

If we think about the headlines, we'd be in 100% cash but fortunately, we have other things to use ? like the market itself.

Let's just put the lead where it should be. Stocks are resilient and short-term dip notwithstanding; they are likely to be higher before the end of the year. Here's the evidence in bullet form.

- *The NYSE advance/decline is hovering at all-time highs.*
- *Three-month bill yields are dropping hard. The Fed will cut rates one more time this year.*
- *Financials are holding tight near resistance thanks to the ?uninverting? of the yield curve. You can argue with me on that point later.*
- *Trade deals are getting done (Japan) so China will feel the heat. I do not buy the argument that the Chinese are waiting out the current administration (i.e. impeachment or failed reelection). They know better than that.*
- *Sector rotation is a healthy sign. Chart below of value and growth.*
- *Retail is not dead. Chart below.*

Of course, it's not all great. I'd like to see more stocks hitting new highs and small caps, which started to perk up nicely, have eased back.

## Real Investment Report

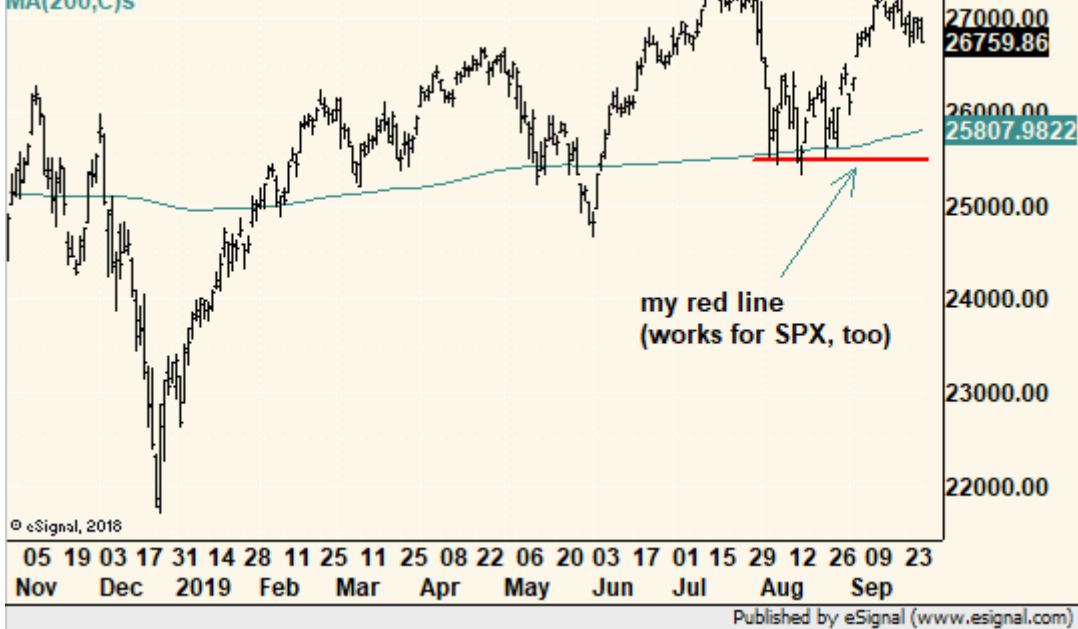
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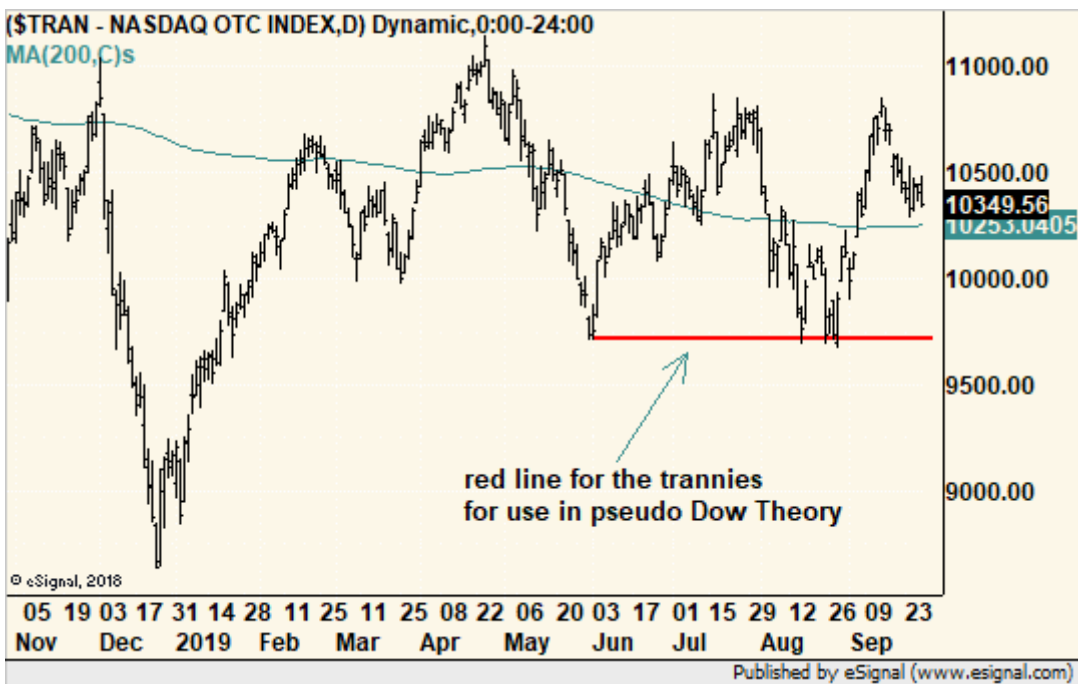
**Now let's talk about those headlines.**

- *Impeachment inquiry. This may or may not hurt the orange fella but it is likely to seal the deal for Elizabeth Warren on the blue side. Wall Street has already vocalized that it will crumble for President Warren.*
- *Softening economic numbers. Nothing stays that good forever. The U.S. is still the best game in town. Why else is the U.S. dollar at a 2 • -year high? Yeah, we've got positive bond yields but we've also got a growing economy. By the way, the [UUP](#) bullish dollar ETF is at an 11-year high.*
- *What the heck happened to gold? After a major, long-term upside breakout in June and a nice rally to resistance in August, it is now overstaying its welcome as a correcting market. That pesky dollar, right? Well, gold priced in euros has been flat for more than a month, too.*
- *And while I'm using such foul language, what the heck happened to bitcoin? It was supposed to get a boost from all this economic turmoil. And when I say foul language, I mean bitcoin.*

So, unless something big and bad happens, I'm still a stock market fan. In the spirit of Warner Wolf, CMT, let's go to the charts. (Click on image to enlarge)




Important support for



Important support for

the Transports (yes, this is a chart of DJTA, not what eSignal labeled it).

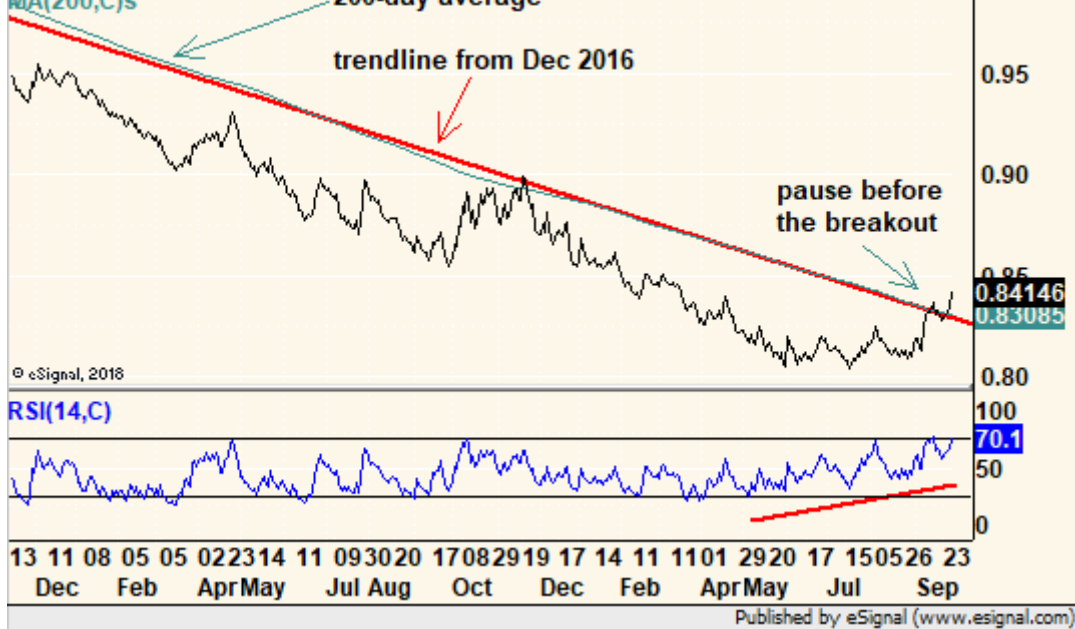


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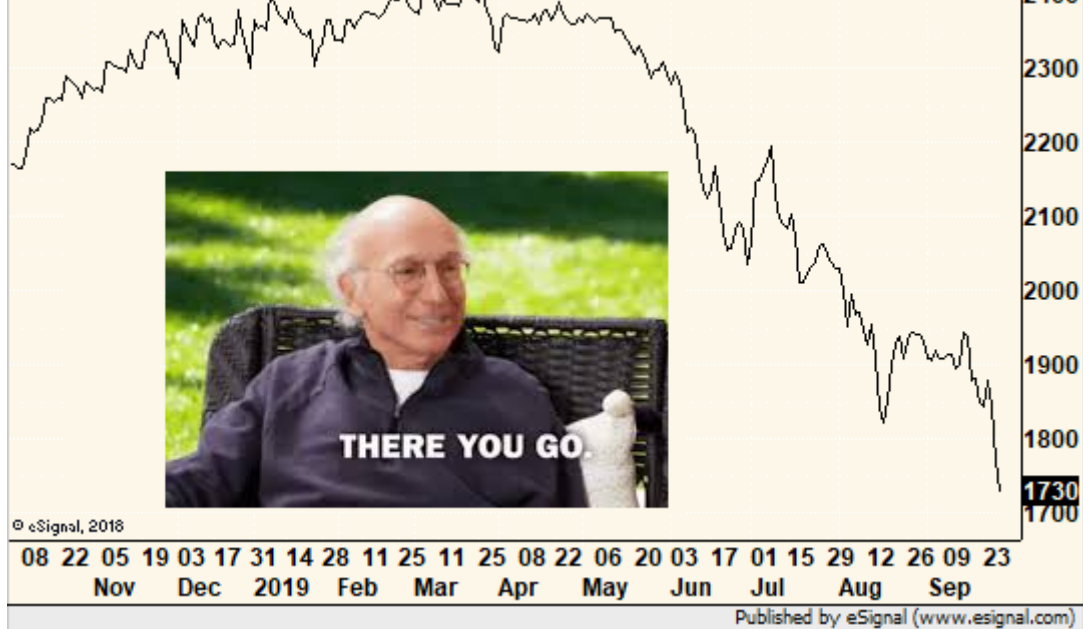


Rotation value from



Retail ice age seems

to be enjoying a little market climate change. (Click on image to enlarge)



There you go. A new

low. Your move Chairman Powell.