

# Market Update

**From:** Mike Sullivan  
**Date:** September 15, 2015  
**Subject:** Its Showtime!

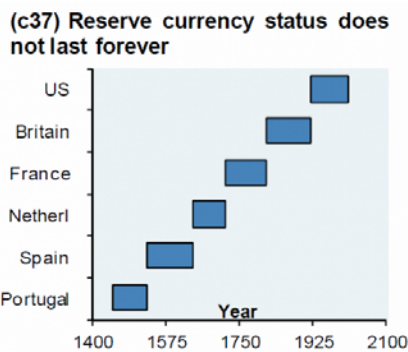
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In our last update, [‘See No Evil’](#), we described the four major headwinds blowing across the globe. As is usually the case, the future of the stock market reaches back to the issue of control of global monetary policy by our own Federal Reserve ... and the impact it has not only on us, but everyone else on the planet. That makes this a rather important week.

On Thursday, we will find out if the Fed has the gumption to raise interest rates for the first time in 9 years. Not since June of 2006 has there been a rate hike, a fact savers across the country know all too well. As the controller of the Reserve Currency, the Fed’s ‘tweaks’ dramatically impact economies across the globe and as of late, the impact has been excessively negative.

In Brazil, Venezuela, Turkey, Russia and other locales, the rising dollar necessarily has the impact of smashing the strength of those countries’ currencies, then throwing their economies into turmoil.

We believe we are potentially at a major turning point (the one we have been writing about for years) where the U.S. sees diminished power to effectively control the direction of the global economy. Aside from the fact that history bears this scenario out (as all other reserve currency countries who have gone before us have met similar fates), we are seeing a massive disconnect between the ‘real economy’ and asset prices boosted by the policies in place since 2008. The strong middle class necessary to support a vibrant real economy has simply been cowed by the rising costs that we are told are not there. Our premise that ‘*true* math will be the ultimate judge’ seems closer by the day. For our longer term clients, here is a reminder, and for our newer clients here is a visual that properly paints the temporary nature of nations controlling the Reserve Currency:



There are many reasons to favor us, the U.S., as the best and most dominant player on the world stage, but there are also many reasons to expect a reduced role. That process is clearly well underway, but this week is a very important one as the Fed again takes center stage.

From a market standpoint, we can make a good case for the markets bouncing here once again. Simply, the Fed and its Wall Street players need a bounce to successfully navigate Thursday’s decision. Beyond this week, there is good reason to believe that the recent sell-off provided the Wall Street ‘buy-back’ desks the opportunity to, as agent, use the money of various companies to buy back their own stock at nice discounts. If so, we may see once again in October that the dollar value of company earnings remains flat or even declines, but their ‘earnings-per-share’ get one more contrived boost. We doubt that little corporate accounting trick will last much longer.

Thus, any bounce in the month ahead may give investors with one more opportunity to lighten up risk exposure at a higher level. Please call us at (614) 734-WLTH (9584) if we can be of assistance.