The technology and work-from-home stocks that have powered the market since early in the pandemic have suddenly come back down to earth. Names like Zoom, DocuSign, Amazon and Tesla have all fallen sharply since the beginning of the month.

But that doesn't mean the bull market is over. It simply appears that investors are transitioning from high-flying growth names to less-flashy—and cheaper—stocks that the long rally had left behind. The major market indexes tell the story: From February 24 through March 8, the tech-heavy Nasdaq was down 7.3%, and the S&P 500, whose biggest components include Apple, Microsoft and Amazon, was off 2.6%. Meanwhile the Dow Jones Industrials Index, led by unglamorous names like UnitedHealth, Goldman Sachs and Home Depot, was down by a mere half percentage point.

Investors understand that they've driven up values on the high-flyers well above historical averages, to unsustainable levels. Amazon shares, even after the past couple of weeks, are still selling for more than 70 times the company's earnings, and Apple is trading at 31 times. Compare that with big Dow Industrials names UnitedHealth, trading at 22 times earnings, and Goldman Sachs, at a mere 13.5.

Having ridden the pandemic-era growth stocks as far up as they can for now, investors have decided to take money off the table and redeploy it into cheaper stocks that have room to run.

Areas to look at include value stocks in general—slower growers with attractive valuations—as well as hospitality, airlines, cruise lines and energy companies. Financials are another promising sector: Banks are reasonably priced and stand to benefit from increased consumer and business demand, as well as rising interest rates.

But as we noted in our November blog , it probably doesn't make sense to sell off your winners wholesale, even as the laggards make up ground. Many of the past year's fast growers are good companies whose price could resume appreciating over the long run, albeit more slowly than we've seen over the past year.

Meanwhile, it's important to remain prepared for volatility. That means keeping your investment

portfolio diversified, being patient, and investing based on companies' underlying strengths. It's been relatively easy to make money in the stock market over the past year, but that's no longer the case. As we move forward, the gap between winning and losing stocks will likely widen, so smart decisions are critical. Please don't hesitate to reach out to us if you'd like to review your investments.