



Technical Update

Portfolio Advisory Group – U.S. Equities

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I am out of the office visiting branch offices through Friday.

The Trend Is Your Friend. The Dow Industrials and the S&P are hitting new highs, along with many stocks and groups, but not all are participating in the bullish trend. The areas of the market that are not participating may be at the wrong time in their cycle, as these longer-term moves generally start with the largest and higher-yielding stocks leading the way. Eventually, we believe growth and smaller-cap issues can be expected to join in on the upside, but sometimes these shifts and trends can take years to come around. In the meantime, there are also those issues that maybe should be rising, but aren't, even as others in the same groups are performing well, and these stocks require closer evaluation. We are always suspect of stocks that may be popular with investors, but are acting poorly. This can often be an indication of a problem, and may be a reason to avoid those stocks until we have a clearer picture as to why they are acting as they are.



Chart courtesy StockCharts.com and RBC Wealth Management

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