

## March Commentary

March 1, 2022

The Russian invasion of Ukraine has caused a lot of volatility in the stock markets. At home, rising inflation, a spike in gas prices, and the expected interest rate increases from the Federal Reserve have compounded the outlook.

It is difficult to say whether the talks between Russia and Ukraine will make any headway. Most of the Western world has condemned the attacks and imposed sanctions that are having immediate effects on the Russian economy.

The Russian ruble has lost a significant amount of its value, the Russian stock market has been closed after dropping 50% and Russian banks are paying 20% interest on funds to try and keep people from withdrawing their money.

It is difficult to predict what will happen next, and we expect the stock market to remain volatile as the situation changes hourly.

If you need funds in the short-term, we usually recommend a couple of years of income held in fixed income investments. If you are further from retirement, than less exposure to bonds is adequate.

While these geopolitical events are unsettling, their effects on the stock market are typically short lived. On average, about 6 months after a geopolitical event the stock market is up 5%. After a year, the stock market has bounced back around 9%.

We will continue to monitor the news and the effects it may have on your portfolios. Staying the course and making small adjustments is normally the best course of action for the long-term investors.

If you have any questions, we can be reached by phone at 216-539-8444 or by email.

Best Regards,

Jim & Dave

**Jim Onorato**

E: [jim@summit-capital.com](mailto:jim@summit-capital.com)

C: (440) 725-3864

**David Yormick**

E: [dave@summit-capital.com](mailto:dave@summit-capital.com)

C: (216) 849-8753

[www.summit-capital.com](http://www.summit-capital.com)

Main: (216) 539-8444