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Inside this issue

[Criticism of Mickey and the Magic Kingdom?](#)

[Markets Run Amuck Part I](#)

[The End of the World](#)

[Enjoy the Ride into Summer... Danger Lurks](#)

[Investment Quotes To Live By](#)

[Upcoming TV Appearances](#)

[Friends And Family Plan](#)

Criticism of Mickey and the Magic Kingdom?

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FYI, I am going to be on CNBC's Squawk Box on Friday morning (May 21) at 9:40am with Marc Haines. Additionally, I will be discussing whether or not investors should hire financial advisors and how to hire one on Saturday, May 22, on WTNH (ABC in CT) at 7:35am.

After being out of the office for more than a week with conferences and family a few weeks ago, I find myself still trying to catch up and settle back in. And the markets aren't cooperating as I am paying more attention than normal with volatility expanding dramatically all month. More on that in a minute.

I wanted to share some comments from our family's day at the Magic Kingdom in Disney World that some may find objectionable. If I offend you, I am sorry, but these are my observations and you are welcome to disagree. How can anything at Disney World be controversial? Read on... It's pretty quick.

Our day at the Magic Kingdom was pretty typical. We put our Fast Pass in for Space Mountain and then ran across the park to Splash Mountain. And certainly did our fair share of eating in between hitting up all of the other popular rides. Sadly, Mr. Toad's Wild Ride is no more and the Haunted Mansion and Country Bear Jamboree (stalwarts from my childhood) are now afterthoughts where people go when other rides are crowded.

Anyway, sorry for my usual digression. I believe Disney World is a microcosm of our country and maybe the world. It's where you see people from all walks of life, races, socioeconomic levels, etc. As we strolled around, I couldn't help but notice how many obese people were there. And the number of folks riding those motorized carts was staggering.

When it was time to eat, it seemed like every single eatery had junk or anything but healthy food. I watched in horror as little kids, clearly much larger than their doctor would like, devoured a bevy a fried fast food with over-sugared soda and plenty of cake, cookies and ice cream for dessert.

Don't get me wrong. Those of you who have seen me eat know how much I like certain junk foods, in volume. And maybe I could stand to lose 5 or 10 pounds, but I don't think I am in the majority I saw that day. Was this a special occasion or routine eating behavior? Unfortunately, I think it was the latter.

The government has debated healthcare for decades. But all we ended up with was REACTION. Why don't we spend some money (yes, I am actually advocating government spending) on PREVENTION? Think of how harmful it is not only for the individual, but for the entire healthcare system to support just one obese person. Why don't we take a page out of the Cleveland Clinic's book and get to the root of the problem?

I am not saying that every obese person can be easily helped. I do understand that some people did not cause this to happen. But watching all those people at Disney continually stuff themselves with some of the worst quality food imaginable certainly makes you think. And if the parents do it, the kids are likely to follow. And that's just not right...

## Markets Run Amuck Part I

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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.

Markets Run Amuck Part I

Those of you who asked for charts and graphs to depict what's going on in the markets will be thrilled to click on the link above. I think it's a really interesting piece on the mini crash of May 6.

The End of the World

A few weeks ago, I offered the following comment to describe the stock market. *"this type of behavior has often preceded some of the scariest elevator shaft type declines in history. The crashes of 1987 and 1998 come to mind"*

That comment was referring to the relentless rise in stocks since the early February bottom. I can't say "on cue" because we could have seen a waterfall decline any time in April, May, June or never. But the correction we are currently experiencing certainly fits well with history. And I would have been much happier if I followed history and sold or hedged our portfolio at the peak in late April!

This week (May 17) has been scary for investors as very negative geopolitical news, high volatility and large percent declines that accelerated have been the norm with the Dow seeing a 376 point loss today, May 20, as the worst so far. You can't read the paper, turn on a business channel or surf the net without digesting a cornucopia of stories calling for the end of the world.

And they may be right, but I don't think it's from here, right now. It seems like there is way too much bearish sentiment, just like we saw a preponderance of bullish sentiment in April. Conversations with clients and prospects are very skewed to the negative and worried side with even a call to move everything out of the market and into cash.

So unless a crash process has started into a real collapse next week, I believe we are continuing to digest the massive volatility from the May 6 mini crash. Historically, volatility contraction leads to expansion and vice versa. After such a quiet few months in February through April, May has been unusually crazy.

If you look at a pyramid, think of the base as the most volatility and the peak as the least amount. May 6 was the base of the volatility pyramid and the market is trying to work its way to higher levels on that pyramid where lower volatility resides. It's going to take time, just like after you eat an enormous dinner and have to digest all that food.

Right now, as is usually the case, stocks are revisiting or retesting the low we saw on

May 6. Assuming that is successful, which is what's indicated so far, the next rally should begin within a week. Until proven otherwise, I still believe that the stock market is going to see its major peak this summer between Dow 11,500 and 13,000. As we get closer, I will try and hone in on a smaller price and date range.

For the past few issues, I also discussed a new trend where stocks pullback and now correct early in the new quarter. As April was winding down, I wondered whether we would see this weakness. But lo and behold, it did arrive, just a tad later than previous quarters. Mark your calendars for July to see if we get another peak then!

I've also spent some time talking about commodities, treasuries and gold. I have been clearly wrong on the commodity front, believing that they would begin to decouple from the stock market and hold their own or even rally. My bullish stance on gold the past few months continues, even though it was long overdue for a breather. Until proven otherwise, weakness in the metal can be bought and profits taken on pushes to new highs.

Yet another article with lots of information that may be confusing. 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.

Enjoy the Ride into Summer... Danger Lurks

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Please click on the following link to read the release.

## **[Enjoy the Ride into Summer... Danger Lurks](#)**

## **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

CNBC's Squawk Box - May 21 at 9:40am

WTNH's (ABC in CT) Good Morning CT - May 22 at 7:35am

CNBC's Squawk Box - May 27 at 6:10am

CNBC's Worldwide Exchange - June 29 at 5:30am

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

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

Media Appearances

Friends And Family Plan

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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