

# Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



## What Happened to Trump's Economic Agenda?

The Trump bump stock market rally is fizzling out. The market is asking what happened to Trump's economic agenda as the new prez and House Speak Ryan promote their version of an Obama Care replacement. *CNBC* says that there will be a **Trump tantrum looms on Wall Street** if Trump's first legislative push fails.

*The Trump Trade could start looking more like a Trump Tantrum if the new U.S. administration's health-care bill stalls in Congress, prompting worries on Wall Street about tax cuts and other measures aimed at promoting economic growth.*

*Investors are dialing back hopes that U.S. President Donald Trump will swiftly enact his agenda, with a Thursday vote on a health-care bill a litmus test which could give stock investors another reason to sell.*

*"If the vote doesn't pass, or is postponed, it will cast a lot of doubt on the Trump trades," said the influential bond investor Jeffrey Gundlach, chief executive at DoubleLine Capital.*

While health care stocks will be affected by how the health care bill turns out investors are more interested in the lack of progress on economic issues. After all the reason for the Trump post-election rally is the promise of tax cuts, repatriated offshore corporate cash and money poured into infrastructure repair. And if Trump and the Republicans who control congress cannot deliver on their first promise to repeal and replace the Affordable Care Act how will they do on the economic issues?

### Is the Market Overpriced?

The concern about Trump's economic agenda is that investors are pricing stocks based on perfect performance of the new prez and his Republicans. If these guys don't deliver how painful will it be? That depends on how overpriced the market is. *Forbes* asks **is the market expensive?** They offer two sides of the argument.

*"Frothy." "Pricey." "Stretched." These are among the adjectives used to describe the stock market-and they're not even the most ominous.*

*Nobel Laureate Robert Shiller recently told Bloomberg he believes the market is "way overpriced" and that the current elevated CAPE ratio of 29 is a "bad sign." John Hussman, president of the mutual fund Hussan Investment Trust and a Ph.D. in economics from Stanford University, argues that the market may be due for a hefty correction. In *Fortune* this month, he was quoted as saying that the current market*

*environment is in “the most broadly overvalued moment in market history” and that investors shouldn’t expect much in the way of equity returns.*

Interestingly Warren Buffett disagrees.

*Warren Buffett not only believes that the U.S. stock market is a good bet, he declared in a recent CNBC interview, “If there’s a game it’s very good to be in for the rest of your life, the idea to stay out of it because you think you know when to enter it-is a terrible mistake.” Buffett is steadfastly confident in our country’s economy and its ability to overcome adversity.*

How is it that Buffett who famously says to buy when everyone else is leaving the market and sell when everyone else is buying is jumping into stocks so heavily right now? It has to do with the time frame. Buffett gets into stocks for the very long haul. Recently we asked **how long does it take to make an investment long term**. Ten years and longer is the answer. So Buffett trusts American business and the stock market and says that staying out is mistake. Nevertheless he is a firm believer in **intrinsic stock value**. What will happen if the market corrects on the basis of Trump’s failure to deliver on his economic agenda? Buffett will probably buy more stocks.

# **Educational Resources**

**Click the links below to get your  
FREE training materials.**

## **Free Weekly Investing Webinars**

**Don't miss these free training events!**

<http://www.profitableinvestingtips.com/free-webinar>

## **Forex Conspiracy Report**

**Read every word of this report!**

<http://www.forexconspiracyreport.com>

## **Get 12 Free Japanese Candlestick Videos**

**Includes training for all 12 major candlestick signals.**

<http://www.candlestickforums.com>

**Disclaimer:** Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.