

## WD 40 or WD Infinity?

As the child of an auto mechanic I knew very well what WD 40 could do to a car or any rusted bolts or screws on lawnmowers, snowblowers, the pool or anywhere else these rusty fasteners could be found. Pop was the master of fixing anything and between WD 40 and host of other mechanical tricks and shortcuts I learned a ton about the inner workings of many things mechanical by the age of 16.

Fast forward a few decades and meeting a few hundred really awesome people I've heard about a host of uses of this amazing product that have nothing to do with rusty bolts, cars or mechanical devices. Here are a few of the things we've compiled over the years that may be worth your while in helping make life a little easier and happy. We could all use a dose of easy and happy! ☺

- Separate stuck together glassware to avoid chipping it.
- Get off your ring that is stuck to your finger
- Get rid of insects, repel roaches and other little seemingly evil critters from your house and home
- Get chewing gum out of your child's or grandchild's hair. No need to cut it all off, just use the secret sauce!
- Clean black or dark marks on things that household cleaners will not touch. Flooring, tiles or other hard surfaces are no match for the magic of 40.
- Clean tea stains off of our countertops with a sponge or damp cloth.
- You don't need a cute bald guy to clean the toilet scum or the ring around the toilet anymore, this stuff will knock 'em dead instantly along with the nylon toilet brush. The solvents within the can dissolve the stains that plague your porcelain.
- Winterproof your boots and shoes. It'll put a layer on them that is somewhat water resistant, not waterproof, but certainly a lot better than going with what you had to start! ☺

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## Quicksand or Concrete?

As a child in the 80's I was terrified of quicksand and thought it was everywhere. Tarzan movies did a number on me until I was a teenager.

If we're going to build our homes on a solid foundation we know that quicksand isn't that solid foundation. We'd never get away with that with the lunacy of building codes today. See below for the two options of a foundation in this conceptual article.



I'm opting for the concrete fortified with rebar for my foundation all day long. The idea here is that virtually everything built today, in America at least, is built physically on a solid foundation. Sometimes super solid. Some of our geotechnical engineering friends have shared stories of some of their structures having foundation piers going down hundreds of feet to secure their structures, impressive indeed!

My concern grows not on how the structures are built, but on how they're financed and sold. We've had an unprecedented time of easy money, low rates, negative rates and printed money now for a decade. When governments decide to intervene and stop the normal process of price discovery it can lead to poor outcomes. Poor is putting it mildly, it can lead to horrible outcomes. These outcomes haven't revealed their ugly heads just yet as we're likely at or near peak prices within the current real estate bubble. They're coming to a theater near you soon, and that endless money printing and low rate game can have the negative impact of distorting prices and value.

Over the past five or six years, prices have certainly come up on real estate. They've come up a lot more in certain places and a lot less in others. Places like CT where government is hostile to business and doesn't understand basic economics have lagged behind where areas that are very popular and bustling with business activity and people moving in have seen far greater gains. There are areas that are dangerous or riddled with crime who

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- Clean your license plate – if you dare. It seems the game lately is to hide your plate so the crazy government doesn't send you tickets as you drive under electronic toll booths not plaguing our highway system.
- Stop snow from sticking to your windows, yes this cool stuff will put a film on the windows to make them essentially stick proof to mother natures white powdery stuff!
- Keep the wasps out of your eaves. They don't like the smell or feel, and apparently their saliva cannot stick to the magic stuff so their homes have no foundations from which to grow.
- Clean that nasty doggie doo off of the bottom of your shoe with some WD 40 and an old toothbrush
- You can unglue many very powerful glues with this concoction so keep a little can handy!
- Restore the function of stubborn zippers
- Keep wooden handles from splintering with a generous coating all along the handle.
- Break in a new baseball or softball glove.
- Remove a stuck prosthetic. Thanks to our military vets for this one!
- Degrease your hands, yes this seemingly greasy thing cuts grease like a hot knife through butter!
- Remove stickers and decals from glass and cars.
- Clean carpet stains
- Get the stubborn stains off the inside of your refrigerator when soaps won't cut it!
- Remove magical marker and crayon from walls and furniture
- Protect your boat from corrosion, removes barnacles easily
- Untangle fishin glines
- Clean and protect golf clubs
- Keep dead bugs off your car's grill
- Remove paint scuffs from your car

There are many currencies around the world and what the valuations of currencies tell us between one another can often send important messages of what is going on down the line. We see today the dollar is very strong across the world. Many say the rationale for that is our strong economy and the fact that we're the reserve currency for the world as well as the fact that we're finally raising rates and trying to normalize fiscal policy. This is happening while many other countries are still lowering rates, have negative rates, are printing money and buying up assets. Federal reserves should not be buying assets, and many are now buying stocks and ETF's in their respective countries.

We feel the dominance of the dollar may end quite soon. This will likely happen for subtle reasons, our economy is rocking and rolling and although things seem great here, America has a debt problem. The fact that government has been printing money for a decade has made us the largest debtor nation in history. We're in much better shape than most countries, but that does not mean the dominance of the greenback will continue. We look at the weakness is many currencies today and expect a reversion to the mean. King dollar should weaken substantially in the coming months and years and other currencies should strengthen. We expect the Aussie dollar, the Pound and the Yen to strengthen while the dollar falls. As the dollar falls there are implications in the commodities markets and they should rise as there is normally an inverse relationship. This isn't always the case but is often. Lately we've see both strengthen but in the larger cycles the dollar is capitulating to the upside while the commodity complex is capitulating to the downside.

Our friends at Kimble Charting have a great graphic on this showing the historical relationship and the potential reversal of both assets.



We're big fans of the metals at this point and not big fans of the dollar. We're in an artificial world that is full of artificial influences that have altered assets prices to artificailly high levels. Remember things go up like and escalator and down like an elevator. Make sure you're in the right things moving forward! ☺

## Noteworthy News!!!

- Congratulations to Colleen Butcher on her new job with Middlesex Hospital!
- Our condolences to the Chapman family on the passing of Jacqueline, a wonderful woman, wife, mother, grandmother, person and friend.

## Question & Answer

Ask any financial question you have and we'll address it here.

*Q: Why can't government fix our problems for good?*

This may be the most painful thing we witness today is the short term thinking in government. That or the insanity of political correctness that has gotten so far out of hand it's driving people mad. Many in the political class has devolved into a power hungry mass that really isn't in it for the greater good in many ways, but simply to further their power and their agenda. I'm all for a new set of rules for our political class that includes the following:

- Term limits, with no lobbying after office, period.
- A credit and financial check of their personal finances to qualify to run for office. We have federal judges who file bankruptcy and people in congress and elected office all across the land who have no concept of basic economics or fiscal sanity. If you don't have your financial house in order, you should in no way be in charge of future public policy or the lives of others.
- A trigger on any future benefits of elected officials such as health insurance or pensions that is tied to the fiscal health of their agency. If the agency is in any type of fiscal trouble, the benefits are negated. This will end the endless kicking of the can down the road in truly fix our problems. They want their pensions and will truly fix the problems if they are tied to the health of their agency. Today many elected officials can serve a term or two in office, make a long term financial disaster of their agency, and retire into the wild blue yonder with a pension for life.
- A compliance mandate that they must tell the truth in their political rhetoric. We in industry are driven to a granular level to make sure things are accurate yet the people running for public office can lie to the entire world about anything and continue to do so. Any inaccuracies in statements, claims or publications need to be met with financial penalties to the issuer. A few really painful claims come to mind: "You can keep your doctor" "your health insurance premiums will go down" "let's pass this bill to see what is inside it, away from the fog of the controversy" "unemployment is low because people have two jobs" The drivel coming out of their mouths is so pathetic it is difficult to believe we're actually discussing it and not running them out of town.

## Quicksand or Concrete? cont'd from page 1)

have not see the gains or may have even gotten declines, yet overall prices are up a lot. Here are gains in house prices for the past 5 years as reported by realty trac.

Average Price Gain for Homes Sold Second Quarter 2018	
Metro	Percentage Gain
SAN Jose (Silicon Valley)	116%
Seattle	76%
Los Angeles	56%
Miami	48%
Houston	33%
New York City	25%
Memphis	19%
Philadelphia	15%
Winston-Salem	10%
Little Rock	5%
Mobile	-4%

Source: RealtyTrac

Silicon valley is killing it of course because of all of the tech companies who are employing many in high paying jobs. Everyone needs to be close to work so it's driving prices up exponentially. Just like with stocks, prices are going up but on very low volume. Volume is way down in all metro areas as compared to the 05-06 boom. Starter homes are the most coveted homes while large and luxury homes are the hardest to get out of. We've got a handful of clients who have been trying to sell their very high end houses for years and keep lowering the price or even taking them off the market. Thinking in the next year or two it'll come back. I sadly think the peak is here and it goes down from here, but we'll see!

We're seeing fewer foreclosures on the market as well, so that's a good sign.

Foreclosed Properties								
	2010	2011	2012	2013	2014	2015	2016	2017
U. S.	1,050,500	804,423	671,251	462,970	327,069	449,400	379,437	291,579
<b>METROS</b>								
NYC	11,372	4,359	4,220	4,566	5,538	18,408	19,056	20,841
Los Angeles	35,362	30,709	21,245	8,398	7,228	8,440	7,061	4,441
Miami	42,630	25,065	26,400	27,052	19,817	23,711	12,861	7,333
Detroit	43,641	31,775	26,412	13,730	5,921	10,479	7,680	5,631
Denver	13,464	11,175	7,455	3,032	991	1,433	1,137	816

Source: RealtyTrac

Rates are clearly on the rise, and as rates rise prices fall because people work on monthly payments. Now is the time to sell property, not buy unless you can somehow steal it!

## Money Quiz



This month's challenge is on assisted living facilities across America, how much is the median cost in 2017 for a private 1 bedroom accommodation? Remember, CT, NY & MA where many of our clients reside are in HIGH cost states so consider this when answering! ☺ Last month's quiz was won by Josh Smith, there is a 20 year difference in lifespan for people depending on which country they live in! Blessed to be in America! Winner goes to Ruby Tuesday on us! 10/22/18:12

## Beware Cheerleaders!

Not at a sports event, the cheerleaders there are fantastic entertainers and provide great dance and performances at half time, in time outs, etc. The cheerleaders we must beware are the folks in or surrounding Wall Street. Many of the participants in our industry sadly disappoint me all of the time. They preach this drivel to the investing public about how one should always be invested, there are generic pie charts about how one should invest based on their age, their risk tolerance, their experience etc. Most of that is very well intentioned, but sadly it fails to take into consideration valuation and where we are in market cycles.

We're looking to change this industry by creating a new model, a new prescription that includes all of the above but also has layers on valuations, time in the market cycle as well as relative economic data points. Much of what the world looks for in investing is wrong, their past 3, 5 & 10 year performance is counter intuitive. The world rates investments today based on their past performance and if they've done well they're 5 star, if they've done poorly they're 1 star. I'd rather buy a solid 1 star investment which is cheap today over a 5 star monster that is in a bubble, which is most of the investing complex today.

Today we're in global asset bubble like we've never seen before. Many asset classes are out of touch with economic reality and they are the most popular asset classes. We're very wary of domestic stocks, domestic bonds, real estate and those 3 categories comprise 85-95% of most asset allocation models in the business.

What worked so well for the past decade will not work for the next decade simply because the entry levels today are simply too high. We're defensive in every way, we love commodities, precious metals, natural resources, managed futures and emerging markets. The things that are juicy today nobody is talking about. People don't tend to "see it coming" they simply ride the wave. It's all fun until the music stops. We feel the music is about to stop in the very near future. Call to discuss anytime!

## Corporate Buybacks

We watch very carefully what corporations are doing in terms of buying back company shares. In general, the concept of corporate buybacks are positive for shareholders because if there are fewer shares outstanding, the price of the leftover shares will go up as the enterprise value remains constant.

What we're not big fans of is when the company executives do not allocate capital well in terms of the business cycle. We see that most firms buy back company stock when things are great and business is booming. This leads to stock being bought back at high prices because when things are good prices are typically good. In the past few years we've seen record buybacks as stocks have gone into all time highs year after year.

This is a horrible use of investor capital and we frown upon it, even though the industry treats it like it's a genius maneuver. We want to see the best use of the capital by the company stewards so that value is created but what we tend to see is buybacks at high levels and when things crash we see new issuances of stock, at low levels. Think about this, now that markets are strong for 9 years companies are buying back shares in record amounts over the past 5 years. When we were in the depths of the great recession in 2009 companies were issuing stock like mad to raise money, but they were issuing it at low prices.

Executives are not all created equal. Just recently we've seen something we haven't seen in decades, a company aggressively buying back shares at what amounts to all time lows. Here is a lifetime chart of a stock in the mining business who just last month announced the buyback of 5% of the outstanding shares of the company, or a total of 43.4 million shares. At these prices this is a brilliant use of investor capital. Folks, pay attention to this type of activity, this is a well run organization that is doing the right things for the long term.



We cannot disclose the name of this company or compliance would lose their marbles. This is the type of opportunity that often represents a fat pitch where nobody wants to buy it, but there is great value within. This industry has been out of favor for a decade but is a simple one that isn't going away anytime soon. Value creation!

## Inspirational Quotes

- Educating the mind without educating the heart is no education at all, Aristotle
- To see what is right and not do it, is want of courage, Confucius
- He who gives to me, teaches me to give, Danish Proverb
- No wise man ever wished to be younger, Jonathan Swift
- Scared is what you're feeling, brave is what you're doing, Emma Donoghue
- The reverse side also has a reverse side, Japanese Proverb
- Concentrate on what will produce the results rather than the results, the process rather than the prize, Bill Walsh



**We can piece the puzzle together and make your money work for you!**

## Kids Corner

Kids love their devices and their screens, electronics of every form. These kids today have tablets, cell phones, ipads, laptops, convertible devices, etc. There seems to be no end to the electronic devices available to our youth today.

When they use these devices, there are good aspects to the devices in such a way that they can do homework, research, read and learn. On the flipside some applications are designed to keep the children in front of the screen for as long as possible. These applications I would categorize as not so useful and likely harmful on many levels, especially when used to extreme, as most of the kids tend to do. The most popular social media apps appear to be snapchat, Instagram and Facebook. I've sarcastically renamed each of these applications in our world to more accurately describe the addictive tendencies of them. I sarcastically consider them as addictive as drugs like crack. We now call Facebook facecrack, snapchat snapcrack and Instagram instacrack. To me, this truly describes how many of the kids are addicted to these apps today.

We had a couple in here with their grandchild talking about college and when looking through the grandchild's phone, the app for Instagram was spotted and the grandmother asked her grandson "how sweet, is that my speed dial button?" Obviously it wasn't, but it was super cute to see unfold. As cute as that is and how much more healthy for the kid would a speed dial to grandma for a quick chat every time they engaged Instagram would be far more useful and beneficial to the child's life.

We'd love to hear your stories on how your household deals with these toys/tools or whatever you'd like to call them. 😊

If anyone you love or care about would benefit from receiving our newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart!

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