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If I back the opening bell up to last night when election results started to roll in, it's been a wild 20 hours. The range has been gigantic, and many groups posted big gains and losses.

The expectation was Clinton would win, but when early-reporting states failed to confirm this expectation, S&P futures started selling off. As more states reported, the loss grew. At its worst level, futures were down 105 points, triggering the 5% circuit breakers.

But once the shock of a Trump victory subsided, the market started to recover, and although it still gapped down a bunch at today's open, the loss was very manageable relative to the destruction that was taking place last night.

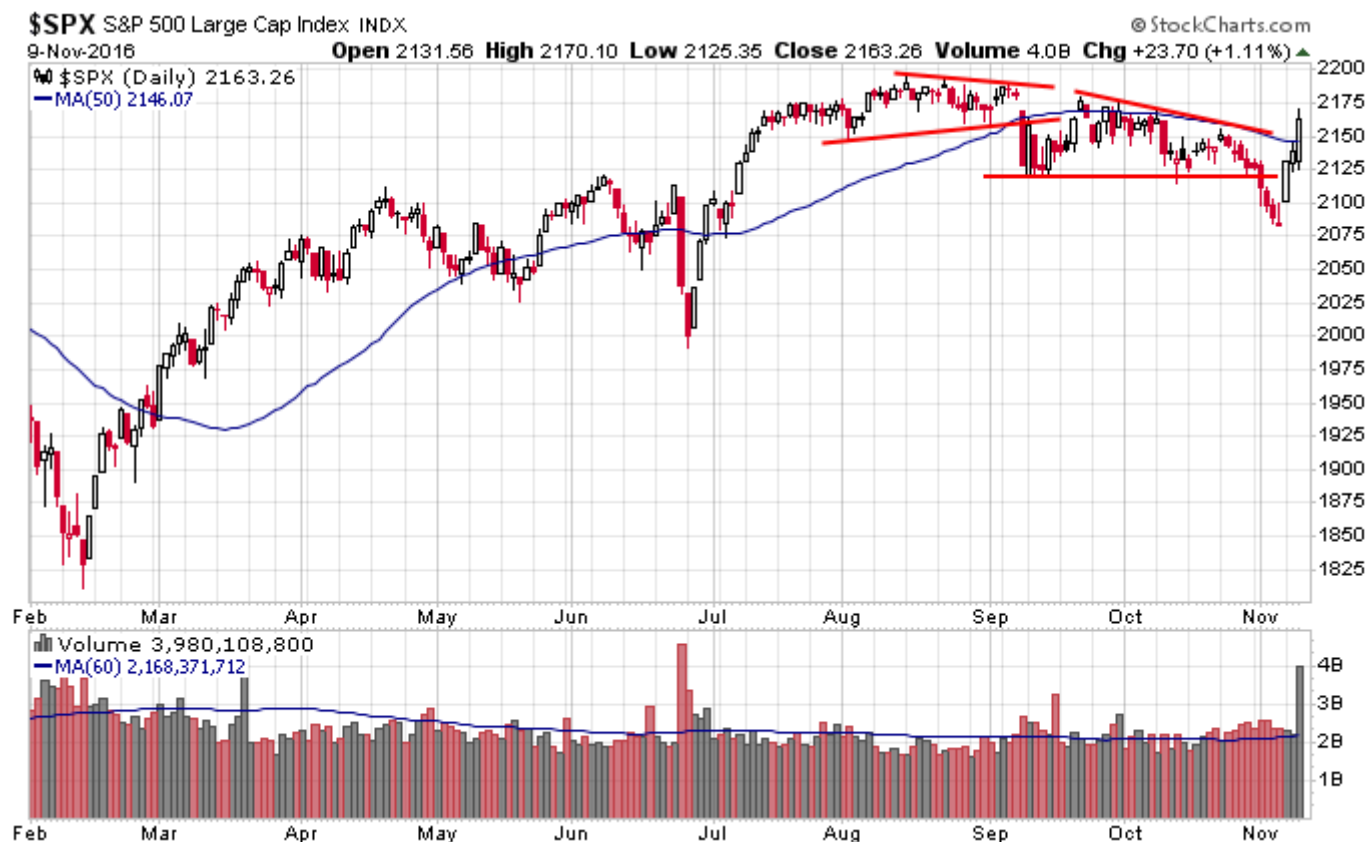
Today's low was established right at the opening bell. Prices moved up, paused and then continued and didn't stop until the close. Extreme losses last night turned into solid gains today.

For the day, the Russell 2000 and S&P 600 gained more than 3%, and the S&P 400, Wilshire 5000, Dow, Russell 3000 and S&P 100 gained more than 1.25%.

Among the groups, steel jumped more than 11%, industrial metals more than 10%, coal and heavy construction more than 9%, aluminum and nonferrous metals 8%, basic resources and biotech more than 7%, pharmaceuticals & biotech more than 6%, and platinum & precious metals, industrial suppliers, commercial vehicles & trucks, investment services, life insurance and asset managers did better than 5%. On the flip side, distillers & vintners dropped more than 6%, renewable energy equipment more than 4%, diversified REITs and utilities more than 3%, and tobacco, brewers REITs (specialty, residential), auto parts and food producers & products fell more than 2%.

Here's an update of the daily S&P 500, which doesn't show the overnight action. The index blasted through its declining 50-day MA and down-sloping trendline on big volume. There's no question it gets everyone's attention. We

got a quick move up in February, which was followed by a pause and then a continuation of the trend. We got a similar move off the June Brexit vote plunged. And for the third time this year, we're getting a vertical move off a depressed level. Sentiment has shifted quickly.



At the risk of sounding overly political, I'm sure there are many Clinton voters who are pissed off the market rallied so much today. They were likely hoping the market would tank, so they could be validated in their view the wrong person won the election.

Here's a little piece of advice. Separate your political opinions from the market. Don't buy into all the fear out there. Scrolling through social media will have you believe the world is coming to an end. It won't. I promise.

Try not to listen to all the panic going on. We've seen this before...things get stretched so far from reality. It happens in the market when fear and panic about this or that end up being no big deal. It happened after the US debt got downgraded. It happened after the Brexit vote. It has happened dozens of times over the years, and after an initial hiccup, the market is largely unaffected. It happens in sports when the media hypes a player who then gets a big contract, even though he should have gotten an average contract. Heck I saw it during the World Series where tickets that sold for \$8K one day were selling for \$5K two days later. Emotions cause big price swings in so many industries. Remain level-headed. Pissed that Trump won? Fine, be pissed. But separate your feelings from the market.

Having said this, the market has a lot of headwinds, and it tends to do worse with a Republican in office than a Democrat. Here's my simple opinion why...

Generally speaking Democrats like to raise taxes and spend while Republicans like to cut taxes (and still spend). If you cut taxes on someone who is well off, the saved money will just sit in their bank account or get invested in the stock market. This doesn't help the economy. But if you tax that same person and then spend the money, the money flows throughout the economy, thereby boosting the economy.

Tax increases, although some would argue are immoral, actually help the economy because instead of money sitting in bank accounts, it gets spent. In my opinion, this single reason - and this is a very amateur opinion based on nothing more than a little common sense - the economy and market do better when a Democrat is in office.

If Trump cuts taxes, the market will suffer.


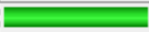


















If Trump cuts corporate taxes - he wants them lowered from 35% to 15% - the market will suffer.

There's no debate low rates have helped the market the last seven years. Trump has been very critical of the Fed keeping rates low. Yellen will be in office until January 2018, and the Fed should be totally independent of the executive branch. Hopefully Yellen & Co. do what they believe is best, and they don't bow to pressure from Trump. This is not necessarily because I don't want higher rates; it's because I want to know the president's powers are limited and different parts of the government act independent each other.


















Separate politics from the market. Don't let a political belief prevent you from making money.

For reasons know and not known, groups were all over the place today. Some are easy to figure out; others won't become obvious for many months.

Here are the best.

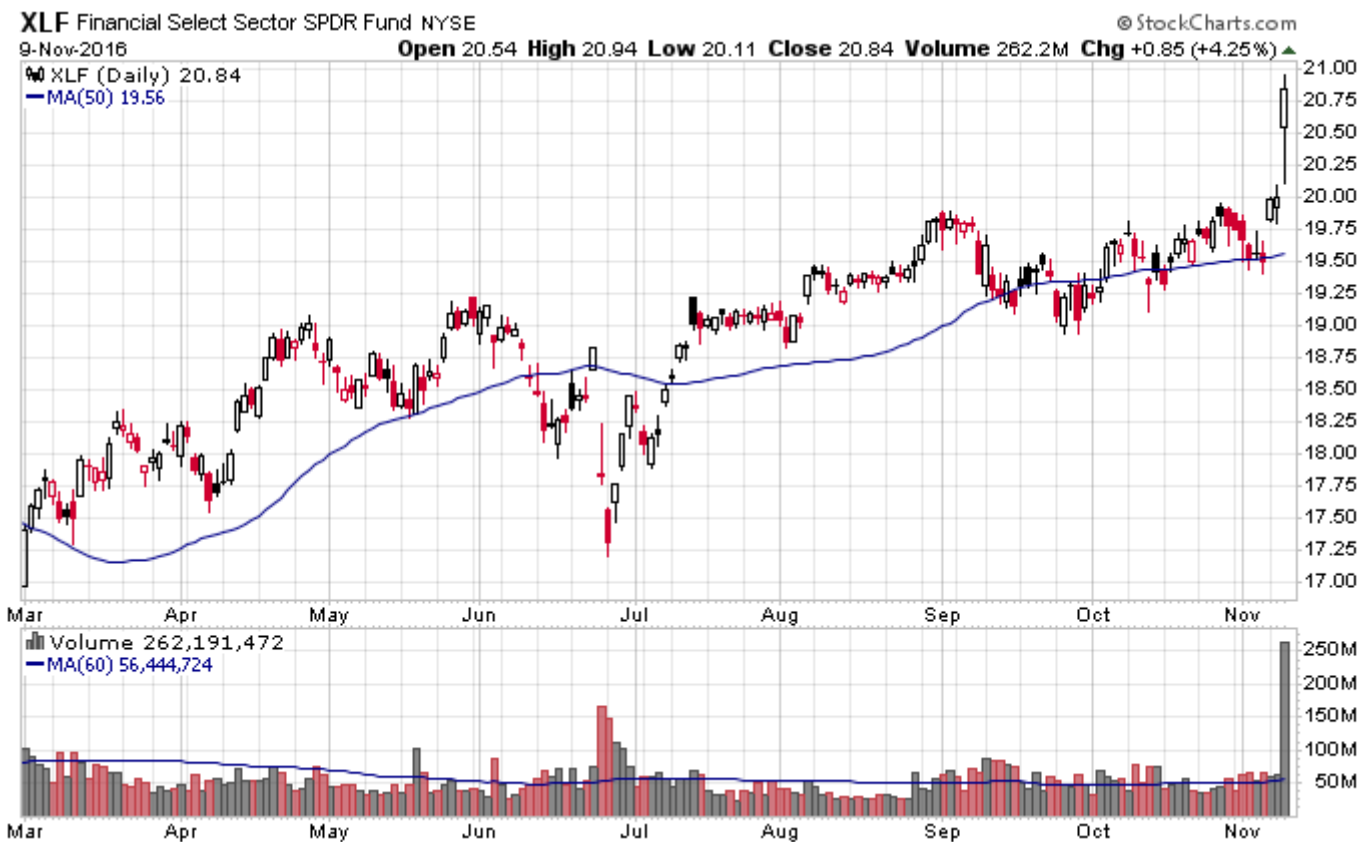
▼ Symbol ▲	▼ Name ▲	Close ▲	Chg ▲	▼ % Change ▲	►	▼ Date ▲
\$DJUSST	Steel	232.69	+24.35	11.69%		11-9, 16:00
\$DJUSIM	Industrial Metals	191.35	+18.30	10.57%		11-9, 16:00
\$DJUSCL	Coal	45.71	+3.78	9.02%		11-9, 16:00
\$DJUSHV	Heavy Construction	411.48	+33.86	8.97%		11-9, 16:00
\$DJUSAL	Aluminum	91.75	+7.41	8.79%		11-9, 16:00
\$DJUSNF	Nonferrous Metals	174.84	+13.11	8.11%		11-9, 16:00
\$DJUSBS	Basic Resources	161.37	+11.70	7.82%		11-9, 16:00
\$DJUSBT	Biotech	1707.10	+123.19	7.78%		11-9, 16:00
\$DJUSPN	Pharmaceuticals & Biotech	669.25	+39.29	6.24%		11-9, 16:00
\$DJUSDN	Defense	344.79	+20.15	6.21%		11-9, 16:00
\$DJUSPT	Platinum & Precious Metals	60.65	+3.25	5.66%		11-9, 16:00
\$DJUSDS	Industrial Suppliers	262.91	+14.06	5.65%		11-9, 16:00
\$DJUSHR	Commercial Vehicles & Trucks	1390.68	+73.53	5.58%		11-9, 16:00
\$DJUSSB	Investment Services	870.09	+44.82	5.43%		11-9, 16:00
\$DJUSIL	Life Insurance	717.27	+35.94	5.27%		11-9, 16:00
\$DJUSAG	Asset Managers	168.24	+8.40	5.26%		11-9, 16:00
\$DJUSPR	Pharmaceuticals	494.06	+24.61	5.24%		11-9, 16:00
\$DJUSBK	Banks	342.80	+16.08	4.92%		11-9, 16:00
\$DJUSIQ	Industrial Engineering	1376.05	+57.12	4.33%		11-9, 16:00
\$DJUSFV	Financial Services	469.06	+19.18	4.26%		11-9, 16:00
\$DJUSRD	Retailers - Drugs	1088.98	+44.43	4.25%		11-9, 16:00
\$DJUSAE	Aerospace & Defense	971.52	+37.86	4.06%		11-9, 16:00
\$DJUSCN	Construction & Materials	626.04	+24.13	4.01%		11-9, 16:00

And here are the worst.

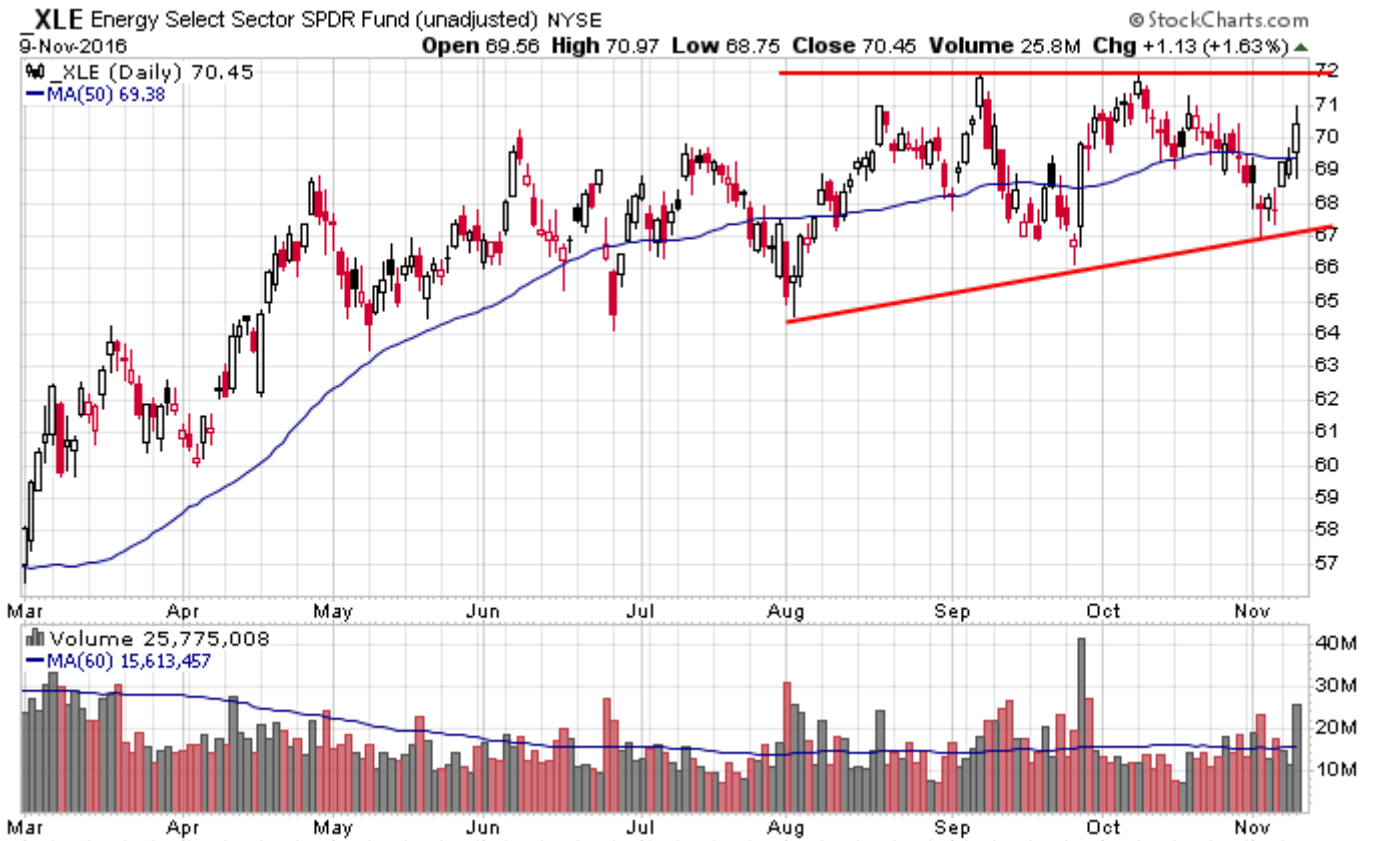
\$DJUSBV	Beverages	636.71	-13.24	-2.04%		11-9, 16:00
\$DJUSFB	Food & Beverage	565.59	-12.08	-2.09%		11-9, 16:00
\$DJUSFP	Food Products	535.11	-11.74	-2.15%		11-9, 16:00
\$DJUSFO	Food Producers	386.73	-8.50	-2.15%		11-9, 16:00
\$DJUSAT	Auto Parts	390.85	-8.92	-2.23%		11-9, 16:00
\$DJUSRN	REIT - Residential	178.90	-4.09	-2.24%		11-9, 16:00
\$DJUSSR	REIT - Specialty	167.09	-3.82	-2.24%		11-9, 16:00
\$DJUSDB	Brewers	1097.88	-29.72	-2.64%		11-9, 16:00
\$DJUSUO	Gas, Water & Multiutilities	243.81	-6.91	-2.76%		11-9, 16:00
\$DJUSTB	Tobacco	795.70	-24.36	-2.97%		11-9, 16:00
\$DJUSUT	Utilities	236.85	-8.24	-3.36%		11-9, 16:00
\$DJUSMU	Multiutilities	173.27	-6.44	-3.58%		11-9, 16:00
\$DJUSEU	Electricity	223.92	-8.37	-3.60%		11-9, 16:00
\$DJUSVE	Conventional Electricity	224.19	-8.39	-3.61%		11-9, 16:00
\$DJUSDT	REIT - Diversified	75.34	-2.89	-3.69%		11-9, 16:00
\$DWCREE	Renewable Energy Equipment	52.83	-2.64	-4.76%		11-9, 16:00
\$DJUSVN	Distillers & Vintners	322.23	-21.64	-6.29%		11-9, 16:00

Let's profile a few of these.

Financials jumped...presumably because a higher rate environment is coming, and that's good for financials.



Energy moved up. The possibility of improved relations with Russia is likely a reason.



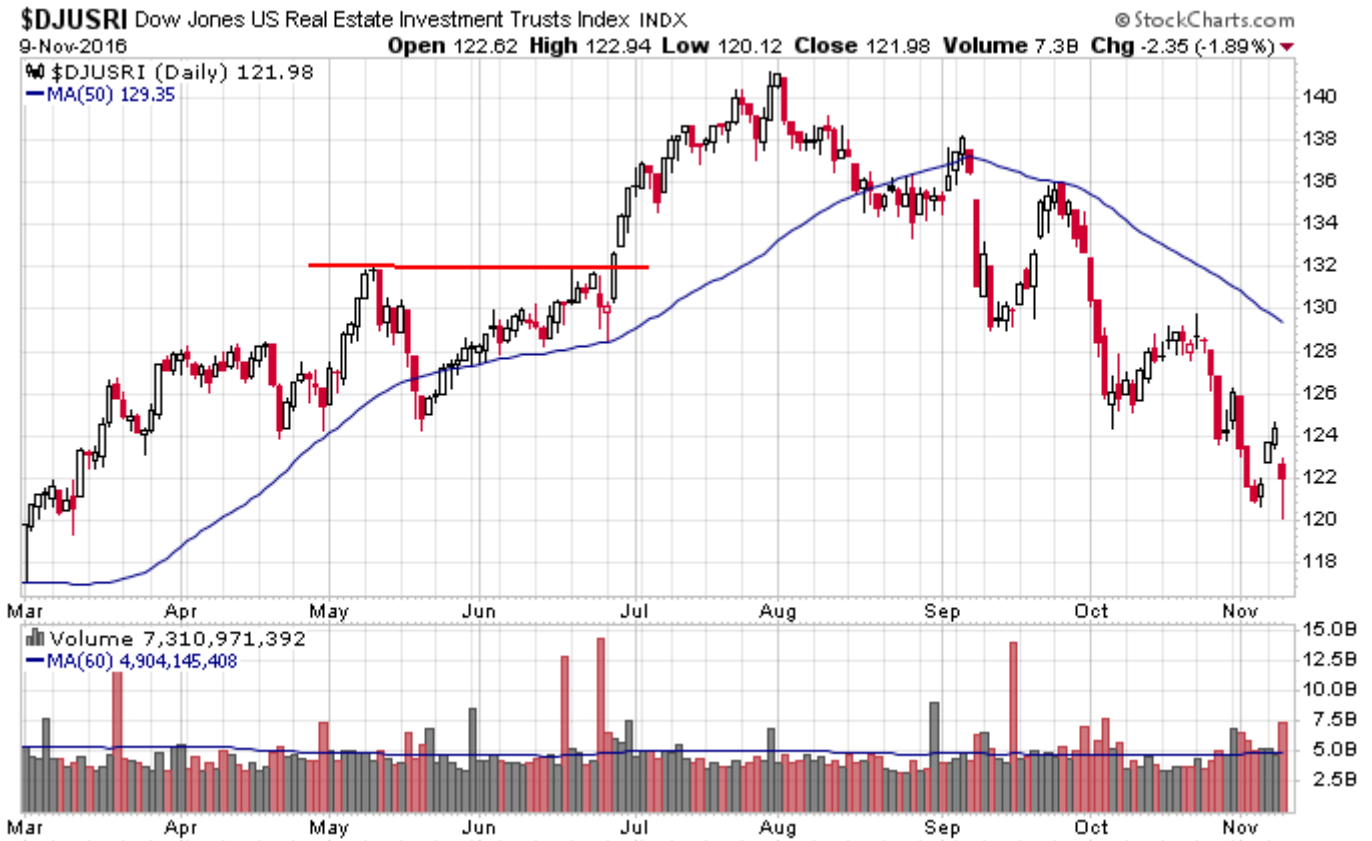
Health care jumped...the expectation is Obamacare will be trashed, and the health care providers, which have lost money participating in the exchange, will be able to operate as they once did.



Utilities got hit hard. I guess higher rates will lessen the demand for dividend-paying stocks.



REITs, which have been trending down, dropped to a lower low and then recovered.



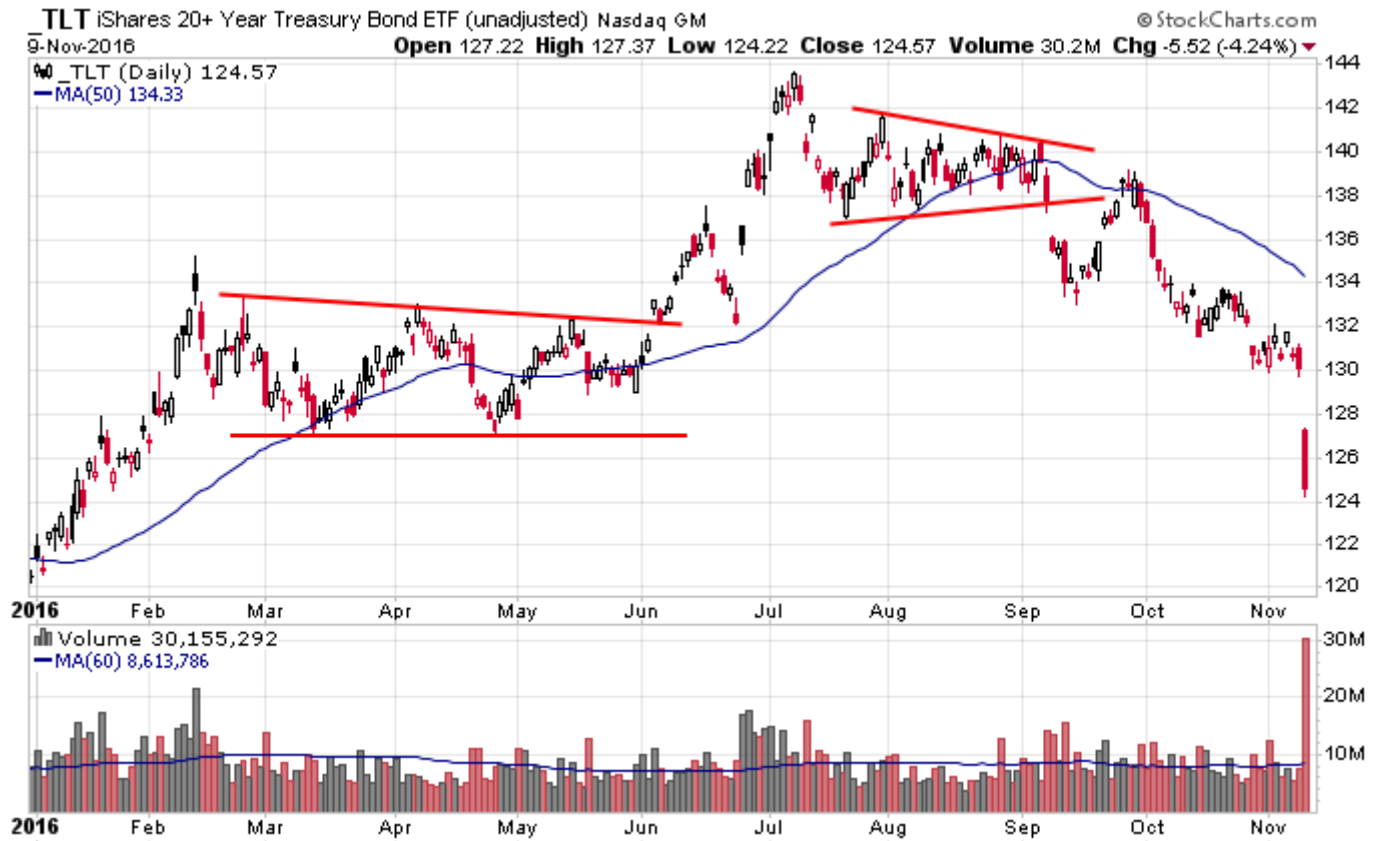
The **US dollar** moved up...presumably because rates are expected to be moved up. It's trying to establish an uptrend in the near term. Here's the longer-term weekly...100 is still key.



Gold gapped up but fell and closed in the bottom-half of its range.



Bonds, which had already been in a mini downtrend, gapped down, sold off and posted its biggest loss in a long time.



Themes emerge, and money rotates around the market. Groups come into favor and fall out of favor based on various variables.

Step one is identifying the market's trend. Step two is looking beneath the surface to find themes. Be long the stocks that are attracting capital, even if you don't understand why. Don't be long stocks that have fallen out of favor.

Have a great night.

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