



We end '23 with the bears on their knees, Goodbye interest rate hikes, the Fed soon may ease. (UBS)

'Twas the night before Christmas

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Jeremy Zirin, CFA, Head of the Private Client US Equity Team, continues his annual holiday tradition...

'Twas the night before Christmas and wow what a year,
Stock markets advanced; disinflation now seems clear.
Twelve months ago, things looked much more demanding,
Few thought the US could stick a soft landing.

When the year began, the outlook looked bleak,
Higher rates were pinching, housing was weak.
Stocks were rising but bears would pronounce,
This is no more than a dead cat bounce.

Be wary, they said, the rally is fake,
When rates are this high, something's bound to break.
The stocks of poorly run lenders started to tank,
Depositors fled from Silicon Valley Bank.

But fears of contagion ultimately fell short,
The Fed acted as the lender of last resort.
Consumers kept spending, forget about thrift,
Big bucks were doled out just to see Taylor Swift!

Airports were jam-packed, the hotels were booming,
Pent-up travel demand stayed all-consuming.
Even theatres, which have long been in such a drought,
All cheered when Barbie and Oppenheimer came out.

Only a handful of stocks were driving the gains,
The “magnificent seven” surged, others saw strains.
Then the hype train became real and fortunes were amassed,
When billions were added to Nvidia’s forecast.

“Generative AI will soon take over the world!”
Hyperbolic claims were optimistically hurled.
Semis and software stocks rose to the moon,
No one wanted to miss out on the boon.

Disruption took place in pharma as well,
New weight loss meds caused some drug stocks to swell.
Ozempic, Wegovy, Mounjaro, Zepbound.
Whatever you call ‘em, they made folks drop pounds.

During the summer, the Fed put in its last hike,
While writers and auto workers went out on strike.
Earnings were improving but investors grew wary,
Another back up in bond yields was a bit scary.

Higher core prices began to return,
Fiscal largesse was another concern.
Mortgage rates climbed and surpassed 8 percent,
The market’s advance was forced to relent.

Defying the odds, the economy kept growing,
Despite all the pundits who expected more slowing.
Two wars abroad and a US political mess,
Could not nullify our core fundamental success.

Why did stocks surge in November? I’ll give you a hint.
It had something to do with a soft CPI print.
Inflation was retreating, investors jumped on board,
The rally in tech stocks and cyclicals was restored.

We end ‘23 with the bears on their knees,
Goodbye interest rate hikes, the Fed soon may ease.
Valuations are extended, but momentum is strong,
And it might just stay that way if the expansion proves long.

In authoring this poem, I had no assistance.
With so many new tools, it took some resistance.
But these are my words, no help from ChatGTP,
I give you my word, it’s entirely “JZ”.

Happy holidays!

Main contributor – Jeremy Zirin

Read the original report : [‘Twas the night before Christmas, 18 December 2023.](#)

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