Chasing rainbows. It is normal for people to become more optimistic and bullish after the market or a stock has made a big move to the upside, but as we are concerned about risk management, we also see the risk increasing in some of the stocks that have made unusually large rallies. It is normal for a stock or group to become popular in the media after a large rally, but that does not mean it is still timely now that the reason for the uptrend is more obvious. There may be additional upside potential in such a stock, but we prefer to look for those ideas that have not yet been discovered by the masses. It all goes back to the “buy low—sell high” rule we heard about a long time ago and probably still applies to today.

Gold is an example of an investment that has received much more attention after its strong move to the upside over the past year.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Disclosure
The information contained in this communication has been compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made by RBC Wealth Management, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this communication constitute the author’s judgment as of the date of this communication, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this communication may not be suitable for you and it is recommended that you consult your Financial Advisor if you are in doubt about the suitability of such investments or services. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. This communication is not, and under no circumstances should be construed as, a solicitation to act as a Financial Advisor. To the full extent permitted by law neither RBC Wealth Management nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct, indirect or consequential loss arising from, or in connection with, any use of this communication or the information contained herein. No matter contained in this communication may be reproduced or copied by any means without prior written consent of RBC Wealth Management.

RBC Wealth Management, a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. © 2020 All rights reserved.