

Nasdaq and S&P 500 Reach New Highs

Markets broke out today after two weeks of digesting the October and November gains. The S&P 500 and the Nasdaq are at new all-time highs. Let's take a look at how we got here.

First off, China issued new guidelines for protecting intellectual property, which has been a concern for companies doing business there. This apparent breakthrough on an important trade issue was the impetus for worldwide equity markets moving higher today.

I have discussed the need to watch the small-cap index (IWM), as well as transportation (IYT) for signs that the current rally has more room to run. Both indices had a big day today and are outperforming the Dow and S&P 500. Improving emerging markets (like China) serve to further strengthen the bullish case for stocks. The emerging market index (EEM) was up more than 1% today and China (FXI) was up 1.67%.

We have a shortened holiday week and expect to see low volume activity across the board. This may increase volatility, but the trend is clearly up. The technical market performance that we have seen thus far in November is impressive. Breaking through the 2900-3000 range on the S&P 500 was important and took no less than five attempts over the past two years.

I will close today by wishing everyone a happy and healthy Thanksgiving holiday. I hope everyone takes time to be grateful for the blessings of family and friends. In the grand scheme of things, those are what matter most.

Last week's commentary can be found [here](#).



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