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No quick fixes exist in markets - article
By Ryan Irvine “The Young Buck” columnist

In a holiday-shortened four-day trading session, North American stocks ended lower this past week, as it appeared that investors finally woke up to the fact that rising unemployment is bad for the broader markets.

The numbers were not pretty, as U. S. employers dropped 467,000 jobs (more than the expected 325,000 drop) last month and the unemployment rate jumped to 9.5 per cent, the highest in nearly 26 years. The report threw some cold water on recent hopes that the recession might be abating.

As we have been stating for just over a month now, the rally has lost steam, having come too far, too fast, and the lagging effect of deepening job losses still has to work its way through the economy and has the chance to severely impede the hope that consumers will take the reigns from the current government stimulus and push the economy into a solid recovery phase.

When your neighbour loses his job, you tend to spend less and we know he will. We can already see this happening in the striking uptick in the savings rate. Savings is necessary to help de-leverage our economy, but it takes a bite out of consumer spending and should make a "V" type recovery scenario all but impossible.

It seems we are always looking to the "quick fix," unfortunately. In this case, there is no quick fix and the sooner investors get over delusions of a near-term return to the heady days of 2007, the better.

Once again, we remind our readers that it is a market of stocks, not a stock market, and if the broader market needs to trend sideways or lower for six to 18 months or longer, there will still be excellent opportunities to make money in select, profitable companies.

The trick is finding them. We will continue to be here to help you with that task.

Finally, a quick note on a micro-cap company we have commented on several times in this column, Rifco Inc. (RFC: TSX-V). Rifco, a non-prime automotive finance company, reported solid 2008 results this week, which saw revenue jump 78.7 per cent to $13.59 million and net income after taxes rise to $1.42 million, or $0.07 per share, from $539,994, or $0.03, in the prior year.