

Input 08.02.2019

«Just remember, once you're over the hill you begin to pick up speed.»

Arthur Schopenhauer

Good evening

Schopenhauer's quote seems to apply for financial markets at present stage. But we get not euphoric, since the technical correction of the last quarter must be equalized prior to heading towards new horizon. Call it a year end bonus to start with, and let us hope that we catch up speed again.

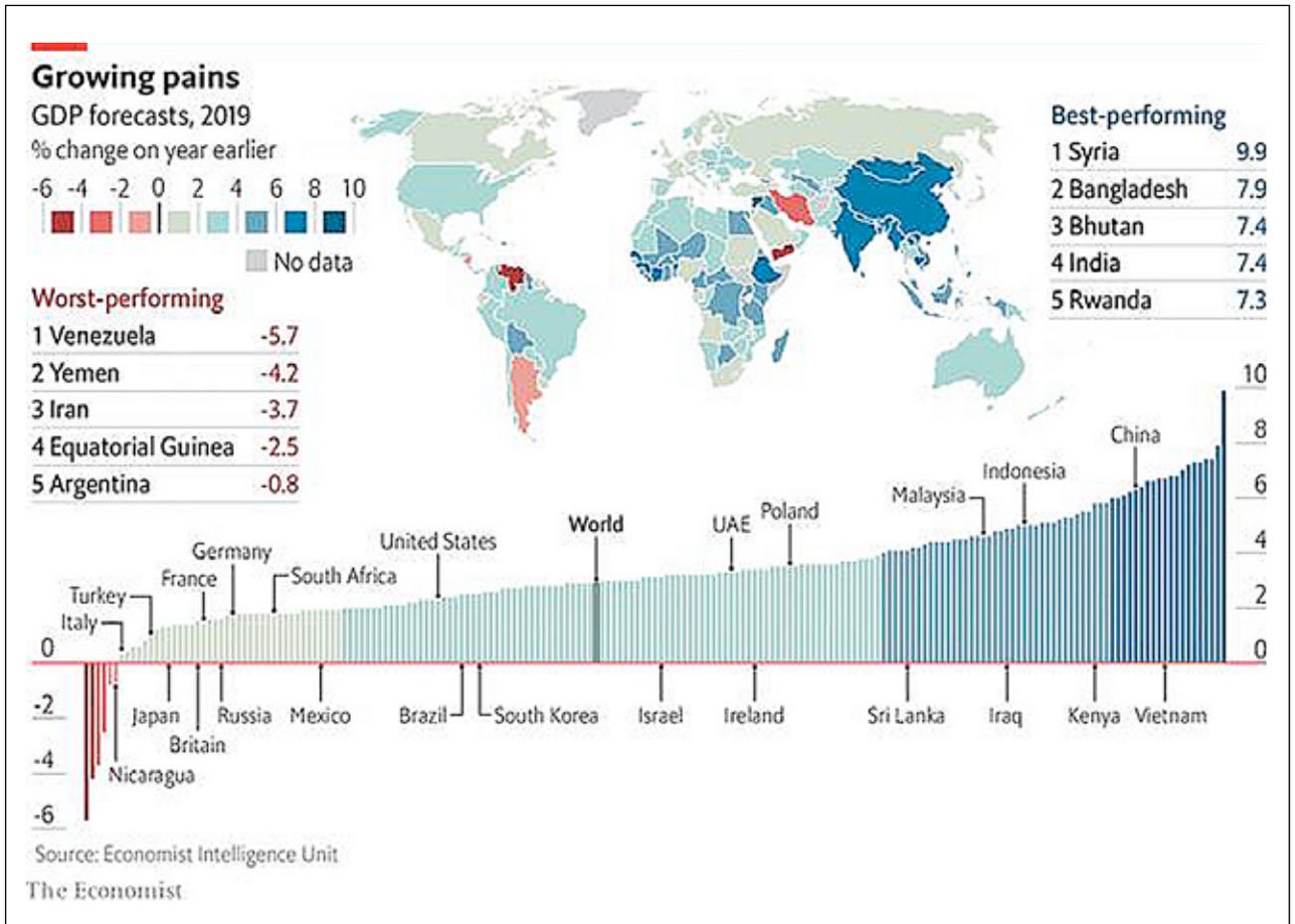
Most good news goes unreported or gets couched as bad – a phenomenon I call the pessimism of disbelief. When it strikes, better times are ahead.

Sentiment seeks negatives, ignoring positives:

Global lending and money supply are growing around 6 percent year-over-year.

Global purchasing managers' index is higher now than during most of 2016, a fine year for stocks?

World trade is growing nearly 4 percent year-over-year despite this supposed trade war.



JACOT

Assuming December 24 remains the bottom, this correction ended later in a calendar year than any correction or bear market ever. An average aftermath now would make 2019 simply stellar, and surprise almost everyone. That's bullish; good years follow bad years unless you have global recession or world war. We've never had two straight negative stock market years – except with the Great Depression, the two World Wars, the early 1970s debacle and the tech bubble.

Tightening financial conditions in the U.S. are a continuing concern for markets, and President Trump, who called on the Fed to stop raising interest rates after four rate rises in 2018. Fed has indicated more patience in the normalization process. We like the summary on this link <https://jamesaltucher.com/blog/no-recession-2019/> and shall hold on to our conviction towards single stock oriented investing and keep you updated during the coming weeks.

Best wishes

Bjoern