

# The Single Worst Market Timing Event in History

Attempting to time the market could be the most popular mistake among market participants. Here's what I wrote about market timing back in January 1997:

*Panic!...*

*History has been made. Since the exact summer Dow low of 5346.55, the Dow has soared an amazing 21.9%. Never in stock market history has the Dow added 1,000 points so fast. As a cap to the monster four-month surge, the Dow Jones News Service headlined a lead story with, "November Point Gain Was Largest Ever for the Dow." To anyone who was foolish enough to sell stocks in front of this tidal wave, the bailout goes down, in terms of points, as the single worst market-timing event in history.*

*How have you fared? With a history-making, four-month supercharged gain under our belts, now is the right time to take a little investor inventory. Are you on board with my serious long-term battle plan? Or are you running from rock to rock like most investors, dodging bullets as in an old Tom Mix western? Well, you needn't be bushwhacked by savage market swings.*

Even professionals can get market timing wrong. Later in the same piece, I wrote:

*[H]ere is a tragic example of market timing at its bankrupt worst. At the end of 1995 and the opening days of 1996, the fund manager for the biggest U.S. equity fund made a massive timing/sector bet by switching the fund's biggest positions into long bonds instead of equities. In effect, he created a*

*balanced fund for mostly unknowing investors who had largely invested in Magellan Fund as a way to participate in equities through smart stock picking. Well, the mammoth timing/sector bet was a disaster, and the fund manager is now history. And Magellan, the worst performer among the big 10 equity funds year to date, has beaten not one of its nine competitors.*

Successful investing is primarily all about compounding, time, and patience. It is more about intuition and less about anything else. And it is more about diversification and less about selection. It is all about doing less and not more.

Below, you can watch *Riders of the Purple Sage*, filmed in 1925, starring Tom Mix, Beatrice Burnham, Arthur Morrison, Warner Oland, and Wilfred Lucas. The film, directed by Lynn Reynolds, was based on the novel of the same name by Zane Grey, published in 1912 by Harper & Brothers.

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## CAT 5: Prepare for Hurricane Lee

Hurricane Lee has strengthened to a Category 5 storm and is barreling through the Atlantic on course to hit America's East Coast. Right behind Lee is Tropical Storm Margot, which is also expected to reach hurricane levels. *First Coast News* reports:

*It's very active across the Atlantic basin, but thankfully there are no local threats in Jacksonville within the next week. Remember to stay updated this time of year as the historical peak of the Atlantic hurricane season is approaching.*

*Tropical Depression 13 has formed in the Atlantic, and it is forecast to become a major hurricane by Saturday. We are watching it closely as models suggest it could head towards the Caribbean, or travel just north of the islands and near the Bahamas by mid-next week. It is too early to tell how this could impact the East Coast of the United States, but it is something to watch closely. Guidance continues to be strong on the development of this area as it moves west this week.*

*Hurricane Florence was said to be a “guaranteed fish storm” in its early beginnings in 2018, but the forecast changed and it ended up making a direct impact on the Carolina Coast. Not that this current system we’re watching won’t re-curve, but Florence does serve as a reminder to not write these tropical waves off too soon. Stay tuned for updates.*

*There are two other areas we’re monitoring as well, but do not pose a concern to us at this point. Post-Tropical Cyclone Franklin is located several hundred miles north of the Azores and is forecast to move quickly southeastward towards warmer waters east of the Azores. Another strong tropical wave is forecast to move off the coast of West Africa on Tuesday and head toward the Cape Verde Islands.*

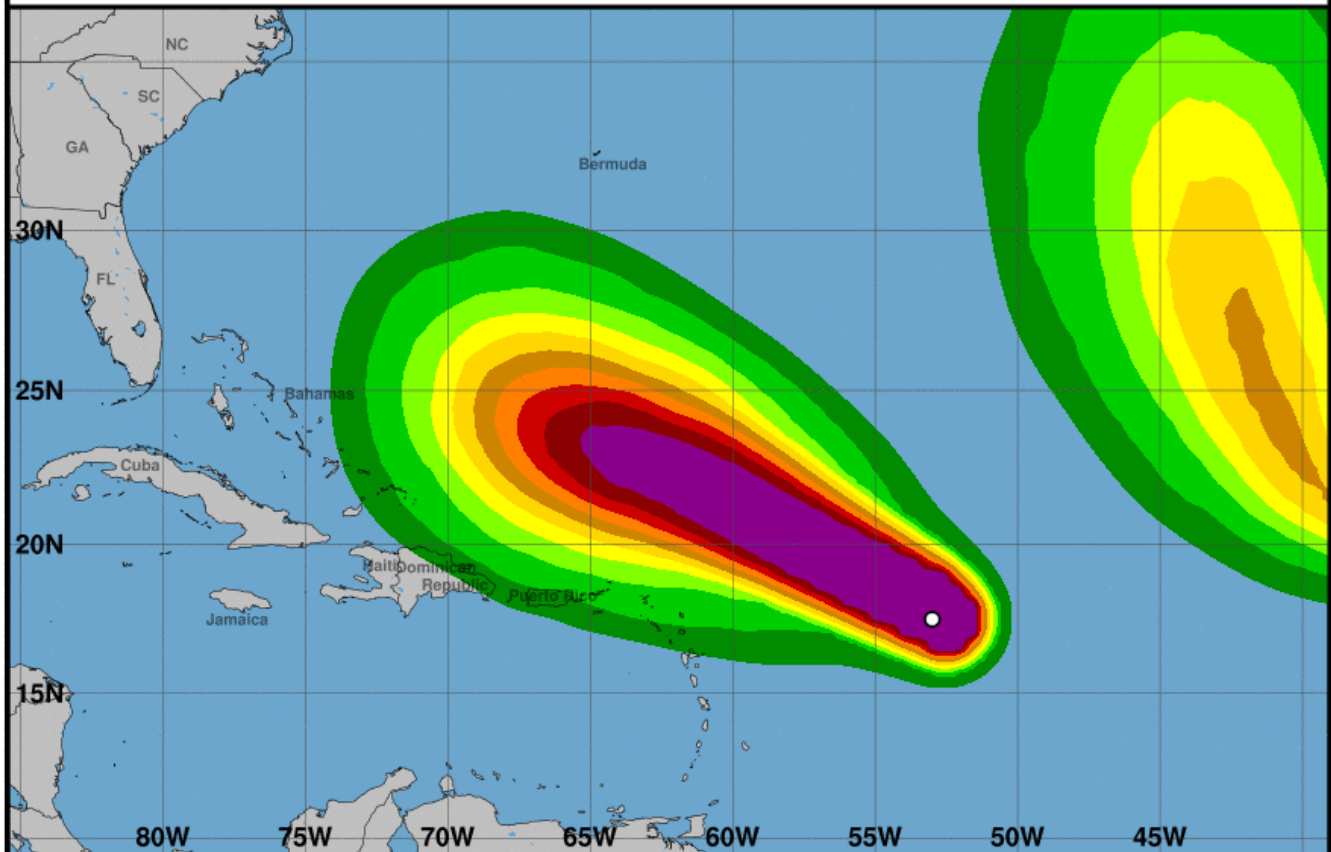
*It’s already been a very active season. Normally by now, we’d only have 7 named storms. Instead, we’ve already had 11 (12 if you include the one unnamed subtropical storm in January), which is more typical for October 2.*

Read more [here](#).



## Tropical-Storm-Force Wind Speed Probabilities

For the 120 hours (5.00 days) from 2 AM AST FRI SEP 08 to 2 AM AST WED SEP 13



Probability of tropical-storm-force winds (1-minute average  $\geq 39$  mph) from all tropical cyclones  
O indicates Hurricane Lee center location at 2 AM AST FRI SEP 08, 2023 (Forecast/Advisory #12)

