

**Market Outlook:**

**How much is enough?**

It is quite fortuitous that the market is continuing to dole out "rewards" and still compelling investors to hop on board the runaway train. For those who prefer a more conservative approach, simply waiting out an eventual contraction has been a particularly prosperous strategy. And for the more aggressive trader, this market has similarly provided them with a functional opportunity to play every angle of good fortune.

But it's also necessary to poke a little deeper into the data and to uncover some graphic examples of systemic inequalities that permeate the entire global economic landscape, leading us to wonder *at what cost is the financial windfall of the stock market affecting those less fortunate who have deeper concerns about hunger, poverty, security, and survival?*

More simply, ask yourself (as you're counting up the gains in your monthly brokerage statement), *"how many are going to bed tonight hungry, thirsty, disease-ridden, or destitute?"*

Look, we're not trying to be too moralistic or punitive, but playing around in the stock market is a luxury very few of the globe's citizens can afford. Last year, less than a third of the global population even owned stocks or bonds, while 0.1% of the entire planet's population owned over 23% of its wealth. We doubt that those statistics are likely to change very much in the next decade. Perhaps you might think on that as you're dancing for joy over that biotech stock that just hit a new 52 week high....

**Billions**

The enormous sums of money being won and lost in the financial markets are calculated in the billions and trillions of dollars. Investor's risk appetites seemingly have no end. Decisive upticks in stocks over the past few years have made the wealthy wealthier, while bringing the pedestrian middle class portfolio along for the ride as well. But think about the fact that markets are usually parabolic shaped. To suppose that "it can't happen to me" is extremely short-sighted...and ill advised. Despite how rich investors are becoming, there are always pitfalls along the path.

I am also very worried about the advice that customers are receiving from a variety of financial resources. In a bull market like this one, *everything* is going up. What happens when that propulsion stops? Where do you go from there? Cash out? Rebalance? Hope? Pre-packaged advice and homogenized products unfortunately won't supply the answers, nor will they necessarily give you the right guidance related to your own risk/reward tolerances. As we approach, and breach, new highs these are the concerns I hear most often from clients and prospects.

Since last November, selected stock markets have appreciated nearly 20%. A handful of fortunate stakeholders have made out very well. Even the US Federal Reserve stated as recently as last week that all seems right with the direction of the US and global economies. But realistically, all economics are local. There are only so many new cars to be bought, or new clothes to fit in our closet. Crowded restaurants in midtown Manhattan might be empty diners in rural Midwest. Surging biotech campuses in Oregon are offset by quiet factories in Pennsylvania. Crowded ski resorts in Gstaad stand in contrast to slums in Delhi. It's all relative.

Which is why I lament the fact that there is a lack of synchronicity regarding how and where the wealth is being created and disseminated. At an alarming rate, the rich are getting richer. However, the poor are not getting wealthier, nor is the "middle class" accreting its wealth at the same rate as the well-to-do. It seems as if the wealthy always have a leg-up on the rest of us...and a bigger cushion upon which to rely when times get bad. Good on them. But morals and principles of what it means to be a member of the human race don't always equate to the size of one's pocketbook.

And if it's all about economics for you (not global poverty), then financial headwinds, razor thin profit margins, war and regional conflict over precious natural resources can hardly be good for your portfolio in the long run.

How long the stock market recovery lasts is an art form to predict, and an unknown for sure. However, what is *not* unknown is the plight of the less fortunate in this world. Sadly, upticks and downticks in the stock market today have very little meaning to those whose only intention is surviving until tomorrow.

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