

Does Record-Breaking Dow Defy Economic Collapse Prophets?

On Friday, the Dow continued its record-setting streak, seeing 11 straight days of increases and also its 11th straight day of record closing highs, according to Market Watch. In addition, both the S&P 500 and the Nasdaq rose for a fifth straight week.

As the streak continues, investors are cheering it on like their favorite sports teams that just can't seem to lose. But financial expert and nationally syndicated television and radio host Dan Celia says there is an end in sight.

"As we see record after record on the Dow," Celia said, "it would appear that there is no end in sight to this run-up," Celia said. "The fact is that at some point the markets could wake up. As I've said many times before, the markets are overvalued, and they have been since before the election. Soon, there could be some sort of reality check, a correction and, eventually, a pullback. Or Wall Street will continue to believe in the reality of President Trump—believing in pro-growth, pro-business tax reform and relief in regulatory burden. Maybe, just maybe, this is real based on projections of real economic growth and no false positives."

Many market observers, Celia added, know there is good possibility of strong company earnings and growth over the next 12 months—a supply-and-demand story.

"A tax cut in the corporate rate alone will increase earnings by at least two points," he said. "Add to that a dramatic reduction in taxes for the repatriation of overseas profits by

American companies. The net effect will be very good for the bottom lines of corporate America. And Wall Street is projecting as it looks more and more like we finally have a president who will put actions to his words.”

Celia said one of his favorite measures in determining whether to add a company to his list of recommendations for investment—aside from being biblically responsible—is simple: profits and consistent sales growth. These matters, he said, allow investors to pick companies that will sustain their profitability and success, regardless of whether the market is on a record-setting climb. {eoa}