



A SIMPLE PERSPECTIVE

"WE ARE IN BEAR TERRITORY"

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If you happen across any financial articles or news pieces recently, you'll be hearing that "we are entering bear territory", or "we are in a bear market". What does that mean?

I think it's safe to assume that we all understand the markets go up and down on a regular basis. Generally speaking if the markets are on an upward trend over a certain period of time, we call that a bull market. If the markets are on a downward trend for certain amount of time it will be referred to as a bearish trend. Many analysts like to quantify the decline, some will say that a 20% decline from the last peak, puts us in a bear market. Why 20%? Good question. It's just a benchmark.

When analysts study the ups and downs they use these benchmarks to help identify trends.

What does it mean to the average investor when we are in a bear market?

When values are down it's typically a reflection that major investors are nervous, but you shouldn't be. If you have a long term plan with your Financial Advisor, a conversation with him or her to review your portfolio may open up some opportunities.

This could be an ideal time to be purchasing. Look at it this way: the markets are having a big sale! From that perspective it's an opportunity, considering that historical data shows that bear markets tend to recover and exceed previous highs. (1) Individual circumstances vary, it is always best to seek the advice of your trusted advisor before making changes to your portfolio.

Contact our office today!

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(1) <https://www.thebalance.com/u-s-stock-bear-markets-and-their-subsequent-recoveries-2388520>