

## **RADIO CLIP: David Levy on Fear and Investing**

Posted by [David Levy](#) on Monday, 24 August 2015 in [Commentary](#)



With the stock market showing extreme volatility, KCBS Radio in San Francisco called on Kenjol's David Levy to discuss "Fear and Investing." You can listen to the clip below.

### **TRANSCRIPT**

HOST: With us on the Newline is David Levy, Portfolio Manager at Kenjol Capital Management in Austin, Texas. Mr. Levy, thanks for joining us this morning.

LEVY: My pleasure, glad to be here.

HOST: Obviously, pulling the covers up over our head is not a good option, so what should we be doing?

LEVY: Typically, we think we should be doing something, and in many cases that's really the problem. When we see extreme moves in the market like we saw at the open this morning, really

the best course of action is to do nothing. Fear is a powerful emotion and it can get in the way of making logical decisions. So in many cases it's probably most prudent to take a step back, take a deep breath, and really evaluate what's changed and what course of action you may need to take going forward.

HOST 2: Do people tend to be able to do that, or do they spend the rest of their lives beating themselves up for what they could have done or should have done in a time of stress or crisis?

LEVY: Many times investors will second-guess themselves. It's easy to make a decision in hindsight. With that said, you can only do so much and do what you can do, so the right time, if you were looking to lighten up on your positions, if you felt like you were overexposed to stocks, was not at the open of the market today when fear was high. The time to do that was previously. It was last week, it was last month, and that's why you need to look from time to time at your overall portfolio and evaluate what potential risks you can take, because stocks moving lower in a large sense this morning is not normal, but stocks do have volatility. We've grown very accustomed to stocks moving higher, in only one direction over the last couple of years which have been very good for the stock market, but the reality is what goes up also has the potential to go down.

HOST: Are the pros pretty good about this? I mean, are they smart enough to do what was suggested in our update from CBS News, which is to shop for bargains, or do even the pros get scared sometimes?

LEVY: Well, certainly pros are pros because they are that by name, but at the same time, you look at certain stocks this morning and you really see some levels that are really too good to pass up. Verizon this morning was trading all the way down to \$38, now it's \$46, that roughly a 21% move in roughly two hours of trading. Apple is another one, it traded as low as \$92, now it's \$108. So whereas the average individual investor may look at that and scratch their head, seeing Apple trading in the low \$90s, saying maybe I need to do something, but not being able to actually pull the trigger. Generally speaking, pros can understand that disconnect and be more quick to actually make a decision, a buy decision, and there are obviously plenty of people that saw the fear this morning and were able to take advantage of it just as, at the same time, some people were probably too fearful and chose not to step in.

HOST 2: Thanks for your time this morning. That's David Levy, portfolio manager at Kenjol Capital Management in Austin, Texas, as we have been whipsawed by Wall Street this morning, at one point the Dow Jones 30 industrials down more than a thousand points within the session.

END TRANSCRIPT

<http://www.kenjol.com/blog/entry/radio-clip-david-levy-on-fear-and-investing>

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