

The Great Reset

As we all know, the US and Israeli militaries attacked Iran. The old Ayatollah and his successor are dead, along with much of the rest of Iran’s political and military leadership. How should investors respond?

First, in overnight trading oil prices were up over 8%. US stock price indices are also down. And in a flight to safety, 10-year Treasury bond yields fell under 4%. When the US invaded Iraq in March 2003, the stock market rose sharply and nearly doubled between then and the peak in 2007.

But that stock market was undervalued after the dot.com crash of 2000-2003. Today, the market is over-valued. History may rhyme, but it doesn’t repeat. War is uncertain, and while the US and Israel are dominating, investors would be foolish to assume they know every twist and turn to come. Even here at home, where threats exist.

So we would like to turn our attention to what seems like a seismic shift in the direction of threats to Western Civilization. Not long ago, during COVID, Klaus Schwab and the World Economic Forum published a book titled “COVID-19: The Great Reset.” Politicians around the world, including Boris Johnson, Angela Merkel, Joe Biden, Kamala Harris, and others talked about “Building Back Better,” which was a euphemism for The Great Reset. The platform included Green Energy and the Paris Agreement, Open Borders, Global Taxes, International Cooperation, and Sustainable Development. While a generalization...it seems clear the supporters of Build Back

Better wanted even more government spending and more bureaucratic control.

Over recent decades, bureaucracies (the EU, UN, NATO, WHO, the US administrative state) have all increased control over free markets because they believe capitalism hurts the environment and creates inequality. Second, China, Russia, Iran, and North Korea have actively attempted to undermine the US and its capitalist system. And third, cartels and gangs have proliferated, some fielding armies.

In other words, there are three sets of institutions or groups trying to reset the world and put roadblocks in the way of capitalism. They want a Great Reset that gives them more power.

But the US, in its 250th year, seems to be reaching back to its roots. The US is saying “no” to bureaucrats and corruption in international organizations, and “no” to terrorism and cartels who are willing to use violence (like the mafia) to get their way.

Back in 1908, we founded the Bureau of Investigation (BOI), the precursor to the FBI, to fight corruption in government and then shifted to fighting gangsters and the mafia. Similarly, recent actions are designed to fight the enemies of freedom today. If there is a common theme running through the actions of the US in the past year, it is fighting back against the institutions, governments, and entities which want to undermine capitalism. That would be a really Great Reset.

Date/Time (CST)	U.S. Economic Data	Consensus	First Trust	Actual	Previous
3-2 / 9:00 am	ISM Index – Feb	51.5	51.8	52.4	52.6
3-3 / afternoon	Total Car/Truck Sales – Feb	15.4 Mil	15.8 Mil		14.9 Mil
3-4 / 9:00 am	ISM Non Mfg Index – Feb	53.5	53.6		53.8
3-5 / 7:30 am	Initial Claims – Feb 28	215K	214K		212K
7:30 am	Import Prices – Jan	+0.3%	0.0%		+0.1%
7:30 am	Export Prices – Jan	+0.1%	0.0%		+0.3%
7:30 am	Q4 Non-Farm Productivity	+1.8%	+1.9%		+4.9%
7:30 am	Q4 Unit Labor Costs	+2.0%	+2.6%		-1.9%
3-6 / 7:30 am	Retail Sales – Jan	-0.3%	-0.2%		0.0%
7:30 am	Retail Sales Ex-Auto – Jan	0.0%	+0.6%		0.0%
7:30 am	Non-Farm Payrolls – Feb	60K	39K		130K
7:30 am	Private Payrolls – Feb	70K	49K		172K
7:30 am	Manufacturing Payrolls – Feb	-4K	-6K		5K
7:30 am	Unemployment Rate – Feb	4.3%	4.3%		4.3%
7:30 am	Average Hourly Earnings – Feb	+0.3%	+0.3%		+0.4%
7:30 am	Average Weekly Hours – Feb	34.3	34.3		34.3
9:00 am	Business Inventories – Dec	+0.1%	+0.1%		+0.1%
2:00 pm	Consumer Credit – Jan	\$13.3 Bil	\$10.4 Bil		\$24.0 Bil

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