

July 7, 2022

Good Afternoon,

While markets seem to have stabilized since the lows of mid-June, we are still in the grips of a bear market. Investors maintain a sharp eye on inflation and economic growth data while waiting for corporations to begin reporting their Q2 profits and outlooks for the balance of the year. Bond prices have also stabilized bringing some relief to balanced portfolios.

Speaking of bear markets, history provides some important references as we look for the start of a recovery. Here are some statistics regarding market drops and bear markets over the past 75 years.

- On average, markets experience a drop of 10-20% once every 2.5 years.
- Bear markets (a drop of 20% or more) have occurred on average once every 6.3 years.
- The average bear market decline lasted 15 months with a decline of 34%.
- The average bull market (the recovery) has lasted 66 months with a gain of 192%.
- The average recovery time (from bear market low to new market high) is around 25 months.

We never know when markets have truly bottomed. The current drop has been steep and quick, and the recovery may be a mirror image. That's why we remain invested.

For those of you waiting to hear, the Cincinnati Reds are currently tied for first – for the worst record in baseball. My team has been in a bear market since they last won the World Series in 1990. Not sure why I remain invested!

Please visit our website at www.canfg.com or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Enjoy this beautiful weather!

Wade

Wade A. Sarkis, CFP®, AIF®
Managing Partner
Canandaigua Financial Group
45 Ontario Street
Canandaigua, NY 14424
(585) 396-2720

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