

Radio Show #2022-3, Podcast #35, Outline:

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Value vs Growth, YTD:

Vanguard S&P 500 Growth ETF (LCG): -13.27%

Vanguard S&P 500 Value ETF (LCV): -3.33%

Vanguard S&P 400 Mid-Cap growth ETF: -12.64%

Vanguard S&P 400 Mid Cap Value ETF: -4.67%

Vanguard Small Cap 600 Growth ETF: -11.06%

Vanguard Small Cap 600 Value ETF: -5.19%

So far, value is SIGNIFICANTLY outperforming growth stocks YTD.

BTW, since interest rates have jogged-up slightly, Vanguard's long-term bond ETF is down 4.14% YTD.

<https://investor.vanguard.com/etf/list#/etf/asset-class/month-end-returns>

Structured Certificates of Deposit:

Certificates of Deposit sold by broker dealers are sold by PROSPECTUS only.

FDIC insured Structured CD's, issued by major banks, allow investors to own stock indexes, that if held to maturity, have no downside risk. So, if you own a structured CD that is invested in a major stock index (NASDAQ, S&P 500 DJIA, etc), that CD will pay you (usually at maturity) some of the upside in that index, assuming the index increases in value from the inception date to the maturity date. IF that index goes down, you get all of your money back, FDIC insured.

A large part of any financial adviser's job is RISK MANAGEMENT.

THIS IS NOT A RECOMMENDATION TO BUY OR SELL ANY SEMICONDUCTOR STOCKS:

This is really important folks. We all need to start paying attention to what's happening in China and Russia; developments that could possibly have a dramatic effect on Americans under the Biden administration:

What are computer chips used in?

Computers use computer chips.

Cars & Trucks have 30-100 microprocessors in them.

18 wheelers that deliver all of our goods use computer chips.

*The official Chinese budget for military spending last year was approx \$210 byn. U.S estimates run slightly higher.

* China will spend over \$300 billion on importing semiconductors this year. China is the world's largest importer of computer chips.

* Which is to say that China spends 43% more buying semi conductors than it does on it's military.

* Only 6 percent of semiconductors used in 2020 by Chinese firms were made in China.

* Taiwan Semi-conductor (TSM) makes 92% of the world's most sophisticated chips, which have transistors that are less than one-thousandth the width of a human hair. In total, Taiwan Semi Conductor makes 51% of all semiconductors in the world. Most of the chips TSM makes are for other so-called chip manufacturers. Big chip companies design the chips, but TSM actually manufactures most of them.

*Other chip makers in Taiwan account for another 13% of worldwide chip manufacturing, which is to say that Taiwan (and it's 24 myn people) accounts for 64% of worldwide semiconductor manufacturing. 64%. That's just about 2 of every 3 semi conductors manufactured on the planet...are made in Taiwan.

FT PORTFOLIOS:

On a net basis, U.S. banks closed a record high 2,927 branches in 2021, according to data from S&P Global Market Intelligence. That number reflected a 38% increase from the number closed in 2020. Banks are finding that customer retention is improving as more people transition to mobile and online banking, which has been expedited by the COVID-19 pandemic. The biggest cost associated with operating branches is the employees. Banks have reported saving roughly \$250,000 per year for each branch shuttered. FTP 1/25/22

WHY NOT PROTECT OUR BORDERS?

Many calls to protect Ukraine's northern and eastern borders from the Russian troops amassed there.

Where are the calls to likewise protect our southern border? In all, some 2.3 myn illegals have crossed out southern border in the last year, about 500k of them being so-called "get-aways."

We saw 100,000 fentanyl deaths in our country last year.

Illegal immigrants bring the vast majority of fentanyl into our country.

That means for every 23 illegals that crossed our border, we had 1 fentanyl death.

Now, I understand why neo-liberals advocate for open borders; it's to consolidate voting power. They obviously couldn't care less about killing 100,000 American citizens, as long as they build power.

ALL OF THE FOLLOWING WAS PREVIOUSLY APPROVED:

This is not a solicitation to buy or sell Google, Amazon, FB or MSFT.

Underwater Fiber Optic Cable:

Fiber-optic cable carries 95% of the world's international internet traffic.

Where those fiber-optic connections link up countries across the oceans, they consist almost entirely of cables running underwater—some 1.3 million kilometers (or more than 800,000 miles) of bundled glass threads that make up the actual, physical international internet.

In less than a decade, four tech giants— Microsoft, Google parent Alphabet, Meta (formerly Facebook) and Amazon —have become by far the dominant users of undersea-cable capacity. Before 2012, the share of the world's undersea fiber-optic capacity being used by those companies was less than 10%. Today, that figure is about 66%.

VAIL:

A this is DEFINITELY not a solicitation to buy or sell anything:

Hourly employees at VAIL will receive an end-of-season bonus of \$2 an hour for all hours worked between Jan. 1 and April 15—or the end of their season. Before the season started Vail raised its minimum wage at certain resorts to \$15.

On Friday, Vail (did I say vile?) issued a release stating that skier visits were down 1.7% for the season through mid-Jan. compared with the prior-year period. BUT lift ticket revenue was up nearly 26%.

The empire built by Vail Resorts started in the 1950s when Pete Seibert and Earl Eaton spotted a Colorado mountain and surrounding valley that they deemed ideal for a new ski resort. The resort opened in 1962.

INFLATION AND TAX REVENUE:

Tax revenue is rushing into the Treasury even as politicians plead poverty.

The budget gnomes at the CBO report that federal receipts in the first fiscal quarter, from October to December, increased by a remarkable 31%. That's a cool \$248 billion increase to \$1.05 trillion for the quarter.

Individual income taxes revenue soared by 55% in the quarter, or \$189 billion, to \$536 billion. Corporate income taxes rose 44%, or \$30 billion, to \$99 billion. Payroll taxes and a variety of other receipts, including a 16% increase (\$4 billion) in remittances from the Federal Reserve, made up the rest.

Asset classes Most Closely Correlated With Inflation:

According to Investopedia

#1 is gold.

#2 are commodities; oil, copper, orange juice, pork bellies, etc.

#3 Real estate Inv Trusts, have adj rental income. Be careful though; I would avoid office and retail facilities.

#4 Rental real estate, also have adj rental income

#5 is leveraged loans with adjustable int rates. Problem is most carry junk bond ratings.

#6 TIPS:

Treasury Inflation-Protected Security (TIPS) is a Treasury bond that is indexed to an inflationary gauge to protect investors from the decline in the purchasing power of their money.

The principal value of TIPS rises as inflation rises while the interest payment varies with the adjusted principal value of the bond.

The principal amount is protected since investors will never receive less than the originally invested principal.

Weight:

Our planet gainsapprox....73,000,000 lbs, on avg, every year. 73,000,000 lbs of space "stuff" lands on earth every year.

That's some 200,000 lbs/day of space stuff that splatters on Earth's surface.

BUT, that being said, earth loses 209 myn lbs of Hydrogen every year that just sluffs off into outer space.

<https://community.cartalk.com/t/how-many-computers-in-a-typical-car-1990-2000-today/68097>

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<https://www.cnbc.com/2021/03/16/2-charts-show-how-much-the-world-depends-on-taiwan-for-semiconductors.html>

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<https://asia.nikkei.com/Business/Tech/Semiconductors/The-490bn-question-Can-the-world-afford-its-Taiwan-chip-dependence>

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