

## **Weekly Market Review**

**DISCLOSURE:** *The contents of this report were researched, analyzed, and written by Eddie Elfenbein, founder of **Crossing Wall Street**, and were put into this report format, and published and distributed by eResearch Corporation.*

**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 John Maynard Keynes:

*"Successful investing is anticipating the anticipations of others."*

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/>.

---

**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](http://www.eresearch.ca).

Bob Weir, CFA  
Contributing Analyst

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



May 3, 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 Tuesday, the S&P 500 closed at yet another all-time high. Let us survey some recent economic data.

### **We May Have Avoided an Earnings Recession**

If all the earnings news was not enough, the Federal Reserve got together this week and decided against changing interest rates. This was not much of a surprise. In fact, the Fed may not be touching rates at all in the next few months. In the policy statement, the Fed kept the language saying the central bank will be "patient" regarding future rate increases.

In the post-meeting press conference, Chairman Jerome Powell was optimistic. [He said](#), "Our outlook, and my outlook, is a positive one, is a healthy one, for the U.S. economy for the rest of this year."

I have to explain that, in central-banker talk, that is a jump for joy. Most central bankers are born dour, and it goes down from there.

I want to highlight some recent economic data because they back up Powell's view. Last week, we got the initial report for Q1 GDP growth, and [it came in at 3.2%](#). That is pretty good. Over the last nine quarters, GDP has grown at its fastest pace in 12 years. We will get another CPI report next week, but the latest figures (through March) show that core inflation is running at 1.6%. That is hardly a problem.

The April jobs report is due out later today. It may be out by the time you are reading this. The other jobs numbers are encouraging. Jobless claims are up a bit, but that is after hitting 50-year lows. Wednesday's ADP payroll report showed [a gain of 275,000 private payrolls last month](#). (I don't place a high degree of faith in ADP's figures, but it is interesting to note.)

Earlier this week, we learned that the [ISM Manufacturing report for April fell to 52.8](#). While that is down, it still indicates that the factory sector is growing. Most importantly, this earnings season is not as bad as some folks had expected. About 75% of companies are beating expectations. We don't have the full numbers in yet, but Credit Suisse had been expecting a Q1 earnings decline of 2.5%. Now they expect to see [an earnings gain of 2.5% to 3%](#).

The takeaway is clear. All the doomsayers of a few months ago were overstating the case. The economy is still expanding, and markets are responding.

Next Week: Heads up: I will be hitting the road, so next week's issue will be out on Sunday, May 11. There is not much in the way of economic reports, and earnings reports will start to taper off. On Thursday, I will be on the look-out for the jobless-claims report. Then, on Friday, the April CPI report is due out. I expect to see more signs of subdued inflation.



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. <Ctrl-Click>*

<https://www.crossingwallstreet.com/archives/2019/05/cws-market-review-may-3-2019.html>

## ABOUT THE AUTHOR



Eddy Elfenbein is a Washington, DC-based speaker, portfolio manager, and editor of the blog, **Crossing Wall Street**. He was named by CNN/Money as the best [buy-and-hold blogger](#). His free [Buy List](#) has beaten the S&P 500 for the last seven years in a row, and by 47% in the last thirteen years.

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



## Welcome to Crossing Wall Street



I started this website 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 have spent several years collecting my list of the best companies to own. This is my current Buy List. I have 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

**Disclaimer:** The information in this blog post represents my own opinions and does not contain a recommendation for any particular security or investment. I or my affiliates may hold positions or other interests in securities mentioned in the Blog, please see my Disclaimer page for my full disclaimer.

#####