

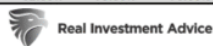
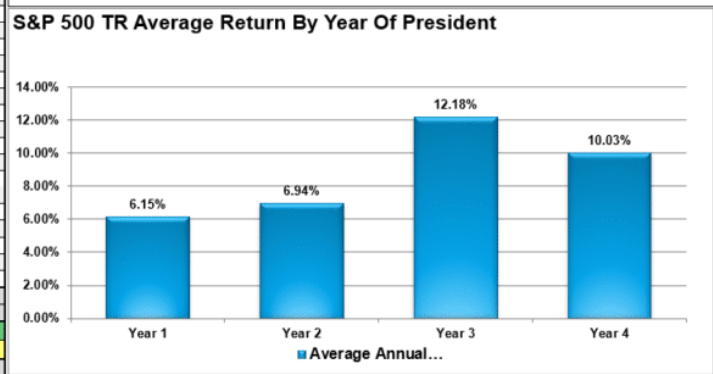
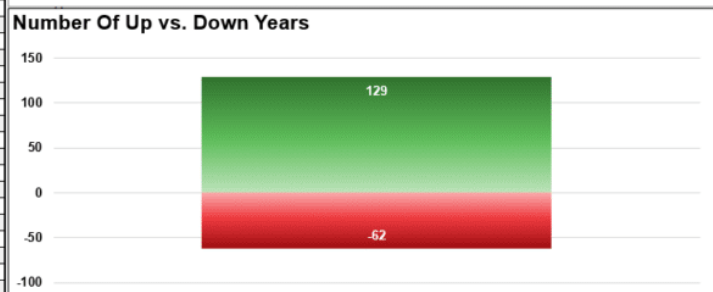
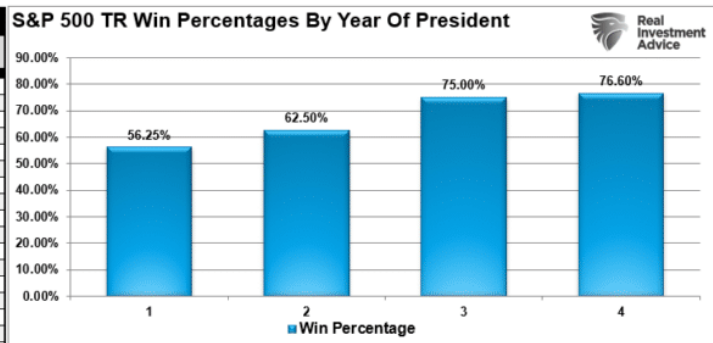


Our first article of the year, [January Stats & New Year Investing Resolutions for 2024](#), provides a review of what we might expect in 2024. 2024 is a little unique as the upcoming presidential election will certainly be a critical factor driving markets. Election years tend to have better performance. This occurs in part because the incumbent can take action to encourage investor enthusiasm. In turn, more robust markets improve consumer sentiment. Such boosts the incumbent's chances of winning as well as those of their party in the Senate and the House.

The graphs and tables below provide historical context as to what we might expect heading into this presidential election. The table on the top left shows that in the year of the last 20 presidential terms, only two have been negative. The most recent being the financial crisis in 2008. The graph on the top right highlights that the S&P 500 has the best winning percentage in the final year of the president's term. In all years, positive years beat negative years by slightly over two to one. However, in the year of the presidential election, up years outnumber down years by three to one. The Tweet of the Day shows the first quarter may be lackluster, but the next three quarters should provide solid returns.

While history favors a good year, there are other factors that can result in something different than what we have become accustomed to in presidential election years.

Presidential Election/Stock Market Cycle						
Beg. Of 4-Yr Cycle	Elected President	Pres. Party	Post Election Year	Mid-Term Year	Pre-Election Year	Election Year
1833	Jackson	Dem	(0.90)	13.00	3.10	(11.70)
1837	Van Buren	Dem	(11.50)	1.60	(12.30)	5.50
1841	WH Harrison	Whig	(13.30)	(18.10)	45.00	15.50
1845	Polk	Dem	8.10	(14.50)	1.20	(3.60)
1849	Taylor	Whig	0.00	18.70	(3.20)	19.60
1853	Pierce	Dem	(12.70)	(30.20)	1.50	4.40
1857	Buchanan	Dem	(31.00)	14.30	(10.70)	14.00
1861	Lincoln	Rep	(1.80)	55.40	38.00	6.40
1863	Lincoln	Rep	(8.50)	3.60	1.60	10.80
1869	Grant	Rep	1.70	5.60	15.26	7.84
1873	Grant	Rep	2.97	8.60	11.40	(16.51)
1877	Hayes	Rep	20.24	30.46	20.34	31.60
1881	Garfield	Rep	(6.29)	8.47	5.15	(5.36)
1885	Cleveland	Dem	31.29	9.42	(3.65)	7.17
1889	B. Harrison	Rep	9.43	(7.73)	26.11	(2.03)
1893	Cleveland	Dem	(3.90)	4.61	4.51	0.15
1897	McKinley	Rep	17.63	29.20	(12.37)	22.84
1901	McKinley	Rep	11.90	(2.40)	(13.05)	35.17
1905	T. Roosevelt	Rep	15.86	(3.23)	(18.58)	37.79
1909	Taft	Rep	8.85	7.02	(0.77)	1.39
1913	Wilson	Dem	(3.64)	(8.96)	27.28	(2.83)
1917	Wilson	Dem	(26.39)	(2.83)	(0.56)	(4.28)
1921	Harding	Rep	19.99	26.45	(2.23)	25.18
1925	Coolidge	Rep	19.41	13.48	34.75	43.81
1929	Hoover	Rep	(8.30)	(25.12)	(43.84)	(8.64)
1933	F. Roosevelt	Dem	49.98	(1.19)	46.74	31.94
1937	F. Roosevelt	Dem	(35.34)	29.28	(1.10)	(10.67)
1941	F. Roosevelt	Dem	(12.77)	19.17	25.06	19.03
1945	F. Roosevelt	Dem	35.82	(8.43)	5.20	5.70
1949	Truman	Dem	18.30	30.81	23.68	18.15
1953	Eisenhower	Rep	(1.21)	52.56	32.60	7.44
1957	Eisenhower	Rep	(10.46)	43.72	12.06	0.34
1961	Kennedy	Dem	26.64	(8.81)	22.61	16.42
1965	Johnson	Dem	12.40	(9.97)	23.80	10.81
1969	Nixon	Rep	(8.24)	3.56	14.22	18.76
1973	Nixon	Rep	(14.31)	(25.90)	37.00	23.83
1977	Carter	Dem	(6.98)	6.51	18.52	31.74
1981	Reagan	Rep	(4.70)	20.42	22.34	6.15
1985	Reagan	Rep	31.24	18.49	5.81	16.54
1989	G.H.W. Bush	Rep	31.48	(3.06)	30.23	7.49
1993	Clinton	Dem	9.97	1.33	37.20	22.68
1997	Clinton	Dem	33.10	28.34	20.89	(9.03)
2001	G.W. Bush	Rep	(11.85)	(21.97)	28.36	10.74
2005	G.W. Bush	Rep	4.83	15.61	5.48	(36.55)
2009	Obama	Dem	25.94	14.82	2.10	15.89
2013	Obama	Dem	32.15	13.52	1.38	11.77
2017	Trump	Rep	21.61	(4.23)	31.22	18.01
2021	Biden	Dem	28.47	(18.11)	25.46	
2025						
2029						
2033						
	Total % Gain		295.22%	333.31%	584.81%	471.37%
	Average Annual Return		6.15%	6.94%	12.18%	10.03%
	Number Up		27	30	36	36
	Number Down		21	18	12	11
	Win Percentage		56.25%	62.50%	75.00%	76.60%



What To Watch Today

Earnings

- No notable earnings releases

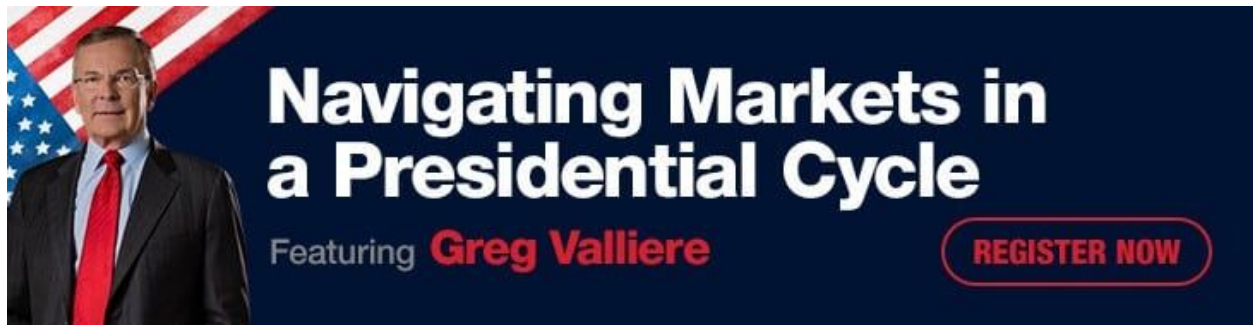
Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
WEDNESDAY, JANUARY 3						
12:00	USD MBA Mortgage Applications(Dec 29)		-	-	-	-1.5%
13:55	USD Redbook Index (YoY)(Dec 29)		-	-	-	4.1%
15:00	USD ISM Manufacturing New Orders Index(Dec)		-	-	-	48.3
15:00	USD ISM Manufacturing PMI(Dec)		-	-	47.1	46.7
15:00	USD ISM Manufacturing Employment Index(Dec)		-	-	-	45.8
15:00	USD ISM Manufacturing Prices Paid(Dec)		-	-	47.5	49.9
15:00	USD JOLTS Job Openings(Nov)		-	-	8.85M	8.733M
15:30	USD EIA Crude Oil Stocks Change(Dec 29)		-	-	-	-6.911M
19:00	USD FOMC Minutes				REPORT	
20:30	USD Total Vehicle Sales(Dec)		-	-	15.5M	15.32M

Investing Summit: Early Bird Registration Available Now

January 27th, we are hosting a live event featuring Greg Valliere to discuss investing in the 2024 presidential election. What will a new president mean for the markets, the risks, and where to invest through it all? **Greg will be joined by Lance Roberts, Michael Lebowitz, and Adam Taggart** for morning presentations covering everything you need to know for the New Year.

Register now, as there are only 150 seats. The session is a LIVE EVENT, and no recordings will be provided.



Market Trading Update

As [*we discussed last week*](#), the market was very overbought and deviated above moving averages, so a correction was likely. That correction started on Friday and continued through yesterday. Of note was the negative divergence between the Relative Strength Index (RSI) and the market, as shown. That weakening of relative strength as the market rose was a warning sign for an eventual correction. The downside remains limited at the moment, and the selling pressure was mostly relegated to last year's best performers. The question is whether yesterday's rotation into Healthcare and Energy stocks is the beginning of a new trend or just a temporary stop before the Technology chase resumes.

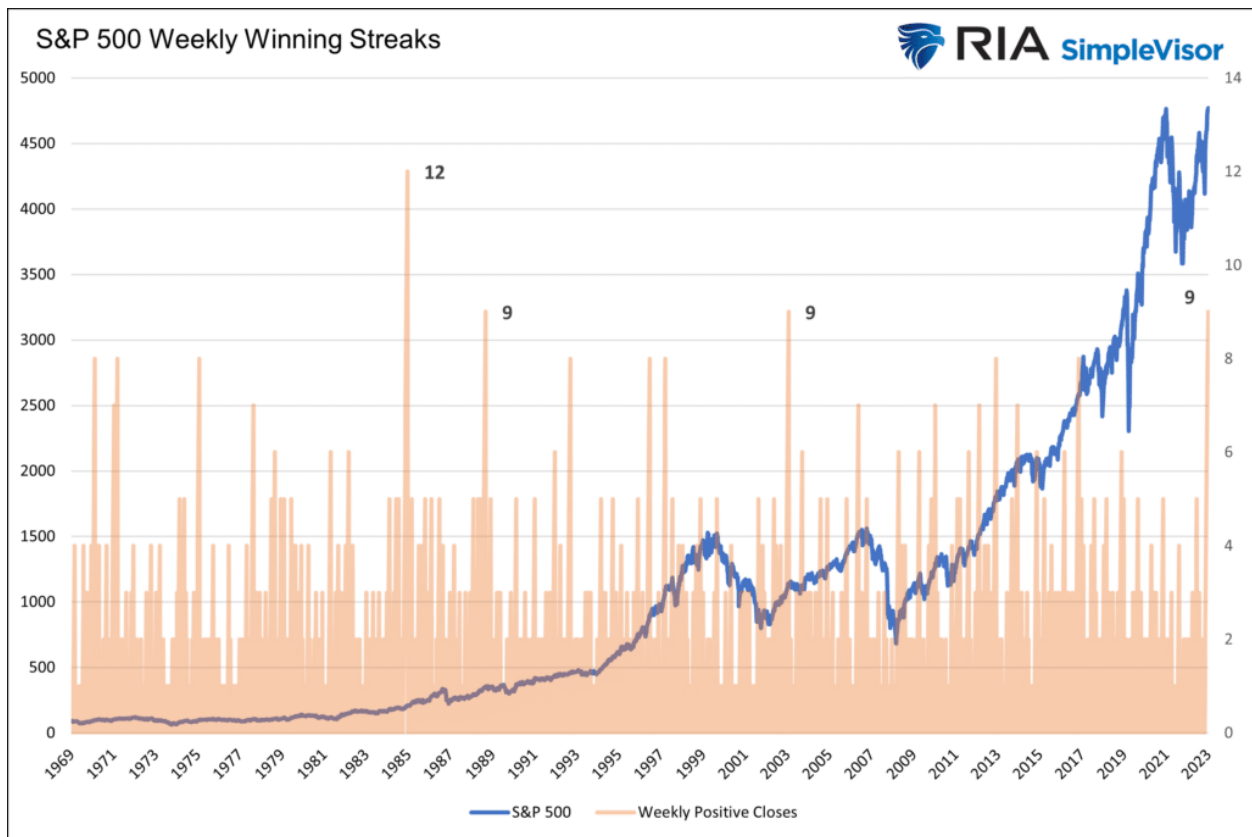
Continue to hold some extra cash, and we think we will have a better entry point to increase portfolio exposures in the next few days.



TradingView

The S&P 500 Is Up 9 Weeks In A Row

As we share below, the S&P 500 has risen 9 weeks in a row. That is the longest such streak in over 20 years. Since 1969, there were two other 9-week winning streaks for the S&P 500 and one that lasted 12 weeks. The 12-week streak was followed by an 18% return in the following 12 months. Conversely, the 12-month returns following the two prior 9-week streaks were not as promising, with a near 0% return in both instances.

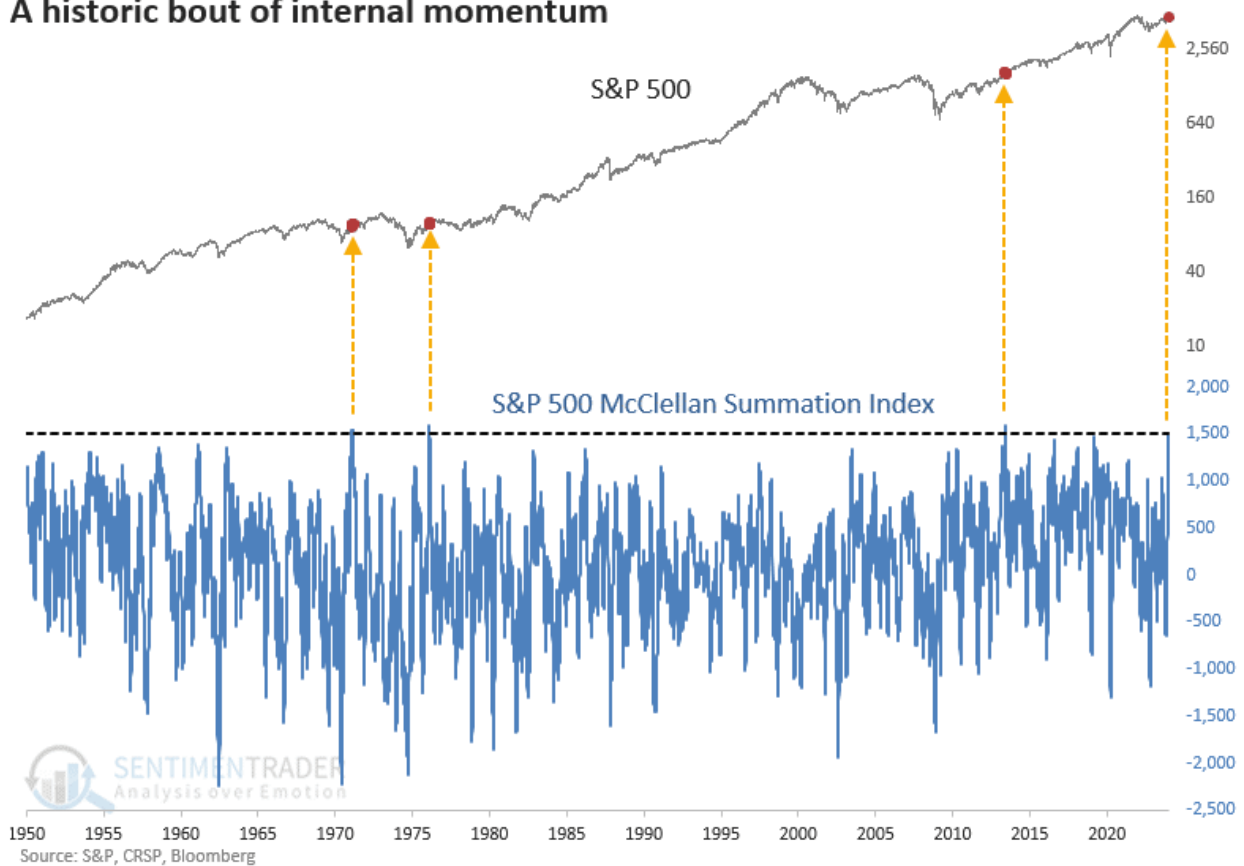


Historical McClellan Momentum Readings

With the 9-week winning streak for the S&P 500, we also find the McClellan Summation Index is near 1500. Such a level has only occurred three other times since 1950. Interestingly and unlike today, all three were after bear markets. Per Stockcharts:

Developed by Sherman and Marian McClellan, the McClellan Summation Index is a breadth indicator derived from the [McClellan Oscillator](#), which is a breadth indicator based on Net Advances (advancing issues less declining issues). The Summation Index is simply a running total of the McClellan Oscillator values.

A historic bout of internal momentum



Tweet of the Day



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🇺🇸 S&P 500



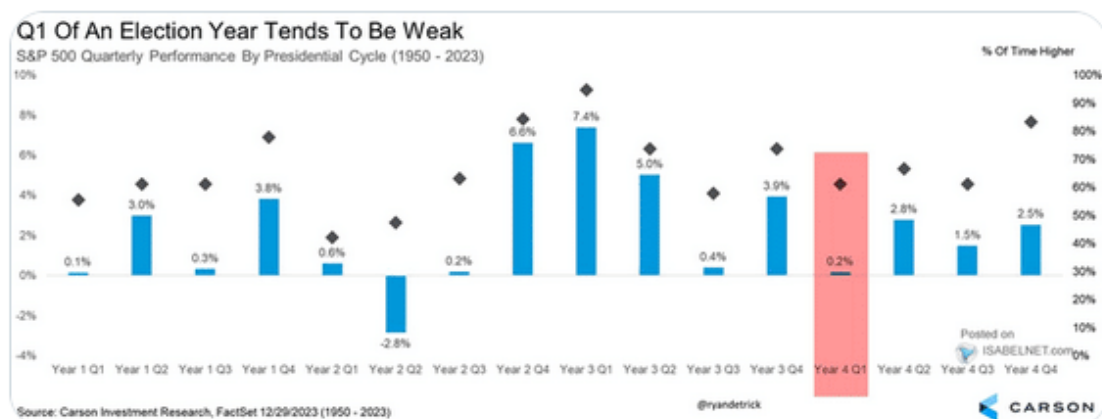
posted



The first quarter of an election year often exhibits a sluggish performance for the S&P 500 index, but as the year progresses, the market tends to regain strength, ultimately delivering a solid performance

👉 isabelnet.com/?s=S%26P+500

h/t @RyanDetrick \$spx #spx #sp500



?Want to have better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)?

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