

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 Charles Dow:

"The public, as a whole, buys at the wrong time and sells at the wrong time."

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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Crossing Wall Street

Your Guide to Financial Success

Hosted by Eddy Elfenbein



February 8, 2019

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.

I often talk about the market's 200-day moving average, and this week is a good example of why. The S&P 500 has been recovering at a steady clip but, on Tuesday of this week, it ran into a brick wall better known as the 200-DMA. We then had losing days on Wednesday and Thursday.

Prior to those two losses, the stock market had had only six losing days this year. The down-up market of the last few months has drawn out a nice little "V" sign on everyone's stock chart. In the last few issues, I have cautioned you to expect the market to go back and "retest" its December low. Fortunately, the market has flatly ignored my warnings. That may not last.

The U.S. Economy Created 304,000 New Jobs Last Month

Last Friday, not long after I sent you last week's *CWS Market Review*, the government reported that [the U.S. economy created an impressive 304,000 net new jobs last month](#). That is a solid number, although revisions trimmed the gains from previous months.

As investors, it is not important for us to get too deep in the weeds on these reports. The important thing is that the economy is doing well. Also, workers are finally getting an increase in wages. That is very good to see. Remember, those higher wages eventually translate into higher sales at businesses.

There are two points in the jobs report that I want to highlight. The first is that, even though the unemployment rate ticked up by 0.1% to 4.0%, more folks are going back into the workforce. The government only counts you as unemployed if you are looking for a job. During the recession, lots of folks simply stopped looking. In February, the labor force participation got up to 63.2%. That is a five-year high. The job-to-population rate reached a ten-year high.

The other point about the jobs report is how subdued the bond market's reaction has been. On Thursday, the 10-year Treasury closed at 2.65%. That does not strike me as reason for fear that the economy is overheating. In fact, this year, former Fed chair Janet Yellen recently

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said that it is possible that [the Fed's next move could be a rate cut](#). I wouldn't say that is likely, but it is not unreasonable. I think the message is becoming clear—the Fed will not do much on interest rates in 2019. That is good news for investors.

Next week, on Wednesday, we will get a look at the CPI report for January. I am expecting more tame inflation news. Then, on Friday, we will get the next report on industrial production. The shutdown has messed with some of the government's economic reports. It looks like we will get our first look at the Q4 GDP on February 28. That is a month later than usual.

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!*.

- Eddy

BW: In the rest of the newsletter, Eddy reviews his Buy List and reviews any of the stocks that are in the news. You can read about them and the entire article by clicking on the following link.

<http://www.crossingwallstreet.com/archives/2019/02/cws-market-review-february-8-2019.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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