

S&P500 Hits Another All-Time High: Stalwart Holdings Expert Opinion

The S&P500 - a major US stock index - reached a fresh all-time high after the Federal Reserve kept rates unchanged. Stalwart Holdings give the company views.

LONDON, UNITED KINGDOM, March 21, 2024 /EINPresswire.com/ -- The Federal Reserve Committee has left rates unchanged but set an expectation of three rate cuts by the end of the year. The outcome of the FOMC meeting has pleased the markets, which hit fresh all-time highs. However, some investors may be asking the question: what should we expect from now on?

[Stalwart Holdings](#), a quantitative equity multistrategy hedge fund based in London, give their views.

"Well, all-time highs tend to be followed by more all-time highs," said [Dr Fabio Dias](#), managing partner of Stalwart Holdings.

"And this year has been nothing short of that, at a pace that seems to be trying to equal the record of 1995 when [we had 77 all-time highs in a year.](#)"

"The markets are happy because the Fed doesn't need to cut rates and can afford to keep this economic tool for when the economy really needs it. If something starts going awry and the Fed is forced to cut rates, that's when the markets will start to drop for real. For now it feels like the Fed is pretending that wants to cut rates, and the markets are pretending that they believe. But if we end the year with just two cuts it will definitely not be as bad as it would have been if we had to end the year with five cuts because unemployment skyrocketed and a recession kicked in."

The markets don't seem to be pricing such a catastrophic scenario, given that the VIX is low by historical standards, Dr Dias believes.



Fabio Dias



For long term equity investors, it may be a good idea to take advantage of the cheap put prices and buy some hedges that don't compromise potential further upside"

Fabio Dias

"It feels more like we will get corrections every now and then, but until some real bad news start to kick in, dips will just get bought."

Despite the apparently bullish tone, Dr Dias doesn't seem to be entirely convinced of the potential for stock markets to keep going higher indefinitely.

"Having said that, it still may be a good idea to take advantage of the cheap put prices and buy some hedges,

especially after several days of consecutive rallies, when volatility is at its cheapest and the likelihood of some temporary profit taking movements is the highest."

The market update provided reflects the views of the managing partner of Stalwart Holdings, which are taken into consideration by the board when executing the fund's strategy, but do not represent any investment advice to the reader or call to action by the reader.

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