

Don't be spooked by market volatility

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SHARE market volatility should not be feared, says Adelaide financial strategist Theo Marinis.

The managing director of Marinis Financial Group said he had recently been contacted by clients concerned about sharp moves in their shares but his advice was to "stay in your seat". "Volatility in share markets is normal," he said.

"What is odd is the four years of a bull market we have just enjoyed – unlike any other share market in the world.

"There was much celebrating in the investment community when the ASX first tipped over 6000 points, however perhaps it was premature. One thing I have learned in my 20 years as an economist, accountant and financial strategist is that markets are staircases ruled by gravity."

Mr Marinis said investing in shares was not about timing, but

the length of time you were in the market. Investing for wealth creation should always be a long-term strategy.

"The great news is that there has been no better place to invest since World War II than in the Australian share markets," he said.

"Despite the fluctuations, in the longer term, the market has been the best performed investment."

Mr Marinis expects the next 12-18 months to be positive for the Australian share market.

"I expect that in the lead up to the Beijing Olympics we will see continued demand from China, which in turn will fuel our local market," he said. "The next boom for Australia will be demand from India, which is currently opening itself up to new capital."

He said India also had the advantage of a shared background with Australia in legal systems and language.