



I've been pondering all the *analysis* out there on the current economic and investment landscape and can only shake my head. That's SMH, for you youngsters. What I see are coexisting comments for a **Depression** and the **Roaring '20s** at the same time. Again, for you youngsters, I am making a convenient comparison to the economic boom time of the 1920s, yes, before even I was born. **Everybody is wrong.**

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Economists Are Wrong

Let's start with the economic downturn, which led to the stock market collapse. Such is rated '1 duh,' because the stock market, at the onset of the economic shutdown, was looking ahead to a period of low earnings. Of course, shuttered companies are going to earn less. What is rather sad is that the 'experts' said that most businesses would not recover. Really? Indeed, some will never return because bills continued while revenue disappeared. Thinking there will never be a bar, or a concert or even a catered wedding in an event hall again, is ludicrous. Never is a long time. What do they think will happen when there is a vaccine to prevent COVID, medicines to treat it, and herd immunity to mitigate it? Do we still have mass scale chickenpox? Rubella? Polio? Even AIDS, while there is still no cure, is mostly under control and no longer inflicting full-blown panic on society. I was single and living in NYC in the 1980s when AIDS became a crisis, so I know a little from the panic side. So why is everyone so shocked when the stock market rockets higher? Again, it is looking ahead, not to a cure, but to people returning to work, masks, Purell, toilet paper, and all. Most of the jobs are still there, waiting for the ruling overlord politicians to allow them to get back in gear. Such was not an economic downturn that started with an uptick in inflation or the desire by consumers to cut back. It was not rising inventories that told producers to cut back and, in turn, buy less from suppliers. The slowdown ripples through the economy until labor reverses back and voila, the stock market is falling.



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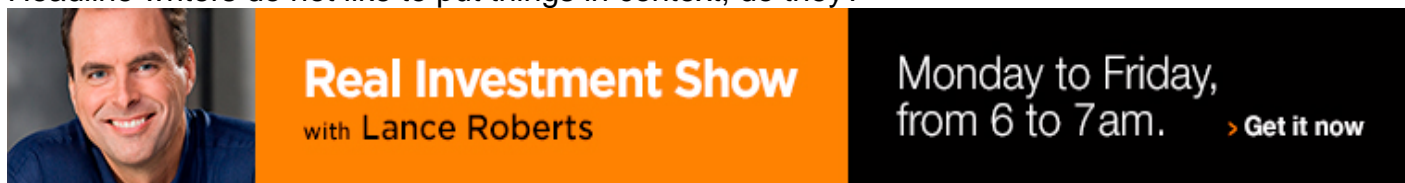
Politicians are Wrong

In many areas, this was a government-mandated shutdown. Yes, nobody wanted to fly commercial airliners anymore, but Mom and Pop were not allowed to sell greeting cards. Where is the danger there? And that gets me started on the arbitrary nature of the shutdown. Walmart is essential because they sell food? But you could still buy a toilet paper cozy and flowers there. Sally's florist down the block was mandated closed. Even a local plant nursery was allowed to be open because they sold tomato plants, which are food, and therefore essential. You can buy flowers there, too. And mulch, because we all know how important it is to have nice looking shrub beds during a

pandemic. Why was it OK to physically go into Stop and Shop but not into Macy's? We were wearing masks ? and gloves ? to buy our Cap'n Crunch, so what is the big deal? And if you want to argue that Macy's was not essential enough for that, why not allow curbside? You could get a rack of ribs delivered contactless to your car, so why not a fresh set of sweatpants? I am not arguing with the concept of a mandated shutdown but rather the arbitrary nature of how it was done. The governor (any state) had dictatorial discretion.

Fundamental Analysts are Wrong

What makes me laugh is how the pundits compare year-over-year, and month-over-month sales results in a mandated closed economy. Why don't they compare the tree climbing speeds of spider monkeys and goldfish? Analysts get 2-duhs. How does it make sense to compare an open economy to a closed economy? Don't forget the overlap with Economists on recession calls. Yes, we could see two-quarters of contracted growth, so officially, that would be a recession. But again, they are comparing a chicken to its egg. Guess which one can run faster? Open things up (safely), and there will be growth. For the May jobs report, the experts were looking for 7.5 million jobs to be lost, but there were actually 2.5 million jobs. Such goes to show that economists are non-essential workers. In June, there were 4.8 million jobs gained, more than a million over the estimate. The analysts touted the numbers as the largest monthly gain in history. Another 2-duhs. Of course, it was huge in relation to normal times, but it was entirely in line with what was lost and why. Headline writers do not like to put things in context, do they?



Technical Analysts are Wrong

You did not think that just because I have a CMT, that I won't skewer technicians. Please do me a favor and stop comparing the price to any moving average that captures data before March 23. That's right, the market's low. The intermediate-term analysis is skewed by what happened. Look at long-term trends that show the bull run from the 2009 low, but please don't think the 200-day average has any validity. Know your tools. You get only 1-duh because I like you. If you read this far, I thank you and suggest you get outside more (wear a mask). I am not afraid to get a haircut in a salon that takes care to keep me safe. There is little worry about walking into a store, my doctor's office or even flying to a resort. However, as long as I know the establishment's policy to operate safely in the current environment. I am more afraid of who is preparing my food because I cannot see the chef in a mask, but then again, when was it ever a good idea to peek into the kitchen? Educate yourself on this virus. Believe the emergency room workers when they tell you this is a serious disease. But we are passed the stage where the only answer is self-isolation and an Amazon account.