

Reality Check

The Next Apocalypse Du Jour?

- As we have often pointed out, the equity market has had an average pullback of about 14% since 1980. Thus, we expect some kind of pull back along those lines about every year, although, we state emphatically, this can never be timed successfully. You may recall that the last one was about 11% in the first six weeks of 2016. (With the media hysterics, “THE WORST SIX WEEKS IN THE HISTORY OF THE WORLD”). The one before that was about 14% in August of 2015, (More hysterics, “CHINA INVADED BY ZOMBIES...or something China, we don’t remember).
- Interest rates have gone back up appreciably in recent months; industrial commodity prices are trending back toward their old high, a sign of stronger economic growth. Put these straws in the wind together and it might not be much longer before we get the next apocalypse du jour...INFLATION.
- Should the market take a breather when the media and its camp followers, the perennial doomsayers start pushing this narrative, be not afraid. No changes in your portfolio will be warranted by this; remember one of our guiding principles; if your goals have not changed, we don’t change your portfolio.
- If the decibel level of the “I” word and or the extent of any market correction start bothering you, turn off the television set, stay off the internet. If they keep bothering you, call us. Or better yet come see us.
- Most importantly; This too...whatever “this” happens to be at any given moment...shall pass.