

Bear Markets Examples

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Addendum to notes for

AAll Research Triangle

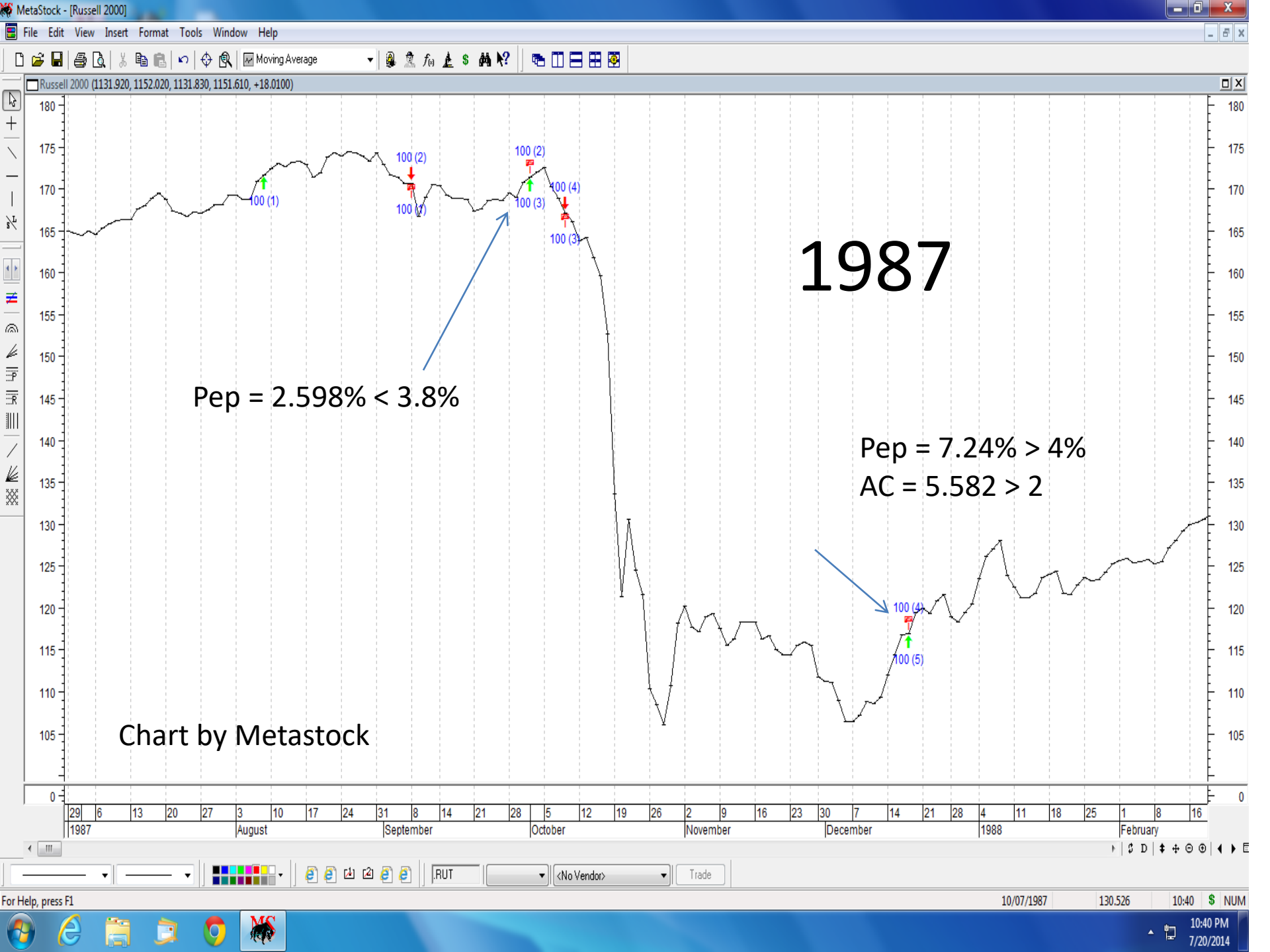
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Major Bear Markets investigated

- 1987
- 1990
- 1998
- 2000
- 2007
- 2011 (correction)

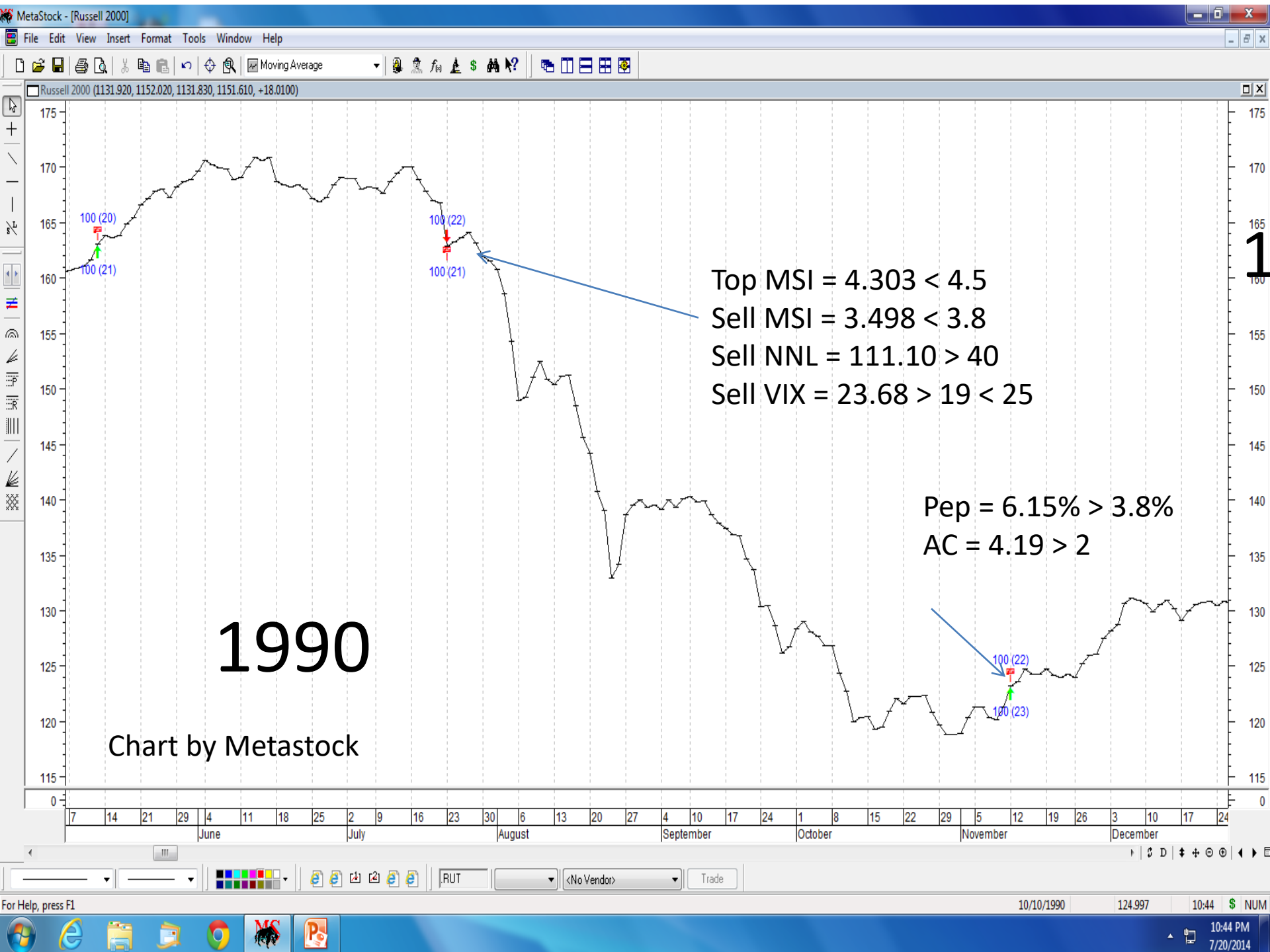
1987

- Tsunami Indicator flashes on sell signal on 9/8/1987
- Rate of Decline is $408.84 > 190$
- Normalized New Lows is $96.91 > 40$
- VIX is not available
- Data for MSI is not available
- The “All Clear” buy signal was on 12/17/1987 when the Nasdaq New Lows more than twice the Nasdaq New Highs, that is, 5.582 times as much.
Pep Indicator = $7.24\% > 3.8\%$



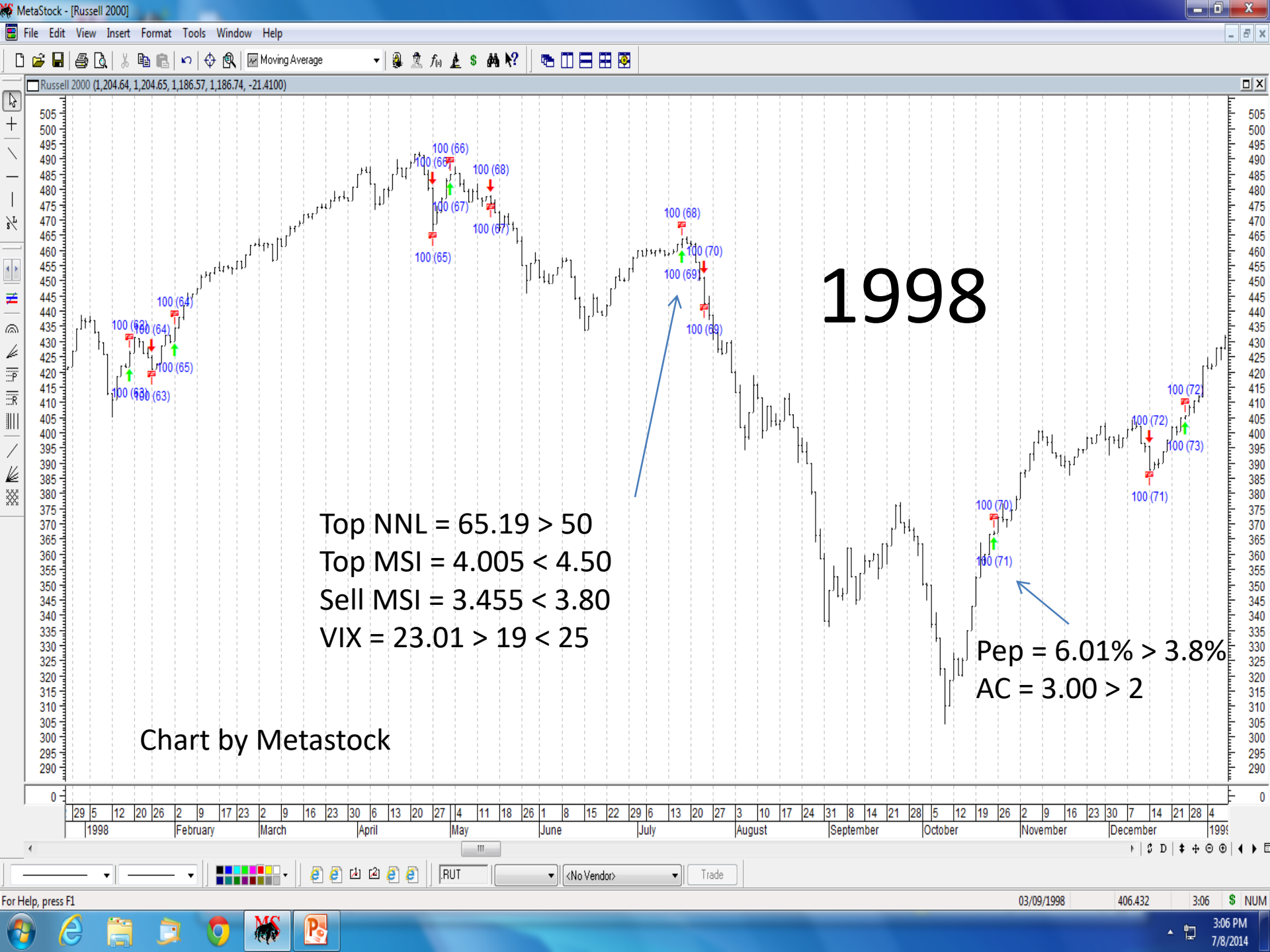
1990

- Tsunami Indicator flashed on 7/23/1990
- Rate of Decline is $554.04 > 190$
- Normalized New Lows is $111.10 > 40$
- VIX is $23.68 > 19$ AND < 25
- Market Strength Indicator at the top was $4.303 < 4.50$
- Market Strength Indicator at the sell signal was $3.498 < 3.80$
- The “All Clear” buy signal was on 11/12/1990 when the Nasdaq New Lows were more than twice the Nasdaq New Highs, that is, 4.19. Pep Indicator = $6.15\% > 3.8\%$



1998

- On 7/17/1998 the Number of Normalized New Lows is $65.19 > 50$
- The SIMT gave a sell signal on 7/23/1998
- Market Strength Indicator at 4.005 at the top, < 4.50
- Market Strength Indicator at 3.455 at the sell signal, < 3.80
- VIX is 23.01, > 19 AND < 25
- The “All Clear” buy date was on 10/23/1998 when the Nasdaq New Lows were more than twice the Nasdaq New Highs, that is, 3.00 times more. Pep Indicator = $6.01\% > 3.8\%$

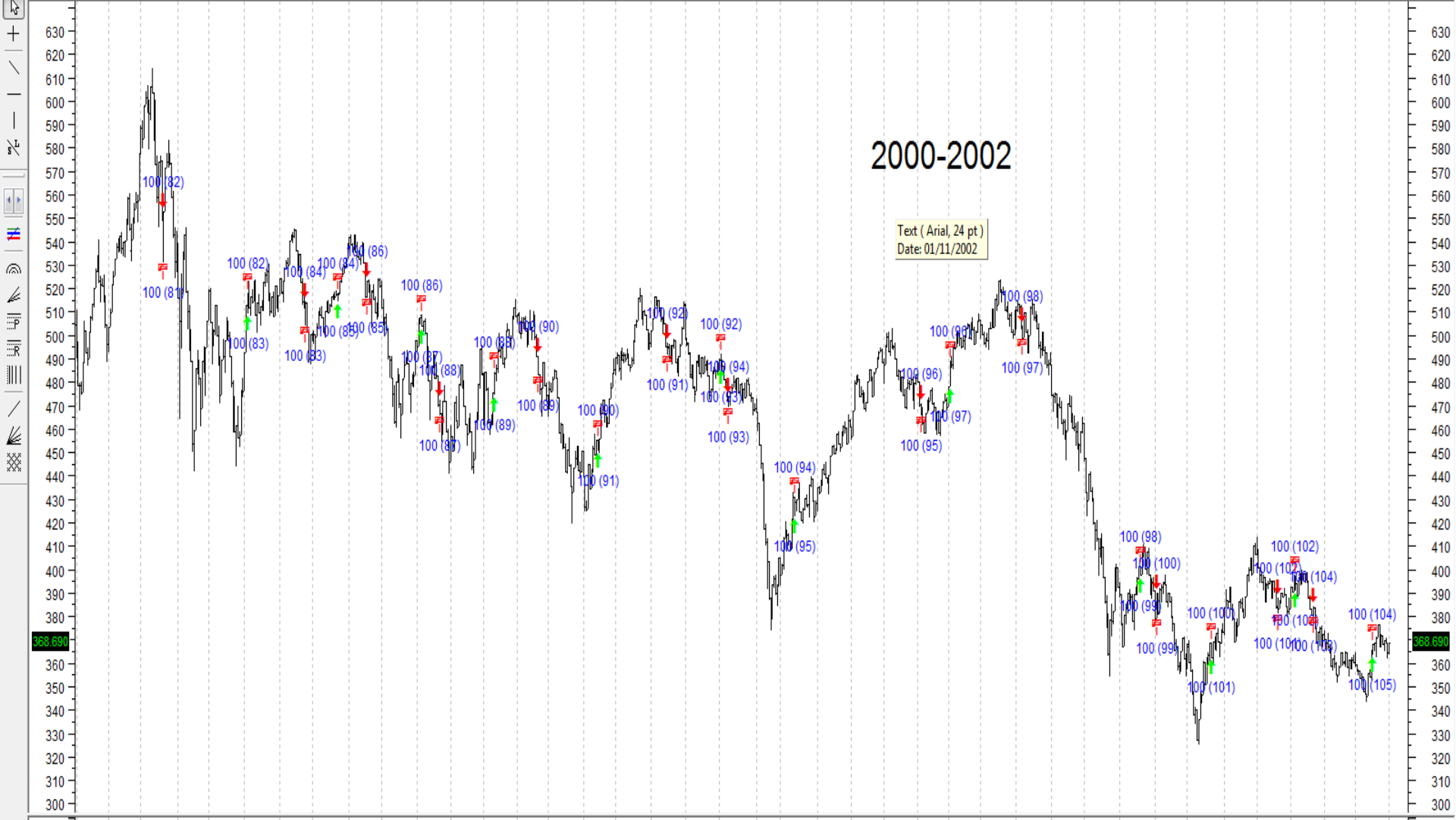


2000

- The number of Normalized New Lows is 73.69 at the peak, 3/9/2000 is > 50
- MSI on 3/9/2000 is $4.019 < 4.50$
- MSI on 3/20/2000 is $3.627 < 3.8$
- VIX on 3/20/2000 is $22.96 > 19$ AND < 25
- The “All Clear” buy signal was on 10/25/2002 when the Nasdaq New Lows were twice the Nasdaq New Highs, that is, 2.24. Pep Indicator = $5.41\% > 3.8\%$

2000 to 2002

- The intermediate buy signal is generated four times during the decline from March 2000 to October 2002.
- 6/2/2000, IB is 16.289, Pep is 12.125% > 3.8%
- 1/10/2001, IB is 15.152, Pep is 4.465% > 3.8%
- 4/18/2001, IB is 9.219, Pep is 7.954% > 3.8%
- 10/11/2001, IB is 13.858, Pep is 10.040% > 3.8%



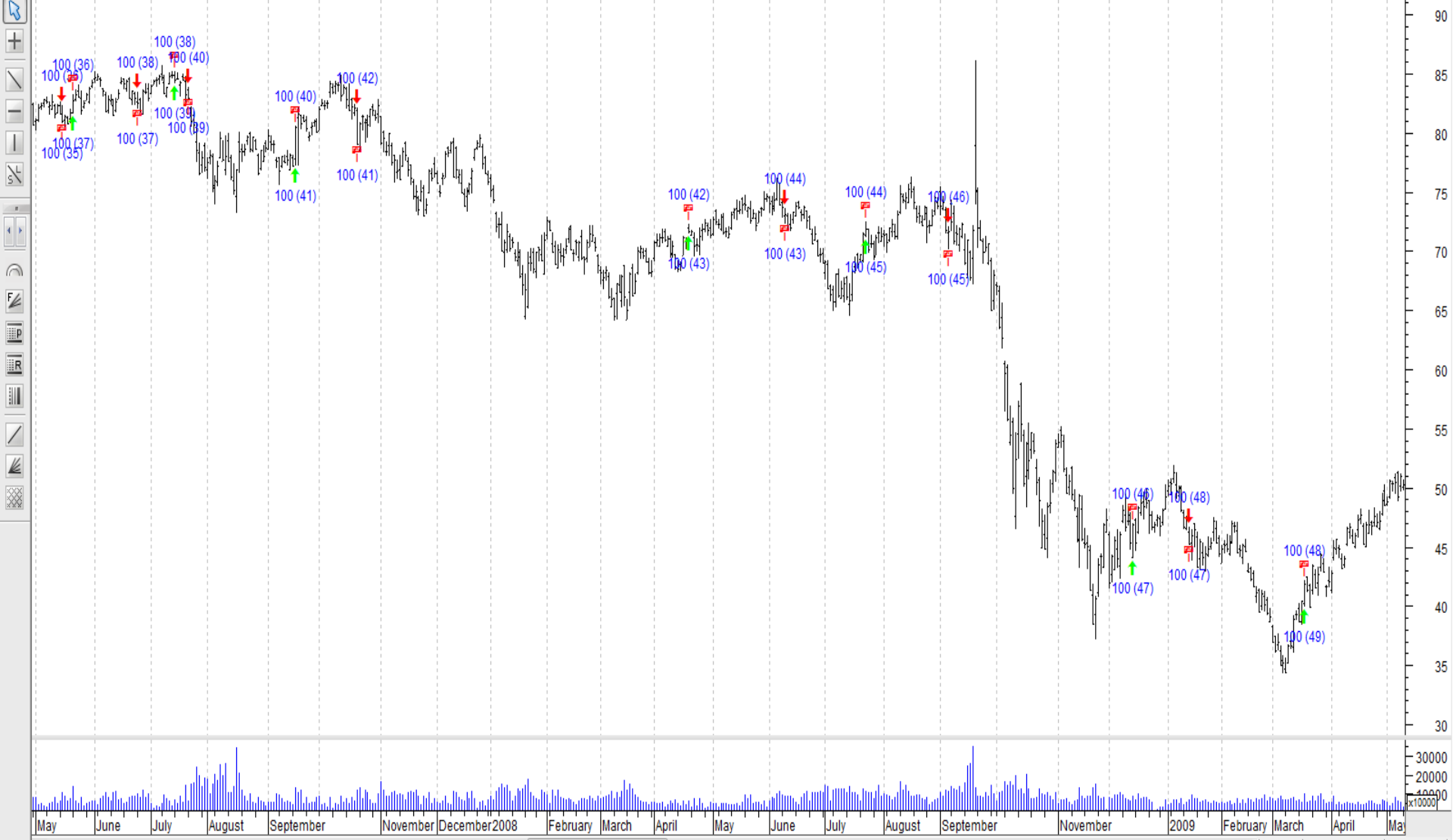
2007

- Tsunami flashes on three sell signal dates:
- 5/15/2007 NNL is 114.47. MSI is 4.374, VIX is 14.01
- 6/25/2007 NNL is 84.30, MSI is 4.054, VIX is 16.65
- 7/23/2007 NNL is 127.10, MSI is 4.049, VIX is 16.81
- All MSI's > 3.80, All VIX's < 19
- So Tsunami denied by both MSI and VIX
- 10/19/2007 is next sell signal, NNL is 176.84, MSI is 3.574, VIX is 22.96
- “All Clear” bottom determined by Normalized New Lows more than twice the Normalized New Highs on 12/12/2008, that is, 111.63. Pep Indicator = 3.09% < 3.8%. Pep Indicator denies entry on 12/12/2008

2007 to 2009

- The intermediate buy signal is generated twice between October 2007 to December 2008
- 4/18/2008 IB is 8.212, Pep is 4.640% > 3.8%
- 7/23/2008 IB is 9.184 Pep is 6.269% > 3.8%
- All Clear on 12/12/2008 is 110.306 > 2
- Pep Indicator on 12/12/2008 is 3.094% < 3.8% Denies entry
- An Accelerating New Lows calculation determined on the sell signal 1/14/2009 was 85.53% > 80%, and the next buy signal was on 3/18/2009, All Clear is 2.621 > 2
Pep Indicator = 13.17% > 3.8%

iShares Russell 2000 ETF (143.010, 143.330, 142.250, 142.550, -0.64999)



2011

- Tsunami Indicator flashed on 7/27/2011
- MSI at top on 7/7/2011 is $4.390 < 4.50$
- NNL at sell signal is $96.88 > 40$
- MSI at sell signal is $3.549 < 3.80$
- VIX at sell signal is $22.98 > 19$ AND < 25
- The “All Clear” buy signal on 10/18/2011 was determined by having more than twice the Nasdaq New Lows than Nasdaq New Highs, that is, 2.05. Pep Indicator = $4.04\% > 3.8\%$

