



HERITAGE CAPITAL LLC

Invest for Tomorrow. Live for Today.™

I am looking forward to joining the Squawk Box team on Monday at 6:05am. After that, I will be with the good folks at Yahoo Finance on Midday Movers either right at 11:30am or noon, live from Heritage Capital's global headquarters via Skype. There's an inside joke in there which I am always willing to share in person.

As you know from all of my emails, markets have been very volatile and even unnerving for some. I am going to discuss when I think stocks may find a bottom, how and at what price zone.

I had hoped to have an update done on Friday with some indicators to watch for a low in stocks but the depth of the decline forced me to wait until after the close and the weekend has been kind of insane with two bar mitzvahs in Saturday and the final weekend of baseball with party to follow at our house. To make matters worse, both my wife and I have been a little under the weather. On a happier note, however, Mount Snow opened on Saturday so ski season is here with one of the earliest openings ever. If you've never skied during fall foliage in Vermont, it's definitely a bucket lister!

Back to the stock market, I said on Wednesday and Thursday that the ultimate low from this pullback, now correction, was still in front of us and lower prices were still ahead. Friday's action was interesting as it had something positive for both the bulls and bear during the day.

The bulls, once again, staved off the mini crash scenario while the bears were able to push off the final low. The bulls really need a stand on Monday, ESPECIALLY if stocks open higher. I don't think the bulls can afford an up opening and then rout. That would open up lower targets that I had not considered this year. Alternatively, a weak opening followed by some firming would also be okay for the bulls.

The bears, on the other hand, want to aggressively sell any morning strength and press it after lunch. They could also win by seeing a lower open and then a heavy trading day where stocks stair step down right into the close. Those are your four scenarios for Monday. It should not be a quiet day!

Looking at my four key sectors, banks transports, consumer discretionary and semis, they all basically look like death. After this correction bottoms, it's going to be really interesting to see if they regain bull form. If not, that will be a telling sign that this old and wrinkly bull market will likely die during the first half of 2019.

Remember, I still have a projection of Dow 27,000 after the Dow closed above 25,000 for five straight days. I am not abandoning that down here.

Don't forget to check our blog for more info www.InvestForTomorrowBlog.com

Posts are typically made three times per week and you can sign up here to be notified by email when a new one is up.

<http://www.investfortomorrow.com/BlogAlerts.asp>

To Your Financial Success,



Paul Schatz
President
Heritage Capital LLC

1 Bradley Road Suite 202
Woodbridge CT 06525

203.389.3553 Phone
203.389.3550 Fax

www.InvestForTomorrow.com

Published by Paul Schatz. Copyright (C) 2008 Heritage Capital, LLC. All rights reserved.
StreetSmarts is produced and distributed regularly via email by Paul Schatz of Heritage Capital, LLC
1 Bradley Road, Suite 202 Woodbridge CT 06525 Phone (203) 389-3553 Fax (203) 389-3550 - www.InvestForTomorrow.com
Heritage Capital, LLC is an independent RIA not associated with any financial institution. Data used in this publication is gathered from reliable sources, although completeness and accuracy cannot be guaranteed. Performance results do not take into account any tax consequences and are not predictive of future results. This publication does not give any specific investment advice, does not provide financial planning services, or consider any individual's financial situation, needs or goals. This publication may not be reproduced or retransmitted in whole or in part without the consent of the author, Paul Schatz.

Important Disclosure Information

Heritage Capital LLC ("Heritage") composite performance results represent time-weighted actual performance results for continuously managed Heritage accounts, which individual accounts Heritage believes to be representative of its investment management process (i.e. mutual funds and exchange traded funds) for each specific strategy during the corresponding time period. The composite performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, and the separate fees assessed directly by each unaffiliated mutual fund and exchange traded fund holding that comprised each account, and the maximum investment advisory fee that the accounts would have incurred (by applying the Heritage's current investment advisory fee of 2.00% as set forth in its current written disclosure statement) during the corresponding time periods.

Please Note: Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index. The historical index performance results for all historical benchmark indices do not reflect the deduction of transaction and custodial charges, or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The historical performance results for all indices are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a Heritage program meets, or continues to meet, his/her investment objective(s). A corresponding description of each index is available from Heritage upon request. It should not be assumed that Heritage account holdings will correspond directly to any such comparative benchmark index. The Heritage performance results do not reflect the impact of taxes.

For reasons including variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Heritage's investment management services, and any account contributions or withdrawals, the performance of a specific Heritage client's account may have varied substantially from the indicated portfolio performance results.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise Heritage immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Heritage) will be profitable.

Information pertaining to Heritage's advisory operations, services, and fees is set forth in Heritage's current disclosure statement, a copy of which is available from Heritage upon request. Performance results have been compiled solely by Heritage, are unaudited, and have not been independently verified. Heritage maintains all information supporting the performance results in accordance with regulatory requirements.