



December 12, 2007

8:51 PM EST

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[Shame on you Ben Bernanke](#)

Shame on you Ben Bernanke!

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**This is going to be another fairly quick update to make a few points and then sit back to gauge more reaction and sentiment. In yesterday's commentary, I discussed the two scenarios I thought could occur after Bernanke & Co. cut rates.**

**Thankfully, the stock market was kind enough to listen and follow path #1, which was:**

***"the market interprets the cut negatively, probably due to only 1/4% and a not very accommodative statement. Stocks would sell off hard into the close today and maybe even open lower tomorrow."***

**I think yesterday's afternoon collapse qualified as selling off "hard". And as I stated in my email, we did do some buying right at the close in a few sectors. But I am still not satisfied with the action.**

**You may already know that the Fed unveiled a "plan", similar to post 9/11 to try and help the liquidity crisis in the credit market. They released the details at 9:00 AM today and stocks immediately reacted by surging higher in pre-market action, very similar to when they cut rates between meetings on August 17.**

**The difference today was that the initial burst of euphoria was exhausted by 9:40 AM and the Dow spent the next five hours going from up 270 to down**

**111 points, only to stabilize by the close at up 41.**

**What really bothers me is that Bernanke & Co. spent all day yesterday meeting. They SHOULD have released their plan, which took at least a week to hatch, immediately after their policy statement yesterday. That would have been responsible.**

**Instead, they put it in their pocket to use as ammunition when the markets needed it, like after yesterday's collapse. This is wrong on so many counts! And yes, I realize they said that was not the case, but it's pretty straightforward to me. They, once again, did wrong by the people they are supposed to serve, and continued to lose the shred of credibility they have left!**

**On the positive front, I was very happy to see the afternoon sell off trade below yesterday's low but close in positive territory. First, that kind of action scared out the weak holders. But it also shows there remains an underlying "bid" to stocks. That means there's an awful lot of folks with a lot of money waiting to buy stocks below current market prices.**

**And those folks will likely have to step up once the stock market gets rolling again in the final two weeks of 2007.**

**To wrap this up, I believe any weakness we see over the next week, likely due from either Lehman's or Morgan Stanley's earnings or the inflation reports is a buying opportunity for the rest of 2007.**

**Sentiment still supports additional price appreciation and we have seen significant buying from corporate insiders. We are also approaching the most positive seasonal period and all this adds up to a rally.**

**As always, please contact me directly by replying to this email or calling 203.389.3553 with any questions or comments.**

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## To Your Financial Success,



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