Leigh Baldwin & Co.

Investment Brokerage

Just Say No. That is not a reference to the US economy's "crack-like" addiction to low interest rates, which has undoubtedly helped fuel what is now the longest running bull market in history. Nor is it a nod to the uppers and downers experienced by the markets after every White House new trade deal or the inevitable denial by our esteemed trade partners of said trade deal. This time, Wall Street finally said no to a hugely overpriced and overhyped potential IPO for WeWork. 2019 was supposed to be the "Year of the IPO", with several high profile, Unicorn companies finally coming to the public markets. For those keeping score, Unicorns are companies funded by private equity that reach $1 billion dollars or more in valuation and in many recent cases, have huge losses without a clear path to profits in the near or distant future. And in the case of WeWork, Wall Street said no. Market players have been somewhat skeptical of this rising herd of Unicorns funded with cheap money, think Uber, Lyft, Peloton, Beyond Meat, Pinterest, and Zoom to name a few. The fear was that a massive bubble had been inflated in private equity land, and our public markets would bear the brunt of this bubble. As the disappointments from 2019 IPO's increased and the companies were re-priced to the downside, a funny thing happened. The major averages have held their own and in the case of WeWork, the public markets looked past the hype and hyperbole and ultimately decided to shelve the deal and let private equity take the hit. The system, although far from perfect, works. Speaking of working, markets continue to trade at or near all-time highs after a disappointing finish to 2018. Investors have been rewarded for believing that corporate profits matter, that lower taxes spur investment, and that low interest rates here and around the world can be the catalyst to stock gains. Finally, it is worth noting how impressive the bond market has been this year, with high grade corporates gaining well into double digits, their best performance in nearly a decade. With all that said, now may be a perfect time to meet with your financial professional and to re-calculate your expectations for the years to come. As always, we appreciate your confidence in our firm.

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