

Oil and the S&P

eResearch Corporation is pleased to provide an article from *The Reformed Broker*, featuring Josh Brown.

Today's article looks at the correlation between the price of crude oil and the value of the S&P 500 Index.

The Reformed Broker is a blog about financial markets and the economy.

From Josh Brown's website: My blog is about markets, politics, economics, media, culture and finance. I'll use statistics, satire, anecdotes, pop culture references, sarcasm, fact, fantasy, and any other device that I feel necessary to get my points across.

What I don't do on this site is give financial advice or tell anyone what to invest in. The Reformed Broker is a forecast-free blog. What I will do on this site is provide you with a running commentary of my market-related insights and thoughts as events unfold. I'll point you toward other interesting content around the web. I'll challenge your perceptions, call it like I see it and, occasionally, I'll make you laugh.

A link to the blog's website is provided here: <http://www.thereformedbroker.com/>.

Joshua Brown is with Ritholtz Wealth Management, a New York City-based investment advisor, whose clients are high net worth individuals, charitable foundations, retirement plans, and corporations. He helps people invest and manages portfolios for them. He is the author of the book *Backstage Wall Street*, from publisher McGraw-Hill. He is a regular contributor to: CNBC, Investment News, The Daily Beast, TheStreet.com, Forbes, CNNMoney, Fortune, Christian Science Monitor, The Faster Times, Marketplace Radio, The Wall Street Journal, and The Business Insider.

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Oil Versus The S&P 500

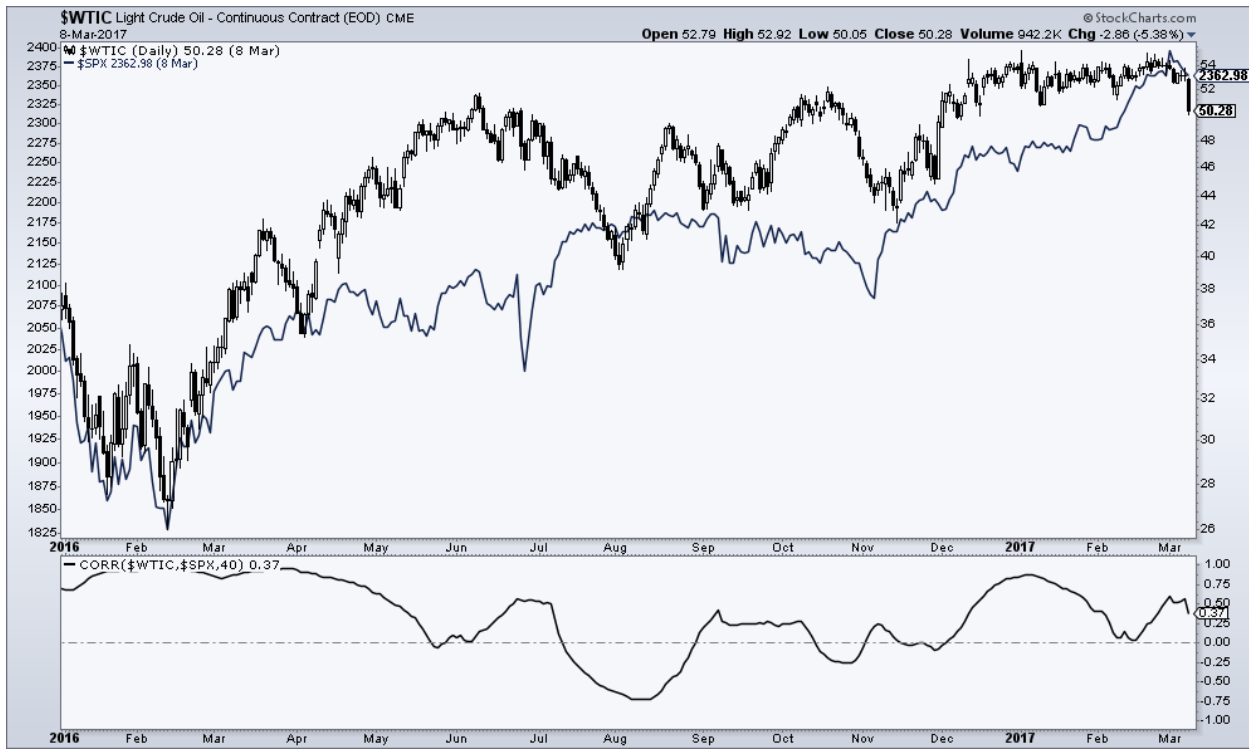
By Josh Brown
March 9, 2017

I did this chart, below, really quickly to illustrate the recent relationship between WTI crude oil prices and the stock market.

Stocks didn't like it over the last few afternoons when WTI dropped. Yesterday (Wednesday), it briefly fell below the "psychologically important" \$50 a barrel level and the S&P 500 gave up its gains.

Traders, apparently, do not want to see anything that runs contra to the narrative of a speeding-up economy and global upside surprises.

Stocks and oil prices have been positively correlated since last August for the most part, with almost no negative correlation at all (on a 40-day rolling basis) since Election Day (bottom pane):



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