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An Encore Performance?

After the best year for the U.S. stock market in nearly two decades, what's left? Will investors be left with happy memories and thin gruel to look forward to? Only a few months ago, most people were pessimistic. Congressional deadlock and a bleak five year period for the economy took their toll. Now we've had a series of good economic reports. While it's not a totally rosy picture, the outlook is much improved over that of a few months ago. The economic recovery is entering its fifth year and showing similarities to the great recovery of the 1990s. That recovery, too, was sluggish but set a record as the longest peacetime recovery in American history. No two periods are the same but one lesson for investors is that the length of a recovery as well as the pace are of importance. Given that the Dow Jones Industrial Average is at a record level, can it keep appreciating? The New Year is always a time for hope but we still need to be realistic. While it's unlikely that the stock market will top last year any time soon, it's impossible to predict when a bull market will end. All investors can do is enjoy the ride and try not to get shaken off early.

Larry Luxenberg

Partner

luxenberg@lexingtonave.com

About Larry Luxenberg

Larry is a Chartered Financial Analyst with 28 years experience as an institutional investor and financial consultant. Larry specializes in retirement planning for Baby Boomers and strategies for maximizing benefits for Social Security. He has been widely quoted in newspapers and magazines and has appeared on CNBC and other television and radio programs.