

Be Prepared for Short Term Volatility - Transcript

Tom Mullooly: In Episode 217, we've got a message as we head into November, 2020; fasten your seatbelts.

Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly and this is Episode Number 217. Thank you for tuning in. If you're watching this on YouTube, make sure to hit that red button and subscribe.

We're recording this at the very last days of October. Today's date is Monday, October 26th, 2020. As we slide into the November, 2020 election, we're starting to see some volatility in the markets.

Our message to clients and investors alike is, be prepared for volatility to last, not just through this week and into the election of next week, but prepare for that volatility to remain through the end of the year.

It's going to take some time to count up votes that came in through the mail. Several states have already said that it's going to take them several days after election day to just get a final tally about this. So we have to be ready for news to be breaking and things to happen and things to happen overnight. When markets aren't open and we can't react to them.

But I want to focus in on that word, react. Anything that's done now, will be a reaction to the news and we strongly encourage our clients and our investors who are watching not to react to the news.

When there's a change that needs to be made in your portfolio, it is hopefully because something's happening in your life. Your retiring, things are happening as you get ready for retirement. You have people, kids in your family that are going to college. Things are happening where we need to make changes in the portfolio.

We don't want to be making changes in your portfolio based on news headlines, because news headlines can change and news headlines can be wrong. And so these are all short-term events. So we're going to have a lot of short-term volatility. We expect a lot over the next couple of weeks between now and the end of the year. We don't expect these news headlines to be a reason for you to rip up the script, to make wholesale changes your portfolio.

If you've got a special situation, of course, we want to be in touch. Hopefully we already know about it but don't let the news dictate changes that you're going to be making in your portfolio.

As Tim pointed out right before we turned on the camera here today, once we move on from this set of headlines, we're going to roll into 2021 with a new set of headlines and new events that are going to rock our world. So don't let the headlines get you down. We have to remember where we're heading. This money, most of the money that we manage for clients, is long-term in nature. A lot of it for retirement. So we can't let a short period of volatility in the big picture, knock us off course.

That's the message for Episode 217. Thanks again for tuning in. We'll see you after the election.