Morgan Stanley Private Wealth Management

# Ben's Bow Tie Brief


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**Meet Our Team**

## RISK HAPPENS FAST
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For the last eighteen months I've been writing about the narrow performance of the stock market (driven by mega-cap tech stocks) and the frustration of being a diversified investor. During client reviews I've repeatedly stated that markets were apt to take a breather and a correction would be normal and healthy. Well, it looks like that correction may be unfolding now.

Recent market celebration of anticipated interest rate cuts by the Federal Reserve has quickly morphed into fear that the Fed is falling behind a weakening economy and on the verge of a policy mistake. It's amazing how quickly narratives can change, and sentiment can shift. This morning was the first time in a while I've had a pit in my stomach. I hate this feeling!

I have no intention of opining on the recent selloff, as it would be pure guesswork. I will say that the last few trading days have been jarring and a reminder that ***risk happens fast***. There's a saying in the business that markets take the stairs up and the elevator down.

Have the last few days had any impact on the way we're going to position portfolios? No. If you haven't had a change in personal circumstances, should you make any major changes to your portfolio? No.

Let the last few days serve as a reminder that diversification is important, and liquidity is paramount. If you have access to liquidity to meet short term needs, then short term market weakness simply becomes something you need to “ride out”. And if the weakness turns into dislocation, then opportunities for long-term investors are bound to be created.

Keep your seatbelt on in case the ride gets bumpy. I welcome your questions and comments, and I look forward to talking with you soon.

Best,

Ben