



Cornerstone[™]
Global Group
LLC

**Meeting of International Stock Exchange
Executives Emeriti, Inc.**

Grand Hotel CRAVAT
Luxembourg City, Luxembourg
September 14-17, 2014



Cornerstone[™]
Global Group
LLC

Global Economies and Markets: *A Truly Historic Time*

By

Steven M Shelton CFP®, CLU, ChFC, TEP, CIMA®, CMT

Securities and investment advice offered through Investment Planners, Inc. (Member FINRA/SIPC) and IPI Wealth Management, Inc., 226 W. Eldorado St., Decatur, IL 62522, 217-425-6340. Cornerstone Global Group LLC is not affiliated with Investment Planners, Inc. or IPI Wealth Management, Inc. Cornerstone Global Group LLC does not offer securities advice and is not a member of FINRA/SIPC. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden. Cornerstone Global Group LLC does not render legal or tax advice, and the information contained in this communication should not be regarded as such. Material is only intended for use with institutional investors and not intended for use with retail investors. Copyright 2014, Cornerstone Global Group LLC, www.cornerstoneglobalgroup.com



Cornerstone™
Global Group
LLC

**“Markets can remain irrational a lot longer than
you and I can remain solvent”**

John Maynard Keynes



Cornerstone™
Global Group
LLC

**“Markets can remain rational a lot longer than
you and I can remain irrational and solvent”**

Steven Shelton



Cornerstone[™]
Global Group
LLC

Agenda

- Cycles
- Equity Markets
- Commodity Markets
- Currency Markets
- USA Debt Markets
- Summary & Conclusions



Cornerstone™
Global Group
LLC

Cycles

Definition:

- An interval of time during which a characteristic, often regularly repeated event or sequence of events occurs

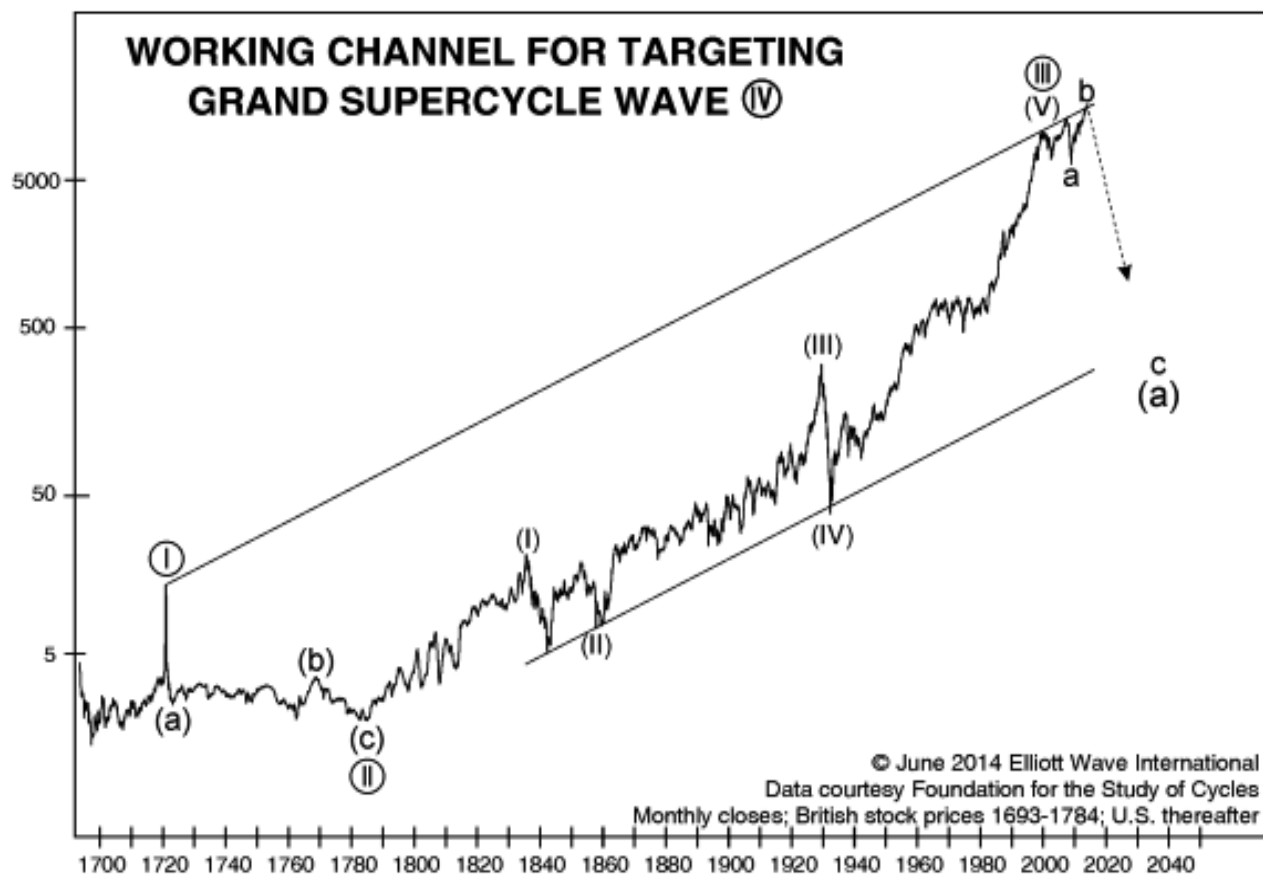
Examples of cyclic “order”:

- Tidal
- Lunar
- Economic
- Market



Cornerstone[™]
Global Group
LLC

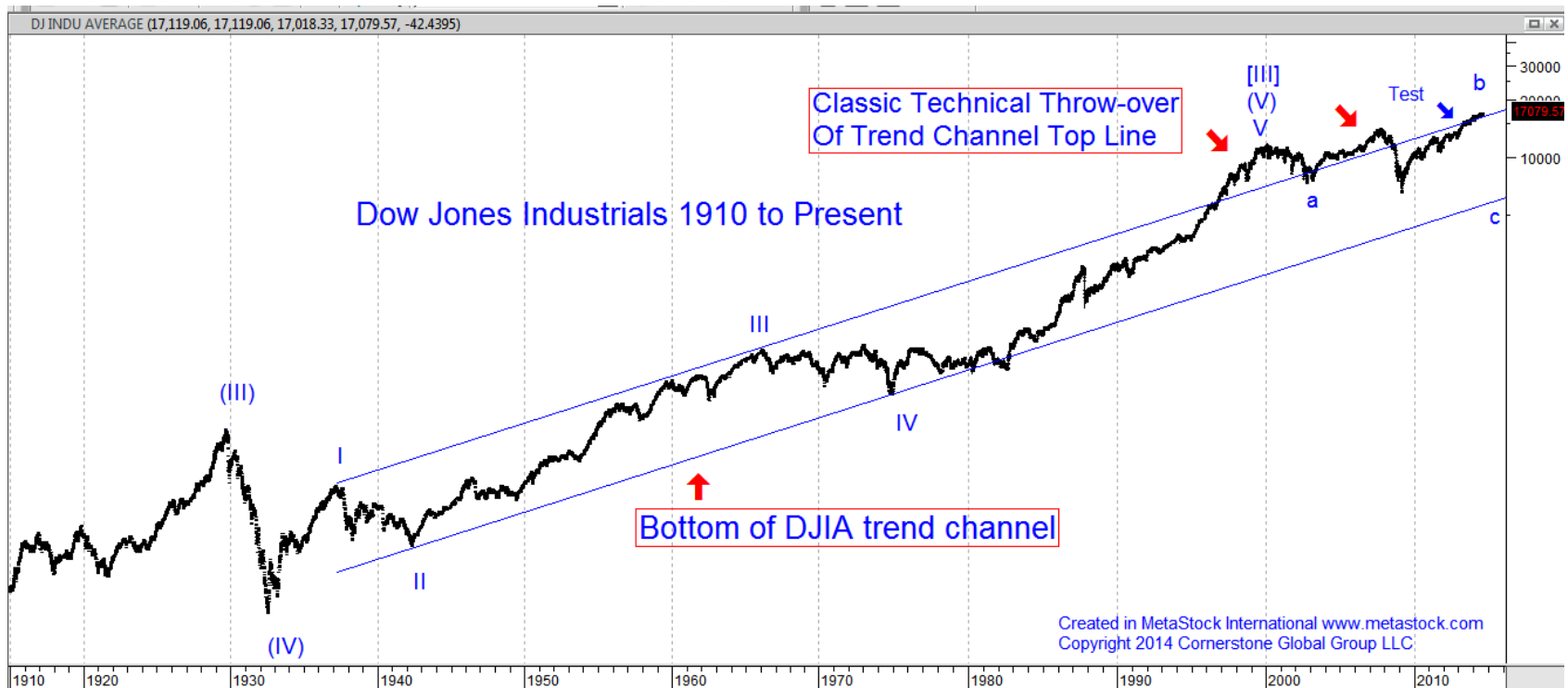
DJIA 1693 to Present





Cornerstone™
Global Group
LLC

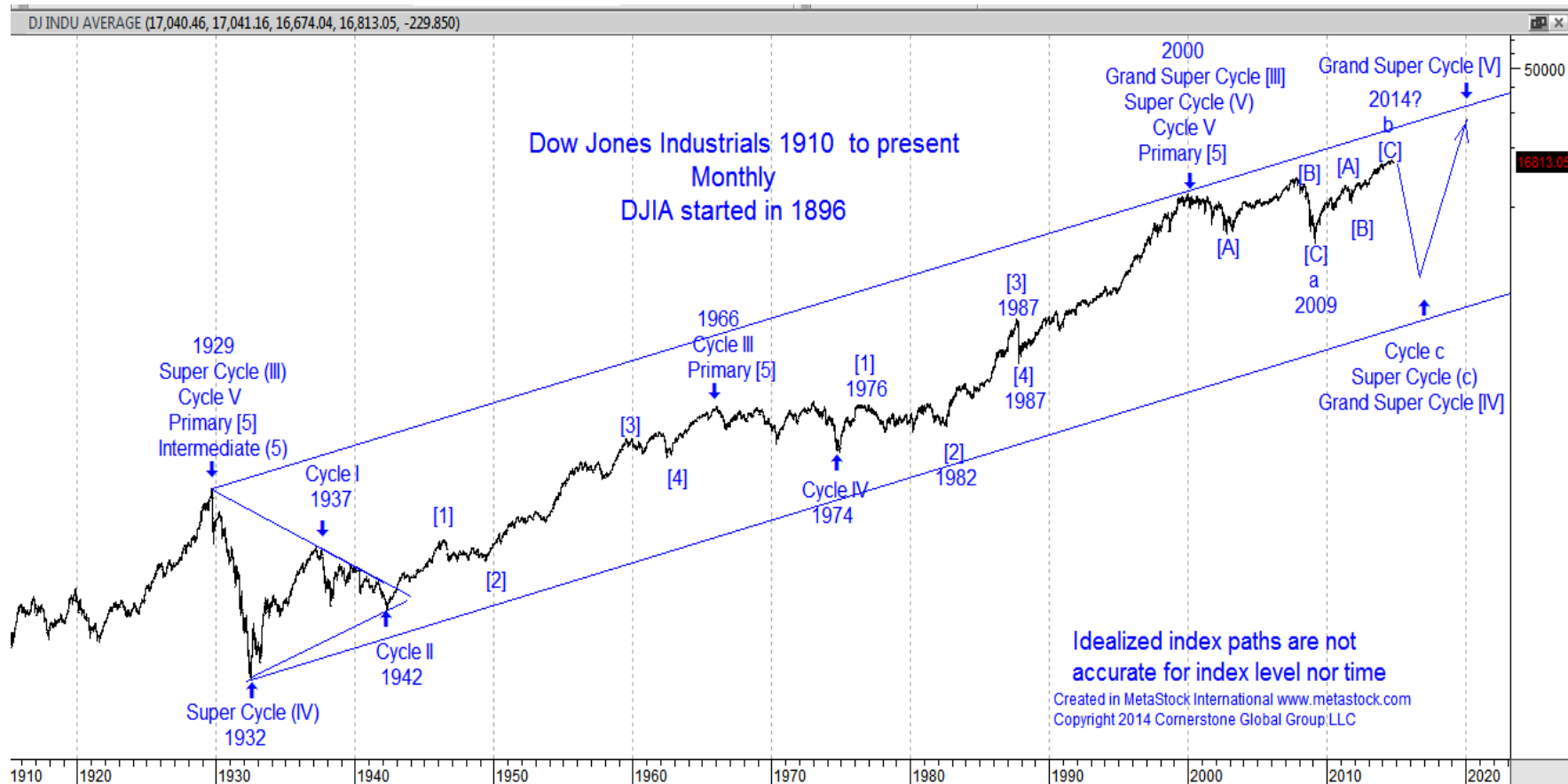
DJIA 1910 to Now but Count Initiated 1693





Cornerstone™
Global Group
LLC

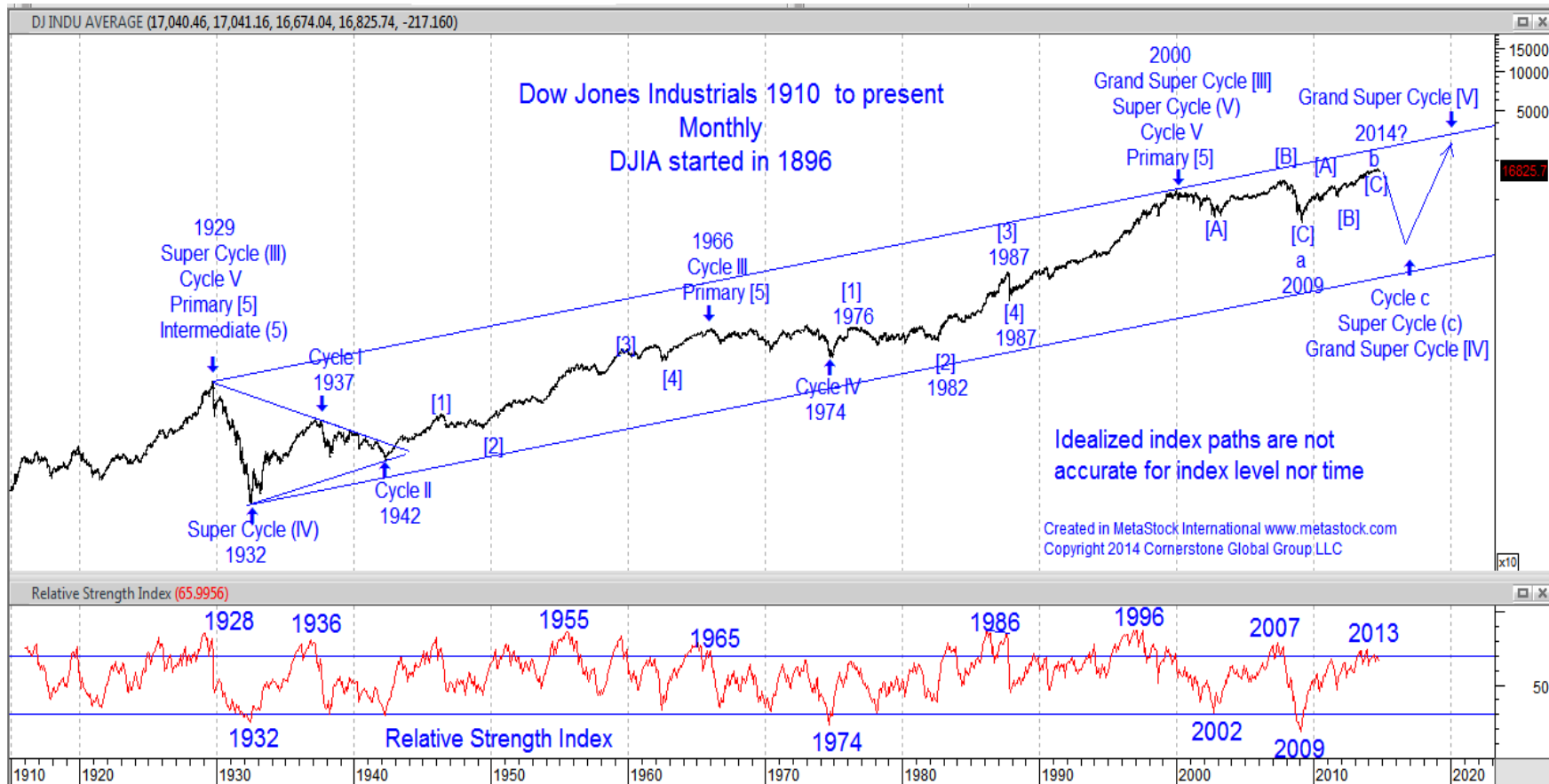
DJIA 1910 to Present





Cornerstone™
Global Group
LLC

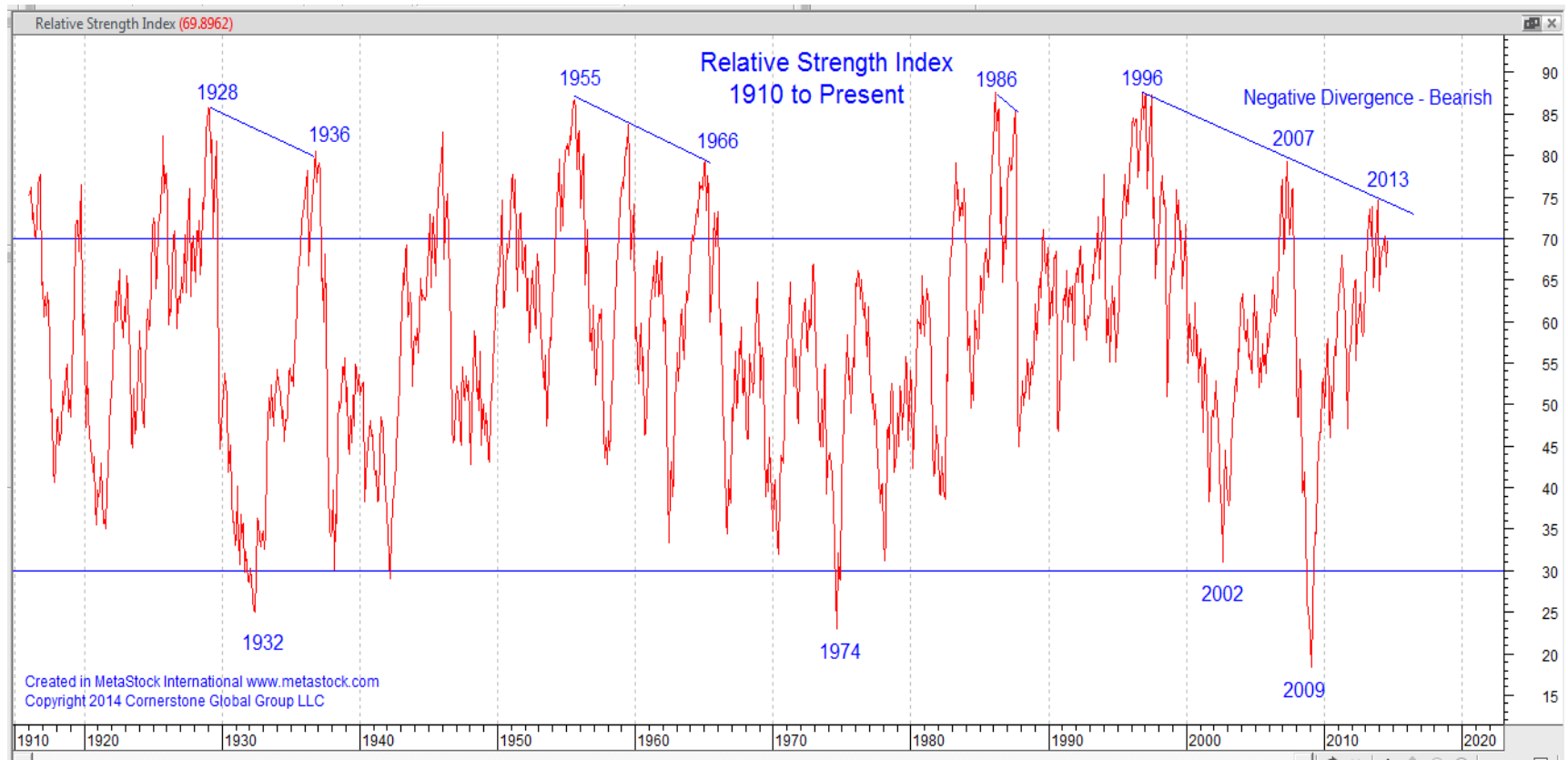
DJIA vs Relative Strength Index (RSI)





Cornerstone™
Global Group
LLC

DJIA Relative Strength Index 1910 - Present

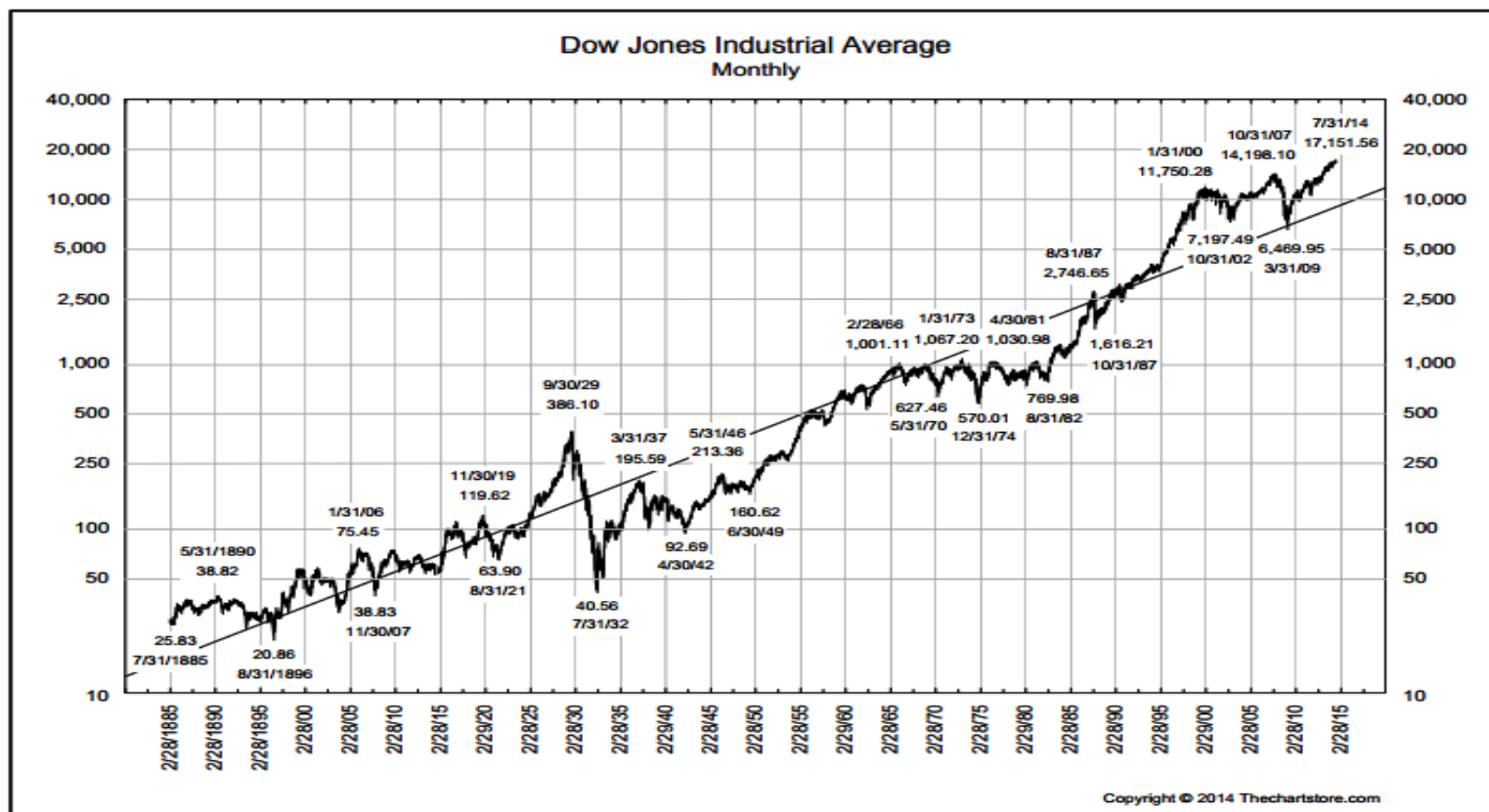




Cornerstone™
Global Group
LLC

DJIA 1885 Reversion to the Mean Average

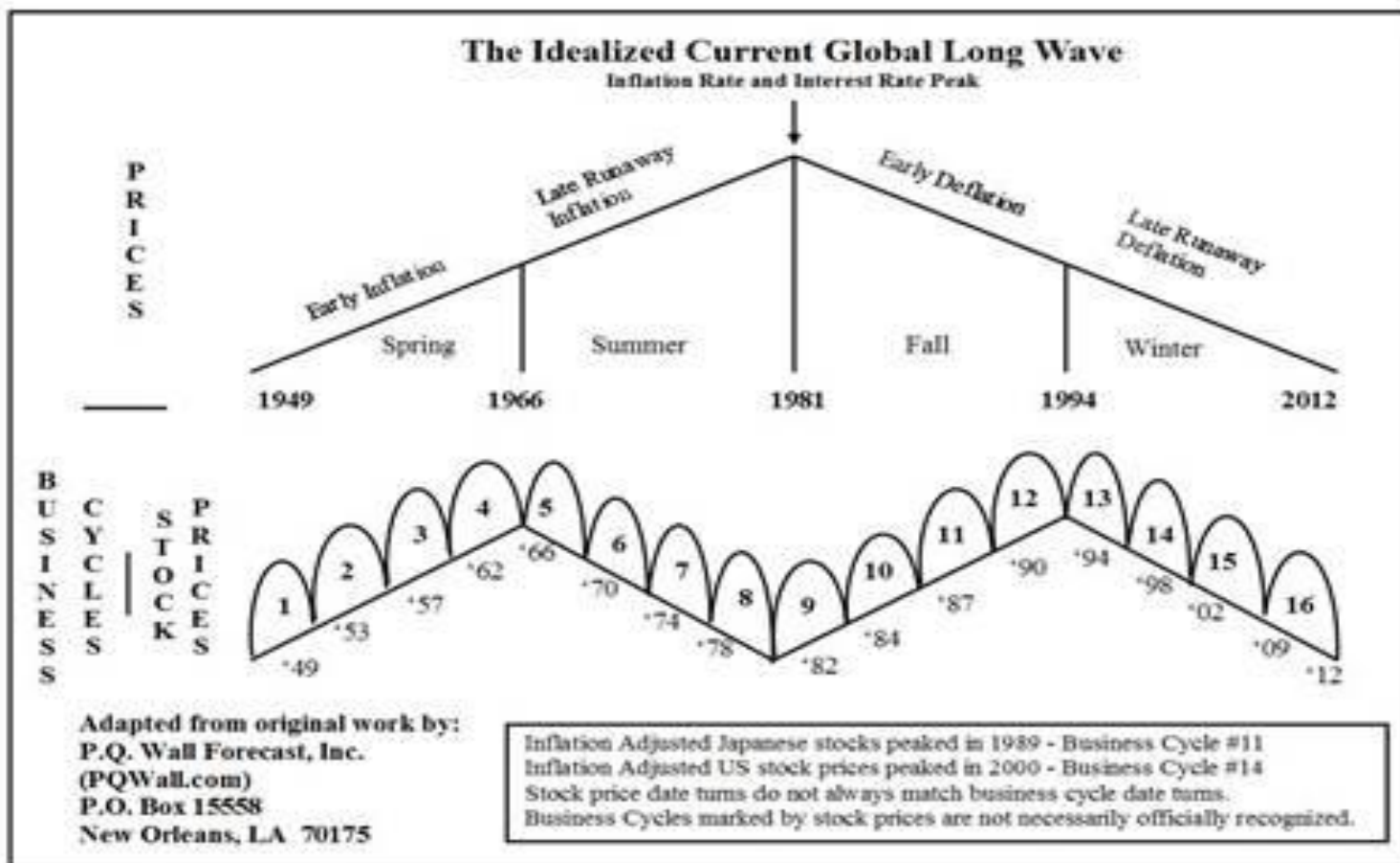
Data as of July 2014





Cornerstone™
Global Group
LLC

Idealized Long Wave – K Wave – Credit Cycle

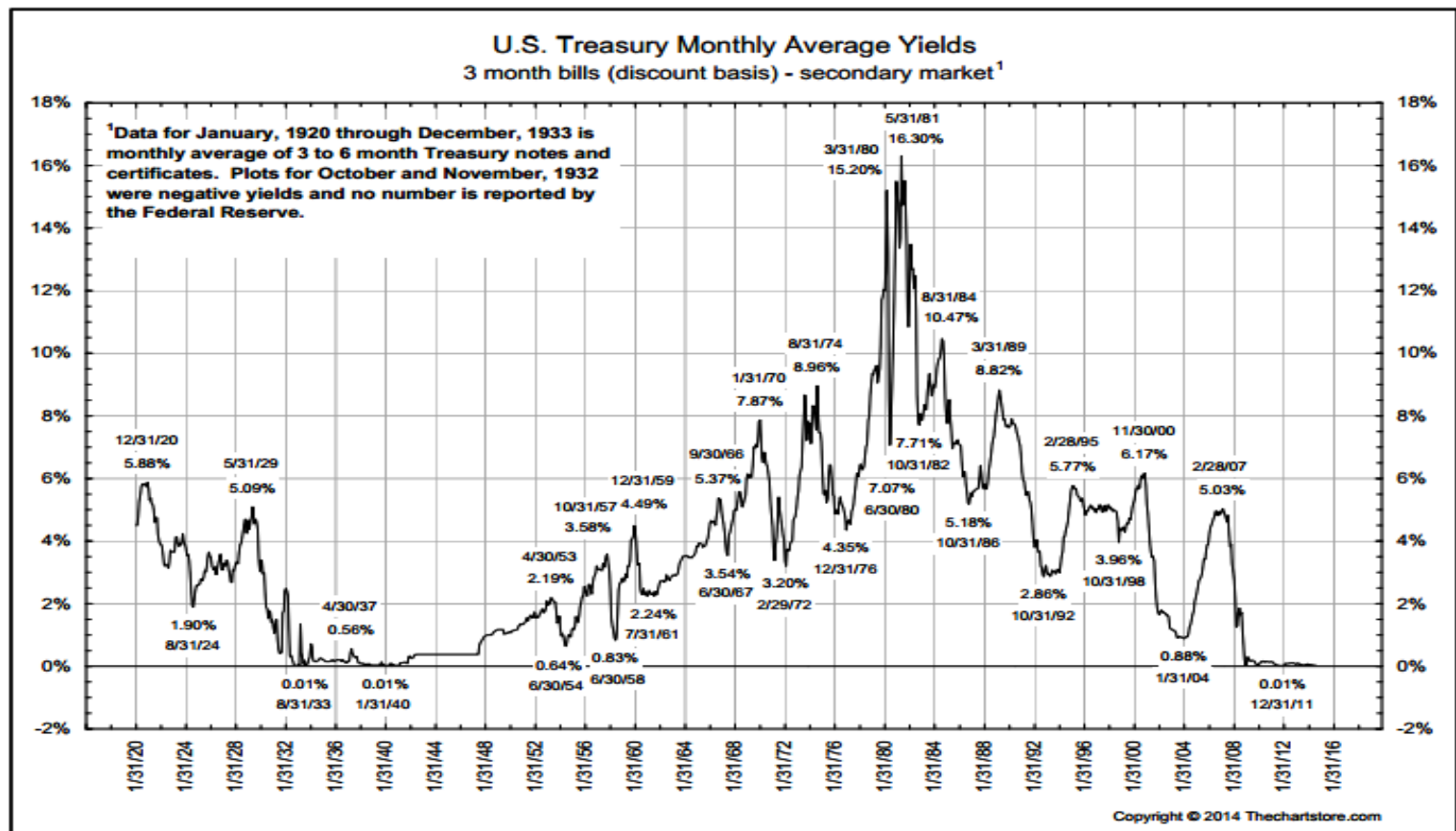




Cornerstone™
Global Group
LLC

3 month US T-bill Average Yields

Data as of July 2014

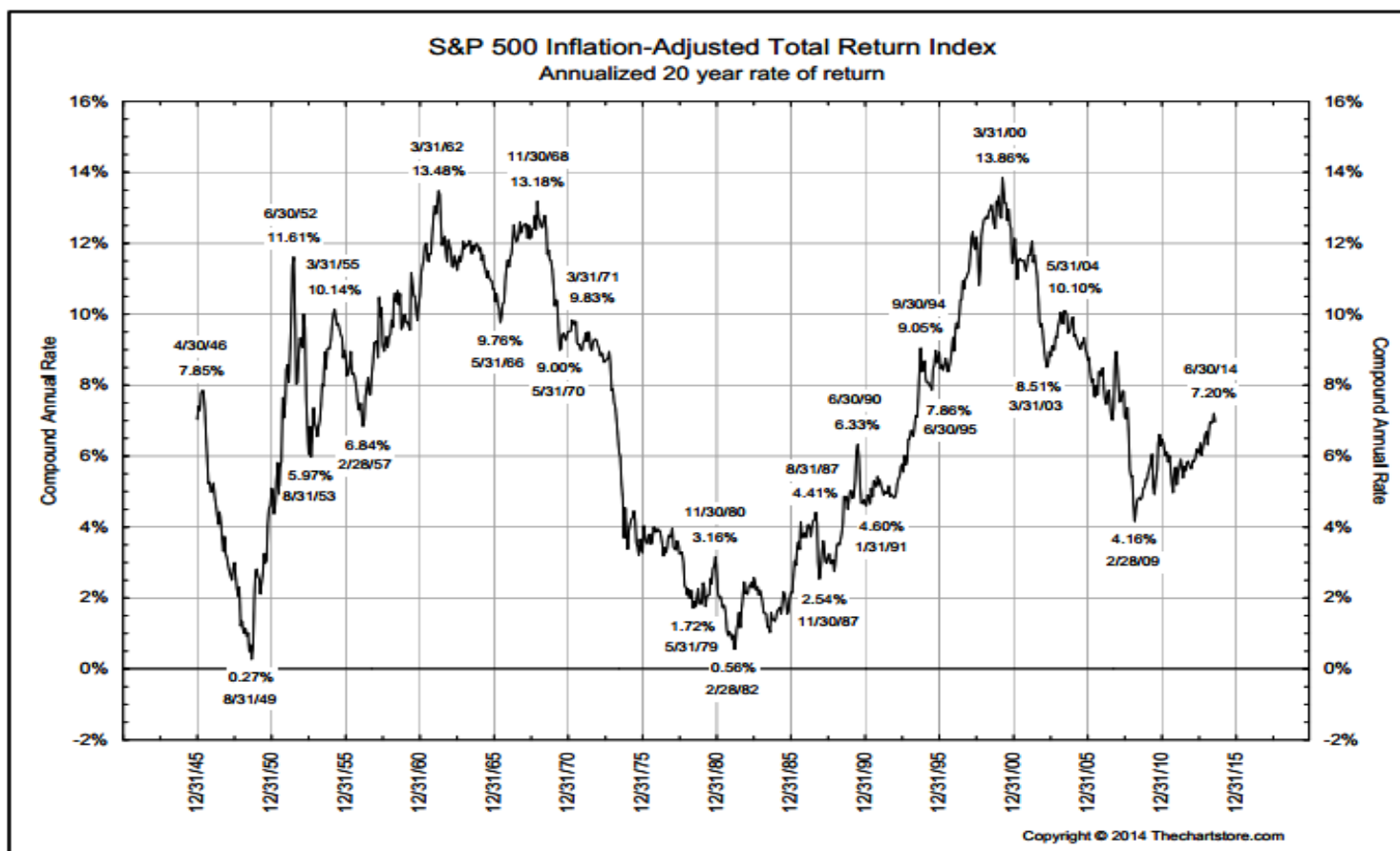




Cornerstone™
Global Group
LLC

S&P 500 TR 1945 to 2014 – Long Wave

Data as of July 2014

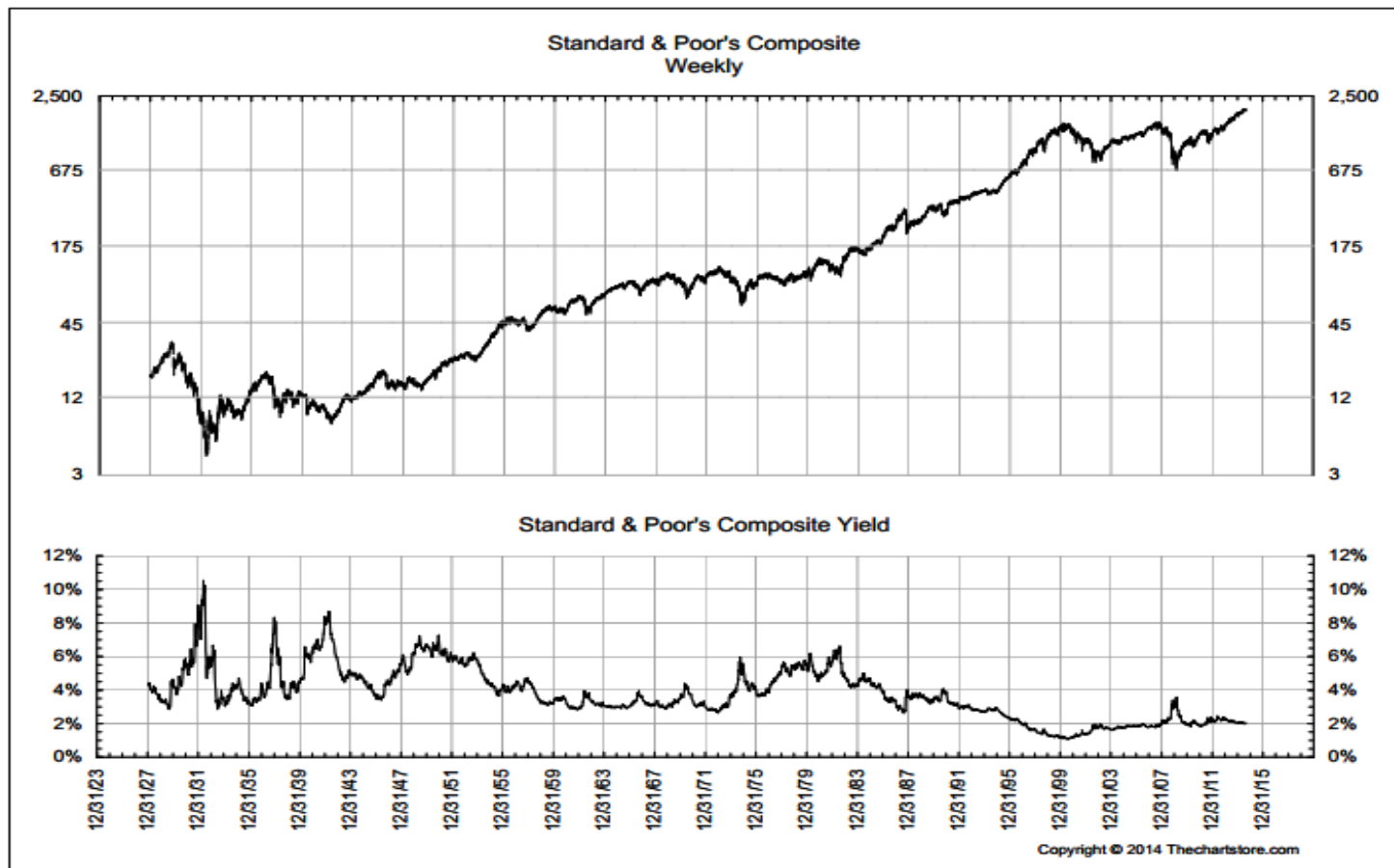




Cornerstone™
Global Group
LLC

S&P Composite Yields 1927-2014

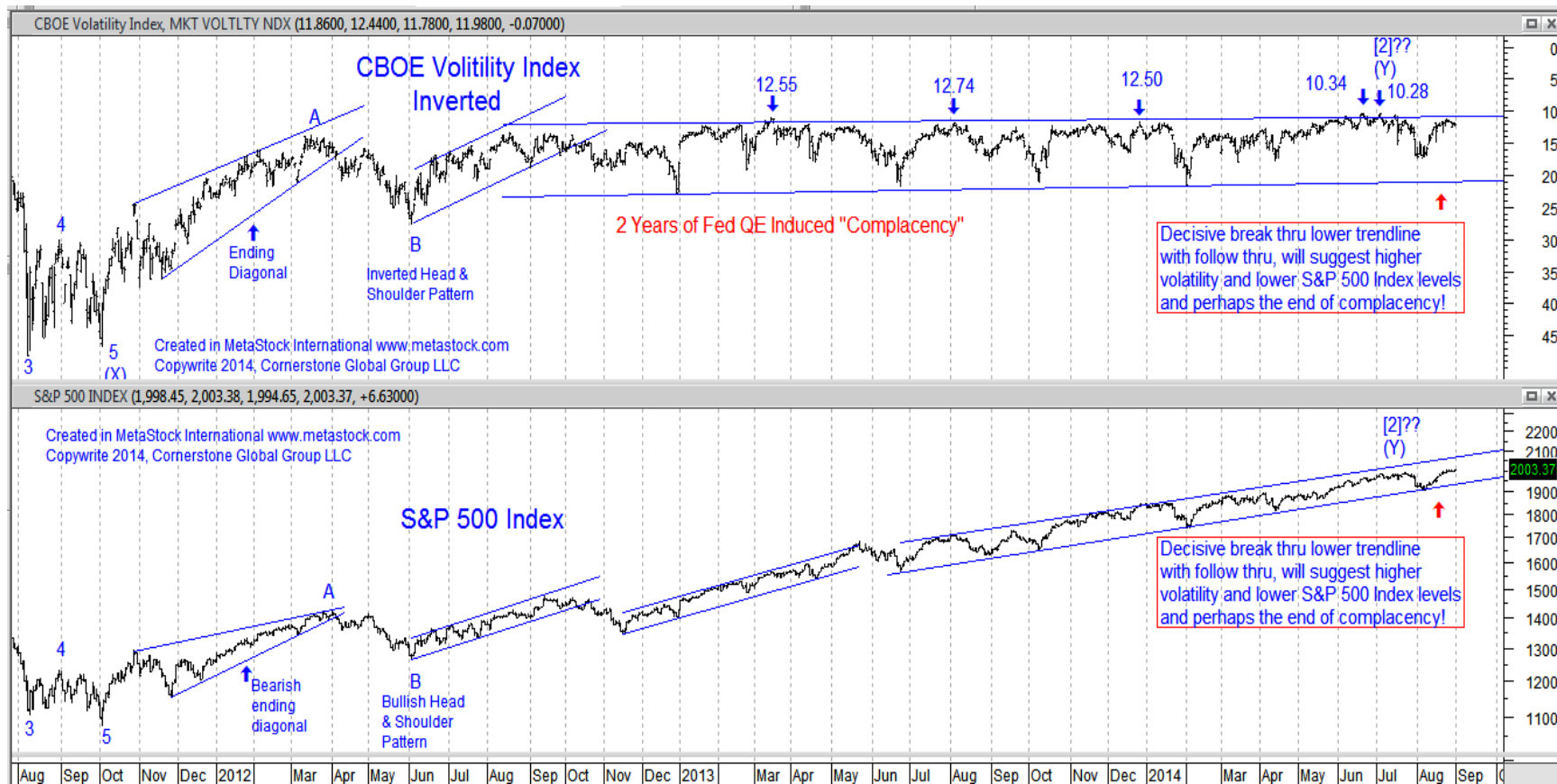
Data as of August 22, 2014





Cornerstone™
Global Group
LLC

Confirming indicator: Inverted VIX vs S&P





S&P 500 Monthly Log

Orthodox High (V) V (B) (A)

[W] (A) (B) (C) (1) (2)

50 month SMA

200 month SMA

Bearish Wedge

(3) (4)

[C] a [C] b [C] c

Created in MetaStock International www.metastock.com
Copyright 2014, Cornerstone Global Group LLC

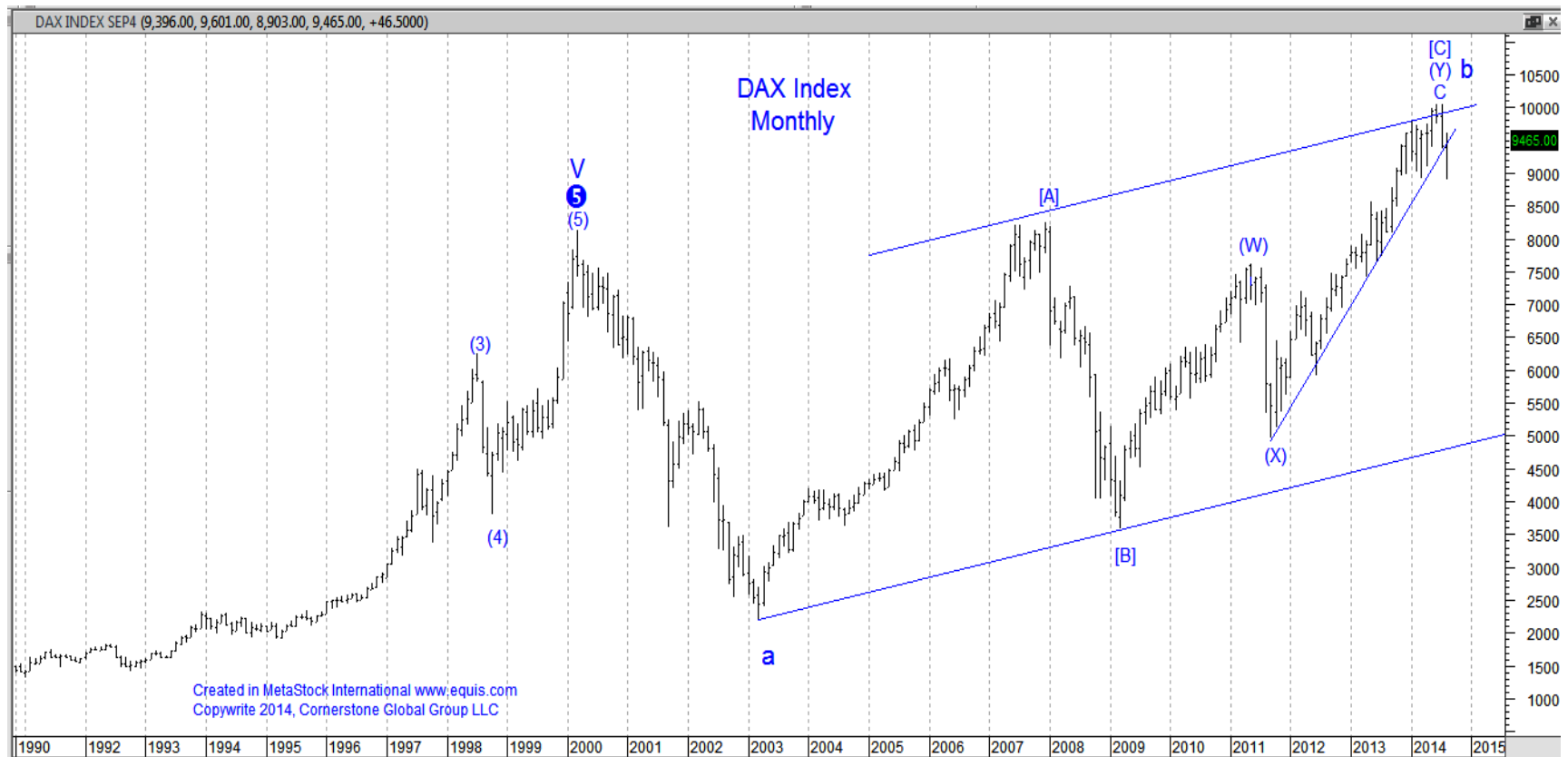
90 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

2500
1999 92
1500
1000
500



Cornerstone™
Global Group
LLC

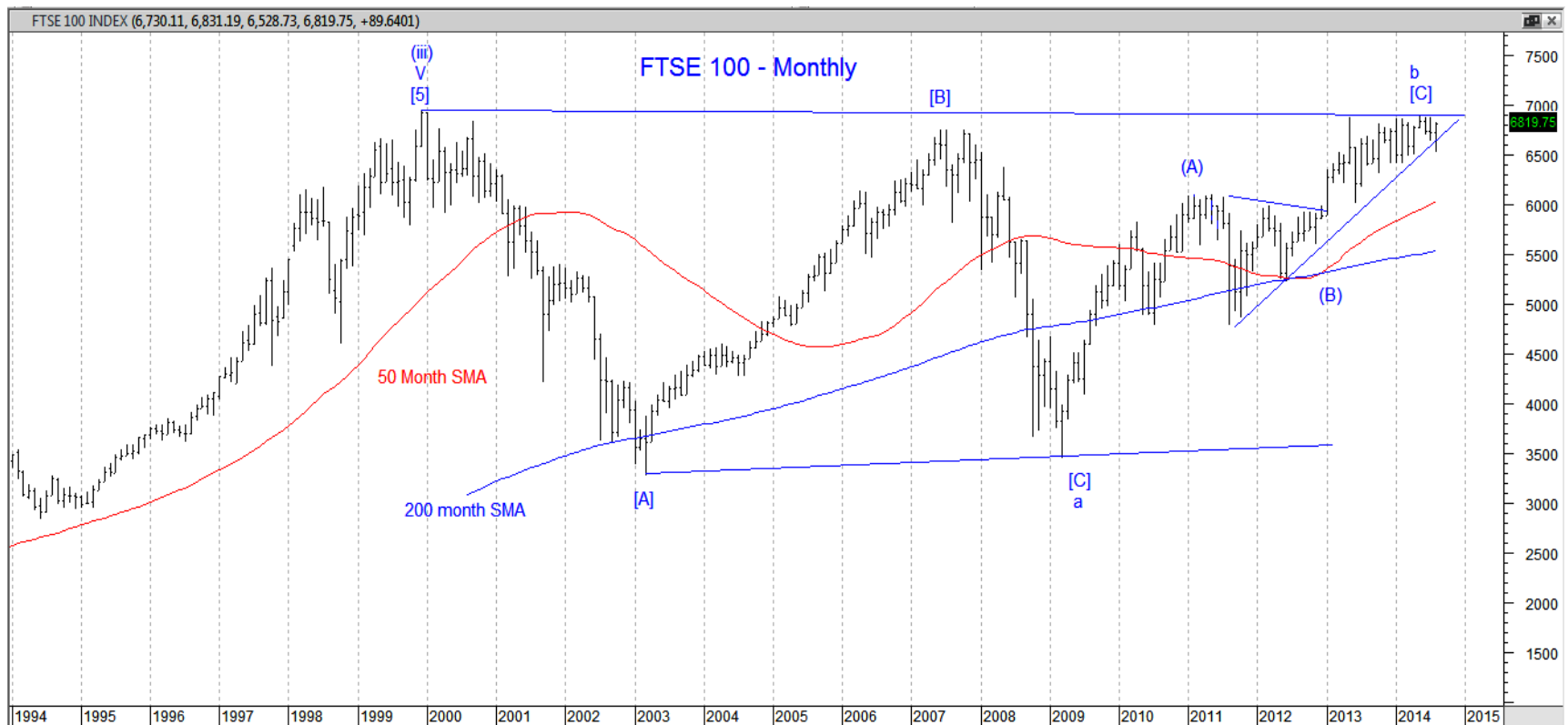
Stock Market Cycles – DAX





Cornerstone™
Global Group
LLC

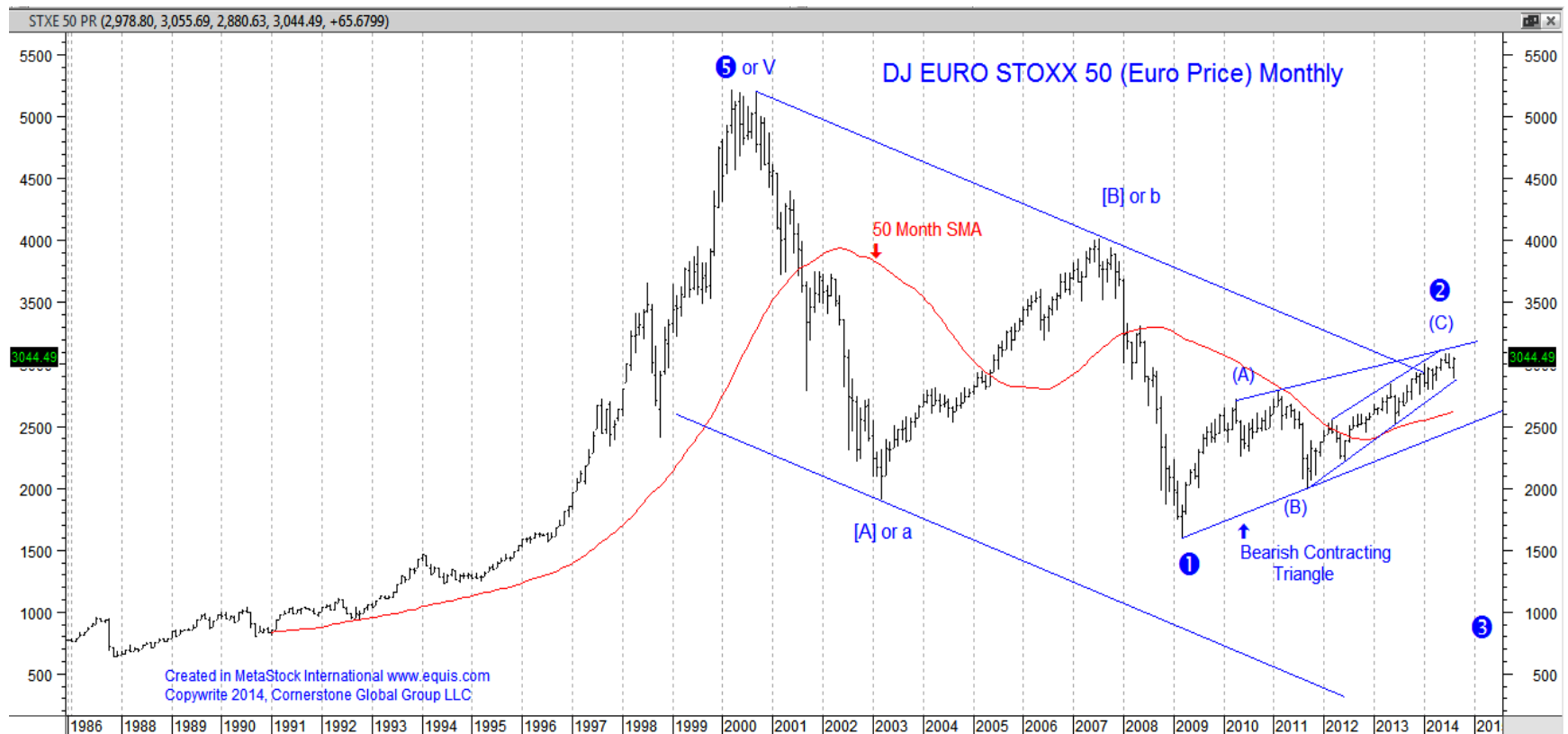
Stock Market Cycles – FTSE 100





Cornerstone™
Global Group
LLC

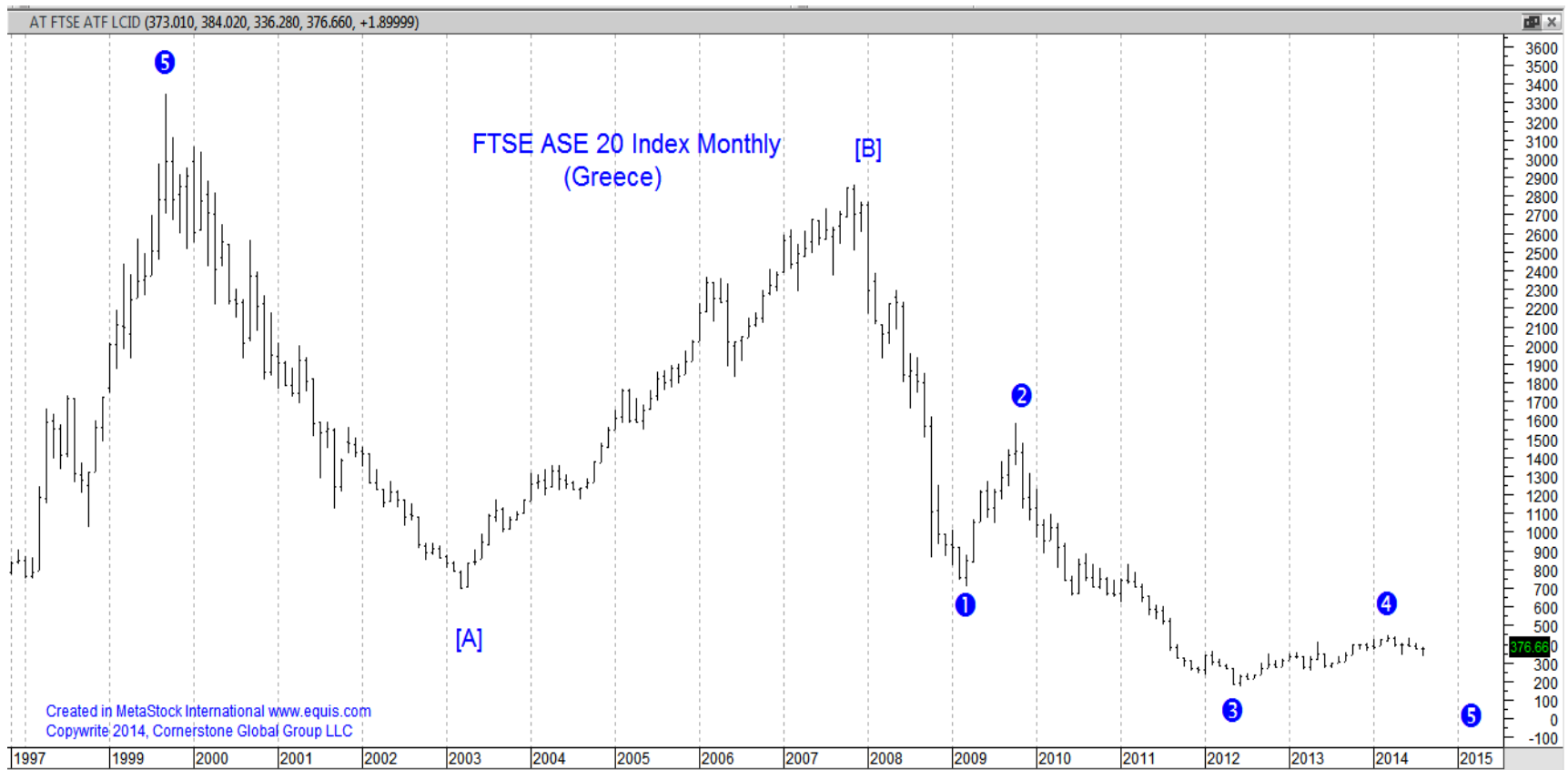
Stock Market Cycles – Euro Stoxx 50





Cornerstone™
Global Group
LLC

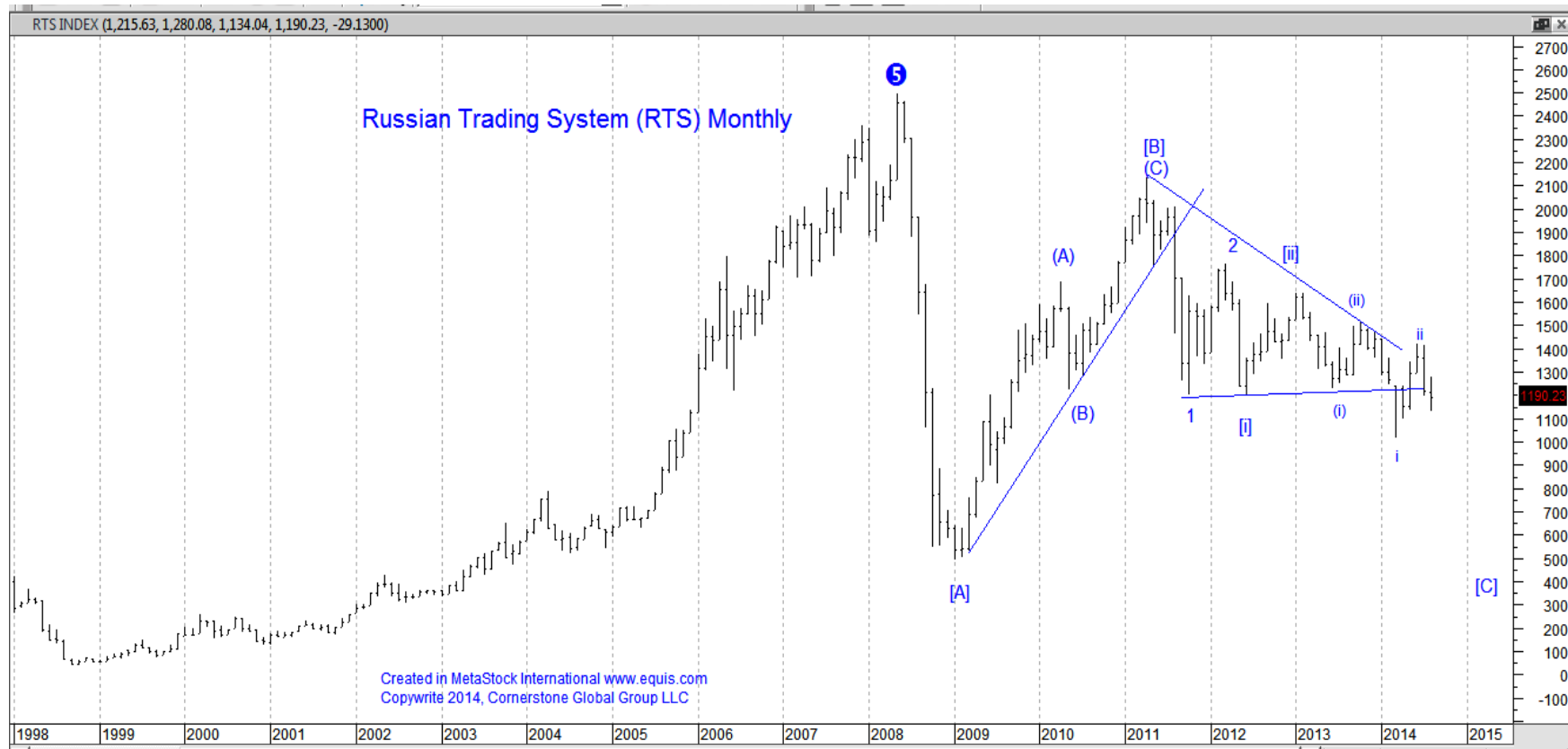
Stock Market Cycles – Greece





Cornerstone™
Global Group
LLC

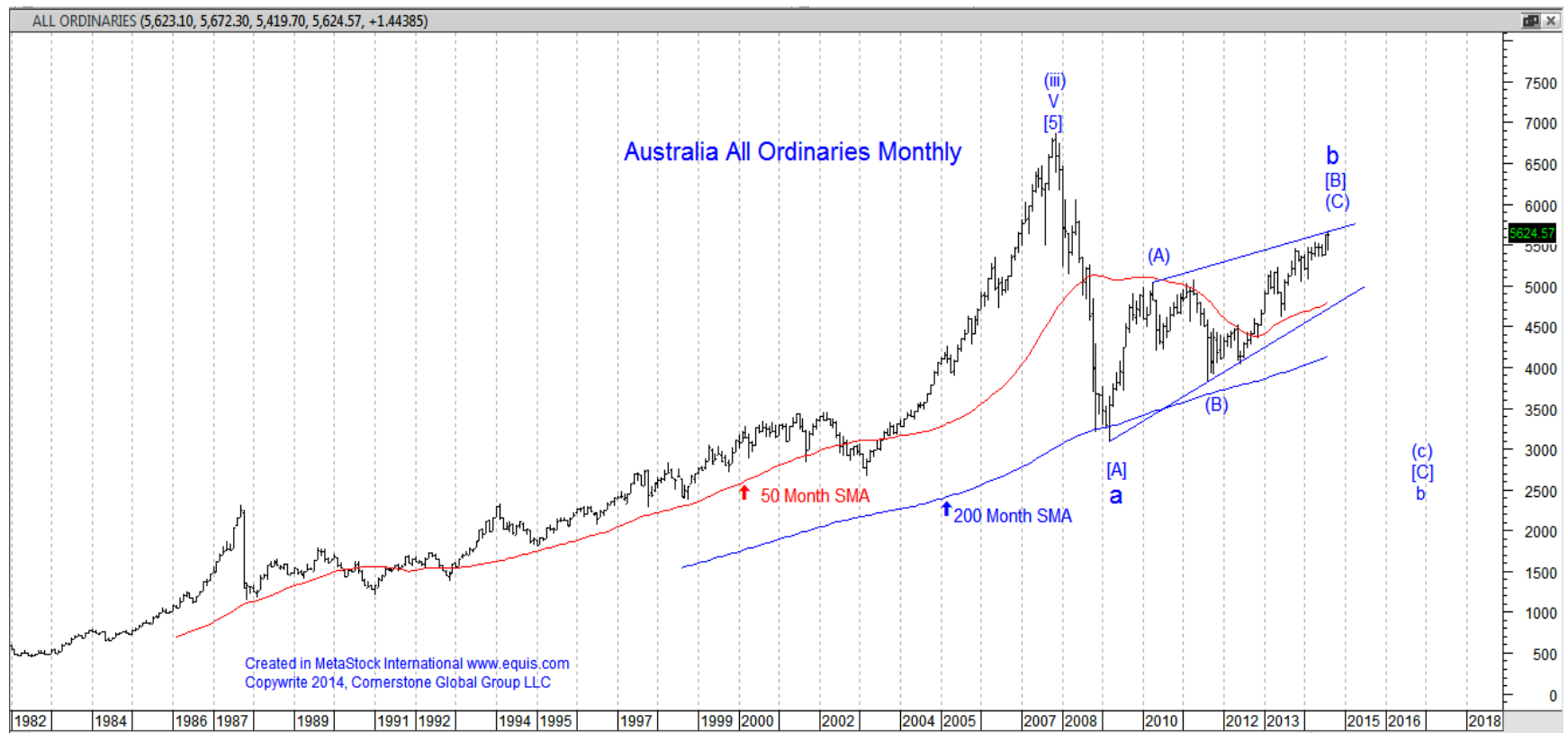
Stock Market Cycles – Russia - RTS





Cornerstone™
Global Group
LLC

Stock Market Cycles – Australia





Cornerstone™
Global Group
LLC

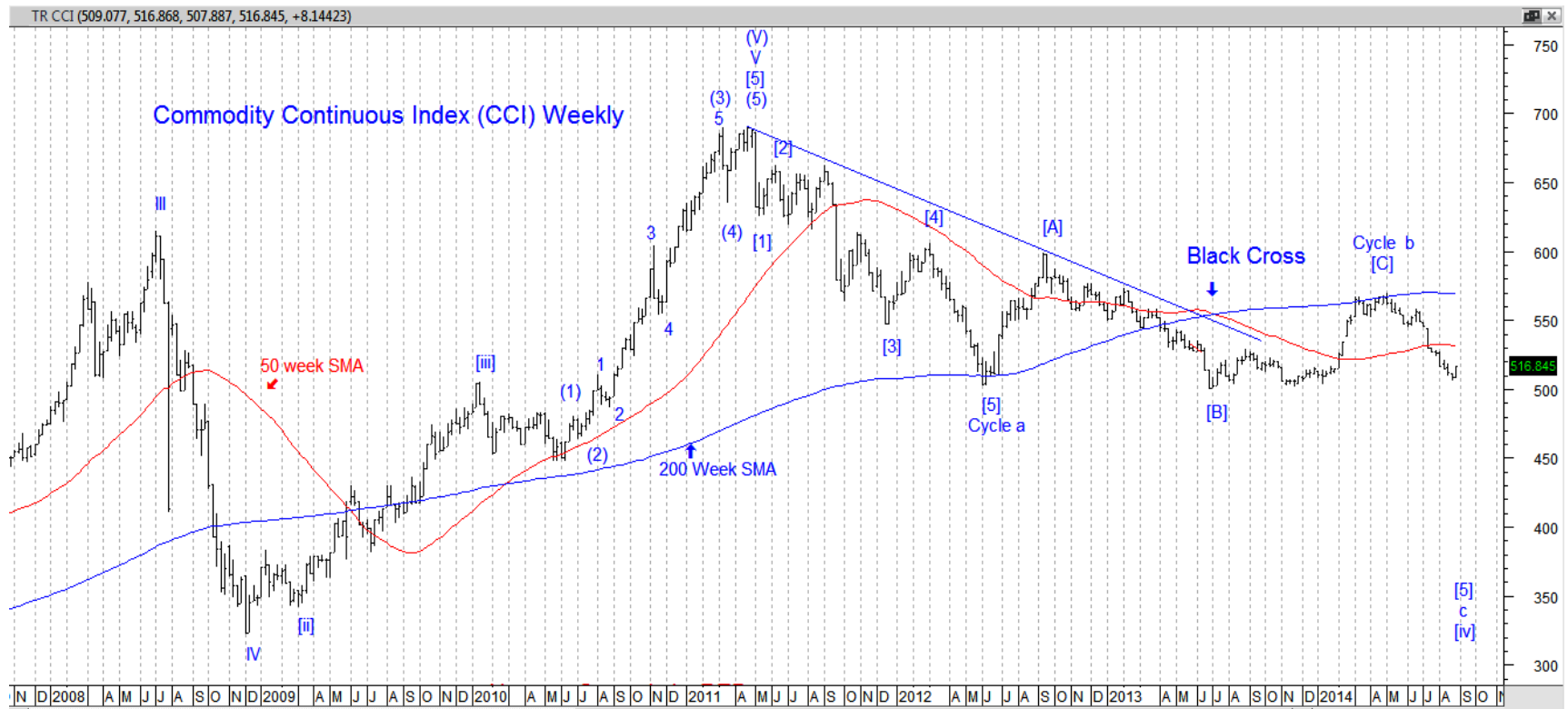
Stock Market Cycles – Hong Kong





Cornerstone™
Global Group
LLC

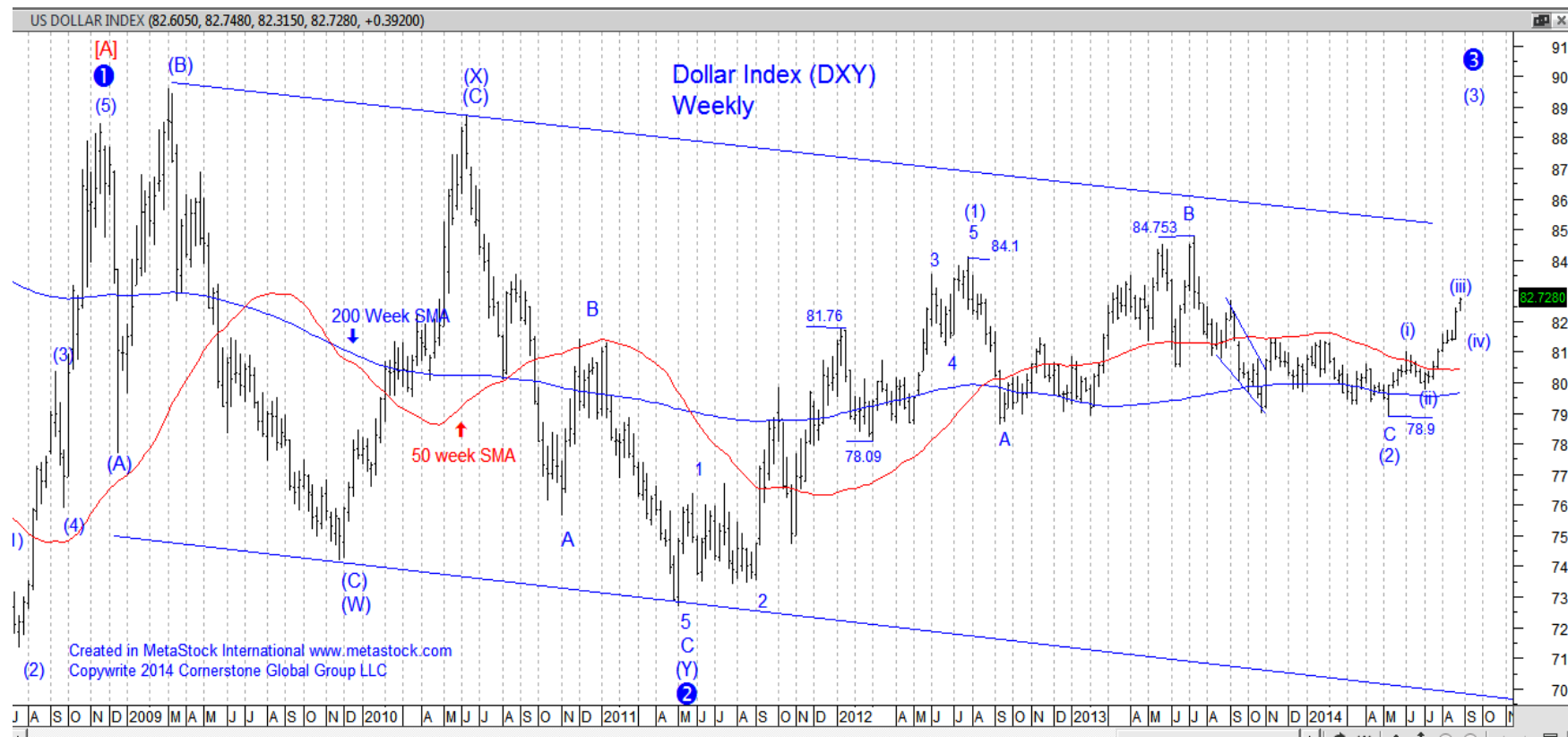
Commodity Cycles – CCI





Cornerstone™
Global Group
LLC

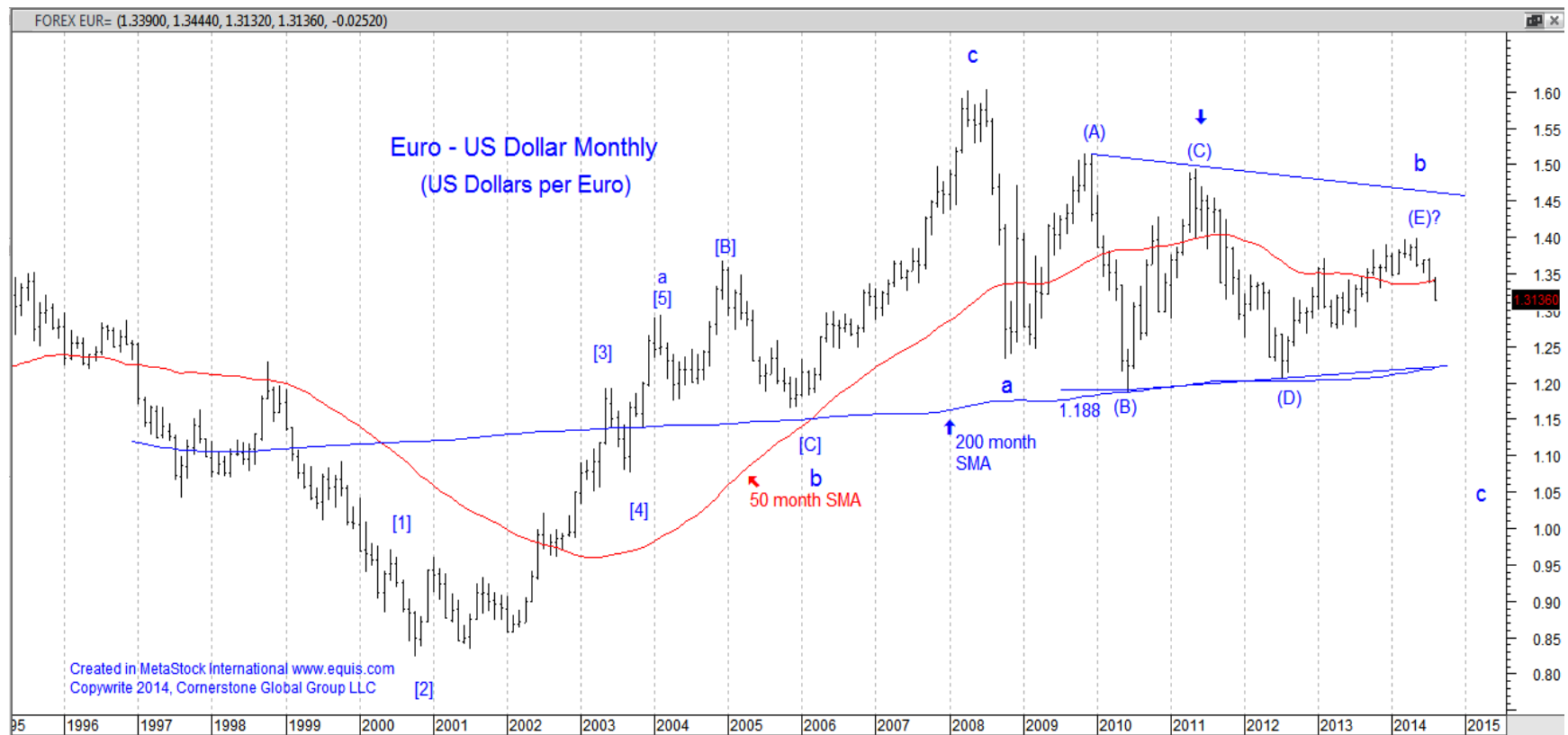
Currency Cycles – US Dollar Index





Cornerstone™
Global Group
LLC

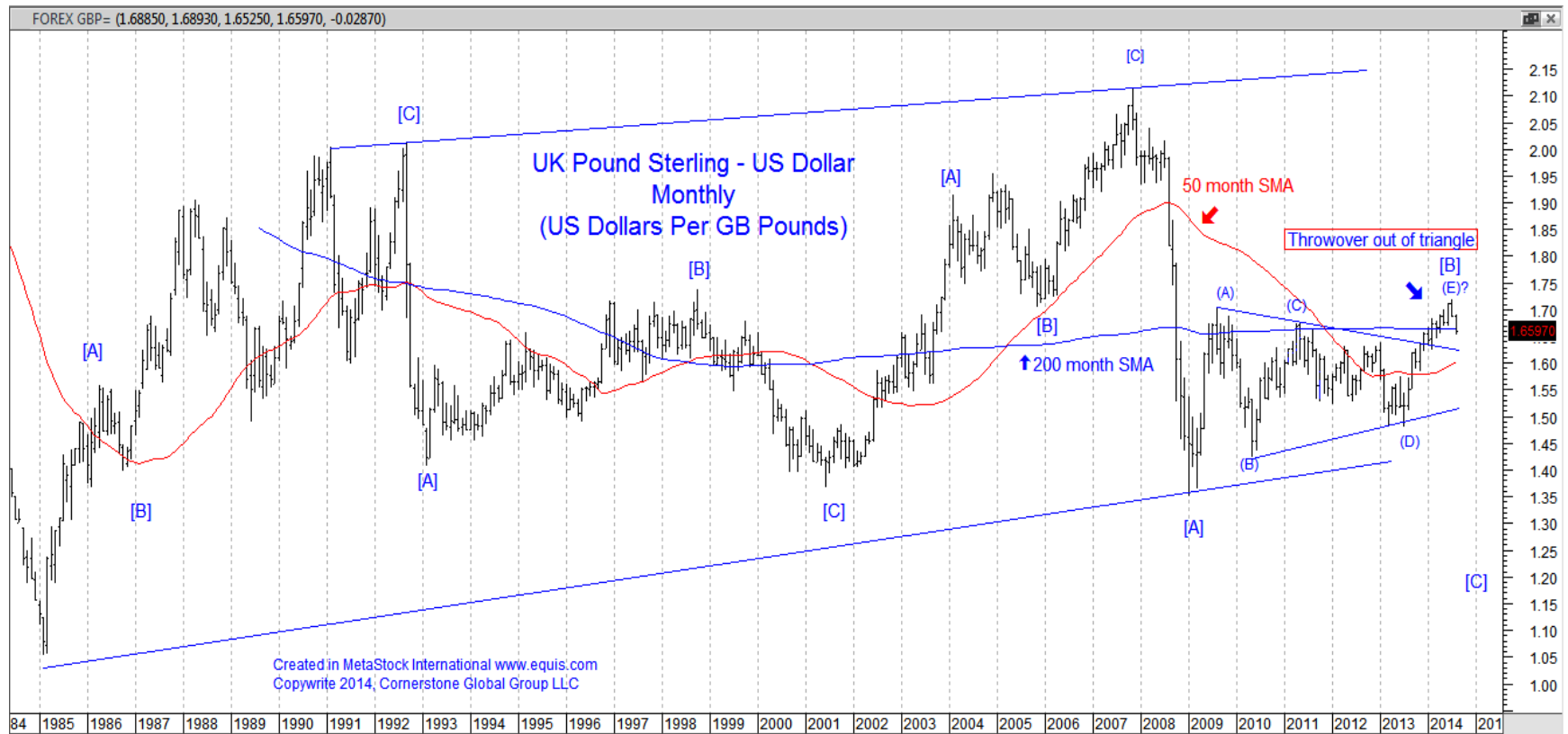
Currency Cycles – USD per Euro





Cornerstone[™]
Global Group
LLC

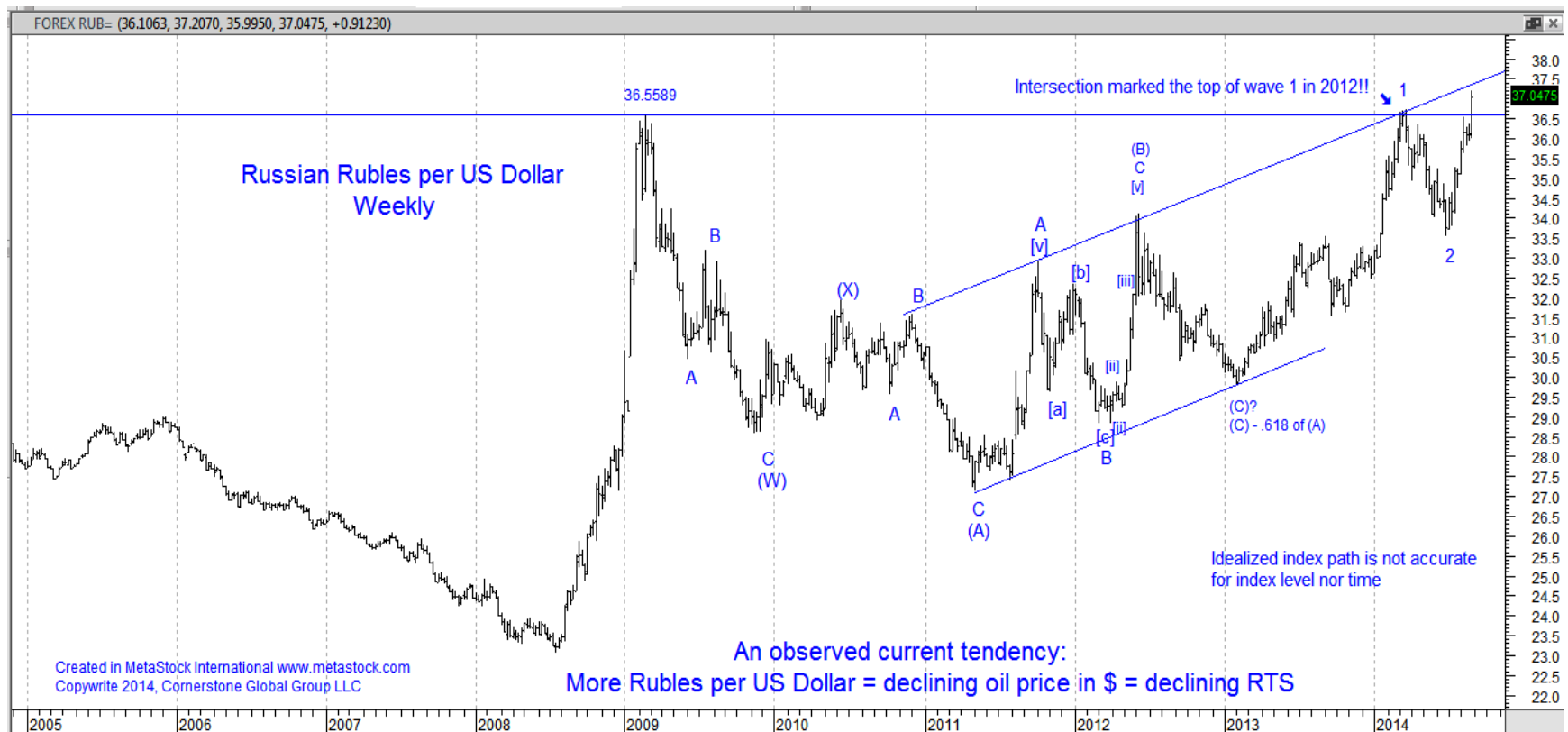
Currency Cycles – USD per GB Pounds





Cornerstone™
Global Group
LLC

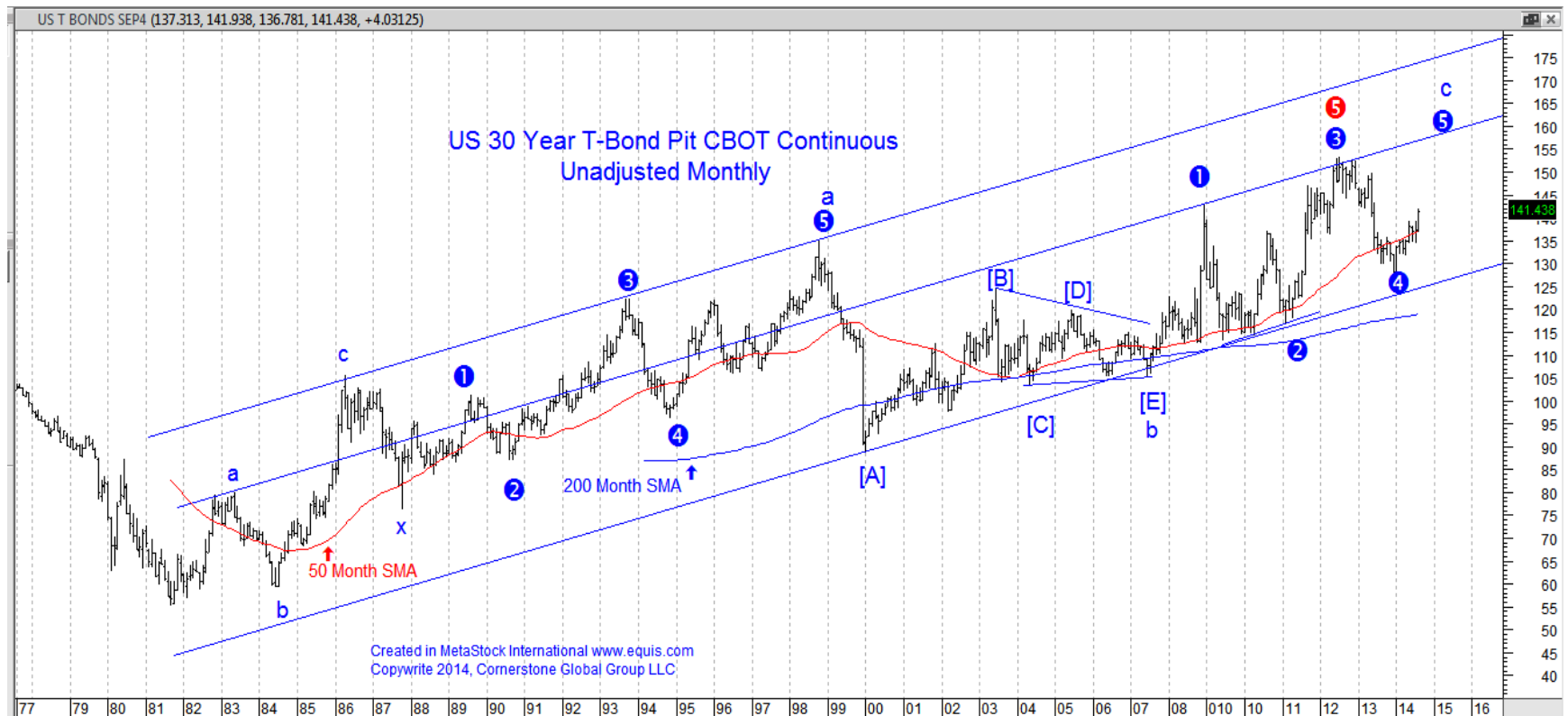
Currency Cycles – Russian Rubles per USD





Cornerstone™
Global Group
LLC

Bonds – US 30 Year T-Bond





Cornerstone™
Global Group
LLC

Intermarket Conclusion – A truly historic time!

Probability Expectations:

- Commodities indices lower
- US Dollar Index higher
- USA equities lower
- US Bond yields bottoming
- Global economies to bottom after equities
- A great boom lies ahead, after major bottoms



Cornerstone™
Global Group
LLC

Take Away Summary

- “The trend is your friend until it ends and they all end. However, the end is but the beginning of a new trend! Opportunity Abounds!”

Steven Shelton



Cornerstone[™]
Global Group
LLC

Global Economies and Markets: *A Truly Historic Time*

By

Steven M Shelton CFP®, CLU, ChFC, TEP, CIMA®, CMT

Securities and investment advice offered through Investment Planners, Inc. (Member FINRA/SIPC) and IPI Wealth Management, Inc., 226 W. Eldorado St., Decatur, IL 62522, 217-425-6340. Cornerstone Global Group LLC is not affiliated with Investment Planners, Inc. or IPI Wealth Management, Inc. Cornerstone Global Group LLC does not offer securities advice and is not a member of FINRA/SIPC. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden. Cornerstone Global Group LLC does not render legal or tax advice, and the information contained in this communication should not be regarded as such. Material is only intended for use with institutional investors and not intended for use with retail investors. Copyright 2014, Cornerstone Global Group LLC, www.cornerstoneglobalgroup.com