

Market Outlook:**Demographics do matter**

This most recent turmoil about debt, confidence, and political ideology between Greece and its EU partners highlights an even bigger issue about the economic disparities between nations, their value systems, and social infrastructure. In some ways these comparisons are stark and vast, influencing how countries converse and trade commercially. While the "rich" nations plod along on parallel paths, emerging economies, although "poor" by comparison, must work at breakneck pace simply to provide for their citizens.

As analysts and professional investors, our focus is not only upon finding capital gains and unique investment opportunity, but also to create reciprocal cash avenues that net a return on investment for both sides of the trade. *Globalization* is not simply a catch-phrase or an intellectual concept, but a real expansion of money flow around the world.

If there is truly an advantage, it lies obviously with the developed nations, those which control natural resources and money supply. In that regard, emerging markets are always going to be playing "catch-up". Whatever resources they might own (e.g. oil, metals, beans,) are oftentimes swept up by large conglomerates or nationalized by their governments. A quick infusion of cash by nationalizing commodity harvesting or a merger/acquisition creates a temporary growth spurt that is difficult to sustain in the long term, potentially creating political instability in its wake.

One way to offset these temporary, one-time-only windfalls is to make sure that people are educated and connected to modern technology. Unlike the boom towns of the early 19th century, that type of isolation and hyperbolic expansion is not the game-plan today. The erosion of a "company town" is nearly unheard of, nor tolerable, in our complex world. Similarly, small nations' economies are inspired to become multifaceted and not simply one-dimensional. Quantitative statisticians are now capable of creating dynamic metrics by which we can understand societal pivot points that can measure the ratio of *public education to financial longevity and economic sustainability*.

Moral obligations

For all their economic superiority, developed nations are not necessarily winning the higher-education battle. Educators and politicians are witnessing how smaller economies have transformed their countries through training, technology, and education policies that enhance their competitiveness and standard of living. Patterns of social segmentation are constantly changing, and while we do not envision major economic (regional) shifts in the next several decades, we can say with certainty that cycles of opportunity are becoming more complementary worldwide.

As the workforce expands, so too does productivity. The age of monolithic one-dimensional capital is receding.

Still, it requires that the rest of the world embrace "globalism" as an opportunity, not a curse. Rather than trying to achieve dominance over its lesser counterparties, powerful nations should perceive dual exchange, importing and exporting, as the quickest way to generate sustainable profits, while also creating a well-trained labor force, more sophisticated production processes, and advanced technologies that add value to economic endeavors.

Intuitively, we know all these things...what the "right" thing, the moral thing is to do in finance, economics, and politics. However, it is by our actions that we truly demonstrate the real value of "profit".

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