



Third Quarter 2019

Is 2019 a “Sell in May and Go Away” Summer?

The financial industry is rife with investment adages from “*the trend is your friend*” to “*as goes January, so goes the year.*” Among those snippets of market wisdom is “*sell in May and go away.*” Historically, the summer months have been a relatively flat period in the market. Among the proposed reasons for the phenomenon are the traditional exodus of financial professionals from an overheated New York City to homes on the coast, the flow of money into real estate purchases during the summer months, and the tendency to focus on vacations, golf course, beach, or pool.

While it would be nice to think that one can step away from worrying about the market during the summer, in five of the last six years, selling in May meant forgoing steady gains in the major market indices.

So far 2019 looks like a year when sell in May and go away is working, but before you take it to heart, there are a number of reasons the market could put in a respectable summer performance. GDP continues to be bullish, positive results of the current tariff tussle could propel the market higher and the Fed is taking a dovish position. It may also help that 2019 is a pre-election year, when the market tends to have its best performance of the four-year cycle.

Financial markets are anything but stable. Active management that strives to avoid major downturns and keep you invested when the trend is up can’t guarantee positive results, but we would argue makes sense across all market cycles and times of the year.

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