

S&P 500 to gain 10.48% by year end: Reuters Poll
Anderson Griggs
By Kendall J. Anderson
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The title of this week's commentary is a simple rewrite of an actual article published by Reuters on September 29th. The Reuters piece was titled, "[S&P 500 seen ending 2011 slightly in the red: Reuters Poll](#)". Our title and Reuters' are actually saying the very same thing, just with a few different words! And oh what a difference a few words can make.

According to the poll "the S&P 500 index is expected to rise slightly from current levels to 1,250 by year-end," they further state that these expectations are "a huge 150-point downgrade from the 1,400 consensus three months ago". We won't question the validity of their poll, nor the results, nor the downgrade in consensus. **What we want you to do is look at the results for what they are: a positive for intelligent investors.**

The S&P 500 ended the quarter at 1131.42. Let's do a little math:

Median year end estimate of the S&P 500:	1,250.00
Less Current level of the S&P 500:	(1,131.42)
Gain from current to year end:	118.58
Gain as a % of current value (118.58/1,131,42):	10.48%

Our friends in the financial press are keenly aware of the fact that hundreds of billions of dollars have fled the world's equity markets over the past few months. They know, as we do, that individuals and corporations together have accumulated \$ trillions in cash. They know, as we do, that the Eurozone is in trouble, that the United States may be slipping into recession and the world's stock markets have fallen off a cliff. So it is no surprise that Reuters would reflect these views in their reporting, spinning what could be taken as a very good outlook for investors into a negative.

Walter Lippmann's quote, "Where all think alike, no one thinks very much" seems to be an accurate description of what we see and hear today. When we are uncertain about the correct course of action to take, we will follow the crowd. You can follow the crowd and sell any remaining stocks you own, place the money in cash with a guaranteed loss of purchasing power or do what is most difficult in times like these – THINK.

I hope after a period of thought, intelligent investors will choose as I have—to invest any savings set aside for the long-term by purchasing common stocks of large quality companies. For smaller amounts, buying the SPDR S&P 500 ETF (SPY) would be a suitable substitute.

John Train, investment advisor and author of [The Money Masters](#), one of my favorite investment books of all time, said "The worse you feel, usually because the news is bad, the safer the market is. The better you feel, usually because the news is good, the closer you are to a top." **Given all the negative news surrounding us today, the market must be far safer than we can imagine.**



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