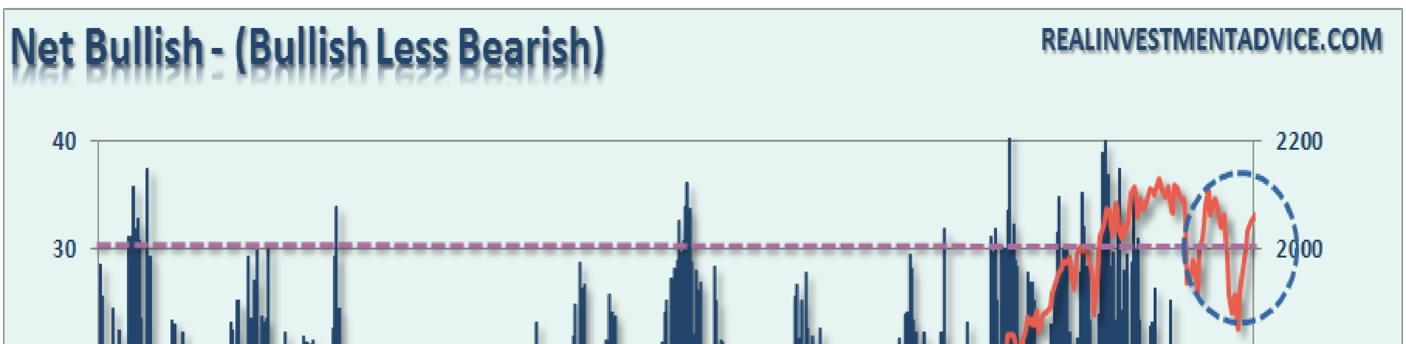
I noted in yesterday's post that individuals, while still fully invested in the financial markets, are saying they are extremely bearish on the market. [To wit:]

> "Speaking of the Fed, the surge in the market over the last couple of days have many scratching their heads despite deteriorating economics, weak earnings and poor geopolitical news. **Of course, given the series of emergency Fed meetings, the markets are currently beating on a much longer time frame to the next, if ever, rate hike.**•Most•interesting is what investor sentiment, both individual and professional, has recently accomplished."



> **"Accordingly, the chart above, investor sentiment suggests the market has just completed a recessionary '*bear market'*•with virtually no substantial losses."**

The problem, of course, is that while prices are rising back towards previous highs the fundamental and longer-term technical backdrop has deteriorated markedly. The answer, to why this is happening, of course, lies with Central Bankers. With the ECB, BOJ and BOC all pushing liquidity directly into the global markets, the only bankers talking about **"tightening monetary policy"** was the Fed. **Of course, the reality is with the Federal Reserve now visibly trapped at the zero-bound, the playing field remains clear for the chase for yield.** As has been often repeated:

> *"With interest rates at zero, there is simply no other choice available. So, buy stocks."*

As Danielle DiMartino-Booth penned:

> "**No, perhaps what she [Yellen] is now realizing is the deep trap she is in.** Her cabal of economists have long since assured her that government, corporate and household debt***service***•is so low that history itself has been rewritten. But therein lies the mother of all Catch 22's, wrought by nearly 30 years of central bankers encouraging, enticing and imploring debt-financed spending while punishing, penalizing and all but outlawing saving. **Yes, the debt service is at record lows, but the mountain of debt that?s been accumulated dictates that the only thing the economy can withstand is low rates in perpetuity.** The alternative is simply unimaginable. There would be widespread ruin and perhaps even the bankrupting of a great nation."

And there you have it - *completely rational confusion.*•Stocks can't be allowed to go down as the negative *"wealth effect"* will cripple economic consumption leading to recession. Therefore, Central Banks must keep the *"hamsters"* on the wheel while they hope the economy will eventually play catch up. **So what do you do? Play the short-term chase the market game or the longer-term wealth devastation game. The choice is yours to make, the consequences will be for all to share.** However, as I discussed earlier this•week, markets are made by dissenting views. This weekend's reading list continues in that fashion.

CENTRAL BANKING

- **Don't Rule Out Helicopter Money** by Ben Bernanke via Brookings Institution
- **Federal Reserve's Clock Just Hit 13** by Tad Rivelle via Trust Co. Of The West
- **Funny Things Happen At Zero Rates** by Matt O'Brien via Wonkblog
- **China In More Trouble Than Fed Thinks** by Wolf Richter via BI
- **What Would Be Necessary For More QE Or NIRP** by Bob Janjuah via ZeroHedge
- **Heard At Every Major Peak: This Isn't A Bubble** via Reuters

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THE MARKET - BULL vs BEAR

- **Triple Threat Earnings Season** by Owen Williams, CFA via Seeking Alpha
- **Looking At Shiller's Cape** by Gubb via Gubbmint Cheese
- **The Complete Bear Case In Charts** by Northman Trader
- **Will The Profits Recession Lead An Economic One?** by Anthony Mirhaydari via Fiscal Times
- **Why Is The Stock Market Acting So Wacky** by Larry Light via Forbes

- **Suckers Rally Or Bull Market** by Paul La Monica via CNN Money
- **The New Mediocre** by Dr. Ed Yardeni via Dr. Ed's Blog
- **Lack Of Volume Is A Cautionary Sign** by Kevin Marder via MarketWatch
- **Earnings Recession Will End Soon** by Mark Haefele via UBS
- **We Are In A Classic Investor Trap** by Med Jones via MarketWatch
- **Are Bears About To Be Crushed...AGAIN!** by Anthony Mirhaydari via Fiscal Times
- **S&P Is In "1 Cookie Now Or 2 Later" Zone** by Simon Maierhofer via MarketWatch
- **Did The Bull Market Just Restart?** by Dana Lyons via Tumblr
- **Why Short Sellers Are Loving This Market** by Victor Reklaitis via MarketWatch

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ECONOMY & OIL•

- **Iran's Massive Oil Fleet Begins To Move** by Tyler Durden via Zero Hedge
- **The Global Economy Didn't Change, Views Of QE Did** by Jeffrey Snider via Alhambra Partners
- **Why Low Oil Prices Didn't Help The Economy** by James Hamilton via OilPrice.com
- **An Impossible Trinity For The Economy** via Myles Udland via Business Insider
- **10 Biggest Risk To US Economy Rebuked** by Nicole Sinclair via Yahoo
- **What's Really Driving Oil Prices** by Mark DeCambre via MarketWatch
- **Oil Says Economy Improving, Bonds Disagree** by Paul Lim via Time/Money
- **Expectations For Doha May Be Inflated** by Marc Chandler via Real Clear Markets

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MUST READS

- **Has The Fed Bankrupted The Nation** by Danielle DiMartino-Booth
- **Pension Reality Much Worse Than You Think** by Joshua Rauh via Hoover Institution
- **Uber Rich-U** by Salil Mehta via Statistical Ideas
- **The S&P 500 Is Obscenely Overvalued** by John Hussman via Hussman Funds
- **Truth Discovery Takes Time** by Vitaliy Katsenelson via Institutional Investor
- **Estimating Future Stock Returns** by David Merkel via Aleph Blog
- **Fading S&P 500 Volatility** by IronMan via Political Calculations
- **Surpise: ACA Will Cost $136 Billion More, Cover Less•** by IBD
- **What Separates Extraordinary Investors** by Jesse Felder via The Felder Report

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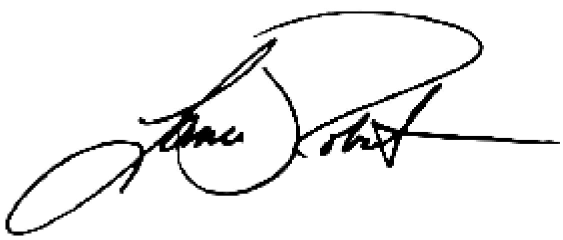
?I will tell you my secret: I never buy at the bottom and I always sell too soon."•
?•Baron Nathan Rothschild



Questions, comments, suggestions ? please email me.

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