

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 Jim Simons, American mathematician, billionaire hedge fund manager, and philanthropist:

"Patterns of price movement are not random. However, they are close enough to random."

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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May 17, 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.

Before I get to this week's issue of *CWS Market Review*, I want to say there will be no issue next week. I am taking my traditional break ahead of the Memorial Day weekend.

But don't worry! I have scheduled a free webinar for you on Wednesday, May 22 at 4 p.m. ET. I will be joined by John Schindler, a national-security expert. It should be a great discussion. We will cover all the goings-on on Wall Street and in the world. The webinar is completely free. [You can register for it here.](#)

Now, let us look at the stock market. Wall Street has been roughed up a bit lately thanks to escalating trade tensions between President Trump and China. I still doubt that this rhetoric can do much harm to the economy. Until now, the Trade War has been a lot of sound and fury and signifying not much.

Plus, the worst may have passed. In fact, the S&P 500 is up over the last week, through Thursday, despite a nasty 2.4% drop on Monday. Now, let us look at some recent economic news.

We Have Had 24 Drops of 5% in This Bull Market

The S&P 500 went from an intra-day high of 2,954 on Wednesday, May 1 to an intra-day low of 2,801 on Monday, May 13. Charlie Bilello points out that, since the current bull market started in March 2009, the stock market has had [24 separate downturns of 5% or more](#). All 23 of the previous ones have been turned around. I think #24 will as well.

On Wednesday, [the retail-sales report for April showed a decline of 0.2%](#). Taking out gasoline, the decline was 0.4%. This is often a barometer of consumer spending. What is interesting is that this soft number comes after a very strong March. The increase for March was revised up to 1.7%.

[Industrial production for April fell 0.5%](#). That was below expectations of a flat month. We are now at the mid-point of Q2, and the Atlanta Fed's GDPNow report estimates that the economy will grow at a 1.2% rate for Q2. The New York Fed's Nowcast is expecting 2.2%.

The yield curve has again inverted, but only partially. The six-month Treasury currently yields 2.43%, while the three-year Treasury yields 2.15%. That is unusual, but it could be a bet on a one-and-done rate cut sometime later this year.

On Thursday, [the jobless-claims report came in at 212,000](#). That is a pretty good number. If we see any weakness in the labor market, it will probably show up here first. For now, the economy continues to look good, but growth may slow down later this year.

Next Week: Should be fairly quiet ahead of the three-day weekend. On Wednesday, the Fed will release the minutes from the last Fed meeting. On Tuesday, the existing-home sales report comes out. Then on Friday, the durable goods report is released.

<continued>



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>

<http://www.crossingwallstreet.com/archives/2019/05/cws-market-review-may-17-2019.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

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