



## HERITAGE CAPITAL LLC

Invest for Tomorrow. Live for Today.™

First, I am excited to co-host Yahoo Finance's new, expanded On The Move on Tuesday from 11:30am to 1:00pm. That's a lot of time to stay seated in a chair without access to the men's room. Just go to [finance.yahoo.com](http://finance.yahoo.com) and the show will stream live.

After that, I will be joining my friend, Charles Payne, on Fox Business' Making Money at 2:00pm.

With a new month, quarter and year beginning along with the geopolitical news with Iran, there are certainly some small fireworks going off right now. I am sure there will be lots to chat about!

Now on to my Santa update and more...

Although it wasn't much for the bulls to celebrate, Santa Claus did call to Broad & Wall. The last five days of 2019 plus the first two days of 2020 finished slightly in the green for the S&P 500 by 0.34%. The media would have you believe that this 7 day trading period now holds untold fortunes for stock investors versus any old random year. That's simply not the case, even when giving the bulls the benefit of the doubt by including the first two days of the year in the calculations when it would be impossible to invest until the Santa Claus Rally (SCR) ended.

Let's take a deeper dive.

First, I have daily stock market data back to 1926 and while I could go all the way almost 100 years, I chose not to. I have always said that markets morph and evolve. What happened that far back when stocks traded on Saturdays and were closed for war has absolutely no bearing on today. Lots of folks use data since 1950. I do as well for some studies and when I am not lazy. My favorite periods to use are since 1990 and since 2000. I think a whole lot changed after the crash of 1987 and then again in 2001 and 2007.

Here is what I learned. Since 1990 77% of the calendar years have been up using the total return for the S&P 500. After a positive SCR, 81% of the years have been up. In other words, the difference is one single year, deeming it statistically irrelevant.

That disappointed me. So I went a step further.

I looked at all years where Q4 was positive, the calendar year was positive and the SCR was positive. There were 14 since 1990. Of those 14 years, the next calendar year finished higher 12 times or 85%. If you are curious, the failed years were the first and last in my study, 1990 and 2018.

Furthermore, 1990 and 2018 were also the only years in the 14 where there was a 10%+ stock market decline during the first quarter of the year.

As always don't forget to check out the blog for regular updates each and every week.  
[www.InvestForTomorrowBlog.com](http://www.InvestForTomorrowBlog.com)

## To Your Financial Success,



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