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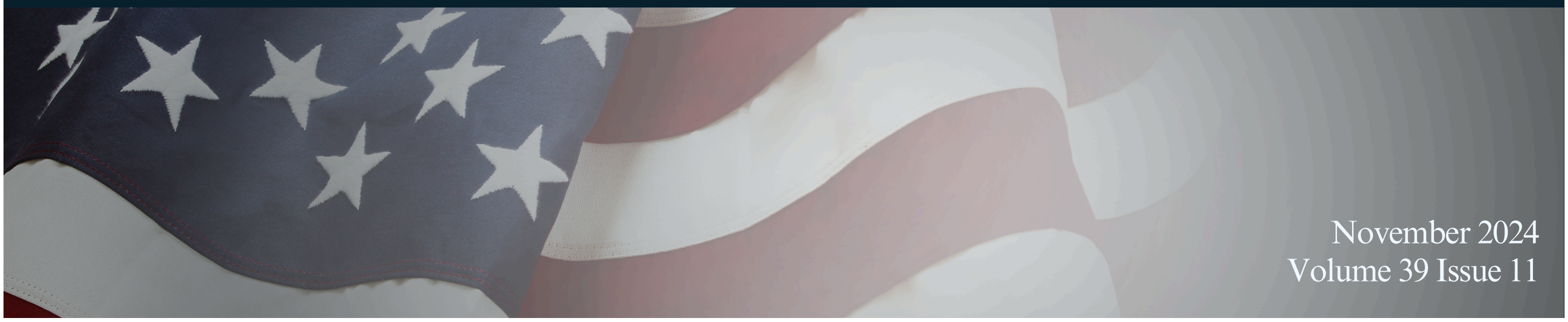

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It's All Been Done

Written By: Trace Dixon

It's a mild November on the Gulf Coast. News of a New Yorker, who is something of an outsider in his own party winning his second term as president, has reached the shores of the South. This news is unusual, a president winning a non-consecutive second term! He had brought in a new vice-presidential candidate that helped him as a running mate, a Midwesterner who had sat on the opposite end of the party a few years earlier. This duo managed to win the popular vote, sweeping crucial swing states that cost him in the last election. This is a resounding announcement from a very divided country that a change from the norm was wanted.

The two presidential candidates were polar opposites in terms of economic policy, international intervention, and personal lives. Opposition to this second term used a scandal to try and weigh down the campaign. They pointed out the age gap between him and his wife, 20+ years his junior. They even threw body positivity clean out the window and purported he was not in healthy enough shape to run the county. None of these strategies would end up working, however.

To bring back a past president and reject his rival sent shockwaves through decades long established party lines and political structures. No doubt things were entering a new era in the United States' history. It was November of 1892, and Grover Cleveland was set to become president over rival Benjamin Harrison in a few months, flipping party control on both a federal and legislative level. And what was once a Presidency that was nothing more than an unusual footnote in US history and a Simpson's joke about being spanked twice on non-consecutive occasions, has become far more intriguing now that we are set to watch history repeat itself with a second Trump presidency.

If you've been around Southern Capital long enough, there's a good chance you know well our policy on riding the market through highs and lows. Some years are great, some years are ok, and some make us wish we ate a lighter lunch. It seems in the last few years we have been served a sampler platter of all different outcomes, from the plummet in Q1 of 2020 and that year's later recovery, 2021's steady climb, 2022's steady decline doubled up with the weight of inflation, 2023's explosive return and recovery, and now 2024 continuing that ascent, albeit more shakily, to fresh highs. Volatility has been the name of the game for the roaring '2020's. This stands in contrast to the slower incline that marked the 2010's, as well as the constant pitching and diving characteristics of the 2000's. Regardless of the market's direction, we hold to the fact that the market rebuilds, replaces, and recovers, no matter how big the climb up or how steep the fall down.

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As we begin to enter the midway point of the 2020's we are optimistic that reduced regulations and a business-friendly government will motivate the markets to continue the current climb to greater heights. But while we are optimistic, it is important to keep in mind that there is little truly new under the sun. Regardless of what Facebook, TikTok, and the nightly news might say, we have been here before; and not only have we made it through those times, but we will make it through whatever the future holds for us now all the same. Going back to 2021 when the effects of inflation began to bear down on all of us, the message then remains the same as it is now: "We don't know for how long, but we do know this will pass. We just have to ride it out."

Know that we have never made this claim out of ambivalence or ignorance. We can measure the intensity and duration of the market's ups and downs to see how the past informs us in the present so that we are best equipped to prepare for the future. From 1942, we see that the average Bull Market (a rise of 20% or more in the market over at least a two-month period [A handy way to remember Bull Markets go up is by making a fist, extending your pointer and pinky fingers out like the horns of a bull, and then make a motion like a charging bull with your fist; an upwards motion, because Bulls swipe up]) lasts 4.2 years with an average cumulative total return of 148.9%! Bear Markets (when a market drops 20% or more from their most recent high. [The handy way to remember Bear Markets go down is to make a bear claw with your hand. Now swipe down like a bear, because Bears swipe down]) on the other hand have lasted an average of 11.1 months with an average cumulative loss of -31.7%. The market has always rebuilt better than before.

So, as we enter the next season in the market, we keep in mind that while things may be different, that doesn't mean things are new. It is important to stick to the plan, stick to your budget, and continue riding the market through high and lows and through governments past and present. We here at Southern Capital will be keeping an eye on future opportunities that may become available to you as well as continuing to keep your portfolio in balance with your objectives and goals, just as we've been doing for the last 40+ years. Even though seasons may change, the plan stays the same: to give our clients the freedom and peace of mind to pursue their passions to retirement and beyond.

* Do you have an Inherited IRA? Do you have a Traditional IRA and are currently at or over the age of 73? You might have a Required Minimum Distribution you need to take before year's end! We are currently working on calling all clients who still need to disperse money. Be on the lookout for our call and be prepared to help let us know where the money needs to go! *

PLEASE REMEBER TO NOTIFY US IF YOU HAVE HAD ANY MATERIAL CHANGES IN YOUR FINANCIAL CIRCUMSTANCES.

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