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Whoville

The Who's down in Whoville look to be in fine shape for the upcoming holidays. They stuffed themselves at the Thanksgiving feast and headed right out for some exercise at the mall. The receipts at the big box stores such as Wal-Mart and Home Depot were close to record highs last weekend, an indication that the shopping season will be good for them as well.

The reports on the economy continue to be positive and the markets continue to act in a reasonable fashion. I would not say there is nothing to worry about. Despite a small increase in job creation, that sector continues to be an anomaly in a normal recovery. Still, whatever current clouds we may see seem a lot less threatening than those of a year ago.

Most of the cash I have been holding has now moved into new Stock or Bond positions. The interest rates on money market funds remain at low levels while stocks move gradually ahead. Bonds are providing better yields than I have been able to find in a while.

A look back: Last spring I made a decision to hold my cash positions a little longer. The economic picture was unfolding in a positive way and it looked as if the stock markets would start to move forward. Unfortunately, we had all lost a lot of money in the stock market over the preceding three years. I chose to take the conservative route and let the stock markets begin their recovery before moving the final pieces of cash. In hindsight, this was a safer yet less profitable way to invest. I still like the safer route but recognize that the portfolios could have made more money in the last six months if they had been fully invested. We still did very well but the money in cash did not make as much as the money in the stock market.

That said, we move into the final month of 2003 with the stock market looking to post its first positive year in the past four. Consumers are feeling more confidence in the future than they have in some time, and we should see that confidence in the economic reports over the next few months. I am not expecting to see anything except steady progress as 2004 unfolds.