

SAME SONG, NEXT VERSE

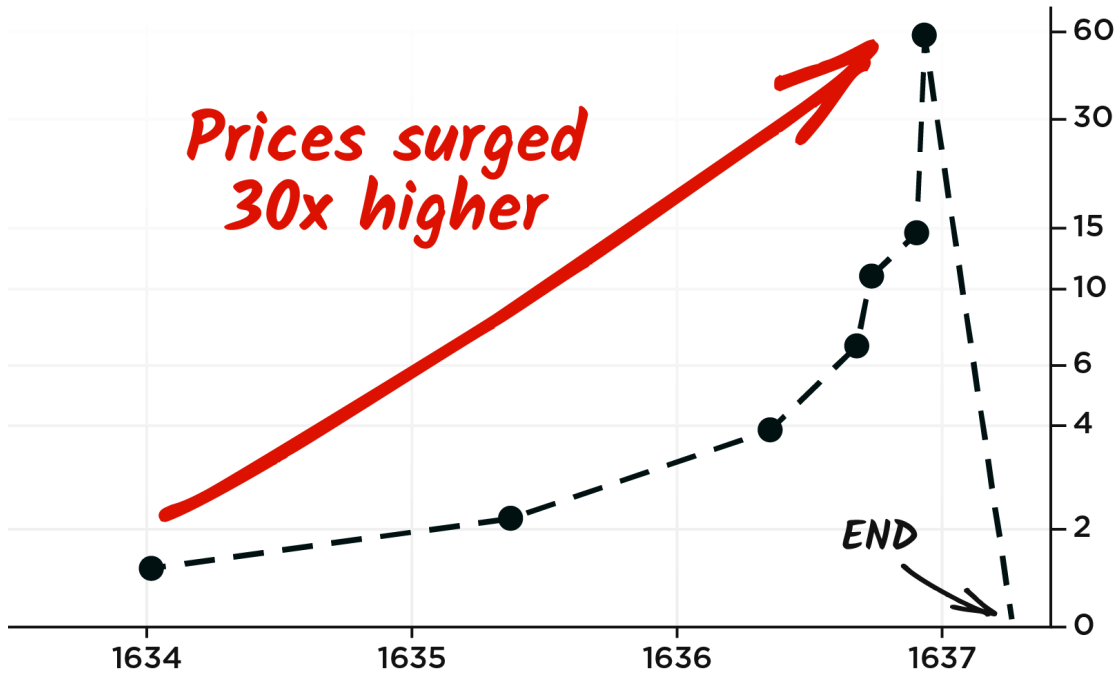
DON'S BLOG 2017.10.16

The unraveling of the Fourth Turning continues to pick up steam. In Europe, Sunday the Austrians elected an anti-establishment politician for the first time in many a year. His party, along with the conservatives, garnered about 75% of the vote. Michael Savage's borders, language and culture, is sweeping the industrial world. It appears to me that it's out with the old and in with the new. Did any of you see where a pharmaceutical firm in Washington, D.C. spoke of delivering Alzheimer's pills to Congress? I bet a bunch of you can think of several who surely must need them. Was it ever the intent of our founding fathers that serving your country in such a career manner was a part of the plan? Of course it wasn't. Also, ad nauseum we hear day after day that Hollywood is falling apart. Is that a bad sign? If you can think of a list of established institutions that are not falling, please email me. Oh yes, another is the Boy Scouts, which are now allowing girls to join. Why not have the girls join the Girl Scouts? As mentioned last week, only the Federal Reserve remains untouched. That, my friends, will also surely come to an end. With establishment Wall Street developing new ways of fooling market participants, it is taking time for most to come to the realization that the yellow brick road created by the Fed only leads to a wizard who has no clothes.

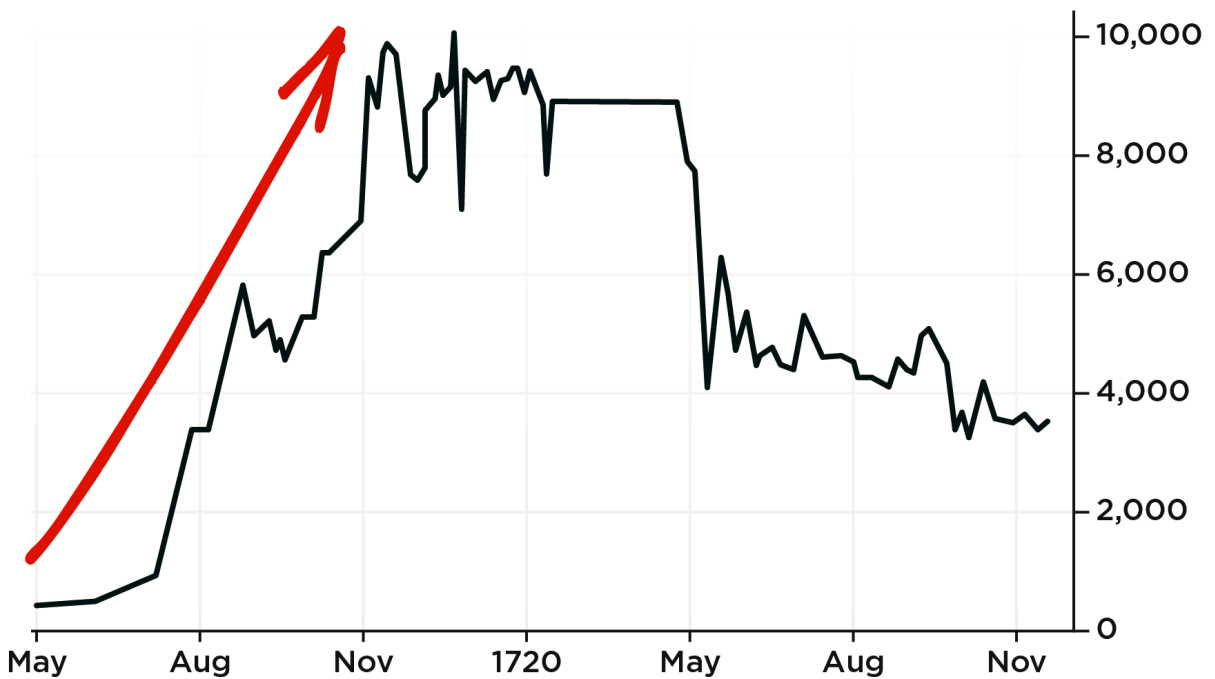
There have been many observations made that the markets are calm. Many historians are calling it the calmest market in history. No volume, which allows those who missed the stock rally since 2009 a chance to get in at higher and higher prices, thus creating their own portfolio paper gains. What a wonderful world. Every new high confirms their newly discovered excellent judgement. The greater fool theory is working quite well, thank you. Is it possible all this maybe points to a consensus that believes the outcome of this Fourth Turning will be all to the good? It's unclear to me that it will be; however, I would be happy to be wrong—missing the entire move—if that's the case. I have found other ways of doing just fine—so far.

Just some charts to think about concerning past market moves, in chronological order. Could this be taking place again?

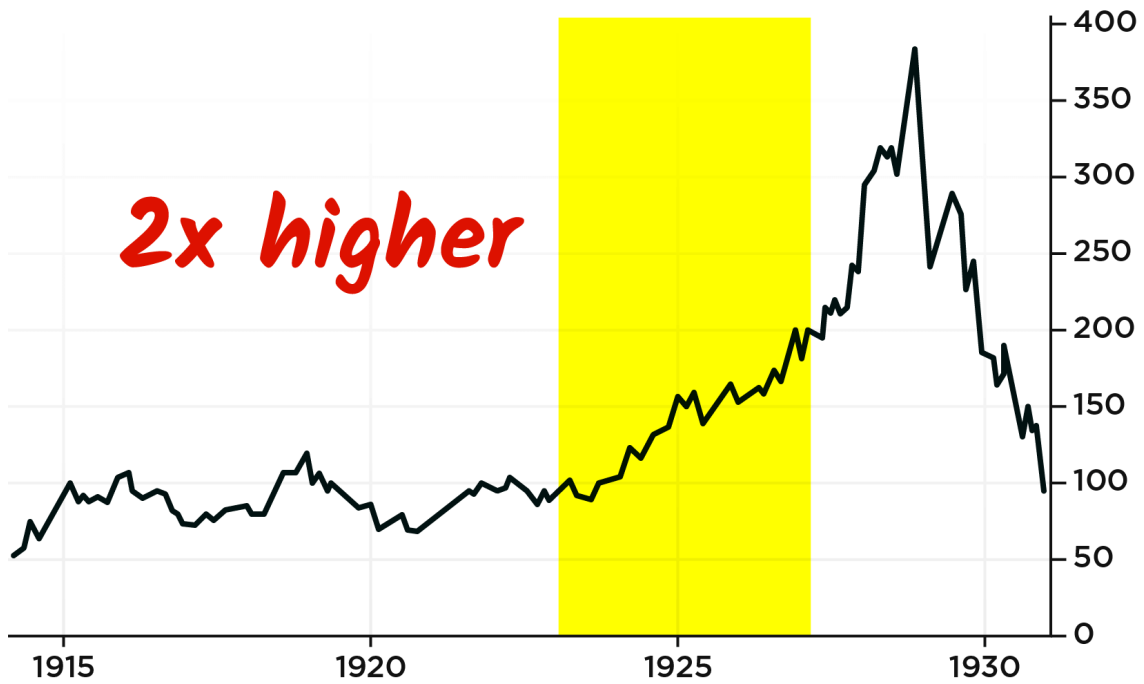
Tulip Mania (1634 to 1637)



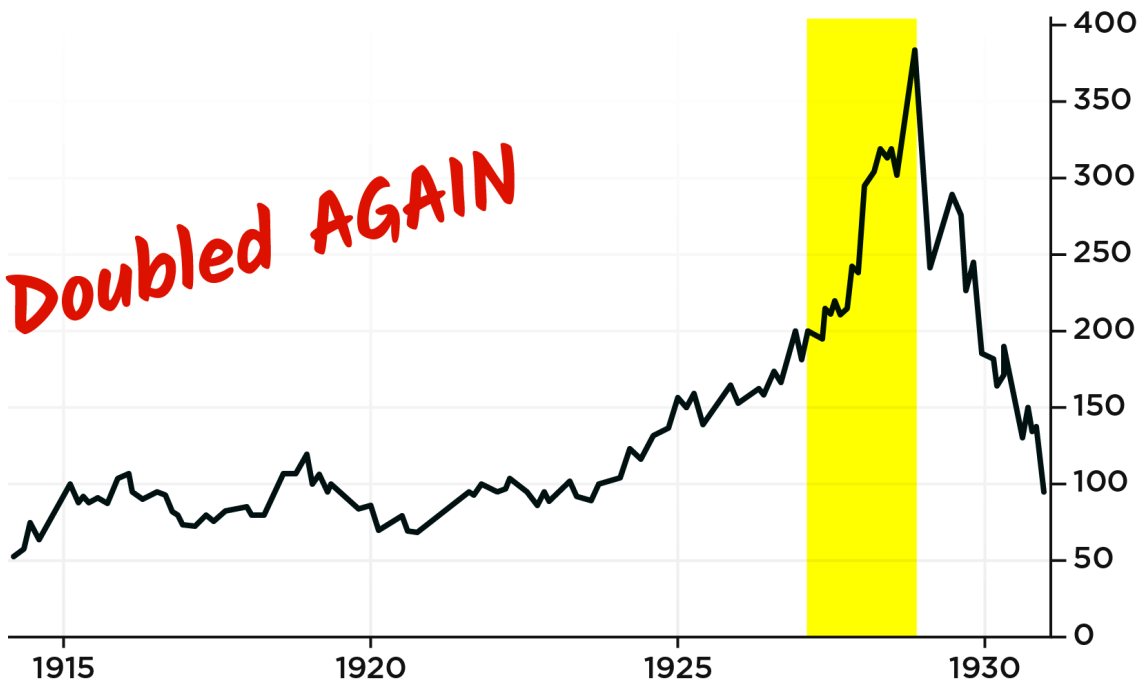
Mississippi Bubble (1719 to 1720)



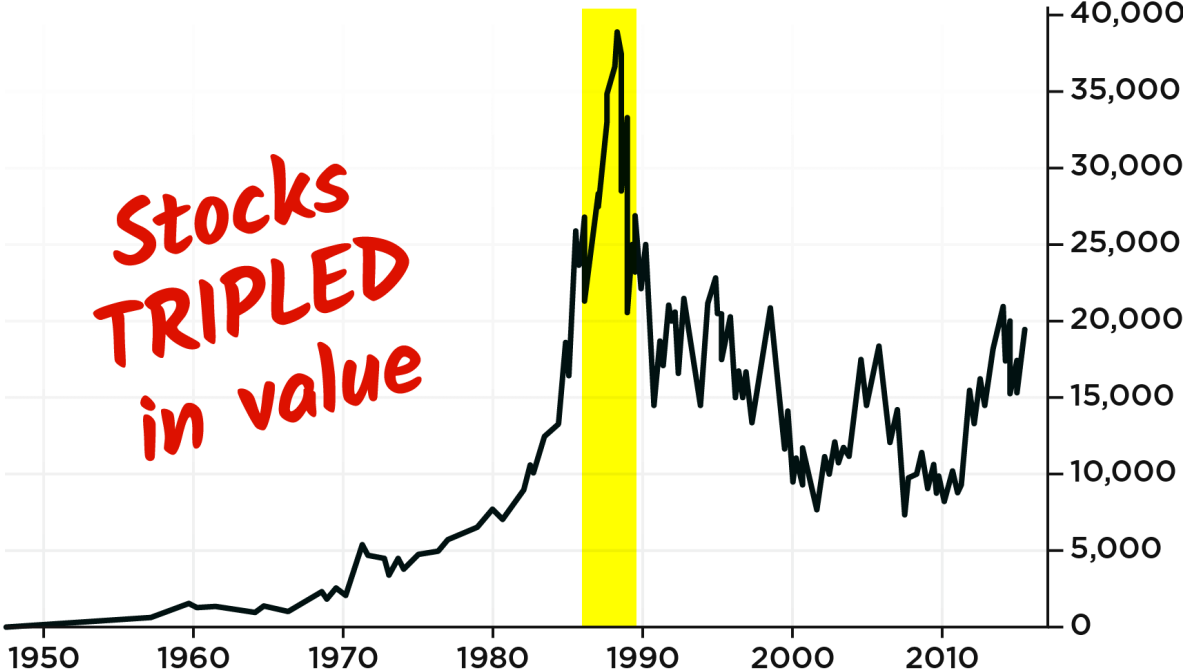
Dow Jones Industrial Average Index



Dow Jones Industrial Average Index



Nikkei Stock Market Index



Adapted from Stansberry Research