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Q&A with W. Brian Puckett

Today's Q&A is with an attorney and investment adviser with Brian Puckett Retirement Advisors LLC in Oklahoma City.



Are U.S. investors becoming accustomed to geopolitical events, such as the bombings Thursday in London?

I don't know of any person, investor or not, that can be totally immune to a tragedy such as this. Nonetheless, I do believe that U.S. investors are coming to accept the fact that terrorism is more and more a part of living in the world today. As such, the increased risk premium that results is, by and large, already priced into securities prices and also priced into commodities, such as oil, metals, etc.

Does the stock market have safeguards to prevent U.S. markets from trading too low?

Safeguards do exist. The stock market has bumpers (circuit brakes or collars) that are designed to curb excessive market swings based on emotion.

Should investors worry about events such as these, whether they occur at home or abroad?

If history is any guide, investors will probably be wise if they don't react in panic. The wise investor will not succumb to the toxic fiction of "this time it's different," at least as far as event-driven market collapses are concerned. Grieve, yes. Panic, no. Stay with your well-thought-out investment strategy. And if you don't have a carefully crafted strategy, this event should be a strong reminder that life can be short, so create your investment strategy sooner, rather than later.

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