First rule of Investing. Dont fall in love with positions or try to prove yourself right. I thought we might get a bounce. I was wrong. I covered my short puts when the market started to shed its gains. So I lucked out there.

More importantly, i wanted to clarify my bullishness. I don't think the markets will just immediately turn around, and i dont want them to. I dont need to pick the absolute bottom of the markets to see stocks that pay good yields at these levels. More importantly, if they pay good yields at this level. They will pay better yields at lower levels.

Once I made the decision to go long, I didnt just dive in and buy everything I wanted to own. I took a bite. The market traded down. I took another bite. And will continue to do so as the market falls until Im full. The stock market is full of suckers. They bought their stocks hoping there was someone there to buy them at a higher price. When that disappears, they dont have any reason to own stocks, so they sell. Selling in this age doesn't mean calling your broker to bail out of stocks. it means moving money aroundin your 401k , from a mutual fund to a money market. From a hedge fund to a CD.

Individuals are capitulating. They just dont know it. They are being told to not sell their stocks. Most dont own individual stocks. They own shares of funds. Which they are moving out of equity funds and into money markets or CDs. The wealthier are pulling money from Hedge Funds. In their minds they aren't selling shares. They are protecting themselves, they are moving money. What they dont realize is that yanking their money from the funds, forces the fund to liquidate their assets in order to fund the withdrawls.. Mutual Funds, Hedge Funds ,are selling to meet the withdrawls. Forcing the markets down. How freaked out are some of these people going to be when they have to pay taxes on capital gains in funds they sold at a lost ?

We are also seeing a corporate margin call reminiscent of the Tech Bubble Burst of 2000. Back then execs of companies would take out loans against the stock they owned in their companies. Back then they borrowed against 50pct or more of their stock values, never imagining the stock prices could crater. These days, execs are borrowing against their stocks again. Never imagining that the stock prices could crater to these levels. Well they have, so execs are being forced to bail out of their own stocks. I wouldnt be suprised to start reading that companies that sold puts disclosing that they

Hedge Fund, Mututal Fund, Exec Selling is pushing supplies of shares far beyond demand. Which forces prices down

I dont know how low the market will go, and I know this is very self serving, but from a portfolio perspective, the lower the better. I have been saving cash for a rainy day, and its been pouring all week. Im in no rush to buy all the stocks that I want to buy. If the market goes down, i collect dividends on the stocks i bought and I get to buy more of the stocks I like at a better price. If the market goes up, I can stop buying, collect dividends, and start saving for the next rainy day. And there will be another..

We have come down 6,000 Dow Points from the high. It can only go down 8200 more. At some point before then, the companies become so cheap, you just buy them outright. At some point before then, the shorts start covering to lock in gains. Either way, I waited all this time to go long, Im in no rush to buy. But buy I will. Im going long.