

Thursday, January 31, 2019

Good Morning,

After Monday's decline over concerns about a slowing Chinese economy, markets rallied yesterday on several strong corporate earnings reports as well as comments from the Fed. Remember that a big part of the selloff in the 4th quarter was concern that the Federal Reserve was raising rates recklessly and would drive the economy into the ground. At the conclusion of their two-day meeting on yesterday, the Fed was clear that they would be patient with rate hikes going forward. While it seems obvious to us that the Fed is watching economic data closely and was not committed to any particular rate hike path, markets needed to hear it from the horse's mouth – and they did.

With Wednesday's gains, the market has made up half its decline from the September highs and has risen more than 10% from the lows on Christmas Eve day. This strong rally is another example of why we stay invested when markets get choppy. As we've said before, missing one or two brief rallies in any calendar year can mean the difference between making and losing money on stocks. Like the lottery, you have to be in it to win it.

The longest government shutdown in history has come to a temporary end with the agreement reached last Friday. Will Washington be able to meet the next deadline or will there be another shutdown in a little more than two weeks? My expectations are pretty low as revenge politics have taken precedence over governing.

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

As a loyal Bills fan, I have to say this; Go Rams! Enjoy the Super Bowl and stay warm.

Wade

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