

## Worst Day of 2015, Ugly Day in Market, Dow Dives Over 332 Points

### Events

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Noon at Tealwood  
1900 Canadian Pacific Plaza

[5/21/2015: Strategy Briefing](#)  
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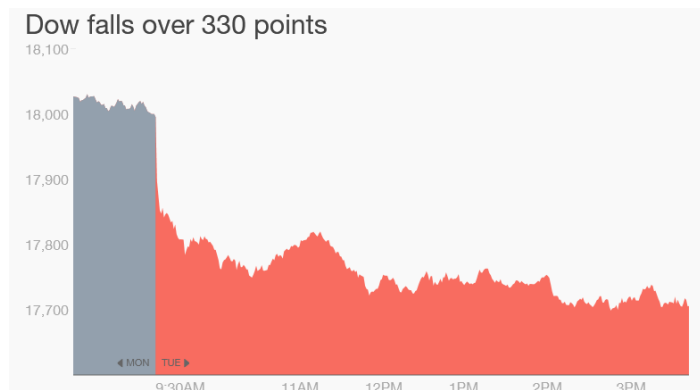
#### QUESTION:

Is this market dangerously volatile?

#### TEALWOOD'S ANSWER:

No.

**Despite some pockets of very short term drama**, the bigger picture is less dramatic and does not signal imminent danger for equity investors. Markets have been in a fairly modest trading range for 6 months, including the S&P, which has been in a pivot around 2050 for months. For some perspective, think of an individual stock trading at \$20.50, which went down all the way to \$19.72 and all the way up to \$21.05 over a period of months. Would adjectives like "worst, ugly, or dives" come to mind? Of course not!



CNN Money - March 10, 2015

**To break out of this range markets need hard data and "new fuel"**. The most important sources of new fuel are valuation and earnings. From our perspective, at 17X 2015 earnings estimates, valuation is fairly priced and is not likely to be the source of new fuel. The economy continues in healthy expansion, but the market has essentially discounted the earnings news from this year. We anticipate continued solid results and earnings that will eventually provide for more lift. It will likely take until the second half of this year for such results to begin to be priced in. From today's perspective, looking for an S&P 500 Index price in the range of 2200 next year and returns from here in the range of 8% seems like a realistic expectation. In the meantime, don't let short term emotions take you out of what will continue to be a productive time to be invested.

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