



HERITAGE CAPITAL LLC

Invest for Tomorrow. Live for Today.™

Good Morning,

For those of you who receive notifications when new blogs have been posted, I want to apologize again for what's become a giant inconvenience with our Wordpress host, Godaddy.com. As I mentioned in Monday's update on the blog which was subsequently removed by Godaddy, we have been in the process of migrating all of the content to these supposedly new and upgraded/updated servers which among other things have top notch security. During all this, something seems to have happened to all content post-March 27 and the blog is missing all of my charts. Godaddy assures me they are working on it. My confidence is waning.

Anyway, that's why posting has been so hit and miss this month. It's been really frustrating! Thankfully, the markets have been fairly quiet and literally following my script almost step by step.

Speaking of the markets, the S&P 500 and NASDAQ 100 scored fresh all-time highs on Tuesday, even faster than I thought possible when I first forecast new highs four months ago. At that time, if I wasn't the only one calling for Dow 27,000 and then 30,000, there certainly weren't many of us. Most in pundit land were screaming about recession, bear market and even a new financial crisis.

And yet, after a four-month powerful rally, so many investors are still hating and disavowing the bull market, which remains very much alive, something I said every step of the way during the fall decline. You want to call it a mini-bear market or cyclical bear market because stocks declined 20% like they did in 2011 and 1998 without recession? I have absolutely no problem with that.

At this stage, I expect the Dow Industrials to hit all-time highs next with the lagging S&P 400 and Russell 2000 playing catch up into the warmer months. As I have been writing on the blog that has been appearing and disappearing, sector leadership from my four key sectors has been fairly strong and strengthening.

Semiconductors have been dynamos but could certainly use a breather. Consumer discretionary has very quietly scored new highs, so much for the consumer being tapped out and rolling over. The transports were the group I found most interesting to watch a few weeks ago and now they are taking the lead. Banks remain the group that most concerns me, but even they are so priced for disaster I find a hard time believing it comes to fruition.

High yield bonds, my favorite canary in the coal mine, just keep finding new high after new high. Bear markets and recessions almost never begin with junk bonds behaving so well. Finally, the New York Stock Exchange Advance/Decline Line which is among my favorite gauges of market participation has been sitting in new high territory since February. Yes, you read that right, February!

As I have weighed all the evidence in these updates, on the blog and in the media all year, the evidence has only pointed to one conclusion. The long running bull market would continue and all-time highs wouldn't be far off. I just don't know what all these naysayers and gloom and doomers keep watching.

I do know that for four months, they have continued to ignore the hard facts that stocks were heading higher. I guess that's why there hasn't been any real bouts of weakness nor meaningful pullbacks. So many investors have been on the outside looking in and hoping for an opportunity that never came. Dow 22,000, 23,000, 24,000, 25,000, 26,000. They just keep waiting and praying for doom, like all those on Twitter who keep forecasting 50% declines and economic Armageddons.

That's it for now. I am going to spend the rest of the week finishing up my quarterly report to clients, meet with a few clients and then get ready for a trip to Arizona for the annual NAAIM conference where I get to spend a few days with fellow like-minded money managers and overall good souls discussing all aspects of our businesses. Although I tried to resist, my friend Matt Spangler is doing his darndest to have me moderate a panel on investment models, research and indicators. We'll see. Hoping that my golf clubs get some daylight on Sunday. Passover ends Saturday night and a lot of gluten awaits me, including pizza, pasta and some good local beer.

Hopefully, www.InvestForTomorrowBlog.com will be back up and running before I board my flight so I have something to do on the way out Saturday night since I don't sleep on planes. Little League opening day is Saturday and my team is not exactly the juggernaut I am used to piloting. We're very small, but very fast so it's going to be a different brand of baseball this spring for the Heritage Capital Yankees. I just don't want to emulate the real Yankees injury woes in 2019.

To Your Financial Success,



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