



faith . discipline . patience

skv  three things



**“The boom in U.S. oil and natural gas production will make the U.S. a net energy exporter in 2020 — a feat the country has not achieved in nearly 70 years, the Department of Energy's statistics bureau said on Thursday. The U.S. will start exporting more energy products than it imports as U.S. crude output continues to grow and domestic oil consumption declines, the U.S. Energy Information Administration said in its latest Annual Energy Outlook. Growing shipments of natural gas and petroleum byproducts will also boost the country's role as a major energy exporter. The report, which makes projections for the next 50 years, marks the latest revision to EIA's timeline for the U.S. to become more energy independent. Last year, EIA forecast the U.S. would become a net exporter by 2022. In 2017, it said the nation would achieve the status in 2026.”**—CNBC, Tom DiChristopher, 1/24/19



I believe the ghosts of the *Financial Collapse of 2008* still haunt many today. The declines in that crisis were significant, and although the losses proved to be temporary, the emotional scars for some have become permanent....keeping many out of the markets, and their savings woefully short of being able to fund a 20-30 year retirement. **Keep perspective.** As the chart below indicates, the chances of repeating 50% declines of 2008 are statistically very remote. The market is only temporarily down 25% of the time...so why are so many worrying about declines as often as they do?

**S&P 500®: Historical Probability of a Loss  
(Rolling 12-Month Total Returns, Dec. 1926 - Nov. 2017)**



Source: Richard Bernstein Advisors LLC., Morningstar(Ibbotson)

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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Last week I mentioned the retirement of influential financial journalist Adam Shell of the USA Today. Perhaps it wasn't a "retirement" ☺? In the 12/31/17 issue of USA Today he wrote of "*18 stocks to consider for 2018: All of the 18 names are seen rising +25% or more...*" Instead, 17 of the 18 stocks lost money in 2018, and an equal amount in all 18 stocks fell 26% for the year. (source: BTN) D'oh! Let's hope for his sake, his IRA holdings have done better than his picks!!



Sorry to see January go....CNBC reported it was the best January since 1987...and fourth best since 1950! This following what was one of the worst Decembers ever. Examples abound of the best of times coming quickly on the heels of the worst of times...reinforcing why market timing doesn't work. Let's hope the "as January goes, so goes..." adage comes true in 2019!

FAITH

DISCIPLINE

PATIENCE

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S&P 500 Index: The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

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**Michael H. Kaminski, CFP®, CDFIA®**

*President*

SKV Group, LLC

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