



Mike Fassi Recommends Strategies To Prepare For A Stock Market Correction

FORT COLLINS, COLORADO, UNITED STATES, August 18, 2017 /EINPresswire.com/ -- [Mike Fassi](#), the founder of Fassi Financial and a 42-year veteran of the financial services industry, has shared a few strategies that investors can use to protect their portfolios from stock market correction.

Fassi is a CLU (Chartered Life Underwriter) and ChFC (Chartered Financial Consultant). In his work at Fassi Financial, he specializes in helping business owners establish estate and succession plans. Fassi says that a market correction is inevitable due to recent stock market activity. The Dow Jones Industrial Average has been consistently hitting and breaking all-time highs as of late—a trend that Fassi says is usually followed by a correction. The recent market statistics indicate overvalued and overbought stocks, and will likely lead to a market decline in the coming weeks or months.

Mike Fassi recommends that investors take three key steps to prepare for the likely market correction.

The first move Fassi suggests is to put assets into short duration bonds. Bonds are an effective way to provide stability in an unstable market, Fassi says. Short-term bonds, especially, tend to offer reliable protection, as they are less vulnerable to the Federal Reserve's interest rate increases. Rising interest rates render bonds less valuable, but long-term bonds are at higher risk for interest rate increases than short duration bonds.

Fassi's second tip is to hold onto dividend paying stocks. According to Mike Fassi, low-risk dividend stocks—such as utility companies or publicly traded REITs (Real Estate Investment Trusts)—tend to offer stability even in dipping markets. These stocks also deliver a consistent stream of income that will help investors get through a market correction.

Finally, [Fassi urges investors to increase their cash position](#), if possible. With many stocks currently overvalued and overbought, Fassi says that investors will be able to find more value and stability by tweaking their portfolios to include 10% or 20% cash holdings.

These strategies, Fassi says, should help investors disaster-proof their portfolios in preparation for stock market correction. Additionally, he says that investors could find some extra protection by using non-correlated assets. Non-correlated assets are assets that have no ties to the stock or bond market. As such, they are shielded against market corrections by their very definition. Mike Fassi says that by investing in non-correlated assets—such as non-publicly traded REITs—investors are essentially diversifying their portfolios. He recommends that investors put between 20% and 30% of their portfolios into assets that are not correlated to stocks and bonds.

“Not all stocks or bonds are vulnerable to a market correction, but many are—especially in a market where the evidence points to so many stocks being overbought or overvalued,” Mike Fassi said. “Non-correlated assets can be a terrific form of hedging in this kind of environment. By distancing some of your portfolio from stocks and bonds—and putting other investment capital into more stable areas like cash, short-term bonds, and dividend paying stocks—you should be well-positioned to weather the coming market correction.”

Mike Fassi
Fassi Financial
(970) 416-0088
email us here

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