THE PRIVATE CLIENT GROUP
BALANCING LIFE & WEALTH

BEHAVORAL & FINANICIAL INSIGHTS

The Only Forecast That Matters

Most investors love economic and market forecasts. With the markets so uncertain and volatile, our brain craves some sort of idea of what the future holds. But the markets are unpredictable – evidenced by the fact that no one can consistently predict their movement with accuracy. Of course, a certain forecast will be right from time to time, just like a broken clock. But market forecasts are not reliable, no matter what your brain tells you.

Unlike market and economic forecasts, I believe my forecast is reliable and robust because it is based on enduring investment truths and investor behavior. These factors are more dependable than market outcomes and more important to an investor's well-being.

My Forecast For 2023

In full disclosure, the following forecast is nearly identical to my forecast from last year and years prior to that.

- The economy/market will do something that surprises us (and the experts). In hindsight, we will wonder how we didn't see it coming
- The financial media will emotionalize headlines and short-term market moves to entice you to tune in — so they can achieve better ratings
- Investors who watch the news and stock market often will experience more stress than those who don't
- Investors who move to cash, waiting for a "better time," will suffer significant uncertainty and anxiety about when and how to get back in
- Your investment decisions and reactions to market events will have a significant impact on your personal investment return
- You will be tempted to change your investment strategy based on market performance, expert forecasts, and/or your personal beliefs about the future

Conviction, patience, and discipline are virtues every investor should develop. They aren't easy to abide by, yet they are essential for your long-term financial success. As your advisor, one of my most important roles is helping you ignore the noise and to rather have you focus on what really matters.

I wish you a happy, healthy, and prosperous 2023!