

WHEN IS THE RIGHT TIME TO BUY STOCKS?



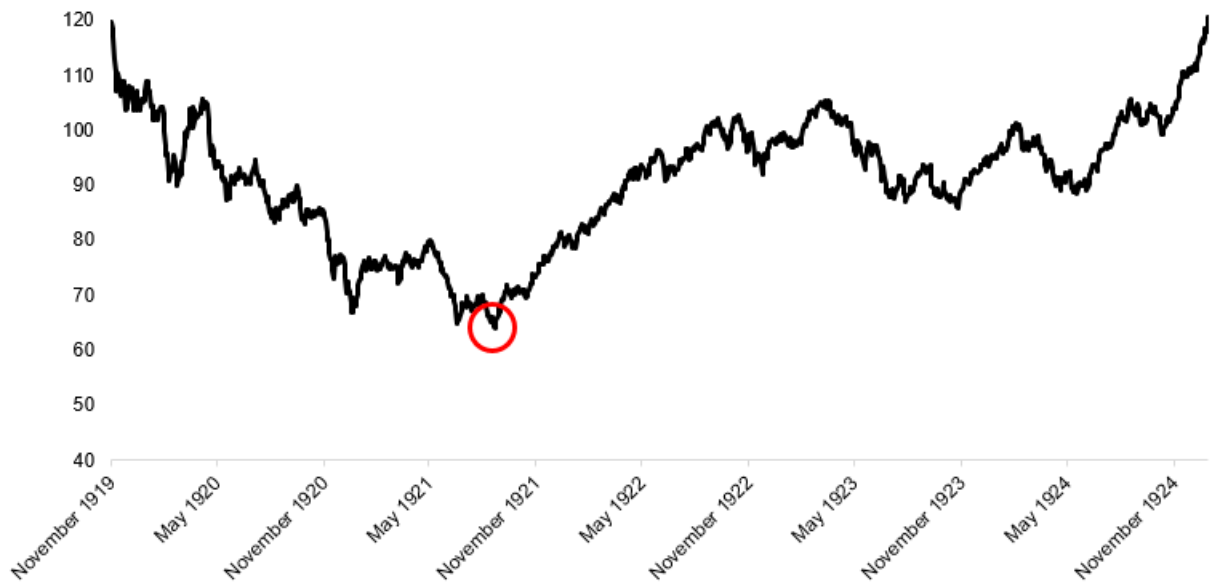
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THE IRRELEVANT INVESTOR LLC.
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“When is the right time to buy stocks?”

I’ve been getting a lot of emails about this recently, and by a lot, I mean four emails, which is four more than I’ve ever gotten. I want you to scroll through some charts of previous bear markets. I’ve circled the bottoms in red.

DOW JONES INDUSTRIAL AVERAGE

1919-1924



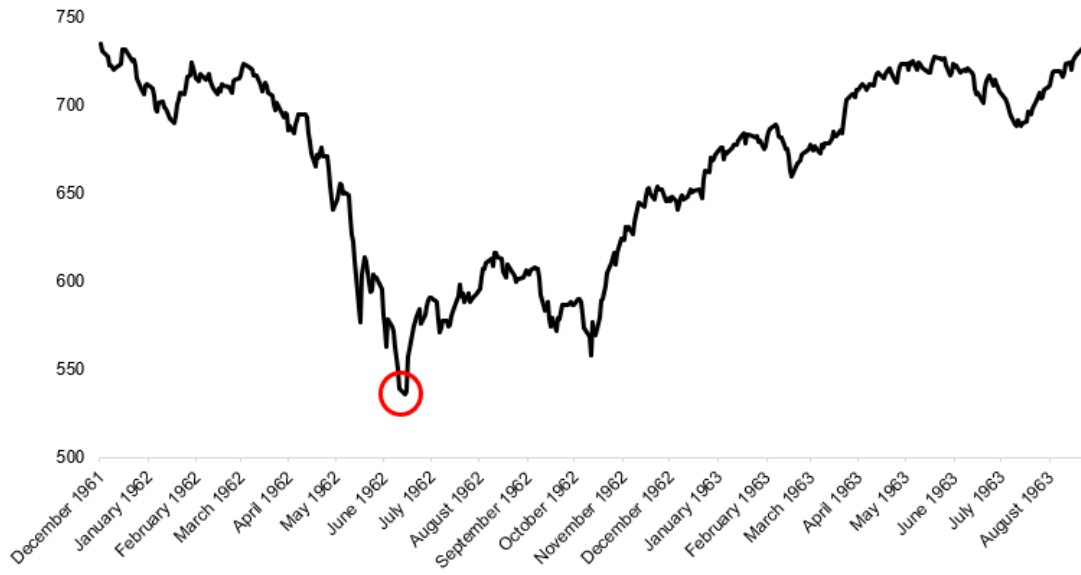
1929-1954



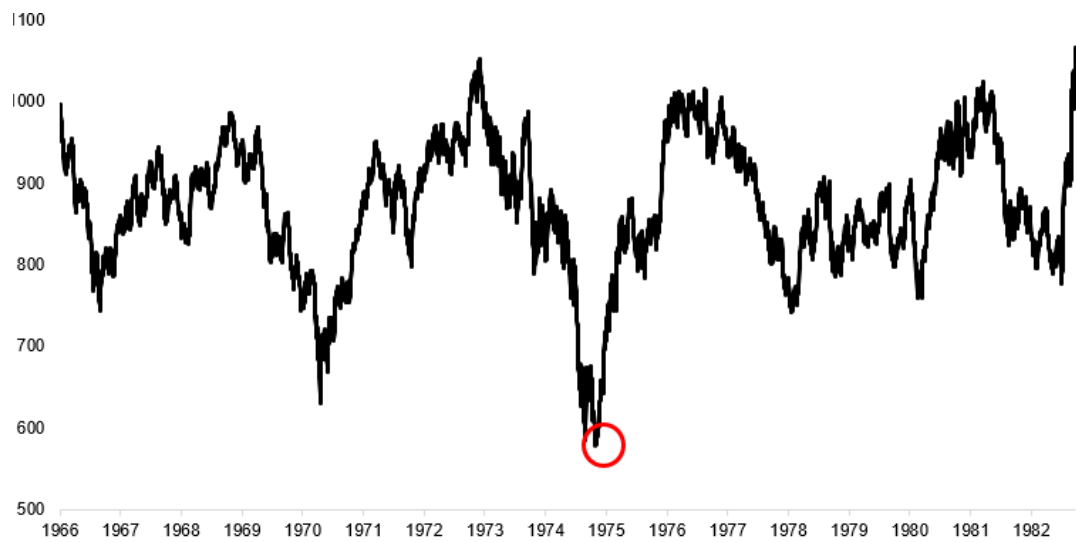
Past performance is not indicative of future results. Source: Bloomberg data.

DOW JONES INDUSTRIAL AVERAGE

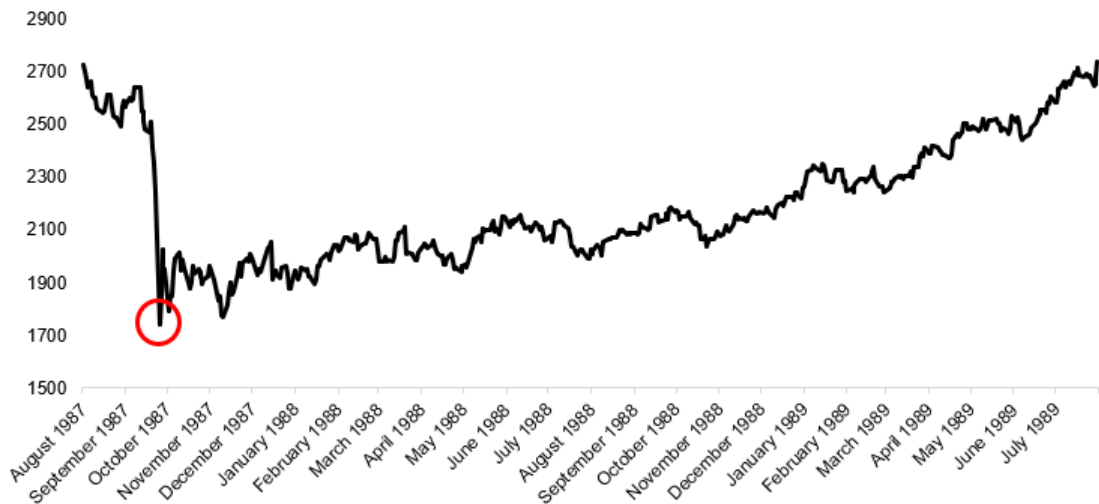
1961-1963



1966-1982



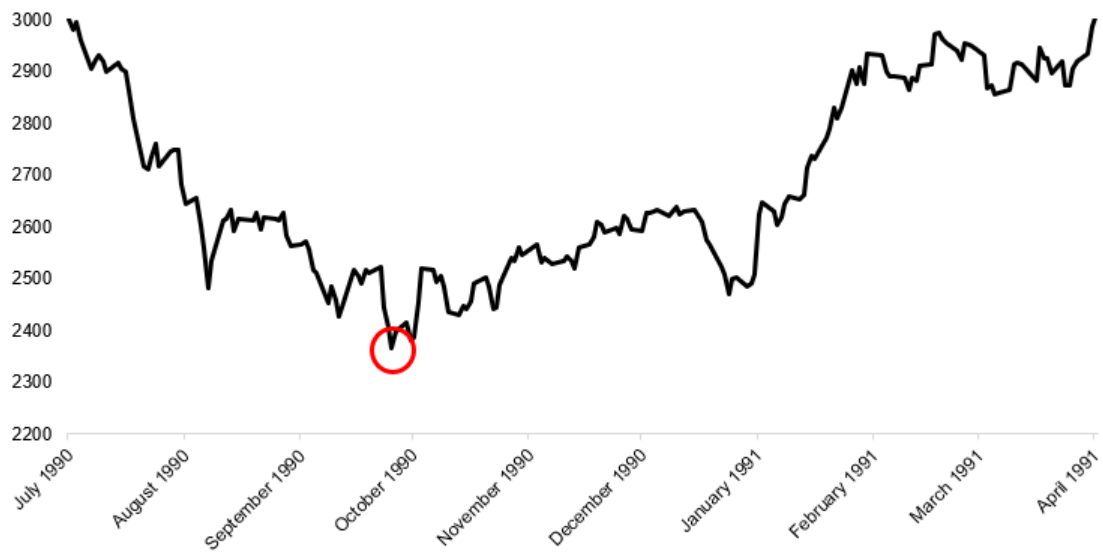
1987-1989



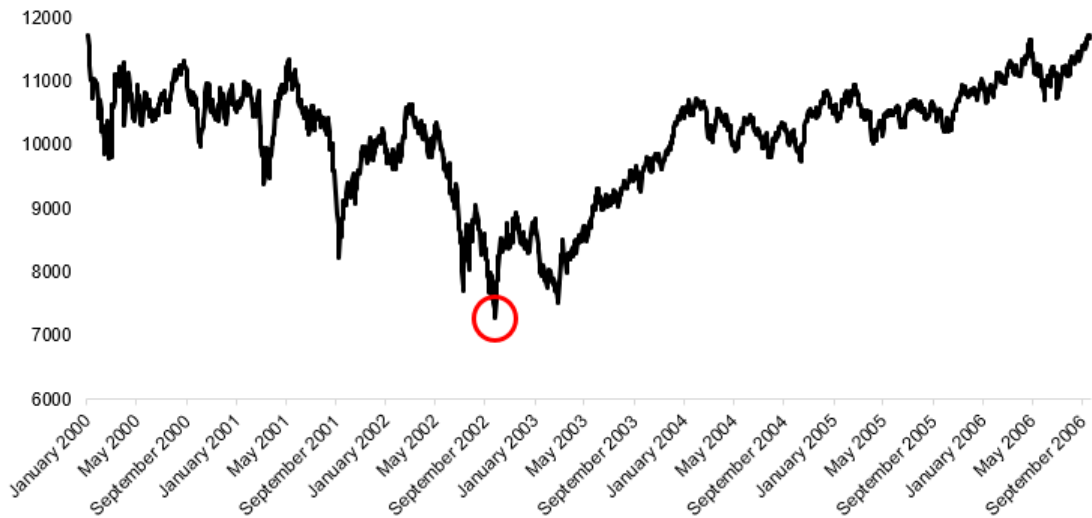
Past performance is not indicative of future results. Source: Bloomberg data.

DOW JONES INDUSTRIAL AVERAGE

1990-1991



2000-2006



Past performance is not indicative of future results. Source: Bloomberg data.

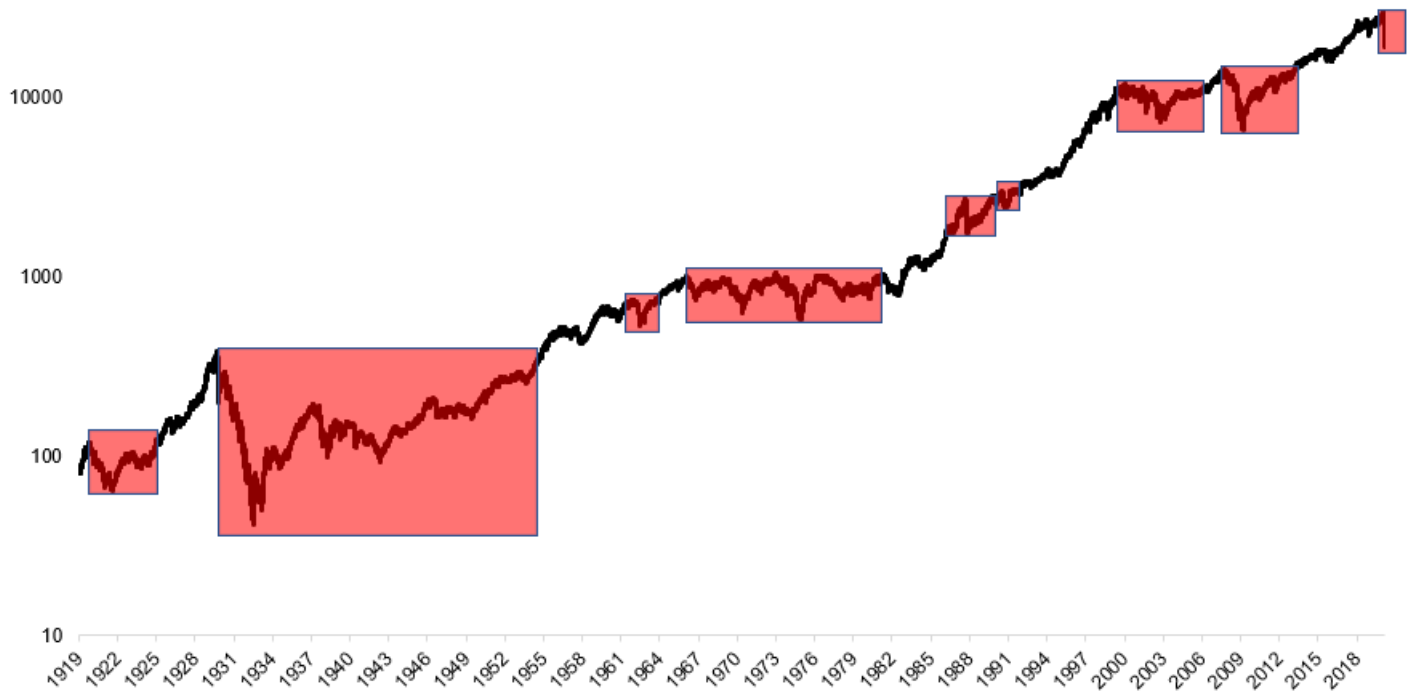
Looking through this, one thing is crystal clear to me. It doesn't matter when you buy, only *that* you buy.

If you've been sitting in cash and want to buy but are worried that stocks will go lower, then break up your purchases. The math behind lump sum over dollar-cost averaging has been settled, but this is a time where emotions matter more than spreadsheets.

What's critical is that you don't just make mental plans to get back in, you have to write them down. For example, "I will break up my purchases into four tranches, the first Wednesday of every month for the next four months." Whatever it is, it doesn't have to be rocket science, it just has to exist. It's also worth saying the obvious, which is that you don't *have* to have 100% of your portfolio invested in stocks.

One last chart I want to leave you with is a long-term look at the Dow. **Bear markets all have one thing in common—they end.**

DOW JONES INDUSTRIAL AVERAGE



Past performance is not indicative of future results. Source: Bloomberg data.

Our country has experienced World Wars, inflation, deflation, stagflation, financial panics, and everything in between. We have come out of all of these events stronger than ever, and we will do so today. It's going to hurt like hell, but we'll pull through this.

Everybody who has ever invested during our darkest days has ultimately been rewarded. There's no reason to think this time is different.



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The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The index is unmanaged, its return does not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

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