

7/1/2009

How's the Market? --- Which Market?

Big differences between regions and sectors continues

Back in March we pointed out that certain parts of the stock market were doing much better than others and further, the indexes weren't telling us much about what was happening to the entire market. That sorting out process continues.



November 20th of last year was the low point for many stocks and indexes and the chart above shows a widely divergent set of results, with Hong Kong on top, followed by the NASDAQ, then the Dow. We believe these differences will continue for the next few years, although probably in a less dramatic fashion.

Our portfolios did well in the first half of the year mainly because we were aligned properly with high concentrations in Asia, technology, and natural resources.

It makes sense to us that all markets need a rest after such a strong period, but focusing too closely on US economic news (or the US stock market) may continue to be a big mistake for stock investors through the end of the year. Stay tuned.

Best regards,

Daniel A. Ogden