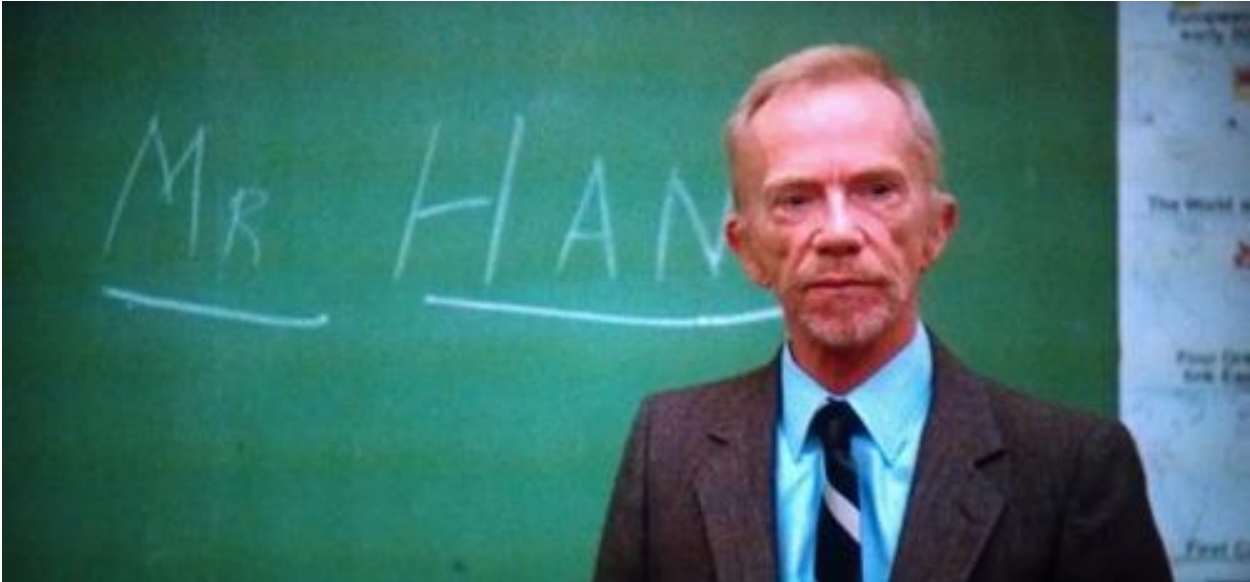
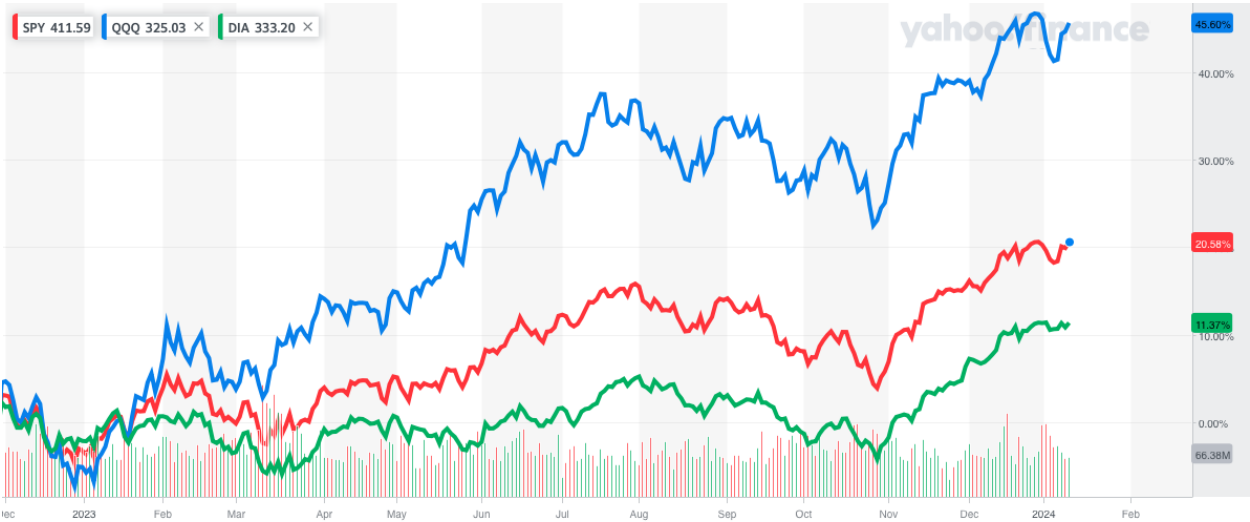


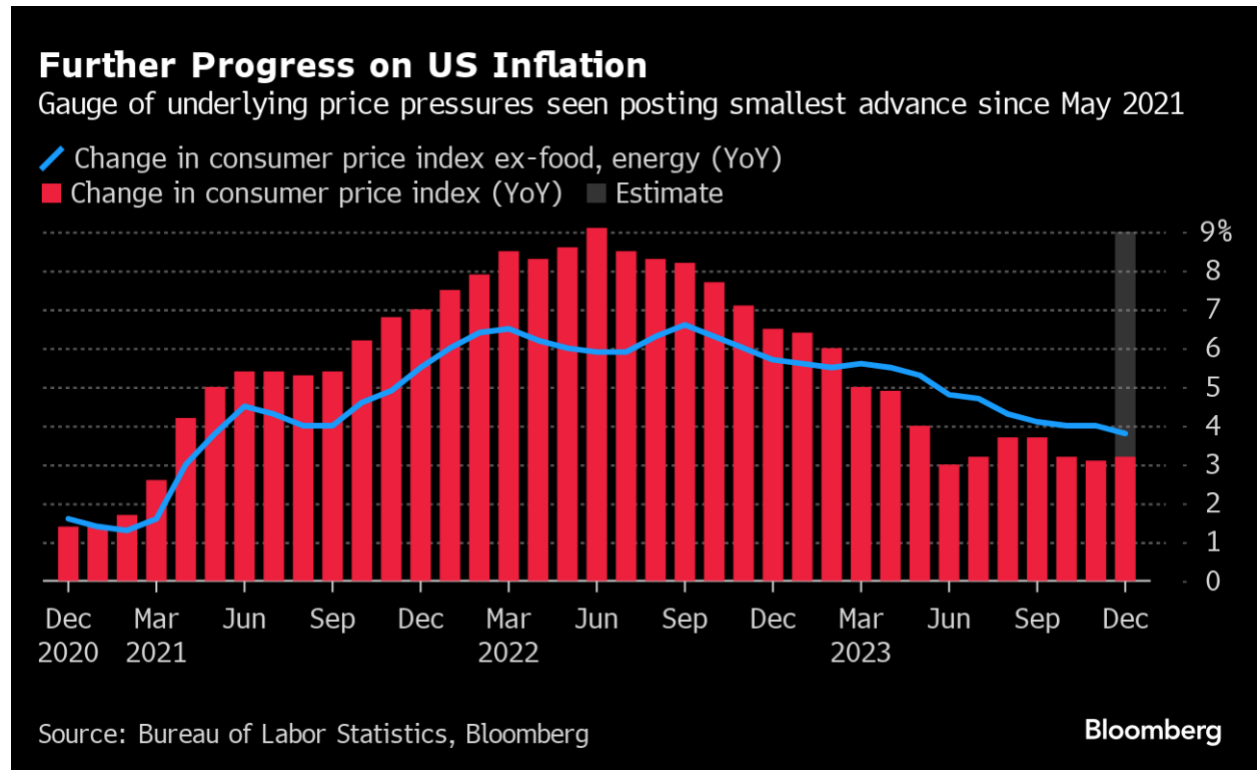
As a colleague of mine once said, the minute the clock strikes midnight on December 31st, a little old man comes out and wipes the chalkboard clean. New Year, new slate, new performance clock. You don't always get to pick your own 'little old man'. If I could though, mine would be Mr. Hand. And I would offer him a mighty 'Aloha!' Only hoping to get a robust 'Aloha' in return.



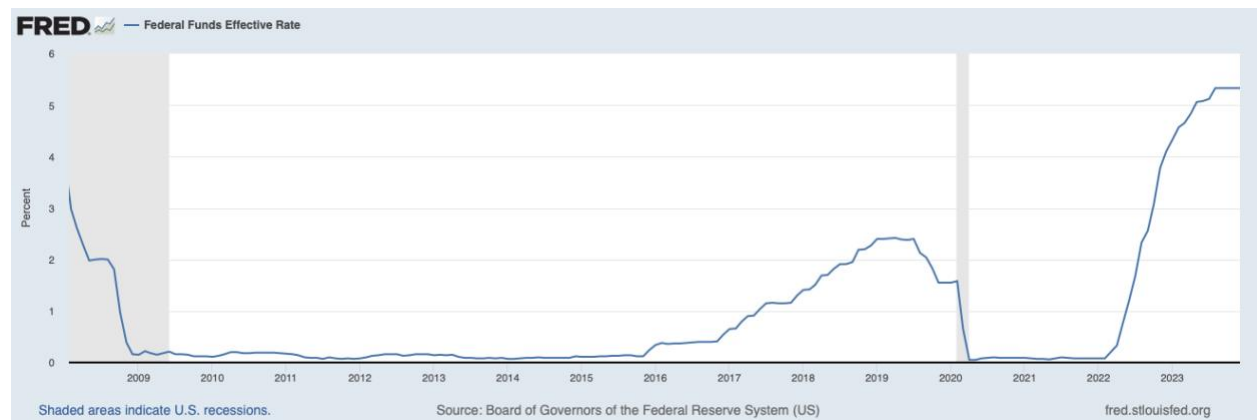
And after last year's blistering run by stocks, the performance clock landed white hot at the end of 2023. I've seen many things in my twenty-sum-odd years in this business, but the late year 'power move' by the equity indexes in the last two months was something to behold.



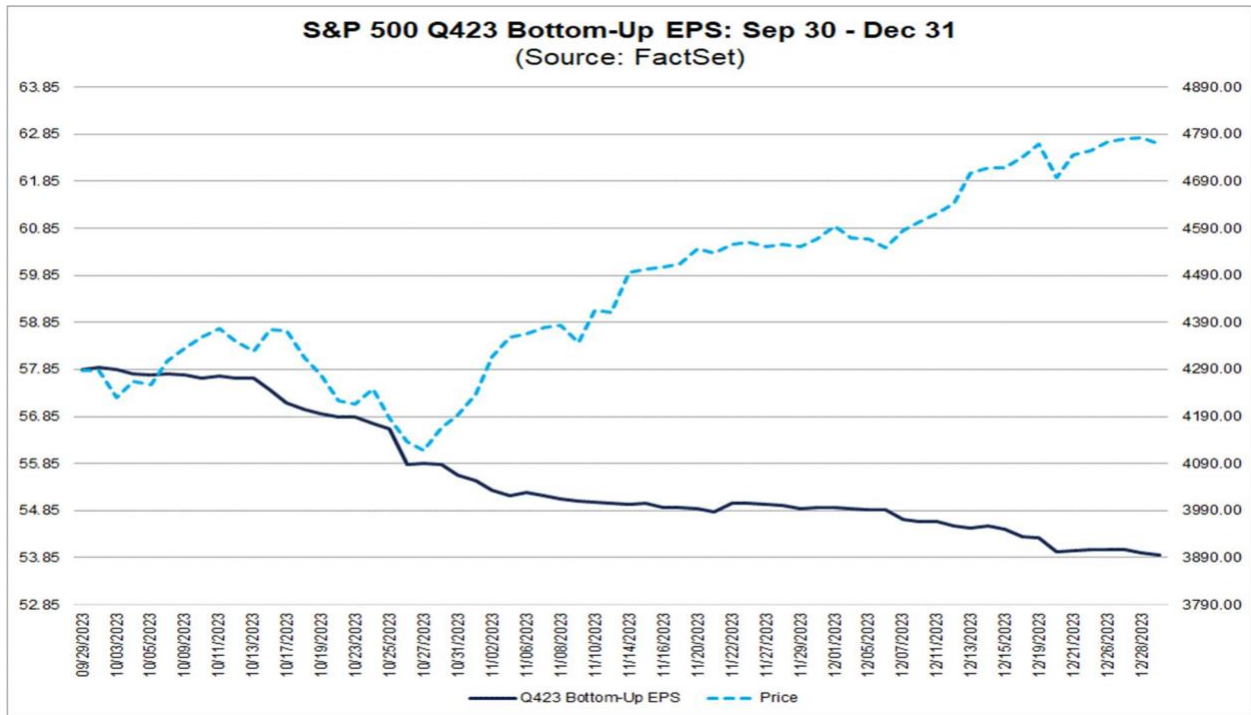
If you've spent even just a little time this year reading this piece, you know what triggered the 'risk on...and on...and on' trade.



Smart minds can differ, and they often do. That's what makes a market as they say. What the masses are reacting to is the implied next move by the Federal Reserve to begin the process of cutting interest rates after a near vertical rise over the past two years. Just parabolic compared to where they have been for the past fifteen years.



A subtle, but very possible reason the markets are reacting in such a positive way to a potential rate cutting regime change is the slowing in earnings expectations for the S&P 500. Over the course of the last three months expected earnings have gone from \$57.85 to \$53.05. May not sound like much, but that's still a 10% haircut. In the meantime, the S&P 500 index has gone from 4,290 to 4,790. That's a 10% rise.



Source: FactSet

With that I've given you a great cold open to the start of this New Year. Only it's not just live just from New York, it's live from everywhere. Money never sleeps. We have a great year for you ahead, not to mention some of the smartest minds on Wall Street to help us make sense of different market. It's going to be both a spring, and a marathon at times. Good news for you, I was a great 'tweener' back in my day.



WHARF TO WHARF RACE

July 26, 1992

Marathon Foto

Source: *The Way Back Machine*