



# FINANCIAL SERVICES ADVISORY

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I N C O R P O R A T E D

## History Suggests Stocks Will Finish Year Strongly

**November Market Review From Your Portfolio Management Team—December 16, 2013**

Here we are, at the end of yet another year, with hopes that the final weeks of 2013 will bestow good fortune on the markets. History would argue on the side of a continued upward trend in equities since 20 of the last 23 Decembers have produced a positive total return for the S&P 500. The average December performance since 1990 is a gain of +2.0%, the best of any month (source: BTN Research). Some might say that the stock market has already had its run, and needs to take a rest. The strength of the stock market continues to surprise many and teaches us once again to expect the unexpected. As it turns out, predicting markets is most challenging and you'd be better to guess which side a spinning penny will land than on the direction of the stock market.

Here's a bit of trivia for holiday party conversation: The odds of a coin toss aren't quite 50/50. In actuality, the probability is greater for a spinning penny to land tails side up most of the time. Why is that? Well, the side with Lincoln's head is just slightly heavier than the tails side, causing the coin's center of mass to tilt slightly towards heads. Therefore, the penny will tend to fall on the head side 80% of the time (source: ScienceNews).

Similarly, the stock market tends to tilt in the direction that is heavily weighted by whatever sentiment, economic conditions or world events are present at any given time. Some of these conditions (the budget and debt ceiling debates or Fed tapering) can be anticipated, while others (surprise attack on foreign or domestic soil) cannot. Unlike the case of the spinning penny, it is a fruitless game to predict which side the stock market will fall on. Thus, at FSA, we stand ready to respond to either side.

We hope you are enjoying this holiday season and wish you happiness, good health, and prosperity as we enter a new year.

Mary Ann Drucker  
Research Analyst