

The Importance of Technical Analysis in Building a Portfolio

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On last week's episode of the "Behind the Markets" podcast, we were joined by two investment strategists who build portfolios and market views using two fairly different techniques.

Mike Hurley, Chief Market Strategist at Highland Capital Management, is a Chartered Market Technician and employs the use of quantitative tools to examine market trends and position accordingly.

Jared Kizer, Chief Investment Officer for Buckingham Strategic Wealth and the BAM ALLIANCE, also employs quantitative techniques but is grounded in more long-term, factor-driven portfolios and research.

We touched on a variety of topics with them.

Managing an Investment Portfolio

Kizer spoke about how he got started in finance and what impression the technology bubble of the early 2000s had on his long-term investing outlook. He also discussed why he still believes in the principles of global diversification and value tilting for long-term excess returns, even while value has struggled and the U.S. has outperformed global peers over the last decade.

Kizer also discussed various value factor definitions and some of rationale for the price-to-book (P/B). He believes most investors get fixed income investing wrong in taking on too much credit risk in their fixed income portfolios—or not owning a broad enough total credit strategy when they have the right amount.

An Investment Strategist's 2020 (and Beyond) Bullish Market Outlook

Hurley explained why he believes we are in structural bull advance and shared which market sectors he favors. He discussed how he came up with a market target for the S&P 500 bull market lasting until December 2021, and what levels he thinks it can reach based on past trends.

Hurley discussed how he views a linkage between weak economic indicators in Germany and better forward-looking returns in the U.S. He also shared his views on interest rates bottoming out. We also discussed his outlook for oil and other commodities, including the role of gold in the new bull market.

These were two great discussions, and we thank our guests for joining. Please listen to both conversations below.