

August Commentary

August 9, 2022

Time In the Market or Timing the Market?

Through mid-June, the stock market declined about 22% from the start of the year and reached new lows. Since mid-June, the markets have bounced back and regained about half of those losses back. While the markets are still down around 13% for the year, investors who sold in June missed a significant rebound in prices.

Did the market reach a bottom in June, or will it drop to a new low in the future? No one knows the answer and a case can be made for either scenario. Our view is that time in the market is a much better strategy than trying to time the market.

We continue to invest in well established, large U.S. based companies that pay dividends and have a history of growing their earnings. While many of these companies are still down for the year, they will recover as the markets improve. Other less established companies that have declined 70-80% may never recover.

Peloton was a high-flying stock during the pandemic. In early 2020 it traded around \$30 per share and hit a high above \$160 in December 2020. The company has never earned a profit and now trades just above \$11 per share. That is quite a roller coaster ride for a company that is still not projected to turn a profit for at least another two years.

We hope you are enjoying the last days of summer, and feel free to contact us with any questions.

Best Regards,

Jim & Dave

Jim Onorato

E: jim@summit-capital.com

C: (440) 725-3864

David Yormick

E: dave@summit-capital.com

C: (216) 849-8753

www.summit-capital.com

Main: (216) 539-8444