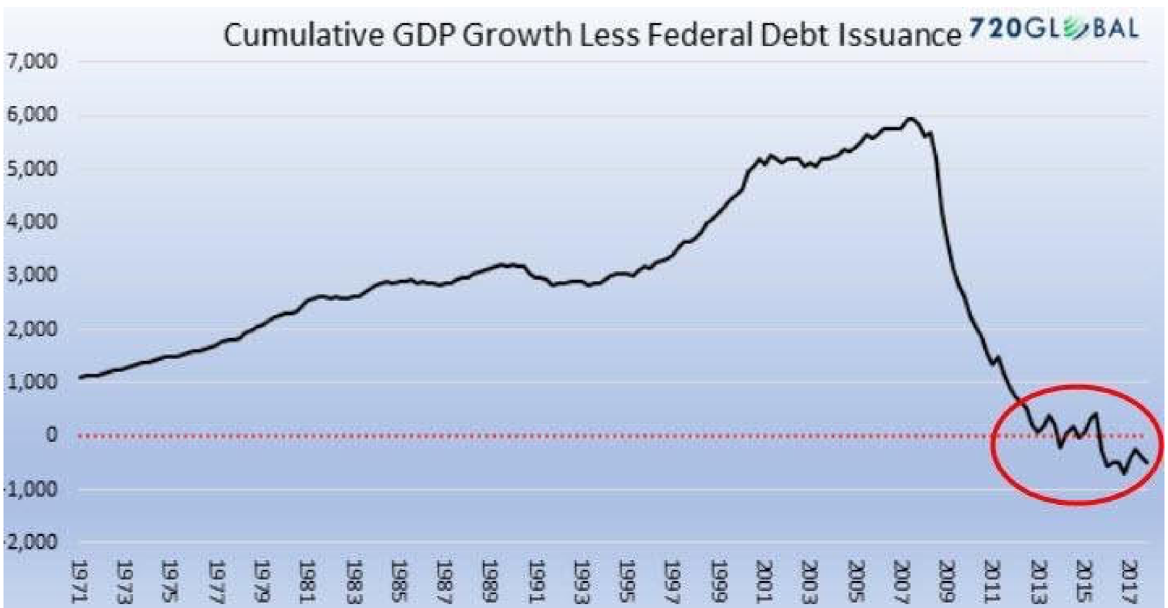
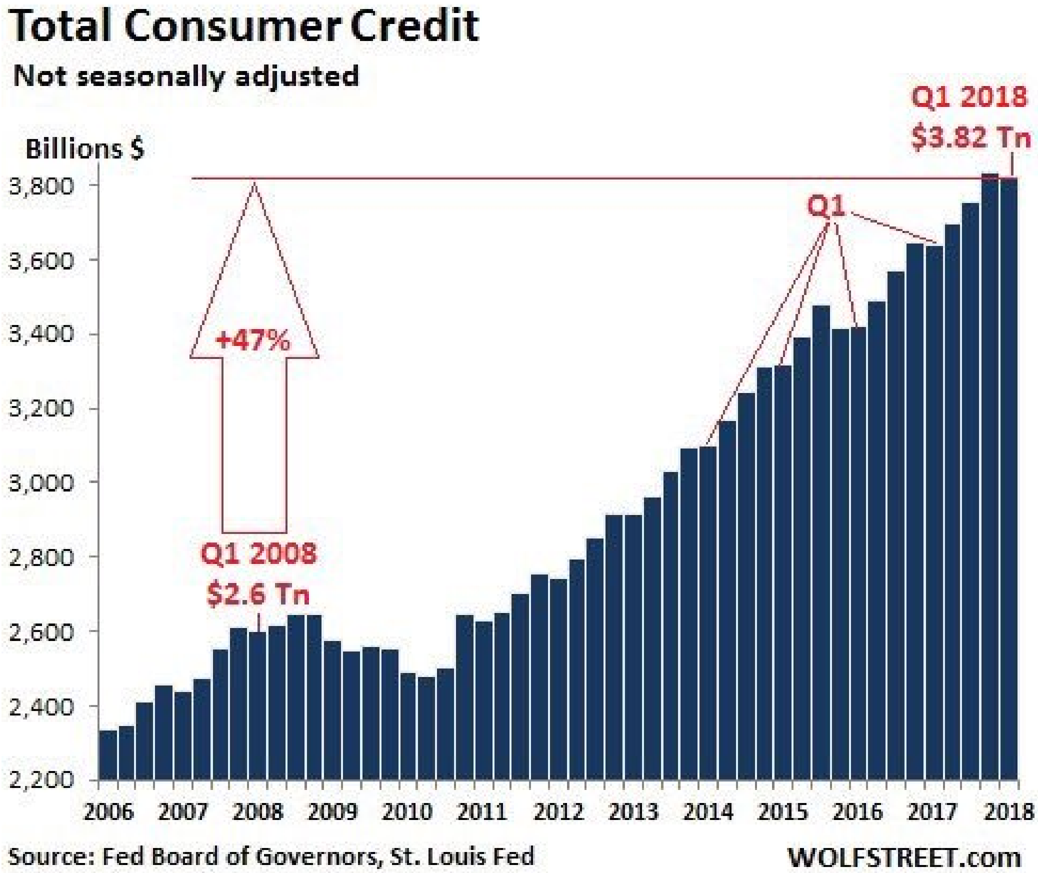
Hello Everyone,

For my email subscribers, let's do this a little differently today. Since I can't show charts on the radio, I want to show you four quick charts which may help explain why I have harped on debt for the past three weeks or so.

First, the below chart shows something really interesting. Every dollar of additional debt is now working to shrink(!) GDP. This is a first. Back in the 1950's, when we took on $1 dollar of debt, as much as $6 dollars was added to GDP. That's because we used the debt to build things like highways, which helped the overall economy grow. What this chart shows is that in 2008, we started adding more debt than GDP. Then around 2015, we went negative. Uh oh. This makes sense, since the trillions in new debt didn't go to "shovel ready" projects, but rather went disproportionately to the wealthy and to repair bank balance sheets.

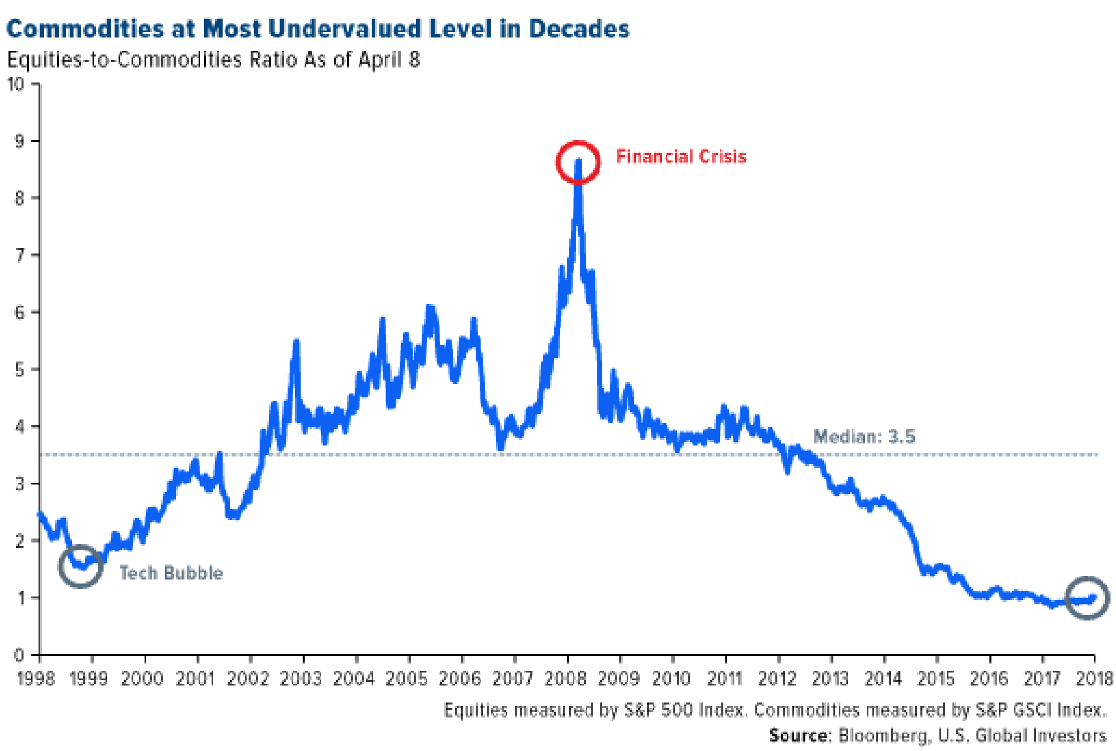


Let's look at the next chart. Since the middle class didn't benefit from the trillions in new debt, look at what happened to consumer credit. Yup, Americans went into more debt just to stay even.



Next, let's look what near zero percent interest rates did to corporate America. Yes, the stock market went up, but so did corporate debt. Companies borrowed money to buy their shares back, which helped push their share prices higher...but, there is a debt consequence. This move was likely good in the short term, but not so good in the long term.

Finally, if the idea is to buy low and sell high----and, if you believe that government has a vested interest in inflating debt away-- then this chart is helpful in gauging risk. It shows that investments in "things-that-can't-be-printed" are by historical standards at record lows. That is usually when you want to buy. :>)



I hope your eyes are not spinning from chart overload. I just wanted you to understand the big picture and recognize the day-to-day chatter for what it is…chatter. Focus on the structural issues and you will be better investors.

Signed, Your I-Like-Charts-Because-They-Pack-So-Much-Information-In-A-Short-Space Financial Advisor,

Greg

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