



Technical Update

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Opinions abound. There is much going on in the world today, and much of it is things that have never happened before. And so it is with interest that we read the various opinions of what it may all mean, but also realize that no one has the answers to all the events taking place that we think will no doubt have an effect on future trends. One can pick from a variety of statistics to support whatever stand is taken, but life is really more complicated than that. The trend of the stock market is one measure of the expected direction for the economy and world going forward, and the current market trend has been neutral for the past five months. This suggests to us that the short-term concerns that are generated by the daily news may not be as serious as the headlines indicate. We also notice that the bulk of the commentary is focused on a potentially negative future outcome for what is happening now, but the markets remain firm. Historically, the stock market tends to react well in advance of economic trouble, and that indication is not evident today, in our opinion.



Chart courtesy StockCharts.com and RBC Wealth Management

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