

We tried getting *This Week's* commentary out the door last Friday but found ourselves six hours deep into an excel spreadsheet (not a boast, my pivot tables suck!) until the numbers no longer made sense. Blew up our time, and the schedule. The biggest thing I missed was not writing about what was happening in the markets, but instead a well-deserved acknowledgement of the bravery it has taken to preserve our way of life, and the worlds way of life, over the past two hundred and fifty years. This image of D-Day at Normandy of the first infantry men getting off the boats, charging Omaha Beach, is one of the best reminders I know of.



Imagine what those orders looked like the night before. If at all true to life, this is what it would have probably sounded like...

'Okay men, here is the deal. I know you have been bobbing around the English Channel, yacking your guts out for three days, but now I'm going to need you to strap on your gear, guns included, and get on a floating tin can. You will get dropped about 100 yards offshore a fortified beach, the front of the boat will fall away, exposing every ounce of your body to the enemy, and then you will jump into ice cold water up to your head.

From there, keep moving inland while heavily armed German soldiers with well-oiled death machines and accompanying guns, mortars, and grenades rain down hell on you. Don't mind the carnage you will see, keep moving inland. Keep shooting up, while you are getting shot down upon. But keep moving inland. If you get to the other side, we've won. If not, we've lost. So, keep moving inland. We don't lose."

Thank you to those who served and died. We didn't lose.



Onward to the more mundane. Stocks finally found a little fight last week. And it was about time given the eight-week drubbing that preceded it. More to the upside? Sure, maybe.



This past week, I was checked out in the real-world getting things done, traveling for good reason, and trying to make a side gig into a real gig. So, humor me as I take you on a sojourn into the life of the everyman, off Wall Street, Davos, Tokyo, London, and any of the other mean streets of finance. Because while wealth is growing rapidly, inflation is growing far faster. Just ask the proprietors of Taqueria Rincon in Carpinteria, California. The hard-shelled pastor might change your life



This wasn't the only place we found passthrough of inflated input prices at restaurants. On Wednesday of last week, we showed true range by having lunch on the run en route to BZN at Dairy Queen in Bozeman, Montana and had to triple check the receipt when \$20 got us a marginal chicken basket, French fries, and a small soda. There was no sign telling us why prices were so high, but we didn't need one.



Same day, after landing in Los Angeles, we were in search of something savory and ethnic and Googled 'Ethiopian Cuisine'. Next thing you know, we are in the heart of Inglewood at Queen Sheba for some very legit, and much needed food from the Dark Continent. The proprietors are up against it though, and the menu says it all, with a two buck handwritten price increase. We managed to order the Thursday Special, Kurt Sega, on a Wednesday. It was truly amazing. We also found one of the all-time greatest adult entertainment names ever: Kurt Sega. You can't make this stuff up.

Coffee/Buna \$1.99 ~~3.00~~

Latte \$3.50

Macchiato \$3.99

Tea \$3.00

THURSDAY SPECIALS

Kurt, In and Out, Gored-gored and Kitfo

Kurt Sega (To go \$12.99)

Grinded lean and tender beef seasoned in butter and herbs.

Gored Gored \$16.99

Raw cubes special beef lightly heated with berbere (chill powder) and butter.

Kitfo \$14.99

Finely chpped lean and tender beef seasoned in butter, hurbs and paaprka.

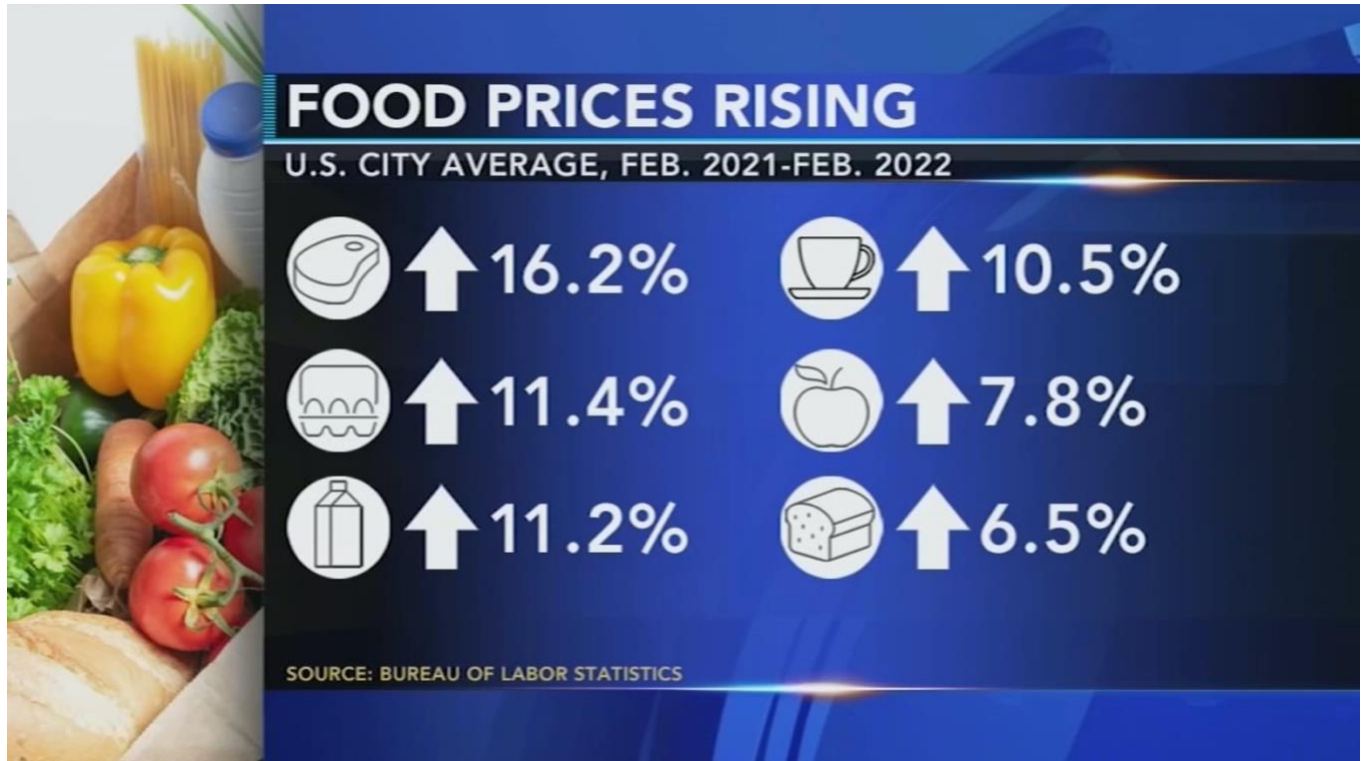
In and Out (Geba Wet) \$14.99

Rarely cooked lean beef cubes topped with butter and spices.

Prices may vary ask Queen Sheba's staff for details.

There you have it, a complete 'boots on the ground' look at what inflation looks like in three different places, three different genres of cuisine, all of which impacts those who step up to the counter and are willing to

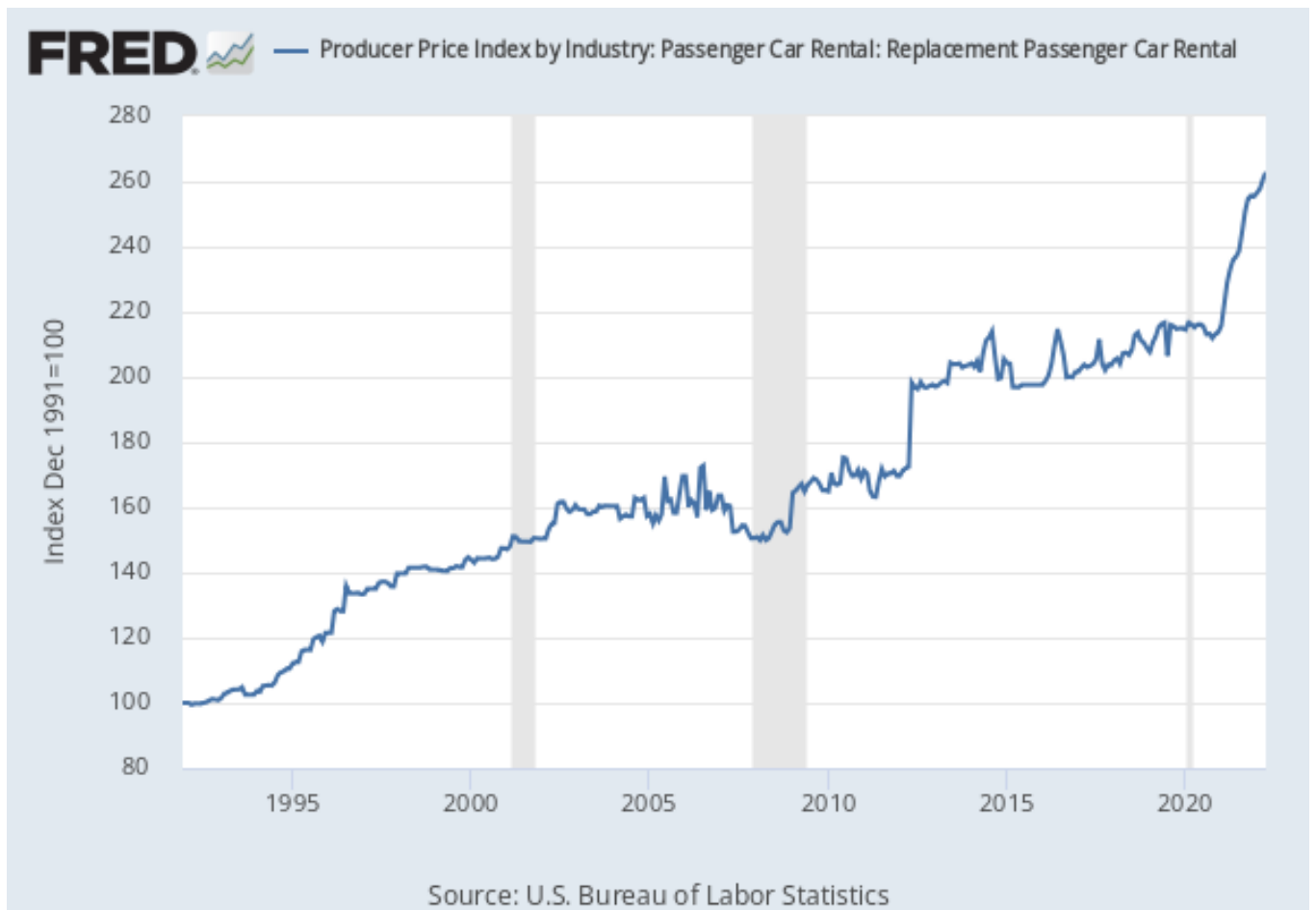
exchange ever-decreasing buying power against an ever-increasing cost of a plate of food. Make no mistake, this is all the unintended consequences of unfathomably reckless monetary policy. But eat up, you can always take out a HELOC.



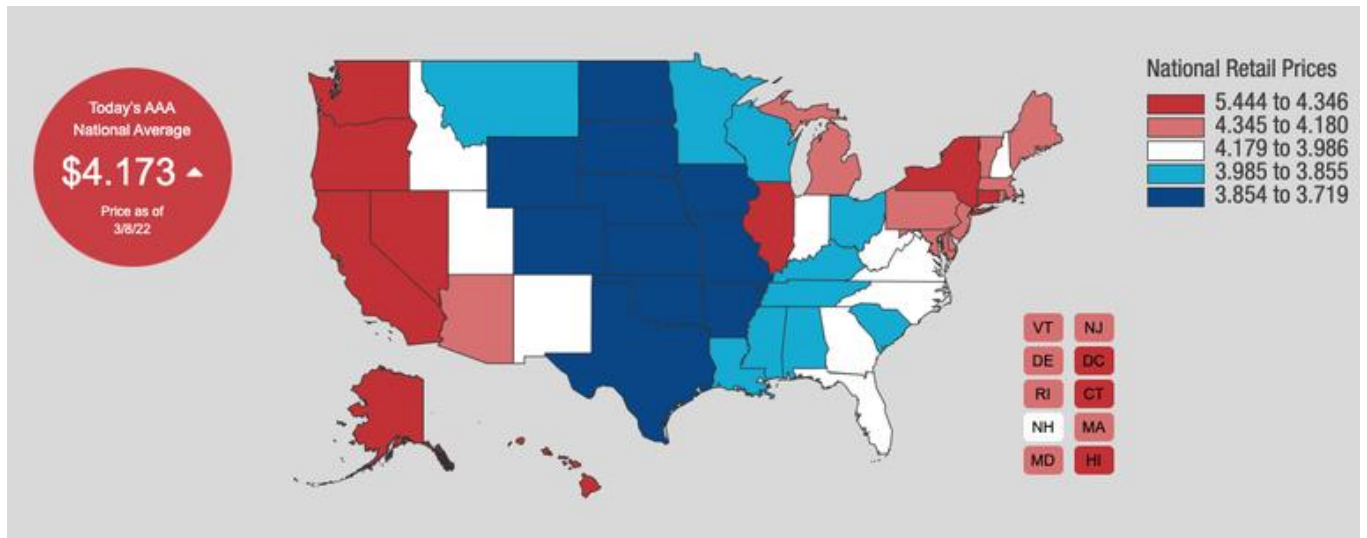
About basic inflation, last week we also tried to book a single upright functioning adult on a flight from Los Angeles to New York in July. Much to our surprise, that flight, which at times can have as little as a two handle on it, is selling for one with an eight handle. A few hundred bucks here, and a few hundred bucks there, and soon you are talking about real money.



Think getting to your destination is expensive? Getting around is worse, as rental car rates this year are [going through the roof](#). This chart is from the St. Louis Fed and runs through April. That's what they call a 'blowoff' and chances are good that Goldman Sachs has a derivative wrapped around it.



Fuel prices remain so elevated that on a recent trip to the pump I said out loud, yet in a slightly muffled voice, 'are you effing kidding me?' when \$6.68 showed up as the price per gallon for 87 octane juice. Americans driving this summer are getting a fat serving of red, white, and very blue. Keep in mind, a car's gas tank doesn't discriminate between the guy who minted money during the pandemic and the guy who is still white knuckling it through recovery.

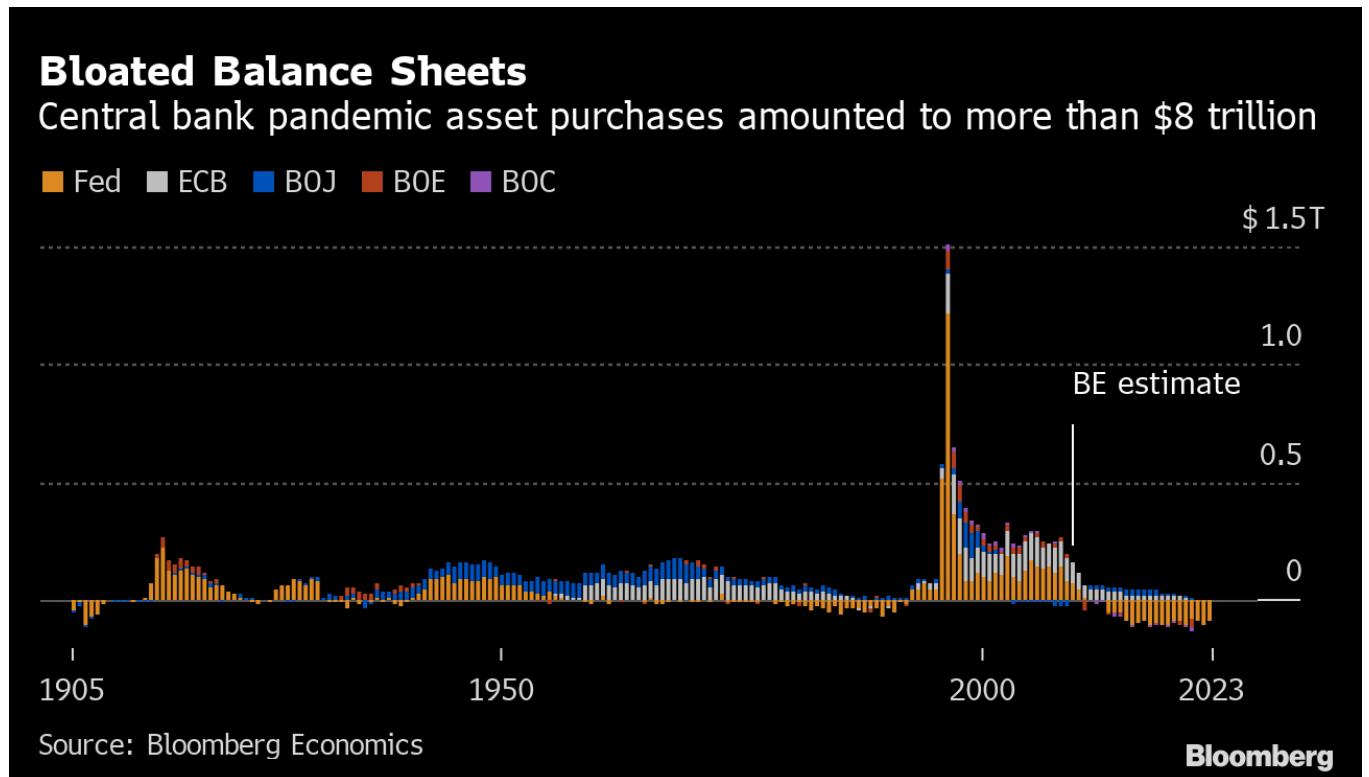


If one were to make a call, and from time to time that's what we do, there will most likely be one more painful spike as overshoots are the nature of the markets. And the pain of inflation out there in the real economy is only warming up, as is the threat of an economic slowdown.



The Fed seems to have finally found religion and is picking up the pace. Our call there as well is that you can expect to see another overshoot. You simply can't match the QE flood of a millennium, without a QT drought that

is expected. Keep in mind, this chart goes back to 1905, we've never seen anything like it before.



For those with a login, or desire to get one, the Washington Post yesterday ran a [long article](#) on how the Fed and White House missed this one. It printed ahead of yesterday's inflation summit where President Biden, Fed Chair Jerome Powell, and Treasury Secretary Janet Yellin got together to discuss the ever-widening inflation crisis. The imbedded promise is that this isn't going to be a 'photo op', but instead something serious. Like much coming out of Washington D.C., we are dubious.

