



At 2:15 pm EDT today, the Federal Reserve is going to leave short-term interest rates unchanged, surprising no one! There is almost equal evidence on both sides of the aisle, making it easy and comfortable for Bernanke & Co. to do nothing, again. While the economy is certainly slowing and getting slower, there remains a whiff of inflation that will likely prevent any easing of rates unless we see a significant decline in the stock market. I cannot see that coming until later in the year, if at all. If this sounds like that nasty word "stagflation" from the 1970s, that is my biggest worry looking out 6-12 months.

You can expect some short-term movement after the announcement and into the close, but I do not foresee anything out of the ordinary. The powerful momentum we've been discussing for the past 6 weeks remains largely intact, but it's no secret that stocks are extended and tired. I welcome a pull back of a few days to a few weeks to refresh the move, even if it ends up being just 1-3%. You have not seen the highest highs for this move and there should be an even "sillier" move as the weather continues to warm around the country.

In the coming weeks, I will talk about what to look for before serious trouble begins to set in. April was another fantastic month for the strategies and May is looking very promising so far. Please contact me directly for more information, if only to begin the process of learning!

All Good Trades,

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