



Expect spikes of market volatility in 2017

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We expect more volatility in the marketplace.

I believe volatility is going to be high in 2017. The difference though, what we see since the great financial crisis is that volatility is not always high. It has big spikes, and then it is muted for the rest of the time. So when you look at longer-term volatility, it doesn't seem like it is higher than it used to be. But what changed in the marketplace is the spikes can actually make a big difference in our returns and our investments, so we need to pay attention. And usually those spikes happen around a lot of macro factors that's happening in the marketplace. So we still expect that to happen and mainly because there is still policy uncertainty in U.S., so any type of change there or headline will create volatility.

The same thing goes for global markets where Brexit is still up in the air, it's just starting. And then we have elections in Europe. So all those things we believe is going to create spikes and volatility, so we need to pay attention.

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