DOUGLASBRADLEY LLC

Personal Financial Advisors

March 2009

DOUGLASBRADLEY'S MONEYWISE

Financial News and Insight from an Independent Advisor

In This Issue

Quick Links

About DouglasBradley

DouglasBradley's Pressroom

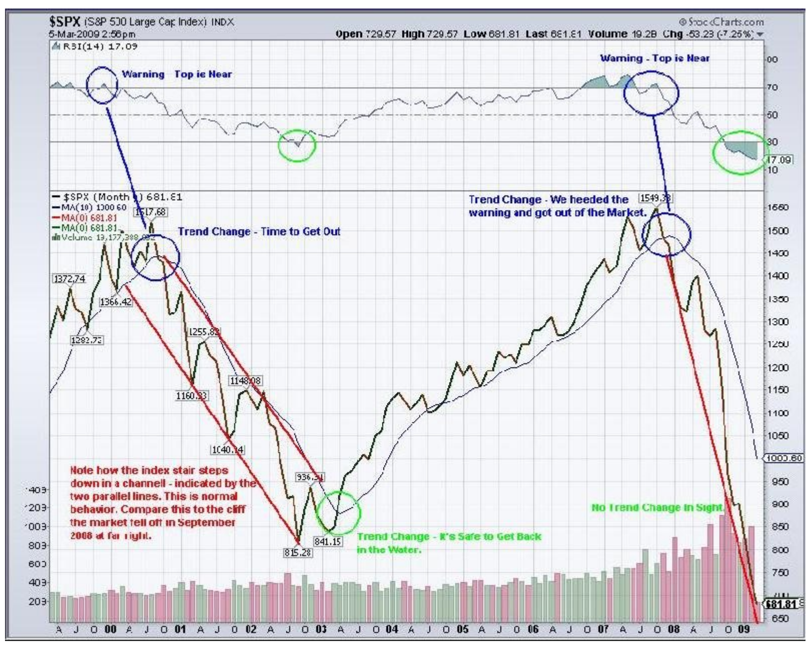
Join Our Mailing List!

Time to Buy?

It's been commented that this stock market decline has been the worst since The Great Depression. It has not exhibited the action of a typical Bear Market - as you can see clearly in the chart below.

Note that the decline in 2000-2002 "stair-stepped" down in a channel in an orderly fashion. This is the typical way in which markets have corrected over the last 100 years. Whereas, as Warren Buffett succinctly commented Monday: The economy has "fallen off a cliff" over the last six months.

One would naturally expect some sort of a rally at this point, but we believe it is still to early to declare that it's safe to "get back in the water".



You can see the chart in full-size by clicking on it.

Bye-Bye Big Brokerage

Between the drop in the stock market and all the problems at the big brokerage firms, many clients have said enough is enough. Many are moving to smaller firms, and it's no surprise.

Over the last decade there has been a push among the big financial firms to consolidate their retail businesses to increase revenue and to "cross-sell" to current clients. For example, Citibank (a bank) buys Traveler's (an insurance company) and SmithBarney (a brokerage firm). Why? To sell insurance and financial products to all their customers.

Almost every large financial firm had a brokerage arm: Wachovia, AIG, ING, Citigroup, etc...

Whether one of the large conglomerates or the independent brokerage houses (MorganStanley, Goldman Sachs), what one has to understand about these businesses is that clients are viewed as nothing more than revenue sources. It's why the teller at the bank introduces you to their in-house "financial planner" (actually nothing more than a salesperson) when they note you have a high checking or savings account balance. Then they sell you a variable annuity or some mutual fund.

When the market is going up and everything is smooth sailing, people don't tend to question intent or ability. But when the ship's sinking everyone wants to know why there isn't a captain at the wheel. He/She bailed out long ago.

It's not much of an exaggeration. Wachovia sold off their brokerage business to Wells Fargo. Merrill Lynch is now part of Bank of America. AIG is looking to sell their brokers. The brokers/advisors have no idea what's going on, let alone the clients. Low producing brokers/advisors are either being forced out of the business or fired. The clients are left to hang out to dry.

Don't expect us to feel bad for the big brokerage firms. Independent advisors such as ourselves have always bristled at the way they used their marketing muscle to portray themselves as trustworthy and dedicated to their clients' well being. Finally the curtain has been pulled back and we see this isn't the case.

Thankfully, the smaller advisors are still in business to help the survivors of this wreck.

CNBC Plays at Financial Advisor

Below is a link to a recent segment on Comedy Central's The Daily Show with Jon Stewart. Not exactly the New York Times or Wall Street Journal, but one of the few places we've actually seen a member of the media call the financial news programs to task.

You can skip the first 3 minutes or so to get to the CNBC bit. Jon essentially shows how ridiculous it is to listen to anything Jim Cramer and his ilk say. Remember - these folks say what they do to generate ad revenue, not to help people's portfolios grow. They have no vested interest in anyone's success or failure other than their own. It's essentially financial pornography.

Jon Stewart: CNBC Gives Financial Advice

The DouglasBradley Team

Douglas O. Robinson
President
(443) 451-1884
doug@douglasbradley.com

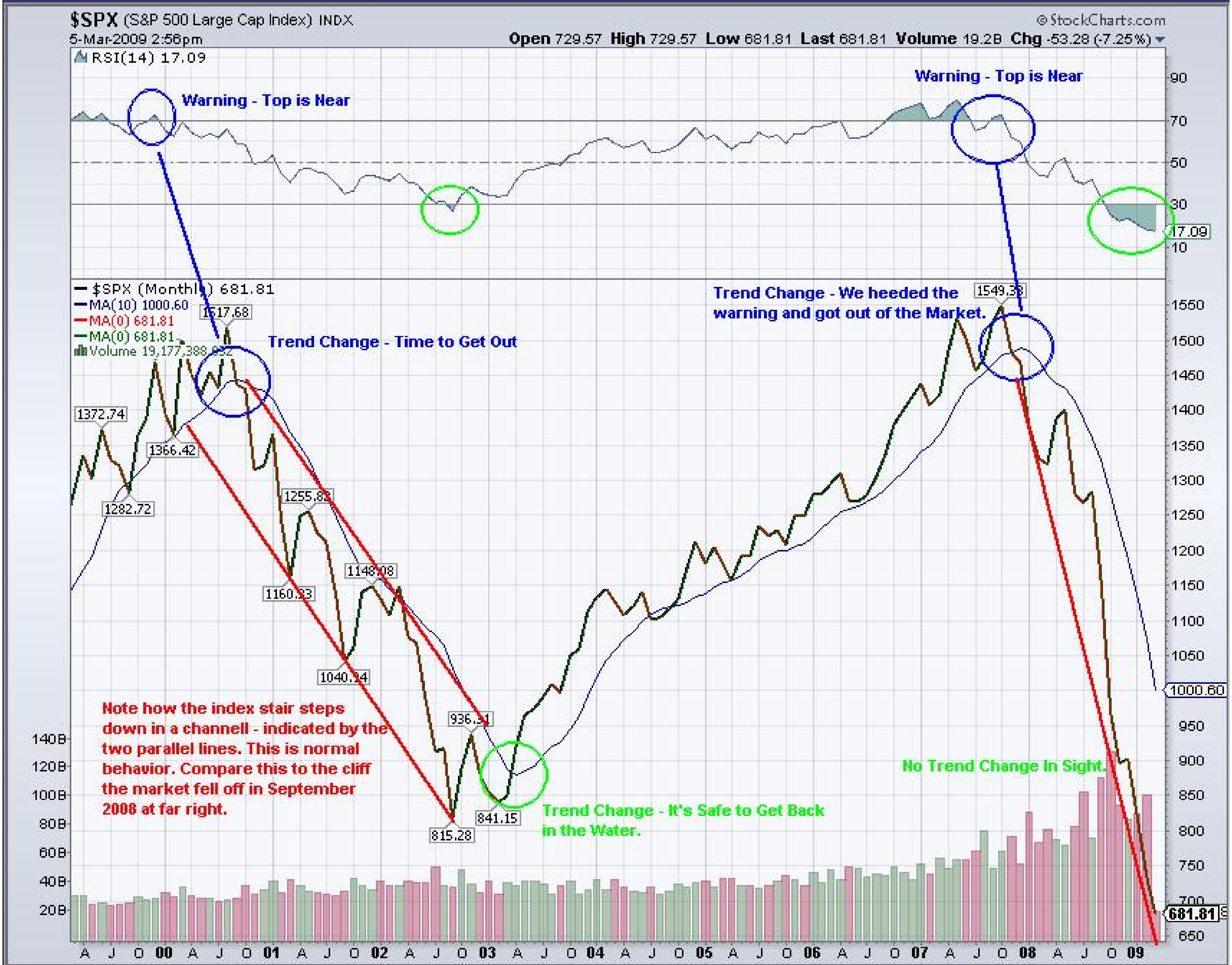
Bradley D. Loper
Chief Investment Officer
(301) 576-0872
brad@douglasbradley.com

Mahesh P. Desai
Senior VP Retirement Planning
(301) 233-1261
mahesh@douglasbradley.com

Visit us on the Web at:

www.DouglasBradley.com

DouglasBradley LLC | 522 Inglewood Rd | Bel Air | MD | 21015


$SPX (S&P 500 Large Cap Index) INDX
©StockCharts.com
5-Mar-2009 2:56pm
Open 729.57 High 729.57 Low 681.81 Last 681.81 Volume 19.2B Chg -53.28 (-7.25%)
RSI(14) 17.09
Warning - Top is Near
Warning - Top is Near
$SPX (Monthly) 681.81
MA(10) 1000.60
MA(0) 681.81
MA(0) 681.81
Volume 19,177,388,032
Trend Change - Time to Get Out
Trend Change - We heeded the warning and got out of the Market.
Note how the index stair steps down in a channell - indicated by the two parallel lines. This is normal behavior. Compare this to the cliff the market fell off in September 2008 at far right.
Trend Change - It's Safe to Get Back in the Water.
No Trend Change In Sight.
1372.74
1366.42
1282.72
1517.68
1255.82
1160.33
1148.08
1040.94
936.31
815.28
841.15
1549.38
1000.60
681.81
17.09