NOYES CAPITAL MANAGEMENT® LLC
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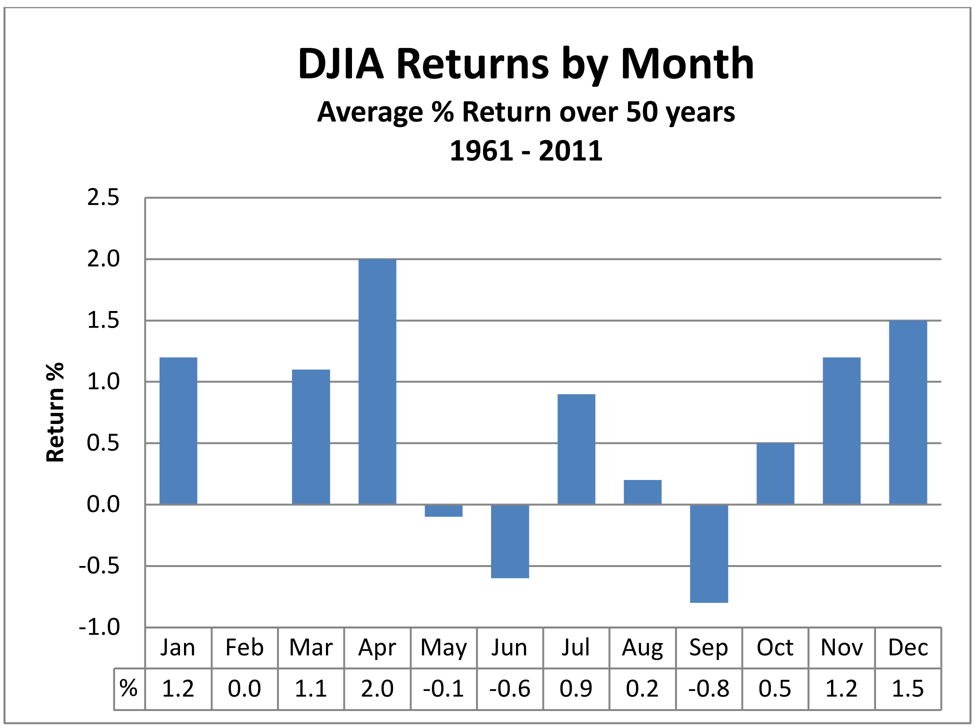
<u>The Power of Seasonal Returns on the U.S. Stock Market</u>

For those that play Blackjack, there is a clear reason why you are supposed to hit on 16 and hold on 17…. The odds favor you. While you will not always win, over time you will make a profit. The same goes for the stock market. You will receive far better returns during the winter months (+7.0%) than the summer month (+0.1%), excluding dividends. The chart below lists the returns of the Dow Jones Industrial Average (DJIA) over the last 50 years sorted by month.



The strongest months of the year are April (+2.0%), December (+1.5%) and November (+1.2%). The cumulative return of investing from November 1st to April 30th is 7.0%, the return for summer months is +0.1%. Sell in May is clearly a valid strategy.

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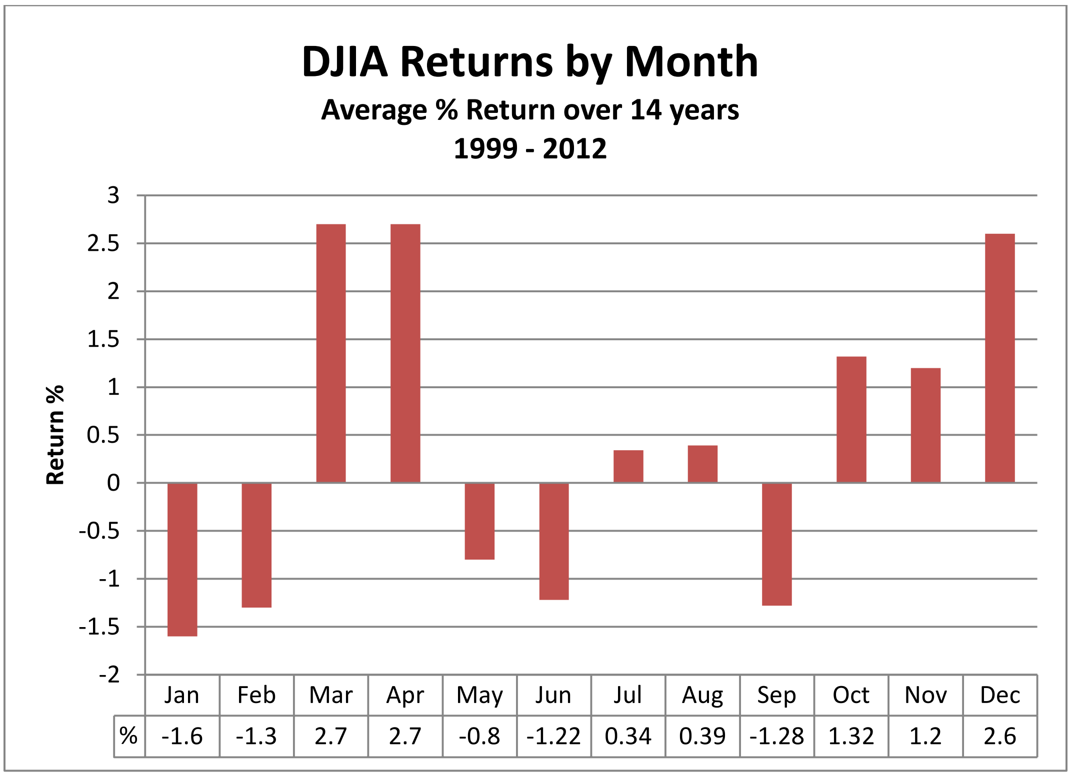
What if we shrink the data set? Using 14 years of data and the results are more extreme. There are two clear periods to own the stock market, March through April and October through December. The worst months of the year are January through February.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
%	-1.6	-1.3	2.7	2.7	-0.8	-1.22	0.34	0.39	-1.28	1.32	1.2	2.6

Just like in Blackjack, playing the odds can help improve your results.