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## Viewpoint – August 2024 - Current Market Update

The most repeated words when it comes to investing; is this time different?

The short answer is no, but let us address the fact that we understand how difficult it can be when enduring these tumultuous times. It's never easy seeing short-term volatility due to unpredictable events having such a dramatic impact on the markets.

To add to the stress, traditional and social media's commentary on recent financial events is rarely dull. As a matter of fact, it is the exact opposite. It's created to increase viewership, rating, and increase clicks/likes. Just last week a small business owner and prospect asked, "how are you, considering the world is tanking?" I almost fell out of my chair. She doesn't follow daily markets, nor had we spoken about the markets that day, and if even if we had, that wouldn't have been my outlook on recent events. So where did this comment come from: social media of course. Recent headlines like: "The Sky Is Falling" or "Markets Are Going to the Moon" have recently been on major news outlets. The impact of media can be drastic on how we *feel* about recent market fluctuation, causing us to feel invincible or vulnerable.

Getting back to the most recent headline; is this time different? At Cassidy Financial Services we don't think so, and let's get a handle on why:

1.) A mere two weeks ago we hit all-time highs on the S&P 500. As we write this, the S&P 500 is still positive for the year by 5% and that's after what has been a very sharp correction in the past week. The all-time highs were driven by very solid corporate profits, reasonable employment reports, and the belief that we are in the process of slowing inflation down. Much of this current volatility is driven by market timers and traders - not investors - please know that there is a tremendous difference. We are rewarded for owning high quality companies over longer periods of time as opposed to short term holds of weeks, months, or even a year.

2.) Unfortunately, this type of market volatility is more common than any of us would like. We are now enduring our 4th market correction since October of 2018. There are some similarities to each time we had a correction:

a.) The market was at an all-time high - September of 2018, January of 2020, December of 2021 as well as our most recent high reach in July of 2024. There's one constant with each of the previous market corrections - we reached new all-time highs each time following the correction - and we do not believe this time to be any different.

b.) The corrections happened in a relatively short period of time which can cause emotional decisions to be made. Again, each recovery happened sooner than most had anticipated. It can be very costly

by trying to “time the market” as simply missing the beginning stages of a market recovery can be very costly.

c.) Multiple “events” happening - or even simply the threat of an “event” – influenced the **reasoning** (different word?) for this particular correction. Currently we have the “slowing of United States economy”, Japan’s financial woes, as well as, geo-political threats in the Middle East. In our view - while we’d love domestic inflation to drop quickly - not much with the economy moves as fast as we’d like (please keep in mind the markets are not the economy). That said, we believe that given the current and projected employment numbers coupled with corporate earnings, we are in a reasonable position moving forward for continued success.

Given all of this, it’s always good to review your personal time horizon for your investments. It’s also important for us to review your diversified portfolio with you. We want to be sure that those needs are being met - while tolerating short-term market corrections. Please feel free to call our office or email us at any time to schedule an in-person meeting, zoom or phone call at your convenience.

As always, we appreciate the opportunity to service your financial needs. Communication and education are the keys to successfully navigating these markets.

All the best,

Brian, Arnie, Dan, and JT