

# WALL STREET STRATEGIES

*Wall Street Strategies- providing independent stock market research since 1991 through a balanced approach to investing and trading*

**June 24,  
2019**

**OFFER FROM THE DESK OF  
CHARLES PAYNE**

So many of you have been on my website for years. I'm talking ten or fifteen years, and we're still kicking the tires. Some put in false phone numbers, so we could never contact them directly, while others keep saying 'not yet'. I've been on Wall Street since 1985. I get it more than you know. However, it's nuts to keep missing out on the greatest money-making machine in history.

It's also nuts to try to navigate the market using free information, your gut, or approaches that don't investigate fundamentals and factual trends.

I have always offered a free consultation with our representatives to discuss your goals, methods, and risk tolerance. I'm redoubling my effort to reach everyone, and I am sweetening the no-strings-attached offer. Ultimately, even if the most I can convince folks to buy is a bunch of Exchange-Traded Funds (ETFs) over a period of years, that would be better than this wait-and-see-and-miss approach that so many folks have found themselves in.



## **Let's Talk Today.**

Why not try my premium services free of charge for 7 days?

No credit card is required. Just set up your login (if you don't have one). You can choose the service that suits your investing temperament and goals. I realize most investors aren't sure or have multiple objectives.

In that case, make sure to note you would like to speak to one of my representatives.

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## **Buy, Sell, or Hold?**

Last week, the S&P 500 pierced through to establish another record close in the process of extending one of the longest rallies in history. Like anytime the market or stock hits a new high, there was an instant chorus of folks to sell and move to the sidelines.

Be careful.

First, make sure the talking heads you are listening to were positioned in this market, were long, and telling the public to be long. All too often the perma-bears, and now folks rooting for economic demise, come on television and radio and make recommendations they haven't earned. If an analyst told the public to avoid the market for the last few months or years, and they were pounding the table on a potential crash back in December 2018, their opinion now might be more steeped in their ego than the true stock market analysis.

There are smart folks that were long, and now see risks shifting enough to take some profits, although the analysts I respect the most still have exposure to stocks.

Here's the deal.

You cannot make big long-term money if you sell each new high. Moreover, for those that have missed the latest leg of the rally, try to put this into perspective over a period of years (not a series of rallies and pullbacks). This isn't Double Dutch jump rope, where you are going to get in perfectly and skip around deftly, moving your feet without a mistake and dipping out perfectly.

Sure, I'm an advocate of taking profits, and I understand that managing risk is the most essential part of actively investing. However, hitting new highs is not the ultimate sell signal. On the contrary, it's often the ultimate buy signal.

The current market action is reminiscent of several periods in history when the market hit a double top and pulled back. Then, the next high was the exact moment to become more aggressive.

### **S&P 500 Double & Triple Tops**

Typically, after a long rally, stocks and indices will peak and begin to pull back. It's hard to know it's a "top" since all "tops" are temporary throughout history. Subsequent rallies have put in new "tops," even when it takes years, but as the pullback picks up speed and deepens over time, we begin to hear a "top" was put into place.

Many investors look back in frustration, wondering why they didn't take profits.

Those circumstances are different than when a stock or index takes out an old high point. These breakout points have often been buying opportunities. I call these true breakouts (it helps when accompanied by strong market breadth and volume).

True breakout has resulted in a monster multi-year rally for decades. It's happened so many times with the S&P 500. Here are a few examples:

- March 1954: 26.69 to August 1956: 49.64
- September 1958: 49.64 to July 1959: 60.51
- August 1963: 72.50 to February 1966: 93.81
- April 2013: 1,553 to January 2018: 2,872

### **Forget About The Market**

Right now, we are looking and wondering. To a large degree, we are overthinking where the market goes, when a better use of time and energy would be to decide which stocks to own for that next huge money-making historical leg higher.

Forget about the market per se and consider building and managing your portfolio based on ideas that have the best fundamental and unrealized valuation.

It's been an amazing year already, in part because buying winners have covered the entire spectrum of the market. However, even these numbers are deceiving. Lots of investors were spooked out of technology before the year began, and many would never buy stocks in boring sectors, such as Consumer Discretionary or Materials.

This has been a tougher market than year-to-date gains have suggested.

I think the rest of the year could also be deceiving as winners probably will become more selective, as companies come up short on earnings and guidance and Wall Street pressures in certain names and sectors, simply because they have enjoyed bigger gains than anyone could have guessed (they certainly didn't).

Communication Services (XLC)	+24.09%
Consumer Discretionary (XLY)	+27.47%
Consumer Staples (XLP)	+17.02%
Energy (XLE)	+13.28%
Financials (XLF)	+19.44%
Health Care (XLV)	+13.36%
Industrials (XLI)	+23.82%
Materials (XLB)	+18.66%
Real Estate (XLRE)	+22.04%
Technology (XLK)	+32.28%
Utilities (XLU)	+13.34%



**Take Me Up On This Today.**

You have been watching me for years and reading my commentaries, and still, you wait. It's time to try and take the next step.

Why not try my premium services free of charge for 7 days?

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