

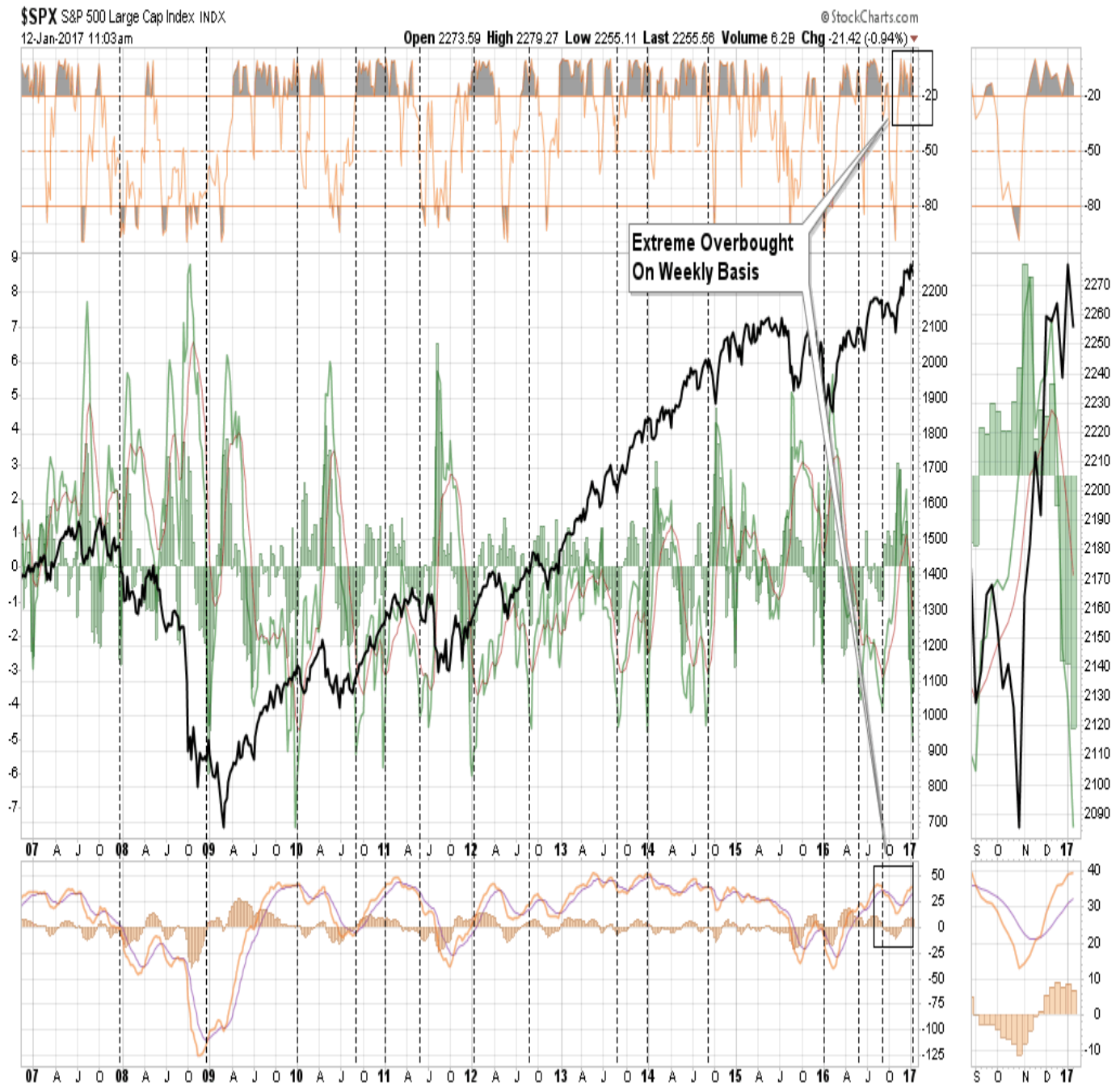
Over the past couple of weeks, the market has continued to remain overbought, extended and exuberant on "hopes" that Trump's policies will be the ointment to cure the economy's ills. [As noted yesterday](#), **exuberance has exploded in everything from consumer to investor to business optimism.**

NFIB Survey: % Firms Expecting Economic Improvement In The Next 6 Months

 REAL INVESTMENT ADVICE



The explosion of optimism is interesting given the consistent diatribe over the last few years about how well the economy was performing under the previous administration. **This is the equivalent of a company's stock price surging when the previous CEO is replaced which doesn't speak well of his "legacy of performance."**•The question now is whether or not "hopes" will translate into "reality." Interestingly, since the beginning of the year, the rush to pile into "**Trump Trades**" has quickly evaporated as transaction volumes have plunged as "**anticipation**" has turned into "**wait and see.**"•



It is worth noting that previous, when transaction volumes have plunged to such low levels, the markets were generally at an inflection point of a correctionary process. With the markets currently extremely overbought and extended, the reality of a "*sell the inauguration*"•trade is possible. In the end, "*anticipation*" of better outcomes is one thing when it comes to the financial markets and your money, however, "*reality*"•is quite another. Here is what I am reading this weekend.

Fed, Economy & Trump

- **Yellen-Trump & The Coming Recession**[by James Rickards via Daily Reckoning](#)
 - **Slow Fade Of Jobs Growth**[by James Picerno via Capital Spectator](#)
 - **Goldman Sachs: 3 Things To Wreck The Economy**[by Lucinda Shen via Fortune](#)
 - **A Case For Trump's Import Tariffs**[by Stephen Moore via The Washington Times](#)
 - **Trump Should Embrace Free Trade**[by Robert Zoellick via Washington Post](#)
 - **Trump's Job Jawing: Good Politics, Bad Policy**[by Robert Samuelson via RCM](#)
 - **Krugman Turns Hawkish W/GOP In "Da House"**[by Kevin Williamson via National Review](#)
 - **Growing Economy & Deficits**[by Paul Krugman via NYT](#)
 - **Infrastructure Spending May Not Boost Growth**[by Mihir Sharma via Bloomberg](#)
 - **Don't Expect Bond Vigilantes To Do Fed's Work**[by Caroline Baum via MarketWatch](#)
 - **Trump Can't Repeal Economic Laws**[by Joseph Stiglitz via Project Syndicate](#)
 - **Trump's Protectionist Plan Nothing New**[by Alexia Campbell via The Atlantic](#)
 - **Wall Street, Fed Have Stacked The Deck**[by David Smick via American Conservative](#)
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Markets

- **Corporate Bond Market: Binge Borrowing**[by Danielle DiMartino-Booth via Money Strong](#)
 - **Nomi Prins: More Corporate Defaults In 2017**[by Craig Wilson via Daily Reckoning](#)
 - **Trump Oil Trade & \$100/bbl Oil**[by Kirk Spano via MarketWatch](#)
 - **Wall Street Hates "Volcker Rule," Will Trump Kill It**[by Matt Egan via CNBC](#)
 - **Will Inauguration Mark A Top?**[by William Watts via MarketWatch](#)
 - **Bull-Turned-Bear - Lee See Trump Danger**[by Jeff Cox via CNBC](#)
 - **4-Reasons Trump Rally Has No Legs**[by Jake Weber via Forbes](#)
 - **Prudent Things For Investors To Do**[by Nigam Arora via MarketWatch](#)
 - **Why You Should Be Wary Of Junk Bonds**[by John Coumarios via WSJ](#)
 - **Why 2.6% Is More Important Than 20,000**[by Bill Gross via Janus Capital](#)
 - **If You Bought Trump Rumor, Sell The News**[by Mark Hulbert via MarketWatch](#)
 - **The Case For Remaining Invested**[by Goldman Sachs](#)
 - **The Invisible Stock Market Correction**[by Michael Kahn via Barron's](#)
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Interesting Reads

- **Financial Stress Rings In New Year**[by Center For Retirement Research](#)
- **Death Spiral Of Sears To Bankruptcy's Edge**[by Hayley Peterson via BI](#)
- **Americans Blowing It With Debt**[by John Pelletier via USA Today](#)
- **Fair Share? Top 400 vs Bottom 50%**[by Mark Perry via AEI](#)
- **7 Ages Of Retirement That Matter**[by Matt Carey via Forbes](#)
- **How Trump Could Create A Financial Crisis**[by Matt O'Brien via Wonkblog](#)
- **Why Millennials Aren't Afraid Of Socialism**[by Julia Mead via The Nation](#)
- **Facts Every Retiree Should Know About Annuities**[by Matthew Frankel via Motley Fool](#)
- **Suddenly, Homes Sale Agreements Are Falling Apart**[by Patrick Clark via Bloomberg](#)
- **Trump Makes Jobs Error During Presser**[by Steve Liesman via CNBC](#)
- **What Really Caused The Housing Crisis**[by Mark Thoma via CBS MoneyWatch](#)
- **Animal Spirits**[by Ed Yardeni via Yardeni Research](#)
- **BofA Warns Consumer Spending Tumbled**[by Tyler Durden via ZeroHedge](#)
- **4-Reasons Fiscal Policy Won't Restart Business Cycle**[by Tyler Durden via ZeroHedge](#)
- **Why Home Builders Can't Meet Demand**[by Aaron Layman via AaronLayman.com](#)
- **Economic Risk Of Ignoring Arithmetic**[by John Hussman via Hussman Funds](#)
- **Are Oil Speculators About To Get Lit Up Again**[by Dana Lyons via Tumblr](#)

- **Might Want To Prepare Your Portfolio** by [Jesse Felder via The Felder Report](#)
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"Stock market bubbles don't appear out of thin air. They have a basis in reality. But that reality is distorted by misconception? "George Soros

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