NEPSIS®

TOP 10 Stock Market PREDICTIONS FOR 2024

- By Mark Pearson on January 1, 2024 from InvestingWithClarity.com Blog

For those who follow our annual stock market predictions, I realize we are starting to sound like a broken record! But, once again, we were 100% correct, or statistically speaking, batting a thousand for our predictions for now, 9 years running!

As we head into 2024, we will once again make our traditional Top 10 Predictions.

For those of you who maybe have not followed our predictions in years past, you may be asking yourself, "Why does Nepsis® do these annual predictions – especially these types of predictions?"

The answer is simple, we live in a world that I believe has an Addiction to Prediction®.

We see investors continue to make big investment decisions and mistakes as they listen to countless predictions, compare their portfolio to benchmarks without understanding how they work, and compare their portfolios to other portfolios without understanding how the returns were achieved and at what level of risk it took to achieve the returns. Not to mention the many investors who have **NO IDEA what companies provided the performance in the first place**.

After a dismal performance for portfolios in 2022 from both equities and bonds (we have been anti bonds now for 9 years), 2023 was stacked throughout the year with countless predictions on how the "markets" were going to perform and end the year.

From hard landing to soft landing – from inflation shooting through the roof to inflation crashing… Many experts flooded the media outlets to provide their guidance on what they "thought" was going to happen in 2023.

Annnnnd, just like most years, most were incorrect! That is assuming you followed the predictions made to verify their accuracy (don't worry, most people don't verify predictions after they are made). Most people just love to hear others say what they themselves are thinking or feeling.

Keep in mind, here at Nepsis®, we are not concerned with one year performance of "markets", or more importantly, the companies we own.

We have been telling our clients for twenty-plus years to always expect a 20% correction at any time during any given year. Of course, in 2022, we saw exactly that! As the S&P 500 closed 2022 down almost 20% and the Nasdaq down over 30%, our clients should not have been surprised by the performance!

That said, when corrections do occur, we have told our clients to look for us to be buying many businesses at deep discounts as we have in every other correction. We like to continually remind our clients that VOLATILITY IS OUR FRIEND! And of course, that is exactly what we did and provided, without any predictions a phenomenal 2023!

Everyone knows that there is no crystal ball, but people readily latch on to a silver bullet or quick fix solution instead of being disciplined with their investment strategy. Let's face it – there are a lot of people that love hearing predictions and, unfortunately, I believe many people focus more on predictions than they do on what they own and why they own it.

We do not go very far out on a limb. Instead, we look at what should be common sense combined with many of the ideas investors seem to focus their efforts on. When all is said and done, when you are investing OVER TIME, it should be the investment philosophy and strategy that provides you with the confidence to stick to the investment process. Portfolio returns are relative to the risk taken. Additionally, as we tell our clients, you don't make or lose money UNTIL investments are sold.

Focus on the process and on achieving long-term goals, not on a short-term number.

Oh, by the way, if you have followed our predictions from last year, you will notice ZERO changes in this year's predictions. Why? Because when you are right, you are right!

Mark Pearson,
Founder & CIO

Here are the Top 10 Predictions…

NEPSIS®
8674 Eagle Creek Circle, Minneapolis, MN 55378
(952) 746-2003 • Fax: (952) 746-2006
www.NepsisInc.com • Blog: www.InvestingWithClarity.com

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The 2024 Stock Market Predictions!

1. Investors will continue to see the predictions on where the S&P 500 will end in 2024 (just like 2023) to be wrong, with the potential consequences of investors piling in on overpriced assets and missing out on great companies on sale. Bluntly, I don't remember one expert stating that the markets would perform in 2023 like they did. Maybe someone did, but, for the majority, the predictions were once again, wrong.

2. Investors will continue to see company stock prices, as well as the "stock market", move up and down irrationally – as usual. Remember, you don't invest in the "stock market", you invest in businesses purchased through a "market."

3. Investors will continue to focus on short-term or historical performance and in doing so, be distracted from making intelligent long-term investment decisions and focusing on their Financial Plan.

4. Investors will continue to allow their emotions to get the best of them and make investment decisions emotionally as opposed to fundamentally.

5. Investors will continue to be scared by stock market volatility and in turn, create great buying opportunities — like always! Yes, we took advantage of this massive pullback in many companies in 2023!

6. Investors will continue to focus on inaccurate portfolio comparisons, with benchmarks focusing on fees and short-term performance vs the investment process – a symptom of poor investment Clarity.

7. Investors will continue to be overdiversified in their portfolio and not be properly asset-allocated, leaving their portfolios inefficient.

8. Investors will continue to have an unrealistic time horizon for their investments and will be focusing more on short-term pain vs long-term gain – the tragedy of a short-term thinker.

9. Investors will continue to make poor investment decisions without recognizing that their behavioral biases are, in part, to blame — the plight of investing without Clarity!

10. Investors will continue to limit their potential to be successful by failing to leverage the power and flexibility of Strategic Cost Averaging®.

Happy Holidays, Happy New Years and God Bless!

Invest with Clarity®! — Mark Pearson

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