

<b>Market Outlook:</b>
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**Big love**

I get a little concerned sometimes when the questions I am asked fixate upon one stock, one topic, one sector, one bias. Not because these particular favorites aren't relevant to each questioner's interest or point of view, nor that on their own each specific element doesn't add value to any discussion about the markets, portfolio management, or economics and politics in general.

No, what particularly troubles me is a kind of obsessive component to the question and those asking the questions...as if each proprietary concern is the *only concern*, the only thing...according to each...that matters. This is the residue of a "fast money" and quick profit environment that is a sign of our times.

*"How did XYZ Corporation close today?"*

*"What's the impact of the Fed's announcement upon market performance?"*

*"Biotech is the place to be, don't you agree?"*

*"Follow the volatility indices....that's the true direction."*

Yes, when taken in sum these, and many other, elements comprise a vast array of data which when correlated and analyzed together yield a sharper perspective upon investor sentiment, trend analysis, market performance, and political debate. In fact, my proprietary database processes nearly 115 such market related data just to arrive at a probability quotient scale to determine location and duration of trend factors.

Here's the problem, though: **markets and market observers have become too unyielding, too proprietary in their points of view.** As with many things in today's culture polarization and bifurcation are now becoming preferred methods of developing opinions. I would suggest that society is becoming less tolerant, more strident in our divisions. Interpretation of data at the expense of seeing the whole picture may not be as sexy as making 7 points in one day on a biotech/pharmaceutical stock, but sexy doesn't necessarily initiate secular trends, define them, nor move them.

**Below the soil**

One of those omnibus topics that goes largely un-discussed in this fast paced world is the cyclical/secular pressure being put on the globe's overuse and under service of our natural resources. For those who fear the inflation bogey, one of the areas in which it might manifest most aggressively is in agriculture (foodstuffs). Concurrently, some are forecasting an uptick in civil unrest, nationalism, and an erosion in confidence in our traditional social services institutions. One might argue that these are not future-related fears, but actualities already on display.

The fiscal crisis of 2008/09 transformed global secular cycles from consumer-led to epic manipulation of fiscal/political strategies. At some point, inflation *will* reignite, resulting in price increases for energy, basic materials, and food. The hoarding of precious product, might also result in changes to world order, the balance of political power, and shifts in our attitude about the less well-off amongst us. Already, the political ramifications of a wealth and commodity gap worldwide has come to the fore in world capitals as a powerful movement of social protest.

Agriculture and climate shifts are to this next millennium as industrial revolution was to the last century. Understanding the personal and economic impact of water scarcities, food shortages, energy depletion, health pandemics, and other demographic changes helps us as investors, and citizens, to identify pockets of inequality, economic opportunity, and social/moral need.

Improvisation and science are usually thought to be on opposite ends of the spectrum. The kind of discipline necessary to build long term profitability in client portfolios emanates from adhering to and developing strict methodology and macro strategic thinking. That's not to suggest that there isn't room for the "human factor" ...in many cases a subjective override is necessary. But relying upon game-playing, hunch, or hyperbole is oftentimes a recipe for disjointed portfolio performance...or worse. Open your aperture of analysis, and performance, by widening the possible number of elements for consideration.

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