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Even keel in stormy stock markets

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First, the financial world is in meltdown, then for a moment everything seems fixed and euphoria sets in.

But if you reacted reflexively to last week's wild Wall Street swings, chances are you got burned on both ends.

Experts say making snap decisions to buy or sell based on stock market volatility is dangerous, especially if your retirement money is at stake.

"If your portfolio has been managed properly, now is the time to manage your emotions," said Bradford Pine, an investment adviser at Cantella & Co. in midtown.

Investors will be able to ride out the volatility, he added, "as long as they own good quality companies or mutual funds."

Marvin Appel, a money manager in Great Neck, L.I., said buying or selling should be part of a strategy, not a gut reaction.

Last week's "stock market activity shows there is a limit to how bad things will get," Appel said.

But the end-of-week rally hardly means the turmoil is over.

"I certainly do not expect the market to go straight up," Appel said. "I expect big moves up and down."

That makes it a good time to go back to the basics of good financial planning, experts said.

If you can, build an emergency fund of six months worth of living expenses. Keep the money in cash accounts.

If possible, you'll need to save more than six months' worth of expenses if you think it would take you a longer time to find a new job if you had to.

"If you feel your job is in jeopardy, cut back on expenses and accumulate dollars," said Michael Goodman of Wealthstream Advisors in midtown.

The Federal Deposit Insurance Corp., a government agency, covers checking accounts, savings accounts, certificates of deposit and money-market deposit accounts up to \$100,000, per individual per institution. Joint accounts are insured up to \$100,000 per person. The government insures individual retirement accounts up to \$250,000.

"Make sure you stay within the limits," said Judd Carlton, a certified financial planner in Cedar Knolls, N.J.

Brokerage accounts are protected up to \$500,000 by the Securities Investor Protection Corp. even if they are at a brokerage firm that's gone under.

And in this turbulent environment, make sure your investments are highly diversified, especially if you own stock of the company for whom you work.

That's because you want "limited exposure to any single company," Appel said.

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Just because floor traders must react instantly to every swing of the market doesn't mean you should.

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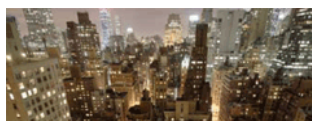
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