



Ever hear of the Santa Claus Rally?

My kids are mostly grown up but we still enjoy kidding around about the Big Fella, you know Santa Claus!

Hey, I'm sure the cases of Covid-19 are pretty minimal up in the North Pole. And I'm guessing Santa's got his elves practicing social distancing and making sure they get through for their big push before the big day.

While this year might be a bit different, my family and I are still preparing for a traditional, Chesapeake Bay Region holiday, and I believe it should be fine.

While it's fun to think about the Holiday's my mind turns to market events.

For you loyal readers of [On Pointe](#) you are beginning to notice that we pay a lot of attention to the calendar when it comes to managing investments.

There are clues, tendencies, and trends that have been in place for years and a lot of it has to do with business and economic cycles.

Soon you'll be reading about the January Effect and you've already read about seasonally strong and weak periods of the year titled "Is it Fall in the Markets?" ... If not, you can find it [here](#).

So what does Santa Claus have to do with the markets? You think I'm reaching on this one don't you!

The Santa Claus rally is a general tendency many years for the market to begin some sort of rally into the end of the year. Traditionally this rally has typically been over the last 5 trading days of the year but in more recent years it has either stretched a bit longer than those 5 days or has started earlier, even closer to Thanksgiving.

Why does this occur?

Perhaps the selling pressure from Tax Loss Harvesting has abated, or money managers finish reallocating funds, optimism for the New Year, there are a lot of reasons.

Yes, some years we receive coal but there may be gifts in other years.

The real point of this piece is the market calendar may provide clues and insights as to what to expect, and expectations can help provide confidence for a retirees and investors concerned with their wealth.

Similar to how we expect the large man in Red to slide down our chimney's with a bag full of gifts, pandemic or not! We are confident he'll find his way....

Enjoy the Holidays!

Jim

Wondering if we'll get a Santa Claus Rally? [Let's chat!](#)

The best way to determine a good fit is to start with talking. No statements or lengthy presentations just start with a chat and we'll see where it goes. Remember, we want to know you before we accept your business.... [Reserve your Time Slot!](#)



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