

Rana Chauhan ([00:05](#)):

This last quarter, there's been quite a bit of volatility. Now, that's getting to be a common used word, but we saw a recovery happening all the way into August, end of August. And then early September, it basically washed away any of the gains that August had made. So we saw that. Now, what kind of a recovery is this? Well, we're seeing it more as this K-shaped recovery that they're talking about. And what a K-shaped recovery means is that some companies change and they adapt and they survive and they prosper. Other companies that don't make the change, well, they suffer for it. And we see that in people as well. Some people are carrying on with their jobs and getting jobs, and other people are being laid off. So it's a very different kind of a recovery that way.

Rana Chauhan ([00:58](#)):

Now, one of the laws in investing that we see is this law of uncertainty. It tells us that the future is really uncertain. We know this, we constantly know this. And yet, we get caught of it. So how do we figure this thing out? Because of COVID, we know that some changes have happened. Some of them are temporary, some of them are permanent.

Rana Chauhan ([01:25](#)):

So let's look at some of the temporary first. Well, one of the temporary ones is this virus. You know the world's working on a vaccine, and at some point, they'll have something. Also unemployment. Well, because of the shock, unemployment was high and gradually, hopefully, it will get back together again there. And then travel, that's also, eventually, when we get back to normal, that'll start up again.

Rana Chauhan ([01:46](#)):

But there have been some permanent changes because of COVID. One of them is work from home. Hey, we're all now used to it, and corporations are also getting used to it and applying it there. Also what's happening, is our greater uses of technology. Technology has become a permanent part of us now, and we have more meetings with technology. Then you see e-commerce, ordering things from wherever, from the Amazons of the world, and putting that in. And e-commerce is also there. Surprisingly though, also is a change that's permanent is less usage of cars.

Rana Chauhan ([02:24](#)):

So when we were trying to think of things, think of it as if we're going down this tunnel. And we're probably closer to the end of the time that the light is, but we just don't know how far is left until the end. But vaccines are being worked on, there is an economic recovery happening, and there is going to be an end to this election eventually. So when we look at the economy, there are catalysts to that as well. There are catalysts that are positive and there are catalysts that are negative. And there are catalysts that are short-term and there are catalysts that are long-term. So let's take a quick look at them.

Rana Chauhan ([02:56](#)):

So a negative short-term catalyst is this a fiscal stimulus argument that's going on. Also, around this election is a negative one. And then how far is COVID spreading? So these are negative short-term catalysts. When you look at the positive long-term catalyst, it's actually that interest rates are lower for longer. That means that it's good for the economy because companies can start to increase and borrow money and recover. Another long-term positive is the fact that they are working on a vaccine, and that will be beneficial to the economy as well.

Rana Chauhan ([03:31](#)):

So one of the short terms that we just talked about was the U.S. Election. Now, this is a very contentious U.S. Election. And it may not end when we think it ends. It may take a little bit longer. And that's going to cause a lot more volatility. Let's take a recent example of volatility. Let's take a look at June 11th, 2020, this year. Well, when we looked at it, the media was telling us that it was a vicious drop, it was a plunge, and we were close to a bear market. Now, let's look at the evidence of that. Well, the evidence was, yes, it did drop. And then, it recovered back again. So as we go through this recovery, we will see many June 11ths happening. It's never a straight line.

Rana Chauhan ([04:16](#)):

When we look at the markets from 1929 to now, we will realize that every time you invest over a one day period, you have a 46% probability of being negative. So basically, half / half. However, when you take that same look at any 12 month period, remember this is from 1929, you'll realize that the probability of having a negative is 26%. Now, let me flip that around a little bit. That means that you have a 74% probability of being positive, and that's a pretty good probability. And all you did was change your timeframe, from looking at a day to day to out roughly a year. If you spread it out further, actually, it probably gets better.

Rana Chauhan ([05:00](#)):

What we do is raise the probabilities of you achieving your financial goals. The defensive strategies we have in some of our portfolios are there to achieve your financial goals without taking unnecessary risks. But also remember that there are opportunities in this uncertainty as well. Our investment specialists are taking advantage of changes in the markets and finding quality companies in this new economic environment. Regardless of your tolerance for risk, now is a good time to get the perspective of your financial advisor and have a conversation about your financial plan, and to ensure that you are still on track to meeting your financial objectives. The world has shown remarkable resilience over the past several months. And it shows that no matter what happens, there's always light at the end of the tunnel.