



## Basis Points – May 28, 2019

 [westwoodgroup.com/weeklyblog/6607-2/](https://westwoodgroup.com/weeklyblog/6607-2/)

### Above the Fold

After a week of ups and downs, the S&P 500 ended just slightly lower than where it started before the long holiday weekend on lower average volume as many traders took their first vacations during the typically slow summer season. As the month winds to a close, the old adage of “sell in May and go away” comes forward in the minds of many.

While some short duration traders follow patterns, and data from the Stock Trader’s Almanac does show that investing in the Dow between Nov. 1 and April 30, then selling and moving into fixed income for the other six months has been a profitable approach, it’s certainly not a guaranteed strategy for success.

As long-term, high-conviction investors, we don't use months, seasons or even complex chart patterns to trigger entries or exits from the stock market. Like the strategies of Warren Buffett, and the late John Bogle, focusing on diversified, high-quality companies with relative value, and staying consistent over the "long game" are keys to success. This can be especially true in volatile markets where patterns are more difficult to identify. And while the summer months tend to foster lower volume, there are plenty of potential catalysts that could make this one anything but a "doldrum."

### *What's Ahead*

While the week's economic data starts slow, Thursday brings preliminary readings on quarterly Gross Domestic Product (GDP) growth; analysts are expecting a 3.1% jump there. Manufacturing and non-manufacturing Purchasing Managers' Index (PMI) data is also due out — the consensus is anticipating a 49.9 reading on the more popular manufacturing data, which has been relatively weak since November, excluding a surprise jump in March.

### **Three Things**

---

1. *New Multinational Car Company?* – Fiat Chrysler Automobiles NV, the Italian-American automaker, proposed a merger with French auto giant Renault. Renault is open to reviewing the plan, which, if accepted and approved, would make the new company the third-largest globally worth roughly \$37 billion.
2. *Corn Syrup Conundrum* – Bud Light was temporarily banned from suggesting in its advertising that competitors' Miller Lite and Coors Light beers contain corn syrup. While the companies do use corn syrup early in the brewing process, there is none present in the final product and high-fructose corn syrup is never used.
3. *Copper Hopes* – Traders in copper futures seem to think U.S.-China trade talks could be moving in the right direction. After hitting a four-month low last Wednesday, futures moved higher for two straight sessions into the long weekend. Platinum and Palladium were also higher as the week came to an end.

### **Did You Know?**

---

Originally called Decoration Day, honoring those lost in the Civil War, Memorial Day is a time to remember and honor the men and women who died in service to our country. In 1873, New York State was the first to originally recognize Memorial Day, but it didn't become a federal holiday until 1971. And while this may be a somber time for many Americans, it's also a time for many to enjoy the freedoms that our brave veterans have afforded us.

For many, it's a time to eat, drink and spend time with family, friends and loved ones. Nearly 43 million Americans will travel over the holiday to celebrate, 37.6 million by car alone. Sixty percent of Americans plan to barbecue over the long weekend, spending \$1.5 billion on meat and seafood alone.

The information contained herein represents the views of Westwood Wealth Management at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.