

The 12 Days of Christmas

As we approach the merriment of the holidays, we want to wish everyone a happy, healthy and prosperous 2019! From a financial market perspective, we anxiously wish to bid adieu to 2018 along with its lower equity, bond and commodity returns, and hope to welcome a more rewarding market environment. Importantly, we believe all the dreams that dance in our heads have a reasonable prospect of coming true over the next year. Enjoy!

~ Chief Investment Officer Larry Adam, CFA, CIMA®, CFP®



1

On the first day of Christmas, my true love gave to me ...

An end to the global trade war.

A lifting of these tensions would bring “joy to the world!”



2% Core Inflation

Contained pricing pressures will keep the Fed “dovish” and allow these wise men and women to slowly raise rates.

3

3,000 S&P 500

All-time highs for U.S. large-cap stocks would continue the “miraculous” positive performance over the last decade ... but you have got to “believe!”



4

4 Quarters of Positive GDP

Consistent growth will keep the economic bells “ringing!”



5

5 FAANGs in the Green

A rebound in the ‘FAANG’ (Facebook, Apple, Amazon, Netflix, Google) technology stocks would be a “golden” momentum builder for the equity market.



6

6% Plus Chinese Growth

Healthy, sustainable economic growth would be a Santa-sized “surprise” to boost emerging markets, especially after the “coal” received this year!





\$70 or Below Oil Prices

Oil below \$70/barrel is a balance that would keep economists and investors “rockin’ around the Christmas tree!”



8% Earnings Growing

Much like Rudolph, dependable earnings growth will be the light to guide the sleigh of equities through the fog of uncertainty.



9 British Parties Dancing

Hopefully, the nine political parties of the House of Commons can “dance” together and pass a positive Brexit deal with the EU, leaving investors “dancing” as well!



10-Year Not Leaping

A 10-year Treasury yield below 3.5% would put a bow on economic growth and be a boon for fixed income investors.



11 Sectors Piping

All 11 S&P 500 sectors with piping earnings growth will help keep equity markets dashing through the snow of anticipated political and geopolitical risks.



12 Months of Payrolls Drumming

A year of positive job creation will keep everyone “jolly” and deter the “Grinch” from stealing our economic momentum.



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