

Worried Wall Street is About to Pull the Fire Alarm

Retrieved Friday 23rd of June 2017 05:16:24 PM

What is changing today?

We are still in the south of Ireland, where we stay a day or two again ...

The Paris Bourse falls despite the announcement of INSEE that the economy is advancing "faster than expected ..."

Boursorama:

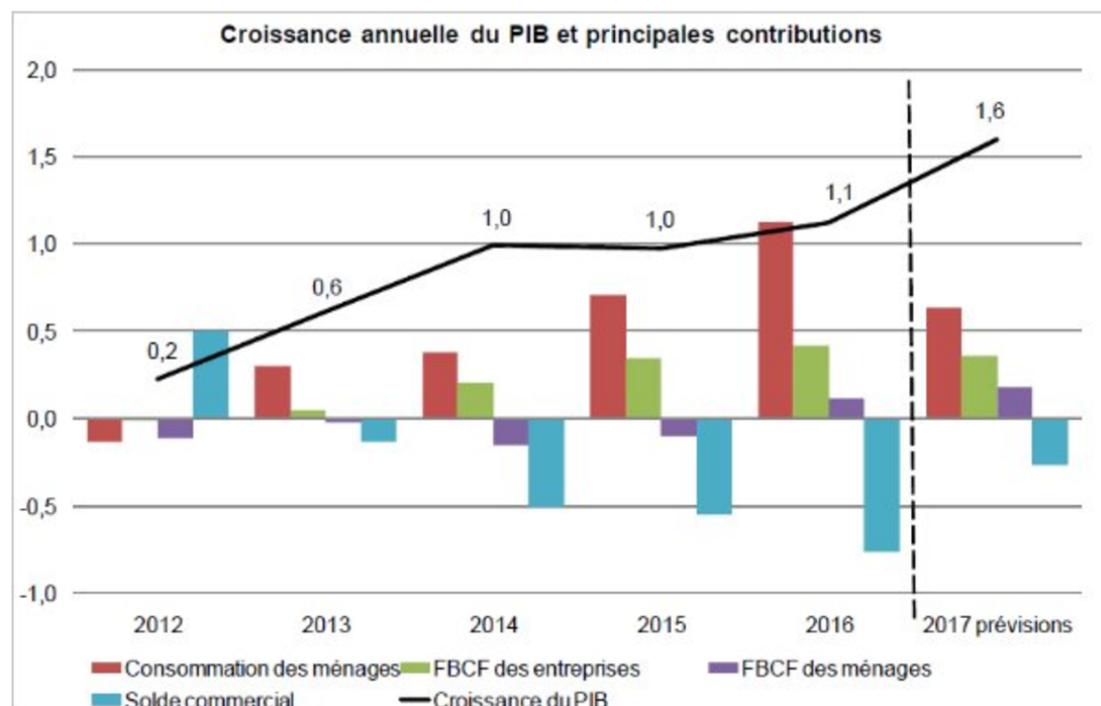
"The Paris Stock Exchange dropped again on Friday morning (-0.18%), remaining suspended as in recent days to fluctuations in oil prices, even if the PMI indices published on both sides of the Atlantic could come to animate a Little the odds ...

"The market remains very focused on the price of a barrel of oil, which is not the first time in the summer," said Christopher Dembik, of economic research at Saxo Bank ... "

As we said yesterday, the market is seeing the price of oil drop - an indication that energy demands remain soft around the world ...

INSEE published statistics today that should have encouraged investors: they had underestimated growth in the first quarter of 2017, which was 0.5% and not 0.3% as initially estimated.

They forecast 1.6% growth for the year - the highest level since 2011:



In addition, another indicator on the health of the economy, published by the firm IHS Markit, pointed to an expansion of the economy in the euro area the strongest in 6 years for the month of June.

Still, the market started looking bad today ... maybe because investors are waiting to see the results for the US economy before they go back to buying stocks.

Some on Wall Street are starting to sound the alarm, saying that the shares have gone up too high, too fast ... and are too valued in relation to the health of companies.

For David Rosenberg, a recognized economist on Wall Street, the bond markets indicate that stocks are too valued ... according

to him, the stock market is about to decline.

As he reveals on CNBC:

"It reminds me of the period in autumn 2007, when the stock market was going up after a first downturn. Everyone believed that we were on the way to an ultra-long growth cycle. Meanwhile, the bond market was already announcing the rest of the story [where markets collapsed in 18 months]. "

The government "makes green ..."

The Minister of the "Ecological and Solidarity Transition," Nicolas Hulot, wants to prohibit any exploration for oil or shale gas ... in metropolis and overseas ...

On BFMTV:

"We will ensure that we have the freedom that we do not have in the Mining Code at the moment to prohibit any further exploration of hydrocarbons on the metropolitan territories and our overseas territories ..."

Why?

As Mr. Hulot explains, if we prohibit exploration, then we will also have terminated the exploitation.

Our leaders believe that we will transition "green" by blocking the production of oil ...

Will our country be better if we do not exploit oil?

Do our leaders know that going green is a good idea? Will blocking oil help to achieve this?

Of course, our country is already heavily dependent on nuclear energy ... and we will spend at least 100 billion euros in decades to "de-commission" the reactors that are coming to the end of their lives.

What will we do then? Will we have enough windmills and solar panels to meet our needs? Will these means of production be able to feed us?

Do Mr. Hulot and others ask such questions?

Unlikely ...

What to do...?

Will the stock market continue to fall? Or is it the opportunity to invest before a rebound?

As a reminder, the stock market is more or less declining since the beginning of May ... but for now, we have not experienced too many losses:

Since May 5, the CAC40 has lost only 2.9% ... which is far from striking off the gains it has since the summer of 2016.

Over one year, the CAC40 remained up by more than 18%.

What we are seeing now looks more like a plateau than a decline ...

We had some "good news" today ... but no effect on the market ...

We're probably going to have to wait for results from the overseas before we move again ...

As we announced, the next period of data release will be in mid-July ...

Of course, the market can always "crack" before ... but the market does not seem ready to climb if nothing changes by then ...