

## I Cannot Invest Now - The Market is Down!



**Originally written and published by myself in 2009 - But it's as relevant today as it was then.**

We all know that the global investment environment has been extremely difficult for some time now.

Politicians and investment commentators have talked of falling GDP and flat markets. The truth is that rarely has there been a better time for the long-term investor, and it is important to remember that some investing concepts never change...



'Buy Low and Sell High' is the simplest, so hold the assets you have, and buy more!

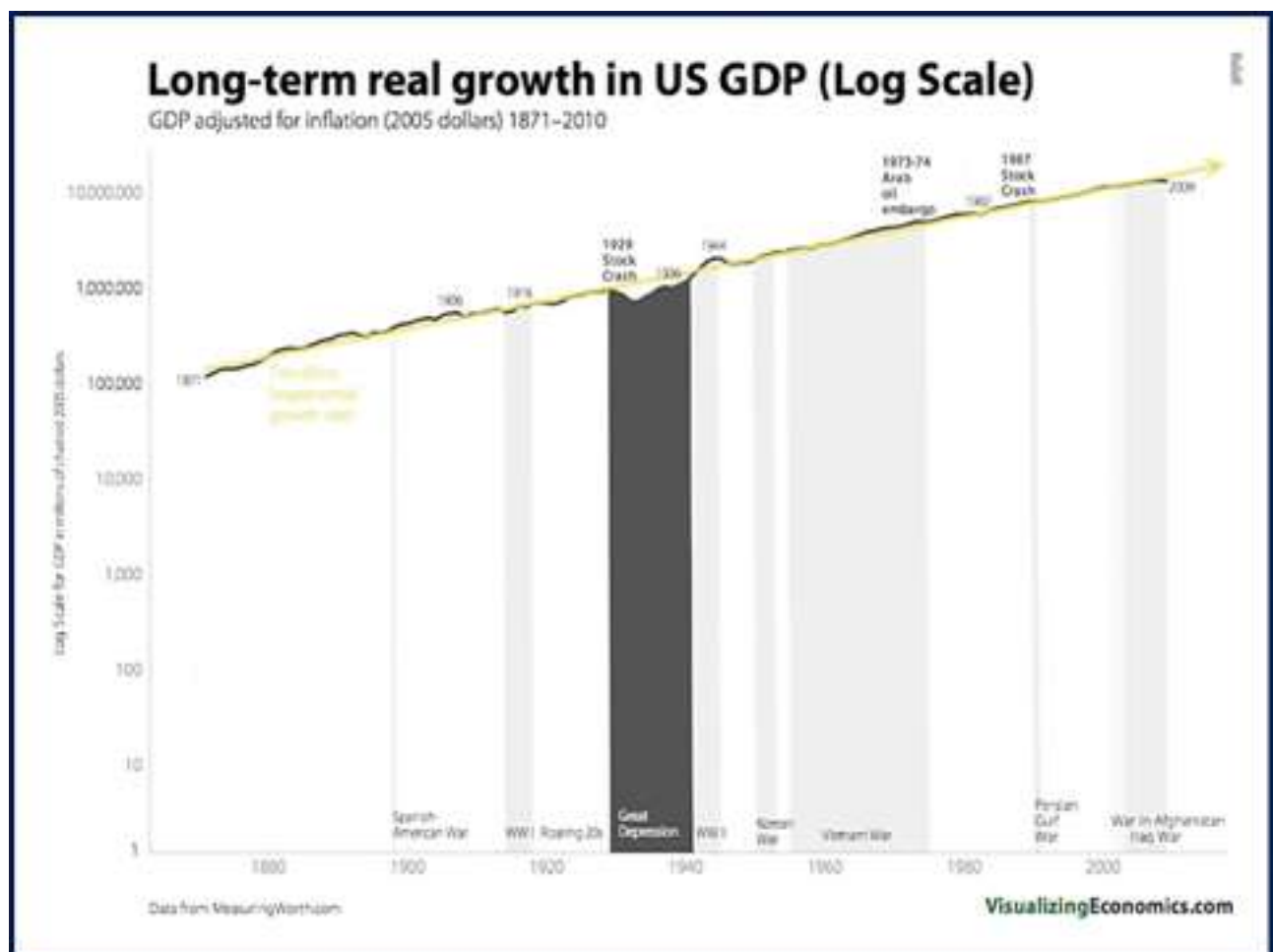
Baron Rothschild, an 18th century British nobleman and member of the Rothschild banking family, is credited with saying that "The time to buy is when there's blood in the streets."

He should know. Rothschild made a fortune buying in the panic that followed the Battle of Waterloo against Napoleon. But that's not the whole story. The original quote is believed to be "Buy when there's blood in the streets, even if the blood is your own."

This is contrarian investing at its heart - the strongly-held belief that the worse things seem in the market, the better the opportunities are for profit.

So hold the assets you have, and buy more!

This does make a lot of sense, but when will we start to see real growth?



This really seems to depend on who you listen to, but what we can be sure of is this- the longer global markets remain negative and disappointing, the more rapid will be the growth, so holding onto existing assets, and buying more of them is the way to go.

The chart below 'Long-Term real growth in US GDP' shows that regardless of the global situation, there is always a return to growth. Even following the great depression of 1929, GDP growth started to return in 1934, only 5 years after the initial drop.



He previously served as global equity strategist at Salomon (now Salomon Smith Barney).



It's never easy to watch values dropping as we've seen of late but it's one of those 'sit tight and ride it out' situations, assuming that you have some time on your hands.

Hold the assets you have and buy more if possible.

Volatility is a fact of today's investment arena and if utilised correctly can add greater profits over time.