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## **A 3000% Cut**

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This coming weekend, April 10-11, I am scheduled to be on WTNH's (ABC in CT) Good Morning Connecticut. I don't have the exact details yet besides between 7:25 and 7:35 am on either day discussing either last minute tax tips or how the healthcare bill affects investors and Connecticut companies. As always, I will post the segment [HERE](#).

Last weekend, with the little guy home with yet another round of the never ending stomach bug, the rest of the family enjoyed summer like weather for our last ski weekend of the season in Vermont. Yes, there is still 3-6 feet of snow left on the main, north facing trails.

After spending every daylight minute outside on Friday in 70+ degree weather, Mother Nature truly outdid herself with an 80 degree day on Saturday, something I can only remember once in the past 20 ski seasons. It's very hard to describe the feeling of riding the lift in shorts and a tee shirt with full sweat going.

As we often do after skiing, the family goes swimming at the indoor pool, where we

usually bundle up, run inside from the elements and sprint back to warmth afterwards. It was almost surreal as we left the pool in flip flops and bathing suits, walking between the snow mounds as the kids, of course, dove right in and rolled around in the dirty snow, pausing only to pelt dear old dad with snowballs! It was definitely one of the most enjoyable weekends this year, although we all missed the little guy!

During the 8 year run of George Bush, the country was treated to his many gaffes, mispronunciations and sometimes flat out reinvention of the English language. From "nucaler" to his infamous off the cuff comment about OB-GYNs practicing their love (it's all on youtube), there was plenty of fodder for the media to pass along and blow out of proportion.

Although different, Joe Biden seems intent on providing some comic relief with his gaffes, the latest of which was the f bomb being dropped on an open mic discussing the healthcare bill. And let's not forget Dan Quayle and his spelling prowess back in the early 90s. Yes, this is all very serious, but sometimes, you just have to laugh. It's funny!

A few weeks ago, President Obama was in Ohio, during the late stages of the campaign for his healthcare bill talking to a group of excited supporters.

*"How many people are getting insurance through their jobs right now? Raise your hands. All right. Well, a lot of those folks, your employer, it's estimated, would see premiums fall by as much as 3,000 percent, which means they could give you a raise."*

Premiums falling by 3000%? Sign me up for that plan! The thing about technology today is that it's all saved, particularly on Youtube as this speech was and many other humorous pieces from both sides of the aisle.

## **The Survey Says...**

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Late last month, I put together a [Very Quick Survey](#). If you haven't taken it yet, feel free to before reading on. It takes all of 90 seconds. The results, so far, are not too surprising given who my readers are. The next step is to post the same survey in my weekly [Blog](#) contribution on Friday.

Growing up, I used to watch Family Feud with former Hogan's Heros star Richard Dawson. His famous line, after kissing all the women was,

"The survey says..."

**On the question of the government's TOP priority, here are the results:**

61% Job Creation  
32% Deficit Reduction  
7% Wars  
3% Healthcare Reform

Comments included:

*"Nothing is more important than lives being lost. Then deficit reduction."*

*"Job Creation, Deficit reduction and Healthcare Reform are all equally very important."*

*"Gallup's poll said 75% of Americans think we should tear up the healthbill and start from scratch. Listen up!"*

*"We need healthcare reform not that socialistic coverage package."*

**In 2008, I voted for:**

59% McCain  
34% Obama

Comments included:

*"Wasn't happy with either choice."*

*"McCain Palin were and still are scary politicians"*

*"would vote again for McCain --would have preferred Romney"*

*"Reluctantly, couldn't see myself going for Obama again"*

**Based on the past year, I would:**

73% Elect someone else  
27% Reelect Obama

*"let's run the country like a business--not an entitlement program."*

*"This president is perhaps the least prepared, yet totally driven by personal goals, out of sync with the people that made this country!"*

*"throw all the liars out"*

*"never have I been so fundamentally opposed on so many levels to someone."*

*"Not really a negative on Obama, but I would prefer someone who does not believe that earning \$250,000 makes you wealthy. I would also like someone who inspires us to be better Americans. It's suppose to be us against the world...not us against each other."*

*"Rather eat dirt than vote for a lying, socialist egomaniac intent on crushing capitalism and the true American spirit."*

#### **Congress is doing a:**

93% poor job

7% good job

*"Congress is the evil empire."*

*"They still act and perform along party lines. I don't believe they really consider the issues, only their party and reelection possibilities."*

*"its embarrassing. while I am all for disagreements, the opposition sent the bill back, and wasted 2 days of work on parliamentary bs. how bout learning to work together. accepting when you are not going to win, and doing something positive... anything!"*

*"Pelosi, Reid, Shumer, Rangel, Boxer, Frank must go."*

*"Congress is dysfunctional. I'm happy that they passed health care or insurance reform, but not happy in the way it happened."*

*"I have lost all faith in congress to do what is right for the country, this is a group doing what is right for their own personal gain, and unacceptable to me."*

*"i was a democrac they abandoned me, became a republican with ronald reagan then*

*they abandoned me and i blame them due to their lack of leadership when they had the chance to improve things, instead they were happy with the status quo for this we now have obama and his ilk. now i'm a libertarian :-)"*

*"Seriously...members of congress should 1) have the same health insurance, or not, as everyone else. 2) pay a 95% tax on everything they (and their extended family) earn, given, or accumulate during and after their time in Congress; except their actual Congressional pay."*

*"Congress shall make no law that applies to the citizens of the United States that does not apply equally to the Senators and/or Representatives; and, Congress shall make no law that applies to the Senators and/or Representatives that does not apply equally to the citizens of the United States."*

**My income level in 2009 was:**

11% Under \$50,000

26% \$50,000 - \$125,000

37% \$125,000 - \$250,000

26% Over \$250,000

I wasn't really shocked by the answers, but I was surprised at how strong the comments were. I guess they are probably similar to some remarks from a survey or two I did when Bush was president.

In short, your views, so far, are that the government has its priorities all wrong. More of you voted for McCain than Obama and a good number would additionally change sides if the election were today, not surprising given the income levels of those taking the survey. But the total disdain and disapproval of Congress has to be at an all time low. There seems to be some serious venom for both parties and everyone is sick and tired of the partisan politics, lying and failure to do what their voters elected them to do.

Again, if you haven't taken the short survey, please do and I will do an update in a few weeks.

## **Economy Approaching Fork In The Road**

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The following article was written for the New Haven Register's financial blog, **Fi\$cally Fit**, which I contribute to every Friday. Please click on the link to read.

## Economy Approaching Fork In The Road

### **11,500 - 13,000 Still On Target**

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Marketwise, here is a quick update as this issue is already very long. Although my intermediate-term forecast for Dow 11,500 - 13,000 between Memorial Day and Labor Day remains spot on, and one of my better calls, I thought that stocks were due for a normal, routine and healthy pullback in late March.

It looks like that pullback is here right now, based on a confluence of sentiment measuring that show excessive bullishness among investors. Since that group is usually wrong at extremes, and it's coming from so many sources, I imagine we're beginning a pause to refresh that should lead to higher highs this quarter.

Since THE bottom in March 2009, I've noticed a trend for weakness during the first month of the new quarter after a rally. After a peak in June 2009, stocks sold off to mid July before powering ahead. After a peak in mid October 2009, the market pulled back to early November before moving up again. And in early January 2010, equities topped and saw the biggest decline since the bull run began to another meaningful low in early February before soaring again.

If this trend continues as the Dow is currently approaching 11,000, we should see another short-term peak this month, followed by another routine bout of weakness before stocks head higher to what I believe may be a more significant high later this quarter.

Our [Gold Forecast](#) from mid March has played out nicely and I continue to believe there is more upside ahead for the metal. Hopefully, our two [Gold Strategies](#) will participate if that move becomes reality! The most interesting observation about the recent metals rally is that it's come on the back of strength in the dollar. As you may know, the dollar and gold typically do not move in the same direction. This shows a very powerful underpinning for gold with strong support from around the globe.

Finally, in my [Shockers for 2010](#), I listed treasury bonds surprising everyone to the upside (higher prices=lower yields), especially in the second half of the year. Although I do not believe we've seen the bottom in prices yet, that should come in late spring to early summer, treasuries are in a good position for a short-term rally as stocks begin their long overdue digestion.

That's a lot of information for one issue. As always, please feel free to contact me directly by hitting REPLY or calling the office at 203.389.3553 with your questions or comments.

### **Investment Quotes/Adages To Live By**

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"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment

of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher via Casey Research

## **Upcoming TV Appearances**

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WTNH (ABC in CT) Good Morning CT - April 10/11 at 7:35am

WTIC (FOX in CT) Money Matters - April 21 at 7:00am

CNBC's Worldwide Exchange - April 27 at 5:30am

CNBC's Worldwide Exchange - May 18 at 5:30am

You can view most of the past segments by clicking below.

## **Media Appearances**

## **Friends And Family Plan**

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Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

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## To Your Financial Success,



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