

March 5, 2020

## IS IT TIME TO GET OUT OF THE MARKET?

By Troy A. Kestner, CFP®

I don't feel good about what is unfolding with the Coronavirus. Yes I think it is a bit over blown in the media but from a business perspective, it has been disruptive. I'm sure the 14 day quarantines are just miserable. In our world of just in time inventory, the supply chain timing has been thrown off. How much I don't think anyone knows yet. Factories have shut down. Airlines have cut flights. I don't think anyone would disagree that the juggernaut US economy was purring on all cylinders. It's hard to run full speed wide open for a long time without hitting some bumps.

### SPEED BUMPS OR HICCUPS

No one knows if these are going to cause a global recession or if it's just another hiccup. What about getting out of the market? If I was a gambler placing bets I would. The market hates uncertainty and there is plenty to go around right now. I think the market will go down more before it returns to new highs. However, I'm not a gambler. I don't encourage trading on speculation. I'm an investor. The companies of our great nation and a few others around the world will be worth more in the future than they are today. Our investment planning spends a tremendous amount of attention to risk. Our client's investment portfolios are built to meet their long term financial goals. They are not built to outperform a particular market index. They are not built on short term trading whims or to time the market.

### WHY AM I STAYING INVESTED WHEN I THINK THE MARKET WILL GO DOWN?

The market always goes down. It part of history and part of the planning. What goes up must come back down before it can go back up. No one knows what the market will do in the short term. I don't have the investable net worth to place short term bets and risk my long term goals. Few people do. Not only do I have to be right that the market is going down, but I also have to be right on when to get back into the market too. That by definition is gambling. I have to be lucky twice... in a row.

If I wait to get back in the market when it's better, I have missed a lot of the upside. The other part of being out of the stock market when you should be in and the market takes off to new highs, it may never come back down to where I got out in the first place. I could permanently damage my long term financial goals because I have missed the upswing in the market. The train left the station and is never coming back.

Plus I can think of several scenarios where the market recovers to new highs. Imagine another 3 months of 3-4% daily up and down market swings like we have had the last 2 weeks. The sun is out and warmer days have returned along more activity. Most everyone has stopped paying attention to the market. They are all exhausted with it and more so the election season. However, the market finds some footing and stabilizes in late summer and it becomes clear President Trump will be re-elected as the incumbent. More free trade, more pro-business policies and more potential for new highs in the markets.

The markets have gone down throughout history. Many times much worse than the current decline. 100% of the time it has recovered and reached new highs. Be an investor, not a gambler.

The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of Troy Kestner, SWK Financial Planning Advisors of Raymond James and not necessarily those of Raymond James. Expressions of opinion are as of this date and are subject to change without notice. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions.