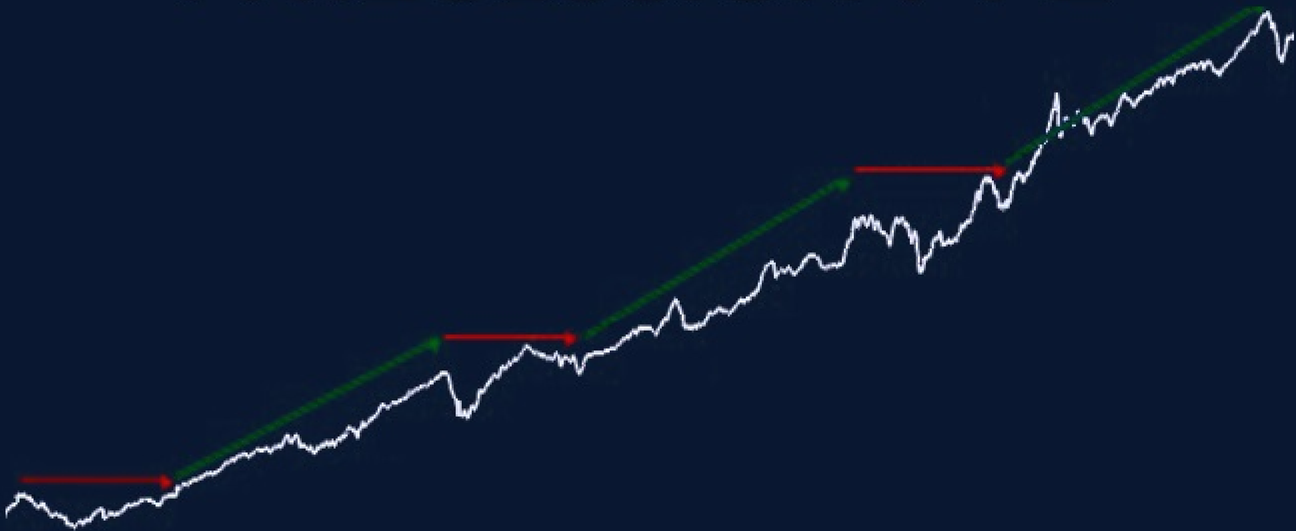
WHAT HAPPENS TO SHARE PRICES DURING A RECESSION PT 2



Trade for Good.

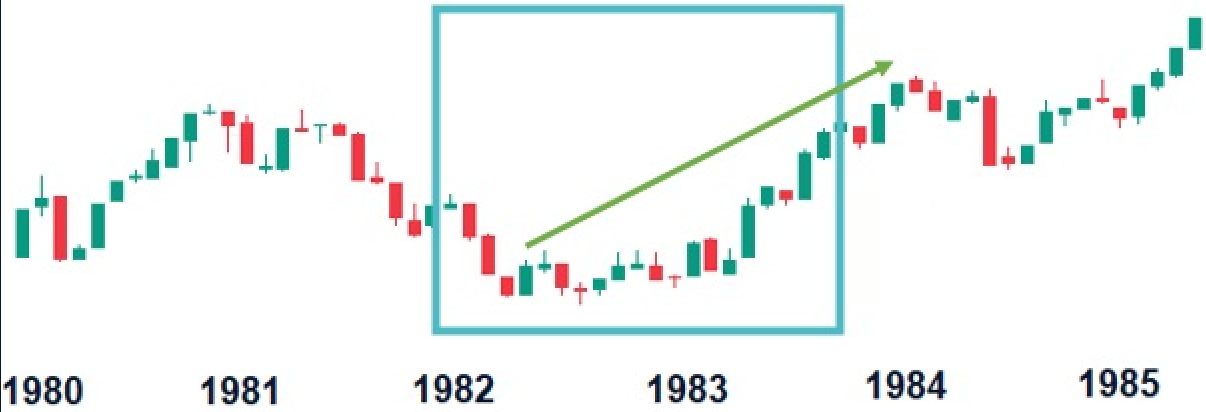
Investor Opportunities

Although shares prices often fell heavily at around the same time as the economic crises, in almost all cases, the share market fell *before* the economic contractions.

Most of the big share market crashes were not actually during economic 'recessions' – not the 55% share crash in the GFC, the 50% crash in 1987, nor most of the other big falls.

Trade for
Good.

Conversely, some of the best years for Australian shares have been when the economy was contracting or still weak (albeit after big share falls earlier). For example: 1983, which was the best year ever for Australian shares (up **+60%**), during the 1981-1983 recession.



Trade for
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The hard part for investors is having the courage to buy shares when the economy is still contracting and the media headlines are full of doom and gloom about a cascade of corporate collapses, bankruptcies, and rising unemployment.

Trade for
Good.