

## **Market Update from Art**

Markets are doing their thing again, so let's discuss.

Markets tumbled, heading into negative territory, and then bounced back. And then promptly fell again.<sup>1</sup>

We're witnessing a whipsaw pattern of uncertainty.

Is this weird?

Not really. These things happen pretty regularly when investors get jittery.

Let's talk about what's going on.

But before we do, how about a dog picture:



This is Pepper. He was our first bulldog. Pepper lived a long and happy life and never worried about inflation or markets. He was too busy laying in someone's lap, napping the day away. When awake, he loved to drool and wait for his next meal.

Now back to our regularly scheduled program.

### **So what's causing so many up and downs in the market?**

It's hard to pin the volatility on any one thing. There's a lot going on.<sup>2</sup>

There's yet another debt ceiling deadlock between Congress and the White House.

Worries about the banking sector continue.

Sticky inflation is still on everyone's radar.

And then there's the endless speculation about recessions and what the Federal Reserve might do next.

All these stressors lead to jumpy investors and nervous markets.

### **Could we see another serious correction?**

Absolutely. If the debt ceiling standoff drags on or more bad headlines appear, markets could react negatively.

And, corrections and pullbacks happen very frequently because there's always something going on.

How often? Let's go to the data.

Here's a chart that shows just how often markets dip each year.

Take a look at the red dots to see the market drops each year.

The big takeaway? In 15 of the last 23 years, markets have dropped *at least* 10% at some point during each year.<sup>3</sup>

**Market pullbacks happen all the time.**

We're dealing with a lot of uncertainty, and investors are feeling cautious.

However, that doesn't mean that we should panic and rush for the exits.

Markets are going to be turbulent this year, and knee-jerk reactions can be costly.

I don't have a crystal ball, so I don't know how it's all going to play out, but this situation isn't surprising.

**We expected volatility and we're prepared.**

I'm watching markets closely and am happy to discuss any of the topics mentioned here and how they might impact your investments.

Any questions or concerns I can address? Just hit "reply" and let me know. I'm here to help.

In closing, here's a Dad joke:

My brother in law was addicted to the hokey pokey...

It was a rough couple of years, but he turned himself around. ;)

Warmly,

**Arthur Creel, Investment Advisor**



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P.S. Whenever markets get volatile, I try to save a few slots in my schedule for the friends and family of my clients.

Do you know of anyone who is concerned about their portfolio and could use some professional advice? Hit “reply” and let me know so we can reach out. I can’t promise we’ll be able to work with them, but I’ll try to help.

#### Sources

1. <https://www.cnn.com/2023/05/07/business/stocks-week-ahead/index.html>
2. <https://www.cnbc.com/2023/05/08/stock-market-today-live-updates.html>
3. <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/market-insights/guide-to-the-markets/mi-guide-to-the-markets-us.pdf>

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