



Expect weak year for S&P 500: Strategist

By Michelle Fox
07 May 2015 (excerpt)

Investors should hedge their stock portfolios because the S&P 500 will probably have one of its weakest years of the current bull market, strategist David Kudla said Thursday.

He anticipates the index will end the year 4 to 5 percent up, at most.

"We're running up against valuation issues. We're in an earnings trough now," said the CEO and chief investment strategist of Mainstay Capital, which manages more than \$2 billion in assets.

On top of that there is the looming expected rate hike by the Federal Reserve and opportunities abroad that are more attractive, he told CNBC's "Closing Bell."

"That's why investors need to look behind the S&P 500 for opportunity. The indexers are just not going to do well this year."

However, he wouldn't advise investors look to bonds instead. He said the markets have entered a period where stocks, bonds and real estate investment trusts are all declining at the same time.

Instead, Kudla likes alternative investments such as hedge fund strategies packaged in an ETF or mutual fund for retail investors. ...