

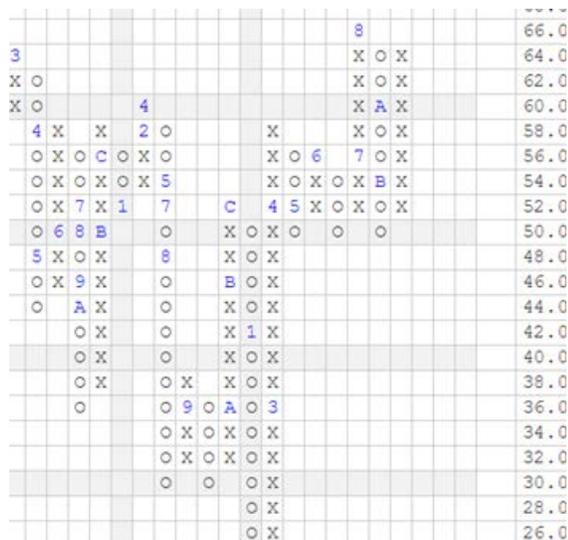
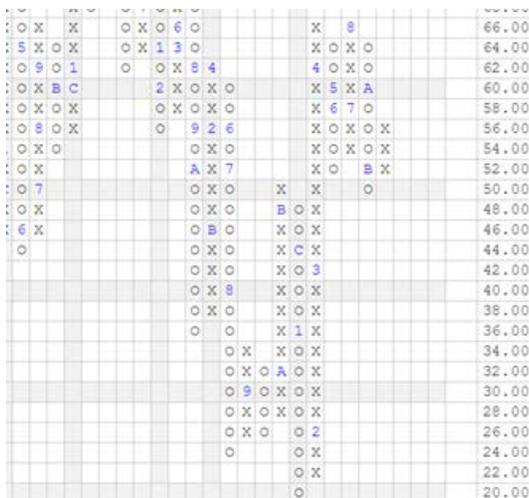
Déjà vu All Over Again??

Leading up to the US Presidential election, many pundits and pollsters were predicting a Hillary Clinton victory for President of United States and the results were not forthcoming. Initially the US stock market reacted with a vicious move to the downside in the overnight markets as Donald Trump won the right to occupy the White House. However, the US stock markets subsequently rallied to the upside as the markets opened for regular trading on November 9 and erased many of the losing positions leading up to the election.

This outcome seems very similar to the Brexit vote in England this June. A so called surprise outcome was followed by a selloff in the markets and then a very solid rebound occurred. However this selloff was more muted in duration.

When we look at our Point & Figure indicators, we see the New York Bullish percent reverse back up into X's along with the Bullish percent for US Small Cap stocks. Both levels remain above the 50% demarcation point as do the longer term Positive Trends indicator we addressed back in September.

There appears to be a new found spirit to the US markets as US interest rates moved up significantly as did many underperformers including industrials and banks. We certainly do not know what the future brings but those investors that are long the US stock market continue to move ahead.



Charts provided by Dorsey Wright & Associates

Please call or email any questions

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