

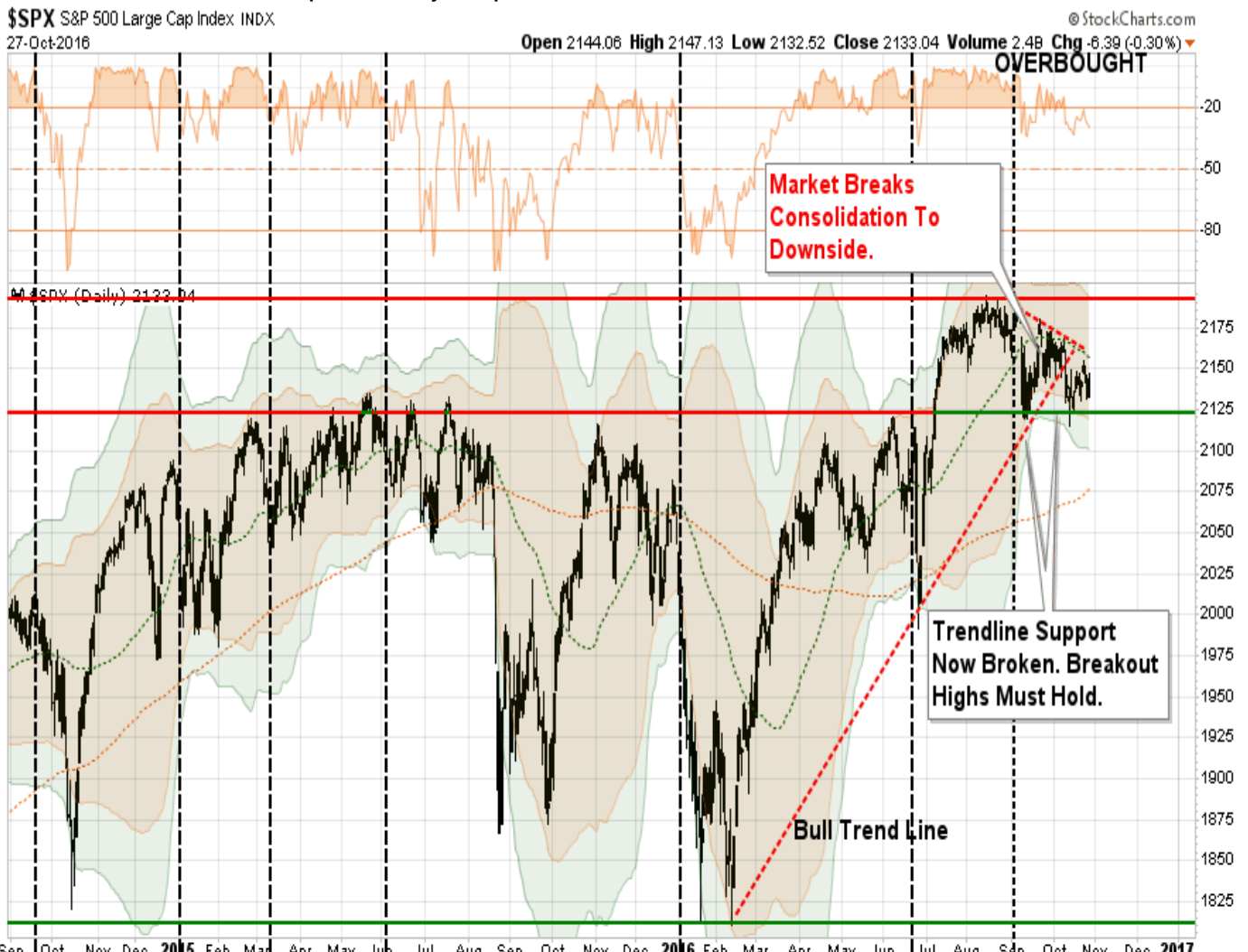
I have written previously [about being stuck](#) in a trading range.

*"Over the past couple of months, we have continued to drift from one economic report, or Central Bank meeting, to the next. Each report and meeting have continued to leave market participants confused as to what is going to happen next. Is the economy improving? Or not? Will the Fed hike rates? Not? The bulls and the bears have met at the crossroad. However, neither is ready to commit capital towards their inherent convictions. So, for 43-days, and counting, we remain range bound waiting for what is going to happen next."*

Chart updated to present:



The problem with going nowhere is that it makes managing money much more difficult. With the market having broken the bullish trend line from the February lows, as shown below, along with remaining overbought with a sell signal in place, the risk to the downside outweighs the potential for a further advance currently. **With downtrend resistance from the previous highs pushing prices lower, the risk of a break below 2125 is elevated.** Being a bit more cautious given the current technical backdrop will likely be prudent.



While there are many simply suggesting just to buy into passive indexes and hold them, the brutal reality to such strategies have destroyed the ability for many to ever actually reach their investment goals. However, despite the weight of evidence suggesting the markets are currently in a third bubble since the turn of the century, the commentary to ignore the outcomes related to such asset inflations is actually quite astonishing. Such is the result of a market seemingly immune to declines due to continued support, or at least belief thereof, from Central Banks. But, just as was witnessed following "*The Great Depression*," the bursting of the next asset bubble will likely once again drive participants away from the market for an entire generation, or longer. **The problem for individual investors is the *trap* that is currently being laid between the appearance of strong market dynamics against the backdrop of weak economic and market fundamentals.** Ignoring the last two to chase the former has historically not worked out well. Alas, that is a story for another day, for now, we remain "*stuck in the middle*" waiting on an election outcome. In the meantime, here is what I am reading this weekend.

---

## Fed / Economy

- **5 Biggest Global Economic Challenges** [by Anthony Fensom via National Interest](#)
  - **One Thing The Next Pres. Needs To Know** [by Joseph Stiglitz via Vanity Fair](#)
  - **World In A Major Cyclical Upturn** by Eric Bush via GaveKal
  - **American Job Recovery Is A Global Laggard** [by Narayana Kocherlakota via Bloomberg](#)
  - **The Blind Ally Of Monetary Populism** [by Jeffrey Frankel via Project Syndicate](#)
  - **What Could Go Wrong In America** [by Martin Feldstein via Project Syndicate](#)
  - **For The Fed, The Dollar May Be A Problem** [by Jeffrey Snider via Alhambra Partners](#)
  - **The Fed Could Pull A November Surprise** [by Patti Domm via CNBC](#)
  - **Fed Is On A Collision Course** [by Financial Sense](#)
  - **Recession Risk Is Rising** [by Tyler Durden via ZeroHedge](#)
  - **Many Americans Balancing 2 or 3 Jobs** [by Paul Davidson via USA Today](#)
  - **Yellen Has Many Questions, Few Answers** [by Dr. Ed Yardeni via Yardeni Research](#)
- 

## Markets

- **Globalization Fading To Black** [by Danielle DiMartino-Booth via Money Strong](#)
  - **Time To Move Past The Election** [by John Tobey via Forbes](#)
  - **Next Year's Ticking Time Bomb** [by Ambrose Evans-Pritchard via The Telegraph](#)
  - **Stock Market Stuck In Danger Zone** [by Michael Sincere via MarketWatch](#)
  - **Chasing Yield Is Not A Good Plan Now** [by Michael Kahn via Barron's](#)
  - **A Chart To Help You Find Market Direction** [by Adam Koos via MarketWatch](#)
  - **Next 10-Years Will Be Ugly For Your 401k** [by Suzanne Woolley via Bloomberg](#)
  - **All Signs Are Flashing Market Is At Risk** [by David Rosenberg via Financial Post](#)
  - **Most Of What You Think About Investing Is Wrong** [by L. Hamtil via Fortune Financial](#)
  - **Charts That Scare WallStreet** [by Kawa, Verma, Verhage and Kim via Bloomberg](#)
- 

## Interesting Reads

- **September New Home Sales: Let Revisions Begin** [by Aaron Layman via AaronLayman.com](#)
  - **Are Our Magazine Covers A Contrarian Indicator** [by Buttonwood via The Economist](#)
  - **Who Will Pay For Clinton's Tax Code Social Engineering** [by Alex Brill via RCM](#)
  - **When You Should Claim Social Security Early** [by Sharon Epperson via CNBC](#)
  - **Is US QE More Toxic Than Japan's QE** [by Paul Murphy via FT](#)
  - **Corporate America's Bogus Election Excuse** [by Paul La Monica via CNN Money](#)
  - **The Story Behind The Story Of Home Resales** [by Jeffrey Snider via Alhambra Partners](#)
  - **Our Deplorable Ruling Class** [by John Stossel via Reason](#)
  - **Failure Likely Regardless Of Who Wins** [by Mike "Mish" Shedlock via MishTalk.com](#)
  - **Losses Hurt More Than Gains** [by Adam Taggart via Peak Prosperity](#)
  - **The End Of Stock Buybacks** [by Bryan Borzykowski via Morningstar](#)
  - **Future Of Investment Management** [via The Thought Factory](#)
  - **Chasing Stocks At Levels To Beget Lousy Returns** [by John Hussman via Hussman Funds](#)
  - **Small Stocks Threaten Breakdown** [by Dana Lyons via Tumblr](#)
  - **A Real Conversation About The Markets** [by Jesse Felder via The Felder Report](#)
- 

*"There are two hedges I know of; one is cash and the other is knowledge.??*

*Bruce Berkowitz*

Questions, comments, suggestions ? please [email me](#).