## **Greatest Risk of Loss Overconfidence & Greed** Markets Overbought: Downside Risk is High **HUMAN EMOTION: BUY Anxiety Thrill Denial** Fear **Optimism Excitement Panic** Relief Capitulation Optimism Desperation Hope **HUMAN EMOTION: SELL** Markets Oversold: Upside Potential is High Depression

- Market Cycles Are Historical, Irregular and yet Normal
- Dividend Reinvestments Have More Purchasing Power in a Down Market
- Portfolio Rebalancing and Cost Averaging Benefit From Market Movement



**Greatest Opportunity for Gain**