

# Leigh Baldwin & Co.

## *Investment Brokerage*

Since their debut in 1928 at Madison Square Garden, the Flying Wallendas have captivated the world with their daredevil trapeze and high wire acts. For ninety years and five generations, they have survived at least five deaths (including founder Karl at the age of 73) of family members as they pursue success in their chosen profession. The markets have felt like a wire act over the past six months, what with the rout during the fourth quarter of 2018 followed by the best first quarter by the S&P since 1998. But unlike the Wallendas, we feel their might be a net beneath us as we head into the rest of 2019 and beyond. First, after nine rate hikes by the Fed, it appears that higher interest rates have been put on hold. In fact, with low inflation, there is street talk of a lowering of rates, witness the ten-year yield below 2.5%. Secondly, the idea of a favorable trade deal with China is gaining some momentum, which could be very good for economies around the world. Finally, although corporate earnings, the true fuel to higher stock prices, will be less this quarter versus last year, the comparison has an asterisk. Last year we had just begun to enjoy the full effects of the 2017 tax law changes. There could be some upward surprises as the economy continues to advance along. For the record, the Dow, S&P, and the Nasdaq were up 11.15%, 13.07%, and 16.49% respectively during the first quarter and the bond and commodity markets were positive as well. We believe going forward, a well-balanced and risk managed portfolio, like the seven-person pyramid performed by the Wallendas in their heyday, will go a long way to keeping you from crashing and to also building a multi-generational legacy for your finances. Enjoy the kick-off to Spring and thank you for your continued confidence in our firm.

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