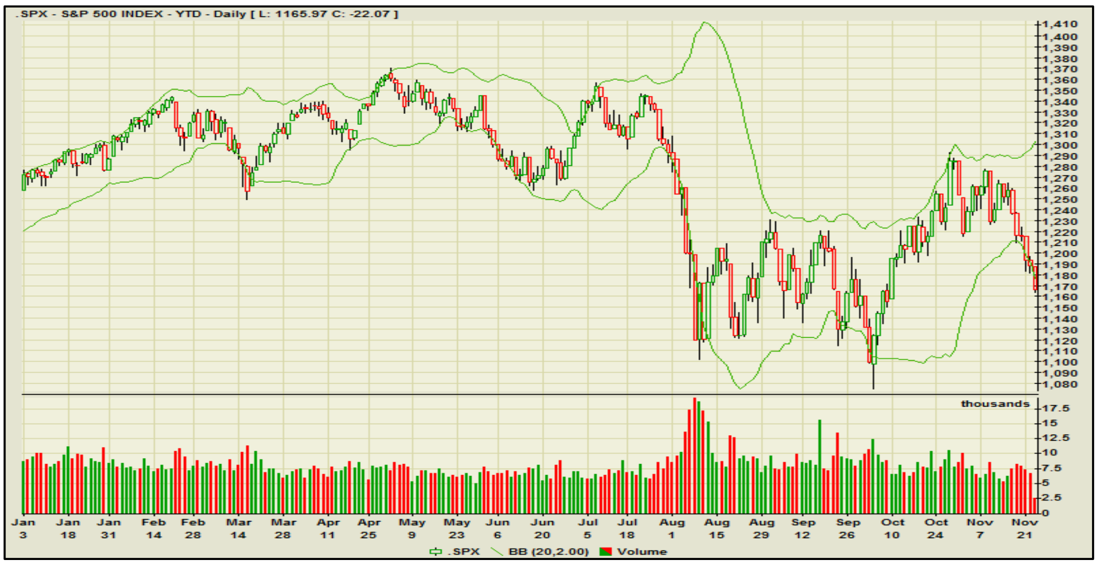
Continuum Global Asset Management, LLC

Thanksgiving…not for the Capital Markets!!!

Markets have declined 9.4% after gaining 19% from the low of October 4th, 2011 which can be clearly observed in the chart below. These numbers are ambiguous and would make any investor's head spin, as most investors do not and cannot trade on a weekly, monthly or quarterly basis.



Our recent write up started with: "Patience is a Virtue!!!" and ended with… "I believe that there are some major issues like European debt, US political gridlock, decelating econmies; both domestic and global that concern investors. But I also believe that the majority of the market reaction comes from the recent memory of the US housing and banking collapse which wiped out almost 50% of the US stock market value. To put that in perspective, the US stock market value in October 2007 was approximately $13 trillion. By March of 2009, this value had dwindeled down to approximately $8-9 trillion."

Instead of qualitatively projecting the markets, we have used fundamental and technical variables to develop a regression model that attempts to project the direction of the markets. Tables 1 below illustrate the variables used and market projection.

ASSUMPTIONS		**Market Projections**	
S&P 500 Earnings	$ 100.00	**S&P 500 (Projection, 12 month) =**	**1,307.02**
S&P 500 PE Ratio	14	**S&P 500 (Current, Nov 23rd, 2011) =**	**1,170.44**
Treasury Bond Rate (%)	2.5	**S&P 500 (Gain/Loss) =**	**+11.67%**
Inflation Rate (%)	3		
Volatility (VIX) Index	35		
Unemployment (%)	9		

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It is important to understand that despite the major European debt problems and the US political gridlock, the US economy has been growing north of 2% for the last 2 quarters. In addition, even though employment hasn't improved notable, it hasn't deteriorated either. The most important and crucial development has been in the dimension of US corporate earnings.

Majority of the US corporations belonging to the Standard and Poor's 500 index have reported robust earnings and their management have guided a bright future. We have used a reasonably conservative figure in relation to US corporate earnings and have left the other variables as used since September. Our market projection model shows a potential to gain 10-12% from current values, unless we see a significant deterioration in US earnings. Again, we do believe that US corporate earnings will sustain their growth into 2012.

We noted in our previous write up and reiterate that panics create great buying opportunities. We believe that despite the uncertainty and the possibility of some more volatility and market decline, we are closer to the bottom in the capital markets. Therefore, we believe that this is the time to start investing in high dividend paying stocks which have global exposure. These companies have great staying power and could benefit from both domestic consumption and global growth.

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