

Tom Mullooly: In episode 36 we're going to talk about indicators, not on/off switches. Welcome to the Mullooly Asset Show, I'm your host, Tom Mullooly. This is episode 36, and we're filming it on Koosday for Jerry Koosman, one of my favorite Mets. There's tons of stories about Jerry Koosman. One of the best ones I ever heard was, the general manager in the '60s for the Mets, this guy, Joe McDonald, was going to release Jerry Koosman because he really wasn't doing that well the previous year. But he said, "You know what, let's keep him on the payroll through Spring training." Because the previous year his car broke down and he needed to borrow money from the Mets. So the Mets actually lent him money, and they said, "We'll just hold his first paycheck in Spring training and then we're going to cut him." And he came back with a slider and made the team, and the rest is history. Jerry Koosman, great pitcher, lived in the shadow of Tom Seaver, but you should look up his stats, he had a really awesome career.

So what we do on these videos, besides talk about our favorite Mets, is we get questions from our clients and from our viewers about financial planning, about money management, about investments, about the stock market, about our charts. If you've got questions along those lines, get in touch with us. So what we do is, when we get a good one, Casey will line it up and we'll talk about it on a video. So get in touch with us with your questions. You could see it on a future video. Casey, what's on tap for today?

Casey: I hear you talking a lot about your indicators. But what exactly are they?

Tom Mullooly: Yeah, I guess I do talk a lot about our indicators on videos and our emails that we send to clients and in our conversations. I want to clear up some misunderstandings. The indicators that we use are not on/off switches. We couldn't have an indicator that said, "Hey, last week, that vote in the UK about exiting the EU, that's not going to work, so everybody get out of the market." Our indicators don't really work that way. Our indicators are not on/off switches, so they can't tell us to get out the week before something terrible happens in the market. What our indicators do is they measure the level of risk in the market. When you get a lot of your indicators swinging either very bullish or very bearish, it could really have an impact on your portfolio, on your investments. We monitor our charts of investments that we have, but we monitor our indicators as well every single day.

So it's important to remember that these indicators that we talk about all the time, what we're telling you is the threat level, the risk level. Markets can still go up when our risk levels are very high. That does happen. But we have to be super sensitive that if the markets are moving up in a defensive period or a period where there's high risk, we have to be really sensitive and think about, what's our exit plan? What kind of strategy are we going to employ to protect our profits on the way down?

So we have short term, intermediate, and long term indicators that we use. Short term indicators, as you can probably guess, they're changing from week to week. Intermediate term are little longer term. And of course, long term, like the name

implies. So we try and paint a picture for our clients of not just short term, or not just intermediate, but take the whole picture, let's look at all the indicators, and what is the market telling us?

Remember, if you've looked at our charts, you'll see that there's no explanations on them about, this is where the company had a bad quarter, or this is where the fed raised rates and the economy was bad. There's nothing like that. They're just prices that go up and down based on supply and demand. So indicators, extremely helpful, we rely on them every single day, we think our clients should too, but they're not on/off switches, they're more risk levels. Hope that clears up some of the questions that we get from time to time. If you've got a question along that line or something regarding personal finance, get in touch with us, you might see it on a future video.

Next up is going to be episode 37, where we get to talk about the old professor, Casey himself. See you then,