

Larry Williams

Forecast 2019



Larry Williams' 14th Annual
Market Analysis and Forecast Predictions

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Forecast 2019

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US Market Analysis



The founder of the US banking system was Alexander Hamilton, fellow St Croix resident. Our goal is to be as prescient as he was.

The Terrible 9 Years Under the Microscope

Years ending in 9 have not fared well for stock prices. I'm certain you are already thinking of perhaps 1939, 1969, and we will never forget 1929.

In 1969 and 1929 investors were punished beyond belief. 1999 saw a 1,500 point decline in the Dow, while 1979 saw a huge trading affair with a break in October that made new lows for the year. Will shades of this happen again in 2019?

One thing for certain is you can bet your bullish boots the Bear Camp will be touting 2019 as the year of reckoning. In part because the negative pattern of years ending in the number 9, the last year of a decade.

Fortunately, this bearish view is just one side of the coin. 1909 and 1919 were very bullish years, as were 1949 and 1959. Bulls prevailed in 1989. The debacle of 1929 was more than offset by 2009, one of the strongest bull markets ever recorded. With that in mind let's take a look at the historical pattern of all years ending in 9, since 1909, added together to see if we can get a glimpse of the future.

Our first chart shows that average, but not detrended. It is just the average pattern. Despite 1929, the overall average for these years has been positive!

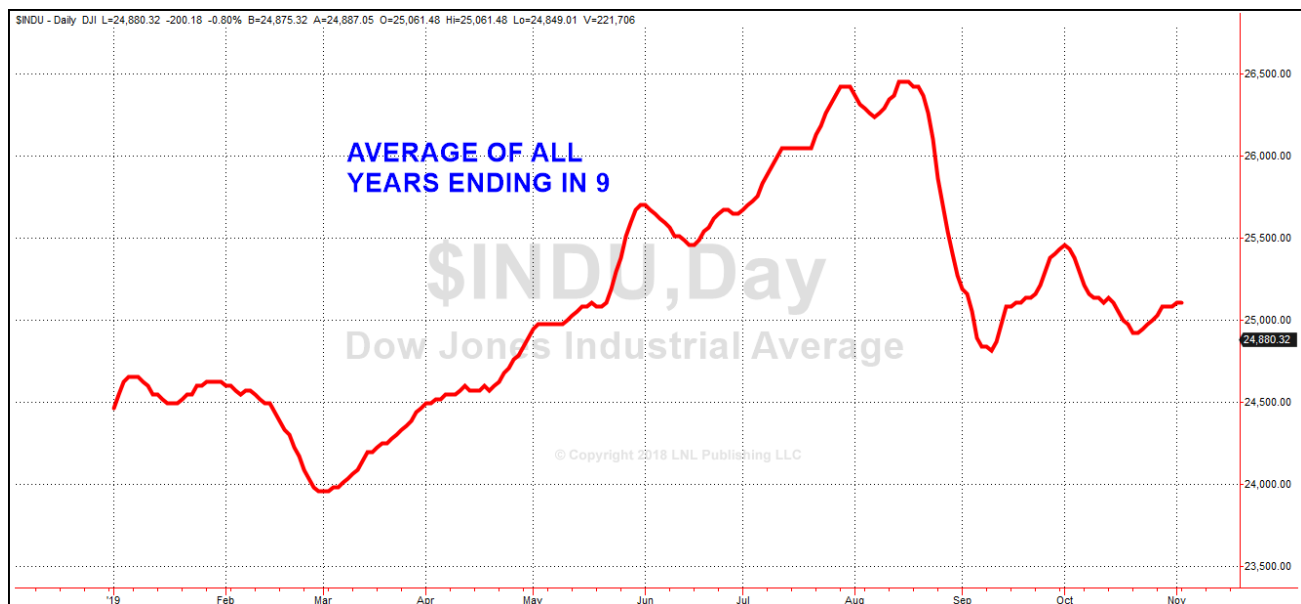


Chart 1: DJIA Years Ending in Nine

Now, let's remove 1929 - clearly an outlier - to see what the true picture of those years