

The Ross Rant-RR - March 14, 2021

Rotation continues as the Dow hits new highs and tech struggles to maintain its upward slope. I still don't really understand what a small increase in the ten year yield has to do with APPL, ADBE, or some of the other top tech names. Interest rates have nothing to do with their business model, a few more basis points of yield on Treasuries hardly offsets the continued strong growth of the tech company earnings which will continue to be very strong even into the reopening. If anything, they will earn a little more return on their massive holdings of cash on their balance sheets. If you believe that these tech companies have very successful business models and products, then there should be no diminution of their growth as life returns to normal. In fact they might grow even more as spending increases. Overall, the stock market will likely continue its upward move for several more months until investors realize the damage being done by the massive fiscal flood that is coming and as inflation heats up.

Then you will likely see the ten year move up even more and begin to impact stock prices. Bonds will continue to be a terrible investment as rates continue to move up over the next year. Unemployment will not decline to the extent it otherwise would due to the massive payments being handed out by the Dems to anyone who chooses not to work. Other negatives are that as the ten year moves up, so do mortgage rates, and that will negatively affect housing as time goes on. Housing is a major component of the economy, so a rise in rates and a slowdown in new homes construction is a negative.

While there will be a jump up in consumer spend over the summer and into the fall, it will taper off as the \$1400 gets spent or saved and comes to an end. It has been found that a sizable portion the \$1400 is likely to go into the stock market, so look for the bump up from that in the next several weeks as that money arrives in bank accounts. But then it ends in a couple of months. Overall the combination of major reopening by May, the flood of hundreds of billions of payouts from the Pelosi Payoff bill, and a general improvement in the world economy, and the summer should be a strong equity market. By Q4 we need to see where things go as the fiscal boost runs out, inflation ticks up, and rates rise, and unemployment is not as low as Biden predicted.

One problem to come is the Fed and the rest of the world's central banks are swallowing up massive amounts of their nation's treasury bonds and other bonds.

This simply can't go on forever, yet the massive fiscal deficits do continue, and will get even worse. All those government bonds need to get sold to someone, and that means rates are pushed higher in order to move the massive number of bonds. When we hit that point where they just can't sell more bonds at auction unless rates move up is an unknown, but it is this year. The Fed will now never be able to unwind QE as it is far too big. The ECB is in the same position, as is the BOJ. The hole is now so deep there is no way out, which then begs the question, what happens in the next recession. But Pelosi just keeps pushing ahead with massive new spending bills.

The Dems seem not to understand that their focus on reducing unemployment is not solved by giving people more than they would earn if working. Trump had it right. Help those who need help temporarily, but just as important, cut taxes and regulation and let the private sector run on its own. That worked great in 2019 and into 2020. We were at record low unemployment, and low income wages and family income were rising faster than ever. Minority unemployment was at a record low as was female unemployment. That all happened with no subsidies, just private sector growth. Moody's Analytics, which is the driving force behind the economic plan, believes the short run reduction in unemployment is the goal, but they now predict more inflation and a major, and ugly correction in the stock market in 2022. Given my direct relationship with them, I have tried hard to point out the fallacy in the short run focus, and the disincentive of all the subsidy payments, but to no avail. You can expect more massive spending programs from Pelosi as the Dems believe in MMT. This is all going to end very badly unless Manchin really does not fold on the filibuster.

The newest thing is an NFT. Non fungible token. An artist created a digital picture that just sold for \$69 million, and comes with an NFT. An NFT is a crypto token that shows you are the sole owner of the original even if others copy the thing that is tokenized. They are apparently tokenizing all sorts of things including music, memorabilia, etc. Why this makes sense for someone to pay \$69 million for a digital picture with an NFT is beyond me. If you feel like you do not really understand all of this join the club. I guess the token, which is really just a digital block chain way to prove you own the original, is a cool idea to some people, and maybe this is how things will be done for special things, but why anyone pays up for this is a mystery to me. You need to get educated about NFT as it seems to be the coming thing. Blockchain is a unique kind of database of records that stores information in digital blocks on a string, or chain, of servers in a way that cannot be hacked or modified. It is above my paygrade to understand, but it is a very

secure way to record financial information, or ownership of a thing. You will hear a lot more about it in the next few years, especially in banking.

The sharp swing left in education, the press, Congress and the White House is now creating a developing move back to the right in 22. Censorship goes against everything America stands for. Crime is out of control in many cities with increases in murder and car jackings and other violence to a degree that is unsustainable. It is just like the crack era when crime finally got so bad Giuliani got elected and showed the country what can be done with a broken windows approach to policing. Portland is now a city that is unable to sustain retail business and unable to protect the citizens. Chicago is a free shooting zone. Seattle police say they no longer can respond to all calls, and to none in a timely basis. NY crime is again spiraling up. The ironic thing is it is the black communities who are experiencing the worst of it. It is blacks who are killing and shooting blacks, not cops shooting blacks. In fact more cops have been shot by blacks lately than unarmed blacks shot by cops.

You will never hear that from the press or academia. It is the innocent in black communities who want more cops so they can live safely and have stores in which to shop instead of a burned out drug or grocery store. The coming NYC mayoral race will tell us where people stand. It will be very interesting, but the result is completely unpredictable now. Republicans have a very strong candidate in Mateo who is Latino, so we will see what happens. Trump is no longer around to hate, so now some people are looking closely at what Biden and a left wing Pelosi has brought already, and they are moving right. Don't let the press convince you everyone has moved left. Not true. Once the thrill of getting \$1400 wears off, and reality sets in, minds will change as crime and gas prices spiral up. Pelosi is rushing things through because they know they will lose the House in 22, and she does not have much time before voters realize how the country and their lives are being ruined, and Biden is just an avatar.

Biden said he hopes K-8 can open by May. Did they bother to tell him most schools end in June and the CDC and all independent experts say there is no reason schools cannot be fully open now. And what about 9-12. I guess they can just go on getting mental problems and no education. New research shows the damage from closed schools is extensive, especially for minority kids. The mental health damage is already showing up in emergency rooms and suicides in large numbers, but the teachers don't care. But Biden does not declare an emergency for kids, and does not force the teachers back to work. Kids are dying, but the press does not report that number. We as a society are going to pay a giant price for the shutdown

of schools. They let the illegal alien kids be in large groups, and then sent onward, but our kids suffer with no school.

There is also no need for another dollar for schools to reopen. There is still around \$60 billion unspent from the prior bills, and the private schools and Catholic schools have proven there is no need in most cases to spend a lot. Catholic schools spend an average of \$5500 per student per year all in to educate them, and non-union charters spend ½ as much as regular schools in the same city, yet both turn out better results for the students than the union run public schools, and in both cases it is mainly minorities who attend Catholic and charter schools. The new massive allocation to public schools in this bill is purely so teachers can get a raise next year, and years after by giving money to school districts who will just be forced by the union to use it for compensation.

This was just a massive payoff to teachers unions who will then repay the Dems with campaign contributions out of the money they get from the stimulus bills. It is disgusting corruption at its worst since the kids paid with their futures which are now ruined. If the suburban soccer moms don't get this they are idiots. 3 million kids have disappeared from the active student rolls during the shutdown, and 16 million have had no real classes, but all Biden can say is maybe we can reopen K-8 by May. So let's get this clear. Kids can't go to school, businesses are shut down, but Covid infected illegal aliens flood into the country, and are bussed all over the country by the thousands. The infection rate of illegals is now around 9.5%.

Now we learn that black farmers get 120% of their loans repaid. That seems unconstitutional. How can they discriminate like that. And 120% of the debt amount-what the hell is that. What about white farmers who have struggled.

The new Labor bill from the House and the HR1 bill would cement far left wing ideology into America and dramatically change the country. HR1 is very dangerous as it essentially legalizes voter fraud. The constitution gives the states the power to control elections, but HR1 takes away that power completely. It bars ID, or any semblance of a person's identity. It allows late voting, and many other things designed to allow massive fraud, and a hold on power by the Dems forever. Between all these bills we are witnessing the far left takeover attempt, and the coming of socialism. The only thing that stands in the way is the filibuster and that depends on Manchin. What a moment in history where the future of the nation depends on one Senator not folding on the filibuster. By trashing the vote in GA, Trump did terrible damage to the Republican vote turnout, and it led to the loss of

the two Senate seats, and here we are. You may love Trump, but by costing Republicans senate seats in GA, he did potentially massive damage to the country.

I have stated many times that Biden is just an avatar, and that is now being proven. They continue to roll him out to sign EO's, or the spending bill, and then they usher him out of the room before he can say something stupid. No press conference despite the open border and the pandemic. Do you need any more proof that he is an avatar. I warned this was to be what happened if people voted for him, but numerous of my friends insisted he was better than Trump. So now it has happened and the country is about to pay a terrible price. Not only massive spending, but here come tax hikes and massive regulation. Fracking is being killed, which will continue to cause oil price rises, which means gas prices rise. It is a disaster happening in a very short time.

If you think Pelosi is going to at least try to look like she adheres to legal process, she is not. She is trying to unseat the duly elected representative from a district in Iowa. The congresswoman went through three recounts and still won, and the bipartisan election commission certified her unanimously. The Dem did not use the Iowa election legal process to contest the final outcome. When Congress is sworn in they ask does anyone contest any person. Nobody raised an issue. She was sworn in. Now four months later Pelosi has decided to try to unseat this Republican and demand a recount on the basis she won by only 6 votes. The power grab by Pelosi and the Dems is now reached a point of total illegality.

By 2022 the tide will have turned. The swing left is so extreme now, and the cancel culture is so out of control- Dr Suess- that people are beginning to push back as they see their lives are being seriously affected by the crime and the vitriol that spews from the press, academia, and even corporations now discriminating against white males who have done nothing wrong. Classes on critical race theory and forced racial training at companies are out of control as all these people try to look like they are "woke" and not racist, which they never were . All it is doing is angering people who never even thought about being racist. The 1619 program being used in schools is filled with false information, and is heavily racist against whites. It is offensive to be told you are a racist when that is not even in your mind. To be told blacks are going to get the job or a promotion because of skin color just creates anger. Private schools in NYC are out of control when it comes to left wing ideology about race and gender.

Parents are not going to put up with this crap much longer. The only reason the schools can do this is parents fear their little kid will get thrown out or ostracized

by the teachers. All we hear now is race and gender ideology. It is so bad that foreign students are no longer so attracted to come here according to a focus group recently run by Frank Luntz. There is so much attack on the country in the press and from left wing politicians, that America is no longer seen as the beacon it has been for over 250 years. Standby for one day in the next 2-3 years for Article 25 to be invoked, likely after the 2022 election. Biden is already an embarrassment, and cannot hide forever.

I am fed up reading all the mea culpas from people on TV, in the written media, in academia, or companies saying "I apologize for whatever, and on reflection I now realize I acted in a hurtful manner". I am fed up with big companies claiming they have now decided they would send money and make hiring decisions based on race. That is discrimination pure and simple. It is what we thought we were doing away with. It is all some PR guy handing out BS statements. These people who get castigated on social media said what they think, and they should have the guts to say, free speech rules, and I am entitled to say and think my own thoughts whether you like it or not, and stop inferring race into everything. Stop with the victim crap.

People are victims in their own mind. Real victims are people in Syrian refugee camps, not black kids in elite American universities, or overpaid TV talking heads like Don Lemon or some idiot football player or actor making millions. The law professors at Georgetown who were fired were stating facts, just like Amy Wax was. Piers Morgan was stating his personal view of Meghan, and good for him for walking out. Now Sharon Osbourne is castigated and called a racist for defending him. The country is in a very bad place, and Biden, and the press are just making it much worse. It began in colleges, and now is everywhere. The Communists of decades ago were right-start with the students, and then it will spread, and over time we will win. Pelosi is the most dangerous person in America today as she seeks to pass legislation to completely change the culture and laws of the country. Everyone needs to start standing up, and say we have free speech, and tough crap if you don't approve of what I think and say. Stop apologizing for your own thoughts. Stop being afraid to say what you think in social or business situations. Don't let the cancel culture stop you. Demand an end to censorship. Don't let them infer racism into every little thing. It has become absurd. Tell them this is not Germany in 1936. We cannot let them win the way they have done in academia.

Why is Floyd's family getting \$27 million, but the businesses that were burned and looted got nothing, but less police protection. The medical examiner report on Floyd, which will come out in the trial, will show he was already dying that day

from a massive overdose of fentanyl, mixed with other drugs. That is why he said he could not breathe before they pulled him back out of the car and put him on the ground. He was already dying. What the cop did was wrong, but according to the ME, the cop may not have directly caused the death. But the press and politicians are not interested to hear that, and probably the jury will not either. The ME report will get disputed by much of the press, or just not reported.