

# How to Keep Headlines From Driving Your Portfolio Decisions



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*On behalf of everyone at AAI, I want to say thank you to all of you who have served or are currently serving in the military. The stock market will be open Friday, Veterans Day, but banks and government offices will be closed.*

Big, unexpected events commonly trigger strong emotional reactions. The wiring in our brains triggers us to quickly respond to new stimuli. The initial course of action is often the wrong one when we're not in physical danger. This is particularly the case when it comes to managing our portfolios.



Long-term investing success comes in large part from simply sticking to a plan no matter what is going on around you. This is far easier said than done when big events occur. Our desire to do something conflicts directly with what is best for achieving our long-term financial goals.

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## More on AAI.com

- **The Danger of Getting Out of Stocks During Bear Markets** - Pulling out of stocks because of fear has a lasting negative effect on your wealth.
- **Comparing a Bucket Strategy and a Systematic Withdrawal Strategy** - Allocating assets by time can help some investors better handle market volatility and uncertainty.

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## Highlights from the *AAI Journal*

- **Competition Has Made Indexing a Winner's Game** – Charley Ellis says that better analysis, more trading and a larger number of professional investors have made succeeding at active investing harder.
- **Conversations on Picking Good Stocks and Funds** – Harold Evensky shares commonsense insights for choosing the best investment.

## AAI Sentiment Survey

Bullish sentiment surged to its highest level in more than a year. The 15.3-percentage-point jump was the largest weekly increase in more than six years and mostly reflects responses registered before Tuesday. **More about this week's results.**

## What's Trending on AAI

1. **16 Financial Ratios for Analyzing a Company's Strengths and Weaknesses**
2. **Why Buy Bonds If Interest Rates Will Rise?**
3. **William O'Neil's CAN SLIM Approach to Selecting Growth Stocks Using Fundamental and Technical Data**

## The Week Ahead

AAI's senior financial analyst, Wayne A. Thorp, CFA, will be speaking at the AAI **Portland Local Chapter** on Saturday, November 12. He will be discussing AAI's Model Shadow Stock Portfolio.

Earnings season begins to slow down as only 20 members of the S&P 500 will report. Included in this group are three Dow stocks: Home Depot (**HD**) on Tuesday, Cisco Systems (**CSCO**) on Wednesday and Wal-Mart Stores (**WMT**) on Thursday.

The week's first economic reports will be October retail sales, the November Empire State manufacturing survey, October import and export prices and September business inventories, which will be released on Tuesday. Wednesday will feature the October Producer Price Index (PPI),

October industrial production and capacity utilization and the November Housing Market Index. The October Consumer Price Index (CPI), October housing starts and building permits and the Philadelphia Fed's November business outlook survey will be released on Thursday.

Ten Federal Reserve officials will make public appearances: Dallas president Robert Kaplan on Monday and Friday; San Francisco president John Williams on Monday; vice chairman Stanley Fischer and Boston president Eric Rosengren on Tuesday; St. Louis president James Bullard on Wednesday and Friday; Minneapolis president Neel Kashkari and Philadelphia president Patrick Harker on Wednesday; New York president William Dudley and Chicago president Charles Evans on Thursday; and Kansas City president Esther George on Friday.

The Treasury Department will auction \$11 billion of 10-year inflation-protected securities (TIPS) on Thursday.



## AAII Local Chapters

AAII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AAII members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you! Click [here](#) for information on upcoming meetings.

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- The *AAll Journal*—our 40-page, ad-free monthly magazine. Topics include stock and mutual fund strategies, portfolio building, financial planning, investment how-to guides and more.
- Easy-to-use Model Investment Portfolios—Investing the “AAll Way” has always been about distilling current financial theory and academic research into knowledge that our members can act upon. Our results are impressive!

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