



CAPITAL MANAGEMENT GROUP
of Wells Fargo Advisors

HLM Short Take – December 21, 2018

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After last Friday's break of technical support, we estimated in the Hefter Report that the market could fall another 5-8%. As of this writing, the S&P 500 has already dropped 5% since last Friday. We are approaching levels where we may, opportunistically, put some of the cash we've raised to work again.

According to our interpretation of the charts, the S&P 500 index has long term support at the 2375-2400 level. The index may not get there but, at those levels, we think equities would be at attractive valuations.

We wish everyone a very happy and healthy holiday season.

Investment and Insurance Products: ▶NOT FDIC Insured ▶NO Bank Guarantee ▶MAY Lose Value

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Stocks are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. There is no guarantee that dividend-paying stocks will return more than the overall stock market. Dividends are not guaranteed and are subject to change or elimination.

The prices of small and mid-cap company stocks are generally more volatile than large company stocks. They often involve higher risks because smaller companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. Investing in emerging markets accentuates these risks

Investments that are concentrated in a specific sector or industry may be subject to a higher degree of market risk than investments that are more diversified.

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There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

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