

ADDENDUM TO RECENT BLOG

DON'S BLOG 2018.09.12

It was my pleasure to attend a meeting and speak briefly with Stephen Moore, Senior Economist for the Heritage Foundation, here in Wichita the other day. He is an enthusiastic dedicated libertarian who, along with Larry Kudlow, advised President Trump concerning economic and tax policy. His message was one of extreme bullishness for the U.S. economy due to the policies of our new President. I want all of you to know that I fully agree with this view. The fly in the ointment at this time which needs to be addressed, however, is the current global debt bubble.

It is no doubt in my mind but what the tax cuts, and in particular, the reduction in the myriad of regulations which had nearly destroyed our vibrant economy, have kept the financial markets doing as well as they have. The stock market in particular is a discounting of the future organism and it loves what it sees in this regard. Amen.

From here to the future just must require an adjustment in order to weed out the over-leveraged zombie economic participants in the financial markets. That is why I remain short-term bearish (actually have been bearish for some time, but now believe the clock is about to wind down). Cash may be one of the best assets to own now. Forget that old saying "cash is trash."