

## Time to Reallocate Your Investments as Trump Agenda Weakens

You may have been one of the lucky ones who jumped into the market with both feet the day after Donald Trump was elected president. If so you have probably made money. Investors were excited about the prospect of economic stimulus from infrastructure spending, lower taxes, deregulation and a mountain of offshore corporate cash coming back home. After spiking downward the night of the election the S&P 500 has gone up 400 points or 20%. And if you picked your stocks well you have done even better. But, it is apparent that despite lots of hype that the Republican president and Republican congress are 1) not getting much done and 2) unwilling to work across the aisle to negotiate, pass legislation and govern effectively. Thus the **Trump trade is fading**. *CNBC* reports what one billionaire hedge fund manager is doing about it.

*Third Point, the hedge fund managed by billionaire Dan Loeb, said it reduced investments in the “fading ‘Trump Trade’” during the second quarter, according to an investor letter obtained by *CNBC*.*

*The firm is instead repositioning the portfolio toward investments in companies that “benefit from low inflation,” the letter said.*

*Third Point reduced investments in bank financials and exited reflationary macro trades. The firm also has been lowering its exposure to credit strategies.*

*While in a previous letter Third Point said 2017 would be characterized by the Trump administration’s push for increased fiscal spending and tax reform, neither has yet to play out.*

Companies with lots of cash are waiting to see what happens in Washington. This hedge fund manager has decided to reallocate his investments as the Trump agenda weakens.

### Focus on a Weak Dollar

The focus for investors has shifted from benefits of Trumpism to the fact that the dollar is weak and getting weaker. *CNN Money* about how the **US dollar has plunged** during the Trump presidency.

*The greenback has been shut out of the summer party on Wall Street. Just as the Dow cruised above 22,000 on Wednesday, the dollar tumbled to a 15-month low against its rival currencies.*

*That's not all bad: The weaker dollar has helped power stocks to record highs, and it helps American companies make money overseas.*

*But the conflicting messages from the currency and stock markets are dramatic, especially considering that the dollar initially spiked after Trump's victory. His promises of big tax cuts, infrastructure spending and deregulation sent it to a 14-year high in January.*

Everyone believed that having the same party holding power in the both houses of congress as well as the presidency was a recipe for jump starting the economy and driving the dollar as well as stocks sky high. The stock market has rallied despite an inept congress and bumbling president but the dollar has gone into reverse. There is no clear path to fixing any of this so investors will be well served by reallocating their investments to focus on the demise of the Trump agenda and a weakening dollar.

# **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.