The past two week's have been full of Central Bank interventions starting with the ECB last week and culminating with a more accommodative Fed and BOJ interventions this week. As stated earlier this week:

> ?The Fed currently finds itself in a tough spot from a *?data dependent?* standpoint. Last December, when the•Fed Funds rate was increased, the Fed discussed the potential for further rate hikes in 2016 as inflation and employment data strengthened. **With that data improving, along with the strong rebound in the financial markets, the Fed runs the risk of losing credibility if they DO NOT•hike rates again on Wednesday OR give a very strong indication they will do so at the next meeting.?** •

I was wrong. The Fed jumped into the boat with the ECB this week by not only ignoring the recent spate of stronger employment and inflationary pressures, but by lowering economic forecasts and reducing the number of rate hikes this year from 4 to 2. This was, in effect, *"Yellen's Bazooka."*• **Giventhe more *"accommodative posture,"*•it is not surprising the financial markets decide to jump into the boat with her. With the markets currently trading above the 200-dma, the next**

big resistance levels will be the downtrend that started last summer as shown below. Not surprisingly, this rally is•occurring with both fundamental and economic data substantially weaker which continues to restrain the Fed from a further tightening of monetary policy. **Or, *"bad news"* is *"good news"* for now.**

With that, this week's•reading list takes a look at various the Fed's recent actions and whether Yellen has been able to *"cage the bear"* for now.

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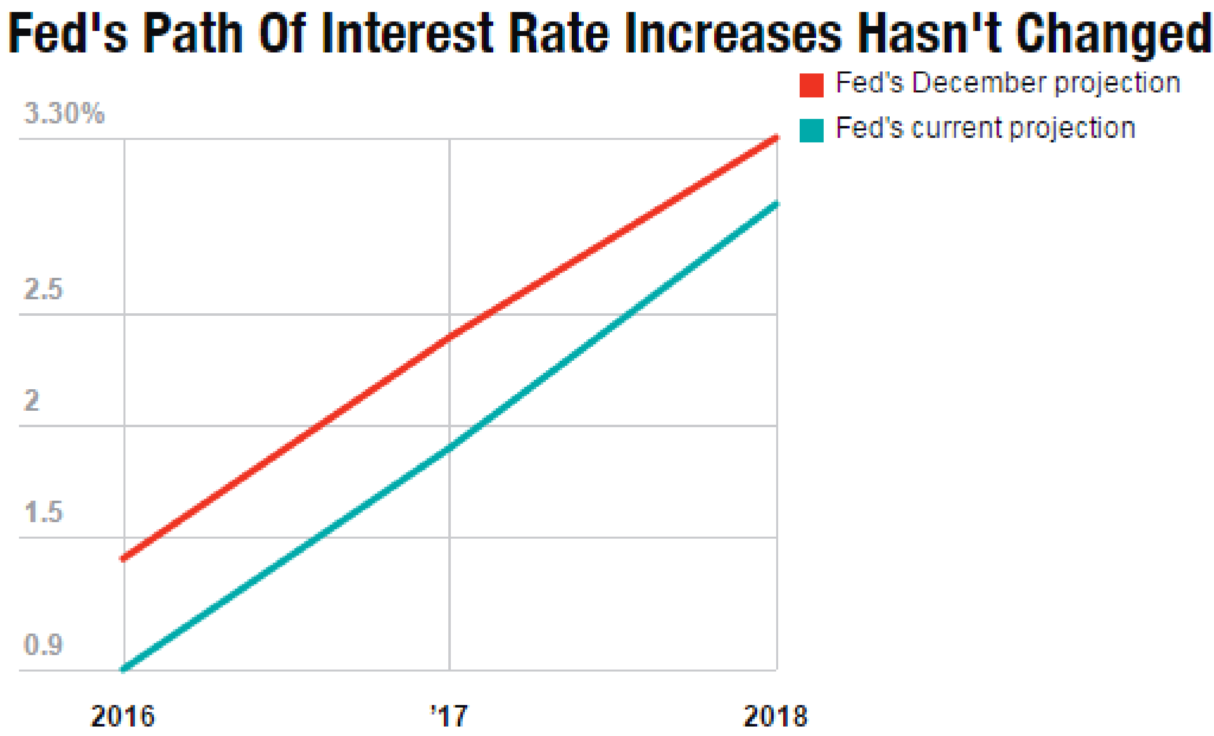
1) Janet Yellen Still Operating In Denial by•Stephen Gandel via Forbes

> "On Wednesday, **the Federal Reserve decided to keep rates where they were for another month, and indicated that it was only likely to raise rates twice in the next year and four times in 2017.** The change brings the Fed?s own rate expectations closer in line to what the market was predicting before this week?s FOMC meeting. **Nonetheless, the Fed has a history of tricking it self into believing the economy is stronger than it really is?something that has happened a lot during this recovery.** And there is reason to believe it is doing so again. If that?s the case, the Fed could be living in denial about its ability to raise interest rates."



- **But Also Read:** **FOMC Doesn't Believe Own Data** by Jeffrey Snider via Alhambra Partners
- **And Read:** **•Is The Fed's Tightening Cycle Almost Over?** by Matthew Klein via FT AlphaVille
- **Don't Miss:** **Yellen's March Madness** by Macro Man
- **More:** **Was There A G-20 Accord Or What Spooked The Fed** by Guy Haselmann via ZH
- **Interesting:** **Currency War Relief From Fed** by Randall Forsyth via Barron's

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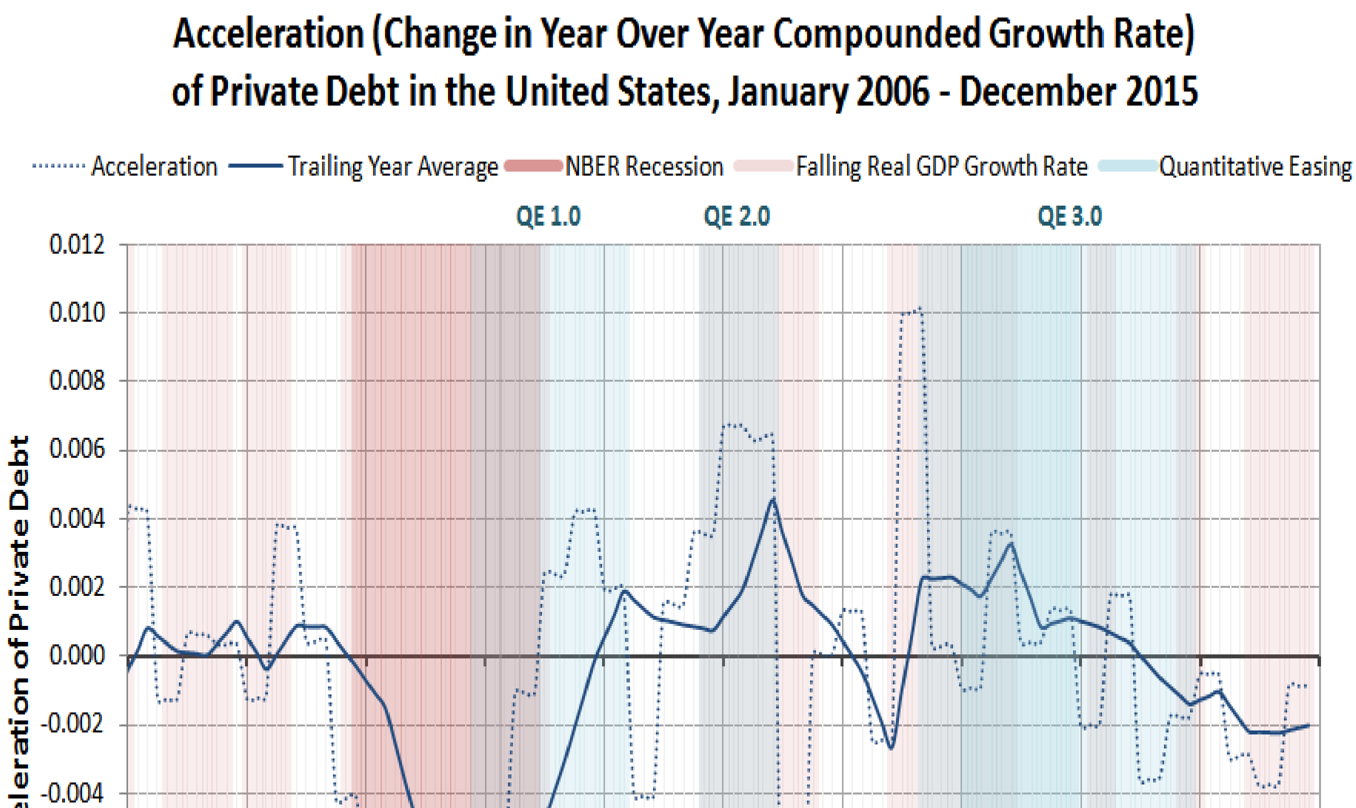
2) •Private Sector Debt & Slowing Economy by IronMan via Political Calculations

"The U.S. Federal Reserve released its latest Flow of Funds report for the U.S. economy on 10 March 2016. Let's run through a short checklist to see what it tells us of the relative health of the U.S. economy.... Falling or negative acceleration of private sector debt? **Check**. Falling real GDP growth rate? **Check**. Let's go to the chart...."



- **But Also Read:** **Stock Crash Coming** by Ken Goldberg via The Street
- **And Read:** **Earnings Estimates Are Still Falling** •by Eric Bush via GaveKal Research
- **Further Reading:** **Recessions Lead To Prosperity** by John Tamny via Forbes
- **Interesting:** **Economic Growth Reaching Limits** by Gail Tverberg via Our Finite World

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3) Markets Are Quiet...Too Quiet by Russ Koesterich via Blackrock

- Over the past four weeks, stocks have staged an impressive rebound from their February lows. **The equity rebound of the past month is a classic ?relief rally,? where investors are relieved conditions are not as bad as they previously feared.**
- This one has been partly predicated on hopes that China is stabilizing, which helps explain the sharp rise in commodity prices given that China is the biggest commodities consumer.
- **Unfortunately, signs of real improvement in China are scant.** While the U.S. appears to be stabilizing, the Chinese economy remains challenged.
- **Given the still uneven pace of global growth and tighter financial market conditions, volatility may too be low. This, in turn, suggests the potential for a rise in volatility ? which would imply another bout of stocks selling off.**

- **Also Read:** •**Things Aren't That Bad** by Philip Van Doorn via MarketWatch
- **But Also Read:** **World Headed For Bear Market** by Nomi Prins via Daily Reckoning
- **Interesting:** **Fear Indicator Surges To Record High** by Josh Lukeman via ZH

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4) El-Erian: •**The Road We Are On Is Coming To An End** by Ben Moshinsky via BI

"**Policymakers will either watch helplessly as the world sinks into a mire of financial volatility and political collapse,** or they'll find a way to unlock the piles of corporate cash sitting on the sidelines, reinvigorating growth. At the moment, it's a coin flip. **'The road we're on is coming to an end,'"**

- **Also Read:** **•A Look At The Latest JOLTS Report•** by Tyler Durden via Zero Hedge

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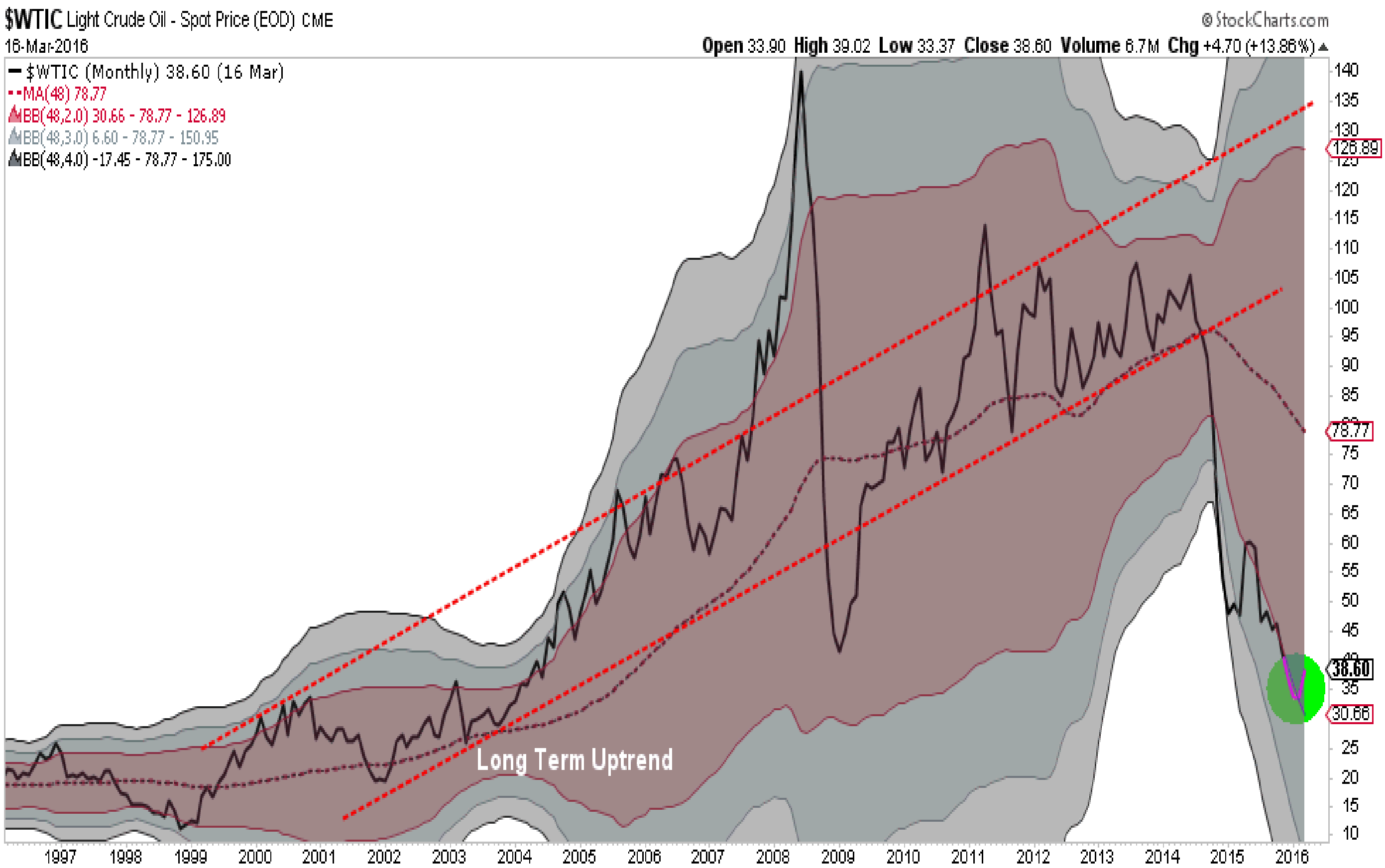
5) Is The Oil Correction Over• by Marc Chandler via Real Clear Markets

?**The losses in the May sweet light crude oil futures today have not done much technical damage to the near-term outlook**. The contract has been struggled most of the last week to sustain gains above $40. A break of last week's low of $38 a barrel could be an early indication of the three-legged correction since mid-January has run its course. The first downside target is near $36.75 and then $35.60. Note that the May contract is set to close below the five-day moving average (~$39.40) for the first time since February 24. **The RSI is turning, and the MACDs may turn lower in the coming days."**



- **And Read:** **•Oil Prices Should Fall, Possibly Hard•** by Art Berman via Forbes

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OTHER GOOD READS

- **What Happened To The Invisible Hand•** by Vitaliy Katsenelson via Contrarian Edge
- **Huge Hendry On China Devaluation•** by Julia La Roche via Business Insider
- **The Behavioral Aspects Of Planning & Investing•** by Victor Ricciardi via SSRN
- **Bearishness Strictly For Informed Optimists•** by John Hussman via Hussman Funds
- **The Fed's Folly Festers Further** by David Stockman via Contra Corner

- **High-Risk Regime's 6-Month Anniversary** by Salil Mehta of Statistical Ideas
- **A Broadening Market Top In Place** by Doug Kass via Real Clear Markets
- **Increasingly Inefficient Bubbles** by Jeff Snider via Zero Hedge
- **Bridgewater: Biggest Mistake In Investing** by Rupert Hargreaves via ValueWalk
- **Robo-Advisors Clinging To Dangerous Dogma** by Jesse Felder via The Felder Report
- **Calmer Days Ahead For Oil Prices** via Dana Lyons via Tumblr

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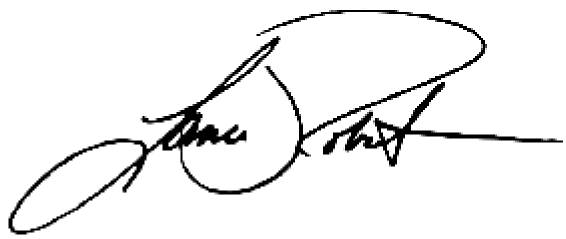
BONUS: INVESTORS INTELLIGENCE GUIDE TO TECHNICAL ANALYSIS

?The four most dangerous words in investing: This time is different"•?•John Templeton



Questions, comments, suggestions ? please email me.

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