

Jubak Picks

eResearch Corporation is pleased to provide the daily newsletter, known as **Jubak Picks**, authored by Jim Jubak, noted market commentator. Today's dissertation begins on the next page.

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
Contributing Analyst

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

January 31, 2019

Jubak Picks Daily Newsletter

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

Market Goes All In On “No Interest Rate Increase For 2019”

The market has priced in just about a zero percent chance of an interest rate increase from the Federal Reserve in 2019. In fact, looking out through all of 2019 and into 2020, the financial markets believe there is more chance of an interest rate cut than of a rate increase.

This kind of all-in bet does raise the risk of a big move—and probably to the downside—if the market turns out to be wrong.

Here is how the odds line up a day after a Federal Reserve meeting and a press conference by Fed chair Jerome Powell that Wall Street believes ruled out even one interest rate increase in 2019.

According to the CME FedWatch tool, which uses prices in the Fed Funds futures market to calculate the odds of a move by the Federal Reserve, investors and traders have almost completely discounted the idea of an interest rate increase at the March 20 meeting. Odds of a rate increase are just 1.3%. (The Fed does not meet in February or April.)

Odds of an interest rate increase at the May 1 meeting are also just 1.3%. According to the Fed Funds future market, there are actually better odds for an interest rate cut at the May meeting—2%—than for an interest rate increase. At the June 19 meeting the odds of a rate increase climb all the way to 4.4%, and for the July meeting the odds are 4.3%.

Go out even further into 2019 and the odds of an interest rate increase do not increase markedly. At the September 18 meeting the odds are also just 4.3% (with 5.3% odds of an interest rate cut.) At the October 30 and December 11 meetings, the odds of an interest rate increase slip further to 4.1% and 3.6%, respectively, while the odds of an interest rate cut climb to 9.6% and 19.8%, respectively.

By the January 29, 2020 meeting odds of an interest rate increase are down to 3.1% and the odds of a rate cut have climbed to 29.7%.

At the very least, this consensus means that investors need to rethink their assumptions about bank stocks, income stocks in general, and bonds.

#####

BW: See “About the Author” on the next page.



Jubak Picks

The cure for the common portfolio

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 am 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 is already an increase in your weekly dose of Jubak from the days when I wrote Jubak's Journal twice a week. But you will also find another 18 or so posts a week on my JubakPicks.com blog that do not 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 are really important) on my new subscription site at <http://jubakam.com/>)

Here I am 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!*

###