



Plans For 2016 –Mike Swanson(01/06/2016)

I consider 2016 to be a year of change. I know that sounds like a cliché, but it is going to be a year of change for me when it comes to what I am doing in the financial world and I want you to be a part of it.

“I have basically done all I can do to try to warn and wake up the average person in the stock market. There really is nothing more I can do.”

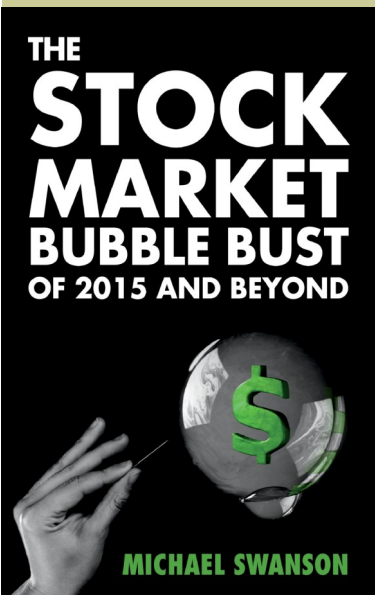
Last year I did everything I could to help the most people I could, including the average investor, adapt to a coming bear market. Now in 2014 I started to warn that a new bear market would come some day as they are simply an inevitable part of stock market cycles and the stock market had reached a crazy and extreme valuation. I suggested in 2014 that people start to raise some cash and simply get less aggressive in trying to make money in the stock market and more cautious.

But in 2015 I started to see signs that a new bear market was rapidly approaching and got much more stringent in talking about it. In my monthly July issue I actually said that the final top was now simply a matter of weeks away and it was time to adapt to this new reality.

You can read that issue and the reasons why I said that here:

<http://wallstreetwindow.com/wswmonthly/wswmonthly07082015.pdf>

Now most people have a very difficult time adapting to a bear market, because they simply refuse to do any selling at all in fear that the market will go up without them and they will miss out. And everyone they hear on TV basically says the stock market won't



drop, because they do not want it to do so. That is why everyone is bullish on CNBC. All of the experts on there have careers tied to needing the stock market to go up to grow.

And since the average investor has been trained all of his life to look up to people he sees on TV and do what they tell him he has a hard time selling out of the stock market. So when the market falls people just hold and get anxious. Then they listen to people say it will go up and go into denial and ignore what is happening, such as brokerage account losses and the internal disintegration in the stock market that has been taking place in the market and always happens when bull markets end and bear markets begin.

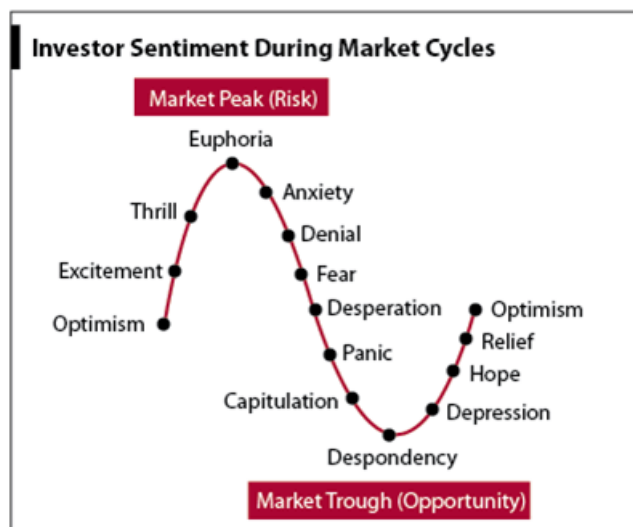
Yes more stocks are going down than up. If you have a brokerage account with a lot of stock positions in it then you most likely know what damage this does. The chart on the right is the percentage of stocks above their 200-day moving average on the NYSE. As you can see it is a disaster. Bubble bulls on TV simply shut their eyes and deny what is happening. People listen to that and hold and will end up feeling fear this year when more losses come and one day most will sell out on or after a final bottom when they cannot take it anymore and give up on the stock market forever.

Now all someone has to do to escape all of this is diversify. Don't have all of your money in the stock market and in bonds! Have cash reserves and put money into some other asset classes! And you can even bet against the stock market and make money when stocks fall. Or against individual stocks!

So I decided to do everything I could to help the average person in the stock market by putting out a book in September warning of a bear market and telling people what simple things they can do to protect themselves from it. You can get this book here:

<http://amzn.to/1Jo9BU8>

I also have done over a dozen live video sessions for people with my friend David Skarica in which we have talked about all of the things happening in the stock market and the reasons why. I have over 50,000 people on my free email list and many people have been able to watch these videos



and be better informed about what is happening. Many of the people have bought my book. And Skarica just released a brand new book a few days ago totally updated that can help anyone in the markets:

<http://tinyurl.com/jrcs6gp>

I am not going to go over all of the reasons we both think a bear market is going to hit in full force and is actually now just starting to again in this newsletter. If you are brand new you can get the books just mentioned.

Today I want to talk what I plan on doing this year from a business and investing standpoint.

The investing standpoint is nothing really new if you have been reading what I have been writing, because I already made changes to adapt to the market months ago. So I am going to continue my core ETF rebalancing strategy and now bet against individual stocks that are total junk to profit from the overall trend of more stocks going down than up. If you are a Power Investor member than you already know I have some individual short positions.

Free email people read this monthly update too. And this is where the business standpoint comes in. I run a financial website and make money with a premium trading service called Power Investor. Books do not really make people money even when they sell a lot of copies. I only make money when people join this service and stay. So I have to help the people in it as much as I can with money making ideas and in helping people understand what is happening in the markets.

This service is really designed for either active traders or people really serious about their investing who want to take the time to read a PDF update every week and think and make decisions about what they are doing.

Sadly this is a small minority of the actual number of people that are invested in the stock market. Most of the people just want to buy and believe and do no work at all. They don't want to think. They just want someone to tell them things will go up forever. That's one reason why CNBC feeds them that. The other being their advertisers demand such talk too.

The thing is buy and believe can work in a bull market, but it turns into a disaster during a bear market. Most of people in the stock market today are over 60 years old and really cannot afford to get smashed in another bear market cycle. Very few of them are going to want to sit and lose huge and then have to hold for who knows how many years to get back to even. And there is no reason for anyone to do that to themselves.

But my greatest fear is that this is what most people in the stock market now are going to do anyway. From a business standpoint that makes me think that when it comes to the world of financial media and websites

and commentators that it is going to change in the next few years as a result of a bear market. There are simply going to be fewer people watching CNBC and going to financial websites. Many financial media businesses will simply disappear. I saw this happen in the 2000-2003 bear market when many people popped up running internet stock picks services in 1999 and then vanished in that bear disaster.

I am not going to disappear. But last year I decided that what I needed to do from a business standpoint was to try to wake up and help as many of the people on my free email list as possible. I figured most of them would not listen and some even got very angry to hear warnings about the stock market, but a few would. And those that would five years from now would still be around either on my email list or as a paying customer in my Power Investor group. So I was thinking years ahead.

But I feel now that I have basically done all I can do to try to warn and wake up the average person in the stock market. There is really nothing more I can say to them. I put in my effort last year and I'm not going to try or worry anymore about what will happen to people content to bury their heads in the sand. People who have been reading and listening to what Dave and I have been saying since the summer and don't do anything by the end of this month, especially if the market falls again, probably never will until they sell and get out forever.

When it comes to helping the average person make money in a bear market it is pretty much impossible, because what they want is to be told to buy Apple or one of the fad stock winners of 2014. When the only way they can make money is to adapt and adjust to what is happening and most of them do not want to think about doing that. So it's hopeless to try to help them and they are going to vanish in the long run from the market anyway so it's also pointless from a business standpoint.

So what I am going to do is simply spend my efforts focusing this year on helping those that have adapted to the market make money.

This is why I created a new course for people who want to do the work to identify and research junk stocks that are likely to crash this year. I know most people do not want to do work and research anything, but I am now focusing on what are going to be the long-term winners in the market and not the average person.

It takes REAL WORK to make money in the financial markets. The only time it doesn't is when there is a straight up bull market. But that market environment ENDED in 2014 and is gone for good. It takes some study every week so you are up on what is happening.

So I'm going to continue to simply put forward my best ideas and updates to people in the Power Investor group in 2016.

However, this year I am also doing something brand new and unique that as far as I know has never been done before in the trading world and

I have big hopes for it. We have seen our culture change along with the evolution of the internet in the past 20 years. I was "online" before there was any access to the internet in my community by using modems and dialing into what were called online bulletin boards. People would host them on their computers and you dialed in with a modem on the telephone and got online that way. These things had message boards we all talked on.

It was just a 100 or so people in my city of 55,000 doing it. Then one day I went to a meeting some had about the internet. He had started a small business to hook you up to it. Within a year the AOL disks were all over the place. I'd get on and there was no graphics and everything was in text.

By 1998 I was trading stocks on the internet. Etrade had a message board and I saw a guy on there start with \$50,000 and run it up to a million in a few months in 1999. I went on Yahoo message boards and would talk and post with people on there. That is when I decided to start my own website and email list. I first had about a half a dozen people on it and then just started to post links to it on the Yahoo message boards. In a year there were 15,000 people on this list.

This was in 1999 and then 2000 came I and was fortunate enough to stop buying breakout trades and start to short stocks. By the end of that year I decided to charge money for a premium service and turn it into a business. I have seen many people come and go doing that.

And since then more and more people have gotten on the internet. And today everyone is on it via their phones and Facebook. In fact most people WASTE hours and hours on the internet now. We watch movies on it. I find myself listening to various podcasts and looking at things on Youtube and hardly watching any television at all anymore except in the summer when baseball games come on TV.

Over 200 years ago when this nation was founded its creators had a vision of town hall democracy modeled after the Athenian model. The idea was well educated citizens would meet in town halls in person and debate. Out of such meetings leaders would emerge who they would vote into politics. But the town hall was the place in which any citizen could enter and play a role.

Newspapers spread to inform people and educate them. Then television came and today we have the internet. But today most people are simply passive spectators. There is a human need to feel like you are a part of something and belong and are playing a role. That is why people would go to the town halls.

But today most people on the internet fulfill this need in a superficial manner by simply sitting at home and watching TV or by going on Facebook and hitting like on posts that they agree with or arguing with people

they do not. All they are doing is entertaining themselves and giving themselves a false sense of importance. No one cares if you like something on Facebook or any of the other social networking sites. No one cares if you read a news article and anonymously write a smear against the writer of the article or someone else commenting on it.

Unknown to most people though there are people who do form small groups on the internet to actually do things together in a common productive purpose to the group. Around 2001 I got in such a small Yahoo group that was devoted to investigating junk stocks and betting against them. That group had about 50 people in it and a lot of them were professional traders. But the group disbanded when the person who set it up decided to move it to his own website and charge money to remain a member.

The group really was a big help to everyone in it. We shared ideas and discovered things together about these stocks. So I am trying to start something just like it devoted to betting against stocks together in this bear market.

The group comes as bonus if you get my new POS Stocks Total Program that I announced on Sunday. As a reward for being on my email list I've given you a special opening discount to get in that will expire in just a few days. So go here to join:

<http://wallstreetwindow.com/beta/posstocks.htm>

I believe that this group will end up being one of the most successful trading circles in the internet in 2016. This is your chance not to just be some passive spectator of the markets, but to really get involved with other people really serious about betting against stocks and riding what will be one of the most important trends of this year.

I'm using Facebook to manage this as a private group. As far as I know there is no other private Facebook trading group that is operating right now and that is one reason I think it can be a huge success. My plan is to actually raise the price of the POS Total Program several times this year and then approach some professional money managers and hedge fund managers to see if they want to join and share ideas and participate. But I'm not going to do that until the price is raised to a much higher price point than it is right now. So one of my goals in 2016 is to make this a true elite bear market group.

If you have a New Years resolution to make this a big year in the markets for you much different than last year than it makes sense for you to join.

I have had lots of experience being in and seeing other groups function and believe I know what to do to make this one one of the best. Now when I first got into the trading world there were lots of live chatrooms. They would tend to be totally guru focused with one guy yelling trades at everyone and telling people to jump in and out of stocks. It all tended

to be pure daytrading and I think it probably was hard for people to be quick enough to follow chatroom trades assuming they were good ones. I never really participated in chatrooms. Way back around 2000 I had a chatroom on my site for people just to talk to each other on, but I hardly ever used it myself.

I also used Yahoo message boards and then the SiliconInvestor message board, which was a big investing site 15 years ago. I actually made my own forum that got so big on there that I had a reporter from the Wall Street journal contact me and ask me questions.

Anyone could post in it. And it lasted for a few years, but then people started to argue with each other in it. There was no way to moderate it.

I have seen that on message boards this usually becomes a problem. What happens is that they become political and in time someone comes in whose goal is simply to dominate people and intimidate them to feel important. They bully people. Often the boards degenerate and it turns into two bullies arguing with each other and most people disappear.

The problem is that message boards usually are just big rant boards where there is no real common purpose except to argue about something. People usually post without their names on them so some feel like it is their chance to act like they wouldn't do in the real world.

On Facebook you cannot pretend to be someone else so people are real. I have been in Facebook groups about other topics, such as get traffic to websites from the search engines, that run incredible. There is no arguing in them like that. That is because the person who created the group monitors it and will remove people if someone gets out of hand, which rarely happens.

It works, because the group is not a message board, but a small nit community of people who want to help each other and who stay focused on one small task. It's not about politics or talking nonsense, but about DOING SOMETHING. It's about performing a common task with like minded people who have the same goals.

That is something most do not need see on the internet, but something I have seen happen in a few small private underground Facebook groups. These groups also are having a huge impact in their industries and to the benefit of the people in them. It's just an incredible edge.

Few people are a part of something like this at all and I suspect most people do not even know they exist. This is the real deal and if you are not already a Power Investor member than I want to invite you to be a part of my new Facebook group by taking advantage of my POS Stocks Total Program. That will get you my new POS course, a Power Investor Trial, and into my private Facebook group. To begin just go here:

<http://wallstreetwindow.com/beta/posstocks.htm>

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