

The Coronavirus Test

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No, we are not talking about getting tested for the coronavirus. We are talking about how COVID-19 and the dropping crude oil prices resulting from the Saudi/Russia disagreement is testing investors' willingness to #StayInvested. It's been a rough couple of weeks in the stock market. The scale and speed of the recent downturn has been unnerving. Quarantines, travel restrictions, and large downward moves in Energy stocks dominate the headlines, leading to even more fear and panic. At the end of February, stocks suffered their worst week since the 2008 financial panic, and early March has seen the market sell-off continue.



Times like these are when the rubber meets the road and fortitude is put to the test.

The recent volatility in the market is enough to make just about everyone question whether it is time to push the panic button and sell stocks. To be honest, we don't know if this is the end of the 11-year bull market or simply another correction that the bull can overcome. Nor do we know if this is merely a slowdown, or the start of a full-blown recession. Whatever this is, we don't even know how long it will last.

What we do know is that selling into a panic has been an unsuccessful strategy throughout history. We do know that when you let emotions control your decision making, you risk making poor choices. And we do know that eventually, fear in the markets will subside. Vanguard looked at the 55 days over the past 33 years in which the S&P 500 has fallen by 3.5% or more. Following 45 of those down days, the S&P 500 was up an average of 20% one year later.

At Adams Funds, we have written a series of insights on the importance of Staying Invested. We thought now would be a good time to revisit these.

- [How to Invest in Anxious Times](#)
- [Asset Allocation Provides Discipline to Meet Long-Term Objectives](#)
- [The Rewards of a Long-Term Approach in the 24-Hour News Cycle Era](#)
- [The Case Against Market Timing](#)

Times like these are when the rubber meets the road and fortitude is put to the test. What are we doing here at Adams Funds with the recent market turbulence? We are carefully reviewing opportunities given the recent volatility to take advantage of the sell-off. We recognize that market corrections are normal, and even healthy for the stock market, but are painful nonetheless. We encourage our investors to stay calm and #StayInvested.

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