

Everything's Coming Up Roses

In the iconic Broadway musical, *Gypsy – A Musical Fable*, Ethel Merman's character, Rose, cuts loose with this memorable song at the end of the first act. As idioms go, this one evokes a sense that everything is going especially well today, that the times are good and getting better and that life is really just excellent. In so many ways, as the t-shirts say, "Life is Good."

It Sure Looks Good

As someone who receives lots of emails containing various indicators for how well people and economies are doing, it is easy to say that most things look quite rosy. Consumer confidence, employment, more favorable business taxation, good corporate earnings reports, consumer leverage, consumer spending and global economies that all seem to be growing at the same time are wonderful indications that things are really good right now.

Some More Muted Numbers

Digging underneath these numbers provides both confirming information and some data that suggest perhaps more modest enthusiasm. For those of you still in your working years, just how confident do you feel about your employment situation? The general sentiment is reflected in a number kept by the Bureau of Labor Statistics that measures the rate of people quitting their jobs. While it is higher than it has been in a while, it still suggests some reluctance to count on finding another job, especially among those age 50 and older. Certain debt and future required payments by governments also suggest possible challenges that await us further down the road.

Making History

For all of us as investors, we have heard almost daily (since the election in 2016) of various market averages hitting new all time highs. There are other market measurements, which are possibly even more worth noting and those include the number of days without a pullback of 5% or a correction of at least 15%. Investors both institutional and individual continue to show enthusiasm for paying higher prices for shares in companies around the globe.

Does Price Matter?

The answer is not yet, so long as economies and earnings in companies continue to grow. Certainly the more pro-growth sentiment around the world would suggest that we could reasonably expect this might continue for the next couple years. This being said, there are very few measures that suggest stocks are inexpensive at current levels. A web search for the "Warren Buffet Indicator" will give you an interesting suggestion that stocks are quite expensive, but remember that enough growth of GDP will reduce that number. Still, my Scottish roots have me thinking people are paying high prices for stocks at today's levels. However, I am reminded that corrections in prices are only obvious after they have occurred.

Bottom Line

More than anything else, I'd say enjoy these days of prosperity and growth around the world and put something away for rainier days. A wise person once said: "Dig your well before you become thirsty." If history is any guide, we have several more years to enjoy improving conditions and there seems to be no end in sight for higher prices in the markets.

Your Feedback

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

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