

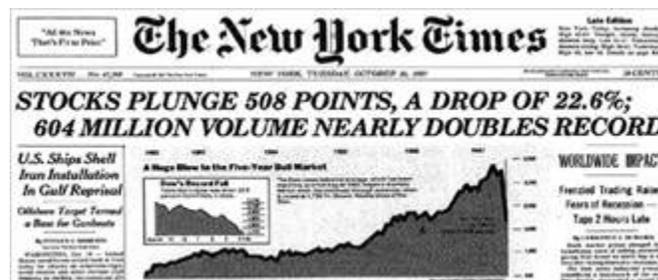


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skv  three things



One of my favorite career moments occurred 11 years ago tomorrow---October 16<sup>th</sup>, 2008. Warren Buffett penned an editorial in the NYT on that day entitled: Buy American. I am. *“Over the long-term, the stock market news will be good. In the 20<sup>th</sup> century, the United States endured two world wars and other traumatic and expensive military conflicts; the Depression, a dozen or so recessions and financial panics; oil shocks; a flu epidemic; and the resignation of a disgraced president. Yet the Dow rose from 66 to 11,497....I can’t predict the short-term movements of the stock market...what is likely, however, is that the market will move higher well before either sentiment or the economy turns up.”* The worry of the day was DEFCON 1! I remember how reassuring Buffett’s thoughts were to us all. The Dow was just under 9000 when he wrote the editorial....nuff said.



Oct 19<sup>th</sup>, is the 32<sup>nd</sup> anniversary of “Black Monday” in 1987. The **500+ points** drop on that day remains the largest single day drop in Dow history, **over 22%! (Perhaps you remember the NYT front page above?)** For perspective—earlier this month, the Dow fell around 1000 points, but at today’s index level that is just over a **3-4%** decline. *“The Dow Jones, since 1900, falls 5% or more approximately three times every year. The average length of that decline is a month and a half. Three times a year, expect a decline like we’ve just had. It falls 10% or more approximately once every year since 1900. So, once every year, we’re going to see a 10% decline. **That’s just typical.**”*—Motley Fool



My 14-year old recently asked me if all was okay at work? This surprised, and pleased me. You parents know how teens can be very..... shall we say... self-absorbed. *“Yes, why do you ask?”* She explained she heard a recession was coming, *“and doesn’t that make your job harder?”* So there it is—even our nation’s youth can see the gathering storm. Is it a conclusion as foregone as “if \_\_\_ gets elected, the market will crater?” To most a recession is

1405 Rolkin Ct., Suite 202  
Charlottesville, VA 22911  
toll free 844.391.3610  
tel 434.328.8040  
fax 434.234.3789  
www.skvgrp.net



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imminent, which to my twisted contrarian brain means it probably is not! *“Of course, it will happen sometime, but we don’t see signals that one should occur in the near-term....we’ve seen expectations spike intermittently through-out this entire 10-year bull run....the mid-term elections of 2010, the riots in Europe and US debt downgrade in 2011, fiscal cliff in 2012, oil prices plunging in 2015....Recession is always seemingly one year way.* Jeffrey Krumpelman, CFA, Mariner Wealth Advisors. Remember the late economist Paul Samuelson’s quote goes, ***“The stock market has predicted nine of the past five recessions.”***



DYK, despite the huge swoon in mid-October of 1987, the market managed to finish positive for the year. *“And now you know....the rest of the story. Good day!”*-Paul Harvey

As always, I’m honored and humbled you have given me the opportunity to serve as your financial advisor. We endeavor to *“treat our clients as family. To provide genuine caring service to every client, every day”* If we fall short, let me know. *MHK (remember, referrals are glutton free!)*

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**Michael H. Kaminski, CFP®, CDFIA®**

*President*

SKV Group, LLC

1405 Rolkin Ct., Suite 202  
Charlottesville, VA 22911  
toll free 844.391.3610  
tel 434.328.8040  
fax 434.234.3789  
www.skvgrp.net