

Good News for Markets & Investors! Markets Up Monday Almost 5% Globally!

Merchant Of Hope & Prosperity (Sept 25,2001)

"Where Client Goals Become Our Goals"

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"Everything happens to everybody sooner or later, if there is time enough"- George Bernard Shaw

History tells us that selling on emotion is a very tough sport. *It is very difficult to make money while timing the market.* There are a lot of statistics that are being ignored right now by investors who are scared. We have been analyzing past performance following either tragic events or market crashes. One thing that is very clear in our analysis is that investors who missed the 5 best trading days during the year following a tragic event significantly under performed the market. Here's how the data looks if you owned the Dow stocks:

Desert Storm - Had you ridden through this cycle without selling, your 1-year return following Desert Storm would have been +24.5%. If you missed the five best trading days while timing the market your return would have been +9.7%.

Kuwait Invasion: Following 1-year return +7.0%; Missed 5 best days -8.4%

1987 Market Crash: Following 1-year return +23.1%; Missed 5 best days -6.8%

Cuban Missile Crisis: Following 1-year return +25.9%; Missed 5 best days +14.2%

Pearl Harbor: Following 1-year return +2.2%; Missed 5 best days -8.2%

Many confident investors feel that it would be highly unlikely for them to miss all five of the best trading days in a given year. One thing that you must remember, though, is that when the market makes a big move to the upside during tragic periods, it is due to hot news being released. Hot news works for investors who are already positioned in the market; not for those who try to buy after the news is out. The reason for this is that stocks will experience order imbalances and gap up before you can jump back in. Besides, why mess with timing the market if history tells us that the returns are robust if you just hang in there?

For those of you who bought stocks at, or near, the top of the market, you just have to hang in there. Things will eventually get better. It will take time, but the economy and the stock market will recover. The key is to be in the market when things improve; otherwise, you risk missing large moves to the upside.

At the close of markets today, markets rose Most up Almost 5% !

Market closes for Monday, September 24, 2001:

DOW JONES: 8603.44 / +367.63 pts or +4.46% / YTD -20.24%

S&P 500: 1003.40 / +37.60 pts or +3.89% / YTD -24.00%

NASDAQ: 1499.13 / +75.94 pts or +5.34% / YTD -39.32%

TSE 300: 6662.00 / +148.87 pts or +2.29% / YTD: -25.43%

FTSE 100: 4613.90 / +180.20 pts or +4.06% / YTD: -25.85%

DAX: 4038.69 / +251.46 pts or +6.64% / YTD: -37.23%

CAC: 3861.19 / +208.32 pts or +5.70% / YTD: -34.85%

MiscellanyCrude Oil Future Nov01: \$22.01 US / -\$3.96 or -15.25%

Canadian Dollar Closing Rate: \$1.5699 Cdn, \$0.6370 US

Friday's Dollar Closing Rate: \$1.5708 Cdn, \$0.6366 US

Canada 10-year bond: Current: \$104.65 / Previous: \$104.74 / Yield 5.376%

Canada 30-year bond: Current: \$97.88 / Previous: \$97.63 / Yield 5.906%

U.S. 10-year bond: Current: \$102.13 / Previous: \$102.14 / Yield 4.728%

U.S. 30-year bond: Current: \$97.09 / Previous: \$96.84 / Yield 5.577%

London AM Gold Fix: \$288.20 US London PM Gold Fix: \$289.75 US

U.S. STOCKS SOAR AS BUYERS STEP UP:

U.S. stocks rebounded for the first time since the September 11 terrorist attacks as investors bet that last week's declines exaggerated the depth of an expected recession. The Dow soared 367.63 points, or 4.5%, in the wake of a recommendation from Goldman, Sachs & Co. strategist Abby Joseph Cohen that investors move money into stocks from bonds. Last week, the Dow dropped 14.3% in the first week of trading since the horrific attacks on the World Trade Center and the Pentagon. Advancers today included General

Electric, Intel, HomeDepot and Boeing. Airline stocks got a boost from the \$15 billion US aid package approved by Congress. Meanwhile, the NASDAQ climbed 5.34% with semiconductors , networking issues and hardware-related shares lending a hand. The S&P 500 rounded out a big day for U.S. markets by jumping 3.89%.

BANKS, INSURERS LEAD CANADIAN STOCKS UPWARD: Canadian stocks rose for the first time in five sessions Monday, led by banks, insurers and manufacturers such as Nortel Networks, as investors started scooping up the shares that fell the most after the September 11 terrorist attacks on the U.S. Nortel, BCE Inc. and Royal Bank of Canada were among advancers on the day. CIBC, TD Bank and insurers Manulife Financial and Sun Life Financial Services of Canada also posted gains. A total of 159 million shares worth \$3.15 billion changed hands today, 26% more than the average daily volume in the past three months.

Thank You for hanging in there! It's not over yet!

Futures staged a turnaround this morning, moving into positive territory, suggesting stocks will move higher at the opening bell. At 8:00 a.m. eastern time, December futures on the S&P 500 were up 5.40 to 1013, indicating the underlying index will climb 0.6% when trading resumes. NASDAQ futures rose 10 to 1204 and Dow Jones futures were up nine points to 8634. AOL Time Warner fell in pre-market trading after the company said profits won't meet forecasts. Investors will be looking closely at the latest consumer confidence numbers from the U.S., out at 10 a.m. eastern time. There are concerns confidence could be sharply lower, however a Bloomberg News poll released this morning suggests it will be at its highest level since January. European markets were slightly higher in midday trading, bouncing back from earlier lows.

"When we long for life without difficulties, remind us that oaks grow strong in contrary winds and diamonds are made under pressure."
- Peter Marshall

Have a great week!

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"Timothy L. Ross, is an Independent Financial Advisor. He provides a full service financial plan for all his valued clients. If you have any questions about your family's goals he can be reached at 613-498-2207, 1-800-667-4662 or by email advisor@timothyross.com . Most of Mr. Ross's new clients are by referral,

so ask your friends and find out why so many family's choose Timothy L Ross as their family's primary financial advisor."

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