Avoid Unnecessary Harm by Obeying This Major Kingdom Principle

By the close of trading on Wednesday of last week, the majority of stocks traded on U. S. stock indices had entered correction territory (down 10-20 percent from their 52-week highs). For the S&P 500 Index, 67 percent of the stocks listed in the broader index, and 80 percent of the technology stocks, were in correction or worst territory. After closing sharply down again Thursday, the market rebounded some Friday. For the week, the Dow was down 4.2 percent, the S&P was down 4.1 percent, and the Nasdaq was down 3.7 percent. For the month, the Dow is down 4.2 percent, the S&P 500 is down 5 percent, and the Nasdaq is down 6.8 percent.

October is notorious for stock market volatility. Major stock market sell-offs in 1929, 1978, 1979, 1987, 1989 and 2008 all occurred in October. But 12 post-World War II bear markets, including 1987, 1998, 2001, 2002 and 2011 ended in October. Of these 12 turnarounds, eight occurred in midterm election years.

Actions and anticipated actions by the Federal Reserve to increase interest rates were the major reasons for the selloff in stock prices. The Fed is expected to increase rates for the fourth time this year in December (probably percent), and as many as four times in 2019. Analysts are concerned about impacts on borrowing levels, profits, a stronger dollar and repositioning as money moves from the stock market to the bond market.

The Fed has given potential inflation as its justification. However, this past week, the Bureau of Labor Statistics (BLS) released its Producer and Consumer Price Indices. In

September, compared to a year ago, producer inflation was 2.6 percent (2.8 percent in August). Without the volatile food and energy sectors (core inflation), producer inflation was 2.5 percent. Consumer inflation was 2.3 percent, and core consumer inflation was 2.2 percent in September. Inflation is not a major issue currently.

The bankruptcy of Sears is imminent, but the action has been anticipated for some time. Tariffs cause anxiety for many, but the markets appear to have adjusted. Weakness in the economies of many emerging economies (specifically Argentina, Brazil, China, India and Russia) is a larger concern. Trade frictions and a strong U. S. dollar are feeding this concern.

Markets go up and down. The current stock market correction is not unusual. Price-earnings ratios of as much as 100 in the technology sector were not sustainable. Expect the weakness to be short-lived unless forward guidance for the fourth quarter by companies is negative or if current business policies are threatened by the midterm elections.

Correction is a major principle in the kingdom. Throughout Scripture, in both the Old and New Testaments, examples abound of the harm which occurs because of a lack of correction, and of the necessity of lovingly offering correction. Kingdom leaders have a particular responsibility to correct, in love, when necessary.

Eli, the high priest, had two sons who were stealing part of the Lord's portion of the sacrifice and lying with the women who served at the doorway of the tent of meeting. Eli failed to take corrective action. Because of his lack of action, Eli was responsible for Israel losing the ark of the covenant and the Lord's judgment on his family.

> In that day I will bring about against Eli everything which I have spoken with regard to his house, from beginning to end. For I told him that I will judge his house forever, for

> the guilt which he knew, because his sons are cursed, and he did not rebuke them (1 Sam. 3:12-13).

Adonijah attempted to replace his father David as king, even though the Lord had already chosen Solomon. His rebellion was gaining support among the people and some of the leaders. The Scriptures then point out that Adonijah had not had the proper correction by his father. The point was made for a reason; it was important. Was it also be true with Absalom?

> Then Adonijah the son of Haggith exalted himself, saying, “I will be king,” and he assembled chariots and horsemen and fifty men to run before him. His father had not confronted him at any time by asking, “Why have you done this?” He also was a very attractive man, and he was born next after Absalom (1 Kings 1:5-6).

The New Testament is filled with examples of correction. The Gospels document the Lord’s correction to sinners, the unknowledgeable, hypocrites and the religious leaders of the day. His corrections benefited the crowds of followers, seekers and even the religious leaders being rebuked. Some of the Pharisees and the Sadducees later believed. God is love. Jesus did everything out of love. Do we need to follow His example?

The epistles of Paul, John and Peter are filled with words of correction to their readers. The book of Revelation begins with words of correction to the seven churches. If our Lord and the apostles did not ignore correction, we should do likewise. When we preach the whole word, we will be teaching, reproving, correcting and training in righteousness.

> All Scripture is inspired by God and is profitable for teaching, for reproof, for correction, and for instruction in righteousness, that the man of God may be complete, thoroughly equipped for every good work (2 Tim. 3:16-17).

Today’s American church is usually quite good at encouraging the flock, as it should be. The gospel is the “Good News” for this life as well as the next life. The kingdom of God is righteousness, peace and joy in the Holy Spirit. But to not correct, to selectively teach only part of the gospel, is dangerous to the flock and to the leader. We know the way from death to life, from defeat to victory, from despair to everlasting joy, from abandonment to eternal security, from a wasted life to a life of eternal significance. Let us point the way by both encouraging and correcting. {eoa}

Dr. James Russell *is a professor of economics at Oral Roberts University.*