

Investing Insight

from Adrian Mastracci, *Fee-Only Portfolio Manager*

"What drives these markets?"

For Immediate Release

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"Life's like a box of chocolates; you never know what you're gonna get."
— *Famous line from the movie "Forrest Gump".*

Well, the same argument can be applied to today's markets. Particularly, as they are subjected to many moving parts.

These markets are driven by two simple things: confidence and expectations. Both of them can move the markets quickly and significantly.

The scarcity of either heightens the wall of worry. Differing concerns are surfacing for equities.

This economic recovery is anything but normal. Investing sentiment can change day to day.

Step back from the fray. Markets are usually logical.

Buying is best when confidence is hard to find. Selling is best when confidence spills everywhere.

There are serious concerns about what is taking place. Countries need to focus on rebuilding economic and fiscal confidence.

Here are some important issues that impact the outcome:

- Prospects for fixing the limping global recovery.
- Achieving corporate earnings growth.
- Sustaining US job growth in the long-term is crucial.

- Turning around US real estate weakness.
- Implications of high oil prices on senior economies.
- Resolving world debts and deficits paralysis.

Rebuilding the bricks and mortar takes time, patience and resolve.
Part of the solution is to bring government spending back into line.

Many investors are going to find these markets a painful roller coaster.
Some will incur losses on government debt instruments.

A rocky summer may be waiting ahead.
Keep a keen watch on that box of chocolates.

Talk soon,

Adrian

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