



NORTH FLORIDA
WEALTH ADVISORS

Market Musings

February 14, 2018

"Generally this kind of volatility precedes a change in direction."

— Robert Brusca

Happy Valentine's Day! I had planned to scribe a very uplifting musings as we headed into 2018 in the midst of a synchronized global recovery that had brought many asset classes to their new respective highs. But then, *something* happened. After watching the market move in an inexplicable fashion, I searched for a quote that would make everything right. As you can see, I found it! Read into it what you will; or perhaps understand that sometimes we cannot explain away irrational behavior.

In the span of a few days, the year to date returns went negative. As I write this musings the market is volatile in the direction we like, up. It is the downward volatility that makes people nervous. We had been without real volatility for over a year and we all became complacent. Once we see volatility, watch it materialize on our statements, then our fear returns. We need not fear volatility, we need to respect volatility.

As many of you know, I have been in this business since 1985. I have seen a wide variety of moves in the stock market (mostly higher – that's a hint) but it seldom goes straight up. The volatility which we just experienced appeared *more* terrifying because of the numerical starting point. Folks the Dow was at 26,000 and even modest percentage moves translated in to big, scary numbers.

I have read and watched as much as I can to find the culprit that shattered our early February. I retrieved my Magic 8 ball and dug out my Ouija Board, but much to my chagrin there is no one consensus answer. It was either fear of bad earnings, fear of higher inflation and aggressive (and out of control) computer trading which exacerbated the losses. Volatility may be back for 2018 and we will deal with it accordingly.

I am positive about 2018 and our global, multi asset strategy. Not every asset class will move up, nor do I claim to know which ones will be naughty or nice. I know that we are available to meet with you at your convenience to discuss how to handle volatility with respect to your financial goals.

On behalf of North Florida Wealth Advisors: Al Cockrell, Curtis Henson, Trip Hargraves and myself, please feel free to contact us at your leisure.

All my Best,

Christopher J. Conner

Managing Director

Please feel free to forward this article to family, friends or colleagues

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