

November 21, 2018

Good Afternoon,

Stocks continue their slide with sharp declines both Monday and Tuesday of this week. The selloff has been systematic without any hint of investor panic and now all major stock indices are down for 2018. Many analysts use technical tools to help evaluate stock movements. By looking at index levels compared to specific moving averages, these analysts try to predict where stocks may find support levels (on the downside) or breakout levels (on the upside). We have seen stock charts break through lower support levels recently. Violation of these key technical levels has triggered computer program trading (algorithms) where stocks are sold regardless of price. We believe this has exaggerated the selloff and contributed greatly to the declines. Sort of a negative feedback loop. (Although, we are seeing a small rally today!)

I can't help but think about the residents of Paradise, California, and the fire that essentially destroyed the entire community. Their losses are difficult to comprehend and the number of dead and still missing is catastrophic. Tragedies like this help put the recent market decline and subsequent portfolio losses in perspective.

Please visit our website at [www.canfg.com](http://www.canfg.com) or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

[http://www.commonwealth.com/RepSiteContent/weekly\\_comm/commentary\\_redirect.htm](http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm)

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

We hope you have a very Happy Thanksgiving! Enjoy your friends and family, eat too much, be lazy, wash, rinse, repeat.

Sincerely,

Wade

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