

Buena Vista Investment Management, LLC

Creative Investment Solutions

DOW JONES AVERAGE RISES FOR A 8TH STRAIGHT DAY

By Joel Sullivan, Partner

As of March 15, the Dow Jones Industrial Average rose for the 8th straight day which is the longest streak since February, 2011. Stocks rose after reports showed that manufacturing in the New York region unexpectedly increased and jobless claims declined. The Dow has advanced 493 points over the last eight sessions. The S&P 500 is up 7 of the last 8 days, reaching its highest level since May of 2008.

“Stocks have reached new highs, but valuations are reasonable,” according to Richard Sichel, who oversees \$1.6 billion for Philadelphia Trust Co. “People who haven’t gotten into the market might be drawn in because the economy is improving and there are some relative good values out there.”

Stocks rose as manufacturing in the New York region expanded in March at the fastest pace since June, 2010. Claims for jobless benefits fell last week, matching the lowest level in four years, more evidence the labor market is improving.

While the stock market was going up 8 straight days, U.S. Treasuries fell for a seventh day, the longest drop since June, 2006. The government bond market has enjoyed a very nice rally over the last several years, as investors focused on safety. As more money went into Treasuries, yields fell and bond prices went up. However, things may be beginning to go in the other direction, with a possibility of yields rising over the coming months and years. If that likely scenario were to play out, it would be quite negative for the bond market.

Just a reminder. Tune in Friday, March 23rd on WFHR at 10:30am when we will be presenting our monthly radio show “Investment Insights from Buena Vista.” Also please go to our website to stay up on our latest thoughts, buenavistainv.com