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Peter Yastrow of Yastrow Origer on CNBC

“And the Fed Knows it....”

Peter Yastrow, market strategist for Yastrow Origer, told CNBC:

“What we’ve got right now is almost near panic going on with money managers and people who are responsible for money,” he said. “They can not find a yield and you just don’t want to be putting your money into commodities or things that are punts that might work out or they might not depending on what happens with the economy.

“We need to find real yield and real returns on these assets. You see bad data, you see Treasuries rally, you see all bonds and all fixed-income rally and then the people who are betting against the U.S. economy start getting bearish on stocks. That’s a huge mistake.”

Stocks extended losses after the manufacturing fell below expectations in May and the private sector added only 38,000 jobs during the month.

“Interest rates are amazingly low and that, thanks to Ben Bernanke, is driving everything,” Yastrow said. “We’re on the verge of a great, great depression. The [Federal Reserve] knows it.

“We have many, many homeowners that are totally underwater here and cannot get out from under. The technology frontier is limited right now. We definitely have an innovation slowdown and the economy’s gonna suffer.”

However, he said he wouldn’t sell stocks.

“Any bears out there better be careful because the dividend yields on these stocks look awesome relative to all the other investment vehicles out there,” Yastrow said. “So bears are going to have to find a new way to express their discontent with the U.S. economy.”

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