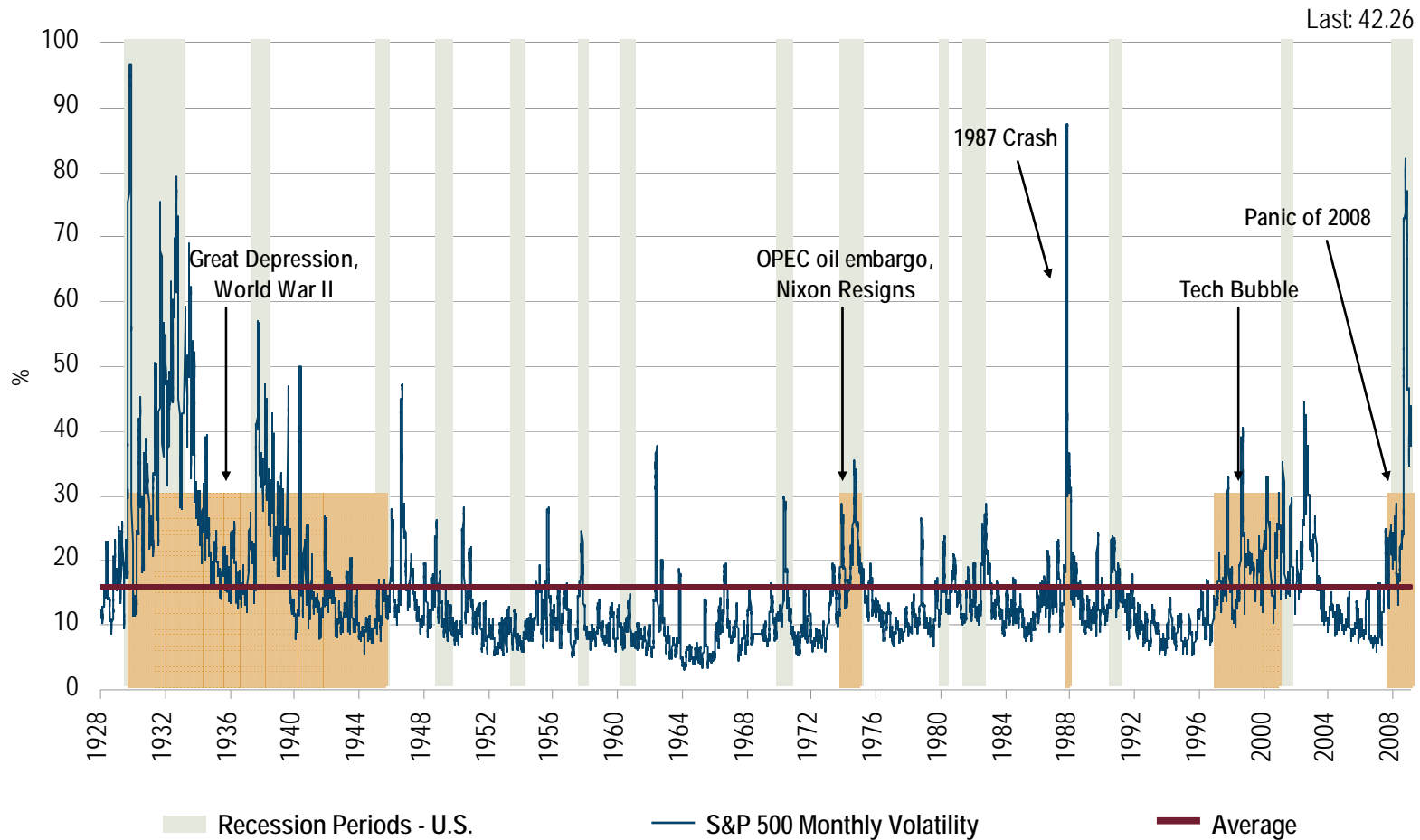


Volatility

S&P 500 Monthly Volatility

February 7, 1928 to March 11, 2009

A measure of the risk of price moves for a security calculated from the standard deviation of day to day logarithmic historical price changes. The 30-day price volatility equals the annualized standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.



Source: Bloomberg, created by Miroslava Litwak – Global Research Library.

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