



faith . discipline . patience

skv  three things



We are now in the midst of 2020 prediction season. Many supposed market gurus will share their two cents on what the markets will do in the new year. All will be guessing. Your guess is as good as theirs. ***“The Guru Hall of Fame is an empty room...”*** Scott MacKillop. The list of poor predictions is endless—including many that forecasted a bad year this year, last year?! We all crave certainty. We humans are hard-wired to gravitate toward predictions hoping to reduce some of the angst that often accompanies uncertainty. Many of these predictions lean negative. Lean hard. Resist!! The pessimistic pundits can rarely be right, but never in doubt. *“If recent years are any guide, the initial targets that investment banks have released over the past couple of weeks will likely change again, perhaps multiple times, before the end of 2020.”* (WSJ, 12/1/2019) Making “predictions” that can be tweaked over time hardly seems that skillful, in my opinion--- or even useful?



Another prediction that seems to have lost some steam recently is the fear of a run-for-your-lives-recession? (but I stocked my bunker!) Remember over the summer all the talk of an “inverted yield curve”—a supposed stone-cold lock predictor of imminent doom. The yield curve inverted when the 2 year treasury yield went higher for a half second than the 10 year treasury. The inversion *“caused the Dow Jones Industrial Average to tank 800 points on August 14<sup>th</sup>, its worst percentage drop of the year,”* Yun LI, CNBC. Today, 12/31/2019, the spread between the 2yr and 10yr is about 30 basis points. So, “that thing” everyone was worried about in the summer has turned out to be a.....meh. (how long to MREs last?) Wonder what investors not coached by SKV will overact too in 2020?



There was a great article in the WSJ a few weeks ago that I *finally* got around to reading—[New Ways to Battle Procrastination](#), by Andrea Petersen. I have a sense this topic might be at the heart of a New Year’s resolution or two? *“Goals need to be specific...instead of saying I’ll start studying...say, on Monday, between 9 and 11 I’ll start studying...Start small, If hard to read a page, start with a paragraph...hard to clean kitchen, clean one cupboard....the most important thing you can do to combat procrastination is to get enough sleep. When your energy levels are down, your willpower is weak.”* Time to finally tackle that estate plan? Start with a Will?

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Speaking of predictions, Ron Barron recently proclaimed the Dow would be 650,000 in 50 years. Before you dismiss him as an optimist....the Dow at 28K today growing to 650K, dusting off the ole' HP 12C, is about a return of 6.5%. (Imagine your grandkid wearing a "DOW 650K" hat!)

As always, I'm honored and humbled you have given us 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**

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