Week Ending 4 January 2019

We’ve now seen the end of 2018 and in summary, the markets had their worst December since 1931 and worst year in a decade. Overall, the S&P 500 closed the year at 2506, down 6.24 percent. If there was one word to sum up 2018 it would be “Volatility” based on the following:

* In 2017 the S&P 500 had daily moves of 1 percent or more eight times.
* In 2018, the S&P 500 had daily moves of 1 percent or more 64 times, increasing “eight fold”.
* In 2017, these moves occurred less than once a month while in 2018 it was more than once a week.
* December 2018 alone had nine of these 1 percent moves, more than all of 2017.

Next let’s look at intraday volatility, or the range the market moves between its open at 0930 and close at 1600.

* In 2017 there were ten intraday market moves of 1 percent or more.
* In 2018, we crossed the century mark and finished the year with 109 intraday market moves of 1 percent or more, or ten times the rate of 2017.

So where do we go in 2019? Based on Thursday and Friday’s market moves it looks like more of the same. Bottom line is that the markets dislike “uncertainty” and we have plenty of that now with trade wars, interest rate worries, border security and last but not least, the government shutdown. As such, for ProFunds we’ve had the majority of money in cash since 29 November and for now, we are going to hold that course.

Week Ending 28 December 2018

This was another wild week on Wall Street. Never before have the markets moved more than one percent on any Christmas Eve. So much for that as they dropped over 2.5 percent on Monday. When the markets reopened Wednesday, the Dow broke the 1000 point threshold for its largest one day gain ever. On Thursday, the Dow had an 871 point reversal to the upside in just the last 100 minutes of trading for the largest swing in eight years. On Friday, the S&P 500 finished down just 3 points closing out the week at 2485. However, it stood at 2520 one hour prior to the close, dropping over one percent in the last 60 minutes. Bottom line is that volatility still rules. For ProFunds, we’ll be finished out the year 100 percent in cash based upon this volatility and will be providing additional information in our year end letter. Lastly, we’d like to wish everyone an early but very Happy New Year!!

Week Ending 21 December 2018

When the headline of your newspaper is about the stock market, it usually means bad news. Our local paper, the Virginian Pilot, read “A Long Week”. No kidding. The Dow having its worst week since 2008. Interest Rate rise on Wednesday. The S&P 500 at its lowest level of the year at 2416, and just to top it off, a government shutdown Friday evening. And let’s not forget volatility, as measured by Bollinger Bands. Specifically, an upper and lower line are drawn on the price chart which captures 95% of price movement over the last 20 days. The distance between these lines creates a band which expands with strong price fluctuations and contracts during consolidations. With over one percent daily market moves becoming the norm, this band distance is at its highest level this year. As such, this band distance is offsetting the bearish price movement and given that, cash is king. For ProFunds, we’ll continue our allocation of approximately 90 percent in cash and 10 percent in the inverse International fund. In closing, we wish everyone a Happy Holiday season!!

Week Ending 14 December 2018

"Fear" has been a theme with the markets selling off lately due to interest rate hike fears, China trade fears, and U.S. economy fears. This week then ended with global economic growth fears, starting with Asian markets and continuing with Europe until the U.S. markets felt the fear with the S&P 500 closing Friday at 2599.95. From a technical perspective, I’d also like to mention that the S&P 500 had a “Death Cross” a week ago on 7 December. This is when its 50 day Moving Average (MA) crosses below its 200 day MA and is considered a bearish signal. For this upcoming week we have the Fed meeting, and it looks as if an interest rate hike is imminent and we’ll probably get greater clarity regarding the future direction of interest rates. For ProFunds we continue to have approximately 80 percent in cash with the remainder split between the Utilities and Short International funds.

Week Ending 7 December 2018

With talk of China trade tariff improvements after last weekend’s G20 meeting, the S&P 500 gapped up Monday morning, opening at 2799 with over a one percent gain from the previous Friday’s close. That glimmer of hope quickly disappeared and it turned into a “punch to the gut” week. By this Friday’s close of 2633, the S&P 500 was down nearly 6 percent from that gap open price. During the week, those trade improvement hopes faded with the arrest of the China corporate executive on alleged hacking into U.S. technology service providers. Interest rate worries also continued with the inversion of the 3 year Treasury note yield crossing above its 5 year counterpart. On Wednesday the markets were closed for a national day of mourning for President Bush. However, computer algorithmic (“Algo”) trading kicked in when the future markets opened at 1800 on Wednesday, and the S&P 500 futures quickly dropped 60 points within three minutes. Thank goodness Friday’s job report fell in line with expectations or things could have been worse. For ProFunds, we’ll continue to hold the majority of funds in cash as mentioned in last week’s email.

Week Ending 30 November 2018

This week the markets were just the opposite of the previous week with the S&P 500 closing up Friday at 2760. The outlook for a neutral vice increasing interest rate environment expressed by Fed Chairman Powell on Tuesday gave a bullish surge to the markets. The other big event was this weekend’s G20 meeting, so we’ll see how the “China trade tariff cooling off period” factors into the market come Monday. For ProFunds, I’d like to take another direction this week and talk strategy. As you may know, one of our primary strategies is to “Let the trend be your friend”, which is just the opposite of current market conditions. I also have to say that I’ve been doing this for over forty years and do not recall an instance similar to the recent volatility we’ve experienced. That said, I then did further data analysis. Two weeks ago the S&P 500 was down 3.78% for the week, while this week it was up 4.85%. I then dug deeper and looked at daily intraday high/low moves of over one percent. Since 1 October (two months only), there have been 32 days of such moves, or about three of every four days. To compare that to previous 2018 quarters (three months each), there were 34 in the first quarter, only 5 in the second and 21 in the third. Last December of 2017 saw only one move. As such, we have modified our strategy to mitigate this recent whipsaw effect. The “As-Is” strategy incorporates a “high water mark” circuit breaker (CB) associated with any fund purchase. We track the fund price and as it moves higher, there is a trailing CB moving up in step. If the fund hits that CB price, a sale is triggered and then we await the “next buy signal”. However, this current volatility frequency has resulted in cases where we then purchase a “next buy signal” fund only to have the rug pulled out from under us. As such, we are incorporating a “time out” period after one of these instances, i.e. moving it to cash as the market tries to sort out it’s next directional move. Please note that we do not make strategy modifications on a whim, but instead do the analysis and back test before incorporation in order to mitigate emergent conditions and further optimize portfolio performance. In closing, hopefully this December will be like December 2017 and we’ll finish out the year on a positive note.

Week Ending 23 November 2018

The markets started the week with the Dow down nearly 1000 points on Monday and Tuesday. Then on Wednesday, it was up around 200 points until the last hour, when it turned around and dipped into negative territory at the close. Friday’s shortened session again brought additional losses. For the S&P 500 it was more of the same, closing the week at 2632. What was significant about this was that it was below the 2641 support level of 29 October. When an index breaks below one support level, they have the tendency to test the next lower one, which would be in the 2580 area from 8 February and 23 March. The S&P 500 also went into “Correction Territory” this week, down 10 percent from its high. And finally, just to top it off, Bitcoin was down 25 percent for the week, yes week. With ProFunds, we’ve transitioned ourselves into a more bearish allocation and have approximately 75 percent in inverse/short funds, which go up when the market goes down, and the remaining 25 percent in cash.

Week Ending 16 November 2018

It was a bookend week on the markets with over one percent moves on Monday and Friday. It started with Monday’s 602 point loss on the Dow and finished Friday with the S&P 500 at 2736, down over one percent for the week. The big undercurrent was in the technology sector. To illustrate, Apple, Netflix and Amazon suffered weekly losses of 5.4%, 5.7% and 7% respectively. To add to the pain, shares of Nvidia plunged 18.8% just on Friday alone. For ProFunds, the battle continues as we’d like to see a trend develop instead of the spike up and down action over the last four weeks. Lastly, we would like to wish all a very Happy Thanksgiving!!

Week Ending 9 November 2018

Over the past week and a half, the markets have rallied as we went into the mid-term elections. However, on Thursday the Fed announced that although interest rates would remain unchanged this month, they suggested they were on course for future continued rate hikes. That led the conversation back to concerns about our tariff war with China and how that might result in a slowing global economy. With ProFunds, we continue to be cautious with approximately 80 percent in cash, but will be purchasing the Short China and Short Emerging Markets funds on Monday.

Week Ending 2 November 2018

We saw continued volatility this week, but the S&P 500 managed to close the week up at 2723. On Friday the Labor Department reported 3.1% wage growth and that the U.S. added 250,000 jobs in October. A strong wage number correlates with inflation which would give the Fed motive to stick with the interest rate increase next month. On Friday the Dow had a 500 point swing with conflicting White House reports on a China trade resolution. For ProFunds, we have the majority of funds in cash as this market seems to be a mixing bowl with no clear direction.

Week Ending 26 October 2018

Last week we reported that “we’ve seen over one percent daily moves of the S&P 500 on five of the last eight days.” Well let’s make that eight of the last 13 days, which doesn’t include Tuesday’s action which saw the Dow down over 500 points but recovering before the close. That said, a strong 3.5 percent GDP report was offset by disappointing third quarter earnings reports combined with rising inflation and interest rates fears. All told, the S&P 500 was down over 100 points for the week, closing Friday at 2658. With ProFunds, we are taking advantage of this downward trend and have approximately 60 percent of our holdings in inverse/short funds, which go up when the market goes down, and the remainder in cash.

Week Ending 19 October 2018

It was a roller coaster week with high volatility, but the S&P 500 managed to close at 2767, almost exactly where it was last Friday. To put some numbers behind this volatility, we’ve seen over one percent daily moves of the S&P 500 on five of the last eight days. Although we had strong reported earnings this week, the markets are under continued pressure from higher interest rates the concerns about the global economy. For next week we'll see more earnings reports as well as the GDP number on Friday. With ProFunds, we still have a more bearish perspective and come Monday’s close will have approximately 50 percent in cash, 25 percent in inverse/short funds and the remainder in the Utilities, Mobile Telecommunications and Rising Rate funds.

Week Ending 12 October 2018

The weakness that we expressed in last week’s update (“it feels very similar to this past January”) continued into this week. The S&P 500 had increased volatility with big sell off’s on Wednesday and Thursday before recovering somewhat on Friday, closing at 2767. Rising interest rates with the 10-year Treasury Note hitting a 7 year high seem to be taking a toll but hopefully that will be offset somewhat by an upcoming strong 3rd quarter earnings season. For ProFunds, we remain more on the bearish side with approximately 40 percent in cash.

Week Ending 5 October 2018

The S&P 500 ended the week at 2885, approximately 45 points below it’s high of 2930 on 20 September. This week we saw higher Treasury interest rates, increased volatility (especially on Thursday and Friday), and the lowest unemployment rate since 1969. We’ve had a nice run up in the indices over the past few months and the S&P 500 remains within approximately two percent of it’s high, but we have seen emerging weakness in other markets, i.e. Mid/Small Cap and International markets. However, it feels very similar to this past January. On 26 January, the S&P 500 closed at 2873, right about where it is now. By 8 February, it had dropped more than 10 percent and stood at 2581, all within about two weeks. For ProFunds we’ve adjusted based on the above and have moved assets into Energy, Mobile Telecommunications, “Short/Inverse” China, and Rising Rate funds.

Week Ending 28 September 2018

The S&P 500 fell slightly this week closing Friday at 2914. However, overall it was a good quarter with both the S&P 500 and Dow Jones Industrial hitting new record highs just two weeks ago. Trade talks and tariffs continue to dominate the news, the economy remains strong with low unemployment and strong corporate earnings, and interest rates are still low from a historical perspective. Next week, the big news will come Friday when the monthly unemployment numbers are reported. For ProFunds, we remain about 80 percent invested with a nice spread with about 20 percent each in Health Care, Technology, and Large Cap and 10 percent each in Consumer Services and Japan.

Week Ending 21 September 2018

The S&P 500 and Dow Jones Industrial both hit new record highs this week. For the Dow, it took eight months but it finally broke above the high it set in January. While the S&P 500 exceeded its most recent August high, it still had a seven month gap dating back to January also. All told a good week for large cap funds, but it should be noted that the small cap Russel 2000 index did not follow in lock step. Looking globally, international markets trended positive this week which helped give them renewed interest.. For next week, the new US-China tariffs kick in as well as the Fed meeting Wednesday. With ProFunds, we continue to see sector rotation in the markets underneath the headlines and it feels like we’ve been in a big mixing bowl since last January.

Week Ending 14 September 2018

What a difference a week makes! Labor Day week the S&P 500 was down all four days, while this week it was up five days in a row for its best win streak in seven months and closing Friday at 2904. New trade tariff sanctions against China at mid-day Friday caused the markets to sell off, but once again they bounced right back to finish in the green. Next week has the usual economic reports coming out, but we may not see much movement until the Fed meeting on 26 September. For ProFunds, we’ve increased our allocation in the Dow, S&P 500 and NASDAQ 100 sector funds and with Monday’s close will be nearly 100 percent invested.

Week Ending 7 September 2018

With Monday being Labor Day, the markets were only open four days this past week. However, they also “labored” this week with the S&P 500 down all four days and closing Friday at 2871. Trade and tariff posturing continue to put pressure on the markets, which then got offset somewhat by the positive jobs report from Friday. That said, hopefully we’ll see a resumption next week of the upward trend we’ve had over the past two months. For ProFunds, we still remain bullish on the health care sector, but as of Mondays’ close will have approximately 30 percent in inverse international funds which go up when the underlying index goes down, and another 30 percent on cash.

Week Ending 31 August 2018

The S&P 500 set a new record on Wednesday and closed out the week at 2901. July and August have been very nice months as the S&P 500 has advanced in 8 of the last 9 weeks. What is significant from a technical perspective is that we have had the resilience this week to remain above the breakout level of 2872 from January of this year. As mentioned in our 30 June update, “We may be in for substantial bullish (in this case) or bearish moves once breaking through one of them.” While no one can predict the future, one percent monthly gains on the S&P 500 will bring us up to 3000 by the end of the year. For ProFunds, half of the portfolio in allocated to the Health Care and Internet sectors, while still holding positions in the Short Latin American and Precious Metals funds.

Week Ending 24 August 2018

After seven months, the S&P 500 had a record breaking high closing at 2874 Friday in a week which also marked the longest running bull market in history. The Fed Summit in Jackson Hole was the big market mover this week as Chairman Powell stated gradual interest rate hikes "remain appropriate" for 2018, and that the U.S. economy has strengthened substantially. For ProFunds, we continue to be bullish in the Health Care, Tech, Telecommunications and Small Cap sectors and remain invested in the Short Inverse funds of Latin America and China.

Week Ending 17 August 2018

Volatility picked up this week with the Dow recording more than triple digit moves every day, and the S&P 500 up for the week closing Friday at 2850. International affairs influenced the markets with the Turkey Lira and economy putting downward pressure on the market at the beginning of the week, then talks of trade meetings with China took that pressure off at the end of the week. U.S. markets continue to outperform global ones, and once again the S&P 500 is within one percent of hitting a new record high. Next week a big driver will be the Federal Reserve Jackson Hole symposium with Chairman Powell speaking on Friday. For ProFunds, it was a rotational week as we moved into Short International funds which go up when their underlying indices go down, and come Monday we’ll be nearly 100 percent invested.

Week Ending 10 August 2018

The S&P 500 came close to posting its sixth straight week of gains, but concerns about the Turkish financial crisis on Friday put a damper on global markets. While the S&P 500 finished the week down 7 points at 2833, we’re still just shy by a little more than one percent of hitting a new record high. To put this in perspective, Turkish stocks have fallen more than 50 percent in 2018 alone as measured by the iShares Turkey ETF. Ouch!! For next week, we may see some more consolidation as a solid earnings season comes to an end, but hopefully we’ll see continued bullishness with U.S. markets making another run for the record. For ProFunds, we have a nice spread across multiple sectors (Health Care, Technology, Wireless, Consumer Services), but also have about 25 percent in cash that we might put to work with further market cooperation.

Week Ending 3 August 2018

The S&P 500 posted its fifth straight week of gains closing at 2840 Friday. Meanwhile, the Fed left interest rates unchanged after their meeting Wednesday but stated that further gradual rate increases may be needed. The July jobs report also showed good numbers which supports the Federal Reserve’s analysis of a strong economy. And finally, the tech sector was carried this week by Apple which became the first company in history to hit the one trillion-dollar market cap mark. For ProFunds, we’ve seen recent improvement in the health care sector so we’ve increased that allocation to approximately 25 percent while keeping about one third in cash.

Week Ending 27 July 2018

The S&P 500 had its fourth straight week of gains closing at 2818 on Friday. The U.S economy is growing at the fastest pace since June 2014 with GDP reported at 4.1 percent. Also, with over 50 percent of S&P 500 companies reporting earnings, 79.8 percent have posted better-than-expected results. For next week, we have the monthly employment report and the Fed meeting, among others. Within ProFunds, Facebook shares were weak with that influencing the rest of the tech sector. As such, we’ve lightened up our positions there but stay invested in Large Cap (Dow and S&P 500) index funds along with adding Banks to the mix come Monday.

Week Ending 20 July 2018

The S&P 500 again had a flat week closing at 2801 on consecutive Fridays. There were opposing forces pulling at the market this week, but earnings reports continued to be strong. With about 16% of S&P companies reporting thus far, 83% of them were surpassing second quarter earnings. Next week auto tariffs may play out, but more importantly it's the biggest week for earnings season. For ProFunds, our allocation is split in thirds with approximately 1/3rd in Cash, 1/3rd in Tech, and 1/3rd in Small Cap and S&P 500 index funds.

Week Ending 13 July 2018

Trade war concerns eased as the markets showed strong gains of more than 1.5 percent this week with the S&P 500 closing Friday at 2801, crossing the 2800 mark for the first time since February 1st. An International flavor continues this weekend with Wimbledon, World Cup, and the U.S./Russia summit next week. However, the highlight will be “earning’s season”. With only 5 percent of S&P 500 companies already posting earnings gains of over 16 percent thus far, continued “good reports” could drive the markets higher over the next few weeks. For ProFunds, we’ve steadily increased our equity exposure since the end of the 2nd quarter and are now over 80 percent invested.

Week Ending 6 July 2018

The S&P 500 closed this week at 2759, which is just about where it was two weeks ago. Trade tensions due to the $34 billion tit-for-tat tactics between the U.S. and China were put on the back burner Friday after a strong June jobs report. For next week, expect markets to be influenced by inflation and consumer sentiment reports. For ProFunds, with the increased bullishness this past week we’ve added Internet, NASDAQ 100, and Small Cap funds come Monday and will be nearly 75 percent invested.

Week Ending 29 June 2018

For the year, the S&P 500’s high was 2872 and its low was 2580. As we close out the first half of the year, the S&P 500 stands at 2718, pretty much at the mid-point between the two. 2018 is also nothing like 2017 where we had an upward trending market throughout the year. This year has been characterized by trading within that High/Low range. In retrospect, this back and forth movement has been influenced by global synchronized markets, rising interest rates, strong economic news, North Korean nukes, North Korean summit, and then global synchronized trade fears. And let’s not forget Bitcoin, which has dropped from over $19,000 to under $6,000 in the last six months. Taking this all in, we’ve moved to a move cautious position this week by increasing the cash allocation to nearly 70 percent with the remainder in Inverse International funds, Consumer Services and Real Estate.

Week Ending 22 June 2018

This week we’d like to bring up change in America’s economic landscape. General Electric was one of the original companies in the Dow 30 when it was formed in 1896 and has been in it continuously since 1907. This week GE received its pink slip as its shares are down 28 percent this year and has been the worst Dow performer for the last two years. It should also be noted that GE cut its dividend by 50 percent last November. Taking its place in the Dow is the Walgreens drugstore chain, i.e. a rotational change from Industrial to Health Services, a reflection on an aging demographic. That said, the Dow broke a nine-day losing streak on Friday while the Small Cap Russell 2000 and technology led NASDAQ 100 each hit all-time highs. For ProFunds, it is a repeat of last week as the Inverse Latin American fund remains at the top of the rankings with continued strength in the tech sector.

Week Ending 15 June 2018

The S&P 500 closed at 2779 Friday which is where we were a week ago even after an eventful week. The summit with Kim Jung Un and the denuclearization of North Korea started the week with little market reaction. The Fed announced an expected interest rate hike due to strong economic growth and historic low unemployment numbers. Trade tariffs on $50 billion of Chinese good were announced Friday and China then announced retaliatory tariffs. For ProFunds, again the Inverse Latin American funds remains on top of the rankings with continued strength in the tech sector.

Week Ending 8 June 2018

The S&P 500 closed at its highest level in three months at 2779 Friday. The hot topic was trade tension this week, but economic and earnings growth were the market movers. The Fed meeting and summit scheduled with North Korea land next week, as well as CPI. With ProFunds, we’ve pretty much maintained our holdings this week but did see a surprising rise of the Inverse Latin American funds to the top of the stack due to their continued economic turmoil south of our border.

Week Ending 1 June 2018

The S&P 500 closed the roller coaster week at 2734, around where we finished before the holiday weekend. European concerns melted away from the beginning of the week as a North Korea summit was rescheduled on Friday. A strong jobs report beat expectations and the unemployment rate hit an 18 year low. The question now is how many rate hikes we can expect from the Fed this year with good economic reports and GDP bouncing back from the first quarter. As for ProFunds, we’ve increased our holdings by adding “Oil & Gas” and “China” back in the mix while still maintaining about a 40 percent allocation in the technology sector.

Week Ending 25 May 2018

The S&P 500 ended the week positive closing at 2721 on Friday, with a price hovering around the middle of the 2018 high and low. Oil gave back some of its recent gains and the market had a slight reaction to the cancelled (or not) summit with North Korea. As for ProFunds, we’ve increased our cash holdings throughout the week to approximately 35 percent, maintained our positions in the technology sector, and have had surprisingly good results with the inverse Latin American fund, which benefits from the troubles in that sector.

Week Ending 18 May 2018

Although the S&P 500 took a breather and closed down slightly this week at 2712, the Russell 2000 Small Cap Index hit an “All Time” record high. This was in spite of the 10 year Treasury note breaking above 3.1 percent for the first time since 2011 and trade talk tensions between the U.S. and China. For ProFunds, we remain bullish with not much of a change from last week, with equity exposure remaining above 90 percent with emphasis in the oil and technology sectors.

Week Ending 11 May 2018

The S&P 500 finally had the breakout week we’ve been waiting for, closing Friday at 2727 which took out its previous high of 2708 on 18 April. Additionally, both the Dow and the S&P 500 crossed above their 50 day moving averages. That said, the next key level for the S&P 500 will be its previous high of 2786 from 9 March. The above items make for a more bullish case and for ProFunds, we also became increasingly bullish as the week progressed. Our equity exposure now tops 90 percent with emphasis in the oil and technology sectors.

Week Ending 4 May 2018

Although the S&P 500 was down slightly this week at 2663, the markets seemed to stabilize going into the weekend. The jobs report released Friday was "just right" with good wage growth without sparking inflation talk. While companies reported good profits this week, the unemployment rate was 3.9 percent, the lowest since December 2000. As mentioned last week, we’re still waiting for that breakout scenario and will practice a little bit of patience while still maintaining about 50 percent of holdings in cash.

Week Ending 27 April 2018

The S&P 500 closed the week down less than one point, remaining virtually unchanged at 2670. The markets were basically in a tug of war between good corporate earnings and the rise in interest rates. One thing we do know is that the yield on the 10 year Treasury Note closed above 3 percent on Wednesday, its highest level since 2014. We’re also seeing a narrowing in the S&P 500 price range, as it is failing to make new highs but also failing to make new lows. Given this potential breakout scenario in either direction, for ProFunds we continue to be nimble and flexible with about 50 percent of holdings in cash.

Week Ending 20 April 2018

The S&P 500 closed down Friday at 2670, but it should be noted how it has followed a pattern over the past few weeks with the markets hitting session lows going into the weekend. The big story this week was interest rates. The 10-year treasury yield rose close to three percent, its highest level since 2014. The beginning of 2018 has been much more volatile than 2017, and the markets will be “earnings” influenced next week as earnings season continues. With ProFunds, we’ve seen some movement up recently but not a well established trend. As such, we’ll continue to be cautious but take advantage of specific opportunities. An example of this is our taking a position in the “Rising Rate” funds which move in the same direction as interest rates.

Week Ending 13 April 2018

The S&P 500 closed the week at 2656 as equities were brought down by bank shares after an encouraging week. While it was interesting to see the indices react to data and the expectation of first quarter earnings versus tweets, the overriding factor on Monday will be the market’s reaction to the Syrian missile strikes after Friday’s close. With ProFunds, we remain cautious with the majority or our funds in cash.

Week Ending 6 April 2018

The S&P 500 closed the week at 2604 with a market sell-off. Markets are becoming more volatile with trading based on headlines instead of unemployment report data, and there was a feeling of confusion after the words "trade war could happen" were used Friday. From a technical aspect, the S&P 500 was close to breaking below its 200 day moving average. With ProFunds, we’ve remained in a range between 85 and 100 percent in cash over the last two weeks. With the remaining portion we’re starting to nibble at inverse funds which move in the opposite direction of their underlying indices.

Week Ending 30 March 2018

With the S&P 500 closing out this short week with a rally close of 2640, it also closed March and the first quarter of 2018 on the short end. After the tax cut euphoria of January, the markets have come under interest rate increase and tariff war pressures, but essentially, we’ve had a flat market for 2018. From a “chart perspective”, the S&P 500 had its quarter low the first week of February, rallied into the first week of March, but failed to cross above the January quarter high. It has since retrenched and is close to crossing below its 200 day moving average, which could then lead to more selling pressure. With ProFunds, we are in a neutral position of 100 percent in cash as the markets sort this out.

Week Ending 23 March 2018

This was a tough week for the markets which were under steady downward pressure with the S&P 500 closing Friday at 2588. Trade wars ensued with China hitting back with over 100 new tariffs on American goods in response to our steel tariff. Also, Facebook, a main component of the strong technology sector, lost 13 percent this week under concerns about data protection. From a technical perspective, the S&P 500 once again crossed below its 50 day moving average (MA) and is only a few points of falling below its 200 day MA. Based on the this, at Monday’s close we’ll have less than 10 percent in “Bullish” funds, start to increase the allocation in “Bearish” funds to about 25 percent, and have about 65 percent in cash.

Week Ending 16 March 2018

This past week seemed to have a consolidation feel to it with the S&P 500 closing out positive on Friday at 2751. The week's market behavior seemed to bounce around in step with the departure of two key White House cabinet members. For next week., we have the first Fed meeting chaired by the new Fed Chair, which may result in an interest rate hike. With ProFunds, we still have the majority of our funds allocated to the technology sectors with another third in international sectors.

Week Ending 9 March 2018

The market rallied after a strong jobs report on Friday, with the S&P 500 closing the week at 2786. This past week also marked the nine-year anniversary of "The Haines Bottom", when the CNBC commentator called the last bear market’s bottom when the S&P 500 closed at 676. Markets have been bullish since then, but one should always remain cautious and not get lulled into an “emotional sense” of complacency. From a technical perspective however, we remain bullish and will be just shy of returning to a 100 percent invested position when the market closes on Monday.

Week Ending 2 March 2018

It was a “bookend” week with the markets up on Monday and Friday, and the S&P 500 closing in the green at 2691. Unlike last year, we’re noticing a recurring market behavior this year with headline reactions that cause increased volatility. This week the "talk" was trade tariffs which contributed to that mid-week volatility. Next week in economic news we have the jobs report, but more importantly the Fed and the direction of interest rates could be the big market mover. Since we are now at the approximate mid-point between this year’s high and low, we’ll maintain our cash position at about 50 percent.

Week Ending 23 February 2018

The market rallied with the S&P 500 closing positive at 2747 Friday after a volatile week. We saw the equity market showing sensitivity to the bond market this week after the Fed minutes were released on Wednesday and a rise in the 10 year note to just under 3 percent. Next week the economic market movers will be Federal Reserve Chairman Jerome Powell speaking before the Senate as well as the jobs report and retail earnings. For ProFunds, we saw an improvement once again in index funds and will be approximately 70 percent invested at Monday’s close.

Week Ending 16 February 2018

The S&P 500 had its best week since January 2013 closing at 2732 Friday after a six-day winning streak. Although still below its 2018 highs, we’ll call it a comeback week after the market correction sell off. Last week we mentioned how our equity funds closed below their 50 day moving averages, but this week the funds have rebounded and closed above their 50 day moving averages. While this is a good initial indicator, we are going to wait on our second allocation change of the month until our secondary Performance Ranking indicator also gives us a buy. This is the patience part of investing as we remain 80 percent in cash with the markets closed on Monday.

Week Ending 9 February 2018

What the markets lacked in volatility in 2017 was made up for this past week. The S&P 500 lost 100 points on Thursday, while the Dow experienced two drops of more than 1,000 points and two gains of more than 300 points, i.e. massive intraday price swings. Thankfully one of those 300 point daily gain days was on Friday, but we still finished with the indices below their 50 day moving averages. With ProFunds, it was a transitional week as we moved about 60 percent into cash on Tuesday and then started to take small initial positions in the Rising Rate fund and “Short/Inverse Funds”, that being Japan, Precious Metals, Oil and Gas, and Real Estate.

Week Ending 2 February 2018

After starting out the year with new records being hit almost daily, the markets suffered their worst week in two years with the S&P 500 closing at 2762. One market pundit had it right when he stated the obvious that "Yes, earnings are strong and the economy is doing well, but markets just don't go straight up." A rise in interest rate didn’t help either. In technical terms, the equity markets moved higher this year due to strong buyer demand resulting in an “overbought” condition. Like a stretched rubber band, it finally snapped back. This could also be referred to as a two steps forward, one step back scenario, i.e. still positive for the year but off the high. Next week we’ll see how things unfold but hopefully the markets will start a consolidation phase.

Week Ending 26 January 2018

The S&P 500 closed at the record high price of 2872 Friday after a good GDP report. January 2018 is on pace to be the best month since October 2015 and has been the best start to the stock market since 1987. Next week earnings season continues with hopefully continued strong results which may drive the market higher. With ProFunds, we remain 100 percent invested with our Top Three funds being China, Latin America and Emerging Markets. On Friday, Biotech also gave a buy so we’ll be allocating 10 percent of the portfolio there.

Week Ending 19 January 2018

The geopolitical noise on Friday couldn't silence the S&P 500 which closed with a record high at 2810. This week kicked off with earnings results surpassing expectations and next week's market movers include 4th quarter GDP, as well as housing and durable goods reports. With regards to ProFunds, we again remain 100% invested with all funds sporting a Performance Ranking of “A”.

Week Ending 12 January 2018

The S&P 500 closed Friday at 2786, making that eight new records in the first nine trading days. Record breaking news each week sounds like a broken record, but one broken record we don't mind hearing. Keep in mind though, you have to manage expectations and be aware that this market behavior is rare with the S&P 500 having its best start of the year since 2003. With ProFunds, we’ll keep our 40 percent allocational in international funds and welcome back for the first time in a long time the “Oil and Gas” fund.

Week Ending 5 January 2018

Last week I stated that for 2018 we should “Let the trend be our friend”, and that’s exactly what’s happened this first week of the new year. Whether it be the continuation of the Santa Claus Rally into the January effect, all markets continue to hit new highs. As of Friday, the S&P 500 gained 70 points on the week/year to close at 2743, while the Dow busted through that 25,000 level. With ProFunds, we remain basically 100% invested and have welcomed the Emerging Markets and International funds to our “Top Ten” this week.

Week Ending 29 December 2017

The end of 2017 is upon us and it has been characterized by “Synchronized Global Economic Expansion”. Here in the U.S., record earnings, low interest rates and low inflation pushed the markets higher throughout the year, while expectations of tax reform drove it higher over the last half. Volatility was also low with the S&P 500 having a more than one percent daily move on only eight occasions this year, while it had 48 in 2016 and 71 in 2015. This led to the S&P 500 having 62 record closes on the year and finishing out December with its first 9 month win streak since 1983. So that begs the question “What should we look forward to in 2018?” While no one can predict the future, I’d let the trend continue to be our friend. The economy will be the driving factor as we see the implications of tax reform kick in along with proposed infrastructure spending. With the S&P 500 closing the year at 2673, we’re just a little over 12 percent from that 3,000 threshold, which is not an unrealistic goal given this year’s returns. For our ProFunds clients, we’ll remain nearly 100 percent invested and lastly, we wish you all a very Happy New Year!!

Week Ending 22 December 2017

The S&P 500 remains consistent logging a record high on Monday and closing at 2683 Friday for its 5th straight week of gains. What has been driving the market during this period has been tax reform, which was signed into law on Friday. Next week we hopefully will see the Santa Claus rally phenomena which is driven by tax considerations, happiness around Wall Street, people investing their Christmas bonuses and the fact that the pessimists are usually on vacation this week. As such, for ProFunds we remain nearly 100% invested as we go into the final week of 2017. Lastly, we wish all a very Happy Holiday season!!

Week Ending 15 December 2017

After years of financial reporting on the effects of Fed interest rate hikes on the markets, the news of them raising rates for the third time this year was overshadowed by news of the proposed tax reform bill. In reaction to that news, the S&P 500 closed Friday at 2675 for another record close, the 61st of the year. When you look at that in a little more detail, that averages out to more than once a week, and they pretty much have had a consistent upward slope throughout the year. In the past, we’ve seen positive market reaction when both the House and Senate passed their bills, so we would expect the same if the tax bill becomes law. For ProFunds, we continue to see strength in the Large Cap index funds (Dow and S&P 500) and the financial sector. Hopefully these last two weeks of the year will be joyous ones!!

Week Ending 8 December 2017

The S&P 500 had a third straight week of gains and Friday’s better than expected jobs report allowed the S&P 500 to close at a record high of 2651. Next week we have the Fed Meeting and the anticipated interest rate hike, but it looks like it’s already been baked into the market. It will also be highlighted with Bitcoin news as the cyber currency gained 24 percent last week and also started trading futures Sunday night, so hold on to your hats. With ProFunds, the Financials fund joined its Banks cousin in the Top Ten, Industrials will be added on Monday, while we’ve made room for them by shedding Internet and Technology.

Week Ending 1 December 2017

The first day of December was what I would call one of those “What has fundamentally changed?” days. There was an emotional sell off with news of General Flynn's guilty plea rocking the markets. But then tax bill “vote hope” encouraged a dramatic market turnaround with the S&P 500 closing at 2642, pretty much at the same level before the sell off. Subsequent to this, the Senate approved the new tax bill so we’ll see how that impacts the markets next week. With the S&P 500 hitting a record close on Thursday, U.S. markets continue to outperform so we moved some money out of foreign funds and replaced it with the Banking sector and S&P 500 index funds.

Week Ending 25 November 2017

It was a short trading week as the S&P 500 broke the 2600 mark hitting a record high close Friday at 2602. The holiday shopping season and tax reform were the top talking points this week and next week we’ll have the Fed chair changing of the guard and the OPEC meeting on the agenda. With ProFunds, we’re 100 percent invested in this Bull market while our allocations remain pretty much the same with the emphasis on technology, international and “good ‘ole index funds” in the Dow, Mid Cap and Small Cap areas.

Week Ending 17 November 2017

The S&P 500 closed the week at 2578, almost exactly where it closed last Friday. However, the markets were anything but flat throughout the week with a big sell off on Wednesday, followed by a big rebound on Thursday. The uncertain future of the tax bill was the macro story this week and will surely have impacts on the market as we close out 2017. With ProFunds, we saw some slight performance ranking shifts throughout the week but basically have kept the same allocation in tack. Finally, the markets will be closed on Thursday with a half day on Friday due to the Thanksgiving holiday, which we hope you all will enjoy.

Week Ending 10 November 2017

The S&P 500 made history on Friday by going 12 consecutive months without a 3% pullback. After two months of gains, the S&P 500 took a pause Friday but only after hitting a record close on Wednesday at 2594. With the inflation report next week we might have another indication of what the Fed may decide in December with regards to interest rates. Similar to last week’s ProFunds holdings, we remain bullish with approximately 40% in Technology, 30% International, 20% Large Cap and 10 % Cash. Last but certainly not least, we thank all our Veteran’s for your service on your special weekend.

Week Ending 3 November 2017

For the eighth straight week the S&P 500 has posted a record close with this week's high on Friday at 2587. With the release of the House tax reform bill, the nomination of the new Fed chair, and a good earnings season, our allocation of 100% invested in equity funds continues to hold strong. ProFunds had a nice October and as we start November, we’ll continue to remain nearly 100 percent invested with the majority of funds in the Technology and International sectors.

Week Ending 27 October 2017

The S&P 500 looked like it was taking a breather the first half of the week only to rally for another record closing at 2581 on Friday. The GDP report showed 3% economic growth during the third quarter, which could give the Fed reason to raise the rates in December, and the White House announced that the Fed chair decision would be made next week. With ProFunds, Semiconductors and Japan were in the Performance Ranking Top Three last Friday, but the recent strength of the Dow this week has allowed the Dow 30 Index fund to join them with two Technology sector funds right at their heels.

Week Ending 20 October 2017

The S&P 500 posted record highs each day this week closing at 2575 on Friday, which also makes it six straight weeks of gains. If we look back over those six weeks the S&P 500 is up over 100 points, or 4 percent, and supports our choice of being 100% invested in equities. For ProFunds, we’ll remain the those funds that have done so well over those last six weeks because "if it ain't broke, don't fix it".

Week Ending 13 October 2017

The S&P 500 had its fifth straight week of gains and a record high Wednesday before closing at 2553 on Friday. During those five weeks, we’ve had a nice stairstep move as the weekly point gains have been 39, 2, 17, 30 and 4. That’s almost 100 points or four percent and as such, we’ll continue to "let the trend be our friend". With ProFunds, we haven’t had much of an allocation shift as we remain nearly 100 percent invested. What has been interesting to watch is the nice run up of the Ultra Japan fund (UJPIX). It popped into our Top Ten on 2 October and as of Friday, made it into the Top Three

Week Ending 6 October 2017

On Friday the S&P 500 took a breather after six straight record closings and an eight-day win streak. A weak jobs report weighed on stocks Friday, but the market did bounce back by the end of the day with the S&P 500 closing at 2549. Next week's CPI and PPI reports could be a good indication of what the Fed does in December with regards to interest rates so the markets may react. However, for right now in ProFunds we remain 100 percent invested with about a 40 percent allocation in international markets.

Week Ending 29 September 2017

What a nice way to finish out the quarter!! Both the Dow and the S&P 500 posted their eighth straight quarter of gains for the first time since 1997. With the S&P 500 recording a closing high of 2519 on Friday, it looks as if we’ve broken out of that consolidation phase I talked about last week. As such, we’ll continue to stay nearly 100 percent invested while seeing renewed strength in the Semiconductor, Banks and Small Cap sectors. While no one can predict the future, it sure would be grand to see “nine up quarters in a row”!

Week Ending 22 September 2017

To sum things up, I’d call this a nice “consolidation week” for the markets. On Monday through Wednesday, the S&P 500 creeped forward while making new records, but then fell back slightly to finish the week at 2502, or 2 points higher than last Friday. Within ProFunds, China, Latin America and Emerging Markets again remain as our “Top Three” funds. However, we did see a slight sector rotation as we added Banks and Basic Materials to the mix, replacing the Technology and NASDAQ 100 funds.

Week Ending 15 September 2017

On Monday the markets staged what pundits called a “Relief Rally”, and then continued to creep upward with the S&P 500 closing the week out with a new record high at 2500. Within ProFunds, we continue to see strength in the International markets as our Top Three funds are China, Latin America and Emerging Markets. We also continue to have approximately 40 percent invested in the Technology sectors. Next week the key “Market News” topic will be the Fed meeting, but as a sidenote, a 20 percent rise in the S&P 500 from here will put it at the 3,000 level.

Week Ending 8 September 2017

The U.S. equity markets took a little breather this week with the S&P closing at 2461 on Friday. However, we continued to see strength in the International markets and renewed interest in those sectors that surge with geopolitical pressures. As such, we’ll stay 40 percent invested in those international markets while also moving some funds into the Precious Metals and Utilities sectors. Lastly, to our Florida friends, we hope that you and your families pull through after Hurricane Irma.

Week Ending 1 September 2017

The S&P 500 is on a 6 day winning streak, closing the week at 2476. Even Friday’s weaker job’s report couldn’t damper a strong September start, as we are seeing not only solid U.S. GDP economic growth but global bullishness. Since the S&P 500 is now again within 1 percent of its record high, it sure would be nice to see it breakout above that level during next week’s trading. In ProFunds last week, we allocated funds to the Health Care fund as it joined already owned Biotech in the “Top Ten”. In the meantime, enjoy your long Labor Day weekend!!

Week Ending 25 August 2017

The S&P 500 was up for the week with a Friday closing of 2443. However, it and the Small Cap index continued to remain below their 50 day moving averages. As evidence supporting this slight U.S. pause, Bank of America released a report on Friday with some interesting data. For the last ten weeks a total of $30 billion has left U.S. stocks, the longest streak of outflows since 2004. Conversely, International stocks saw $36 billion in inflows over the same time frame. Bottom line is that demand usually drives prices higher, so we’ll remain in those China, Emerging Markets and Latin American sectors that I mentioned last week.

Week Ending 18 August 2017

The S&P 500 finished the week at 2425, down 55 points from its record closing on Monday, August 7. The S&P 500 also stayed below its 50 day moving average, however international funds continue to remain strong with the China, Emerging Markets and Latin American sectors leading the way. One other note from last week was that with the continued weakness in the oil sector, we allocated some money to the Short Oil and Gas, an inverse fund which goes up when oil decreases.

Week Ending 11 August 2017

The S&P 500 hit a new record on Monday, but with Thursday’s military rhetoric, the S&P 500 finished down 35 points for the week, closing at 2741. This brought the S&P back to the levels of mid-July and more importantly, crossing below its 50 day moving average. Small Cap stock prices also followed suit. Based on this cresting movement over the last month coupled with an improvement in interest rate sensitive funds, we’ve moved our ProFunds portfolio into a more defensive position by reallocating approximately 50 percent of assets into cash and the utility sector.

Week Ending 4 August 2017

The Dow was “WOW” this week as it hit an all-time high and posted its eighth straight record close on Friday. The S&P 500 was just shy of a new record also as it closed the week at 2476.83, exactly one-point shy of the record from the previous Wednesday. For the upcoming week, I’d like to see the S&P 500 mirror the Dow and hit a new high, but we may see more of consolidation and base building since earnings season is basically over and economic news is light. With regard to ProFunds, we remain basically 100% invested with the majority of funds in the International and Technology sectors.

Week Ending 28 July 2017

The market had some record highs this week with the S&P 500 closing on Wednesday and the Dow closing on Friday. All told, it was more of a consolidation week as the S&P 500 finished the week at 2472, within one point of last Friday. Next week we have a lot of economic news, including Friday’s July employment report, which may set the tone for August. Due to the continued bullishness of the markets, we remain nearly 100% invested, primarily in the International and Technology sectors

Week Ending 21 July 2017

Another great week for the markets as the major indices all hit record highs. Wednesday was record day for the S&P 500 and by Friday it closed at 2473, about one point shy of that record. Earnings season has been good this quarter and next week another 170 companies in the S&P 500 report. Who knows but we could be seeing another “psychological” 2500 level by next Friday. With ProFunds we remain basically 100 percent invested but have added Health Care to the Medical fold this week, joining our existing holding in Biotech.

Week Ending 14 July 2017

What a great week for the markets as the Dow, S&P 500 and Russell 2000 all closed at record highs. The S&P 500’s previous high was just shy of four weeks ago, but it finished Friday at 2459. Much of the credit for the advance were the Fed Chair’s accommodating remarks on gradual interest rate hikes in the future. Next week earnings season continues so hopefully with good news we’ll see further advances (but no one can predict the future). With ProFunds, we remain basically fully invested with about 40 percent allocated to both the International and Tech sectors and the remainder in Biotech and Banks.

Week Ending 30 June 2017

As of Friday, we’re now ½ way through the year and three quarters of the way through this decade. This week was also a pretty volatile one with the S&P 500 moving more than 20 points daily (0.8%) Tuesday through Thursday. All told, the S&P 500 finished the week down 15 points at 2423. With regard to the ProFunds, we remain bullish but are starting to see more sector rotation as we purchased Banks this week. Lastly, we wish you and your family a very Happy Independence Day.

Week Ending 23 June 2017

The major highlight for this week occurred on Monday when the S&P 500 made another new all-time high. Overall, it finished the week up 7 points to close at 2438. On the small cap side, we also had the annual rebalancing of the Russell 2000 index on Friday. Within ProFunds, we had new entrants into the “Top Ten” as both Health Care and Biotech moved up and were purchased.

Week Ending 16 June 2017

The markets look like they are still catching their breath after breaking through that 2400 level on the S&P 500 a few weeks ago. For the week, the S&P 500 finished higher 2 points to close at 2433. Next week we might see more of the same as there are no major market moving events on tap. Overall, we remain bullish with nearly 100 percent invested in the equity funds.

Week Ending 9 June 2017

Breaking news!! The S&P 500 did not make another record close this week. Instead, it went to the bench to take a breather, losing 8 points for the week and finishing at 2431. On Friday morning, the tech sector made an new intraday record high only to sell off in the afternoon. Next week we could see increased volatility as there are major economic events on Wednesday and Thursday, including a possible Fed Rate hike and the Fed Chair’s Press Conference. With regard to ProFunds, allocations remain basically the same as I expect the tech sector to bounce back again like it did about three weeks ago when the Dow lost nearly 400 points. Additionally, nothing fundamentally changed in those companies between Friday morning and afternoon.

Week Ending 2 June 2017

After the long Memorial Day weekend, the markets took a little breather on Tuesday and Wednesday. But then they came on strong in the second half to finish out the week at record highs with the S&P 500 closing at 2439. What a nice way to start June!! One of the factors driving this market is the continued low in bond yields. For instance, the 10 year bond just dropped to its lowest interest rate (2.159%) in 2017. Investors looking for return subsequently spurn the bond market in favor of equities, which drives demand and price up. That said, our allocation remains at nearly 100 percent in equities.

Week Ending 26 May 2017

The Bull was back in form this week as every day the S&P 500 marched higher, closing Friday with a new record high of 2415. The S&P 500 has now advanced a total of seven straight days since that Wednesday sell off the previous week. It gives further credence to the “Investing takes time, patience and persistence” saying. Next week is a short one as we celebrate Memorial Day on Monday, but then Friday brings the monthly employment report so stand by for some possible volatility. That said, our allocation remains at nearly 100 percent in equities.

Week Ending 19 May 2017

What a week!! The S&P 500 closed above 2400 for the first time on Monday and stayed above that level on Tuesday. Then Wednesday arrived with nearly a 400 point loss on the Dow. On Thursday morning, my “CNN PreMarket” email subject line read “Investors Take a Breather”. To me, it felt like getting the breath knocked out of you with a punch to the stomach. But then Thursday rolled around and the markets bounced back with the S&P 500 finishing the week at 2381. With regard to ProFunds, we’re still within one percent of the market’s all-time high so we’ll remain nearly 100 percent invested.

Week Ending 12 May 2017

Although the S&P 500 closed slightly down at 2390 for the week, it did make another new record closing high on Wednesday. What was also interesting was that the S&P 500 twice closed within one point of that “psychological 2400 level”. Although earnings season is pretty much over and no major newsworthy events (election/Fed announcement/etc.) are on the radar for next week, maybe the markets can push above that resistance level on their own merit. As such, we’re remaining nearly 100 percent invested split approximately equally between technology and international funds.

Week Ending 5 May 2017

I’ll call this last week “century week” as most major indices finished around that “00” mark. The Dow was at 21,006, NASDAQ Composite at 6,100, Russell 2000 at 1,396, and the S&P 500 at 2399 with a new record close, surpassing its 1 March high. On Sunday we have the French election, and it seems as if whenever voters turn out (Brexit/U.S/French Round 1), the bulls return. Hopefully the market reaction will again be positive like after Round 1.

Week Ending 28 April 2017

What a nice week for the markets!! With the first round of the French elections complete last Sunday (Round 2 is 7 May), the markets woke up with substantial gains on Monday. And the euphoria continued throughout the week excluding Friday’s slight drop. All told, the S&P 500 closed the week at 2384, within one percent of it’s all time high set on 1 March. As such, we’ve increased our equity allocation over the past week and will be at nearly 100 percent on Monday.

Week Ending 21 April 2017

The S&P 500 closed up for the week at 2348, but still remains below its 50 day moving average. The same pattern also holds true for the Dow. It seems as if there’s a lot of market uncertainty as we remain in this holding pattern. For the next week, we’ll have the “Frexit” vote, round 1, and a continuation of earnings season. That said, we’ll maintain a more defensive posture and keep approximately 50 percent in cash.

Week Ending 14 April 2017

Although the markets were closed on Friday, it was still a short, tough week for the S&P 500 as it closed Thursday at 2328, down a little over one percent. It also seems as if this was a week of showing military might as we now are into full-fledged sabre rattling with North Korea and also dropping the MOAB. Given the fact that we’ve had a nice run up since the election, and the fact that the high for the year was March 1st, I have concerns that this market might be due for that long-awaited correction. Also, on Wednesday, the S&P 500 dropped below its 50 day moving average. As such, we’ve become more defensive this week and purchased the Precious Metals, Utilities and Real Estate funds and have increased the allocation in cash to approximately 50 percent.

Week Ending 7 April 2017

This week was an unusual one for the markets. On Wednesday I watched the S&P 500 have a nice run up until mid day, then selling off to lose all those gains and more. On Friday the markets woke up to the Syrian cruise missile attack and a weak employment report. I would have expected more of a market reaction, but the indices stayed flat with the S&P 500 closing the week down slightly at 2355. As mentioned last week, the S&P 500 had its highest close for the year on March 1. Given the fact this “topping action” was five weeks ago, for the most part we remain unchanged with approximately 50 percent in the technology sector, 30 percent international and 20 percent cash.

Week Ending 31 March 2017

All I can say about Friday is that the market closed out the first quarter with some nice gains, and I’d sure like to see another three in a row. The S&P 500 ended the week at 2362, but what was slightly unusual was that the highest close for the month, and the year, was on March 1. Again, the market deserves a little “March Breather” to consolidate after those first two months of gains. As such, our holdings remain similar to last week with approximately 50 percent in the technology sector, 30 percent international and 20 percent cash.

Week Ending 24 March 2017

For the markets, this week was all about the Health Care bill. On Tuesday, the S&P 500 recorded its first 1 percent decline since October 11th. Then on Friday, the markets sold off mid-day in anticipation of the vote, only to bounce back after the bill was pulled. That said, the S&P 500 closed down for the week at 2343. While certain U.S. sectors such as technology remain strong, we’ve also diversified by increasing our international exposure to approximately 30 percent and increasing our cash holding to 25 percent.

Week Ending 17 March 2017

Wednesday sure was a nice day as it accounted for much of the S&P 500’s gain this week, which closed at 2378. We also saw a little bit of international rotation and therefore took a position in the China and Emerging Markets on Friday. As an aside and given the markets performance since the election, I’m starting to sense the beginnings of what I call the “Buy and Hold Calamity”. It goes along with the saying, “It's easy to be good in a bull market, but a genius performs well in bear markets”. The basis for this is that on 31 December 1999, the S&P 500 closed at 1469, on 31 December 2007, it closed at 1468, and on 10 January 2013, it closed at 1472. These thirteen years of essentially going nowhere was due to the fact the market lost approximately 50% during the bear markets of 2000 and 2008, which leads to “There’s got to be a better way”. To learn more about that way and the strategies we utilize when managing yours and mine investments, please feel free to check out “weisertinvestments.com/research.html”.

Week Ending 10 March 2017

Although the S&P 500 moved up on Friday to close at 2372, it was slightly lower for the week, thereby snapping a six-week winning streak. It could only be expected that the markets had to take a bit of a breather after their recent gains. What was interesting this week was that the Technology sector showed further improvements after lagging post-election. It also seems that whatever sectors are featured on the news, they react to it. For instance, we had both the Health Care and Biotech sectors venture into the “Top 10” given the recent “Repeal and Replace” coverage.

Week Ending 3 March 2017

Another great week for the markets as the major indices again hit historic highs. Especially nice was Wednesday when the Dow closed up 303 points and crossed that 21,000 level. The S&P 500 also tipped above the 2,400 level, but failed to remain there at the close. It’s been nice thus far in 2017, and the markets strength has been impressive. Next week expect more media buzz about the employment numbers due out Friday and potential Fed interest rate hikes.

Week Ending 24 February 2017

On Friday afternoons I usually tune to CNBC to see how the markets will finish the week. Yesterday the commentators had been lamenting that it looked like the Dow would finish the day lower, breaking it’s 10 day winning streak. However, with less than a minute to go, the Dow turned positive and extended the streak to 11, the longest since 1992. As such, we’ll take advantage of this bullish trending market and reman 100 percent invested.

Week Ending 17 February 2017

This week was another bullish one!! Before closing mixed on Thursday, the S&P 500, Dow and NASDAQ had posted record closing highs for five straight sessions. That Dow 20,000 feels like ancient history as it is now 624 points above that level, and seems to be targeting the next “thousand point” threshold. We remain fully invested and are hoping this bullish trend continues, but the markets are due a well-earned consolidation “breather” period.

Week Ending 10 February 2017

What a nice way to finish the week!! All four major averages closed Friday at historic highs with the S&P 500 ending up at 2316. Recapping 2017 thus far, the first three weeks of the year the markets consolidated, while the next three weeks it has rallied. That said, we remain fully invested, but will be adding the Emerging Markets and China sectors to the mix on Monday.

Week Ending 3 February 2017

This week the Dow had its worst day of the year on Monday, only to be overshadowed by its best day of the year on Friday, with both days being a reaction to ongoing Executive Orders. That said, the S&P 500 closed the week up 3 points at 2297. If we close up three more points, we’ll cross another of those psychological century thresholds. Since the wind continues to be at our backs, we remain 100 percent invested in equity funds with the top sectors being Banks, Latin American and Small Cap.

Week Ending 27 January 2017

We finally had that “Breakout to the Upside” as the Dow broke through that 20,000 level, dragging along the S&P 500 which closed the week at 2294. Reflecting back, the Dow crossed 10,000 on 29 March 1999. Using the “Rule of 72”, that equates to about a 4 percent annualized return over the last 18 years (72/18 = 4). The steep market drops in 2000 and 2008 adversely effected those Dow returns. Fortunately, if you look back to 2008, you’ll see we averted those losses and had positive returns by investing in “inverse” funds which move in the opposite direction of the market. So where do we go from here? Right now my analysis still is bullish, and we remain 100 percent allocated to equity funds.

Week Ending 20 January 2017

Reminiscent of when Trump was declared the election victor, when he was sworn in on Friday again the markets had an immediate sell-off. But just like last time, they quickly recovered and for the week the S&P 500 was down just 3 points closing at 2271. Noting that patience is a virtue and that we remain within 1 percent of historic highs, we are maintaining an allocation with a 100 percent in equities. After about 6 six weeks of consolidation, we're hoping for that breakout to the upside.

Week Ending 13 January 2017

Last week I mentioned about the relationship between resistance and persistence. Well, the status quo continues as the Dow remains on its march to 20,000, closing the week 115 points short of that level. The S&P 500 was basically flat closing the week at 2274, or 3 points lower than last Friday. What was noteworthy was that the S&P 500 sold off on Thursday morning, but was resilient enough to recover those losses by the end of the day. That said, we ”persist” and remain fully invested in equity funds.

Week Ending 6 January 2017

Resistance, Resistance, Resistance. That’s the word that comes to mind as the Dow continues its march to 20,000. Resistance is typically defined as a level where the markets stall out, and that’s just what we’re seeing on the Dow. On Friday, the Dow had an intraday high of 19,999.63 before retreating and closing the week at 19,963. The good thing about resistance is that typically the longer this pressure persists (as it has over the last month), the stronger the rally will be when it eventually breaks above that level. As such, we remain fully invested in equity funds.