

Market Emotions: Merchant Of Hope & Prosperity (Sept 7, 2001)

For the investor who knows what he is doing, volatility creates opportunity. - John Train

I have been reading more & more lately in the media about how bad things are and that this is going to last for the next decade. The media is so pessimistic, it can get the best of us long term investors down.

Then, as always, we have to get back to the basic's. We all know that Sir John Templeton say's that " the best time to invest is when you have the money". We all know that in the short term no one likes to see their portfolio go down 10-20-30% , that is just human nature. We all know that in order to get a decent long term return, we need to accept the volatility of the market place, the 10-30% + declines (the media call that risk!). The up's and down's is the opportunity (It's short term principle risk which goes away with time!), it's how the system works, moving wealth from the speculators to the true investors. We all know that the real risk is loosing the purchasing power of our long term assets, you are lucky to get 4% on a 1 yr GIC now, and bonds are not much better (adjust for inflation and taxes and you make practically nothing! and that hasn't changed much either!)

I have placed the Market Emotion chart on my web site in the Public Speaking link, below is a quick link to it. Please, I encourage you to Read it, Digest it, Discuss it, Take advantage of it's value. I believe that we are close to or at the best possible time to be investing. The market is full of opportunity, how long it will last, I do not know, but I do know that when it turns around, and we haven't acted on it, we will have miss one of the greatest sales of equities in a long time.

If you have any questions or concerns, please feel free to contact me, I'm here to serve and guide you.

If you would like to see what you can do right now to take advantage of this market please call me or email me and we can take a hard look at what might be possible for your situation.

http://www.timothyross.com/letters/Cycle_of_market_emotions.pdf

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