

Radio Show #2022-2, Podcast #34

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Brooke Walls, Aspen Center for Dermatology.

332 main st in Aspen.

She is fantastic. Saw her on Tuesday and got a clean bill-of-health. Brooke has a vast level of knowledge and experience. AND, she and my daughter collaborate on about one research paper/year. In fact, Sara who is just a 1st yr resident in dermatology made a presentation to a group of about 125 Derm surgeons a couple of months ago in Miami, which is fantastic experience for her!

Melanoma runs in my family, so I get periodic check-ups. Your skin is your largest organ, so make certain it is in good shape; get a checkup.

Jim Lindsay:

Long overdue, not that he wants nor needs any endorsement from me. At the beginning of ski season I went to Jim Lindsay who owns BOOTech out at Highlands. It was a comprehensive, 2-hr fitting. For the last couple of years I have had trouble initiating left-foot turns. Jim showed me that when I bend my knees that my left knee splays out about 4-5 degrees. He fixed that by adding a spint to the bottom of my new left boot. If you need new boots, I HIGHLY advise you go see Jim Lindsay at BOOTech at Highlands.

Giant Stock Swings Send Some Into Bear Territory:

More than 220 U.S.-listed companies with market capitalizations above \$10 billion are down at least 20% from their highs.

The tech-heavy Nasdaq Composite has been particularly turbulent. Around 39% of the stocks in the index have at least halved from their highs.

I have been dropping subtle hints as to where I thought the stock market was heading.

In my first appearance on David's show last August or so, I explained that as many as 56.8% of all U.S. stocks were trading below their 50-day moving average. I told you folks that when a stock or index crosses below its 50-day moving average, we call that a death cross, which is a technical chart pattern that indicates the potential for a major sell-off.

Traders use the P/E ratio to check on the value of a stock. The current P/E ratio on the S&P 500 is 34:1, which means that for every dollar an average company in the S&P 500 earns, that company is trading at \$34.6/sh. If an average company earned \$2/yr/sh, it was trading at \$69.20/sh.

The long-term P/E average on the S&P 500 is 16:1.

For my more senior and risk-averse clients we have sizeable cash positions.

MOST of my clients also own fixed income alternative investments that are not correlated with the stock or bond markets. I can't talk about specifics, but throughout 2021, we took profits in stocks and used the proceeds to buy these alternative investments that pay monthly dividends. If you didn't make those moves like we did, or if you want to learn more, please call me at 927-6400.

FT Portfolios:

The National Student Clearinghouse just reported that U.S. colleges and universities saw a decline of nearly 500,000 undergraduate students in the fall of 2021, and noted that more than one million fewer students are currently enrolled in college than before the pandemic, according to NPR. Community colleges have experienced the biggest drop in students. Roughly two in five (42%) college dropouts cited financial reasons for leaving school, followed by family commitments (32%) and health reasons (15%), according to Fox Business.

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 issued a release stating that skier visits were down 1.7% for the season through 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.

Value V Growth:

Vanguard's Extended Duration Tsy ETF...which owns bonds...is down 6.6% YTD. Avg Maturity is 24.9 yrs. Essentially, the longer the maturity, the bigger the hit when rates rise.

Their Long Term Tsy ETF is down 5.23%. Those ETF's only own bonds. How could they be down? Because interest rates have gone up.

Since Jan 3 of 2022, growth stocks characterized as having high P/E ratios and paying little to nothing in dividends have been getting walloped. LCG is down 7.3%, MCG is down 8%, and SCG is down 11.3%...in less than 3 weeks.

Value stocks by contrast are just slightly down: LCV -0.05%, MCV -0.20%, & SCV down 0.3%. So just like early last year, we are watching another shift out of growth and into value...again, characterized as companies that pay dividends that also have relatively low P/E ratios.

NAZI's:

There were some 714,000 concentration camp prisoners at the advent of 1945. An estimated 250,000 of those prisoners perished by May 8 of that year...in just 128 days. That's 1,953 deaths/day. STAGGERING!

LITHIUM & COBALT IN CAR BATTERIES:

On our last show David, you had a listener who text messaged you, who apparently owns an EV, who claimed that Lithium is being phased-out of EV batteries in favor of Cobalt. Nothing could be further from the truth.

You folks might recall that America has exactly one lithium mine that produces enough lithium to build 78,000 Teslas/year. Private companies are attempting to open 2 more lithium mines in Nevada, but so-called environmentalists are holding those mine openings up in court...of course.

The whole world produces enough lithium to build 10.8 million new cars/yr...if every gram of the mined lithium went to building EV's.

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, adj rents/income

#4 Rental real estate, adj rent/income

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

#6 TIPS

NO NUKES:

Lets see how closely you were interactively listening last week David. If all of the elctricity you consumed throughout your lifetime was created by nucular power, how much nuclear waste would your lifetime consumption create?

Answer: 0.52 oz.

Here's some more info for you:

Fatality rates per billion kilowatt-hours generated (which would easily run 50,000,000 homes for one hour) are 25 for coal, 2.8 for natural gas, 0.035 for wind, 0.024 for hydro, 0.019 for solar and 0.0001 for U.S. nuclear, as reported in the Lancet and the Journal of Cleaner Production. WSJ LTE, 1/18/22.

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