

Experts offer investment tips for 2018

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Walter Todd III, president and chief investment officer at Greenwood Capital, provided a 2018 economic forecast Friday.

Be smart, but be creative too.

That's the advice financial advisers have for people looking to diversify, re-calibrate or expand their 2018 investment portfolios.

Officials forecast a brisk economy against the backdrop of a strong stock market and massive federal tax reform.

“In some ways, this market reminds me of the period from August 1982 to the peak in 1987 where the market in general increased by more than two and a half times, said Stephen Akin,

who runs Akin Investment Advisory in Uptown Greenwood. It's clear that the wealth effect is working, and that the so-called animal spirits on Wall Street are back.

In its 2018 economic outlook, Goldman Sachs Asset Management said it was cautiously optimistic about the year in money, but pointed to potential areas of risk that could cut into the value of investments.

We think equity markets will be carried to new highs by a supportive macro environment in 2018. Headwinds are present though. The U.S. economy is at risk of overheating, tighter financial conditions could slow the European recovery and Chinese growth stimulus seems likely to moderate following the 2017 Party Congress. Geopolitical risks related to North Korea or U.S. trade relations could flare up at any time the firm wrote in its introduction.

Walter Todd III, president and chief investment officer of Greenwood Capital, said people should only make decisions that they're comfortable with.

That's a really individual question, so it's hard to say in generalities, Todd said. What I would tell you is that if you've been fortunate enough to participate in the market that we've been in, it's always important to stay disciplined and rebalance. So if you've got a balanced portfolio that's



gotten skewed toward equities, in general it's always important to stay balanced into stuff that's done well.

With the S&P 500 returning 21.8 percent to investors last year far surpassing its 10-year average of 8.5 percent Akin said it's a good time to evaluate other variables.

Whether you've been investing for years or just starting out, it's important to get a clear picture of where your strengths and weaknesses are, he said. Are you taking full advantage of things like your employer matching your contributions to your retirement account? Do you have a clearly defined investment policy?

Todd cautioned against following the herd when it comes to finding new ways at building up the value of a portfolio even if the most obvious option seems tempting.

“I think there's a potential for the stock market to move higher given the fundamental backdrop, he said. Having said that, more and more people are kind of buying into this move and when you get to the point where kind of everybody is on the same side of the ship, it has a chance of tipping over.

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