

Weekend Reading: Failing To Plan Is Planning To Fail

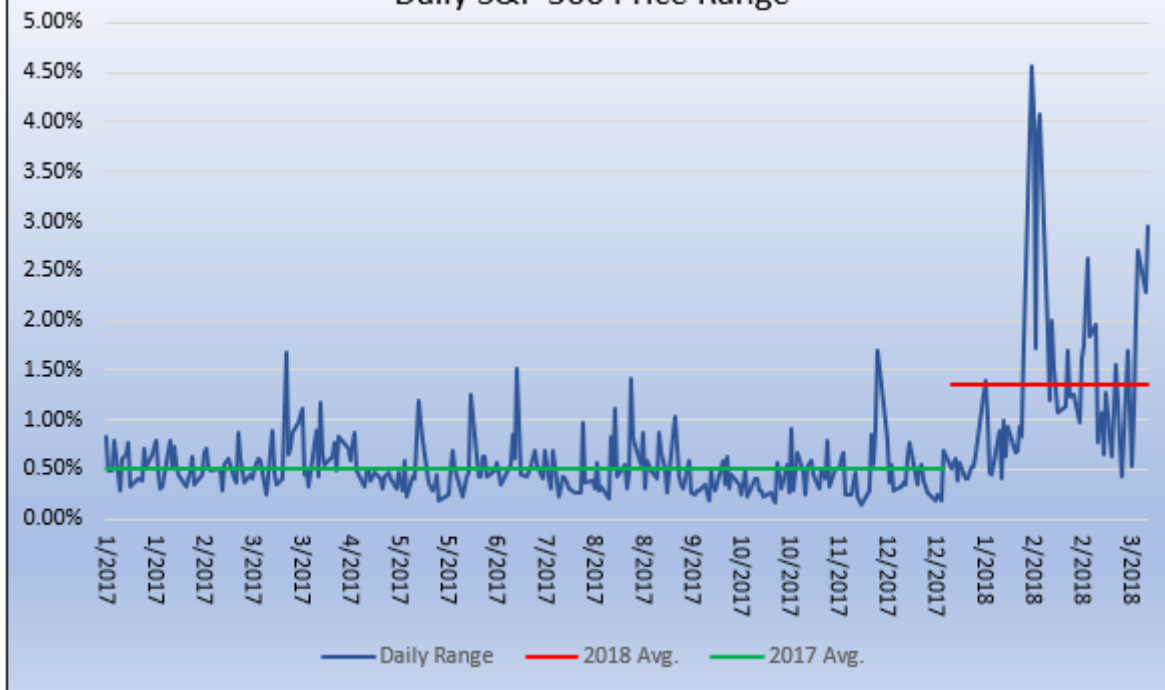
Weekend Reading

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Failing To Plan Is Planning To Fail

by Michael Lebowitz, CFA There is a durable bit of market wisdom that states "volatility begets volatility." The gist of the saying is that at times the market can be very calm producing little need for investors to worry. Other times sharp market movements produce anxiety that spreads among investors and tends to exaggerate market moves in both directions for a while. The graph below shows the daily percentage change between intraday highs and lows. Plain to the eye one can see the period of unprecedented calm that prevailed in the markets throughout 2017 as well as the

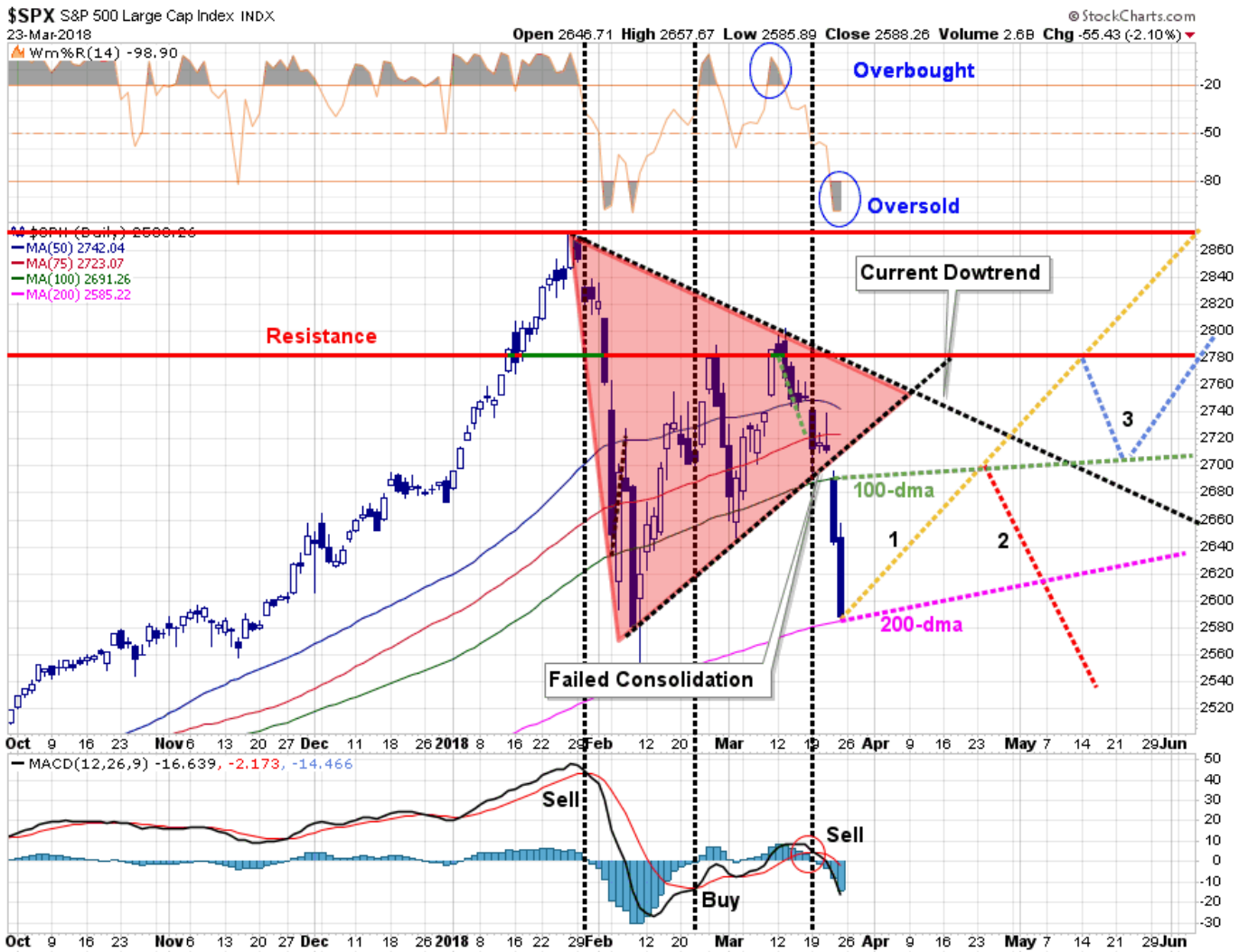
Daily S&P 500 Price Range



Sailors pay

close attention to weather conditions at all times. Importantly, however, they need to be highly in tune with the warnings that Mother Nature presents. This doesn't mean they must head to harbor immediately. It does mean however they must have a plan or two top of mind if the conditions continue to worsen. Protecting your wealth is no different. When the markets get choppy, as they have been, we need to heed the message that conditions have changed. One should not sell everything and run to cash. However, it is imperative one has a strategies and actionable triggers in place in case the volatility continues. [Last weekend](#), Lance Roberts shared the following graph and commentary:

?Considering all those factors, I begin to layout the??possible??paths the market could take from here. I quickly ran into the problem of there being??too many??potential paths the market could take to make a legible chart for discussion purposes. However, the bulk of the paths took some form of the three I have listed below.?



No one knows where this market is going and if they tell you otherwise, they are lying. We simply remind you the market winds are picking up, it is time to put a plan in place. Fear and anxiety are the enemy of complacent and unprepared investors. Those emotions are the direct result of not having considered and planned for the unexpected. For the investor who exercises the prudence to strategize on the *?what if?* and keep a close eye on market conditions, the fear of others? is his opportunity. Consider this recent period of choppy seas a gift. The market is allowing you time to plan.

?Failing to plan is planning to fail? ?Alan Lakein

Here is your weekend reading list.

Markets

[S&P 500's Big Support Level \(200-day MA\) Bends. Brace Yourself If It Breaks](#) (Bloomberg) [Tech Indices Finally Succumb to Large Cap Selling](#) (Fallondpicks) [Trendline Broken: Similarities to 1929, 1987 and the Nikkei in 1990 Continue](#) (Acting Man) [You Don't Have To Hate Bitcoin To Think It Is Overvalued](#) (Peter Tchir via Forbes) [Billionaire investor says Facebook will be decimated by its disastrous data leak?](#)(Business Insider) [The Facebook Scandal: How Many Cockroaches Are There?](#) (Simon Constable via Forbes) [Tesla Learns About Reflexivity](#) (Adventures In Capitalism) [Amazon's High Stock Price Might Just Be the Real Problem](#) (Bloomberg) [Quant Style Crash That Strategists Warned About Finally Arrives](#) (Bloomberg) [Tesla Bonds Are in Free Fall](#) (Bloomberg) ['Buy the dip' looks dead, as final hour of trading now typically sees selling](#) (CNBC) [Everything is going wrong simultaneously for tech juggernauts](#) (Business Insider) [A 'dumpster fire' in FANG](#)

[stocks could scorch investors, \\$2.5 billion portfolio manager warns \(CNBC\)](#) [3 Reasons Tesla's Plunge Is Not A Buying Opportunity \(Peter Cohan via Forbes\)](#) [Barclays Thinks Oil Is Going Lower \(Ken Rapoza via Forbes\)](#) [Bitcoin's a Pretty Good Guide to Animal Spirits in Stocks \(Bloomberg\)](#) [Trend Is Your Friend... Except At The End \(Dana Lyons\)](#) [3 reasons why short-term bonds are finally looking attractive \(BlackRock\)](#) [Higher Volatility Does Not Have To Equal Lower Stocks \(The Macro Tourist\)](#)

Economy

[Record megadeals? push global takeovers beyond \\$1.2 trillion \(CNBC\)](#) [The Fed's Dot Plot Would Bury The Indebted US Consumer \(Grizzle Media\)](#) [Peter Schiff: There's A BIG Problem With The Economy, Americans Are BROKE? \(SHTF Plan\)](#) [U.S. Fiscal Future Won't Be Like Its Carefree Past \(WSJ\)](#) [Albert Edwards: The 'sickly aroma of recession' is spreading across the globe \(Business Insider\)](#) [Coincident Economic Indicators: History Suggests Recession is Close \(Mike "Mish" Shedlock\)](#) [Consumer Bites the Dust in First Quarter \(Mike "Mish" Shedlock\)](#) [Lower-Income Americans Drive Consumer Sentiment to 14-Year High \(WSJ\)](#) [Who Needs Wall Street When You Can Have A Monetary Unicorn? \(David Stockman\)](#) [Is The Fed Panicking? Yield Curve Tumbles To Fresh 11-Year Lows \(ZeroHedge\)](#) [Update on the Most Splendid Housing Bubbles in the US \(WolfStreet\)](#) [BofA: We Are Witnessing The Third Biggest Asset Bubble Created By A Central Bank \(ZeroHedge\)](#) [The Gap Between Economic Reality And Hope Has Never Been Wider \(ZeroHedge\)](#) [The Four Triggers For The 'Big Data' Bubble To Burst \(ZeroHedge\)](#) [A bubble you didn't even know existed \(the big data bubble\) could be bursting \(Business Insider\)](#) [Libor's rise accelerates, squeezing short-term borrowers \(WSJ\)](#)

Earlier on Real Investment Advice

[The Other Face of Risk: Bonds?\(John Coumarios\)](#) [Do Stocks Really Like Higher Rates??\(Lance Roberts\)](#) [Danielle DiMartino-Booth: What Powell Really Said?\(Lance Roberts interview\)](#) [Inverted Yield Curve ? Will This Time Be Different??\(Richard Rosso\)](#) [The Mind Blowing Concept of Risk-Free?ier??\(Michael Lebowitz\)](#) [An Update On The U.S. Treasury Bond Breakout?\(Jesse Colombo\)](#) [Technically Speaking: Predictions, Market Bounce & Risks?\(Lance Roberts\)](#) [Uneven Economy & The Hidden Depression?\(John Coumarios\)](#) [Risk vs. Reward Improves, But Problems Lie Ahead?\(Doug Kass\)](#) [This Cycle Will End ? The Simple Math Of Forward Returns?\(Lance Roberts\)](#) [Trade Wars & Economic Outcomes?\(Mike "Mish" Shedlock\)](#)