News or Noise: Is No News Good News?

By David Fisher, Chief Investment Officer

The markets have continued to stabilize over the past few weeks as economic data has come in stronger than expected. It will take some additional time to see if the more positive trends are durable, and we will continue to watch for signals. As we wrote early this year, we were looking for stabilization in currency and commodity markets. The recent bounce in oil from the mid-20 range toward the mid-30 range has been a part of this. The lower volatility between the U.S. dollar and the Chinese yuan is the other key piece of the reduced investor anxiety.

We really found relatively few newsworthy stories in the past week—and we assume this is a good thing? Of course, things are happening. We are monitoring the Brexit vote and migration issues in Europe, as well as the economic data and political stories coming out of China. Globally, the G-20 held its first meeting of 2016 in Shanghai over the weekend, but as expected, nothing noteworthy transpired. In the U.S., the annual letter by Berkshire Hathaway Chairman Warren Buffett gave a fresh optimistic tone and several humorous observations. The biggest story in the U.S. is the presidential primaries, with the heart of the nomination process happening over the next few weeks.

So given the slow week, we wanted to solicit your feedback and thoughts. Are there other ways we can present information in this blog? Are there stories you think are important that we aren’t covering? Do you want us to take a deeper dive via a white paper on any recent subject materials? Either now or at any time, please send email requests to us at invest@signaturefd.com. As always, thank you for following News or Noise and continuing to follow us at SignatureFD, LLC.
What Is News or Noise?

Like most of you, we are inundated with information on our phones, in our email inboxes and on the Internet. Clearly, the world doesn’t need another investing blog to reprocess stale information or reformat the day’s useless headlines. Thus, in our investment blog, “News or Noise,” we’ve taken up the challenge of sorting through the infinite bits of background noise and seeking the few truly newsworthy nuggets of information. What are the stories today that are likely to be meaningful for investors in the future? A very small number of headlines are important, and of those, many are immediately processed by investors. Only a tiny fraction of all the new data is truly relevant and underappreciated.