The start of 2022 has been very volatile, especially in the technology sector, where investors have continued pulling their money out of high-growth and richly valued shares. In less than three months, the tech-heavy NASDAQ Composite index has plunged more than 12%, bringing the index into correction territory.

Technology stocks have fallen especially far because they had flown the highest in recent years. In late 2021, price-to-earnings ratios for the NASDAQ were over 30; today they are closer to 25.

Technology growth stocks have stumbled in large part because of expectations of higher interest rates, which are seen as particularly harmful for such businesses.

Predictably, work-from-home companies have been crushed by a combination of interest-rate fears and workers returning to the office—Zoom's P/E ratio has fallen in half, from 50 to 25, for instance. But investors sold indiscriminately ahead of the anticipated interest-rate hikes. So companies with sustainable long-term business strengths have seen their prices fall as well. Apple's P/E ratio has dipped from 32 to 27. Meta—the company behind Facebook, saw its P/E ratio fall from 24 at the end of last year to less than 16 recently. Amazon, which traded at 72 times earnings late last year, recently traded under 50.

So the market's selloff has clearly created opportunities. There may very well be more volatility ahead. But right now, big, durable technology companies -- flush with cash and touting strong revenues and earnings --can be had for prices that are much more attractive than they were even a few weeks ago.

It's possible that the worst of the tech-stock selloff is behind us. The Federal Reserve this month announced its first interest-rate increase since 2018, and signaled that six more rate hikes are likely in store for this year. That's removed some of the uncertainty that has plagued tech stocks.

Still, even the best-looking stocks are long-term plays, and investing is never without risk. Geopolitical hazards are among those that bear watching. Russia has invaded its neighbor

Ukraine, and the global economic sanctions against it are helping to drive up prices on commodities like gas and wheat, which in turn is driving inflation more broadly.

But geopolitics could create even stronger headwinds for markets. A scenario in which China, emboldened by Russia's aggression, ends up taking over Taiwan, could create severe shocks for the global economy. Taiwan accounts for more than 90% of the world's advanced semiconductor production.

Still, I'm long-term bullish on stocks. And now is certainly a better time to invest than six or seven weeks ago. But as we enter a rising-rate environment, the days of all stocks rising together are over. The key now is to identify companies with fundamental financial strengths and sustainable business models, and to be patient through the possibly volatile weeks and months ahead. Don't hesitate to contact us if you'd like to discuss your investments.