

# EQUITIES PERSPECTIVE

November 8, 2024  
DJIA: 43,729

Trump rally ... or relief rally? As important as the election's outcome, it might well be there is one. For now there are the winners, the Trump trades, and there are losers, but for how long is for now? The nice thing here is it seems another time when you get to figure things out – the time for predicting is over and now is the time for observing. Does a 5% overnight move in the Russell make sense? Is the Solar industry and the rest of renewables going away? Or are they the real opportunity here? And why sell Gold because the dollar is higher? Won't be long before inflation is higher as well. For sure there is a surprise here, testament to which are the boarded windows in DC.

Despite what some had thought, a Trump rally apparently was not priced in. Perhaps more to the point, any rally was not priced in. Last month's quietly down-market helped set the stage for this rally, though its extent of course has been a surprise. It has gotten many indicators stretched in a hurry, but good markets do get overbought and stay overbought. At the very least, they don't turn on a dime. Where you're in is often more important than whether you're in, and even at this early stage the rally seems to be following the historical script. Small Caps have done best during the first three months after an election, and Value best in the next three months. That said, three stocks in long-term uptrends we've often mentioned were strong on Wednesday – Cintas (220), Grainger (1189) and Parker Hannifin (690).

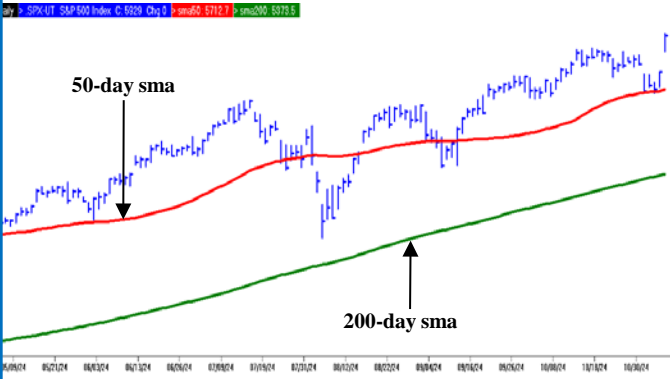
On a day like Wednesday the losers stood out. The winners, or potential leaders, were more difficult to discern against the overwhelming strength. And in some cases, you have to wonder about that strength. One clear distinction was domestic versus international exposure, the former clearly outperforming. Still, is every Regional Bank about to merge or be free of regulations. Or are we never using toothpaste or washing clothes? While a great company, was Nucor (161) really worth 20% more on Wednesday than the day before? And when it comes to Tesla (297), his politics should help SpaceX, but probably not sell more cars. On a technical level, the blowout move in the Averages didn't quite see the same move in the A/Ds – not important for now, but something to watch.

It's the most wonderful time of the year. No not Christmas, for the stock market the most wonderful time is between now and the end of April. Since 1945 \$1 invested in the S&P during this period is now worth \$125. That entails a 76% win rate and a median return of 10%. Gains of 15% occurred 16 times while losses of 15% only twice, according to SentimenTrader.com. Making this all the more striking are the returns for the other six months, when \$1 turned into just \$2.75. These numbers make it sound a bit easier than it is – even good markets don't go straight up; they often move in chunks. Little question, however, it's a good time to be invested.

It seems a lifetime ago, but last month wasn't a particularly good one. It was the first down month after five straight up. A/D numbers saw pretty much as many up days as down, and particularly weak were the level of new highs versus new lows – virtually flat on the NAZ. The weakness overall, however, was pretty much relegated to short-term time frames. Stocks above a 40-day moving average, for example, dropped from 64% to 38%, while those above their 200-day remained above a healthy 60% level. Important now is that we see a reset in these numbers to go with its renewed strength in the Averages. The end to five-month win streaks by the way, does not bode ill historically.

Frank D. Gretz

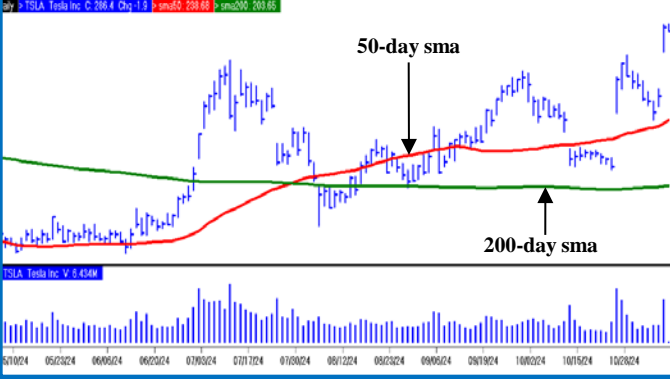
### S&P 500 (SPX - 5973) - DAILY



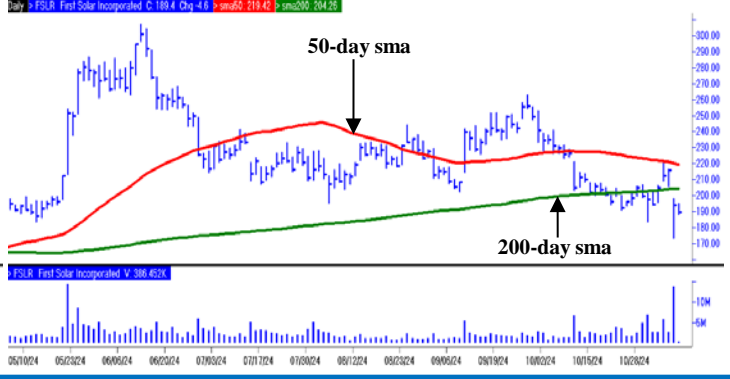
### NASDAQ 100 (NDX - 21102) - DAILY



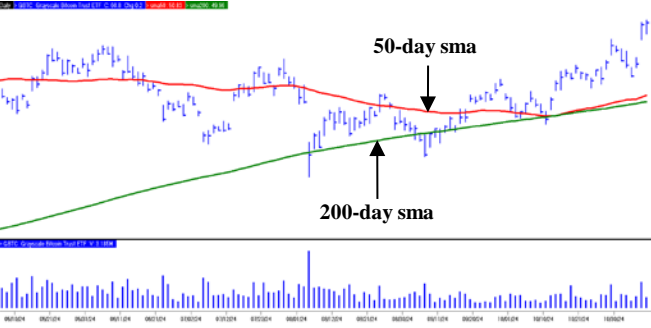
### TESLA INC. (TSLA - 297) - DAILY



### FIRST SOLAR INC. (FSLR - 197) - DAILY



### GRAYSCALE BITCOIN TRUST ETF (GBTC - 61) - DAILY



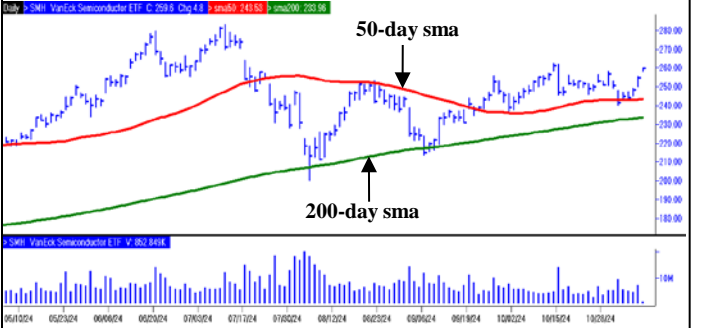
### SPDR GOLD TRUST (GLD - 250) - DAILY



### ISHARES EXPANDED TECH-SOFTWARE ETF (IGV - 100) - DAILY



### VANECK SEMICONDUCTOR ETF (SMH - 261) - DAILY



### DIREXION DAILY REG BANKS BULL 3X SHS (DPST - 137) - DAILY



### PROCTOR & GAMBLE CO. (PG - 163) - DAILY

