



HERITAGE CAPITAL LLC

Invest for Tomorrow. Live for Today.™

I am excited to join the good folks at Yahoo Finance for their live show today at noon. To watch, go to finance.yahoo.com and you should see the show streaming.

While so many people fretted over the election in Italy, the global financial markets don't really seem to care this morning with the bulls in charge. Although December is a very positive time for U.S. stocks, it's backloaded, meaning that the second half of the month is much more powerful historically than the first half of the month. In fact, the first two weeks of December tend to see lower prices.

With the Fed meeting next week and likely to raise interest rates for the first time in a year, I am keenly watching instruments which have been decimated in anticipation of that hike. Those securities, like many bond sectors as well as consumer staples, utilities and REITs, could reverse and rally on the announcement of higher rates, as counterintuitive as that sounds.

One area of increasing concern is the technology sector which has already given back all of its post-election celebration. In particular, the mega cap leadership of Facebook, Amazon, Apple, Netflix and Google is looking very tired and weak. While Netflix and Apple could still steady themselves and score fresh highs in Q1, the others look like they have further to go on the downside. Add in Thursday's shellacking of the semiconductors and there is good reason to pay closer attention now.

To Your Financial Success,



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