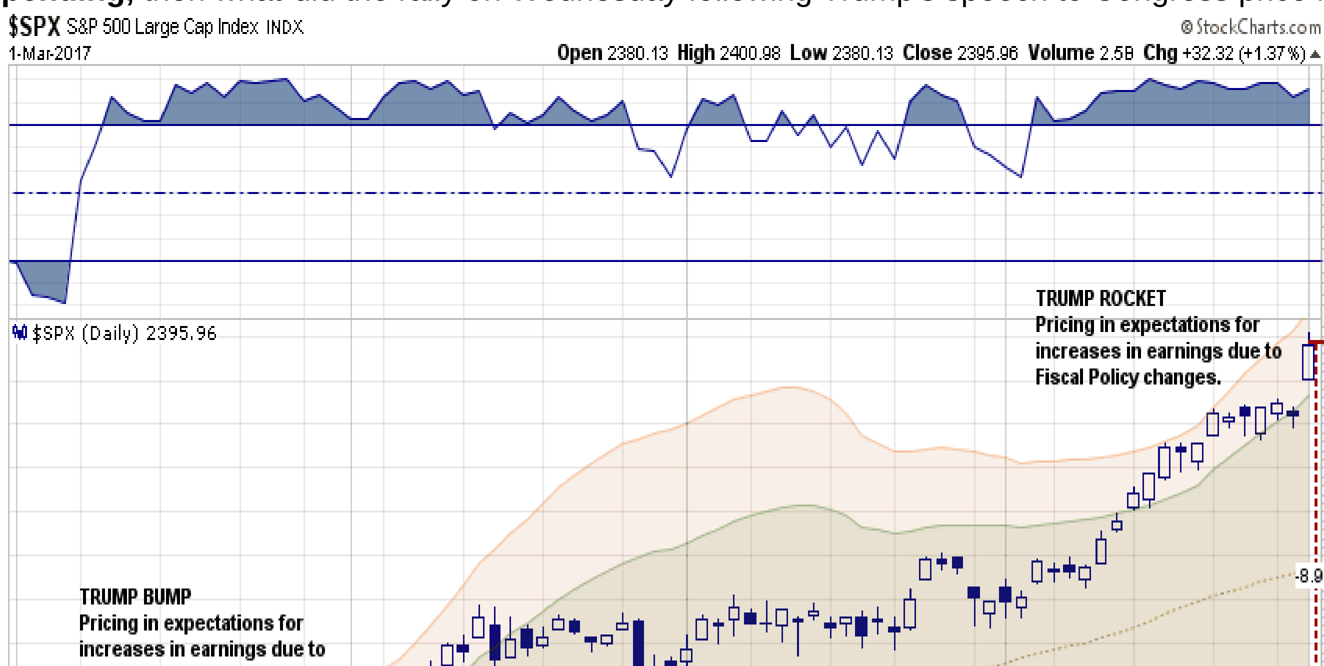
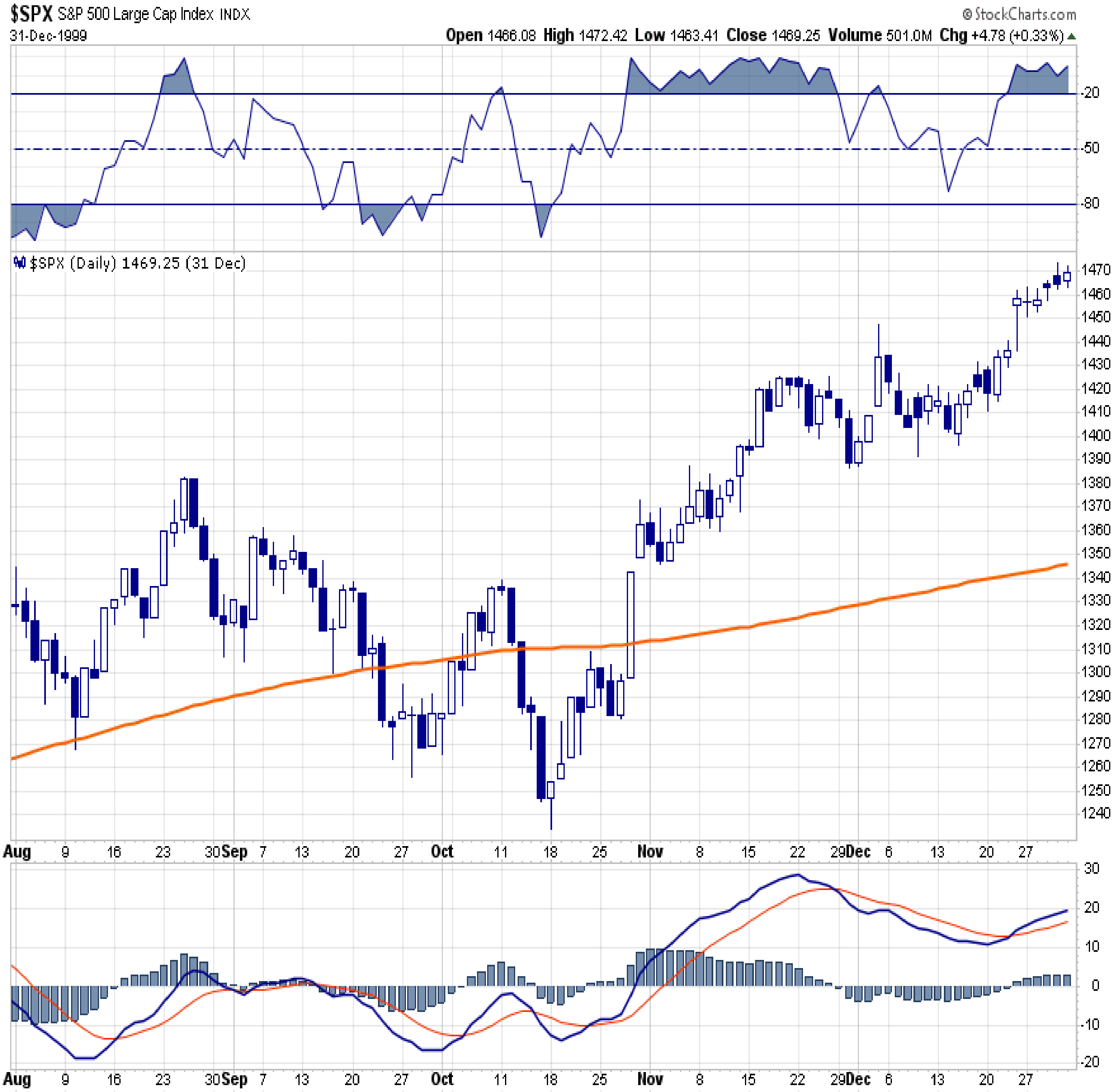
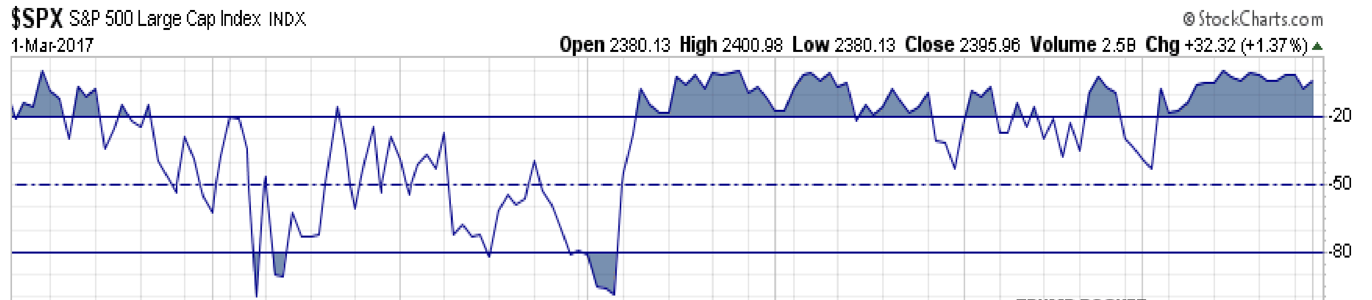
I have a simple question... **If the rally in the market that began following the election was pricing in the expectations for tax reforms, repatriation, building the wall, and infrastructure spending,** then what•did the rally on Wednesday following Trump's speech to Congress price in?



With the markets now pushing both a 3-standard deviation extension above the 50-dma AND an almost 9% deviation above the 200-dma, there is little argument of the overbought condition that currently exists. **But such rational logic seems to no longer apply.** At least for now. There is just one thing to remember. The markets price in future expectations for the impact of expected events. **So, a tax cut here, an infrastructure plan there, all suggests a positive impact to the bottom line of corporate earnings and a valid reason for pushing asset prices higher.** No argument here. •I am currently well positioned in portfolios on the long side of the market for now. **The question that must be answered is just how much of the benefit from these fiscal proposals have already been priced in perfection? What happens if tax reform is less than anticipated? Or infrastructure spending is cut from $1 Trillion to $500 billion? Or repatriation only brings back a fraction of the dollars anticipated?**•Let's zoom out for a second and look at the pre- and post-election through the end of last year for clarity.



Oh, shoot!....Sorry, that was 1999. •Here is last year.



Just some things I am thinking about this weekend as I catch up on my reading.

Trump/Fed/Economy

- **The Five-Tool Bond Market** by Danielle DiMartino-Booth via Money Strong
- **The Next Signal To Watch** by Jim Rickards via The Daily Reckoning
- **Trump Takes A Reckless Stance On Economy** by Veronique de Rugy via Reason.com
- **Essential Optimism Reigned In Trump's Address** by Larry Kudlow via RCM
- **Corporate Tax Reform Won't Fix Our Problems** by Money Map Press via HVST.com
- **Trumps Economic Plan & Costs** by Shawn Tully via Fortune
- **No Fiscal Case For Fed's Large Balance Sheet** by Larry White via Alt-M
- **How Trump Should Approach Tax Cuts** by Matt Lewis via The Daily Beast
- **Trump Viewed Differently By Stocks & Bonds** by Caroline Baum via MarketWatch
- **March 15th: Everything Grinds To A Halt** by David Stockman via ZeroHedge
- **Trump's Mysterious Stock Boom** by James Surowiecki via The New Yorker
- **The Problem With Wages Starts At Home** by Eduardo Porter via NY Times
- **Is More Debt The Key To The American Dream?** by Jeffrey Harding via Independent Mind
- **Why Trade Deficits Are Good** by Simon Constable via Forbes
- **Trump & The Economy** by George Perry via RCM

Markets

- **The Trump Boom Isn't Here Yet** by Bob Bryan via BI
- **The Fed Is Worried About This Key Measure** by Frank Chaparro via BI
- **Mom & Pop Investors Behind Market Rally** by Sid Verma & Oliver Renick via Bloomberg
- **Mr. Bond Decides To Die Another Day** by Macro Man
- **Bond Market Bears Relive Groundhog Day** by Scott Dorf via Bloomberg
- **Theory Of Persistently High Valuations** by Lawrence Hamtil via Fortune Financial
- **Behind The Scenes, Investors Worry** by Lu Wang via Bloomberg
- **Buffett's Simple Investing Truth He Doesn't Tell** by Peter Cohan via Forbes
- **Something's Gotta Give** by Michael Kahn via Barron's
- **What Would A March Rate Hike Imply** by Mohamed El-Erian via Bloomberg
- **Could Rates Move Even Lower** by Michael Kahn via Barron's
- **Market Losing Faith In Trump Trade?** by William Watts via MarketWatch
- **Distressed Retailers Highest Since Recession** by Ciara Linnane via MarketWatch
- **Outperform The Market: Golden Ratio** by Leo Chen via Cumberland Advisors

Research / Interesting Reads

- **The Next Market To Break Should Be Stocks** by Erik Swarts via Market Anthropology
- **This Isn't Supposed To Happen** by Wolf Richter via Wolf Street
- **8-Sources Of Irrational Investment Behavior** by Vintage Value Investing via HVST.com
- **World's Most Radical Monetary Policy Experiment Isn't Working** by John Lyons via WSJ
- **Why You Probably Won't Survive The Next Bear** by Lawrence Hamtil via Fortune Financial
- **Beware The Ides Of March** by Marc Chandler via Real Clear Markets
- **Want Higher Wages, Wendy's Has A Robot For That** by Tyler Durden via ZeroHedge
- **The Financial Fire Next Time** by Simon Johnson via Project Syndicate
- **The End Of Secular Stagnation?** by Edward Harrison via Credit Writedowns

- **BofA Sets Date For Market Fall** • by Tyler Durden via ZeroHedge
- **Houston, Tx - Landlord Nation** by Aaron Layman via AaronLayman.com
- **Anything Left In Stock's Tank After Moonshot** • by Dana Lyons via Tumblr
- **Why Is Buffett So Reluctant To Call Stocks A Bubble?** • by•Jesse Felder via The Felder Report

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> ***"If I?d only followed CNBC?s advice, I?d have a million dollars today. Provided I?d started with a hundred million dollars." -*** *Jon Stewart*

Questions, comments, suggestions ? please email me.