

## Weekly Market Review

eResearch Corporation is pleased to provide a review of the markets by Eddy Elfenbein of **Crossing Wall Street**.

Mr. Elfenbein introduces his commentary with the following quote from Benjamin Graham:

*"In a roaring bull market, knowledge is superfluous and experience is a handicap."*

Read Mr. Elfenbein's analysis and market comments on the following pages.

Information about **Eddy Elfenbein** and **Crossing Wall Street** is provided at the end of this article. You can also learn about **Crossing Wall Street** by going to its blog website at: <http://www.crossingwallstreet.com/>.

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Bob Weir, CFA  
Director of Research

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# Crossing Wall Street

Your Guide to Financial Success

Hosted by Eddy Elfenbein



November 16, 2018

## Crossing Wall Street: Weekly Market Review

by Eddy Elfenbein

**BW: We have taken only an extract of Mr. Elfenbein's latest weekly article. If you wish to read the entire article, which includes stocks in his recommended portfolio, there is a link provided below.**

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Last week, I urged caution on the stock market's rebound. Sure enough, the S&P 500 lost ground five days in a row. The index rebounded on Thursday, but that was after it dropped to its lowest intra-day point this month. The S&P 500 is still below its 200-day moving average, and that is often a sign that the bears still are in charge.

Don't worry. I will explain what this all means. Interestingly, the big news recently has not been coming from the stock market. Instead, the oil traders have been making headlines.

The price of crude fell for eleven days in a row. Then on day 12, it had its worst plunge in three years! At one point, West Texas Crude was going for less than \$55 per barrel. That is down from nearly \$77 per barrel in early October. The falloff is due to fears of oversupply. Production in the USA has been hitting new highs, and the Trump administration granted waivers that are keeping Iran's oil on the market. (The Saudis are not exactly pleased about that!)

### What Is Behind the Plunge in Oil?

On Wednesday, the government reported that consumer inflation had its [largest increase in nine months](#). In last week's issue, I told you that I suspected that the CPI would run on the high side, and might cause the market some drama. For October, consumer prices rose by 0.3% and, over the past year, the CPI is up 2.5%. I also like to look at the "core rate," which excludes food and energy. Last month, core inflation was 0.2%, and in the past year, it has been running at 2.2%. That is quite tame.

The numbers for November will likely be quite different. As I touched on before, oil prices have been tumbling. The **Oil Services ETF (OIH)** is at a 15-year low. The latest numbers show that domestic crude production rose for the eighth week in a row. OPEC would love to cut production, but it is not so easy to get everyone on board for that.

Other commodities are down as well. Gold is not doing much, and silver recently dropped to a three-year low. This phase might not pass so quickly. With the Fed raising rates, [the dollar is now at a 16-month high](#). The British pound just got hammered due to the chaotic nature of

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the Brexit drama. Heck, even Bitcoin has been in the dumps.

I don't believe these recent events will be enough to cause the Fed to pause on rate hikes. There is a very good chance—though not a rock solid one—that we will get another rate hike next month but, after that...well, things get dicey. There is a decent chance the Fed may take a six-month break to give the economy some breathing room.

The drop in commodities may signal that the world economy is not as strong as previously thought. The concern is more about Europe and Asia rather than the United States. As far as America goes, this week's [retail-sales report was pretty good](#), and that could mean we are in for a strong Q4..

Next week, the U.S. stock market will be closed on Thursday for Thanksgiving, and it will close at 1 p.m. on Friday, November 23. There is not much in the way of economic news scheduled for next week. The housing-starts report will come out on Tuesday, followed by the durable-goods report on Wednesday.

Be sure to keep checking [the blog](#) for daily updates, and I will have more market analysis for you in the next issue of *CWS Market Review!* in two weeks' time.

- Eddy

BW: In the rest of the newsletter, Eddy reviews the earnings announcements of the companies on his Buy List. You can read about them and the entire article by clicking on the following link:

<http://www.crossingwallstreet.com/archives/2018/11/cws-market-review-november-16-2018.html>



Named by CNN/Money as the best [buy-and-hold blogger](#), Eddy Elfenbein is the editor of Crossing Wall Street. His free Buy List has beaten the S&P 500 for the last six years in a row. This email was sent by Eddy Elfenbein through Crossing Wall Street.

**BW: Information on Eddy Elfenbein and Crossing Wall Street follows on the next page.**

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## ABOUT THE AUTHOR



### Welcome to Crossing Wall Street

I started this Web site to help individual investors. I have to admit that I *love* the stock market. I think I must be an addict. In my opinion, the stock market is one of the greatest inventions in history. The stock market is simply the most consistently successful way to make money over the long term. Even after the financial crisis, stocks have still beaten every asset category over the long haul—bonds, commodities and real estate.

While the stock market may bounce around from day to day, and even month to month, the long-term trend has always been higher. Over the last 35 years, stocks have gone up 35-fold. And since the end of World War II, the stock market is up an amazing 120,000%. I wish I had been around! That was the beginning of an American financial revolution. Today, we are at the beginning of a *global* financial revolution. That is why I think the next 70 years will be even better.

The key to doing well on Wall Street is actually very simple: Buy and hold shares of outstanding companies. But too many investors never learn this valuable lesson. Or if they do learn it, they learn it the *hard* way. That is where I come in. I want to help investors avoid the mistakes that separate successful investors from those who always find themselves spinning their wheels.

There are lots of pitfalls on Wall Street. From shady companies that are more popular than they are profitable to a mutual fund industry that is more interested in its fees than serving investors. Today's investors must be careful.

At Crossing Wall Street, I give investors my free and unbiased view of the market. I probably analyze dozens of companies every week. I am always looking over income statements and balance sheets. I've spent several years collecting my list of the best companies to own. This is my current [Buy List](#). I've included a description of each company and its current share price. These are the ones that I make the most effort to follow on the site, but please feel free to [ask me](#) my opinion on any stock. I don't receive compensation from any of the stocks I recommend. Also, I don't "short" any of the stocks I criticize. At any time, I may own the companies on my [Buy List](#). All of the information on this site is free and unbiased. I also have a section for [Frequently Asked Questions](#) that will help you learn more about Crossing Wall Street.

Please feel free to [e-mail me](#). I enjoy getting feedback from investors. I am happy to give you my opinion on any stock or investing in general. I should warn you that I cannot give out personal portfolio advice, but all other topics are fair game. You can also check out some of my [favorite links](#).

- **Eddy Elfenbein**

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