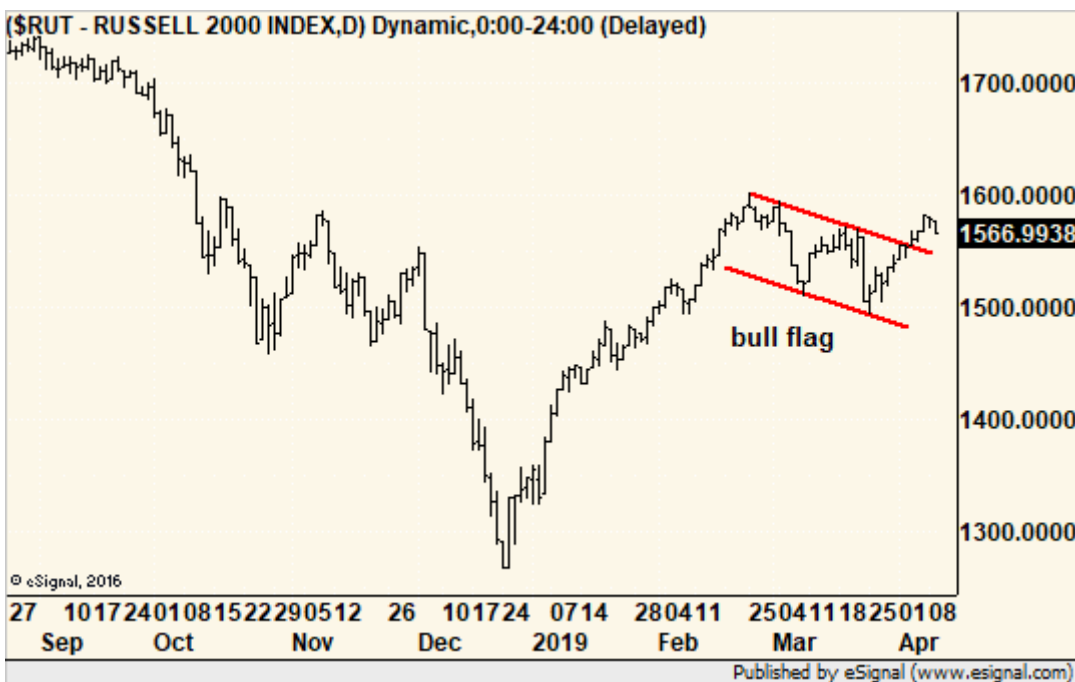


Once again, we are faced with a rally nobody likes and everybody thinks it ready to roll over and die. After all, the "mucky-mucks" in the "gubmint," and I mean well beyond the "Tweeter-in-Chief," cannot help themselves in stepping on their own junk. We just saw tariffs threatened on Europe. The guacamole supply is safe for the next year. And the investigation that just won't die fired its latest salvo at the state level. Everyone is dug in, too. You have to admit, the memes lately are awesome! But maybe that is a good thing. Remember, when Washington is gridlocked, the stock market seems to do better. Now let's leave the land of make-believe and look at what the markets are really telling us. Let's just list them, bullet-wise, mainly because I am still healing from a doctor-inflicted boo-boo and am too tired for effective prose. Prozac, maybe. Ketel One, definitely.

- The rally that began in December is still intact.
- The NYSE advance-decline line hit another new high Friday before Boeing screwed the pooch.
- The bullish percent index and stocks above their 50- and 200-day averages look strong.
- The Dow Transports finally took out the falling trendline from last year's peak.



- The lagging Russell 2000 small caps finally moved higher from a flag formation.
- The ratio of discretionary to staples had a mini-upside breakout.
- The offense-defense index (discretionary and tech to staples and healthcare) remains in a strong rising trend.
- The yield curve is not inverted, despite the panic last month over the 3-month yield rising above the 10-year yield ? for about two days. Who looks at that, anyway?
- The Euro Stoxx-50 index just missed a 52-week high. Yes, most of Europe is lagging but this is a little bit of contrary evidence.
- The emerging markets ETF ([EEM](#)) just broke out from a rectangle pattern embedded in a rising market. In other words, a bullish continuation pattern.
- FANGs and BAITs, for the most part, are in nice rising trends. BAITs are the Chinese FANGs and are comprised of Baidu, Alibaba, IQ, and Tencent.

- *Oil is in a secret rally. Shhh?..*