Let's check this out. History has told us that time in the market is far more important than timing the market. In fact, if we just look at the S&P 500 over the last 96 years, 73% of the time we've had a positive outcome if we're just looking at it from one year periods. Now, the longer the periods we look at, the higher the percentage that we have a positive outcome. So if we're looking at 10-year periods, 94% of the time we will have a positive outcome when it comes to the S&P 500. But there's something a little bit interesting about January that a lot of investors tend to want to look at. And that's what's called the January Barometer. So let's go ahead and talk about that.

What is the January barometer? It was discovered by Yale-Hirsch back in 1972. It's actually a seasonal pattern; I call it an anomaly. It comes with a popular tagline, “As goes January, so goes this year.” And the idea is, is that if January is an up month, then, you know the year should end on a positive. So if we look at the last 73 years, which is a significant amount of time, when January is positive, the market is up 89% of the time with an average rate of return of 16.8. Now, if the month of January is negative, the market is up 50% of the time with an average rate of return of, during this time period, a negative 1.7. The reason why I call it an anomaly is that the fundamental reasons for the persistence of these statistics are very weak at best and any rational explanation cannot be found anywhere.

It’s always fun to kind of see what January does and how that plays into investors' moods. And on the date of this recording, January did end up just shy of 3% for 2025. So we'll see where we end up in the month of December. As always, if there's anything we can do, you know where to find us and we're here to help. All the best!