



October 4, 2024 Web Comments

	WEEKLY CLOSE	% CHANGE YTD
DOW JONES IND	42,352.75	12.37%
S&P 500	5,751.07	20.57%
NASDAQ	18,137.85	20.83%

Geopolitical Risk and The Dock Strike

This week the attack by Iran on Israel has dominated the news from the Middle East and may have caused considerable anxiety in the investment community. Tensions are being exacerbated by the dock strike here in the U.S.

Many investors may feel that given the negative news, they must “do something as an investor.” It seems to us that the bias towards action is strong during stock market rallies often accompanied by short market declines when the panic seems too much to handle.

In our experience, when investors feel compelled to “do something” the potential to make an investment mistake is magnified considerably.

We have many years of investment experience, having invested during many wars, financial crises and general economic uncertainty. If our investors would look back through the available history of geopolitical upheaval and extreme financial market uncertainty, we think you will find that you can’t draw many lessons from it. The evidence shows that such uncertainty simply doesn’t drive the stock market as much as you might think. Yes, such events do matter, but their effects are usually short-lived.

Acting in the heat of the moment has, in our experience, opened up the opportunity to make one or more large investment mistakes. If there are potentially large investment issues arising from the current Middle East tensions or the U.S. dock strike, Windward has experienced considerable investment success by dealing with the issues, should they occur, rather than trying to second-guess what might come next.

None of us have a crystal ball but we will remain watchful on what might become the two uncertainties we could potentially experience from the situation in the Middle East and the strike occurring at the U.S ports; such as oil price spike or cargo back-logs.

Employers added 254,000 jobs in September. Economists had forecast 140,000 new jobs, according to financial data provider FactSet. The unemployment rate inched down to 4.1%, versus 4.2% in the prior month.

Have a nice weekend.

Joseph Robillard
CEO

Robert W. Nichols Ph.D.
Founder

Donald R Bessler, CPA
CIO

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