At the writing of this article, it is February 10th and the Stock Markets are in a tizzy! The long running Bull market has turned into a Bear and no one is sure what to expect next. Some would say, the market’s erratic variations and sporadic up and down actions are much like a mother’s rocking chair as she sings “Rock a bye Baby …”.

On Friday, January 26th, the Dow Jones closed at 26,616.71, a new high, and ended the month of January at 26,149.39. After a slight increase on Thursday, February 1st, a decline began on Friday, February 2nd, just one week after reaching its record high. As of Thursday, February 8th (the lowest closing point thus far since the beginning of the decline), the Dow had lost 10.4% from its record high closing.

There was a time when news like this would have caused me worry and sleepless nights. But that was not the case this time. We knew this would eventually happen. We didn’t know exactly when it would come but we knew it was coming. Almost everyone in the Market was aware that the Market was overheating from record growth over the past several years and was projecting a downturn or correction.

Yes, we knew this would eventually happen, but more importantly, we reported to you that it was expected to happen. It was referenced in my February 2016 article (“How’s My Money Doing?”) and February 2017 article (“What Do We Do Now …”). It was also included in my 2016 and 2017 reports to the General Connectional Board.

No one knows what this Market will do next. Although the Dow has reached the technical level of the long expected “correction” no one knows how deep the correction will reach before it turns around. Additionally, no one knows if this decline is a “correction” or a “downturn”.

What we do know is that “over the long term”, the Market continues to grow, and its numbers continue to increase. The CME Retirement Plan has, since inception, and especially since 2002, been positioned for the long term which means that most losses are eventually recovered in a reasonable period of time.

What we also know is that the Markets (Dow, S&P and Nasdaq) are all equities and the percentages of their reported variations do not reflect the experience of our investments which are more balanced with equities and fixed income products. As an example, I compared a separate account that I had established years ago with the variances of the Dow. Where the Dow had lost 7.5% in February, my separate account had only declined 5.6%.

Because we’re geared for the long term and we have learned to read and evaluate some of the Market’s changes, I’m not nearly as fearful as I have been in the past. If we plan our work and work our plan, while keeping the church informed; then we have done what is expected of us. Or at least that’s the way it looks to me…

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(Copies of earlier articles may be found on the Personnel Services Webpage of the CME Website at www.thecmechurch.org)