



Market Volatility and Coronavirus

Market Volatility -

As so it begins...As of this writing on Wednesday, March 11, 2020, stocks' 11-year bull run is on the verge of ending. The Dow Jones Industrial Average (DJIA) fell more than 1,400 points during the session, sending it more than 20% below its recent high from February and into a bear market.

Recent headlines in the news are pretty scary. The coronavirus fears are to blame. We find ourselves asking what should we do now? Emotions scream to get out of the market *now*, however, smart money says stay the course and invest more.

Both the speed and the magnitude of this correction is emotionally jarring. But it is important to have some perspective. Rather than focus on the seemingly endless downward spiral, think about the sustained highs of the last 11 years and what that phenomenon has done to our collective expectations. After long bull markets, it is human nature to expect things to continue and think we can take on more risk than we think. Down markets really separate speculators from investors.

We think increased volatility will continue for a while and market conditions will likely get worse before they get better. However, we ask that you keep in mind a few things:

- Stocks are approximately a 20% better buy today than they were on February 19.
- Capitalism will survive the coronavirus.
- Selling after a down market doesn't work in the long run.

For what it's worth, we are continuing to personally invest in stocks during this time.

Coronavirus (COVID-19) -

The World Health Organization (WHO) declared the new coronavirus a pandemic today. Worldwide viral pandemics occur on average every 25 to 30 years. Pandemics, like the diseases themselves, run their course. The coronavirus will also run its course, as will its impact on global markets.

The coronavirus (COVID-19) that emerged in China's Hubei province late last year has now spread to more than 50 countries. The outbreaks in Italy, Iran, and South Korea are particularly serious, but the number of cases is climbing rapidly elsewhere.

As of now, coronavirus news is not good. For those who haven't yet discovered it, this [dashboard](#) from Johns Hopkins University's Center for Systems Science and Engineering (CSSE) provides real-time updates of the number of cases, deaths and recoveries; as well as the geographic distribution thereof. This dashboard also provides direct links to the World Health Organization (WHO) and Centers for Disease Control and Prevention (CDC) among others.

Parting Thoughts -

Investing is simple, but not easy.

The following is something you may have asked yourselves in the past –

Question 1 – We want you to imagine that you are financially secure, that you have enough money to take care of your needs, now and in the future. The question is...how would you live your life? Would you change anything? Think to yourself of a life that is complete, that is richly yours.

Question 2 – This time you visit your doctor who tells you that have only 5-10 years left to live. The good part is that you won't ever feel sick. The bad news is that you will have no notice of the moment of your death. What will you do in the time you have remaining to live? Will you change your life and how will you do it?

Question 3 – This time your doctor shocks you with the news that you have only one day left to live. Notice what feelings arise as you confront your very real mortality. What did you miss? Who did you not get to be? What did you not get to do?

Question 4 – What is your greatest risk? A stock market crash? A financial plan not in place? Not living into your dream?

Please call us if you feel you need to talk about anything. We are here and willing to help however we can.

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Dow Jones Industrial Average Index: The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

S&P 500 Index: The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

NASDAQ Composite Index: The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based index.

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Citations:

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