

# THE RETIREMENT PLANNER

*Financial Planning and Investing for Retirement*

2001 Midwest Road Suite 107 Oak Brook, IL 60523 Telephone 630-495-9700 Web site www.rpiinc.com



**Written by**  
**Norman P. Chiodras MS, CFP,**  
**RFC, President**  
**Exclusively for RPI Clients**

## IS THE BULL MARKET OVER?



### INSIDE THIS ISSUE

#### IS THE BULL MARKET OVER? 1

- Boom or Bust?
- How Do I Cope With Rising Market Volatility?
- Dow 40,000 Still On Track?
- Conclusion

#### POTPOURRI 7

In our fourth quarter newsletter I wrote: “If meaningful tax reform can be passed shortly, it may be off to the races again with the stock market and the expected correction may be postponed until next year.” So far this is playing out as anticipated. The Dow surged from 23,435 on November 1 to a high of 26,616 on January 26, for a gain of 13.57% in less than three months. It was then we finally got the expected pullback, the rapidity of which shell-shocked many investors.

In early February, the stock market experienced a 7% downturn in just two days...wiping out all gains for 2018 and some of 2017's as well. But even that doesn't tell the whole story. At one point on Monday, February 5, the Dow was down nearly 1600 points, or a full 10% in just two days. Last fall, noted money manager Martin Armstrong's uncanny cycle model pointed to January 2018 as being the possible turning point top. Of course, the media has to come up with a reason for the decline. So you heard everything from Trump's policies to his re-

# IS THE BULL MARKET OVER?

leasing of the FISA memo to the ever popular “interest rates are rising.”

But often the best answer is: it was just time.

Rising interest rates are a favorite culprit of the media. Yet as Charles Payne of *Fox Business News* recently pointed out, the stock market has never topped out at the same interest rate. So how could that be the cause? The interest rate of the 10-year Treasury bond, a benchmark that affects mortgages and other loans, was at 2.8% in late January and climbing. Charles Payne noted what it was at other tops:

- 1980: 10-year yield was over 12% **and climbing**
- 1987: 10-year yield was near 9% **and climbing**
- 2000: 10-year yield was over 6% **and declining**
- 2007: 10-year yield was 4.5% **and declining**

Rising interest rates are a sign of a strong and growing economy, not the cause of a stock market drop. The Federal Reserve has already raised interest rates five times and plans on three more hikes this year. Some fear that in the past this type of “tightening” action has killed economic growth and spawned a recession and ensuing bear market in stocks. But when you are starting from historically low, near zero per-

cent rates, can you really call the Fed’s current action “tightening?” In fact, it may actually be stimulative if it raises interest rates paid on bank accounts for millions of savers. For the same reason, it could also help many devastated pension funds.

## Boom or Bust?

So how is our economy doing and do we need to worry about the Fed killing it? While the economy seems to be chugging along pretty well right now, optimism is soaring. Consumer confidence is near a 17 year high and Bloomberg’s Consumer Comfort is also at a 17 year high. Goldman Sachs Group Inc.’s index of financial conditions broke through its internet bubble level to reach a record level on Monday, January 29, signaling that the economy may be poised to pick up steam.

As reported by zero hedge.com, the NFIB Small Business Optimism index increased 3.7 to 107.5, its highest reading since 1983. “This is the second-highest reading in the 44-year history of the Index,” exclaimed the NFIB Chief Economist. A record 24% of small businesses plan to add jobs, led by construction, manufacturing and professional services.

With nearly 70% of the S&P 500 companies reported, *Investor’s Business Daily* noted that it is one of the

*Yet as Charles Payne of Fox Business News recently pointed out, the stock market has never topped out at the same interest rate. So how could that be the cause?*

# IS THE BULL MARKET OVER?

best earnings seasons in years. Earnings are on pace to deliver a 14.7% gain with revenues up a robust 8%. And the tax cuts haven't even taken full affect yet.

Millions of employees are receiving bonuses, extra 401k contributions and permanent pay raises due to the tax cuts. Numerous US companies stated the lower tax rates have influenced them to bring money back home to build new facilities, including Apple which will spend \$350 billion over the next five years and Exxon which will spend \$50 billion.

At the January World Economic Forum in Davos, *The Daily Caller* ran this title; "Dozens of European CEOs Go One by One to Tell Trump They Are Investing Billions Back in the US."

Remarkably, Trump's tax reform has even influenced policies outside of the US. It has forced many other countries to reverse course, not the least of which is Germany. China has announced that foreign companies will pay ZERO tax on certain projects in China and even France has suddenly moved to lower taxes to be competitive with the US. "His Tweets aside, Trump has the correct agenda on taxes and he has forced the world to reverse course. No

president has ever done that," notes Martin Armstrong.

I have to admit that I was disappointed to find out that while the majority of our clients will see a \$1000 to \$2000 savings on their taxes, some of our clients who itemize could actually see their taxes go up by a couple hundred dollars because of the loss of personal exemptions which were formerly deductible.

That aside, as long as businesses and consumers are confident about the future they will borrow and spend for their needs no matter what the interest rate is. The economy grew very well in the 80s when interest rates were double digits. Companies are starting to move money that has been sitting idle for the past decade. Interest rates are going up for savers. What's not to like?

## How Do I Cope With Rising Market Volatility?

2017 set records for low volatility and perhaps lulled investors to sleep. Before the plunge in February, the S&P 500 had gone more than 310 days without a 3% pullback, its longest on record going back to 1928. It is noteworthy that Armstrong's models pointed to 2018 as a year filled with panics and volatility. How do we survive in this type of environment?

*Numerous US companies stated the lower tax rates have influenced them to bring money back home to build new facilities, including Apple which will spend \$350 billion over the next five years and Exxon which will spend \$50 billion.*

# IS THE BULL MARKET OVER?

Obviously, no one likes to lose money. But in order to be a successful investor, we all need to be able to manage our emotions. First of all, when the market is falling, never look at the point drop, always look at the percentage drop. Remember if the Dow is trading at 26,000 a 10% decline is a drop of 2600 points. A drop of 2600 points feels like a crash. But 10% pullbacks, like we just had, happen regularly and are actually very healthy in ongoing bull markets. Mack Investment Securities, Inc. – our Broker Dealer – highlighted this with a chart and commentary in their February *Mack Tracks*.

ket correction takes place,” says Steve Mack.

Even more important is to understand the longer term view. One of the key reasons I write this newsletter is to lay out for our clients what we believe is occurring on a global and domestic basis, politically as well as economically since it is all related.

Once you understand what is unfolding and why, you can stay invested through the ups and downs. If you lack the understanding, you will lack the confidence to stay in-

*Once you understand what is unfolding and why, you can stay invested through the ups and downs. If you lack the understanding, you will lack the confidence to stay invested and will sell near the bottom of a major pullback in prices.*

Dow Jones Industrial Average	5%	10%	20%
January 1, 1988	208 pts	417 pts	834 pts
January 1, 1998	603 pts	1,206 pts	2,413 pts
January 1, 2018	1,303 pts	2,607 pts	5,215 pts

“As illustrated, a 5% decline in 1988 appears to be an average trading day today at these lofty levels. A news headline showing a drop of 1,300 points, on the other hand, may create much more concern for investors, even though the decline is the same 5%: same percentage, different points.

“For investors, shifting focus from points to percentages may provide a better perspective and some psychological relief when the inevitable mar-

vested and will sell near the bottom of a major pullback in prices.

CONFIDENCE is key.



# IS THE BULL MARKET OVER?

We have been pointing out how cycles predicted Brexit, Catalonia, the election of Trump, the stock market rally as well as the uptick in US GDP. Cycles deal with time, not opinions or emotions. I recall newsletter writers predicting a crash in the stock markets during Clinton's presidency due to his impending impeachment and publicized scandals. These writers, who disliked Clinton, told their readers to sell stocks and even go short, placing leveraged bets the stock market would fall. Yet the stock market kept chugging higher throughout the 90s.

When the Dow futures fell 800 points the night of Trump's victory, liberal economist Paul Krugman immediately predicted that the stock market would never recover. Trump-hating hedge fund manager, George Soros began shorting the stock market and finally threw in the towel late last year after losing billions of dollars.

Rarely do people think with their head. It is instead the emotions of their heart that leads them. We all have biases and opinions. Jeremiah 17:9 says "The heart is deceitful..." French philosopher, Blaise Pascal said, "The heart has reasons that reason does not know."

I have learned that studying cycles helps to remove emotions and opinions from the equation.

So far, this is just a normal correction which should bottom out by March, if not already. There is another turning point in May. What could cause the stock market to turn into a bear?

## Dow 40,000 Still on Track?

While I don't want to get too political here, politics can greatly affect the markets and your investments. It is important that you understand them. But if this offends you, kindly skip to the Conclusion on page 6.

The short answer to the question posed in the subtitle, is yes. Martin Armstrong points out that for this current bull market that began in 2009 to rise the same magnitude as it did in the 1920's, we could see the Dow hit 40,000... especially with the dynamic of being in a private wave as discussed in our previous issue. However, Armstrong's models also point to 2018 as being a turning point which means it could be another bottom on the way to higher prices or a short term top.

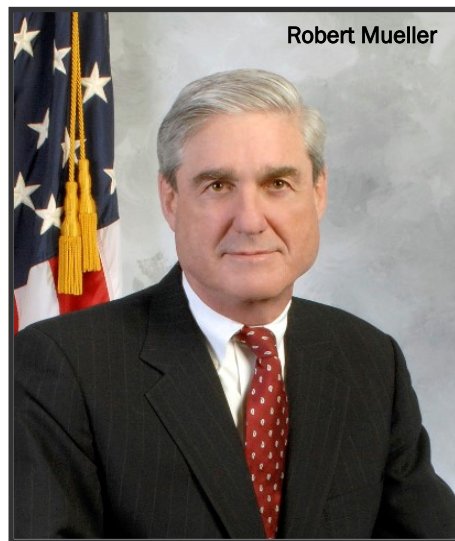
What could flip the scenario into making 2018 a top and perhaps begin a prolonged downturn? Politics.

The Deep State and Establishment Republicans and Democrats hate Trump and are trying to do everything in their power to indict and then impeach him. We now know that senior FBI officials were using what

*Rarely do people think with their head. It is instead the emotions of their heart that leads them.*

## IS THE BULL MARKET OVER?

they knew to be false information and disinformation to justify investigating Trump and his people. They knew there was never any Russian collusion and that Russia never affected the outcome of the election. Then President Obama and Democratic Senator Feinstein admitted as much early on. But Mueller just needed to get in the door of Trump's house and now that he is in he is looking for anyone he can turn to testify against Trump.



The whole Russian collusion investigation was a sham which ended up with indictments of 13 Russians for basically running some Facebook ads and sponsoring rallies for and against both candidates. Then there was the indictment of a lawyer who no one ever heard of who may have made a false statement to the FBI and even erased a few emails concerning events that happened years before the election and have something to do

with Ukraine. I can think of a few others who also deleted emails, smashed hard drives with hammers, lied to the FBI and committed felony acts leaking classified information. But we don't have to worry about any of them being indicted because they play for the right team. "Good work comrades," quipped journalist Daniel Greenfield. "The bold plan is to fight Russia by...becoming Russia."

This has always been about trying to remove Trump from office.

While I would put that as a low probability, the Establishment is losing power and fighting like a drowning person to retain it. They are cornered and dangerous and working 24/7 to destroy Trump.

"The market will either scare everyone, or run away to the upside. The only fundamental that will matter is confidence and that will turn around the Impeachment issue," notes Armstrong.

Barring that unlikely event, the cycle we are in points to much higher stock market prices and a likely bottom in 2018.

### Conclusion

History, which unfortunately is not taught in our schools anymore, shows unequivocally that the strongest eco-

*History, which unfortunately is not taught in our schools anymore, shows unequivocally that the strongest economic growth unfolds when people are allowed to spend their own money.*

# IS THE BULL MARKET OVER?

economic growth unfolds when people are allowed to spend their own money. They spend it creating jobs for everyone. It is not the taking of people's money and "spreading of wealth" that creates jobs but it is, in fact, the concentration of wealth in the hands of successful entrepreneurs that leads to businesses being created and people being hired.

There has not been one example EVER in history that proves when government spends your money for you that it leads to better economic growth. Instead it leads to corruption as we have seen time and time again. This is why Trump got elected, why Britain and Catalonia citizens voted the way they did and why there is a populist movement around the world.

As highlighted above, the US will continue to attract money from around the globe. Money, just like people, will go where it is treated best. Much of that money will find its way into the stock market since that is the arena where public trust is highest at present.

Rising interest rates are occurring around the globe but for different reasons...in the US due to a booming economy...in many other parts due to fear of default. As interest rates on government debt continue to rise, government budgets will begin to explode. First in some of the peripheral

countries and eventually in the core countries in Europe. This should send even more money to the US and our stock market.

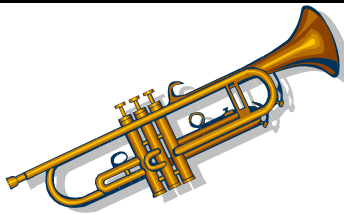
Europe has entered a phase where it is no longer trying to create jobs and sustainable economic growth. It is now all about holding on to power in Brussels where thousands of government jobs are at stake.

After the corporate taxes were cut, the bureaucrats in Europe were concerned about the unfair advantage US companies would now have. Bill King of *The King Report* noted what ABC news reported, "European Union warns U.S. its planned tax overhaul could violate some of its international obligations and risks "seriously hampering" trans-Atlantic trade.'

"The EU Establishment is so delusional that it believes that it can dictate internal policies in the USA," said King. "Paper shufflers in Brussels are in for a very rude awakening. They aren't dealing with Bushies anymore."

You can say that again.■ NPC

*As highlighted above,  
the US will continue  
to attract money from  
around the globe.  
Money, just like people,  
will go where it is  
treated best.*



## West Suburban Symphony Orchestra

### MUSINGS

April 29, 2018  
Hinsdale at 3:30 pm

**A CONCERT OF  
CONTRASTS** will  
conclude our Hinsdale-  
based concert series, with  
 nods to the muses of  
tragedy and comedy:

*Antonin Dvorak's soulful  
Symphony 7 and Edvard  
Grieg's nostalgic Elegiac  
Melodies, paired with  
Dvorak's Humoresque  
No. 7 and Franz von  
Suppe's Jolly Robbers  
Overture. In addition,  
Margaret O'Malley of  
Glen Ellyn, Illinois, the  
winner of our 71st annual  
solo competition for high  
school students, will  
perform the first  
movement of Camille  
Saint-Saens Violin  
Concerto No. 3 in B  
Minor.*

*Presented At: Hinsdale  
Central High School,  
55th & Grant Streets,  
Hinsdale, Illinois 60521*

For Tickets:  
Call (630)887-7464  
Or visit:  
[westsubsymphony.org/  
tickets](http://westsubsymphony.org/tickets)

## POTPOURRI

### ► Church Bulletin Bloopers

- Bertha Belch, a missionary from Africa, will be speaking tonight at Calvary Methodist. Come hear Bertha Belch all the way from Africa.
- The Rev. Merriwether spoke briefly, much to the delight of the audience.
- On a church bulletin during the minister's illness: GOD IS GOOD; Dr. Hargreaves is better.
- Applications are now being accepted for 2 year-old nursery workers.
- The pastor will preach his farewell message, after which the choir will sing, "Break Forth Into Joy."
- Next Sunday Mrs. Vinson will be soloist for the morning service. The pastor will then speak on "It's a Terrible Experience."
- Barbara remains in the hospital and needs blood donors for more transfusions. She is also having trouble sleeping and requests tapes of Pastor Nelson's sermons.
- During the absence of our pastor, we enjoyed the rare privilege of hearing a good sermon when J.F. Stubbs supplied our pulpit.
- Irving Benson and Jessie Carter were married on October 24 in the church. So ends a friendship that began in their school days.
- The eighth-graders will be presenting Shakespeare's Hamlet in the church basement on Friday at 7 p.m. The congregation is invited to attend this tragedy.
- Let us join David and Lisa in the celebration of their wedding and bring their happiness to a conclusion.
- The concert held in Fellowship Hall was a great success. Special thanks are due to the minister's daughter, who labored the whole evening at the piano, which as usual fell upon her.
- Low Self-Esteem Support Group will meet Thursday at 7 to 8:30p.m. Please use the back door.
- The choir invites any member of the congregation who enjoys singing to join the choir.
- The third verse of Blessed Assurance will be sung without musical accomplishment.
- Weight Watchers will meet at 7 p.m. Please use large double door at the side entrance.

— *pastors.com*

► Working for NYC subway pays well. Really well. From NYT: Average compensation for subway worker: \$170k. Average for subway manager (2500 of them): \$280k.

— *Byron York, Washington Examiner*



## POTPOURRI

### ► Rand Paul tells a surprising story about Trump and Haiti long before he was president

“I did about two hundred cataract surgeries with a group of surgeons in Haiti, and the same in Central America.” “And when we asked Donald J. Trump as a private citizen to support those trips,” he continued, “he was a large financial backer of both medical mission trips...”

— *the blaze.com*

### ► The Least You Should Know About Medicare Observation Status

Here’s the root of the problem. Medicare requires a patient to be admitted to the hospital and spend at least three days as an inpatient in order for follow-up care in a nursing home to be covered.

However, more ER doctors are categorizing seniors for observation, not admittance. Seniors under observation status not only experience unexpected costs (observation status is covered under Medicare Part B, not Part A), but worst of all, are ineligible for Medicare’s nursing home benefit.

What’s driving this? As you might suspect: money. These days, hospitals are using observation status to avoid Medicare penalties that are incurred when patients are readmitted within 30 days. (This is due to the Hospital Readmissions Reduction Program (HRRP), an Affordable Care Act pro-

vision intended to discourage excess readmissions.)

In some cases, Medicare considers readmission evidence that the hospital discharged a patient prematurely and can withhold reimbursement for the initial hospitalization.

But there’s no penalty for observation stays. Which is why, according to one Kaiser Health study, the number of patients under observation status has increased 69% within just five years.

Observation patients sleep in the exact same bed that they would if they were admitted. They receive the exact same care. Which is why, until a recent change, many patients had no way to know whether they were admitted as an inpatient or for observation only...

The mandate, which went into effect in March, 2017, requires that patients receive a MOON (Medicare Outpatient Observation Notice) notice within 36 hours of being admitted into the hospital for observation. That allows patients and their families to take action...

If hospitalized, (you or your loved ones) should not wait until they’re served with a MOON to ask about their hospital status. If they believe their particular medical condition warrants admission, they can ask their hospital doctor to change the status. If

*Most people are simply not capable of conducting a logical argument, not because they're stupid - although there's that - but because they've been taught for years that strong emotions are authentic and should overrule reason and consistency.*

— *thefederalist.com*

## POTPOURRI

it is after the fact, it is important to act on this sooner rather than later.

— *thinkadvisor.com*

### ► Hey Millennials: Communism Sucks, I Lived It

A recent poll found that fifty percent of millennials say they would rather live in a communist or socialist country than in a capitalist democracy. These numbers can't be laughed off -- they should frighten you. Maybe they don't know what communism means.

I do. I lived in Communist Poland.

Perhaps those fifty percent of millennials were not properly taught about communism in school. That's too bad, and dangerous. So here are some examples for those misguided millennials to ponder, all of which I experienced in communist Poland.

Unreliable electricity, Fake equality, Needing "connections" to buy simple goods, Needing "connections" to find a place to live, Decades-long waits for apartments, Rationing, Empty grocery stores, corruption, and black markets, Lines, lines everywhere, Violence -- and murder -- for expressing different ideas...

— *Ewa Ryszard, PJ Media*

### ► The Secret Backstory of How Obama Let Hezbollah Off the Hook

An ambitious U.S. task force targeting Hezbollah's billion-dollar crimi-

nal enterprise ran headlong into the White House's desire for a nuclear deal with Iran.

They followed cocaine shipments, tracked a river of dirty cash, and traced what they believed to be the innermost circle of Hezbollah and its state sponsors in Iran... Obama administration officials threw an increasingly insurmountable series of roadblocks in its way, according to interviews with dozens of participants who in many cases spoke for the first time...

— *politico.com*

### ► A deafening media silence on the Obama-Hezbollah scandal

Days after the news broke, in fact, neither NBC News, ABC News nor CBS News... had been able to find the time to relay the story to its sizeable audiences...

— *nypost.com*

### ► Illinois' population dips again— and now trails Pennsylvania

"Our state's people problem is also its biggest budget problem. Illinois' tax base is eroding as high taxes drive people away, and families continue to suffer from low wage growth and a lack of opportunities. As 2018 approaches, any talk of further tax hikes at the state or local levels should be dismissed in the face of this concerning trend. Until politicians reduce the tax burden and rein in the cost of government, Illinois' economic decline will continue."

— *chicagobusiness.com*

*It's easier to fool someone than convince them they've been fooled.*

— *Mark Twain*

## POTPOURRI

▶ Illinois' net loss of people to other states since 2010 is equivalent to the population of the four largest cities outside Chicago.

— *illinoispolicy.org*

▶ True story: one time I diagnosed a little girl with a rapidly growing brain tumor just in time to save her life. Spent the day with her including sitting with her distraught mother after she was transferred to a tertiary care hospital. I got paid \$26 by Illinois Medicaid.

— *Arie Friedman, MD*

▶ **Facebook VP says mainstream media distorted Russia's interference in US politics**

Vice President Rob Goldman wrote in a series of tweets on Twitter:

“Very excited to see the Mueller indictment today. We shared Russian ads with Congress, Mueller and the American people to help the public understand how the Russians abused our system. Still, there are key facts about the Russian actions that are still not well understood,” he wrote.

“Most of the coverage of Russian meddling involves their attempt to effect the outcome of the 2016 US election. I have seen all of the Russian ads and I can say very definitively that swaying the election was

\*NOT\* the main goal,” Goldman said.

“The majority of the Russian ad spend happened AFTER the election. We shared that fact, but very few outlets have covered it because it doesn't align with the main media narrative of Trump and the election,” he added.

“The Russian campaign is ongoing. Just last week saw news that Russian spies attempted to sell a fake video of Trump with a hooker to the NSA. US officials cut off the deal because they were wary of being entangled in a Russian plot to create discord.”

— *theblaze.com*

▶ **Students Hate Quotes from Trump's State of the Union, Until Realizing They Are Obama's**

Campus Reform's Cabot Phillips spoke to students outside John Jay College in New York City, who unanimously criticized the supposed Trump quotes, describing them as “warmongering,” “aggressive,” and “immature.”

The quotes, taken from some of Obama's State of the Union addresses, included threats to destroy the Islamic State, statements of America's military strength, and attacking China's economic policy.

— *breitbart.com*

*The greatest deception men suffer is from their own opinions.*

— *Leonardo da Vinci*

## POTPOURRI

### ► DowDuPont Sees 'Amazing' Trump Effect on Negotiations Overseas

In what he called “a paradigm shift,” U.S. companies suddenly have leverage when negotiating with foreign countries, Liveris said Tuesday... from the World Economic Forum in Davos, Switzerland...

— *bloomberg.com*

### ► Retired CIA station chief who served in Soviet Union: The Steele Dossier Fits the Kremlin Playbook

The likely objective was to undermine Republicans, Democrats—and American democracy.

— *foxnews.com*

is to sow discord and create infighting among the American people. They have certainly succeeded in this mission...

A study at the University of Washington, notably not a hotbed of Trump support, looked at the actions of Russian bots on social media. The study found equal efforts against the right and the left to foment misinformation, generate arguments and generally cause problems...

### ► Incredibly, the Federal Government Is Actually Shrinking

All but three of the 15 Cabinet departments had smaller staffs by the end of September, according to an analysis of the federal employment data by the Washington Post. Only two departments shrank during the same span of time in President Barack Obama’s first year.

— *American Institute for Economic Research*

No one has been able to corroborate its charges, but Democrats continue to see the dossier as a road map for impeaching Mr. Trump. Republicans, on the other hand, point out that it was created as opposition research, leading them to see it as an elaborate partisan ploy...

— *wsj.com*

► It’s true that the Russians are meddling in U.S. politics – they have been since the Cold War...

Sadly, the Democrats and the #Resistance are falling for the ploy of the Russians and helping their cause. Russian propaganda efforts are highly effective and they have been working exactly as planned... their actual goal

### ► PERSONALIZED MEDICINE

– 10 years ago, it cost \$10 million and took several weeks to “sequence a genome,” i.e., mapping out a person’s entire genetic code. Today, the work can be completed for \$1,000 in just a few hours (source: Financial Times).

— *Foreside Funds Services*

*Ignorant men raise questions that wise men answered a thousand years ago.*

– *Goethe*

## POTPOURRI

▶ Bill Gates: People as wealthy as me "need to pay higher taxes" He learned this trick from Warren Buffett. Say that and it sounds noble. Meantime he only paid what he owed. You're free to donate any amount you want.

— *Radio personality, Mark Simone*

▶ Federal workers poised to overtake salaries of senators, DC gets highest pay raise.

The average federal worker in 2016 earned \$86,365. With benefits, the total compensation was \$123,160.

The average nonfederal pay in the nation was \$58,726, with total compensation at \$69,901.

— *washingtonexaminer.com*

▶ Never argue with stupid people. They will drag you down to their level and beat you with experience.

— *Mark Twain*

### ▶ Honest Answers Not Accepted by CRA

The CRA (Canada Revenue Agency) sent back the Tax Return to a Canadian taxpayer because of his answer to one of the questions. In response to the question, "Do you have anyone dependent on you?" the man wrote, "2.1 million illegal immigrants, 1.1 million crack heads, 4.4

million unemployable scroungers, 80,000 criminals in over 85 prisons, plus 450 idiots in Parliament, thousands of 'politicians' and an entire group that call themselves 'Senators.'

The CRA stated that the response he gave was unacceptable. The man's response back to CRA was, "Who did I leave out?"

— *wearesc.com*

▶ **SEE A TREND?** - The US economy grew by +4.2% per year over the 24 years from 1950 through 1973, a period of worldwide economic expansion. The US economy grew by +3.2% per year over the 27 years from 1974 through 2000. The US economy has grown by +1.8% per year over the last 16 years from 2001 through 2016 (source: Commerce Department).

— *Foreside Funds Services*

▶ President Trump @POTUS may have a point about violent video games: Sandy Hook shooter notched 83,000 online kills including 22,000 'head shots' using violent games to train himself for his massacre ... A neighbor of accused shooter Nikolas Cruz told the Miami Herald that Cruz "escaped his misery" by playing video games for as much as 15 hours a day. "It was kill, kill, kill, blow up something, and kill some more, all day." 15 HOURS?!

— *Paul Sperry*

*Stay away from negative people. They have a problem for every solution.*

— *Albert Einstein*

## POTPOURRI

### ► Merkel Upsets Just About Everyone with Her EU Refugee Plan

Merkel touted the idea of tying generous European regional-development aid for nations such as Poland to their willingness to help house migrants from the Middle East and Africa...

— *bloomberg.com*

► For largely unnoticed and unreported in the US, with one notable exception, Germany under Merkel has made catastrophic mistakes that require urgent and costly repairs. One stands out as particularly daunting: the wholesale effort to switch Germany to renewable energy, known as the energy transition, or Energiewende.

The Energiewende, in short, represented an effort to put into practice the principles behind the Paris Agreement and switch Germany's electric system to renewable energy. It was introduced as early as 1991 in the belief that renewable energy could easily replace the hated fossil fuels if properly subsidized via a feed-in tariff, and subsequently written into law as a Renewable Energy Act (EEG) in 2000.

By offering subsidies of up to seven times the market price for electrici-

ty paid by the consumer, guaranteeing it for 20 years, and offering all manner of additional benefits, the government caused a renewable building frenzy in a country that is neither sunny nor particularly windy.

And to the extent that there is wind, it is in the north, far from the industrial centers in the south that need the energy. To add insult to injury, in 2011, Merkel ordered the closing down of the nuclear industry that produced 30% of the country's clean and cheap energy on the absurd assumption that Germany could suffer an earthquake and tsunami like what happened at Fukushima.

Thus, the subsidized renewable energy industry took off spectacularly, and the international green clique promptly declared Germany the paragon of environmental virtue and an example to be followed by all.

But much of it turned out to be fake news, as documented in a new and devastating critique by one of the founders of the German green movement and a pioneer of the renewable energy business, Prof. Fritz Vahrenholt: "Germany's Energiewende: A Disaster in the Making."

*Don't give up on  
your dreams. Keep  
sleeping.*

- *Anonymous*

## POTPOURRI

Indeed, it is. The mindless rush to renewables has already done tremendous damage to the German standard of living, with 300,000 households each year having their electricity turned off for non-payment.

With the cost of consumer-born subsidies at 25 billion euros per annum and surcharges of 6.88 euro cents per kWh, or twice the market price of a kilowatt, Germans pay three times more than Americans today.

Worse is to come. According to the German consumer agency NAEB, by 2020, they will be paying 45 euro cents per kWh, compared to 10 cents for the U.S. and 20 cents in France.

— *To The Point News*

▶ Seattle's groundbreaking minimum wage hike hurt the low-income people that it was meant to help, according to a report prepared for the city council. Seattle became one of the largest cities to embrace the \$15 minimum wage—double the federal minimum of \$7.25—in 2014, adopting an ordinance that would achieve the hike by 2017 for major employers and 2019 for small businesses. The new base rate pleased labor activists and the politically

powerful Service Employees International Union, but it has dealt a blow to the take-home pay of workers even before the hike has been completed.

— *freebeacon.com*

▶ I can report South Koreans here in Pyeongchang are not as enthralled with Kim Yo Jong and the North Korean cheerleaders as it seems some media are back home. Something about N.K. killing, starving, & imprisoning its people while threatening South Korea with nuclear annihilation.

— *NBC, Willie Geist*

▶ 3 of every 4 CPS [Chicago Public School] students don't meet standards in reading or math. Two-thirds of CPS third-graders can't read at grade level. And only 30 percent of CPS students graduate college-ready.

— *wirepoints.com*

### ▶ **FBI LIED about Investigating FL School Shooter – Told Public “We Could Not Identify Him”**

On that Friday the FBI admitted they dropped the ball on Nikolas Cruz. And now two weeks later the FBI admitted they never looked into the YouTube threat by Nikolas Cruz. They never even called YouTube...

— *thegatewaypundit.com*

*The welfare of the people has always been the alibi of tyrants.*

— *Albert Camus*

2001 Midwest Road, Suite 107  
Oak Brook, IL 60523

Phone 630-495-9700  
Fax 630-495-9720  
Toll Free 877-RETIREEES  
778-7727



www.rpiinc.com

**Copyright 2018**

*The Retirement Planner* is a quarterly newsletter published by Retirement Planners, Inc., 2001 Midwest Road, Suite 107, Oak Brook, IL 60523 Phone 630.495.9700. Subscription rate \$115 (U.S.) per year.

**EDITOR'S NOTE:** The information set forth herein was obtained from sources which we believe reliable, but we do not guarantee accuracy. Neither the information nor any opinion expressed constitutes a solicitation by RPI of the purchase or sale of any securities or commodities.

**DISCLOSURE POLICY:** Remember, past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this newsletter, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Moreover you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Retirement Planners, Inc.

Please visit our website at  
www.rpiinc.com



Recycle This Newsletter by sharing it with your family & friends

► Sources: College hoops corruption case poised to take down Hall of Fame coaches, top programs, lottery picks - as many as 50 college basketball programs that could end up compromised in some way...

— sports.yahoo.com

► The former Assistant Director for Counterintelligence at the FBI under Barack Obama says that Americans must learn to “accept” terror attacks as a “new way of life” because that’s a better outcome than being called racist.

— infowars.com

