

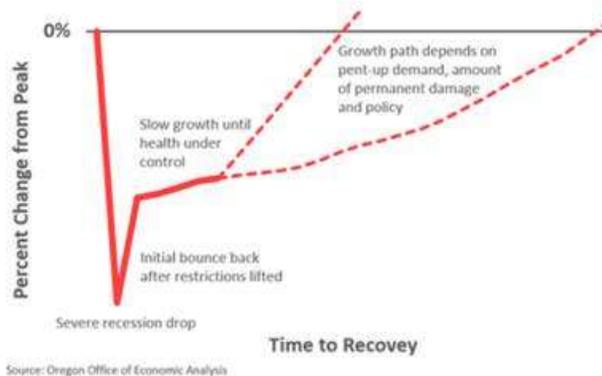


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While some have predicted our recovery could take a “V” shape as current market gains indicate an anticipated speedy recovery, others caution that dire news is not being factored into recent gains, and that the recovery could look more like a “L” or “U” or a “skinny U” as even after there are treatments available, the economy could take months to resume functioning. The predictions have been an alphabet soup of possible outcomes---and don’t forget the double dip “W”. *“We think L is off the table given the policy response...we are betting on a V-shaped....but a relapse could lead to a W...”* Mike Wilson, Morgan Stanley. If you are a trader, and your lens is focused on months, rather than years, you can probably see letters in the paths’ shape if you squint a bit, but investors “zoom out”, and see a magnificent lower left, to upper right long-term trend over time. By the way, not everyone is using letters to describe their market path predictions---

COVID-19: The Square Root Recovery?



Ned Davis Research is forecasting an upside down square root sign. (I was told there would be no math!) Not the first time this symbol has been used as part of a forecast. Famed investor George Soros first used it in 2009, when he thought there would be a sharp bounce off the bottom and then the market would “settle into a prolonged, lasting slowdown”. He was

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wrong then....bottom-line, the shape of the recovery might matter to traders, but shouldn't make much difference to investors. **Investors should stay invested**, as investors who "cash out" often miss the market's best days. According to Putnam Investments, investors who remain invested over a 15-year period earned 9% returns while investors who missed the 10 best market days only earned 4.13%.



While my New Year's resolution to travel is all busted up, my reading goal for the year has already been eclipsed. And I even read a few books with no pictures! I'd been meaning to get to Call Sign Chaos since it came out last year. The "Covid chaos", gave me the time. *"What concerns me most as a military man is not our external adversaries; it is our internal divisiveness. We are dividing into hostile tribes cheering against each other, fueled by emotion and mutual disdain that jeopardizes our future, instead of rediscovering our common ground and finding solutions...We all know we are better than our current politics...On each of our coins is inscribed America's de facto motto, "E Pluribus Unum"—from many, one...we must live by this motto,"* General Jim Mattis (ret.) Here is to hoping this crisis does more uniting, less dividing....more "Team America" first. USA! USA! USA!



Stay safe. Stay Bullish!

-MHK

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