

## The Financial Entertainment Industry - Transcript

**Tom Mullooly:** On episode 187, we talk about what's going on in the market and the financial entertainment industry. Stick around.

Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly, and this is episode number 187. There are some firms that are in print and on TV saying that a bottom may be in place with the markets, but the same firms are also saying that they think there may be another leg down coming in the market.

Understand that both of these are predictions. They have nothing to base this on, so they're just kind of covering their butts and saying, "It could be good, could be bad." As we mentioned last week, markets bottom way, way, way before the news starts to improve.

As I mentioned last week in March of '09, markets started to move up in a ... As I said, March of '09, but it wasn't until October, six months later, that the unemployment peaked at 10%. No one believed that the bottom was in place because the headlines in March, April, even May, they were terrible. No one believed it.

We expect the same this time around. The headlines are probably going to be terrible for a while. Is that going to impact markets? We don't know. We had a client tell us that he wants to wait before committing money because everything he reads says we're going to retest the lows, and Goldman Sachs is projecting really bad numbers.

That seems to be the consensus based on what you read, and we're recording this April 7, 2020. I'll give you another time where the consensus might have been off. Super Bowl LI. I don't know how many people remember this. It was just a couple of years ago.

With four minutes left in the third quarter, and game was almost over, Atlanta was whipping the Patriots 28 to three, four minutes left in the third quarter. The consensus was this game is over. The consensus was wrong. If you missed it, the Patriots won in overtime, 34-28.

Look, the stuff that you read online, the headlines that you see, the stuff that's on financial TV, it's financial entertainment. It's not to be taken seriously. You get on TV by having an outrageous one way or the other, it doesn't matter really what you say, just say something that they're going to remember.

Here's something that a lot of people haven't heard and is not really getting mentioned in the news that much. Vanguard and BlackRock, who are the two largest creators of passive index funds, these ETFs, they saw buyers in their markets during March.

So, we don't have the April numbers out yet, but understand that individual investors at Vanguard and at BlackRock were continuing to add to their investments as markets were sliding. I'm sure they're going to be happy because they didn't get hung up on whether this is the bottom or not. We're not traders. We want to take a long-term approach, and you should too. Thanks for tuning in for episode 187 and we will catch up in the next episode.