

Radio Show #2021-5, Podcast #27, outline:

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Teeth:

I just had 2 wisdom teeth and a molar removed on Tuesday. I don't have trouble dealing w/ pain throughout most of my body, but my mouth is the exception. The Doc gave me Oxycontin for the pain. Let me tell you something; I could never be an opioid addict. It helps with pain, but makes me feel like a fruit fly in my 10th grade biology class. I don't get it. I realize that millions of people enjoy the way taking that crap makes them feel...but not me!

MONTHLY STOCK MARKET RETURNS:

What are the only 2 negative months in the stock market (S&P 500), going back to 1980?

August: -0.15%

September: -0.70%

My mother has the best theory on this. She believes that in large part investors ignore their portfolios during the summer months. After labor Day, people start to focus on their normal lives and make adjustments in their holdings.

BTW, the avg monthly return in the S&P 500 since 1980 has been +0.67%

Record low interest rates on riskier corporate bonds are prompting money managers to look far afield in a bid to boost returns.

Faced with yields once reserved for the safest types of government debt, some managers of speculative-grade bond funds are piling into debt with rock-bottom credit ratings. Others are buying smaller, more obscure securities that carry higher yields because they can be hard to sell.

The average speculative-grade U.S. corporate bond yield reached as low as 3.53% this summer, more than a percentage point lower than it had reached at any time before the Covid-19 pandemic, according to Bloomberg Barclays data stretching back to 1995. Remember folks, yields on bonds go down because the prices of those bonds goes up. Let me scream this from the cheap seats here at KNFO...THE HI-YLD, OR JUNK BOND MARKET IS COMPLETELY OVER-VALUED.

Low yields present challenges to all fixed-income investors, including those who buy higher-quality, investment-grade bonds. Low yields cause particular anxiety for high-yield-fund managers, given that buying the wrong bonds can mean dealing with defaults and drawn-out bankruptcies, not just lagging behind benchmark returns.

WOMEN OUTNUMBER MEN 3:2 IN COLLEGE:

At the close of the 2020-21 academic year, women made up 59.5% of college students, an all-time high, and men 40.5%, according to enrollment data from the National Student Clearinghouse, a nonprofit research group. U.S. colleges and universities had 1.5 million fewer students compared with five years ago, and men accounted for 71% of the decline.

The first thought I have about this info is that only 17.9% of all college grads earn a STEM degree; Science, Technology, Engineering & Math, down from 29% just 6 years ago. The other 80.1% get a Ward Churchill degree in America Hatred, the Global Warming Hoax, Library, and Gender Studies.

Get Ready for the Blackouts:

WSJ/ Robert Bryce

THIS IS NOT A RECOMMENDATION TO BUY OR SELL GENERAC:

“Generac Power Systems, a company that produces home generators and other equipment, announced in July record sales of \$920 million during the second quarter, a 68% jump over last year. But what’s good for Generac is bad for America.

Generac’s soaring sales are evidence that the U.S. electric grid is becoming less reliable, which will make Americans less wealthy and less secure. Consumers are spending billions of dollars on generators to have on hand when the power goes out. This capital would be better spent on other things such as education or home improvements.

Blackouts are deadly and create costly drags on the economy. Bad policies and lack of oversight contributed to the February blackouts in Texas. The final tally: about \$200 billion in damage and some 700 people dead from hypothermia, carbon monoxide poisoning and other causes. In California—a state that is hemorrhaging residents—blackouts have become a near-daily event.

Generac says in a recent investor presentation that power outage severity is “increasing significantly.” Between 2000 and 2020, the number of what the Energy Department calls “major electric disturbances and unusual occurrences” jumped 13-fold.” 13 FOLD!!

“Three things are weakening the grid. One is the rush to add renewable energy sources such as wind and solar, which depend on amenable weather to function.

Second, over the past few years, numerous coal and nuclear plants that provide baseload power and help keep the grid stable have closed.

Winkin’, Blinken and Nod:

The NY Post reported on Tuesday that Secty of State Winkin’ Blinken and Nod is not approving “the departure of chartered planes from Afghanistan carrying Americans and allies — complicating efforts by private citizens to complete the evacuation of the left-behind.”

“In a Sept. 1 email to attorney Eric Montalvo, a former US Marine who has organized a series of evacuation flights, a State Department official acknowledged that any flights taking Afghan refugees to Europe or the Middle East for initial processing “may require some indication from the USG [US government] that we ‘approve’ of this charter flight” in order to land.”

“The Sept. 1 email from the State Department to Montalvo went on to read that ‘no charters are allowed to land at an [sic] DoD base and most if not all countries in the Middle Eastern region, with the exception of perhaps Saudi Arabia will [not] allow charters to land’.”

“On Friday, Rep. Markwayne Mullin (R-Okla.) blamed the State Department for blocking a rescue mission he had sponsored from landing at Hamid Karzai International Airport in Kabul and told Fox News he had heard that “there are five planes sitting at [Mazar-i-Sharif] with AMCITS [American citizens], SIVs [Special Immigrant Visa holders], and refugees on it ... but they can’t get clearance to get out because no country is willing to help them.”

MODERNA V. PFIZER:

AGAIN, NOT A RECOMMENDATION TO BUY OR SELL!

Recent studies make the Moderna shot look better. A Belgian study of healthcare workers found that Moderna produced twice as many neutralizing antibodies as BioNTech/Pfizer. Similar results were found in a study from Virginia. A third study, from the Mayo Clinic, found that across Minnesota the Moderna vaccine was more effective at preventing infection.

Why? Several hypotheses bear further investigation. For one, the Pfizer/BioNTech vaccine dosing is spaced only three weeks apart. Most multiple-dose vaccines have a longer interval between the first and second dose, from HPV (a month to a year, depending on age) and shingles (two to six months) to hepatitis A and B (six and one to two months, respectively). The second Moderna shot is administered after four weeks. A longer interval for the Pfizer/BioNTech vaccine—as was the practice in the U.K.—appears to provide more-durable immunity.

There is also a difference in the amount of active material each vaccine contains. Each BioNTech/Pfizer shot contains 30 micrograms of vaccine, compared with 100 micrograms for Moderna. Plus, the Moderna shot has 3 microchips in it that allow the gov't to track your every move. C'mon man! The gov't already has the ability to track you. It's called your cell phone.

Capitalized Profit Model:

The Capitalized profit model assumes there are basically 2 different asset classes we can invest in; Either equity, or fixed income. So the model seeks to compare profits earned by a company...or in this case, by a group of companies to the yield on the 10-yr Treasury bond.

Capital means assets of value. So, capitalization of profits implies that a company is transforming its cash reserves into assets of value, and transferring those assets to shareholders. It's a "what if" scenario used to compare the relative value of stocks to bonds.

The 10-yr is currently trading w/ a yld of about 1.34%. Brian Wesbury, Ch Economist at First Trust in Chicago believes that yield is too low, being held down artificially by the Gov't. As a result he discounts current profits using a more cautious rate on the 10-yr of 2.0%. Plugging that rate into the model with superb Q2 profits generates a fair value estimate for the S&P 500 of 6,133.

CHINA:

eMarketer estimates that worldwide (32 countries) ecommerce sales will reach \$7.39 trillion by 2025, according to its own release. The \$7.39 trillion is expected to account for 24.5% of all retail sales globally, up from this year's 19.6% projection. China currently has the largest retail ecommerce market

by far, with a 52.1% share of total worldwide sales. The U.S. ranks second with a 19.0% share, followed by the U.K. at 4.8%. China's retail ecommerce sales are expected to account for more than 50% of its total retail sales by the end of next year.

CLIMATE (PREVIOUSLY APPROVED):

The current climate narrative would suggest that natural disasters are ever deadlier, but that isn't true. Over the past century, climate-related deaths have dropped to fewer than 20,000...from 500,000 on average each year, even though the global population has quadrupled since 1920.

And look at 2021, which is now being branded the year of climate catastrophes. Add the deaths from the North American heat dome, from floods in Germany and Belgium, from Indian climate-related catastrophes that you may not have heard about, and from more than 200 other catastrophes. Adjusted to a full year, climate-related weather disasters could cause about 6,000 deaths in 2021. With greater wealth and technological development, we no longer see half a million or even 18,000 lives lost to climate-related weather disasters, but 6,000.

Temperature increases over the past two decades in the U.S. and Canada cause about 7,200 more heat deaths a year. But the study also shows that warming prevents about 21,000 cold deaths a year. Globally, the study shows that climate change annually causes almost 120,000 additional heat deaths but avoids nearly 300,000 cold deaths."

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