



Black Swan Capital Currency Snapshot

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Federal Reserve to the Rescue! Or Not?

Yesterday and this morning the S&P 500 broke down through extremely critical support. But even though the price action practically signaled “lights out” for stocks, the S&P has found a way to rally back and reverse its roughly 30-point loss from earlier this morning.



Why? Let's just say there are quite a few investors out there holding their breath and crossing their fingers that the US Federal Reserve will deliver them another gift, hand-wrapped and with a big pretty bow on top.

In other words, the market is praying for a rate cut as if the Fed hasn't pumped enough bonus liquidity into the system already. Will they get it? Fed Funds Futures are pointing to a 98% chance of “Yes.”

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In our Currency Currents this morning, we explained why we think the answer is a big fat
“No.”

Regards,

Black Swan Capital