

**21 December 2016**

It was the night before Christmas and all through the house . . .

Yes, many creatures were stirring and I suppose most of them were thankful that the year is ending on an upbeat. As we move through the holiday period, we must be mindful of the old adage of the devil we know and devil we don't know. The latter brings a measure of uncertainty, something that often has Wall Street shaking in its boots.

At the moment, in keeping with the spirit of the season, we are hopeful and look forward to better times. We remember a year that began with a dramatic slide in stock prices that unnerved more than a few folks. And we were comforted that once again the markets not only regained the ground that was lost, but ended up moving well into the plus column.

Unlike the seasonal changes in weather, which are largely predictable and virtually guarantee warmer weather in summer and colder weather in winter, the probable future course of the investment markets is largely unknowable. Ignore those who say otherwise.

It may be possible to sharpen one's focus on the view over a market cycle of three to five years, but forecasts of tomorrow, next month or even the next year are little more than pure speculation. There are ups and downs in prices every year and short-term drops of 10% or more are more often the rule than the exception. It's much like breathing out and breathing in.

For those willing to place bets, one would do well to consider it much more likely that the Dow Jones Average will hit 30,000 before it goes to zero. That's close to a no-brainer and with annual gains in the mid single digits we may reach that mark in less than 10 years, perhaps sooner. The likelihood of going all the way in the opposite direction makes no sense.

With that thought in mind, we wish everyone a Merry Christmas and Happy New Year.