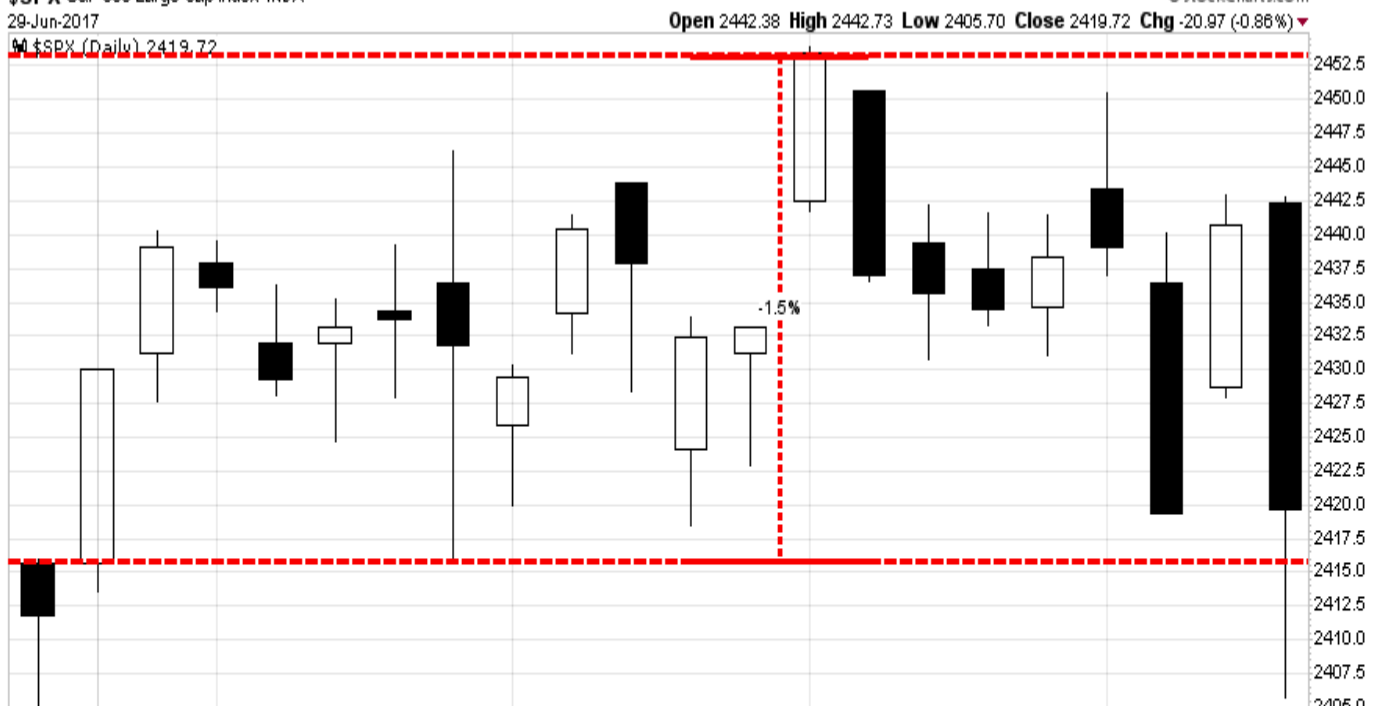


Want Some VOLATILITY With That

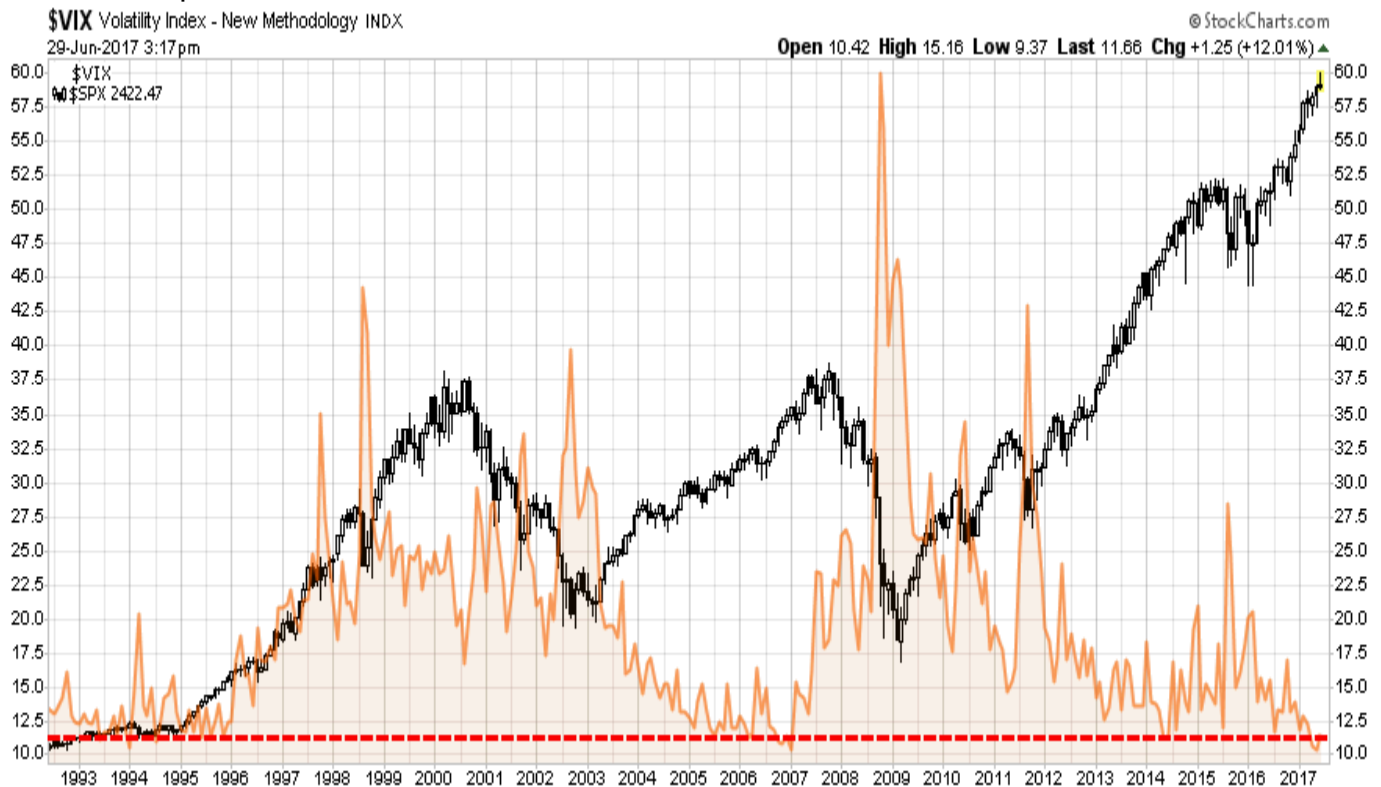
Over the last couple of week's, volatility has certainly picked up. As shown in the chart below, stocks have vacillated in a 1.5% trading range ever since the beginning of June. [\(Chart through Thursday\)](#)

\$SPX S&P 500 Large Cap Index: INDX
29-Jun-2017

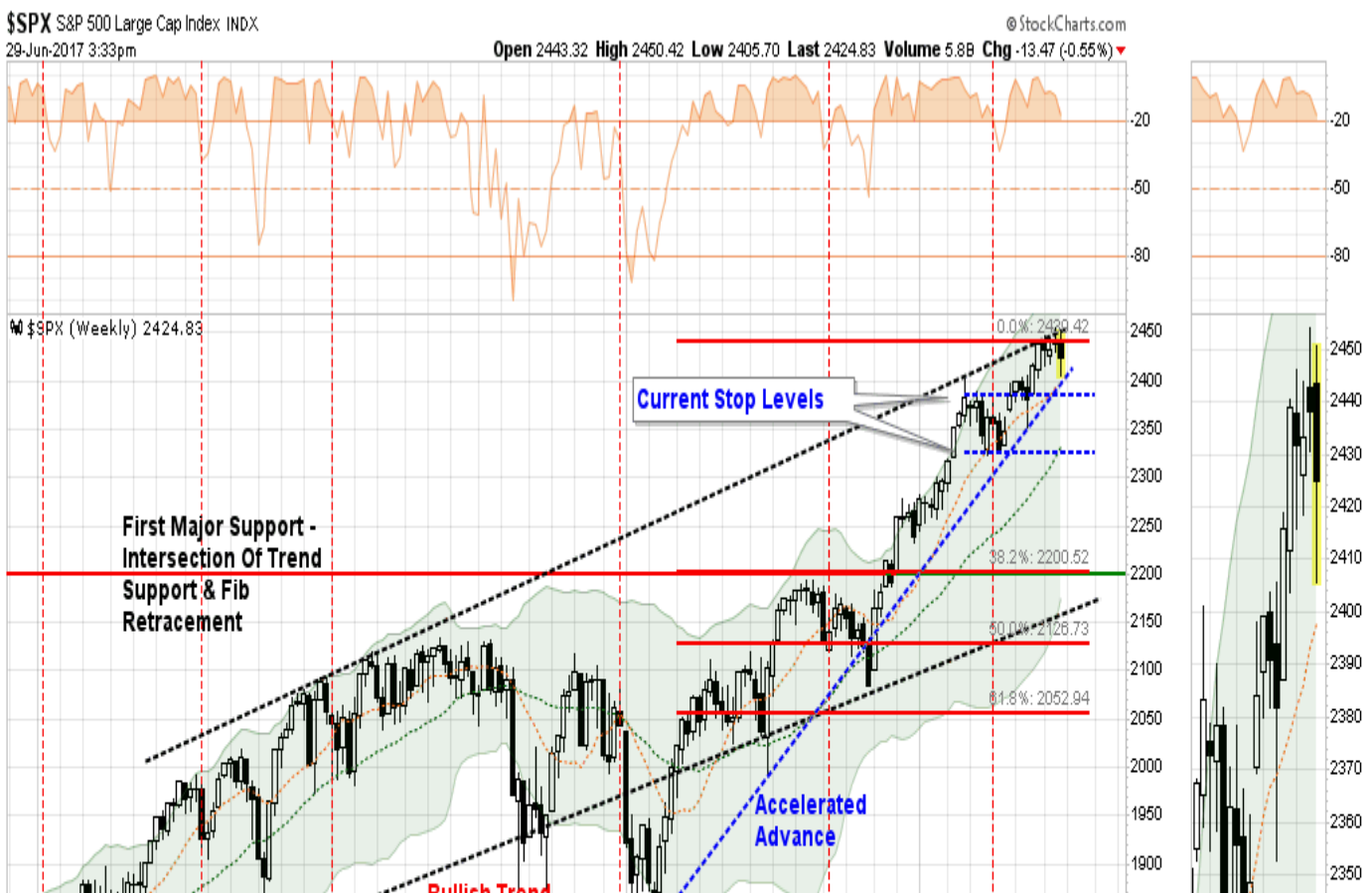
© StockCharts.com



Despite the pickup in volatility, support for the market has remained firm. Importantly, this confirms the conversation I had with Kevin Massengill of Meraglim just recently discussing the impact of Algorithmic Trading and how they are simultaneously currently all *"buying the dip."* **As he notes, this is all "fine and dandy" until the robots all decide to start "selling rallies" instead.** (*Start at 00:02:40 through 00:04:00*) But even with the recent pickup in volatility, volatility by its own measure remains extremely compressed and near its historical lows. While extremely low volatility is not itself an immediate issue, like margin debt, it is the *"fuel"* that when ignited *"burns hot"* during the reversion process.



Currently, as we head into the extended July 4th weekend, the bull market trend remains clearly intact. **With the "accelerated advance" line holding firm on Thursday's sell-off, but contained below the recent highs, there is little to suggest the advance that began in early 2016 has come to its final conclusion.**



However, such a statement should NOT be construed as meaning it WON'T end as it more assuredly will. The only questions are simply when and how deep the subsequent reversion will be? Volatility is creeping back. The trick will be keeping it contained. In the meantime, this is what I am reading over the long holiday weekend. **Happy Independence Day.**

Politics/Fed/Economy

- **When The Fed Worries About Overheating Economy, Watch Out** [by Pedro Da Costa via BI](#)
 - **Yes, The Fed Is Holding Down Interest Rates** [by Joseph Salerno via Mises Institute](#)
 - **GOP Can No Longer Repeal Obamacare** [by Tyler Durden via ZeroHedge](#)
 - **What's The Matter With Health Care?** [by Caroline Baum via MarketWatch](#)
 - **How The Fed Handles Stability Is Key To Avoiding Crisis** [by Edward Harrison via Credit Writedowns](#)
 - **Not Secular Stagnation, The Reality Of Slow Growth** [by John Mauldin via Mauldin Economics](#)
 - **The False Premise Of GOP Tax Cuts** [by Editorial via New York Times](#)
 - **Did She Just Say What I Think She Said** [by Mike O'Rourke via Hedgeye](#)
 - **Here's The Real Health Crisis In America** [by Jake Novak via CNBC](#)
 - **The Seattle Minimum Wage Study** [by Alex Tabarrok via Marginal Revolution](#)
 - **Yield Curves & Fed Mistakes** [by David Keohane via FT Alphaville](#)
 - **Rate Hike? What Rate Hike?** [by Jeffrey Snider via Alhambra Partners](#)
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Video

Markets

- **Will U.S. Drillers Drive Oil Prices Into The Ground** [by Danielle DiMartino-Booth via Money Strong](#)
 - **Uncomfortably Numb** [by Eric Parnell via Seeking Alpha](#)
 - **Trader Warns We Are In A Lot Of Trouble** [by Tyler Durden via ZeroHedge](#)
 - **Stock Market Sending Yellen A Crucial Message** [by Joe Ciolli via BI](#)
 - **Markets Have Been Too Good For Investors** [by Michael Santoli via CNBC](#)
 - **Oil's In A Bear Market, Stocks To Follow** [by A. Gary Shilling via Bloomberg](#)
 - **Stockpicking Is Only Slightly Better Than Lottery** [by Paul Merriman via MarketWatch](#)
 - **The Move In Stocks & Bonds Is Dangerous** [by Peter Tchir via Forbes](#)
 - **There Is No Such Thing As An Einstein Investor** [by Robert Shiller via NY Times](#)
 - **The Bulls Are Still Winning** [by Michael Kahn via Barron's](#)
 - **Stocks Don't Become Less Risky** [by Mair Statman via MarketWatch](#)
 - **RIP? Death Of Diversification** [by Tae Kim via CNBC](#)
 - **David Rosenberg: Stock Market In Denial** [by Stephanie Landsman via CNBC](#)
 - **Might Not Have Seen The Peak, But We're Close** [by Doug Kass via Real Clear Markets](#)
 - **Investors Should Hang In There Even With A Correction** [By Byron Wein via Real Clear Markets](#)
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Research•/ Interesting•Reads

- **"Tightening" Sluggest At The Fed** by Wolf Richter via Wolf Street
- **America's Silent Crisis** by Zach Scheidt via The Daily Reckoning
- **If This Isn't A Housing Bubble, Would Hate To See One** by Mark Hanson via MHanson.com
- **What Darwin Owes Adam Smith** by Matt Ridley via Foundation of Economic Education
- **Really Stupid Things Uttered By Really Smart People** by Doug Kass via Real Clear Markets
- **Investors Have Lost Sight of Purpose Of Indexes** by Aaron Brown via Bloomberg
- **It's Financial Suicide To Own A Home** by James Altucher via James Altucher
- **Nope, You Can't Afford That New Car** by Catey Hill via Moneyish
- **10-Harmless Mind Tricks To Make People Like You** by Travis Bradberry via CNBC
- **Hold Up On That \$15/hr Minimum Wage** by Noah Smith via Bloomberg
- **Leverage Will Make Any Correction Quick!** by Jared Dillian via Maulding Economics
- **Ultimate Symbol of Pre-Recession Boom Is Back** Ana Swanson via Washington Post
- **Nope, You're Not Ready To Retire (Signs)** by Katie Brockman via Motley Fool
- **Two Main Supports Now Missing** by John Hussman via Hussman Funds
- **Stock Speculators Take Record Risk** by Dana Lyons via Tumblr
- **Yes, Bitcoin Is A Bubble** by Jesse Felder via The Felder Report

?Life is•[Stocks] are a fragile thing. One minute you're chewin' on a burger, the next minute you're dead meat."•-Adopted From•Lloyd, "Dumb and Dumber"

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