

People vs. Owners

The Great Tormentor and Seducer vs. Owning Great Global Businesses

People think that investing is owning the stock market. If people invest in “the market,” they are continually tormented and seduced by price action into making the wrong decisions.

After a brutal “bear market,” the great tormentor (stock market) causes people to reduce their pain and to liquidate their position from “the market.” On the other hand, during a spectacular “bull market,” the great seducer (stock market) induces people into a euphoric or envious state of buying “the market” to get richer. The stock market’s only role is to torment and seduce.

Owners of great global businesses focus on long term values. When companies go “on sale,” owners certainly don’t sell. They may buy more. When business prices rise, owners don’t necessarily sell or buy more.

The business owners of the world know that historically, global businesses have produced great wealth for its owners.

When investing for the future, remember to think of yourself as an owner of great global businesses, not as an owner of stocks. This will change your perspective on investing. You will have less stress when the prices of businesses drop.

Owning the great businesses of the world will serve you profitably, while the “stock market” will torment and seduce you.

As far as prognosticators go, in the year 2000, Glassman and Hassett wrote a book, *DOW 36000*. In 2009, Robert Prechter penned a piece about a DOW of 1000. The prediction of the future is imperfect at best. As Warren Buffett stated, “The cemetery for seers has a huge section set aside for macro forecasters.” No one has a “lock” on the future.

It is important to remember that for every buyer, there must be a seller and vice versa. All businesses are owned by someone; it’s just a question of who owns them and at what price.

People think of the stock market as just numbers, while owners know that the equity markets represent shares of ownership in global businesses.

Historically, global businesses have created tremendous wealth for its owners. Be an owner!