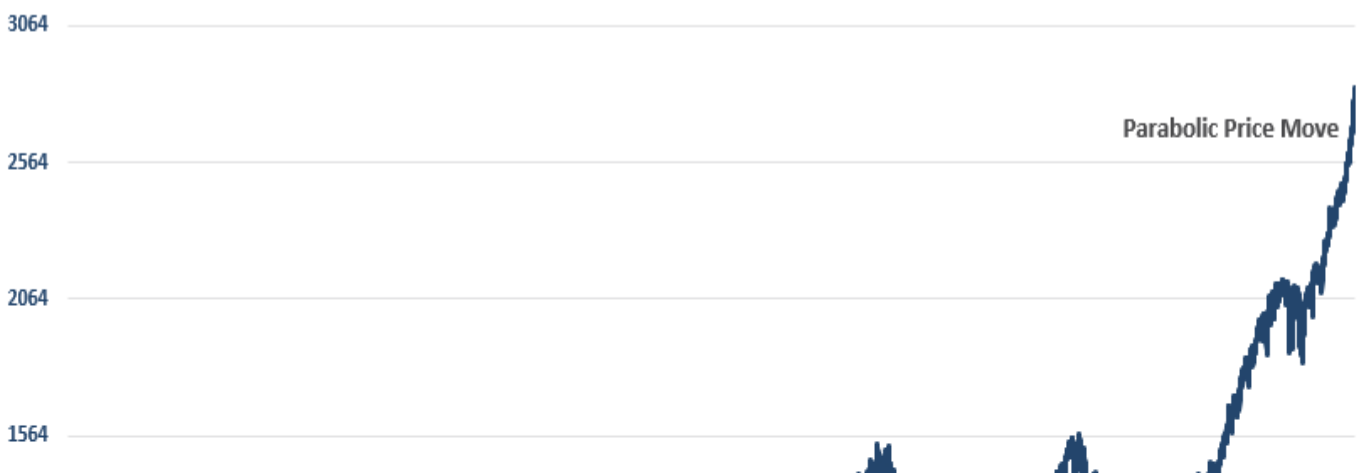




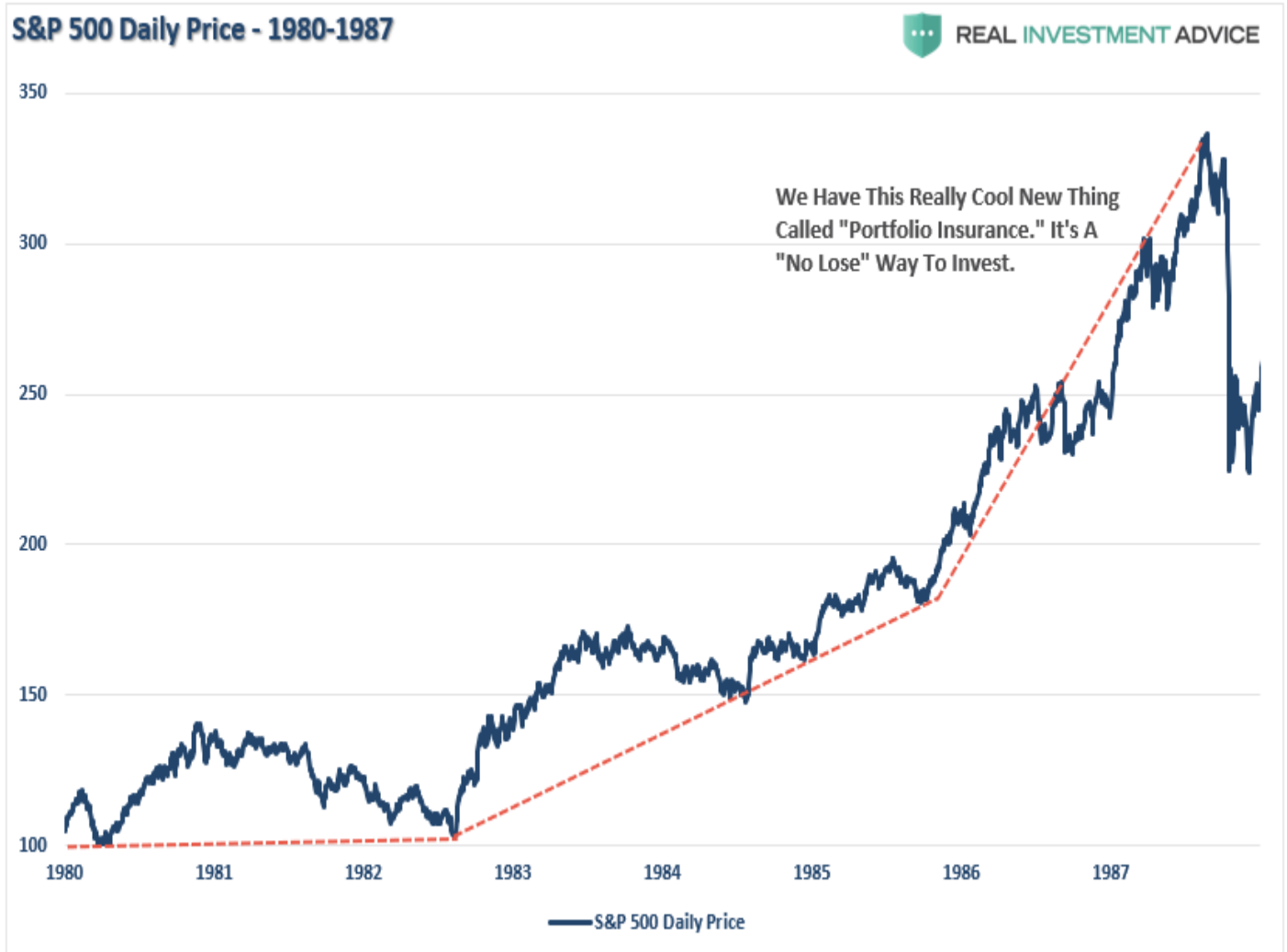
What goes up, eventually comes down. That is just reality. The bull market that began in 2009, has now entered the final stage of "*capitulation*" as investors throw caution to the wind and charge headlong into the markets with reckless regard for the consequences.

S&P 500 Daily Price

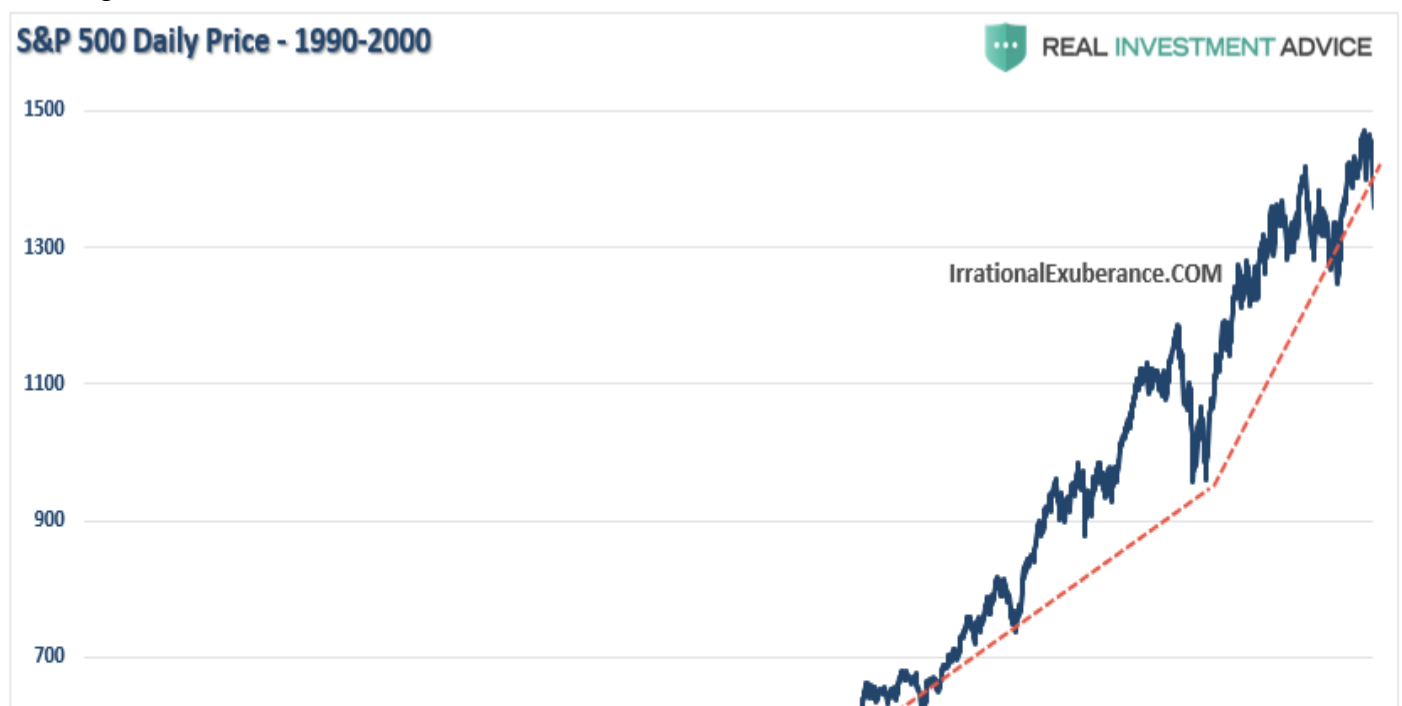
 REAL INVESTMENT ADVICE



Of course, it isn't surprising given the massive amounts of liquidity continually injected into the financial markets and global Central Banks have now figured out that continually rising financial markets solve much of the world's ills. Simply, with enough liquidity, you can cover up bad (*credit risks*) by guaranteeing holders they will never default. **It's genius. • It's a "no lose" investment scheme.** Unfortunately, we have seen this repeatedly in the past. In the 1980's it was "*Portfolio Insurance*" - a "no lose" investment program that eventually erupted into the crash of 1987. But not before the market went into a parabolic advance first.



In the 1990's - it was the dot.com phenomenon which was "*obviously*" a "*no lose*" proposition. Even after Alan Greenspan spoke of "*irrational exuberance*," two years later the market went parabolic once again.



Then in 2006-2007, banks invented the CDO-squared, a collateralized derivative obligation based on other collateralized derivative obligations. **It was a genius way to invest with "no risk" because the real estate market had never crashed in history.**

S&P 500 Daily Price - 2004-2008

REAL INVESTMENT ADVICE



Today, it is once again an absolute "*certainty*" that markets will rise from here as global Central Banks have it all under control.

S&P 500 Daily Price - 2009-Present

REAL INVESTMENT ADVICE



What possibly could go wrong? Here is your weekend reading list.

Economy & Fed

- **The Fed Should Listen To The Market's Message**[by Caroline Baum via MarketWatch](#)
 - **The Fed Needs To Read This Economics Book**[by Simon Constable via US News](#)
 - **DAVOS: Something Wicked This Way Comes**[by Tyler Durden via ZeroHedge](#)
 - **Could We Be About To Break Out Of Low Growth "New Normal"**[by Mohamed El-Erian via FT](#)
 - **Does Trump Deserve Credit For Good Economy?**[by Larry Summers via Washington Post](#)
 - **Kashkari: Robust Immigration Vital For Economy**[by Pedro Da Costa via BI](#)
 - **Economy's Success Is About The Math**[by Jonathon Trugman via NY Post](#)
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Markets

- **5-Scenarios That Could Crash The Market**[by Tyler Durden via ZeroHedge](#)
 - **The Real Source Of The Meltup**[by Brian Maher via The Daily Reckoning](#)
 - **Investing Environment Has Been Perfect, But Could End Soon**[by James Mackintosh via WSJ](#)
 - **BofA Warns Of Frothy Market**[by Mark DeCambre via MarketWatch](#)
 - **Is This The Most Sustainable Bubble Ever?**[by Simon Maierhofer via MarketWatch](#)
 - **Is Anyone Paying Attention**[by Sven Henrich via Northman Trader](#)
 - **Davos: Should You Unload Your Stocks**[by Shawn Langlois via MarketWatch](#)
 - **Are You Ready For The Next Market Melt-DOWN**[by Michael Kahn via Barron's](#)
 - **Gauging Contemporary Bubbles**[by Chris Hamilton via Economica Blog](#)
 - **Are Stocks Headed For A Nasty Surprise**[by Anora Gaudiano via MarketWatch](#)
 - **Yusko's 10-Surprises For 2018**[by Robert Heubscher via Advisor Perspectives](#)
 - **A Market Valuation That Defies Comparison**[by Michael Lebowitz via RIA](#)
 - **It's More Than A Matter Of Trust**[by Doug Kass via RIA](#)
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<https://realinvestmentadvice.com/the-honey-badger-market/>

Cryptocurrency Mania

- **Beyond The Bitcoin Bubble**[by Steven Johnson via NYT](#)
 - **Coinbase Is Teaming Up To Unleash Crypto On Wall Street**[by Frank Chaparro via BI](#)
 - **IRS Fears Bitcoin Could Starve Government**[by Holden & Malani via NYT](#)
 - **How To Value Cryptocurrencies**[by John Biggs via Tech Crunch](#)
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Research•/ Interesting•Reads

- **Why The Next Downturn Won't Be Like 2008**[by Wolf Richter via Wolf Street](#)
- **The Bubble That Could Break The World**[by James Rickards via The Daily Reckoning](#)
- **The Possibilities•Are Frightening**[by Kevin Muir via The Macro Tourist](#)
- **The Financial Road Map For 2018**[by Nomi Prins via The Daily Reckoning](#)

- **Barron's Roundtable: Bright Outlook For Economy & Stocks** by [Lauren Rublin via Barron's](#)
 - **Marks: Future Returns Are Low For Every Asset Class** by [Tyler Durden via ZeroHedge](#)
 - **Rising Markets Not Bullish For Everyone** by [Steven Rattner via NYT](#)
 - **Why CAPE Naysayers Are Wrong** by [Rob Arnott via Research Affiliates](#)
 - **The Trendiest Rally In U.S. History** by [Dana Lyons via The Lyons Share](#)
 - **This Market Is Literally Off The Charts** by [Jesse Felder via The Felder Report](#)
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?Strategy without tactics is the longest path to victory; tactics without strategy is the noise before defeat."•[Sun Tzu, The Art of War](#)

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