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Inside this issue

[Husky Nation for All Ages](#)

[Bears Left in the Dust](#)

[GOP Ganging Up on Trump](#)

[2008 Price Analog Put to Bed](#)

[Upcoming TV Appearances](#)

[Investment Quotes To Live By](#)

Husky Nation for All Ages

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Greetings from 34,000 feet as I head to the west coast for a weekend of play and a partial week of work. I haven't flown out of JFK since 2007 and all I can say is WOW! The JetBlue terminal is like a nice suburban mall with good shops and fantastic restaurants. Long time readers know that I typically get to the gate as the boarding process is in full swing. I like when I am walking down and I hear "last call". No time wasted!

With a rare evening flight, I had to deal with rush hour traffic from CT to NY. So in a very unPaul like manner, I actually made it to the airport two hours before my flight. That left me plenty of time to walk around, people watch and grab a really tasty rigatoni with chicken in vodka sauce to go along with my Jamba Juice. That is, until the flight got delayed. And then pushed back again. And then we sat at the gate. And then on the tarmac in line. I am hoping to get to bed by 5am est.

Earlier this week, the regular season ended for the UCONN women's basketball team (another undefeated season), a team my family and I have supported and enjoyed for years. But with tournament time around the corner, Husky Nation is hoping for an 11th and fourth consecutive national championship in Indianapolis next month. Many of you have joined us at games and if you

haven't and want to, please let me know. The other night, my youngest invited his best friend and I invited his mom who was a UCONN graduate. She hadn't been to a game since the 90s.

The boys were chosen to be Junior Huskies where they are taken on to the floor and introduced as they run to mid court to line up for a high five from the UCONN players. Below you can see the boys holding a coupon for a free meal along with lining up on the court and receiving an autographed basketball from a player. Not to waste the moment on the floor, I started taking pictures from behind the bench of Coach Geno in action as the game began until security put an end to it.



For Husky fans out there, I took some great pictures on Senior Day and uploaded them to the blog. <http://investfortomorrowblog.com/archives/2152>

As I mention from time to time, in between Street\$marts issues I am often very active on [www.investfortomorrowblog.com](http://www.investfortomorrowblog.com), especially when market are volatile like now. If you would like to be notified when a new posting has been made, please see this link. <http://www.investfortomorrow.com/BlogAlerts.asp>

Don't forget to check our blog for intra-issue updates.

[www.investfortomorrowblog.com](http://www.investfortomorrowblog.com)

## Bears Left in the Dust

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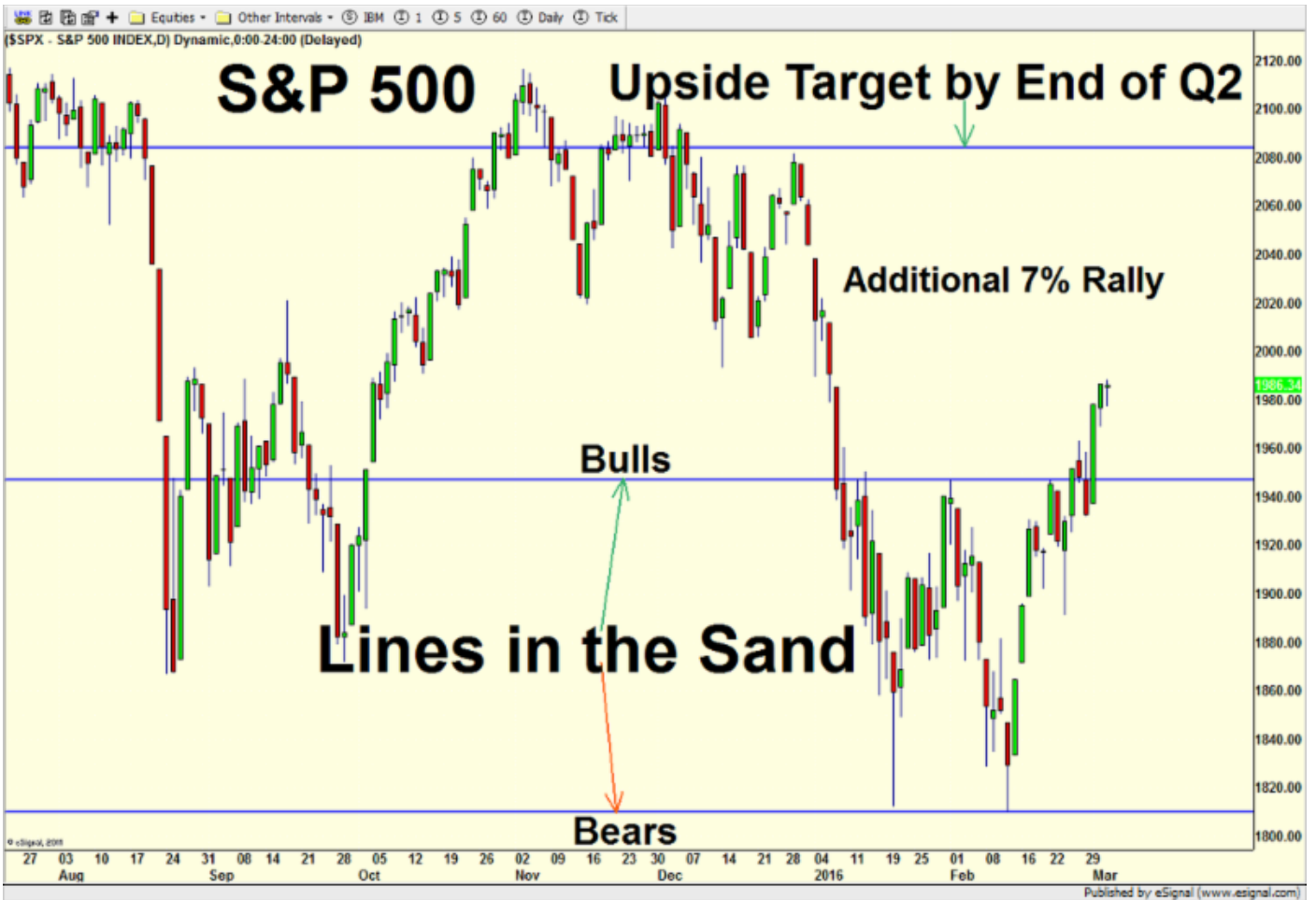
To review 2016, while I did not see the magnitude of the January decline, I did call the January bottom in real time as the internal or momentum low. From there, I saw a reflex rally for a few weeks that would be followed by another decline to revisit or retest the same levels seen in January before a much better, stronger and more long-lasting could begin. While the bears screamed about further collapse and bought more bottled water and canned goods, I explained that the evidence did not support such a claim.

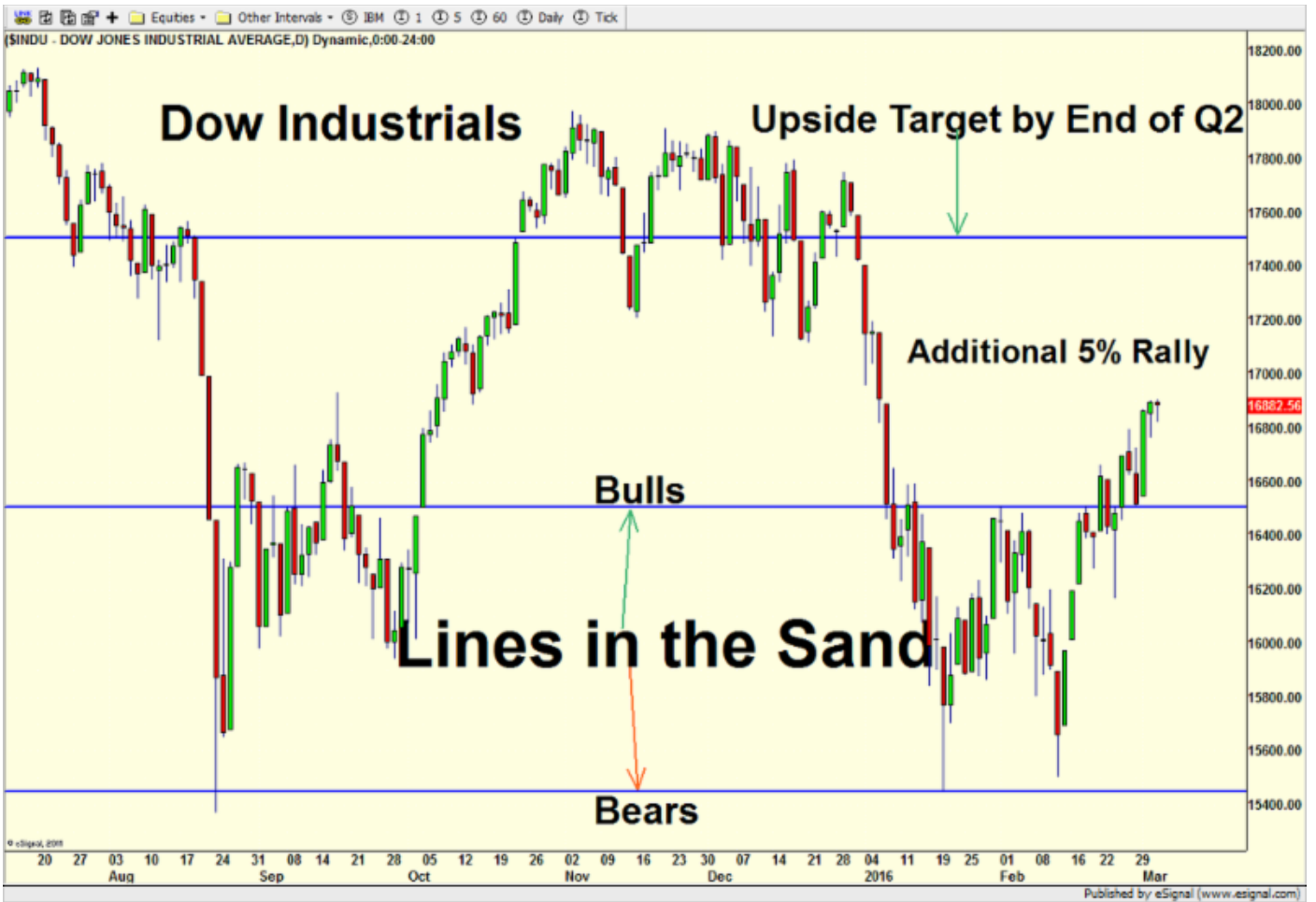
At both the January and February lows, various sentiment indicators were at a negative extreme seen mostly at significant bottoms, meaning that people had become so bearish, a rally was about to begin. After the rally began in January we saw a truly historic thrust off the bottom in the volume in the number of stocks advancing and declining, however, recent results were not as strong as older ones. You can read the post here. <http://investfortomorrowblog.com/archives/2123>

At the February bottom, I offered some upside price targets and lines in the sand based on some fairly simple technical measures. I also said that solid confirmation of the bottom call I made at February lows would come on a close above 1947 on the S&P 500. <http://investfortomorrowblog.com/archives/2136>

With everything coming together rather nicely, let's take a look at the S&P 500, Dow Industrials and S&P 400 below. With all three indices closing above their bullish lines in the sand, the rally has been confirmed which has been talked about a lot in the media as the time to buy. For our strategies, I much prefer to buy closer to the bottom where the risk/reward ratio is more positively skewed, knowing full well that volatility would be high.

So far so good as all of the major indices are in gear to the upside and have rallied significantly from the February bottom on the way to my initial price target next quarter. For the time being, I will remain positive unless price closes back below the bullish line in the sand.







Price action over the past few weeks has seen the bulls press and press and press the upside. Three times, stocks have become short-term overbought, including right now, only to see a two day pullback at most before the bulls went back to work. Historically, that indicates strong buying pressure which isn't exhausted so quickly. Strength begets strength.

This rally isn't about the Fed or China or Iran or even the election. As has been the case since last year, oil prices have been the primary driver and they are up almost 40% since the low. Lately, it's beginning to look like stocks are dragging oil up rather than vice versa and that's a healthy sign longer-term if it holds.

Additionally, many of my previous concerns have been put to rest. All four of my key sectors are now in gear to the upside as the banks have caught fire this week to join the semis, discretionary and transports. Industrials, materials, REITs and even energy have also kicked it into high gear. Previous leaders, staples, utilities and telecom have all held their own.

Even the decimated high yield bond sector has joined the party in a big way of late and I am really pleased that our High Yield Plus strategy got on board early in the game. Emerging markets, left for dead with junk bonds and energy, have suddenly caught fire. This is yet another rally that has trapped the masses off guard and unprepared. And it's not over just yet although a quick pullback would not be a bad thing.

If your portfolio is not performing as you expected or you would like a fresh set of eyes to analyze it, please contact me directly by hitting REPLY or calling the office at 203.389.3553.

## **GOP Ganging Up on Trump**

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One of the great things about JetBlue is that every seat has a TV so I was able to watch the GOP debate on one channel and the UCONN men's game on another. Boy was that debate painful! Did anyone learn anything new? It is clear to me that the Rubio and Cruz camps got together and agreed to a moratorium on attacking each other so they could collectively attack Donald Trump. They must have also been in concert with former presidential candidate Mitt Romney and his head shaking, jaw dropping assault on Donald Trump just hours earlier.

In all my years alive as well as my studies as a political science major, I cannot ever recall a party so steadfastly against their front runner with a such a commanding lead before. The GOP is breaking out every weapon they have and nothing seems to be working. Paul Ryan, John McCain, Judd Gregg, Mitt Romney. The list goes on and grows.

Rumors have circulated that leadership has met with Rubio, Cruz and Kasich to implore two to drop out of the race and back the other for the good of the party and the demise of Donald Trump. While Kasich doesn't ever really enter the fray, he looks to be close to calling it a day and he has already said there is "zero chance" he will be anyone's running mate.

If Trump continues his dominance, it won't be long before rumors pop up that a faction of republicans will begin to outwardly support Hillary Clinton. They will argue that she's the lesser of two evils and disparage Trump for all the obvious reasons. However, I think we all know that the Washington establishment, lobbyists and donors really fear Trump because not only can't he be bought, but he could jeopardize their future hold on politics as we know it.

If you thought it has been crazy so far, it's going to get even more interesting if and when Trump becomes the nominee. So many people keep asking me if I would support him and it's something I think about everyday since my candidate is no longer in the race.

## **2008 Price Analog Put to Bed**

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In the past few issues, I discussed a widely followed price analog to 2008. Countless times, I have pounded the table that 2016 is ABSOLUTELY NOT 2008. Price was just following that path, but I expected the analog to break down much sooner than later. Over the past few weeks, it certainly has as you can see below. The January decline in 2016 mirrored that of 2008, almost to the day, as did the rally out of the January low. That's where it ended. The S&P 500 saw new marginal new lows in 2016 only a few weeks after the the first low, but now is seeing its highest level since early January.





## Upcoming Appearances

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Yahoo Finance Live Show - March 30th at Noon

Houston, TX MTA Meeting - April 12th at 6pm

You can view most of the past segments by clicking below.

## Media Appearances

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

## Investment Quotes/Adages To Live By

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"In God we trust, all others bring data."  
- The Elements of Statistical Learning

"The only easy day was yesterday."  
- The U.S. Marines

"When in doubt, get out!"

"If it's obvious, it's obviously wrong."  
-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."  
-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."  
-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.  
-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1984

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."  
- Robert Rhea

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."  
- Mohamed El-Erian

"A little bit at a time adds up to a lot in no time"

## To Your Financial Success,



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