



# Perspective: Strong Retail Sales Push Markets Higher

Dec. 9, 2019

## Markets Stumble Less and Head Higher

Market corrections continue to diminish in size in response to strong holiday retail sales, the distinct possibility of a Trump-Pelosi North American trade deal, and subsiding fear that the US-China trade war tariffs and impeachment hearings will be as damaging as some had projected. The steadily declining correction sizes have been approximately as follows: Oct-Dec 2018: 20%, May-Jun 2019: 8%, Aug-Sept 2019: 6%, Sept-Oct 2019: 4%, and Dec 2019: 2%. Recently it has been difficult to find a financial analyst who is not gung-ho when asked about the markets.

S&P500 Index - 6 Months



## StormGuard-Armor Will Exit Probation

The institutional high-volume investors have been slow to re-enter the market this fall, as illustrated by the Momentum Indicator (right – one of [StormGuard-Armor's](#) primary measures of market safety). However, it now appears that the Momentum Indicator will cross back into positive territory later this week, which will then finally release StormGuard-Armor from its probationary status (+0.02), which it has been held to since September. For a discussion of StormGuard-Armor's performance during this particularly volatile year, please review the recent [September Newsletter](#).

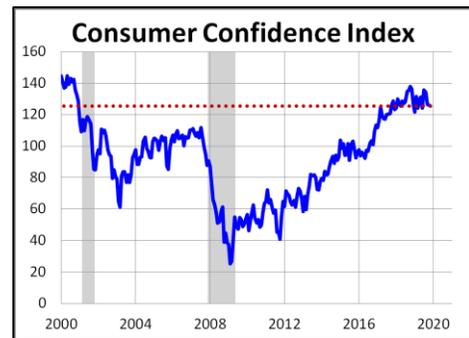
Market Sentiment & Direction Indicators - Daily Charts



(click to enlarge)

## Consumer Confidence Remains Strong

US Consumer Confidence Index (right) has been high, and remains strong in spite of recent fears that Trump's Chinese tariffs would seriously set the consumer back. However, it appears that the generally strong economy combined with the recent Chinese currency devaluation have absorbed most of the effects of the

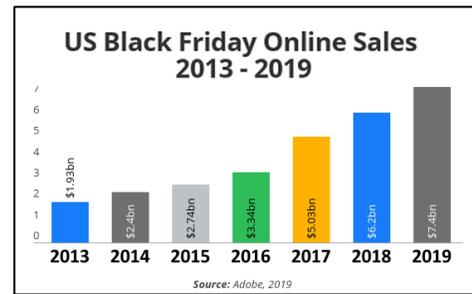


(click to enlarge)

tariffs.

### Black Friday and Cyber Monday Sales Soar

Retailers sales reports for the Black Friday / Cyber Monday weekend were \$7.4 billion in online sales alone, putting shoppers on track for \$143.7 billion in online sales through the holiday season. While Target and JC Penny saw reductions year-over-year, Nordstrom saw the biggest increase at 60%, followed by Walmart at 53% and Amazon at 49%, as reported by Edison Trends. Particularly surprising to me is that smartphones accounted for over 36% of online sales thus far, which was 24% higher than last year, according to Adobe. Wow! Perhaps I will have to consider upgrading my readers, getting a bigger screen or sharpening my fingertips so I can “get with the program”.



(click to enlarge)

### A Small Claim to Fame

During the recent AAll National Conference I was interviewed by Ronald Kok, CEO of Analist.nl, Valuespectrum.com, and Valuefokus.de, who attended the conference with his videographer and posted his interviews on the ValueSpectrum.com site. (see video - right).



AAll National Conference Interview

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