



Fed Cutting Rates? Who Cares?

I recently saw an article by billionaire investor Ken Fisher discussing why interest rate cuts don't matter.

The article was published in the *NY Post* online, and I highly recommend the quick read.

Fisher is a market historian who often provides a solid perspective on what matters in the markets.

There's a saying on Wall Street that one should not "fight the Fed."

However, Fisher's analysis demonstrates this might be much ado about nothing.



KEN FISHER

BUSINESS

The Fed is finally about to start cutting rates — and here's why you shouldn't care

By [Ken Fisher](#)

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 95 Comments

One of my contentions has always been no one knows what's going to happen.

About *anything*.

Especially the Fed.

Folks waste a lot of breath talking about and predicting Fed actions.

Even Fed officials *themselves*.

And it's always wrong.

One month before the biggest debacle in modern financial history, when Lehman Brothers blew up, there were "green shoots in the economy."

Inflation was "transitory" right before it surged to 40-year highs.

No one knows.

The thing is, we don't *need* to know.

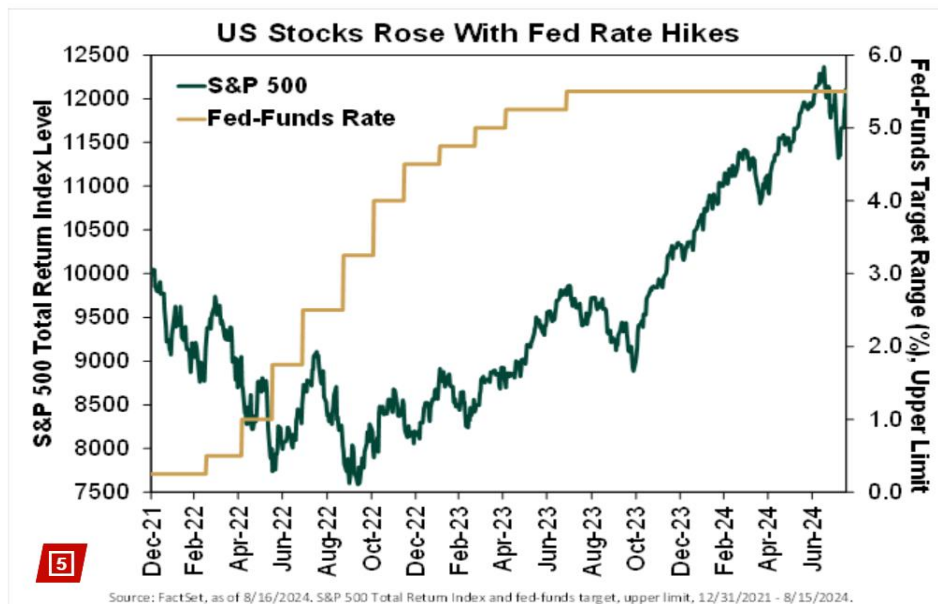
We know the trends of various asset classes.

Follow trends and *stick with them*, and you will be better off.

Fisher posted two charts in his article that I wanted to share.

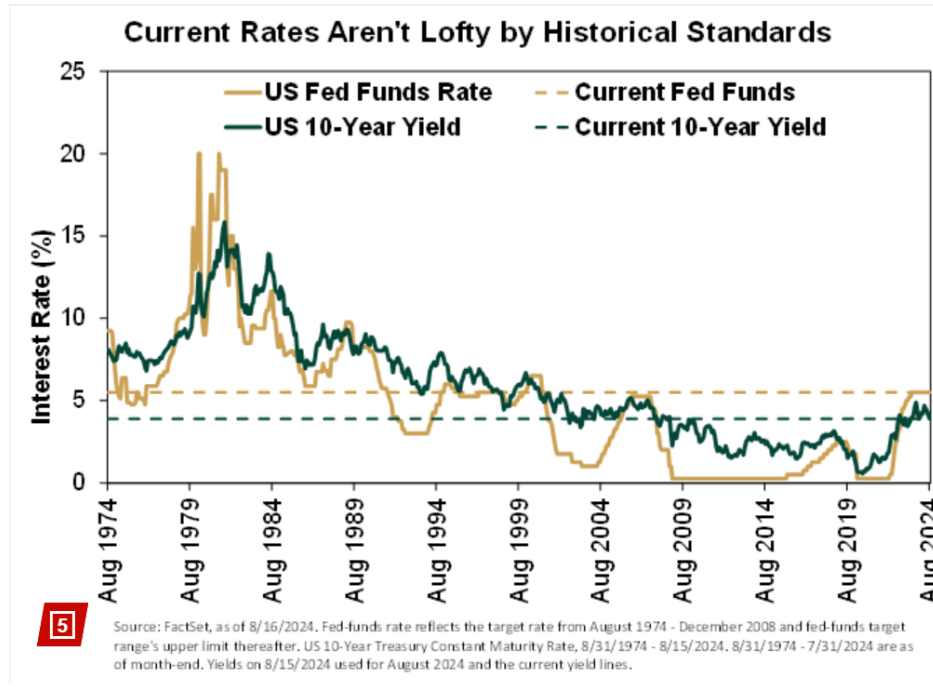
The first chart illustrates that while interest rates went up sharply, it did not negatively impact stock market performance.

A bull market marched on, and investors convinced that higher rates would sink the market were... **wrong**.



Hiking fear partly drove 2022's stock slide. But the S&P 500 gained 59.5% since that October's low — preceding six straight rate hikes.

The second chart illustrates that rates are at relatively normal levels.



The fed-funds rate and 10-year Treasury yield are historically quite normal long-term.

Of course, an increase off 0% rates is historic. So, the trajectory of the increases was breathtaking.

But 5% rates are relatively normal.

The fact that so many investors have their panties in a bunch about 5% rates illustrates to me that the system has astronomical amounts of leverage.

Those people will get their ass kicked.

It always happens.

It may happen at lower levels of rates.

But it will happen.

Fisher's advice is to continue to ride the bull market.

My strategy is to continue to ride the trend until the trend changes...

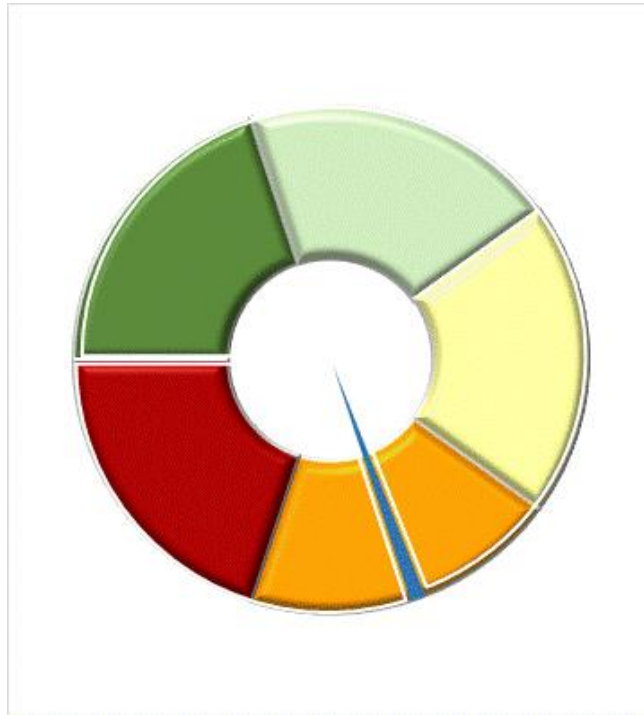
My indicators have ridden much of the bull market.

More recently, some of those indicators have turned cautious.

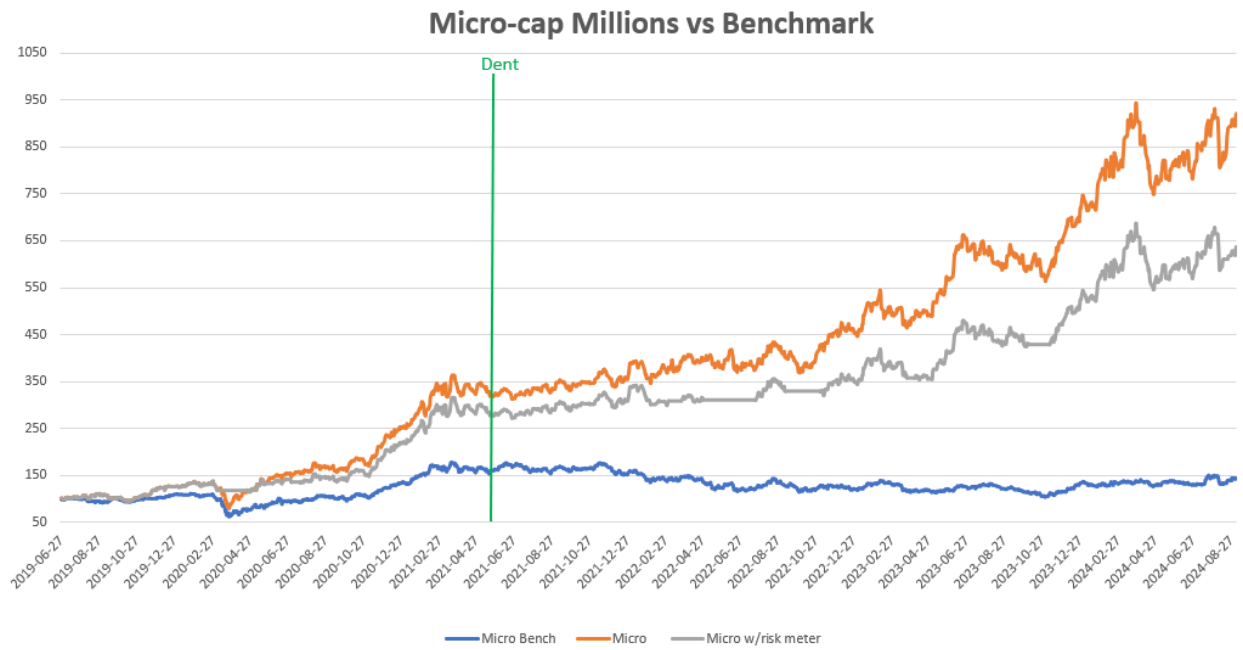
Anything can happen with any individual trade.

One trade won't matter much in the scheme of things, even if it's a loser.

What matters is consistency and catching the occasional massive move up or down.
Not forecasting what the Fed is going to do.



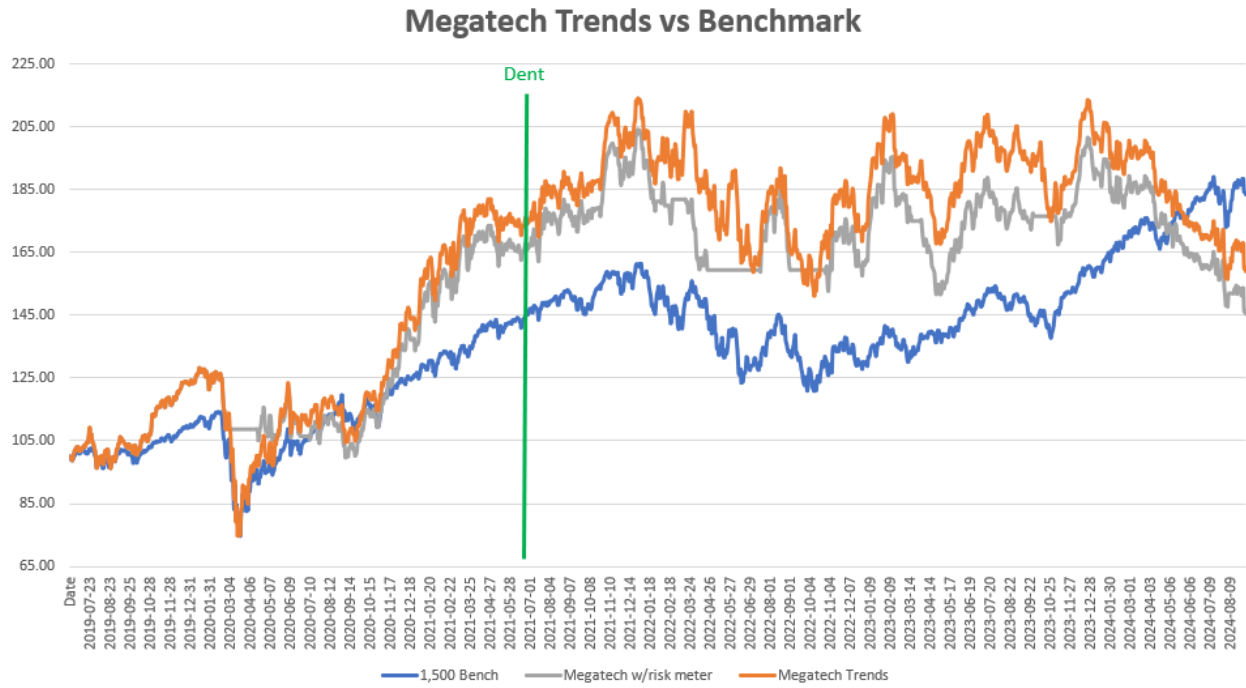
Micro-Cap Millions



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

Ticker	Name	Return	Days Held	Sector
ALOT	AstroNova, Inc.	-11.70%	136	Technology
BWAY	Brainsway Ltd.	23.98%	171	Healthcare
DDI	DoubleDown Interactive Co., Ltd.	6.23%	198	Technology
DSP	Viant Technology, Inc.	106.73%	311	Technology
ELMD	Electromed, Inc.	24.53%	198	Healthcare
KMDA	Kamada Ltd.	-4.84%	45	Healthcare
MPTI	M-tron Industries, Inc.	22.16%	115	Technology
MTLS	Materialise NV	-16.56%	31	Technology
RDVT	Red Violet, Inc.	39.91%	115	Technology
WYY	WidePoint Corp.	42.00%	108	Technology

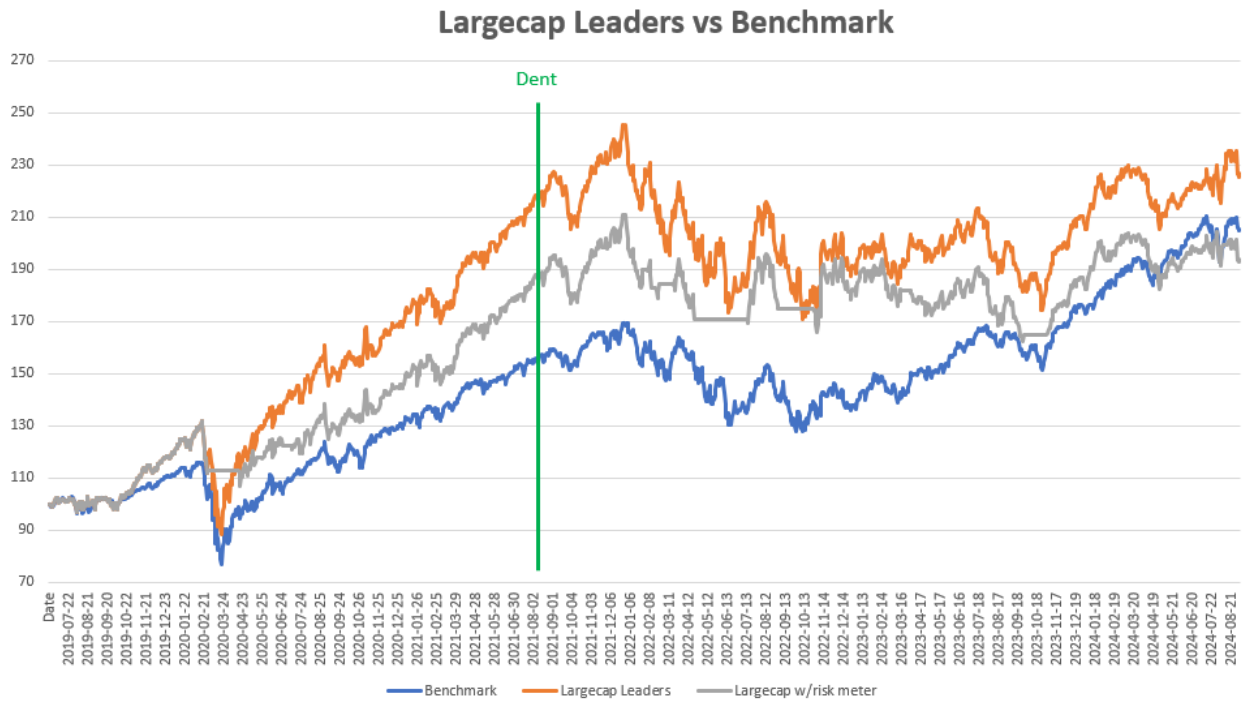
Mega-Tech Trends



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

Ticker	Name	Return	Days Held	Sector
CVLT	Commvault Systems, Inc.	-2.92%	6	Technology
FFIV	F5, Inc.	16.71%	59	Technology
GDDY	GoDaddy, Inc.	5.76%	59	Technology
JAZZ	Jazz Pharmaceuticals Plc	-2.60%	24	Healthcare
JNJ	Johnson & Johnson	0.70%	31	Healthcare
META	Meta Platforms, Inc.	5.63%	31	Technology
NXPI	NXP Semiconductors NV	-12.49%	59	Technology
QCOM	QUALCOMM, Inc.	-18.06%	59	Technology
QRVO	Qorvo, Inc.	-2.76%	17	Technology
RMBS	Rambus, Inc.	-27.57%	59	Technology

Large Cap Leaders



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

Ticker	Name	Return	Days Held	Sector
AVGO	Broadcom Inc.	2.32%	41	Technology
BMY	Bristol Myers Squibb Co.	0.89%	17	Healthcare
FFIV	F5, Inc.	11.47%	227	Technology
GDDY	GoDaddy, Inc.	5.94%	59	Technology
JNJ	Johnson & Johnson	0.74%	31	Healthcare
KEYS	Keysight Technologies, Inc.	-3.72%	6	Technology
META	Meta Platforms, Inc.	-2.30%	59	Technology
NXPI	NXP Semiconductors NV	-11.95%	59	Technology
QCOM	QUALCOMM, Inc.	-17.27%	59	Technology
QRVO	Qorvo, Inc.	0.18%	31	Technology

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