

COUPS; FINANCIAL

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During the 1920s' financial mania, the "Fed" and Ben Strong were synonymous, much as today the Fed is Alan Greenspan.

Apprehensive of a slight weakening of business in 1927¹, Strong lowered the discount rate from 4% to 3 ½% and described it as giving a "*coup de whiskey*" to the stock market. On Wednesday, Greenspan, in keeping with the times, gave a "*coup de martini*" to the markets.

This week's recipe was intended to eliminate concerns about his earlier mutterings. And the results were not limited to the stock market and included a dramatic jump in base metal and energy prices and, get this, a nice bond rally – all, of course, hinged upon the softening dollar. With this, there is little doubt that the bond action is part of the speculative play rather than discounting the next leg down in commodities.

It's fascinating, as is our Dictionary of Foreign Terms, which includes a number of *coups*. The best known, of course, is the *coup de grace*, which is the "stroke of mercy" or "death blow".

Others include a *coup de maitre*, a "master stroke" which, in Greenspan's utterances, is not the case as it is the "same old, same old". But then this week's testimony could be a *coup de theatre*, which needs no translation.

In the meantime, with such hot action traders are enjoying a *coup de bourse* but those with experience are watching for a *coup de manque*, which means "failure" or "abortive attempt".

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¹ Henry Ford had stopped all car production to prepare for the new Model A.