

Zanetti Monday Missive 2021.11.29. Must Everything Old Be Nu Again?

Hello Everyone,

I had several options for the missive this week.

- Robots replacing labor. That seemed like a good one.
- President Biden asking China and Russia to help him lower gas prices. Yes, you read that right.
- The Federal Reserve purchasing 55% of America's new debt because we can't find enough buyers willing to accept 1-2% interest rates while inflation is running four to five times that.

But then last Wednesday news began leaking about yet another Covid variant. It was called Nu. My stomach began to churn.

By Friday, the following cut-and-paste was "top-of-page" at the ***Drudge Report***.

['Nu' Variant Puts southern Africa at Risk of Global Shut Out...](#)

['Worst-Ever' Mutation... Spreading rapidly among young...](#)

[Belgium Confirms Case... Israel 'emergency' after detecting...](#)

[CHRISTMAS LOCKDOWN FEARS... ANOTHER SHOT!?](#)

[Europe surge highlights warnings for USA...](#)

[Netherlands new curbs to avoid healthcare breakdown...](#)

[German military airlifting patients...](#)

[Tensions emerge over redefining 'fully' vaxxed...](#)

[MERCK pill shows LOWER efficacy in updated data...](#)

[Flood of cases 'unmanageable strain' in Michigan...](#)

Oh, no. Here we go again.

Therefore, "investment wise," what are we to expect?

Most of you could predict the next part of the missive....and likely give an even more comprehensive list. But if Nu is as advertised, here is some conjecture.

- More shut-downs.
- More supply chain disruptions.
- More panic buying.
- Thus, more shortages.
- Wall Street hyper-reactions to every piece of “news.”
- Immediate calls for government interventions to include the return of...
 - Stimulus checks?
 - Mortgage forbearance?
 - PPP? (Paycheck Protection Program)?
 - More mandates. (Notice no question mark after this one.)
- More “emergency” money printing from the Federal Reserve.
- More US Government debt.
- More long-term inflation pressure.
- The gap between the ultra-wealthy and the rest-of-us” expands even more.

I know the above sounds doom-and-gloomy. But it is really just a recap of what has occurred over the past 18 months.

I had hoped all this was fading. Apparently not.

So, here is the part where today’s missive makes a hard pivot.

I believe the real danger of the Nu variant is not financial. Finance will be affected. But it will be a symptom (and not the cause) of something bigger.

The “something bigger” is the shredding of the social fabric that holds our nation together.

Let me attempt to articulate my concerns.

- The social fabric of our nation was stressed even before Covid.
- Covid not only exacerbated our divisions but added new ones.
 - Essential vs. Non-essential.
 - Religious vs. Secular.
 - Liberal vs. Conservative vs. Progressive vs. Libertarian.
 - Urban vs. Rural
 - Rich vs. Poor/Middle Class.
 - Vaxxed vs. Unvaxxed.
 - Government vs. Private Sector.
 - Etc.
- Nu could hyper-accelerate these already concerning trends.
- Left unchecked, social divisions devolve into social disintegrations.

I would love to tell you that, historically, pandemics bring out the best in human beings, and that humanity will unite to fight a common foe.

No. History is clear. The opposite occurs. We divide. Fear causes people to act out in ways they would not consider in better times.

Whether it was Justinian's Plague from 541-800 CE, the Black Death of the mid-14th century, or one of many cholera outbreaks of the 19th century, the same pattern occurs.

First, the people look for someone to blame. And the leaders of the day lead the charge.

Wishing to deflect any blame from themselves (either justified or not) the authorities will confidently identify the culprits.

Foreigners. Merchants. Religious leaders. Jews. Christians. Political enemies. Anyone besides themselves will do....and the less they look (or act) like the majority the better.

Next, a collective soul-searching is common. ***“We must have brought this on ourselves. This must be an Act of God.”***

And maybe society did bring it on itself --- think bad hygiene, contaminated water, or bad habits.

Or perhaps it is an Act of God. But since I don't presume to know the mind of the Almighty, I won't go there.

The important thing is that society further divides along behavioral and spiritual lines. Behaviors and beliefs that were tolerated before the plague are no longer allowed. Afterall, *“your thoughts and actions might kill me!”* Violence invariably ensues.

Ultimately, across all societal sectors, trust breaks down completely.

Selfless doctors attempting to cure the sick are killed. Priests coming to give last rights are attacked. Thoughtful leaders who see a path out of the crisis are shouted down and exiled. Families split over trivial matters. Lawyers and politicians looking to expand their wealth use the plague to either “legally” or forcefully seize assets.

In short, a collective psychosis envelops a society. Everyone finds his or her own unique way to explain the unexplainable...and simultaneously the urge is to look inward toward individual survival and personal gain rather than outward toward meeting the needs of others.

Isolation and selfishness trumps unity and selflessness.

Covid 19 was not severe enough to bring us to these extremes. But I believe we all saw these *“behaviors-lite”* manifest over the past 18 months.

What is new is this. Covid 19 went global. Nu is already global as well.

Every other plague in history was regional. And since humans tend to blame outsiders, that means everyone will be blaming everyone else. We don't need a global psychosis...and all that comes with it. Ugh.

Now you know why my stomach churned.

The good news is we do not have to go down history's well-worn path.

In many ways we have advanced. We have tools that can arrest our basic nature.

Justinian did not have the Internet to share true causes and treatments. Doctors of the Middle Ages did not know about DNA or today's miracle cures. We can reach out to others much more efficiently and effectively.

What if we went the opposite way of previous generations?

Next week let's make a stronger connection between societal trends and the markets.

Signed, Your Would-Rather-Trust-My-Neighbor-With-More-Freedom-Than-Trust-My-Government-With-More-Power Financial Advisor,

Greg

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