

Investor Insight

Dekker Hewett Group | Independent. Trustworthy. Experienced.

Take a Vacation... from the Headlines!

During difficult economic times, and when it comes to your investments, taking a vacation — that is, from the headlines — may be one way to improve your investing behaviour.

Technology has created new forms of media that have improved our connectivity, but at the same time have also amplified the ‘noise’. News travels more quickly and reaches more people than ever before. Seemingly, it has also increased the potential for people to overreact.

As an example? Recall back to the year 2013 when temporary “market mayhem” resulted when a hacked Twitter account of the Associated Press (AP) deceptively reported that U.S. President Obama had been injured in an explosion at the White House. This sent the Dow Jones Industrial Average (DJIA) into a 150-point tailspin within seconds, following strong gains earlier in the day. After it was revealed that the AP account had been compromised, the quick recovery of the DJIA showed that the market is also very efficient in correcting mistakes like these. Although high-frequency trading algorithms played a role, the event demonstrated how quickly information spreads and how hastily financial markets can react.

This is a good reminder that it may be better to step back from what the headlines are saying. It is not uncommon for the media to target our emotions and it is all too easy to react to short-term hype that could be either negative or positive.

Another problem with following the headlines too closely is that the markets sometimes may not react the way you would expect. Throughout the history of the stock markets, prices have often moved up or down when the prevailing sentiment suggests otherwise. We have seen this more recently with the record-setting performance of the U.S. markets despite the nation’s continuing economic struggles and well before any signs of sustained economic growth.

Headlines aside, it is investing for the longer-term that will help to provide the growth and resulting returns to investors. Remember the objectives set out in your personal financial plan as they have been put in place to be your guide. Make sure to keep them working for you, so that you can take a vacation from the headlines.

Dekker Hewett Group
Canaccord Genuity Wealth Management
609 Granville St., Vancouver, BC, V7Y1H2
T: 604.699.0852
E: dhginfo@canaccord.com
www.dekkerhewettgroup.com

CANACCORD GENUITY WEALTH MANAGEMENT IS A DIVISION OF CANACCORD GENUITY CORP., MEMBER-CANADIAN INVESTOR PROTECTION FUND AND THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

This newsletter is solely the work of the author for the private information of clients. Although the author is a registered Investment Advisor at Canaccord Genuity Corp., this is not an official publication of Canaccord Genuity Corp. and the author is not a Canaccord Genuity Corp. analyst. The views (including any recommendation) expressed in this newsletter are those of the author alone, and are not necessarily those of Canaccord Genuity Corp. The information contained in this newsletter is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do the author or Canaccord Genuity Corp. assume any liability. This information is given as of the date appearing on this newsletter, and neither the author nor Canaccord Genuity Corp. assume any obligation to update the information or advise on further developments relating to information provided herein. This newsletter is intended for distribution in those jurisdictions where both the author and Canaccord Genuity Corp. are registered to do business in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is prohibited. The holdings of the author, Canaccord Genuity Corp., its affiliated companies and holdings of their respective directors, officers and employees and companies with which they are associated may, from time to time, include the securities mentioned in this newsletter.

The preceding information is for general information only and does not constitute tax advice. All investors should consult with a qualified tax accountant.
Tax & Estate advice offered through Canaccord Genuity Wealth & Estate Planning Services.

FOR DISTRIBUTION IN CANADA ONLY