

Jubak Picks

eResearch Corporation is pleased to provide the daily newsletter, known as **Jubak Picks**, authored by Jim Jubak, noted market commentator.

You can follow Jim Jubak at his website: www.jubakpicks.com. He also runs two other investing websites: JugglingWithKnives.com and JubakAM.com.

JubakPicks.com is a FREE site. You get 1 to 2 posts a day Monday through Friday, plus buys/sells/updates on three portfolios (Jubak Picks Portfolio, Jubak Top 50 Portfolio, and Dividend Income Portfolio) as well as the end-of-the-day email.

JugglingWithKnives.com - With a subscription at \$79 a year, you get everything that appears on the free Jubak Picks website, plus a further 1 or 2 posts a day including a special post on volatility on most days, plus access to the Volatility Portfolio and the new Perfect 5 Active/Passive Portfolio.

[Click here to subscribe to JugglingWithKnives.com](http://JugglingWithKnives.com)

JubakAM.com - The premium site, Jubak Asset Management at \$199 a year, includes everything on Jubak Picks, plus everything on Juggling With Knives (including all 5 portfolios), plus exclusive posts that include Sector Monday, Friday Trick or Trend, Saturday Night Quarterback, and the daily Notes You Can Use Mini Blog. Also, there are videos where Jim's smiling face explains the markets. So, you can:

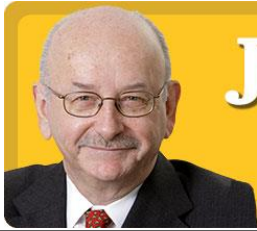
[Click here to subscribe to to JubakAM.com](http://JubakAM.com)

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: www.eresearch.ca.

Bob Weir, CFA, and Director of Research

www.eresearch.ca

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by eResearch Corporation, are strictly those of the Author and do not necessarily reflect those of eResearch Corporation.



Jubak Picks

The cure for the common portfolio

August 29, 2018

Jubak Picks Daily Newsletter

Daily Newsletter Access: <http://www.jubakpicks.com>

This (Wednesday) morning, the Standard & Poor's 500 stock index had tacked on another 0.56%, or 16.24 points, as of noon New York time, to move above 2900 for the first time to a new all-time high. The index is now up 3% in the last two weeks alone.

There is good reason to look for a dip of some sort in the last half of this week as traders and investors take some profits—as they almost always do—ahead of the three-day Labor Day weekend. However, the upward momentum in the U.S. mark is so strong right now that I would anticipate that any dip will be quickly corrected when the market reopens on Tuesday.

We have got all the signs of a melt-up that will continue for the first half of September.

Signs include big increases in target prices by Wall Street analysts. This Wednesday morning at least two Wall Street firms have raised their targets for the index itself to 3000 by the end of the year. That would be a 3.5% gain from here and bring the index's move higher for 2018 to 12%. Individual stocks are getting the same treatment. For example, Morgan Stanley raised its target price for Amazon (AMZN) to \$2500 from a prior \$1850 a share.

In the options markets, traders are cutting their bearish bets and adding derivatives to increase their exposure to the long side. One thought that I have heard making the rounds this morning is advice to leverage to the long side in case the 2018 market delivers a big fourth quarter rally like the 6.1% gain in the fourth quarter of 2017. That positioning adds up to a bet on a further breakout from all-time highs.

I would note that the market will start to see third quarter earnings reports in early October and that earnings growth for that quarter is now projected to come in as good, or better, than the June quarter.

The last time the market saw a melt-up like this was back in January. Then U.S. stocks pushed into technically overbought territory before suffering a severe sell-off. With today's gains, the market has moved just to the edge of overbought territory so we are not back to the January scenario yet.

If you remember just a couple of weeks ago, you will recall a mid-August bout of selling that raised fears of a wider tumble. August, September, and October are, historically, the highest volatility months of the market year.

I think the market is headed higher from here in early September but I don't feel this is the time to pile on risk or get complacent. Wall Street's call for an additional 3.5% move higher from here in 2018 is not all that attractive.

#####

BW: See "About the Author" on the next page.



About the Author



Editor and Founder of JubakPicks.com; and Senior Markets Editor, MoneyShow.com

Web sites: www.jubakpicks.com; <http://jubakfund.com/>; <http://jubakam.com/>

BW: here is an excerpt from Jim's WELCOME message on his website

After twelve years with MSN Money, I'm excited at being on my own. The move gives me a chance to bring you, my readers, more and better ideas for profitable investing. Each week the folks at the MoneyShow.com and MSN Money will publish seven of my posts from this blog on their sites. That's already an increase in your weekly dose of Jubak from the days when I wrote Jubak's Journal twice a week. But you'll also find another 18 or so posts a week on my JubakPicks.com blog that don't appear on either of those two sites. (Although they have appeared as much as three days ago and as little as a few minutes ago, if they're really important) on my new subscription site at <http://jubakam.com/>)

Here I'm aiming for five posts a day five days a week. I won't always get to those numbers. Some posts just take longer to research and write and sometimes, like everyone else, I run out of gas and need to take a break. But my goal isn't some arbitrary number of posts, anyway. The goal is to bring you the best market intelligence that I can on a schedule that keeps you at least one step ahead of the market.

Jim's Daily Email Alerts:



Every post from Jubak Picks straight to your mailbox. *And they're free!*

###