

Hello Everyone,

I am fortunate in that I have knowledgeable and caring clients who share thoughts and observations with me regarding what is going on around us.

One of the underlying laments is this----it is getting increasingly difficult to determine if what we are being told is the truth. And, of course, truthful information is essential to smart decision making...be it in finance or any other matter.

Thus, today's missive waxes a bit philosophic (and poetic!) about differentiating between the "what" and the "why" of things.

I hope you find it illuminating.

Signed, Your Got-A-C+-From Mrs.-Murphy-On-His-High-School-Senior-Poetry-Assignment-Financial Advisor,

Greg

KKOB 03.18.2019 The Moving Finger Having Writ...

Bob: Ok Greg, so you're mixing poetry with Wall Street this morning. This I've got to hear.

Greg: I confess...I do want your listeners to turn up the volume just a little when I come on.

Anyway----Bob, have you ever heard of man named Omar Khayyam? He was a brilliant scientist, scholar, and poet from northern Persia about a 950 years ago. He wrote that epic poetic line: ***The moving finger having writ, moves on.***

Bob: But you didn't finish it....***Nor all thy Piety nor Wit shall lure it back to cancel half a Line. Nor all thy Tears wash out a Word of it.***

Greg: Wow! Way. To. Go. Bob. Impressive.

OK. So, what does it mean?

Bob: Well, basically it means what's done is done. And no amount of wishing, praying, or crying can change the past. So, move on.

Greg: That's my interpretation as well. So, let's apply this philosophy to investments. Let's say you've made a bad investment; you can't undo it.

The moving finger has writ. Does that mean it will always be a bad investment? Don't know....the moving finger is advancing, so there may be hope.

Now let's do it in reverse. Let's say you've made a very good investment. Applying the same moving-finger logic, can you be assured it will remain a sound investment--- or, conversely, assume it will become a dud going forward? Obviously, no again.

So, that leaves investors with a poetic conundrum. You see, anyone can tell you what was written. But, will that make you a better investor looking ahead? And, look, I'm not totally discounting past performance. You know me. I'm a cycles guy. Knowing what the moving finger wrote can be useful. But extrapolating the immediate past into the future, can sting you. Am I making sense?

Bob: Absolutely. And I think I see where you are going with this... because I am guilty of doing the second part of the poem. Here's what I mean.

When stocks fell hard in December, I took a pretty good hit to my 401K. Now, I didn't shed tears believing that would help the market rebound like the poem warns against. But I confess, I wished, and hoped, and desired to lure the stock market back to its old highs.

Greg: Sure. That's very natural. So, I'd say this...the trick isn't determining what the finger wrote---but why it wrote it.

And, if you can crack the code-- even a little---you might be able to anticipate what the moving finger will write next.

You want to be like that guy who has watched so many detective shows, he can sometimes anticipate (with good accuracy) what's coming next.

Bob: OK, Columbo, what do you think will next be written on the wall?

Greg: Hmm. Columbo. I kind of like that.

I believe the word inflation is the big-word the moving-finger will write. You're already hearing that pencil being sharpened from the financial powers-that-be ---and you're likely already be seeing it real life. But it hasn't yet manifested on Wall Street. Therein lies your opportunity.

Bob: So, back to our poem....you'd advise our listeners to talk to their

financial advisors not about what was, but about what their advisors think will be.

Still, to me, that seems a little unfair. No one can predict the future...no one knows what the moving finger will write.

Greg: You're right. It is unfair. But Wall Street isn't fair. So, we must try...and by we, I mean both clients and advisors together. We need to try to look through the fog and see those faint beacons that light the trail. It's hard...and we all stumble...the timing may be little off.

But I pretty sure of this... you can't get ahead by looking backward and saying, "Oh! Look what the moving finger wrote last year."

Bob: You love your job, don't you?

Greg: I do. Bob, I get to do this. I have wonderful clients. God has blessed me mightily.

Bob: I feel the same about my job. How do people reach you?

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

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