

Hello Everyone,

“Thousands have lived without love, not one without water.” W. H. Auden (English-American Poet)

That’s not exactly the most romantic quote, but I see Mr. Auden’s point.

Today’s missive looks at water as an investment...which likely makes me even less of a romantic than Mr. Auden. Still, investments are my beat. So, let’s stay true to form. :>)

Signed, Your I’m-Not-So-Sure-We-Can-Live-Without-Love-Either Financial Advisor,

Greg

KKOB 09.10.2018 The Hunger Stones

Bob: So, Greg, on Friday, you told us about a combination of mother nature and a growing population was making water more valuable. Then, you explained how to invest in water. But, somewhere in the middle of all that, you said the hunger stones had reappeared in Europe. So, I have to ask...what is a hunger stone?

Greg: Yes. Sorry. That’s a term you don’t hear much around here. So, let me set this up. Like the United States, Europe is blessed with dozens of significant rivers that crisscross the continent. And, as with any river, the levels rise and fall depending on rain and snowmelt.

Well, during times of drought, water levels obviously fall. It is then, the people would start to see boulders and rocks on the river beds they wouldn’t normally see when the river ran high.

Anyway, over the centuries, when these massive stones were revealed, the people felt compelled to carve dates, notes, and warnings into the rocks. Some of these carvings go back over 600 years.

Bob: So, you’re saying the river levels in 2018 are now low enough to reveal the carvings in the stones. What do the carvings say?

Greg: Well, some just record the years of previous droughts, which is very helpful in determining cycles and patters. Some of the markings though are more poetic. One says: ***“Don’t cry, girl, don’t fret. When it’s dry, just spray your field wet.”*** Another stone written in Old High

dry, just spray your field wet.” Another stone written in Old High German reads, ***“If you will again see this stone, so you will weep, so shallow the water was in 1417.”*** Meaning, start crying. Drought is here. Food will be scarce.

Bob: So that carving has survived six centuries...amazing. So, now I understand the name the hunger stones. Low water meant there wouldn't be enough water to irrigate the fields. And, now you're saying the hunger stones have reappeared across Europe.

Greg: Right.

Bob: So, on Friday you said Australia, South Africa, the Middle East and even the American West were all experiencing some level of drought. Therefore, you said, companies that could provide water would likely see an increased demand for their services. But, if I am following your logic on the hunger stones, you're taking the next step. Since, food and water go hand-in-hand, investors should also be looking at investing in food providers.

Greg: That's my take. And, look, we've come a long way in 600 years in moving water where it needs to be to irrigate our fields. With that said, if you must go farther and deeper to get your water, it makes sense water will be more expensive. That cost will be added to your food bill.

And, another point. Not every part of the world is experiencing drought. South America is doing fine. We're not going to starve. But, demand for food will rise. Higher demand usually means higher prices.

Bob: So, your overarching message is the same. You have liked food and water investments for a while because you saw them as necessities--- and they were inflation sensitive. But, now your adding mother nature to the mix. I mean, inflation is mostly a manmade thing by governments that overspend and print too much money. Drought, on the other hand, is a nature thing.

Greg: Right. You now have two very strong structural trends working in your favor. Governments doing what they do best---over-promising and overspending. And, mother nature doing what she does best....cycling. Therefore, as an investor, your opportunity lies in getting ahead of both these trends.

Bob: I always learn a lot from you. I never would have known about

hunger stones--- much less connected them to investing. How do people reach you?

Greg: Thanks...glad to help. My number is 508-5550, 508, triple 5 zero. Or, go to my website zanettifinancial.com.

Bob: Before you go...do you still send out transcripts of what we talk about?

Greg: I do. If your listeners want them, just email me at gregradiotranscripts@gmail.com, and I'll put you on the list.

Bob: Have a great week...talk to you on Friday.

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