

He Said What?

In light of the recent market volatility and economic trepidation, we wanted to provide readers of our weekly some key observations from previous notes, that reinforce our position and reiterates our thesis regarding markets going forward.

"...We believe investors should think about fading any rallies and booking profits. However, the upside risks to our view(s) include that Trump and Xi both blink, with the former realizing that the hardline position toward trade/immigration may dent equity markets/economic trends and risk his re-election hopes..." ***Big Mistake, Little Mistake (8/14/19)***

"...So, despite all the hoopla about the S&P 3,000, the market has not really pushed significantly higher over the last 10 months. But what has moved markedly higher was stock and bond volatility, yet another hallmark of late-cycle market dynamics..." – ***Grinding Higher (7/26/19)***

"...We have long cautioned clients regarding the "Be Careful What You Wish For" rate cut trade..." – ***The First Cut Is The Deepest (7/19/19)***

"... EM, or emerging markets, have had a great run since the beginning of the year...but we wonder if it is time to move to the sidelines at this point. Finally, we continue to like REITs and preferred equity strategies..." – ***Halftime: Bulls 20, Bears 13! (7/1/19)***

"...if the Fed begins to cut rates amid an inverted yield curve, the economy shortly succumbs to recession, but not before a significant equity sell-off..." – ***Easy Does It (6/7/19)***

"...But fear-not market optimists, any further equity downside may come to a swift end (reversal) with one or two 144-character digital messages. We on the other hand, are not that optimistic, at least not in the near-term..." – ***BFF: Best Frenemies Forever (5/10/19)***

"...Simply put, we are once again perplexed as to the messaging from Chair Powell and the FOMC. To us, it is Groundhog Day all over again; reminiscent of episodic missteps starting several months ago that started with "we are a long way from neutral" to "we are just below neutral" to the now infamous Powell Pivot – which helped propel the S&P back up over 24% from its Christmas Eve '18 lows..." – ***Listening To A Sphinx (5/3/2019)***

"...What we will illustrate is that inversion alone does not portend a recession, but a commensurate cut in Fed Funds rate, along with inversion, can result in a recession and a market sell-off. So, the market should be careful what it wishes for. And an interest rate cut (potentially as soon as June '19) could be a double-edged sword which could be interpreted more as an economic tourniquet versus a capital market band-aid..." – ***Be Careful What You Wish For (3/29/19)***



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