

**Market Outlook:****The 1 percent-ers**

Economic forecasts abound about the prospects for 2017 domestic and global activity, particularly now that the US Presidential election has concluded and the pendulum of focus is shifting to elections in Europe. Those forecasts typically depend upon quantifiable assumptions or truths that each strategist believes best represent their thesis. However, what I find typically distressing about today's forecasting landscape is that without knowing the details, the only thing we can predict is future uncertainty and volatility.

For example, the Federal Reserve raised its benchmark interest rate last December (and promises more increases this year) predicated upon their economic references and data that additional capital spending and incentives to encourage borrowing will produce modest, if not massive, new undertakings which produce new jobs, infrastructure redevelopment, housing expansion, and technological innovations that add to the nation's GDP, productivity, and profitability of businesses.

In reality, though, the economy seems mired in an extended period of slow growth and disappointing Gross Domestic Product. Some doom-seers actually believe that austerity programs abroad (Germany, e.g.) and a changing population demographic here at home is more likely to ignite the next recession than to create a new economic boom.

The debate about the Fed's role in all this is largely irrelevant until we know the design, intent, and details of government fiscal policy. In effect, the Fed has already played the "spending card", while we know not whether the mood in Congress is to respond to those who put them in office who abhor deficits and Federal spending, or to lean towards the slogans and campaign promises of this new government team to become "the jobs" administration at any cost.

No doubt, the markets would become extremely buoyant about corporate profitability specifically and stock performance overall if any stimulus was to materialize and if it were directed at projects and appropriate relief for those who feel "left behind" by the upheaval thrust upon them in the last recession by the avarice of institutions and individuals that have largely gone unpunished or identified in its aftermath.

**Morning in America**

What we are experiencing globally is a host of withdrawals, populism rallies, and a disdain and disrespect for government. These feelings of mistrust threaten the world's economic and political status-quo. This sentiment is no longer just a "political theme" as was used so masterfully during the US election campaign. No, it is now a pending social movement waiting to explode. The regrettable existence of a new, two-tier, vertically integrated social infrastructure that delineates rich from poor has widened the wage, expectation, and "hope" gap greater than at any time in the last century. Yet those in the top strata seem to be in no hurry to lend a hand "downwards" to uplift the less affluent to their level...or so it seems to this blue collar global social movement.

The exclusive, well-defined strata of Wall Street and the affluent is defined by parsing "small data" to achieve success and upward mobility. On the other hand, for those who aspire to great wealth and empowerment their measurement yardstick is only by *results*. Today's immediacy of technology and social networking delineates very specifically the boundaries of status, power, and opportunity. The "usual" is no longer usual.

Our global leaders need to recognize and respond to this new social reality. Either we aspire to the notion of one planet for all, or we start to carve it up for our own territorial cultivation. The "*same old ideologies*" are being torn and tested as never before. Political speeches and slogans do not translate directly into results or prosperity. For those who have not yet participated in this superb financial market rally of achievement that some of us have recently taken, perhaps a helping hand of charity and contemplation from their peers above might apply....

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