

## Monthly Commentary March 2019

March 19, 2019

### **A Great Start**

Following the worst three months since the financial crisis the stock market has had the best start to a year in roughly three decades. Following a 20% drop last fall, the market has made up nearly the entire decline. The current rally has been aided by what looks like a more patient Federal Reserve, thawing U.S. trade tensions and better than expected corporate earnings.

It would hard to cite a better example of the perils of trying to time the market than these past five or six months. After plunging 20% in less than three months for no solid fundamental reasons, the market bottomed on December 24th and has been rallying ever since. Anyone that could have successfully timed the right time to sell back in late September and then jump back in on Christmas Eve is much smarter than we are.

In our view the stock market does not appear to be undervalued, as it was in December, but not overvalued either. Investors, however, should expect more modest gains going forward. At the start of this year, I felt that it would be a good year if the market could just get back to where it was last October by the end of 2019. Currently the market is only about 4% shy of that mark. No one can be sure what the market will do, but thinking this year will continue the way it started may be an unrealistic expectation.

These days market declines and advances seem to occur in much more compressed periods of time than they used to. What used to take a year or more now happens in a few months. This makes investors jittery. That is the reason that establishing a plan for the long term consistent with your personal time

horizon, just sticking to it and letting the markets do what they are going to do is the best recipe for success.

Let the March Madness begin!

Best regards,  
James Onorato  
President  
Summit Capital Inc.

Phone (216) 539-8444  
Email [jim@summit-capital.com](mailto:jim@summit-capital.com)  
[www.summit-capital.com](http://www.summit-capital.com)