

## Headlines and the Markets – A Disconnect 6.5.2020

On one hand the headlines cover protests in all 50 states as the country addresses a long history of systemic racism and concerns of COVID – 19 and the risks of resurgence as the economy begins to open up and on the other hand the stock market rallies and the NASDAQ hits an all-time high. It can be difficult to process. At the risk of repeating ourselves, the markets look to the future and trade on expectations. While not exhaustive, a couple of reasons for the seemingly incongruous headlines:

- Monetary stimulus through Fed policy remains committed to provide liquidity to the markets.
- Jobs number Friday morning was substantially better than expected.
- Additional commitment to fiscal stimulus perhaps influenced by an election year.
- Cash and liquidity at relatively high levels with limited options in low interest rate environment.

The dramatic moves in the market confirm the hazards of trying to time the market and validate the discipline of maintaining a long term time frame for long term investments. Paraphrasing a famous portfolio manager, “If you spend more than 13 minutes analyzing economic and market forecasts, you’ve wasted 10 minutes.” Building financial plans, understanding your short term needs and long-term goals and establishing investment strategies to meet your objectives is time well spent. Guessing which way the market will go over the next week, or month, or year, isn’t.

On another note, I told Juliann I was thinking of sharing my thoughts regarding racial unrest, white privilege and police brutality in a newsletter but wasn’t sure it was appropriate or smart from a business point of view. She responded, “That would be brave.” I thought about that and decided this is the time to be brave. My heart is heavy these days and while the need to compartmentalize my worlds seems greater than ever, they are colliding with great force. My political beliefs, how I vote and what I believe in, don’t impact our approach to financial planning, how we structure investment strategies that meet each client’s unique needs, or manage those strategies through volatile and uncertain times. That said, I do feel that this is a moment for creating conversations and is an important step in the long process we need to take to move forward as a country. The movement inspired by the tragedy of George Floyd’s death has forced me to not only rethink my role in racial bias and discrimination at the very least, but to examine how I want to live moving forward. My daughter reminds me that this is my time to listen, not to comment or justify or rationalize, but to listen. I’m working on that. I love this country and we must be better.

As always, if you have any questions or concerns, do not hesitate to contact us.

Be Well.



*“The best ability is availability. When you work with and for the best people in the business and you love what you do, showing up every day is a joy, but more than that, it is a privilege.” -Charlie Cameron*

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