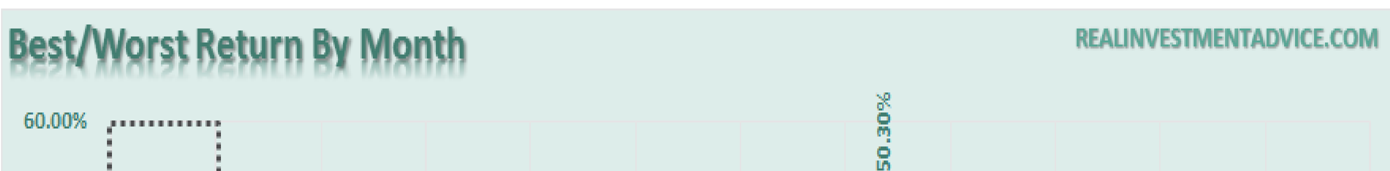
Last week, I started the weekly reading list by stating:

> "This week has certainly been interesting with the Dow Jones Industrial Average having the worst start to a year...well...ever."

This week was not much difference as the markets continued their slide into the *"worst-start-of-the-year-everer."* However, with the markets roughly down 7% since the beginning of this year, it certainly has seemed painful as investors have been slammed from all angles. However, as I addressed earlier this year with respect to January statistics, this is well within historical norms. To wit:

> "Furthermore, while January?s maximum positive return was just 9.2%, the maximum drawdown for the month was the lowest for all months at -6.79%."



"However, given the length of the current bull market run from 2009 to present, the risks are mounting that January will likely have consecutive negative performance years which would confirm the ongoing market topping process I discussed previously. Such an outcome would suggest a more conservative approach to investment allocations."

With the markets now extremely oversold on a short-term basis, it is quite likely that a bounce will occur in the days ahead. Such a bounce will likely be met by sellers wanting to reduce risk of a more substantial correction. But will they be right? This weekend's reading list is a collection of articles on the current state of the market. •Is the bull still alive or is it being hunted by the bear?

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1) Death Throes Of A Bull Market by Anthony Mirhaydari via Fiscal Times

?Fed Chair Janet Yellen will be forced to either acknowledge labor market tightening as reason to continue with the four-hike schedule for 2016 or risk her credibility, belittle job market stability and sound a warning about the risks of lower oil prices and cheap gasoline *(sacrilege to regular Americans)* by slowing the hiking pace after a single 0.25

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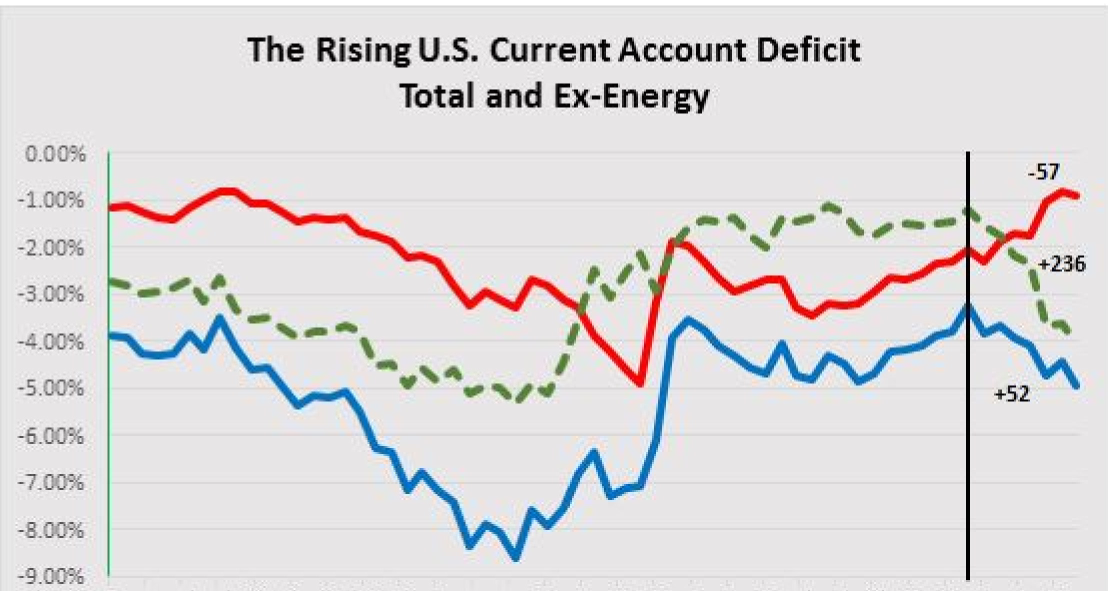
But Also Read: It's Too Early To Call The End Of The Bull by Andrew Bary via Barron's

2) Market Dive Explained In One Chart by Daniel Alpert via CNBC



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Read: **The U.S. Is Teetering On Edge Of Recession** by Robert Reich via TruthDig **Opposing View:** • **No Recession Yet** • by Caroline Baum via MarketWatch **3) The Bear Comes Out Of Hibernation** by Michael Snyder via Zero Hedge

> ?According to the Bespoke Investment Group, **the average stock on that index is down a staggering 26.9 percent from the peak of the market?** Indeed,•the Standard & Poor?s 1500 index ? **a broad basket of large, mid and small company stocks ? shows that the average stock?s distance from its 52-week high•is 26.9%**, according to stats compiled by Bespoke Investment Group through Friday?s close. 'That?s bear market territory!' says Paul Hickey, co-founder of Bespoke Investment Group, the firm that provided USA TODAY with the gloomy price data.
>
> So if the average stock has fallen 26.9 percent, what kind of market are we in? **To me, that is definitely bear market territory.**?

But Also Read: **What Is Jeff Gundlach Predicting For 2016** by John Gittelsohn via Bloomberg **4) We Are Entering "Irrational Pessimism"** by David Rosenberg via Financial Post

> ?'If you can keep your head when all about you are losing theirs and blaming it on you.' Thank you, Mr. Kipling. Keep saying it over and over. I have three pieces of advice to all the Nervous Nellies out there: Turn off the TV, focus on the big picture, and review your asset mix so as to use this corrective phase and radical repricing of relative asset prices as an opportunity to rebalance the portfolio."

But Also Read: **RBS Cries "Sell Everything"** by Ambrose Evans-Pritchard **Further Read: Big Bad China** by Shane Obata via THA Business **5) What Is A Reveral Vs. A Correction** by Simon Constable via WSJ

> ?For the past 12 months the S&P 500 index of large stocks has bounced around, neither continuing the trend upward nor starting a new one downward. That ?sideways? movement is making some market strategists worried that a reversal may occur in which a new downward trend starts. If such a trend does start, these strategists will want to warn investors earlier rather than later."

But Also Read: **Smart Money Turning Bearish** by Julia La Roche via Business Insider **And: The Future Ain't What It Used To Be** by Doug Kass via Yahoo Finance

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MUST READS

- **The Last Hurrah For Job Growth** by Louis Woodhill via Real Clear Markets
- **US Real Estate 25-60% Overvalued** by Chris Matthews via Fortune
- **Retired Until No Other Job Available** by Salil Mehta via Statistical Ideas
- **SNAFU - Situation Normal All 'FANGed Up** by Cliff Asness via AQR
- **The Payoff Pitch** by Michael Liebowitz via 720 Global
- **A 40-55% Reversal Return To Norms** by John Hussman via Hussman Funds
- **Predicting The Future Is Impossible** by Joe Calhoun via Alhambra Partners
- **Peak Pessimism: S&P Will Fall By 75%** by Tyler Durden via Zero Hedge
- **3 Charts Every Investor Must See** by Jesse Felder via The Felder Report
- **Complacent Correction Cause For Concern** by Dana Lyons via Tumblr

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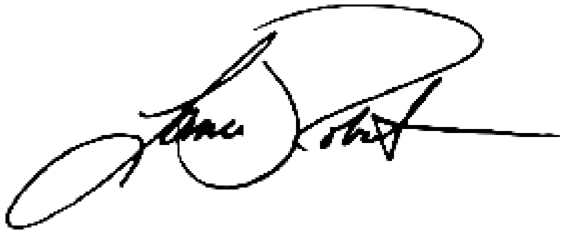
?Better to preserve capital on the downside rather than outperform on the upside"
•?•William J. Lippman



Question, comments, suggestions ? please email me.

Lance Roberts Lance Roberts is a Chief Portfolio Strategist/Economist for Clarity Financial. He is also the host of ?The Lance Roberts Show? and Chief Editor of the ?Real Investment Advice? website and author of ?Real Investment Daily" blog and "Real Investment Report". Follow Lance on Facebook, Twitter, and Linked-In