



HERITAGE CAPITAL LLC

Invest for Tomorrow. Live for Today.™

On Wednesday between 9:20 am and 9:40 am I will be with Laura Hutchinson on WTNH (ABC in CT) unveiling my top financial resolutions for 2018 with a special focus on those directly impacted by the tax reform bill passed last month.

It has been one heck of a start to 2018 in the stock market with some of the strongest momentum in history. As I have mentioned a number of times, animal spirits were released into the economy and markets a year ago and they seem to have been re-released late last year. Historically, those are not extinguished so quickly.

Much has been written on www.investfortomorrowblog.com so I invite you to read past posts for details. In short, all five major stock market indices are in sync to the upside. All four key sectors are leading and acting very powerfully. There is broad participation in the rally as measured by the New York Stock Exchange's Advance/Decline Line. And high yield yield bonds are behaving at least okay.

While pundits have been calling the stock market a "bubble" for years, price behavior isn't supportive of that just yet. My primary concern is that after an almost 20,000 point rally in Dow, the masses have finally embraced the bull market and are going "all in". Sentiment surveys and individual investor behavior in the options market are showing euphoria. When the historic momentum begins to fade, the euphoric mood will matter, but that should not be right now or soon.

I keep hearing from the remaining naysayers that "this is going to end badly". Well, no kidding! All, and I mean every single bull market ends badly or they wouldn't end. Not a single bull market in history ended quietly without ensuing pain. Those who are late to the party and do not have a plan to book gains, hedge or play defense will certainly see decimation in their portfolios, just as they have during every single bear market in history. That's just the way investing goes. Just ask all those Bitcoin investors who thought it was a one way street to untold riches. The 50% decline happened in the blink of an eye.

While stocks will likely see a full-fledged correction later this year and an increase in volatility well before that, the landscape still favors the bulls as even the slightest signs of weakness are immediately bought by those who have been sitting on cash. As the saying goes, "don't confuse brains with a bull market".

Don't forget to check our blog for more info www.InvestForTomorrowBlog.com

Posts are typically made three times per week and you can sign up here to be notified by email when a new one is up.

<http://www.investfortomorrow.com/BlogAlerts.asp>

To Your Financial Success,



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