



DECEMBER 2017

INVESTMENT UPDATE

SUPER DUPER 2017 SEMI-ENTERTAINING YEAR-END REVIEW

Another year is coming to a close and, as we sometimes do, we thought we'd step away from talk about the Fed, interest rates and all that boring stuff and bring you some real news. We're not talking about "fake news;" there's no need to make things up when weird stuff is all around you. So here's just a few of the things that caught our attention—actual things that actually occurred over the past year, actually. Are you interested? Of course you are. Read on.

There's been a lot of talk about the "circus-like atmosphere" of this and that, which we find offensive to the memory of the recently-defunct Barnum & Bailey. After all, they were only accused of cruelty to elephants, not declaring open season on them. Yes, 2017 was a particularly rough year for animals. In Oklahoma, veterinarians treated a dog that had swallowed 21 baby pacifiers, proving once again that dogs will eat absolutely anything. No word from the baby's parents as to how many dog biscuits the baby had eaten. In Europe the president of France had an awkward moment on camera when his pet *chien*, Nemo, relieved himself in a fireplace while Mr. Macron was meeting with his ministers. The impish French leader quipped, "He's doing something quite exceptional." French exceptionalism knows no bounds.

Dogs behaving badly is par for the course, but 2017 saw plenty of people acting up, too. George Foreman, a man whose career mutated from beastly boxer to kitchen appliance flogger, challenged Steven Seagal to a "hand to hand" fight in Las Vegas for a pay-per-view audience. Now a Russian citizen, Seagal didn't take the bait, presumably because he didn't want to risk mussing up the Ming the Merciless look that he's been cultivating since he retired from making terrible movies.



A California limo driver, "Mad" Mike Hughes, after collecting only \$310 of his targeted \$150,000 goal on fundraising site Kickstarter, joined up with a flat-Earth group to build a home-made rocket that Hughes hoped would prove that the world is shaped like a Frisbee, not a spinning orb. Scheduled to blast off in November, the mission was scrubbed after Hughes claimed the government had blocked the launch. The *Washington Post* reported that the

agency in question (the Bureau of Land Management) had never heard of this event and had contacted Hughes about his plans to help prove that the world was flat. Things got quiet after that, including how he had hoped to determine the curvature of the Earth from only 1800 feet. In fairness to Hughes, he did survive a 1/4 - mile homemade rocket flight in 2014, and holds the current world record distance for a limousine jump. On the other hand, he is quoted as saying, "John Glenn and Neil Armstrong are Freemasons; once you understand that, you understand the roots of the deception."

While we're on the subject of world records, Guinness handed out some new awards this year. As always, there were some interesting ones, some ridiculous ones, and some other ones that just made you want to throw up. Included in the last category was a new record for fingernail length: Ayanna Williams of Houston had fingernails which totaled (gulp) 18 feet, 10.9 inches. Meanwhile Benny Harlem of Los Angeles set the record for highest hair with a high-top fade which extended 52 inches above his head—more than four feet. If we could offer a word of advice to Benny: Stay away from ceiling fans.



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There was a reported case of a man in India who, after coming to the hospital with abdominal pain, was found to have more than 250 coins and 100 nails in his stomach. Turns out he was a rickshaw driver who would occasionally eat the coins left by his customers. Call us crazy, but we'd prefer a spicy vindaloo.

Jeans—yes, jeans—were a controversial item in 2017, as retailer Nordstrom offered a pair of really, really distressed jeans for the princely sum of \$425. How distressed were these jeans, you ask? Their Barracuda Straight Leg Jeans by PRPS (that's an actual

photo from the website pictured) came not only with the requisite fading and fraying, but also were pre-caked with mud. And in case you were wondering, the care instructions tell the lucky buyers how to wash the jeans without washing out the mud. The expensive filthy jeans came out after Nordstrom had already come under the internet's ire for offering "Clear Knee Mom Jeans" with transparent plastic windows sewn into the knees. Not to be overshadowed in 2017's jean controversy, British retailer Topshop went the "clear knee" thing one better by offering plastic jeans that were completely see-through. We get sweaty (and not in a good way) just thinking about it.

There's a beer craze in America, in case you haven't heard, with hipsters of all ages imbibing IPAs, Goses, imperial stouts, and Belgian *tripels* like they're going out of style (which they might actually do in 2018). And no craft beer is complete without a cute name—typically a pun of the worst order ("Pocahontas IPA," anyone? Anyone at all?). That's why one of Stone Brewing's recent offerings—Full Circle Pale Ale—might not grab your attention; that is, until you learn that it's made from sewer water. Oh, they clean it first, sure they do. But still, sewer water beer. If we're making predictions, we'd wager that the "toilet to tap" movement might just get flushed in 2018.

Speaking of predictions, people who once spent prom night playing Dungeons & Dragons tell us that in 2018, volatility in the stock market will go up from its current low level. What is volatility? No one knows for sure, but we are told that it mat-



ters. When volatility is low, animal spirits are high, which presumably means that we are likely to get mauled by wolverines. It's all very confusing, and if it weren't so important, we might just forget about it and carry on thinking about toilet water beer.

They say that inflation is also going up in 2018, which is very good news, since businesses will be able to charge more, which means higher profits and more money for raises for employees. But we also know that inflation is bad for anyone who has to actually buy things, since stuff will now cost a lot more. But if you're

working retail and get a pay bump, you won't mind as much. Unless you work for Walmart, who wouldn't raise your pay no matter how much profits rise, so you get no raise and you're forced to pay more. Therefore inflation could be good or bad. If only we knew someone with a financial background who could explain it all.

And finally, saving the very most confusing news item for last, bitcoin. Bitcoin, in case you were in a medically-induced coma for the past few months, is a company whose stock price added a zero in 2017, rising from \$1000 per share to more than \$10,000, and is now trading above \$18,000. What does bitcoin do? What do they make? What service do they provide? Bitcoin is a cryptocurrency, which surprisingly has nothing to do with money buried in a casket. It is, instead, an electronic ledger used in a blockchain monetary system. The best way to think about it is that bitcoin is sort of like the HAL computer in the movie *2001*, who is all "Good morning

Dave, you're looking well today!" until he decides that humans are a threat to his computery existence and must be killed. That is what bitcoin will do to your life savings. The most compelling reason to buy bitcoin stock is that if you don't, you'll miss out when it adds another zero in 2018. "Buy now, you'll never see these prices again!" is a phrase that could nudge you to log onto your brokerage account, until you realize that's an axe that swings both ways.

Like we said, 2017 has been crazy, and there's no way that 2018 could top it. Now if you'll excuse us, we're off to buy some muddy jeans with all our bitcoins.