

# Five Investments to Own in 2018: #1 SPY

If you didn't get a chance to check out our inaugural issue of Investor Insights, feel free to [give it a quick look](#). It's chock full of great information.

Now, down to business.

Over the next few weeks, we're going to give you five investments worth a hard look at as we venture into 2018. And today is the first installment.

## Broader Market Moving Higher in 2018

With underlying fundamentals of the U.S. economy positive, it's tough to find a solid reason to not want to still own stocks. Add in potential tax cuts, relatively accommodative Fed policy, low unemployment, and solid corporate earnings, and the case gets even harder.

And technically, a picture is worth a thousand words ...



As you can see, the trajectory of the S&P 500 – a good proxy for the broader U.S. stock market — is practically straight up. And unless a significant negative event interrupts it, this trend should stay in place for 2018. “The trend is your friend” is a technician’s go-to mantra.

Since everyone have been calling for a pullback almost incessantly since the S&P broke out above 2,130 in summer 2016, I almost want to say it won't happen. After all, with so many on that side of the thesis, my instincts tell me to lean the other way.

But the chart also shows that it's been ages since any kind of significant pullback. So, I wouldn't be surprised if a pullback in the 5% to 10% range takes place in 2018, even though I join the chorus on this one.

## Look at SPY: S&P 500 SPDRs

With the broader market likely headed higher in 2018, one of the best ways to play it is the S&P 500 SPDR ETF (SPY). That translates as the S&P 500 Standard & Poor's Depository Receipts Exchange Traded Fund (ETF).

The SPY tracks the S&P 500 index, a market-capitalization weighted index of the 500 largest public companies in the U.S. It includes over 25 industry groups and a staggering \$7.8 trillion is benchmarked to it. In fact, all told, the S&P 500 index captures about 80% of all available U.S. equity market capitalization.

So, if you want to play the broader market, the SPY is the way to go. And since the SPY is an ETF, it's similar to a mutual fund, but trades like a stock. Plus, it's super liquid and easy to buy and sell.

In fact, the SPY tracks the S&P 500 so closely, you can simply find a quote of the S&P 500 and move the decimal one place to the left. That will give you the approximate price of SPY. Of course, you can look up a direct quote of the SPY as well.

With the market likely headed higher in 2018, SPY is worth a hard look.

That's it for today. If you'd like Investor Insights delivered right to you inbox, feel free to sign-up [here](#). Plus, you can follow us on [Facebook](#), [Instagram](#), [LinkedIn](#), [Twitter](#), and [YouTube](#).

Happy Investing,

Wayne