

The Outlook: October 10, 2024

“But we’ve come so far! Shouldn’t we step back?”

One of the most common thoughts we all have, when we look at our capital and appreciate how large it’s become, is: “But we’ve come so very far! Surely we’re in danger. Shouldn’t we just sell, take a step back and avoid the next downturn?”

It’s a completely human thought because we can’t help but constantly worry about our money—to some degree anyway—and because we can’t possibly forget the hideous roller-coaster ride we took to get here. And one more thing: because there is never a single day without some headlines and some experts suggesting we’d better get out while the getting’s good.

The only cure for the headlines and experts is understanding: understanding the whole picture of things on Main Street today, not just a dark corner of it. But usually a dash of perspective helps too. Here’s a picture:

This Bull Market Might Be Two, But It Is Still Young

S&P 500 Bull Markets (1950 - Current)

Bear Market Bottom	Bull Market Peak	S&P 500 Change	Years	Bull Start In October?
6/13/1949	8/2/1956	267.1%	7.1	No
10/22/1957	12/12/1961	86.4%	4.1	Yes
6/26/1962	2/9/1966	79.8%	3.6	No
10/7/1966	11/29/1968	48.0%	2.1	Yes
5/26/1970	1/11/1973	73.5%	2.6	No
10/3/1974	11/28/1980	125.6%	6.2	Yes
8/12/1982	8/25/1987	228.8%	5.0	No
12/4/1987	3/24/2000	582.1%	12.3	No
10/9/2002	10/9/2007	101.5%	5.0	Yes
3/9/2009	2/19/2020	400.5%	11.0	No
3/23/2020	1/3/2022	114.4%	1.8	No
10/12/2022	9/30/2024*	61.1%	2.0	Yes
Average		180.7%	5.5	5 of 12 Started October
Median		107.9%	5.0	

Source: Carson Investment Research, YCharts 10/07/2024

* Most recent new all-time high was on 9/30/2024

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The bottom yellow line is where the roller coaster has brought us today: 2 years into a bull market. As the Carson people noted, that’s pretty young, actually, as bull markets go. They last 5 years or more, on average.

But let’s add to the perspective by noticing the double green arrow, reminding us that the 2009 – 2020 Bull Market lasted 11 years and gained 400%. Those numbers are fun . . . but they aren’t what’s helpful. What helps is to remember that there was not a month that went by, during those 11 long-suffering, roller-coaster years—when we weren’t worried, actually frightened, or downright terrified about *something* . . . thanks to the headlines and the experts.

Trouble never goes away. Big Problems are always with us. But the only way to put them in their proper perspective is to keep reminding ourselves of a fact so glaringly obvious that the media and experts mostly ignore it: Main Street made all those long Bull Markets up there . . . not Wall Street. Wall Street is not where we find inventiveness, competition and total CEO responsibility for results. Wall Street is a betting crowd, constantly staring at one another for the first twitch. Main Street is where the engine behind all those big green numbers comes from. No matter the usual Troubles and Big Problems, Main Street today is every bit as determined, competitive and inventive as ever . . . maybe even more so. We're holding, and buying more.

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