

## Market Commentary: October 2013

“Fortunately we invest in stocks... Not politicians...” was one of the headlines in a well-respected investment advisory newsletter last week. While not surprising that market volatility increased during the government shutdown/debt limit “crisis”, it was inevitable that investors who only paid attention to inflammatory rhetoric on some of the news programs, print media and internet might let emotion rule intellect. These are the situations that exacerbate fear and fuel rash decisions to sell out of the markets.

Over the years, I’ve learned that markets anticipate events, months before they happen. Markets seem to have minds of their own. In effect, markets reflect the cumulative opinion of millions of investors. It seems to me, based on my experience and the study of history of the markets, that the market was not really concerned that the approaching budget and debt limit deadlines were going to result in real trouble; had that been the case, the market would already have been down 10% or more, weeks before the news was consumed with the scare-inducing headlines.

Another thing I have learned is that bull markets, like the current one, do not suddenly implode; they suffer a slow death with higher daily prices masking internal weaknesses, over a sometimes lengthy period of time. The internal weaknesses, harbingers of bear markets, have only recently *begun* to emerge and were not prevalent leading up to the budget and debt deadlines. (NOTE: I emphasize the word *begun*; I am not saying that a bear market is imminent.) I add this caveat because it is always difficult for people to remain calm when the headlines say the sky is falling, and I am not and will not be surprised if some people become increasingly concerned and fearful going forward.

However, in the end, as I’ve emphasized in the past, our investments and allocations should be driven by our goals over the appropriate time horizon, NOT by short-term events that may or may not happen. Listening to politicians is always dangerous, during their time on the campaign trail and while they are in office. (Side note: I find it absolutely hilarious that the polls say Congress has an “approval rating” in the single digits; yet, about 90% of the individuals that make up the Congress will likely get reelected next year.) We are generally better off anticipating how the overall economy and the state of our investments might be affected by the rhetoric they spout (what they say) and the laws they pass (what they do),

As always, we are here to answer your questions and discuss your concerns. Please do not hesitate to contact us with your “Here’s what I’m thinking about doing” questions and instead of your “Guess what I just did” comments. We are here to help!

The statements above are the opinion of Kevin N. Tucker, CFP, as of October 22, 2013, and are subject to change at any time without notice. The above statements are not a recommendation of any investment product nor a solicitation to buy or sell any security. Past performance is not an indication of future results.

### **Tucker Financial Services 2013 Client Appreciation Open House**

*Tuesday, November 5th*

*5:15 – 8:00 pm*

*Ramada Convention Center, Downtown Topeka*

*420 SE 6<sup>th</sup> Street*

*Serving heavy hors d’ oeuvres, wine and beer*

Please join us as we celebrate another successful year together and say “Thank You” for allowing us to work with you. Bring a friend and enjoy! We invite those of you who want to bring friends or family to do so. This is a great opportunity in a relaxed environment to introduce us to them. We look forward to seeing you there!

***Reservations requested -- call soon to reserve for you and your guests.***

***785-272-5000 or 800-211-1496***