



Soundings

What's New - June 2019

Quote of the month:

“There is no worst thing. I’ve believed all my life in waking up with something on your mind, the need to do something about it and the delight of being able to.”

Norman Lear

So answered the 96-year-old creator of Archie & Edith Bunker, George & Louise Jefferson, and Fred & Lamont Sanford, to the question, “What’s the best and worst thing about still working at age 96.” What a wonderful approach to life at any age.

As far the markets, May wasn’t much fun. The parabolic rise through April came to an end as trade talks come down to the wire. Currently, the Dow is down six weeks in a row. Analyst Jeff Saut notes this is a very rare occurrence. According to Bespoke Investment Group, “Since 1900, there have only been seven 7-week losing streaks.” The peddlers of fear are screaming in the streets. Ignore them. The economic fundamentals remain strong as does the underlying technical picture, seen on the matrix on the following page. In his missive from June 3rd, Saut quotes friend and long-time market analyst, Leon Tuoy, writing, “the sentiment backdrop is ideal as fear prevails. Technically, many indicators are approaching oversold territory and additional weakness will produce a grossly oversold condition causing the market to reverse to the upside. Accordingly, refrain from joining the crowd.”

Last month was graduation season. A wonderful time when High Schoolers decide whether to hit the working world or take some time in college to keep figuring it out. For the college cohort, they’ve got it licked and are launching into the first day of the rest of their lives. In this month’s *Market & Economic Commentary*, I’ve placed a piece by Andy Kessler of the Wall Street Journal. Titled, How to Slay Dragons in the Business World, Advice to the class of 2019, it’s a great primer on how to master what’s next. Give it a read and pass it on. First, the numbers...

Jon Kagan, CFP®, CDFA™, Registered Principal, Securities Offered Through Raymond James Financial Services, Inc., Member FINRA / SIPC
Soundside Wealth Advisors is not a registered broker dealer and is independent of Raymond James Financial Services. Investment advisory services
provided through Raymond James Financial Services Advisors, Inc.

7552 Navarre Parkway, Suite 35, Navarre, FL 32566
850.936.6686 866.936.8816 Fax Toll-Free 866.936.6686
www.jonkagan.com jon.kagan@raymondjames.com

Market Update - Year to Date Returns

Major Indexes

(As of 6/1/19)*

Dow Jones Industrials	6.4%
S&P 500 Index	9.8%
NASDAQ	12.3%
DJ Global ex US	5.8%
Russell 2000 (small cap index)	8.7%
XAU (gold/silver)	-0.9%

* Source: The Wall Street Journal

[D.A.L.I. Page](#)

D.A.L.I. Signals - 06/01/2019

Dom. Equities	Int'l Equities	Commod	Fixed Income	Cash	Currency
293	248	159	157	146	85
26.9%	22.8%	14.6%	14.4%	13.4%	7.8%
(+0)	(+0)	(+0)	(+0)	(+0)	(+0)

Source: Dorsey, Wright & Associates, LLC

- Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect investment performance. Individual investor's results will vary. The Dow Jones Industrial Average (DJIA), commonly known as the "Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the US stock market. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ market. The DJ Global ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices. The Russell 2000 index is an unmanaged index of small cap which generally involve greater risks. The Philadelphia Gold and Silver Index (XAU) is an index of sixteen precious metal mining companies that is traded on the Philadelphia Stock Exchange.
- The Barclays Capital Aggregate Index measures changes in the fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard & Poor's, or Fitch Investors Service, in that order. The Aggregate Index is comprised of the Government/Corporate, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. The Barclays U.S. Corporate High Yield Bond Index is composed of fixed-rate, publicly issued, non-investment grade debt, is unmanaged, with dividends reinvested, and is not available for purchase. The index includes both corporate and non-corporate sectors. The corporate sectors are industrial, utility and finance which includes both U.S. and non-U.S. corporations. The Barclays Capital Municipal Bond is an unmanaged index of all investment grade municipal securities with at least 1 year to maturity
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3rd party. It presents the relative strength relationship of six broad asset classes or "teams", domestic equities, international equities, commodities, fixed income, cash, and currencies. Each are represented by an equal number of ETFs. Each team play against each member of the other teams, with net victories tallied in an effort to rank each asset class team by order of overall strength. Raymond James is not affiliated with and does not authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.
- The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Jon Kagan and not necessarily those of RJFS or Raymond James Financial. Expressions of opinion are as of this date and are subject to change without notice. This information is not intended as a solicitation or an offer to buy or sell any security referred herein. There is no assurance any of the trends mentioned will continue in the future. Investing involves risk and investors may incur a profit or a loss, including the loss of all principal. Past performance may not be indicative of future results. Asset allocation does not guarantee a profit nor protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse the opinions or services of Jeff Saut or the Bespoke Investment Group.

Jon Kagan, CFP®, CFA™, Registered Principal, Securities Offered Through Raymond James Financial Services, Inc., Member FINRA / SIPC
 Soundside Wealth Advisors is not a registered broker dealer and is independent of Raymond James Financial Services. Investment advisory services
 provided through Raymond James Financial Services Advisors, Inc.

7552 Navarre Parkway, Suite 35, Navarre, FL 32566
 850.936.6686 866.936.8816 Fax Toll-Free 866.936.6686
www.jonkagan.com jon.kagan@raymondjames.com

Market & Economic Commentary

Dear grads: Finish streaming Bird Box, stop moisturizing with CBD, lace up your Allbirds and listen up on how to get ahead. Dressed in medieval gowns and tassels, you've been drowned with graduation platitudes and advice. This year didn't disappoint. Former CNNer Soledad O'Brien told University of Oklahoma grads, "I think what [my mother] was saying is most people are idiots, so you might be a bigger idiot if you listen to them all the time." ABC's Jimmy Kimmel had a surprisingly capital idea for the University of Southern California's newly minted doctors, telling them that even though the health-care system is unfair, "you should still make a lot of money." He added: "You deserve it for working so hard and eating so much ramen over these years. And not even the Top Ramen, the bottom ramen." My favorite is this take on "be yourself" from the Rev. France Davis, who told applauding University of Utah graduates: "Be what you is and not what you ain't, 'cause if you ain't what you is, then you is what you ain't."

Now for some other realities. It's the best job market in two decades. But be warned—the working world is very different from campus life. You need to stand out, but how? There are plenty of faceless drones. At your new job, you'll quickly notice people of no particular talent who are successful inside organizations. I had an old boss who explained an incompetent rival's political rise: "He climbed the ladder of success, hand over hand with knives in other people's backs." Don't be that guy! Instead, here's my simple advice: Be a hero. You'll have a job with a vague description. Sales. Physician assistant. Manager. Business intelligence. Everyone comes in with a task. Don't let your job description be a straitjacket. Do something above and beyond. That's what your employers want, whether they admit it or not. I've seen it again and again. I heard from a woman named Carol working in international marketing for a Midwest company. She was asked by a superior working on a board deck for a list of European competitors. She came up with a single PowerPoint slide that visually showed the reach of each competitor overlaid with her company's distributors and analysis of how it could best compete. The slide was a huge hit. The chief operating officer thanked her. She got a raise and more responsibilities.

On Wall Street, I used to work with a salesman named Steve. A deal to raise money for a paper company was stuck. No one would touch it at \$20. It was uglier than Dunder Mifflin. Steve had a new account in Milwaukee and insisted it buy several million shares, but at \$18. On hearing someone was willing to buy, other accounts piled in. Steve is still known as the guy who got the ugly deal done—a hero.

Then there's the coder, Paul. There were long discussions about how his company might get paid for its web service, but no solutions. "On a Friday," Paul recalls, he sat down and invented one. "It seemed like an interesting problem, so one evening I implemented this content-targeting system, just as a sort of side project, not because I was supposed to." What became known as AdSense morphed into a \$115 billion business. Paul Buchheit was employee No. 23 at Google. He also developed Gmail. Giga-hero. You don't have to save a baby from a fire. In Silicon Valley there's a saying about pain killers versus vitamins: Either save costs or generate revenue. You can be a hero either way.

Another easy route to heroism: Every company has particularly nasty clients. They don't return calls and they badmouth your products. Everyone avoids them. Instead, go for it. Roll up your sleeves and find something you have in common with them. Better yet, find their weakness. Horse racing. Wilco. Anime. You'll own them.

I can hear you thinking, "That sounds like a lot of work. Why should I bother?" Chances are if you have a bachelor's degree, you're not punching a clock. Nine to 5 are just suggested hours. I always preferred banker's hours, 10 to 3. Still, in the office or not, you're going to be working every waking hour (damn that Gmail guy). Be responsive and you'll be someone's hero before long. Remember, you're being paid for your brain, for your ideas. You never know when great ones appear—while watching Barry on HBO, or in the shower, or in bed at 3 a.m. Who knows? Just be ready when that big idea hits—and more important, be ready to run with it. Someone once said, "It doesn't make sense to hire smart people and then tell them what to do. We hire smart people so they can tell us what to do." That was Steve Jobs.

Andy Kessler, How to Slay Dragons in the Business World. Advice to the class of 2019: Don't let your first job description be a straitjacket., WSJ, 5/19/19.

Jon Kagan, CFP®, CDFA™, Registered Principal, Securities Offered Through Raymond James Financial Services, Inc., Member FINRA / SIPC
Soundside Wealth Advisors is not a registered broker dealer and is independent of Raymond James Financial Services. Investment advisory services provided through Raymond James Financial Services Advisors, Inc.

7552 Navarre Parkway, Suite 35, Navarre, FL 32566
850.936.6686 866.936.8816 Fax Toll-Free 866.936.6686
www.jonkagan.com jon.kagan@raymondjames.com

On a Personal Note

Talk about Aiming High. A family emergency brought my bull-riding barber back to Panama City so I'm back at East Hill Barbershop... a hip joint, with a barber pole out front and the sweet smell of antiseptic and aftershave wafting in the air. I was a walk-in so I got the new guy. Rick, a massive human being, fully bearded and tatted, was new to the shop but in the trade for a couple of decades. Like the rest of the fellas, he's a big teddy bear. As Rick did what he could to my cowlicked mane, a pretty female walked in and took the on-deck chair by Rick. Dressed in a flight suit, her squadron patch indicated Navy Primary Flight training. For the un-initiated, budding Naval Aviators all begin with primary. We learn how to put a high performance fixed-wing aircraft through its paces. Basic take off & landings and pattern work, instruments, formation, aerobatics, the whole deal. From there, depending on how we've done and more importantly, the needs of the Navy (Marine Corps and Coast Guard go through the same program), we move on or "select", to advanced training and one of three pipelines: jets, props, or helicopters. Us old has-beens never pass up the opportunity to relive the glory days with those in the early stages of theirs, so I asked her what she wanted to fly. "Space ships I hope" was her answer. How's that for ambition?

FREEDOOOOOM! Graduation came to the Kagan household in a big way. After 23 years of raising kids, we're finally done. Our youngest graduated from the University of Central Florida (UCF) with a degree in finance. Better yet, Collin was offered and accepted a job in his chosen field. I told you last month that I'd made him an offer to come work with me. Not too surprisingly, he made me proud and turned me down. The lad was not ready to settle down to small-town living. He loved the hustle and bustle of Orlando and decided to give it a go in the big city. UCF has a great placement program and Collin got interviews with four firms. One stood out for him with for their culture, history, and the great rapport he'd established with the complex manager. But they really made him work for it. After two interviews, the price of admission to number three was a test of his initiative and networking skills. He was tasked with sending questionnaires to folks in his universe. He needed at least fifty to take the time to complete them in order to get the next interview. Game over if it were it me at age 22. Not so for our #2 son. Not only did he get the 50 responses, one of them, a young man who used to work for Collin at the apartment complex, shot him a text. It turned out his uncle had just retired from the firm of interest and apparently was quite a big shot. He put Collin in touch with Uncle Big and the rest, as they say, is history.

You Can Go Home Again. After graduation, I had an ambitious goal. I hoped to pull off what would arguably be the biggest family reunion in Kagan history. Alex and Claire had flown down from New York. My parents live about two hours south of Orlando in Sarasota. In the past, I've written of my on-again, off-again relationship with my pop. I love and respect the guy beyond words and wouldn't be me without him. Like many fathers and sons, our relationship was complicated. I'll spare you the psychobabble but suffice it to say that a big casualty of that dysfunction was that our own kids did not get to know their grandfather and were missing an important link to who they are. The last time our eldest son Alex saw my pop, said son was a screaming, colicky, one-month old at Thanksgiving dinner. With all of us in such close proximity and our relationship at the best place it's ever been, I called my mom to craft a plan (for the record, Henry Kissinger wouldn't return my phone calls.) We decided on dinner at their favorite restaurant in town and a 5:15 rendezvous, midnight in Sarasota time. I will admit, I was scared sh#tless. Mentally, I'm already damaged goods but my kids have their whole lives in front of them and I sure didn't want to mess that up if things went wrong. We made the drive, arrived early, but it turned out there were two of these restaurants within five miles of each other, both equidistant from my folk's house. I flipped a coin and made my choice. I left the gang in the car to check the restaurant and as I did, my folks were doing the same. When we saw each other, my dad broke out in the biggest smile I'd ever seen on that mug of his, I'm misty as I type. We had a wonderful time. My kids learned a lot about their roots in that restaurant and my dad got to see that he did okay with his #1 son. With any luck, we'll do it again in a different venue. If you've got a similar history with someone important to you, consider making an effort at reconciliation. Just think what could happen if things go right.

As always, I hope you're enjoying every day as it comes. Warmest regards, *Jon*

Jon Kagan, CFP®, CDFA™, Registered Principal, Securities Offered Through Raymond James Financial Services, Inc., Member FINRA / SIPC
Soundside Wealth Advisors is not a registered broker dealer and is independent of Raymond James Financial Services. Investment advisory services
provided through Raymond James Financial Services Advisors, Inc.

7552 Navarre Parkway, Suite 35, Navarre, FL 32566
850.936.6686 866.936.8816 Fax Toll-Free 866.936.6686
www.jonkagan.com jon.kagan@raymondjames.com