



Will They or Won't They?

That is the question.

The question is, will the Federal Reserve cut interest rates in 2024, or won't they?

Market expectations have been for at least three cuts of 75 basis points in 2024.

In the fourth quarter of 2023, the stock market surged due to those expectations and speculators front-running the Federal Reserve's actions.

The market momentum carried into the first quarter of 2024.

That momentum has come to a grinding halt after a hotter-than-expected inflation report last week.

I have been skeptical that the Federal Reserve would cut interest rates in 2024.

Why?

I live in the real world.

While *reported* inflation has come down, the reality is that many items continue to rise greater than the reported rate, especially in stuff like food, which everyone eats.

Or insurance.

Or daycare.

Or energy, which has appeared to moderate in its price advance but has compounded at a massive rate in four years.

Or schooling costs.

My town just voted down the school budget for this year.

On top of a massive property tax increase that is coming due to reassessments, the school budget was grossly inflated.

The budget was a joke.

This is a double whammy for a lot of people.

The old saying goes, "Money doesn't grow on trees."

I feel the effects of inflation less than most people I know.

I can exert more flexibility in my spending than others.

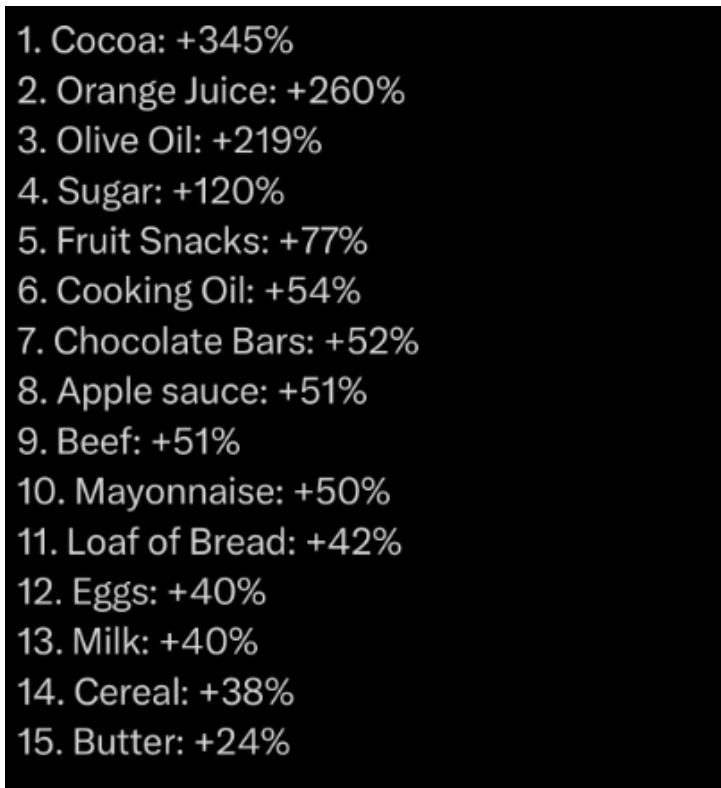
In part because I do not have children.

However, I sympathize with folks because most people don't have that flexibility.

They're getting crushed.

This is a problem.

Take a look at this chart of food price increases since 2019.



Food is up over 40%, and over 100 items have risen by 50% since 2019.

Folks are spending about 11% of their income on food, the highest percentage since the first Gulf War.

And, it's not dining at Michelin-starred restaurants like the French Laundry.

It's to buy apple sauce.

Of course, the folks voting on the Federal Reserve Open Market Committee (FOMC) know this because they see the actual data, even if they don't report it.

If I were on the FOMC, I certainly wouldn't cut rates.

I'd do nothing.

We are nearly elections season and this one will be the most contentious since John Adams squared off against Thomas Jefferson.

It's going to be nasty.

And if the FOMC wants to maintain its image as independent and data-dependent and maintain credibility going forward, the board members cannot appear to be trying to influence the election.

Furthermore, if they cut rates, the market will take care of this for them, and longer-term rates will skyrocket.

So, they are in a pickle.

What should we do investment-wise?

Nothing.

Predictions will only cost you money.

Before the inflation report, the odds were about 80% of a rate cut in the year's first half.

Right after the inflation report, those odds dropped to 40%.

The closer we get to the election, combined with less data coming out during the summer, the further the odds will be reduced.

Instead, *react*.

Wait and see what new trend develops.

Something may happen, and rates need to be cut because its impact on the economy would lead to a deflationary bust.

It could be a debt crisis or another pandemic.

The fact is, *you* don't know. Neither do I.

The good news is while I mentioned last week that earnings quality is a factor in the stock models and the returns of quality earnings have been stellar, trend following is also a factor.

It's a powerful one-two punch.

Meanwhile, as the odds go back and forth on whether rates will be cut, the market is likely to experience many fits and starts.

Possibly, no big trend will develop from here this year.

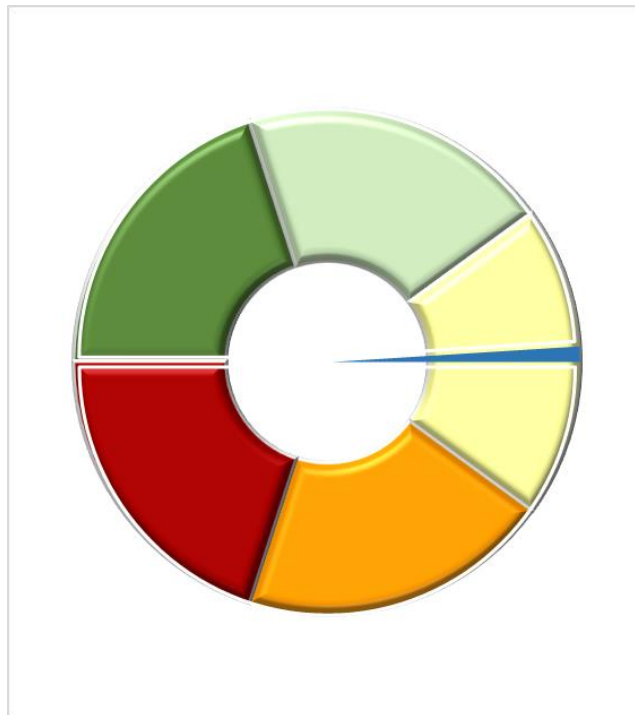
That happens.

So, maybe it's not a great year, and the primary goal is to avert disaster.

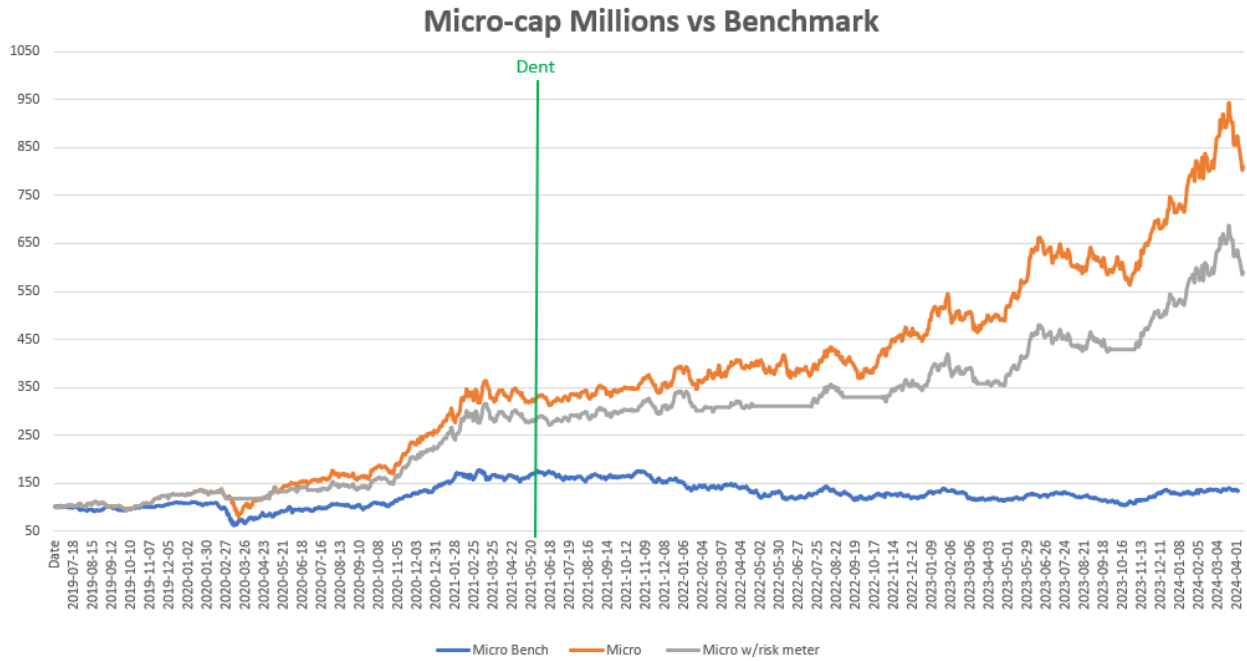
No matter what, though, a new trend will develop eventually.

It will be powerful.

We need to hop on board and ride it.



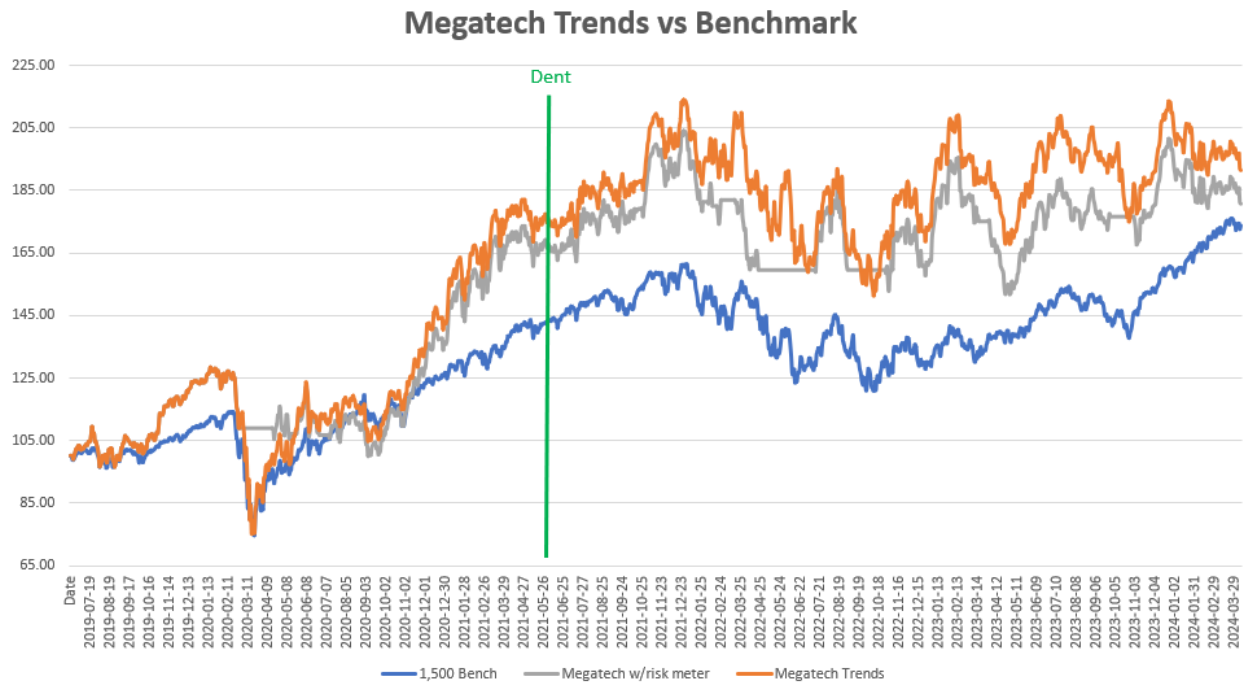
Micro-Cap Millions



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BWAY	Brainsway Ltd.	-8.49%	24	Healthcare
CLMB	Climb Global Solutions, Inc.	17.72%	59	Technology
CRNT	Ceragon Networks Ltd.	8.42%	45	Technology
CXDO	Crexendo, Inc.	-2.49%	10	Technology
DDI	DoubleDown Interactive Co., Ltd.	-25.35%	51	Technology
DHX	DHI Group, Inc.	-5.49%	10	Technology
DSP	Viant Technology, Inc.	88.21%	164	Technology
DTST	Data Storage Corp.	115.29%	234	Technology
ELMD	Electromed, Inc.	7.35%	51	Healthcare
ITRN	Ituran Location & Control Ltd.	14.02%	311	Telecommunications

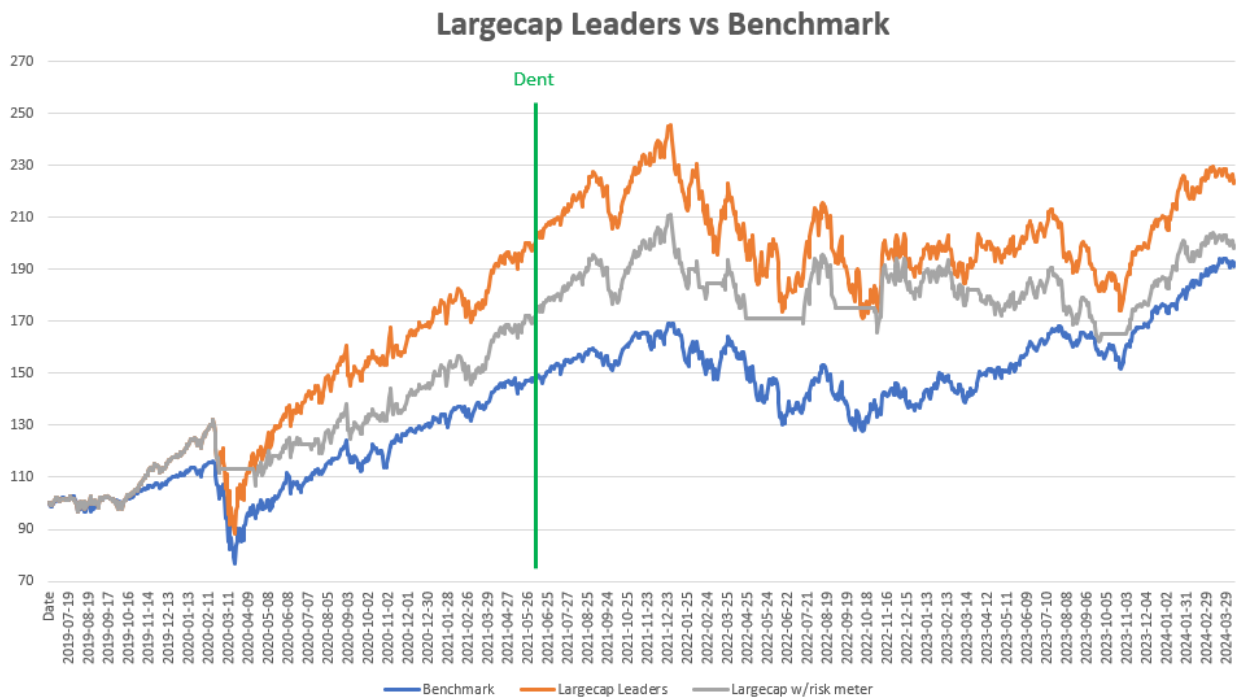
Mega-Tech Trends



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BMY	Bristol Myers Squibb Co.	-1.98%	80	Healthcare
COLL	Collegium Pharmaceutical, Inc.	10.31%	80	Healthcare
DBX	Dropbox, Inc.	-6.34%	51	Technology
DXC	DXC Technology Co.	-2.12%	66	Technology
OSUR	OraSure Technologies, Inc.	-23.98%	73	Healthcare
SCSC	ScanSource, Inc.	3.15%	73	Technology
SWKS	Skyworks Solutions, Inc.	-0.25%	73	Technology
TDC	Teradata Corp.	-1.16%	24	Technology
XRX	Xerox Holdings Corp.	-9.50%	73	Technology
YELP	Yelp, Inc.	-10.09%	66	Technology

Large Cap Leaders



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
AKAM	Akamai Technologies, Inc.	-3.56%	17	Technology
AMAT	Applied Materials, Inc.	26.82%	80	Technology
APH	Amphenol Corp.	46.11%	164	Technology
BMY	Bristol Myers Squibb Co.	-1.17%	73	Healthcare
CHTR	Charter Communications, Inc.	-29.32%	73	Telecommunications
CMCSA	Comcast Corp.	-7.40%	80	Telecommunications
CTSH	Cognizant Technology Solutions Corp.	-3.71%	10	Technology
FFIV	F5, Inc.	6.66%	80	Technology
HPE	Hewlett Packard Enterprise Co.	3.28%	17	Technology
MSFT	Microsoft Corp.	34.99%	199	Technology

DISCLAIMER:

THIS COMMUNICATION IS FOR EDUCATIONAL AND INFORMATION PURPOSES AND DOES NOT CONSTITUTE INVESTMENT ADVICE. Any Publishing Service offered by HSD Publishing is for educational and informational purposes only and **should NOT be construed as a securities-related offer of solicitation or be relied upon as personalized investment advice.** HSD Publishing strongly recommends that you consult a licensed or registered professional before making any investment decision.

THE RESULTS PRESENTED ARE NOT TYPICAL OR VERIFIED. HSD Publishing has not verified information regarding the historical trading performance presented. Subscribers' trading results have **NOT been tracked or verified**, past performance is not necessarily indicative of future results, **and the results presented in this communication are NOT TYPICAL.** Actual results will vary widely given various factors, such as experience, skill, risk mitigation practices, market dynamics, and the amount of capital deployed. Investing in securities is speculative and carries a high risk; you may lose some, all, or possibly more than your original investment.

HS DENT IS NOT AN INVESTMENT ADVISOR NOR A REGISTERED BROKER. Neither HSD Publishing nor its owners or employees is registered as a securities broker-dealer, broker, investment advisor (IA), or I.A. representative with the U.S. Securities and Exchange Commission, state securities or regulatory authority, or self-regulatory organization.

WE MAY HOLD THE SECURITIES DISCUSSED. HSD Publishing has not been paid directly or indirectly by the issuer of any security mentioned in the Services. However, HS Dent, its owners, and its employees may purchase, sell, or hold long or short positions in securities of the companies mentioned in this and future communications.

John Del Vecchio is not an employee or partner of HSD Publishing. HSD Publishing serves solely as the marketing arm for John Del Vecchio and Unbounded Wealth: Max Profits.

© 2024 HSD PUBLISHING. ALL RIGHTS RESERVED. 15016 Mountain Creek Trail Frisco, TX 77573.