

Texas Economist Says Uncertainty Is Driving Down The Market (Lubbock Avalanche-Journal)

Texas economist Ray Perryman said in order of preference, markets prefer good news, bad news, and then uncertainty. Right now, he said there's lots of uncertainty with oil and coronavirus. And unfortunately, he said it seems it's all out of the country's control. He said markets are built on risk, but uncertainty is something completely different.

"The bottom line is, obviously, we don't know what's going to happen yet," Perryman said. "We do not have that information to know what's going to happen yet, and that in and of itself is part of the problem."

Perryman spoke in Lubbock on Tuesday at PlainsCapital Bank's 12th annual Economic Outlook Conference.

Perryman gave an overview of national, state and local economic forecasts. Perryman, who lives in the Midland-Odessa area and is CEO of the Waco-based Perryman Group, has toured the state giving economic outlook presentations for over 30 years. His presentations include a bipartisan analysis of how nationwide issues and discussions affect the economy on all levels.

With the recent dip in oil prices and the coronavirus shocking the market, Perryman said focused on the uncertainty surrounding the economy. He said nobody knows how widespread and severe the virus will become, or how long the oil disputes between Saudi Arabia and Russia will last.

"Markets don't like uncertainty, people don't like uncertainty," he said. "What do you do when there's uncertainty in any aspect of your life? You just kind of go to the sidelines and wait it out. Our tendency when we're uneasy about something is to back off, and that's what people are doing right now. They're backing off from the stock market."

Those factors aside, Perryman described an economy with strong gross production, personal income, retail sales and employment.

However there's volatility right now. And Perryman said nobody knows how long that'll last.