



As I noted in last month's newsletter, market conditions are good for us now in terms of our messaging and our investment model for several reasons. Although the stock market is still reasonably strong, we're seeing not only an increase in volatility but a shift in the strengths and weaknesses of different sectors, with a possible favorable pivot from growth to value stocks. The second factor is good for our strategies, while the first is good in terms of our ability to instill urgency in our marketing and sales efforts.

A big part of the volatility, of course, is being driven by fears of a trade war due to new tariffs being imposed by the White House. This, along with various economic factors suggesting that a slowdown is coming, has created a lot of uncertainty and, as we all know, the markets hate uncertainty. All three major indexes finished February in the red, although the market overall is still up by about 1.5% for the year.

Naturally, the Fed is watching all this closely and has signaled they could lower short-term interest rates as many as three times this year if they feel the economy needs help, with the first cut likely coming in June. Long-term rates have been holding steady since the start of the year and came down a bit in February.

What does all this mean for you? Well, again, it means that this is a great time to use the growing atmosphere of uncertainty to instill urgency in prospects and clients who need some tangible, timely motivation. It's a great time to lock people into bonds and bond-like instruments that still have great yields because that could change. It's a great time to motivate people who might be carrying too much stock market risk to reduce their risk while the market is still up because that could change. It's a great time to upgrade annuity clients into annuities with better terms while those opportunities still exist because that could change – and likely will at some point.

The best part is that these helpful conditions exist at what is typically a productive period for advisors anyway. With better weather coming and people more focused on their finances at this time of year, make sure you are laser-focused on your marketing efforts and on getting in front of as many prospects and clients as possible between now and the end of May. By that time, people are typically thinking less about their finances and more about upcoming vacations. And who knows what might be happening with the markets by that point? So, continue doing all you can to make the most of the current conditions and take full advantage of this productive period.

For more tips and insights, be sure to watch my March Sound Income Academy coaching video!

Dave

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