

Superhero Buffet vs. Economic Kryptonite

I can't help but lead with this Bloomberg.com headline.

Buffett's Berkshire Has AAA Debt Rating Cut by Fitch

You mean to tell me the "Oracle of Omaha," the "Investor Extraordinaire," didn't have the market savvy to change tack and drive his precious Berkshire to tighten up their exposure and shore-up their risky investments?

It seems the financial world can't go a day without finding this chosen one's name saturating the media. And his company now loses its triple-A rating? I believe the phrase is: Man, oh man.

I mean, I'm not surprised that Berkshire is undergoing challenges during such tough times. But based on the superhero status the investment crowd has bestowed upon Warren Buffet, you'd think he'd be able to at least pull his own company from the jaws of misery.

Nope.

It's A Whole New Ball Game

To be partially fair, this investing environment is eluding some of the most tuned-in stock market participants. It's almost become a full-time job trying to predict the buying opportunity of a lifetime in the stock market. It's not a game of here what company looks good; it's a game of here's what company is going to look good, we hope.

Forget the fact that headlines are highlighting the potential that hundred year old GM and hundred ninety seven year old Citigroup become delisted from the Dow because of dismal share performance. Sure, shares of many companies are trading at fractions of the prices they fetched a year ago. But you want to know what? Five dollars per share can be halved just as easily as fifty dollars per share. In other words, be careful.



Even investment icon Warren Buffett is having a tough time coping with the turbulent stock market.

If you've got time and the funds, then buying stocks at current levels may be fine, assuming you don't get stuck in shares that cease to exist in three months. I believe this could happen to Hundred and thirty one year old GE because it too was down-graded this week. But if you need to be proactive with your money, then struggling to time the bottom in stocks probably isn't the approach you should be taking.

Not when there are other kinds of opportunities in the meantime. Just as the shifting sands of the global economy have shaken up equity markets, they're influencing other types of investments too.

Based on a view that risk-aversion will stick around for a while and the global economy must undergo a major rebalancing before things can start to look up. Depending on how nimble you're willing to be, it's just as easy to play counter-trend moves.

Join us at our seminar on March 25th to hear more.

Best wishes,

Valerie Holcomb, President
Shari Hooper, Senior Vice President
Cascade Financial Group

Sources: Jack Crooks-Money and Markets, GM, GE and Berkshire Hathaway websites.

This communication, including attachments, is for the exclusive use of addressee and may contain proprietary, confidential and/or privileged information. If you are not the intended recipient, any use, copying, disclosure, dissemination or distribution is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this communication and destroy all copies.

If you wish to be taken off this mailing list and not receive future "Weekly Updates", please reply back with "Unsubscribe" in the subject line. If you wish to have this "Weekly Update" sent to an alternate email address, please reply back providing the new email address