



December 8, 2014

6:22 PM EST

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## Impulsive Paul?

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Those of you who know me know that I am about as far away from spur of the moment or impulsive as they get. Watch me buy skis, golf clubs or a car and you will see lots and lots of spreadsheets with every imaginable research study possible. I will hem and haw and debate and discuss until the cows come home before making a decision. All I can trace that behavior to is that in business, I am constantly making quick decisions on an almost daily basis and in my personal life, I am trying to slow down.

For the past 47 years, I spent every single Thanksgiving with my parents, usually at their house in CT but sometimes elsewhere. And for the past 20+ years, my Thanksgiving Day was pretty much the same. Sleep in, gym, yard work, food, football, food, football and food. No deviation allowed.

On the way home from New York one night in early November I was thinking about how my kids always ask me to go somewhere warm over the holidays. They didn't want to always end up in Vermont. And I was thinking how given their ages, we should probably try a cruise

sooner than later. So I called up my friend Bruce Gross from [www.bookitbruce.com](http://www.bookitbruce.com) and within a day the Schatz Family was headed from New York to the Bahamas for Thanksgiving aboard the Norwegian Getaway.



In the two weeks leading up to the trip, the kids kept waiting for me to say that I was only kidding or "April Fools!" But I didn't. I finally did something totally by impulse without a whole lot of thought and research. I turned my wife loose on excursion planning and dinner reservations and we were off!

All in all, I would describe our trip as filled with lots of highs and lows.

- 20+ foot seas and 50+ mph winds made the ride to Florida difficult as everyone except was seasick. Outside decks closed.
- Arrived FL four hours late in driving rainstorm. Excursions all canceled. Went to local mall to get off boat and use WiFi.
- One sunny day out of seven.
- Lost my middle son no less than five times including two hours at the Atlantis resort.
- I got really sick with virus on the way back and still sick.
- Swam with sting rays.
- Swam with dolphins.

- Ate great food
- Drank excellent wine.
- Onboard activities and entertainment were incredible.
- Great family bonding time.
- Kids thought it was the best vacation ever.



Don't forget to check our blog for intra-issue updates.

[www.Investfortomorrowblog.com](http://www.Investfortomorrowblog.com)

## Quick Canaries Update

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I probably won't do a full canaries update until the New Year unless things really change, but following up from last time, things have actually gotten a little better. The major indices, while not perfectly in gear to the upside, look like they will get back in sync over the coming few weeks with even the Russell 2000 having a chance at all-time highs.

The Dow Transports are basically in sync with the Dow Industrials and with today's action the banks have really stepped up to lead with the semiconductors. The New York Stock Exchange Advance/Decline Line made a

sharp jump higher last month and now it, too, is back in sync with the market. This is all good news for the aging bull market.

On the negative front, the only canary on life support is and has been the high yield or junk bond sector. This group has been flirting with issues dating back to May 2013 when Ben Bernanke first discussed tapering his QE or money printing program, but each time, they seem to pick themselves up and return to reasonably healthy status.

The behavior now is not dire, but with the energy sector weighing heavily on the group, it's going to be interesting to see what happens after tax loss selling abates over the coming few weeks. The high yield sector can be very early in its warnings, but it has never missed warning of a bull market peak.

## Feel is not Real

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I have been playing golf for the better part of 40+ years and I have taken my fair share of lessons. I can't tell you how many times I have commented to my teacher that something "doesn't feel right" or this "feels weird." And each and every time the response has been the same; "feel is not real." If you typically walk with a slight hunch, try walking really tall to understand what I mean. It feels funny, but barely noticeable to the eye.

As you know, I have been an unabashed bull for the past few years and that's not changing now. I remain positive into 2015 with the chance for much higher prices next year. Over the past few weeks, it certainly "feels" like stocks have seen fresh all-time highs day after day after day. After all, stocks haven't experienced more than a day's hiccup since the bottom in mid October.

However, similar to what I mentioned about my golf swing, "feel" may not be real in the market right now. While the Dow Industrials have closed at fresh all-time highs three out of the last four days, the S&P 500, S&P 400, Russell 2000 and Nasdaq 100 have not matched the Dow's short-term strength. They have been laboring along.

Seasonally, the period from late October through mid January is the most bullish time of the year to be invested, but on a smaller scale, early December has seen a few small potholes. Couple all that with a very solid employment report but tepid market response on Friday and you have a stock market looking a wee bit tired and in need of a little nap.

The healthiest and most bullish response would see the market do nothing for a days or so (essentially staying within a few percent of here) and then gear up for the traditional year-end (Santa Claus) rally. At the same time, we should see tax loss selling, the selling of losing positions for tax purposes like energy, begin to subside.

So while December always offers lots of crosscurrents in the markets, it's almost always resolves itself to the upside to close the year. And to give the bears their fair share, should they mount an attack that lasts into year-end or the New Year, that would be a complete and total change of character for stocks and cause me to rethink my positive stance.

## **Fear is not an Effective Motivator... Time to Rethink**

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Studies proclaiming Americans are failing to save sufficiently for retirement and will find themselves living from Social Security check to disappearing Social Security check appear to be doing little to promote increased saving. Al Gore (of Internet invention fame) and other climate change advocates have done their utmost to impress on us the threat global warming, with the intent of changing lives and countries. But neither seems to be having much effect. Why aren't people paying attention?

It turns out that fear is actually a poor motivator. In fact, the more catastrophic the prediction, the more skeptical people become that anything they do will make a difference. It's not that they don't believe the threat, it just seems like an insurmountable challenge.

Fear is actually a de-motivator. It's not something you can go to action on. It's draining and exhausting, and keeps one in a perpetual state of worry instead of action.

### **Let's Put the Fun Back into Saving**

Everyone old enough to remember green stamps and premiums for opening a savings account, give yourself a pat on the back. You grew up in the days of positive thinking, rewards and "good for you-ism." It's surprisingly hard to get rewarded these days for doing the right thing. Instead we're given what often seems like impossible goals with the threat that unless we achieve that goal - you must have at least \$5 million by retirement - abject poverty awaits. How many financial plans dwell on the unknown of medical costs and health insurance? Let's scrimp and save now so we can pay the doctor...sorry, not motivating.

What does "financially secure" mean to you? Does it have the ring of a good time? Probably not. It's actually back to the fear factor. If you are not secure, you are going to be insecure and that sounds rather stressful.

Let's face it, \$1 million really isn't much fun. \$5 million is a bigger number, but the fun isn't in the zeros, it's what you want to do with that money that is fun.

Rethinking saving means figuring out what it is you want, what you will enjoy about that goal, and then how you plan on getting there. The more enjoyable

your end goal is, the more you'll do whatever it takes to get there. Forget about retiring. What is it you want to do? Do you want to sail around the world? Have your own organic garden? Buy a five-year subscription to the opera and see every opening performance? Do you want to be able to keep your home or move somewhere nicer? If retirement is going to revolve around watching every NFL game, how big do you want your television screen to be?

Now you have a goal. You have a positive reward. The next step is to work out how you get to that goal. And, it doesn't have to be an all or nothing. You can set up mini-rewards along the way. Consider planning a special celebration every time you reach an additional \$250,000 in savings. Your celebration could be as simple as the purchase of a new barbecue grill or a special weekend getaway or as elaborate as you want as long as it doesn't cut too much into your nest egg.

And don't forget to continue reinforcing the idea of your long-term goal. If your goal is to retire to Florida, deep sea fish and help save the manatee, on your next vacation, visit areas of Florida that you find most appealing, evaluate housing options, find out about recreational opportunities. If you love the experience and can't wait to move, you have even more reason to put a little more in savings.

## Upcoming Appearances

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Fox Business' Making Money with Charles Payne - December 9th 6:00 - 7:00 PM

Fox Business' Making Money with Charles Payne - December 15th 6:00 - 7:00 PM

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

## Media Appearances

<http://www.investfortomorrow.com/InMedia.asp>

## Investment Quotes/Adages To Live By

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"The only easy day was yesterday."

- The U.S. Marines

"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, 1984

"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

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."

- Mohamed El-Erian

## **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.

### **Sign Up Here**

You can also forward this email to family and friends by hitting the "forward email" hotlink at the bottom of this email.

## To Your Financial Success,



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