

THE OUTLOOK AHEAD



BULLS vs. BEARS



BULLS SAY:

- ↑ The positive impact of tax cuts and reduced regulation will continue to drive stocks higher.
- ↑ Robust corporate earnings growth will continue to drive stock prices higher, despite high valuations.
- ↑ Stock market technical internals are strong, showing no signs of weakness.
- ↑ Synchronized global growth provides a strong tailwind for stocks.

BEARS SAY:

- ↓ Profit margins will come under pressure from inflation pressures brought on by the strengthening economy.
- ↓ Partisanship in Washington could result in a policy mistake, posing a serious threat to the bull market.
- ↓ The Federal Reserve's decision to reduce its balance sheet will put upward pressure on interest rates, creating a headwind for stocks.
- ↓ As interest rates rise, stock market valuations will drop, creating a further headwind for stocks.