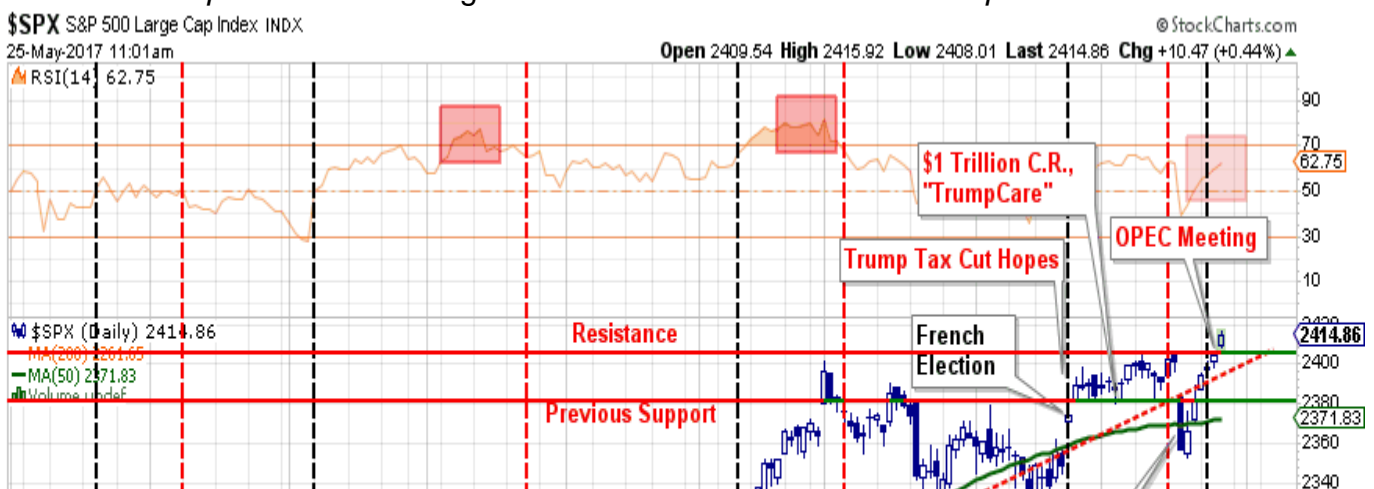


Weekend Reading Correction Over As "Trump Hope" Remains

Over the last couple of months, I have repeatedly discussed what has been possibly the most "boring" market ever. That was until the previous Wednesday **when the market deciding to take a quick "road trip" to the 50-dma.** It didn't last long. The market promptly went back to sleep in a light volume flotation (**note decline in volume during advance**) back to old highs. Yesterday, after multiple attempts, the market was finally able to muster a breakout above 2400 as "*hopes and dreams*" of "*Trump tax cuts*" once again took the lead over worries of "*impeachment.*"•



While on a short-term basis, the bullish bias continues, **which keeps portfolios invested, for now**, the intermediate-term (*weekly*) trends also remain within the confines of the bullish trend from the lows of 2016. **However, the "alert" signal still remains from a very high level as markets push back into extreme overbought terrain.** This suggests that upside is somewhat limited as there has not been enough of a correction to alleviate more extreme conditions.



Importantly, as [noted on Tuesday](#), bonds aren't buying the breakout:

"Lastly, despite stocks pushing near all-time highs, the bond market continues to flirt with levels close to 2%. The continued move to ?risk off? holdings, despite a rising stock market, suggests that ultimately either stocks OR bonds will be wrong.

Historically, bonds have tended to be right more often than not."



stock market is right and everything is going to play "catch up," or it's not. While we remain long-biased in equities currently, we continue to remain wary of the underlying deterioration in both market and economic data. **Yes, anything is certainly possible. It just usually isn't.** In the meantime, here is what I am reading this weekend.

Politics/Fed/Economy

- **Beware Of Central Bankers Bearing Gifts** by Danielle Dimartino-Booth via [MoneyStrong](#)
- **Trump's Budget Is The Ultimate Con** by Derek Thompson via [The Atlantic](#)
- **What Keeps BofA Up At Night?** by Tyler Durden via [Zero Hedge](#)

- **Trump Budget: All Hat, No Cattle** [by David Stockman via Daily Reckoning](#)
 - **Trump's Budget Will Supercharge Economy** [by Stephen Moore via The Hill](#)
 - **The Return Of Rosy, Fuzzy Math** [by Caroline Baum via MarketWatch](#)
 - **Economy Needs Workers & Trumps Budget** [by IBD](#)
 - **One Big Problem With Fed's Balance Sheet Plan** [by Pedro Da Costa via BI](#)
 - **9-Top Takeaways From Trump's Budget** [by Rob Garver via Fiscal Times](#)
 - **Republicans Always Take Office At Market Tops** [by Patrick Watson via Mauldin Economics](#)
 - **Why Businessmen Fail At Government** [by Ludwig Von Mises and FEE](#)
 - **Monetary Policy Strangely Devoid Of Money** [by Jeffrey Snider via Alhambra Partners](#)
 - **Economic Forecasting Very Much Broken** [by Narayana Kocherlakota via Bloomberg View](#)
 - **The Trump Budget Doesn't Balance** [by Robert Samuelson via RCM](#)
 - **Inflation Is NOT Evenly Distributed** [by Charles Hugh Smith via Of Two Minds](#)
 - **Will "Gradually" End Differently Than "Measured"** [by Peter Boockvar via The Boock Report](#)
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Markets

- **Hop On The Bus, Gus** [by Eric Cinnamond via EricCinnamond.com](#)
 - **Traders Can Make A Killing Chasing "Smart Money"** [by Joe Ciolli via BI](#)
 - **The Big Picture** [by Ray Dalio via Linked-In](#)
 - **The Bubble That Could Break The World** [by James Rickards via Daily Reckoning](#)
 - **Bull Market Not Hated, Just Not Trusted** [by Michael Santoli via CNBC](#)
 - **How To Avoid Losing In Age Of Trump** [by Nigam Arora via MarketWatch](#)
 - **Bears Have Made Some Progress** [by Chris Ciovacco via Ciovacco Capital](#)
 - **Emerging Markets Still Look Strong** [by Michael Kahn via Barron's](#)
 - **It's A Battle Between Politics & Liquidity** [by Sue Chang via MarketWatch](#)
 - **Tech Stocks Haven't Done This Since '99** [by Evelyn Chang via CNBC](#)
 - **What NOT To Buy In Today's Market** [by Vitaliy Katsenelson via Contrarian Edge](#)
 - **Connecting The Dots** [by Erik Swarts via Market Anthropology](#)
 - **How Companies Fib About Earnings** [by John Crudele via NY Post](#)
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Research•/ Interesting•Reads

- **"Liar Loans" Dog Automakers** [by Wolf Richter via Wolf Street](#)
- **Manipulation In The VIX** [by John Griffin & Amin Shams via University Of Texas](#)
- **Houston, We Have An Employment, Wage Growth Problem** [by Aaron Layman](#)
- **6-Terrifying Graphs Of America's Pension Problem** [by Tyler Durden via ZeroHedge](#)
- **Beat Robo-Advisors At Their Own Game** [by Andy Hyer via Nasdaq](#)
- **Paying Social Benefits** [by Buttonwood via The Economist](#)
- **Understanding Today's Secular Stagnation** [by Robert J Shiller via Project Syndicate](#)
- **Stock Ownership Down Among All But High Income** [by Jeffrey Jones via Gallup](#)
- **Valuation: A Less Miserable Measure** [by Ed Yardeni via Yardeni Research](#)
- **More Risk And Less Return In New Era** [by Nick Maggiulli via Dollars and Data](#)
- **Hidden Debt & Deficits - 2017** [by Joshua Rauh via Hoover Institution](#)
- **5-Facts American's Know Nothing Of Money** [by Catey Hill via Moneyish](#)
- **One Man's Ceiling Is Another Man's Floor** [by Cliff Asness via AQR Capital Management](#)
- **Being Wrong In An Interesting Way** [by John Hussman via Hussman Funds](#)
- **A "Dead-Cat" Bounce In Stocks?** [by Dana Lyons via Tumblr](#)
- **"Reward Free Risk" - Here It Is** [by Jesse Felder via The Felder Report](#)

?Anybody who plays the stock market, not as an insider, is like a man buying cows in the moonlight.? -Daniel Drew

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