

Singer Wealth



Market Correction Playbook

The uncertainty regarding tariffs and potential trade wars has made volatility spike and caused the stock market to decrease in value by approximately 15% off prior highs. The market does not like uncertainty and right now there is a lot of it.

Stock investors should be investing with a long-term time horizon with money that they don't need for many years. If that is the case, then investors need to ask themselves, do they think the stock market will be higher in ten or fifteen years from now? If the answer is no, then they should be investing in other types of investments that are not correlated to stocks. If the answer is yes, then here are some steps to take right now.

Add your dry powder* to the stock market. While we do not know if the stock market will go down further in the short term, we do know that it is 15% cheaper than it used to be. For those who periodically add to their investments, corrections like this help juice long term returns.

Consider selling some of your stocks, ETFs, and mutual funds and put the proceeds into a structured bank note that tracks major indexes like the S&P 500 with leverage as well as downside protection. There are notes that offer twice the returns of the stock market with 20% downside protection. That means that if the index is 50% higher than it is five years from now your investment will be worth 100% more. What's better than a market recovery? Two times the returns of the market recovery. We did this for our clients in March of 2020 after covid rocked the market with a Citibank note that provided 63% leverage and 30% downside protection. A \$200,000 investment grew to over \$500,000 over four years.

Finally harvest tax losses on positions that are in the red and replace with similar investments to reduce income taxes and convert losing positions in an IRA to a ROTH IRA while the positions are down to reduce the taxes due on the conversion.

*dry powder: marketable securities that are highly liquid and considered cash like

Have you heard about our Vision Quest Process? Watch the video below to learn more!

Singer Wealth

www.singerwealth.com

561.998.9985



We are committed to helping you achieve your financial goals. Please feel free to contact us with any questions, comments, or a more in-depth discussion.

Sincerely,
Keith Singer

Singer Wealth
1515 S Federal Highway Suite 302
Boca Raton, FL 33432
(561) 998-9985
www.singerwealth.com

Singer Wealth Advisors is an SEC registered investment advisory firm. Registration with the SEC does not imply a certain level of skill or training. Discuss with your financial/tax professionals before investing. Past performance does not guarantee future results. Material provided for informational purposes only.



Singer Wealth | 1515 S Federal Hwy Suite 302 | Boca Raton, FL 33432 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!