



TOP 10 Stock Market PREDICTIONS FOR 2016

By Mark Pearson on January 1, 2016 from *InvestingWithClarity.com Blog*

Happy
New Year
2016

It's hard to believe that 2016 is here! Of course, just like every other year, the financial services industry is once again abuzz with their predictions on what is going to happen in 2016. It really does amaze me to see some of the predictions that are made each year! Of course, we always get the usual ones: Where will the S&P 500 end the year, where will interest rates be, what are going to be the hot sectors, etc.

The irony of investors being so interested in predictions is that even though investors love to read them and to some degree believe and/or follow them, no one bothers to validate their accuracy. I don't believe that I have ever heard of any investor or impartial third party grade or rank the authors of these predictions by their accuracy... ever. Additionally, these predictions by their nature really don't focus on identifying great businesses to invest in over time, which most investors know is one of the keys to successful investing.

I would not be surprised to find that if we went back and checked old predictions, we would find that they were wrong. Am I missing something? Why is it that the public listens to predictions? Behavior scientists and theorists would say that it is due to feeling the person experiences when they think they are getting insider intel. Everyone knows that magic crystal balls don't exist, but they suspend that disbelief to latch on to a silver bullet or quick fix solution instead of being disciplined with their investment Strategy.

So, in the spirit of joining the bandwagon, I will once again be making my bold predictions for 2016.

As I mentioned earlier, do investors really pay attention to see how accurate the experts' predictions are? No, of course not! Therefore, I am going to make it easy for you and let you know how we have fared in our predictions since we started providing them in 2012.

In the four years we have been making predictions, we are 4-4! That's right, we have been right on every single one! I realize that may be an absolute surprise for some. However, we have had a great track record because of the Investment Philosophy and Strategy we adhere to in helping investors be successful in accomplishing their investment goals.

As you can see, like years past, we don't really go out on a limb! While many people love hearing predictions and guessing what is going to happen, they don't help make a successful portfolio. It is the Investment Philosophy & Strategy that assists in the process of investing for success.

Mark Pearson

Our 2016 Stock Market Predictions!

- 1 Most predictions on where the S&P 500 will end in 2016 will be wrong with the potential consequence of investors missing out on great opportunities to buy great companies on sale!
- 2 Company stock prices, as well as the "stock market" will move up and down irrationally – as usual.
- 3 There will be opportunities for those investors that have Flexibility to invest in great companies on sale – as there always is.
- 4 Timing the market will continue to be very difficult with leaving some investors being wrong in their judgment – that's nothing new.
- 5 Focusing on short-term performance will distract investors from making intelligent long-term investment decisions – a tragedy for short-term thinkers.
- 6 Some investors will let their emotions get the best of them because they do not have investment Clarity – and thank goodness, it's what provides opportunities to buy quality businesses on sale!
- 7 Investors will buy stocks that were considered "top picks" and sell them too soon due to the absence of an investment strategy and by focusing on short-term returns – the same short-term mentality described in Prediction 5.
- 8 Investors will invest in mutual funds that are considered the top picks without even knowing what investments they own – unfortunately investing without Investment Clarity.
- 9 Stock market volatility will continue to scare investors, and in turn, create great opportunities – like they always do.
- 10 Investors will continue to focus on the experts as they continue to guess how different investments will perform in 2016 like oil, or the interest rates – without understanding how it will affect their portfolio long-term.

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