

Buy? Sell? Panic? Experts weigh in on market turmoil



Michael Chadwick

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by [Lisa Backus](#)

Local financial advisors are offering opinions as varied as the fluctuations in the world's financial markets on what investors should do as the stock market has been dropping and gaining ground hour by hour in recent days.

U.S. stock markets sank in morning trading Monday in a wave of fear that circled the globe after a historic plunge in Chinese stocks, according to the Associated Press.

Despite what appears to be uncertainty, Berlin Deputy Mayor Bill Rasmussen Jr. of Rasmussen & Davis, a wealth advisory group practice of Ameriprise Financial, said now is the time to buy.

"In terms of the big picture, this is a correction that was long overdue," Rasmussen said. The stock market had four years of growth without a correction. The glass half-full side is that it's a great opportunity to buy."

Rasmussen said he doesn't think the volatile highs and lows experienced Monday when the Dow Jones industrial average dropped about 1,000 points, rebounded several hundred points and then dropped again by 4 p.m., doesn't signal a major financial crisis.

"We don't feel it's anything systemic or prolonged," Rasmussen said. "The short term view is that it's long overdue."

Michael Chadwick, owner of Unionville-based Chadwick Financial Advisors, on the other hand is cautioning investors not to buy during what could be a prolonged downturn in the market.

"Be very cautious, this could end very badly," Chadwick said. "The market has been strong for a very long period of time. We're in an artificial environment."

Stocks have continued to increase in value since 2009, Chadwick said. "People are conditioned that stocks will go up," he said. "But if we get into a bear market, they will go down for a long time."

Growing concerns about a slowdown in China had already shaken markets around the world on Friday, driving the U.S. stock market sharply lower. But Jim Ferris of Bristol-based Ferris Financial said people should continue to invest — but selectively.

"The gyrations are just that," Ferris said. "The big thing is what's happening in the U.S. economy."

Investors should be selective in what they buy, Ferris said. "Go after high quality, blue chip stocks that you recognize," he said. "Go for big names that have a great future and great earnings down the road."

Ferris said there is nothing negative about the U.S. economy at this point which should signal to investors that they can move forward. “But we do business globally,” he conceded. “So if you are concerned, don’t buy stocks from companies that need China.”

Like Rasmussen, Ferris said television headlines play a role in frightening the public about drops in the stock market, but fluctuations and drops happen frequently — about every 12 to 18 months. “There is no reason to panic,” he said. “The Federal Reserve is talking about raising rates for the first time in eight years, the reason they raise rates is to cut inflation, raising rates means our economy is doing better.”

Information from the Associated Press was included in this story.

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