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Metaphors of Investing

Sometimes, when investing seems to get entirely too dry and calculating, it helps to toss in a few metaphors to lighten the conversation.

Dead cat bounces occur after an investment drops substantially and then has a moderate upward move, only to fall again. The visual that comes to mind at the words, pretty much describes the performance of the investment.

Black swans are those rare unforeseen events that send the market into a tailspin. The term originated in Europe where all swans were white. With the exploration of Australia, came the discovery that black swans can be relatively common.

Castles in the sky refers to periods of extreme overvaluation in the markets. While you might want to avoid castles, **bottom fishing** among the oversold stocks of a market drop can be profitable.

Witching hours happen during the final hour of trading on a Friday when stock index futures, single stock futures, stock index options, and stock options all expire and anything can happen. This occurs on the third Friday in March, June, September, and December.

Unicorns are those mythical privately held companies that quickly reach \$1 billion in revenue and are considering going public. It's hard to be sure whether they are real or not.

The rubber band effect is the tendency of the market to bounce back right away after a large sell-off in the market, often as a result of computerized trading.

Black typically indicates a very bad, very down day in the market as in Black Monday (October 19, 1987) or Black Tuesday (October 29, 1929).

A handwritten signature in blue ink that reads 'Brian Carruthers'.

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