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**11:06 PM EDT**

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## **It's Someone Else's Turn To Save The Markets**

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**Let me begin by welcoming the most new subscribers to our "family" that we've had in one week since I began writing too many years ago to remember. I hate spam and unwanted email as much as you do, so if you ever decide not to receive our updates any more, just click on the "unsubscribe" button on the bottom of any email and you will be immediately removed.**

**Also, you should understand that we take privacy very seriously and NEVER rent, sell or share your information with anyone for any reason whatsoever. And now, on to my non scheduled very quick update.**

**It's interesting that as things have begun to calm down at my house, the financial markets have follow suit. I wonder if there is any longer-term correlation to this? So I went back and looked when my daughter and first son were born. And wouldn't you know, both births were followed by decreased volatility in the stock market after a good bottom was forming! We now know that all is needed to quell the markets is another birth in the Schatz family.**

**But I have bad news for you. After three all under 5 years old, it's now medically unlikely to happen again. So someone else is going to have to pick up the slack!**

I didn't plan on doing an update tonight since things have been relatively "quiet" so far this week and last week's update was rather long and detailed. If you didn't get a chance to read it, click here and go to the first subject under Street\$marts Newsletters.

<http://www.investfortomorrow.com/news.asp>

## **CNBC On Tap For Wednesday Morning**

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If you are around between 11:00 and 11:15am edt on Wednesday, I am going to be interviewed on CNBC, most likely discussing the current state of the financial markets. I do hope there is some discussion about Alan Greenspan's response to the Wall Street Journal article on his role in the credit crisis because I definitely have some strong opinions.

## **Quick Market Comment**

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For the past 5 days, the popular indices have traded in narrow ranges, closing around the same price each day. A narrow range means that the distance from the low of the day to the high of the day is relatively small compared to recent action.

In other words, we have gone from "wild" days to "quiet" ones. After a very healthy rally off the March lows, many of the indices ran into a brick wall at the levels reached in February. You might say this establishes some kind of equilibrium level in the short-term between the bulls and bears.

This kind of behavior is normal and healthy for a market that just completed a significant low. A continued push higher without time for digestion and consolidation would likely have been a terminal move. Instead, stocks are backing off in orderly fashion before attempting a fresh assault on those levels during the quarter.

It was also a time where we lightened up our long exposure in the short-term, looking to add it back on weakness with a fresh portfolio allocation. Besides sector leadership, which I discussed last week, volume is the most important element I am watching right now.

IF the indices are able to push through the ceiling, we must have an increase in volume to eat up the supply that's been sitting there since early February. A move through Dow 12,750 without volume will almost certainly end the rally prematurely, something I don't want to see, but don't think it will happen either.

**I'll have more comments either later this week or over the weekend, but as I've said for two months, you should expect a lousy earnings season and the headlines to continue to be grim. But that doesn't mean stocks are headed for collapse. The stock market is the greatest discounting mechanism I know and usually forecasts economic activity 3-12 months down the road.**

**We saw AMD and Alcoa come in poorly on Monday night and UPS warned earlier today about a light first quarter. So far, the resilience of the market has been impressive and I continue to believe we will see higher prices this quarter.**

**Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.**

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