

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:

"If a stock advances ten points, it is very likely to have a relapse of four points or more."

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 22, 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.

On Christmas Eve, I ran a poll on Twitter asking folks [how much further the market has to fall](#).

Most respondents thought it had further to go. Some thought it had a lot further. The median answer was about 10%. As it turned out, I posted the poll precisely 64 minutes before the lowest close.

In other words, we were right at the low just as people were worried that the low was still a good ways off. Now, here we are two months later, and the S&P 500 is up 18% since Christmas Eve. That is a huge gain for such a short amount of time. The Dow is very close to finishing nine straight weeks of gains.

This is another good lesson on why it is important to tune out the noise. Instead, focus on superior companies.

In this week's issue, I want to discuss some important economic news.

The Fed Will Be Patient With Interest Rates This Year

In late January, the Federal Reserve decided to hold off raising interest rates. The central bank also said that it will be patient with future rate hikes. That was a key message to the market, and it signaled a favorite climate for investors.

This week, the Fed [released the minutes from that meeting](#), and it underscored the Fed's change of heart. I had been critical of the Fed's previous outlook of two or three rate increases this year. I don't think that is necessary, and the Fed seems to have taken my side. I think there is a good chance that we will not see any hikes this year.

Of all the factors that correlate with a strong stock market, low real short-term interest rates are one of the best. It looks like that is what we are going to get.

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Last week, I mentioned that I was skeptical of the government's recent report on retail sales. It was far more pessimistic than economists had been expecting. This week, [Walmart reported very good results](#) for the fourth quarter. On this matter, I will stand with Walmart over the government.

There are a few signs that have me concerned. [The growth in risky loans to the corporate sector is alarming](#). There is now an estimated \$2 trillion in "leverage loans." It is as if the subprime debacle has been reborn, just in the corporate sector.

Next week, we will get the latest housing starts report on Tuesday. Factory orders are on Wednesday. We will finally get the long-delayed Q4 GDP report on Thursday. Wall Street expects something close to 2% growth. The jobless-claims report is also due out on Thursday. Friday is ISM and personal income.

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-22-2019.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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