

Our 2018 Market Outlook - Transcript

Tim: In episode 73 we're going to talk about market outlooks and the predicting business.

Welcome to the Mullooly Asset show. I'm your host for today, Tim Mullooly. Let's get right into the question. Brendan, what are we going to be talking about today?

Brendan: What's your market outlook for 2018?

Tim: So, that's a question that advisors are going to be getting a lot in the beginning of 2018, like we are in now.

So, my answer to that is what we like to tell clients a lot here, we're not in the predicting business, unfortunately for this person. We're in the planning business.

We like to make sure that our client's portfolios and investments are going to help them get through retirement, which sometimes last 30 years now.

So we're more long-term in nature. While I'm not going to say 2018's market performance is unimportant, it always matters what happens in the market.

What matters more to us is that your plan is still intact, and the endgame is still in sight, and we're all still on the same page.

You can turn on CNBC or MSNBC, or any kind of news outlet, and see a bunch of analysts making outlandish claims saying that the market is definitely going to go up another 20% in 2018, or maybe 2018 is the year that this bull market finally crashes, or there's a crash coming. Beware in 2018.

These are nothing more than guesses. There is no crystal ball. No one can predict the future.

So, these people just want to get someone to pay attention to them, so they'll say anything to get those eyeballs on the TV screen.

But, it's definitely not something to take to heart, or to take to the bank.

I've been seeing articles saying that some analysts like to take a cop out answer and just predict the historical base rate, which is six or seven percent a year.

It is a little bit of a cop out of an answer, but historically it might not be any worse of better than making some sort of outlandish prediction.

It's basically them saying they don't know what's going to happen in 2018, and they're just going to use the historical average of six or seven percent.

Not really an answer to this person's question. Like I said, we're not in the predicting business here at Mullooly Asset Management.

It's just something that we don't do.

If you'd like to come in, and make sure that your financial plan for the long-term is still on track that is something that we'd be happy to help you out with, so feel free to contact us about that.

So, that's going to do it for episode 73, and we'll see you next week on episode 74.