

## Dow 21,000 Reached in Record Time

Just seven weeks ago in this column, I was discussing how the Dow's inability to cross the 20,000 barrier had reached historic proportions. At that time, the Dow had traded within 1% of the 20,000 mark for 23 days. Eventually, it took 30 days after getting within 1% of 20,000 for the Dow to crack it, doing so on Wednesday, January 25.

Just five weeks later, on Wednesday of this week, the Dow Jones industrial average hit 21,000 for the first time and also closed above it. This time, the Dow tied a record for the fastest the blue-chip index has moved 1,000 points from one millennium round number to the next, according to The Wall Street Journal. The 24 trading sessions between January 25 and March 1 matched the time it took for the index to climb from 10,000 to 11,000 in 1999.

However, as my colleague Charles Rotblut has **pointed out**, the higher an index gets, the smaller the percentage move for each 1,000-point move. So back in 1999, it took 24 trading days for the Dow to move 10% from 10,000 to 11,000. This time around, it took 24 trading days to gain 5% to bridge the gap between 20,000 and 21,000.

The Dow Jones industrial average did fall one day short of another record this week. Through Monday's close, the index had hit record closings for 12 consecutive days, tying the longest streak ever set back in 1987. If the index hadn't fallen on Tuesday, it would have set the strongest streak in the 120-year history of the Dow.

Even the S&P 500 index is getting into the act. Through Friday's close, the large-cap index has not seen a daily decline of 1% or more in 98 sessions. This is the longest stretch since 1995, per The Wall Street Journal.

All of this is coinciding with next week's anniversary of the current bull market. Thursday, March 9, will mark the eighth birthday of the market bottom following the 2007-2008 financial crisis.

For those who are worrying about the rapid rise in stocks the last four months (myself included), we may find some solace from Schaeffer's Investment Research. According to Schaeffer's, when the S&P 500 starts a year with gains in January and February, the index has gained an average of 12% the rest of the year and was positive 92% of the time. In all other years, the index has gained an average of 5% from the start of March through the end of December and is positive 61% of the time. Of course, past history is no guarantee of future performance.

### Earnings Season Update

This week, three more companies in the SSR tracking portfolio reported results for the fourth calendar quarter of 2016. Through the end of this week, 34 of the 36 stocks currently in the SSR portfolio have reported their quarterly results for the current earnings season. Twenty-three have reported positive earnings surprises while three others have reported results that were in line with analyst expectations. The remaining eight companies reported earnings that fell short of estimates. Thus far for this earnings season, the median earnings surprise for the SSR companies is +2.1%.

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