

Key Words

Why Mark Mobius says the stock market hasn't seen an 'absolute bottom' yet

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By [William Watts](#)

Wise to keep 'powder dry' in event of further downturn, emerging markets pioneer warns



Mark Mobius Bloomberg

DJIA +2.99% SPX +2.67%

'I don't think we're at the absolute bottom yet because the implications of this shutdown are incredible.'

— Mark Mobius

Emerging-markets investing pioneer Mark Mobius made those remarks Tuesday in [an interview with CNBC](#), putting him in the investing camp that expects an inevitable cascade of brutal economic data and corporate earnings hasn't been fully discounted by investors.

Mobius, who founded Mobius Capital Partners in 2018 after a three-decade run at Franklin Templeton Investments, said corporate earnings would be "pretty bad" and that while some bargains have emerged, investors should keep some cash ready to deploy in the event of a further market downturn.

U.S. stocks hit all-time highs in February, then plunged into a bear market as the global spread of COVID-19 forced the U.S. and countries around the world to largely lock down their economies in an effort to contain the outbreak. Stocks have taken back a large chunk of lost ground since March 23, however, with recent gains tied to expectations the pandemic is near its peak, turning attention to efforts to reopen economies.

Read: The stock market is rebounding because investors are asking the wrong question about coronavirus and the economy, analyst says

Market bulls have argued that the unprecedented nature of the shock and the massive response from the Federal Reserve, other central banks, and governments have rendered most comparisons to past bear markets debatable.

Stocks were solidly higher Tuesday, with the Dow Jones Industrial Average **DJIA, +2.99%** up around 560 points, or 2.4%, while the S&P 500 **SPX, +2.67%** advanced around 3%.

Others have cautioned that stocks are largely sticking to the bear market script.

See: Stock-market bull warns investors not to 'chase the rally' as 'epic battle' between Fed and coronavirus unfolds

"Although there are some opportunities to buy, I would say it's probably a good idea to keep some powder dry for another downturn," he said. "We might see a double bottom."



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William Watts is MarketWatch's senior markets writer. Based in New York, Watts writes about stocks, bonds, currencies and commodities, including oil. He also writes about global macro issues and trading strategies. Before moving to New York, he reported for MarketWatch from Frankfurt, London and Washington, D.C.