STAR CAPITAL INC.

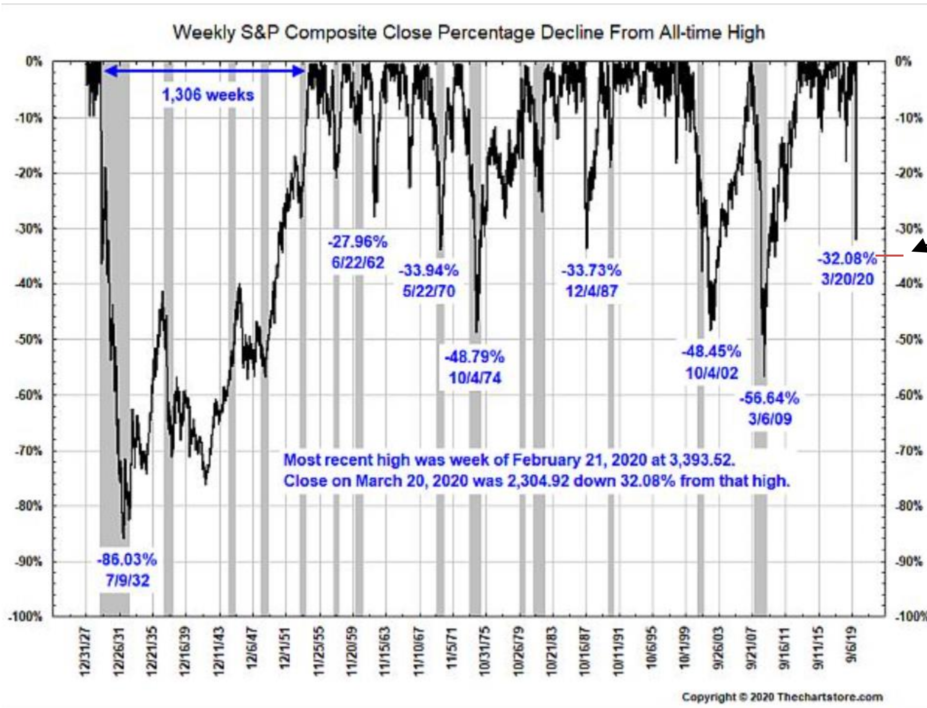
MARKET INDICATOR ANALYSIS

EXECUTIVE SUMMARY

Analysis of sentiment & technical indicators are demonstrating significant bearishness potentially priced into markets that may signal a bottom in process

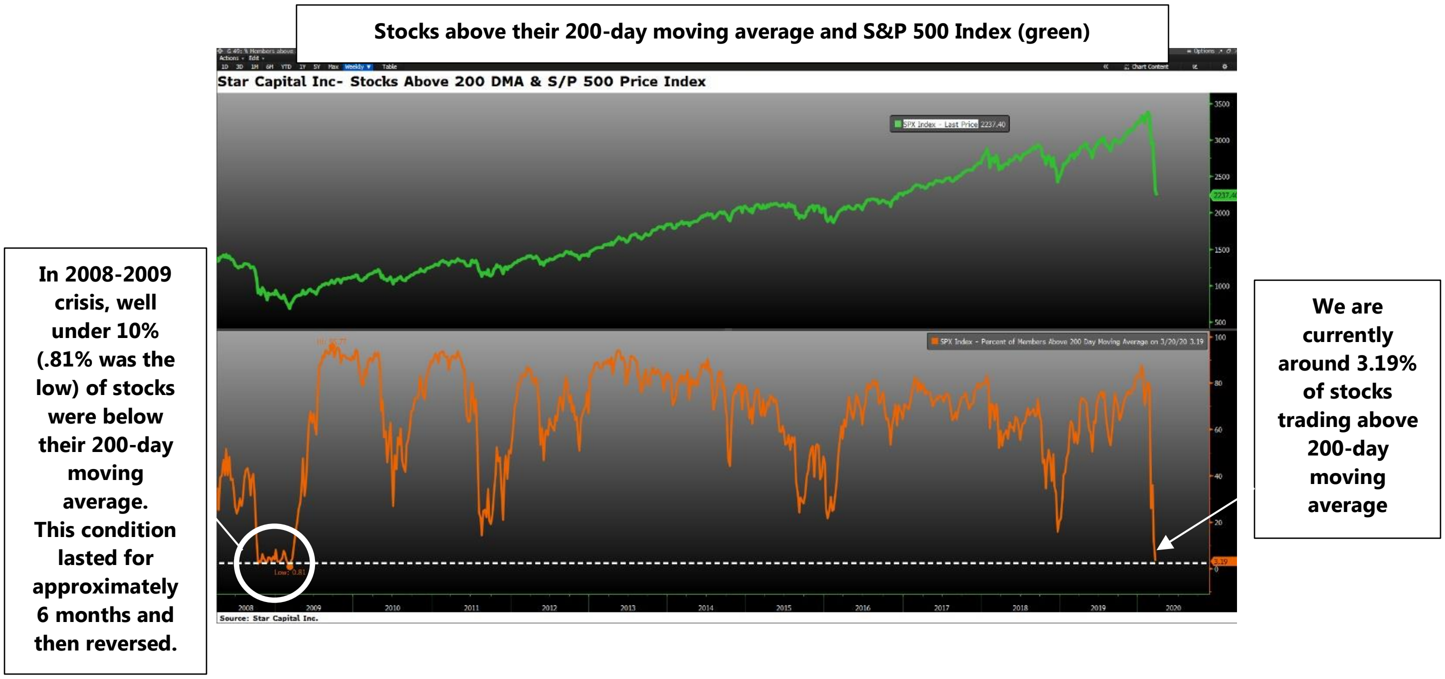
As the markets continue to slide, we thought it worthwhile to share graphical representations of technical and market sentiment indicators we use to assess the market dynamics. This is an effort to reduce emotion and help assess a risk/reward perspective.

This chart was compiled as of market close on Friday, March 20. As you can see, the market correction is already considered meaningful from a historic standpoint. The S&P lost just under 3% again on Monday, March 23 at the time of producing this evaluation breakdown.

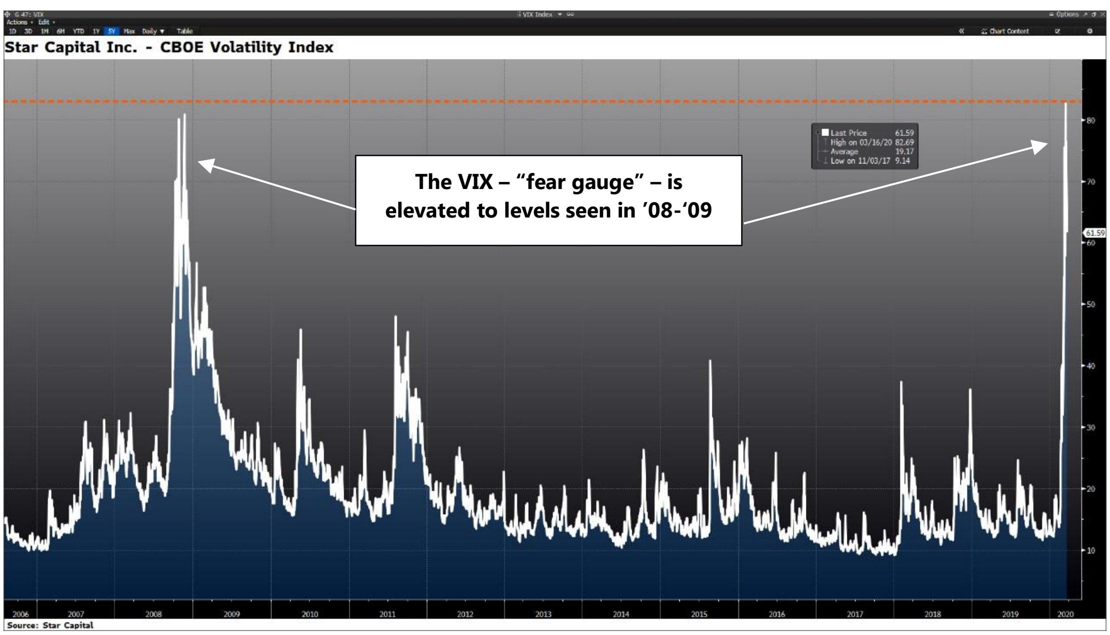


This data illustrates that there have been 6 corrections of this magnitude or greater since 1950 greater.

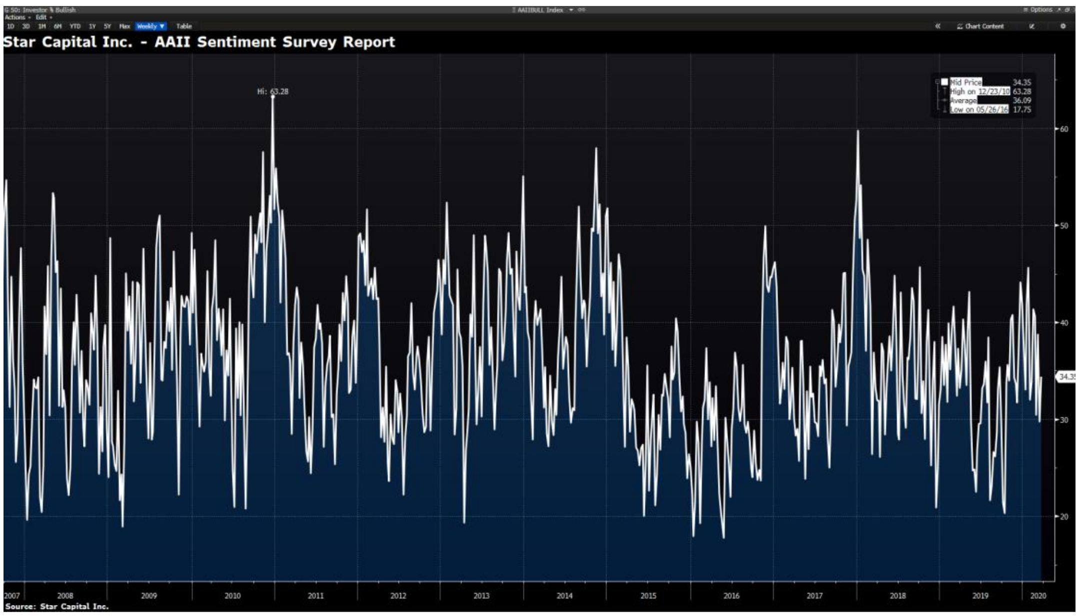
The number of stock trading above their 200-day moving price average (a proxy on how over bought or oversold stock are relative to recent price trends) are approaching lows seen in the financial crisis of ’08-’09 and 2002 .com technology bust. Sometimes this indicator can reverse quickly or like ’08-’09 it took 6 months before reversing upward as the stock indexes started rising again.



The volatility index, also called the “fear gauge”, is showing levels last seen in the financial crisis level and is displaying extreme levels of fear.

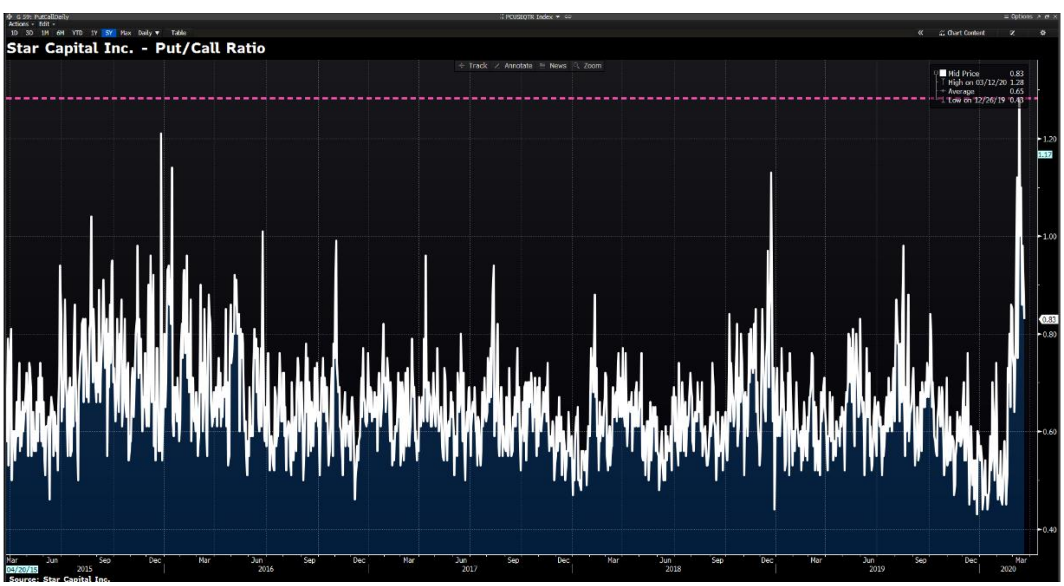


The AAII sentiment indicator is a weekly survey attempting to assess how "bullish" or "bearish" money managers and Wall Street participants are at time of questionnaire. This indicator is used as a contrarian indicator. When the group is surveyed as "bearish" most read this to be positive. Overly bullish sentiment is generally viewed as time to be cautious. While 34% of participants are bullish, this indicator can go lower and into the 20s.



We prefer to see the AII Sentiment Indicator down in the 20's as a confirmation of a potential bottom

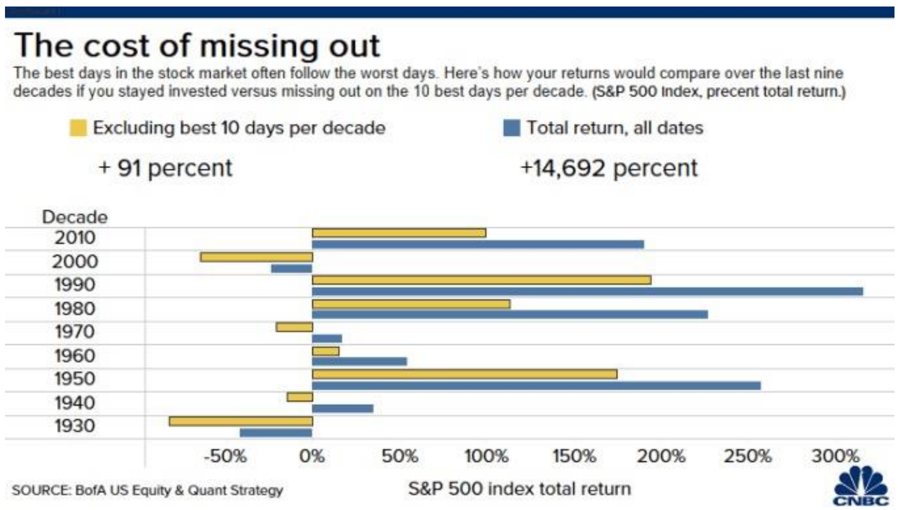
The last indicator we want to present is the put/call ratio that attempts to measure how much investors are hedging their portfolios (as opposed to how they feel. Again, this measure is used as a contrarian indicator. When investors are aggressively hedged, they are fearful and, therefore, the opportunity lies in going against the herd, or so goes the logic.



The put/call ratio measures investor hedging activities. A peak last Friday at 1.20 reflects aggressive activity and is considered a bullish sign

This indicator spiked last Friday and settled down on Monday. Our interpretation is there has been significant hedging strategies taking place.

As we conclude, we wanted to add an illustration from CNBC where they quantify missing the big up days that tend to follow the worse days. According to their analysis, these big reversals go along way to recovering losses and posting gains over time.



It is imperative in these challenging periods to recognize that selloffs, downturns, pullbacks, corrections and even Bear markets are events that equity investors always must endure on their way to the best long-term performance of any financial asset classes.

Our experience has taught us it is very difficult to time the market as emotions tend to work against opportunity. We urge readers of this update to work with their financial advisors to fully assess their risk tolerance.

Based on the indicators above and others we monitor, we sense we are approaching levels where the market is presenting a bottoming process. It is a process for the market to determine a bottom, not an event.

Could there be more downside? Yes. But it will likely only skew the tables more in favor of opportunity.

THANK YOU

Star Capital Inc.