



Technical Update

Portfolio Advisory Group – U.S. Equities

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Short and long. The market indexes are near their highs, and with that come the predictions for more of the same, along with other predictions of a big decline, and everything in between. We see the market as having long- and short-term trends and it is important to realize what the overall trend is and how the near-term possibilities fit into the big picture. The S&P has rallied to more than triple the value of the 2009 low, and we think that it is clear that the longer-term trend of the market is bullish. Within that long-term trend, we believe the potential for pullbacks of up to 15% exists, but would still leave the market in a bullish trend. The problem with much of the commentary is that it does not make the distinction between the long- and short-term trends, as people seem to want a one-word solution to the market’s direction of either “up” or “down,” and it’s really more complicated than that. We think that if investors can get a handle on the long-term trend, then they can make some better judgements on a short-term basis, and how that fits into their overall plan.



Chart courtesy StockCharts.com and RBC Wealth Management

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