



Monday Night Report – March 26, 2007

The Monday Night Report is written on Monday night, after market close. Subscribers receive the newsletter every Monday or Tuesday morning before the markets open again. Subscribers may at all times log into their account in order to review it. It is published 3 days later on StockTargets Website on a public at <http://www.stocktargets.com/newsletters.html> for anyone to read.



The StockTargets "Monday Night Report" by Philip Coutaz

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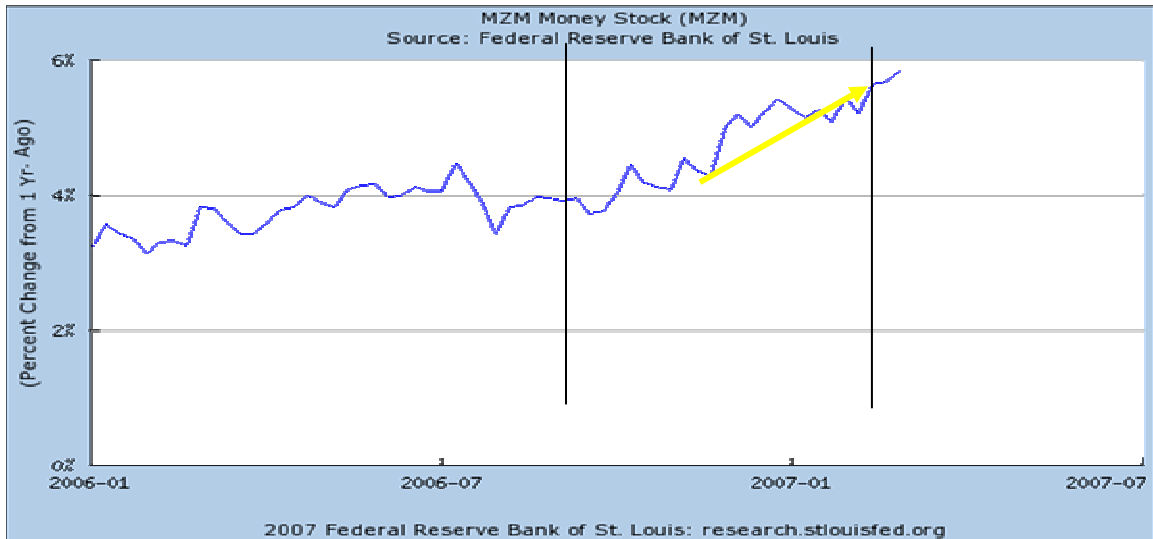
Liquidity Push and Market Rally

The Fed is pushing liquidity into the markets since July of 2006. Why is this happening ? What consequences should we expect ?

Equity markets worldwide began to rally anew and finish the year with a +17% increase.



The main driver to this increase has been the Fed, which began to accelerate its creation of high-powered money (M2M) in fear a housing debacle.



The Fed is pushing money into the economy, as shown in the graph above. The reason is because of the high-profile failures in the sub-prime mortgage market, which have exacerbated fears at the Fed and outside of it (A. Greenspan).

Bottom line: Money being pushed into the economy means that a portion of it will go to the equity markets. Don't miss the stock rally this year 2007.