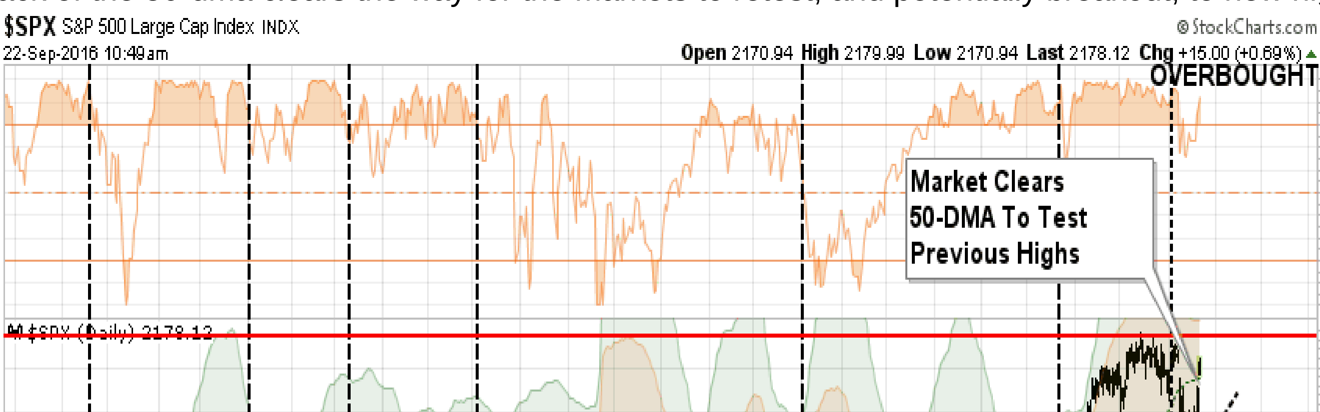
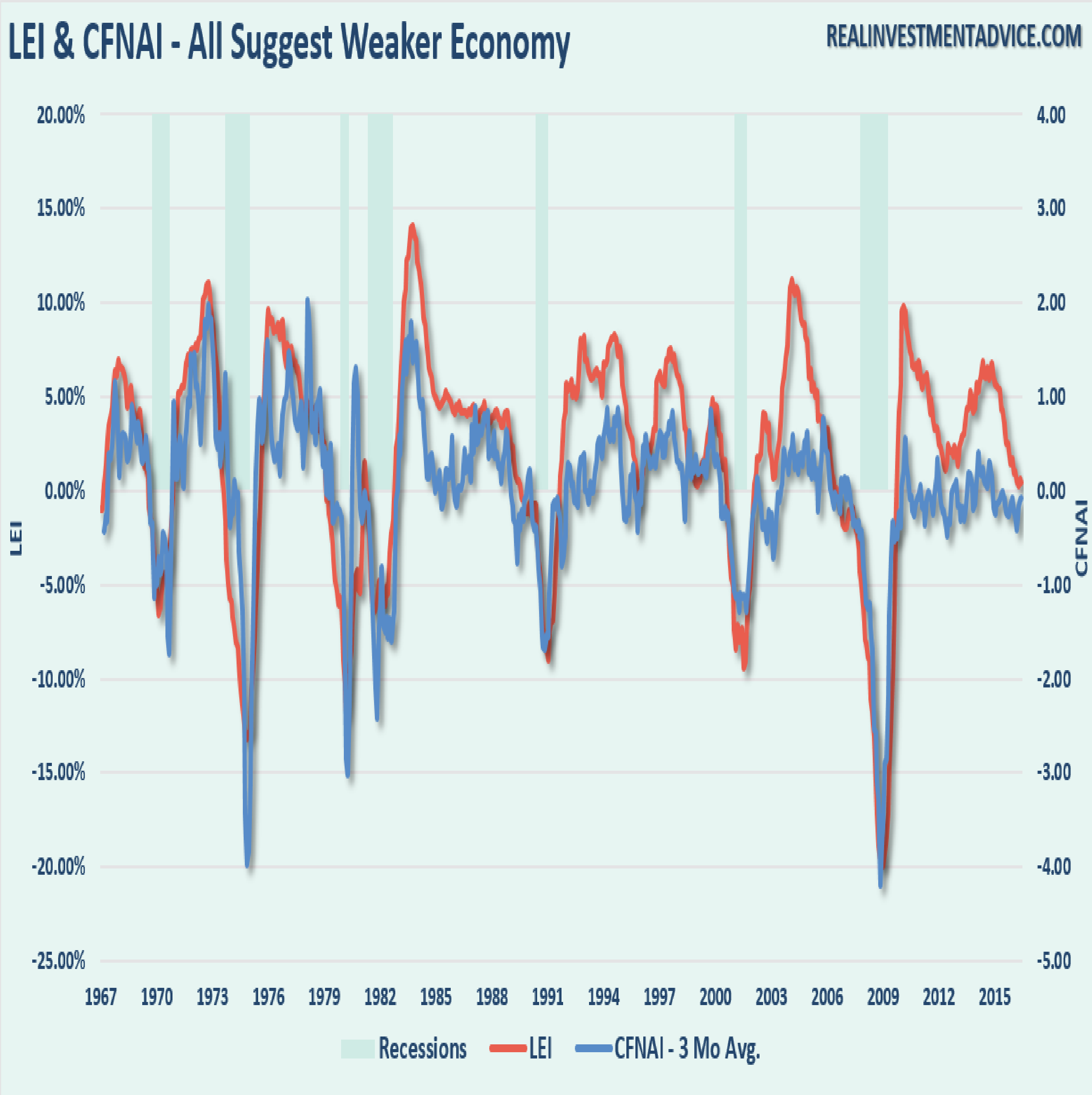
As I noted [on Thursday,](#) **the Fed non-announcement gave the bulls a reason to charge back into the markets as *"accommodative monetary policy"* is once again extended through the end of the year.** Of course, it is not surprising the Fed once again failed to take action as their expectations for economic growth were once again lowered. Simply, with an economy failing to gain traction there is little ability for the Fed to raise rates either now OR in December. **However, it was the docile tones of the once again *"Dovish"* Fed that saved market bulls from a *"bearish"* rout.** The recent test of the bullish trend line from February lows combined with a move back of the 50-dma clears the way for the markets to retest, and potentially breakout, to new highs.



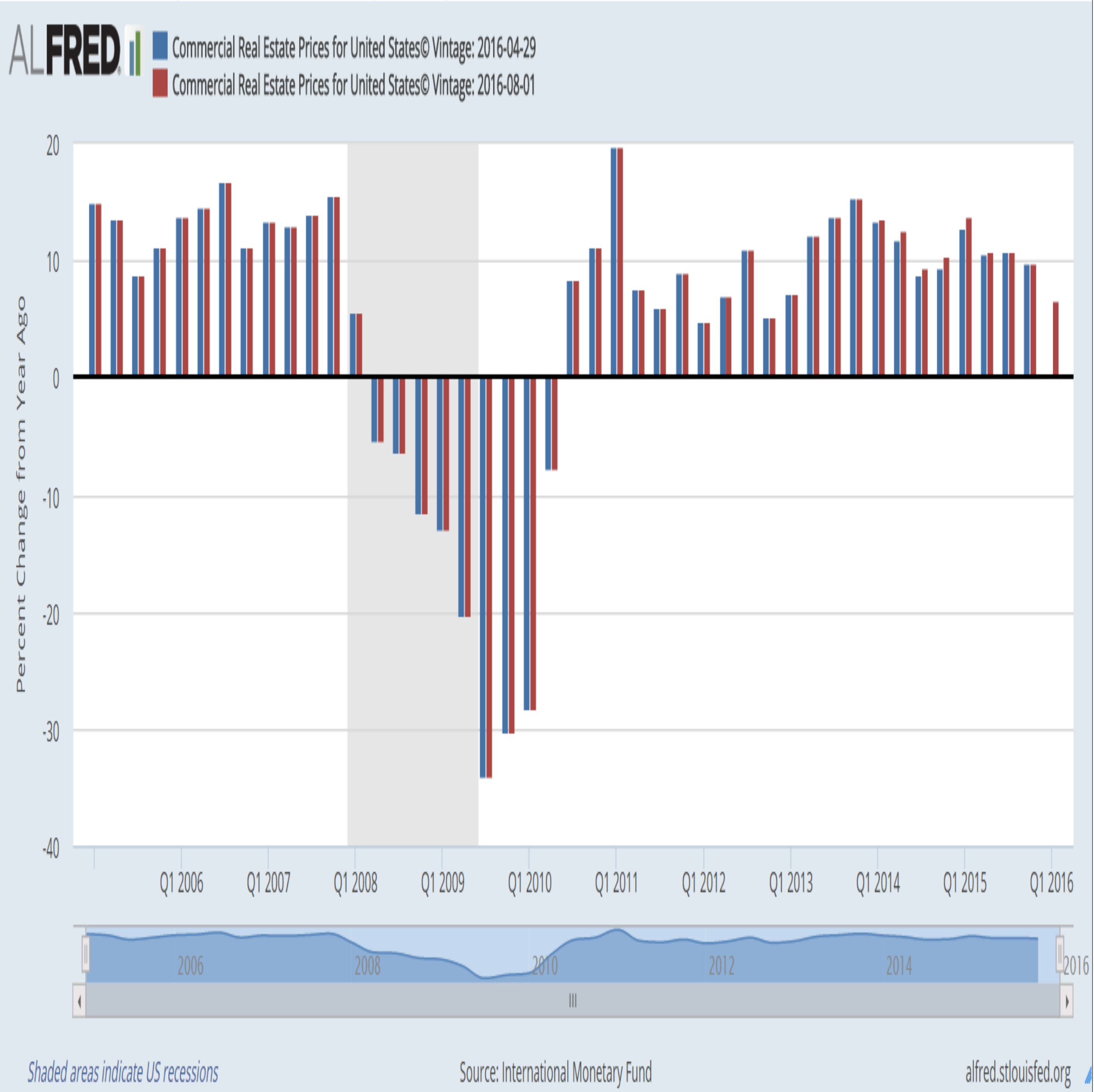
With economic data remaining extremely weak, and leading indicators continuing to roll over, the *"bad news is good news as the Fed stays on hold"* scenario continues to play to investor's favor....for now.



The question that remains, of course, is when does the reality of the weak economic environment begin to impact the fantasy of stock prices. It was interesting that Janet Yellen mentioned *"commercial real estate values"* in her latest comments•to the press.[To wit:]

> *"**Yes. Of course, we are worried that bubbles will form in the economy and we routinely monitor asset valuations, while nobody can know for sure what type of valuation represents a bubble, that's only something one can tell in hindsight, we are monitoring these measures of valuation and commercial real estate valuations are high**. Rents have moved up over time, but still, valuations are high, relative to rents."*

DO NOT misunderstand the gravity in her statement. Commercial Real Estate (CRE) valuations are a direct function of the economic cycle. The tenants of CRE buildings are companies that are affected by the ebb and flow of the economy. **The reason that valuations are high relative to rent is due to the fact we are at a peak of an economic cycle. CRE values FALL during an economic recession as tenants give back space and vacate buildings.• What Janet Yellen said, without saying it, is that stock market valuations are high as stock prices have been bid up by investors just as with CRE.** When CRE valuations fall, so will asset prices along with valuations.



However, for the moment, none of this matters. Global Central Banks continue to push assets into the market for now in the ongoing *"chase for yield."* **However, it is worth repeating that nothing last forever, but it can, and often does, last longer than you can imagine. Unfortunately, so does the reversion to the mean.**•But, in the meantime,•here is what I am reading this weekend.

Fed / Economy

- **Promise In Sept., Deliver In December** by Danielle DiMartino-Booth via Money Strong

- **When The Music Stops** by Teddy Vallee via Pervalle.com
- **Trump's Guide To Weak Labor Market** by Sarah Ponczek via Bloomberg
- **Harvard University Crushes Obama's Recovery Story** by Tyler Durden via Zerohedge
- **Deutsche Bank: Recession Indicators Are On** by Akin Oyedele via BI
- **The Wealth Effect Was Never Valid** by Jeffrey Snider via Alhambra Partners
- **Is The Fed Politically Biased** by Jim Puzzanghera via LA Times
- **The Fed Of Yesteryear Is Dead** by Robert Samuelson via RCM
- **Balance Sheet Anxiety** by Scott Sumner via Econolib
- **Monetarists Are Out Of Ideas** by Noah Smith via Bloomberg
- **US Economy Recovering? Hardly!** by Jim Clifton via Gallup
- **Fed Faces A Credibility Problem** by Patrick Gillespie via CNN Money
- **The Fed's Growing Economy; Never Mind** by Joe Calhoun via Alhambra Partners

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Markets

- **This Market Sell-Off May Be Different** by Mohamed El-Erian via Bloomberg
- **The Most Important Charts** by Akin Oyedele via BI
- **S&P To Tumble To 20-year Lows** by Sue Chang via MarketWatch
- **Goldman: Stocks Could Crash By 25%** by Bob Bryan via Business Insider
- **The Economy & The Stock Market** by Pater Tenebrarum via Acting Man blog
- **How The Fed's Decision Could Affect Stocks** by Michael Kahn via Barron's
- **Is The Mother Of All Corrections Coming?** by Jeremy Warner via The Telegraph
- **Oil Prices At $70? Not A Chance** by Tim Daiss via Forbes
- **Inflation! The Good Kind & The Bad** by Ed Yardeni via Yardeni Research
- **Bond Market Will End Badly** by Brett Arends via MarketWatch
- **Investors Have No Place Hide** by Nigam Arora via MarketWatch
- **More Pain For Stocks To Come** by Michael Kahn via Barron's
- **Most Dangerous Market I've Ever Witnessed** by Tyler Durden via ZeroHedge
- **The Shrinking U.S. Stock Market** by Political Calculations
- **Fed & Stock Market Performance** by Mark DeCambre via MarketWatch

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Interesting Reads

- **Deplorables: Who We Are & What We Want** by Brandon Smith via Alt-Market
- **The Coming Anti-National Revolution** by Robert J Shiller via Project Syndicate
- **Obama's Victory Lap On Incomes Premature** by Stephen Moore via The Washington Times
- **The Essence Of Decision** by Ben Hunt via Financial Sense
- **7 Lessons People Learn Too Late In Life** by Nicolas Cole via Inc.
- **Everything Paul Krugman Says Is Wrong** by Robby Soave via Reason
- **WFC - TBTF & Too Arrogant To Admit It** by Dana Milbank via Washington Post
- **Justify Your Smart Beta Methodology** by Rob Arnott & Chris Brightman via ETF.com
- **Fed Meetings And The Markets** by Value Walk
- **Support Drops Away** by John Hussman via Hussman Funds
- **Just Plain Pathetic** by David Stockman via Contra Corner
- **Traders Quickly Get Comfortable With Stocks Again** by Dana Lyons via Tumblr
- **C0rporate Buy Back Binge Blows Another Bubble** by Jesse Felder via The Felder Report

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"Fed Says Economy Is Weaker And Stocks Go Up. If We Get A Depression I Will Be Rich!? ? *Richard Rosso, CFP.*

Questions, comments, suggestions ? please email me.