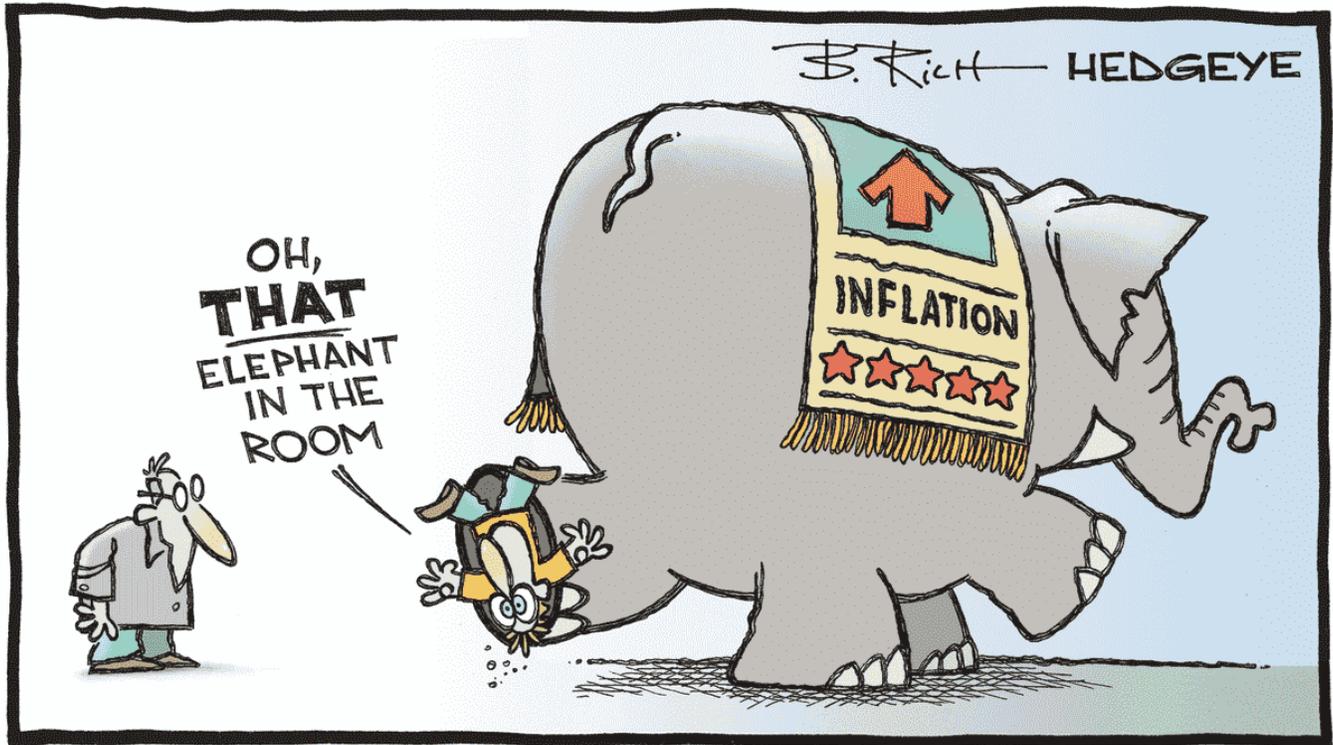


This week...

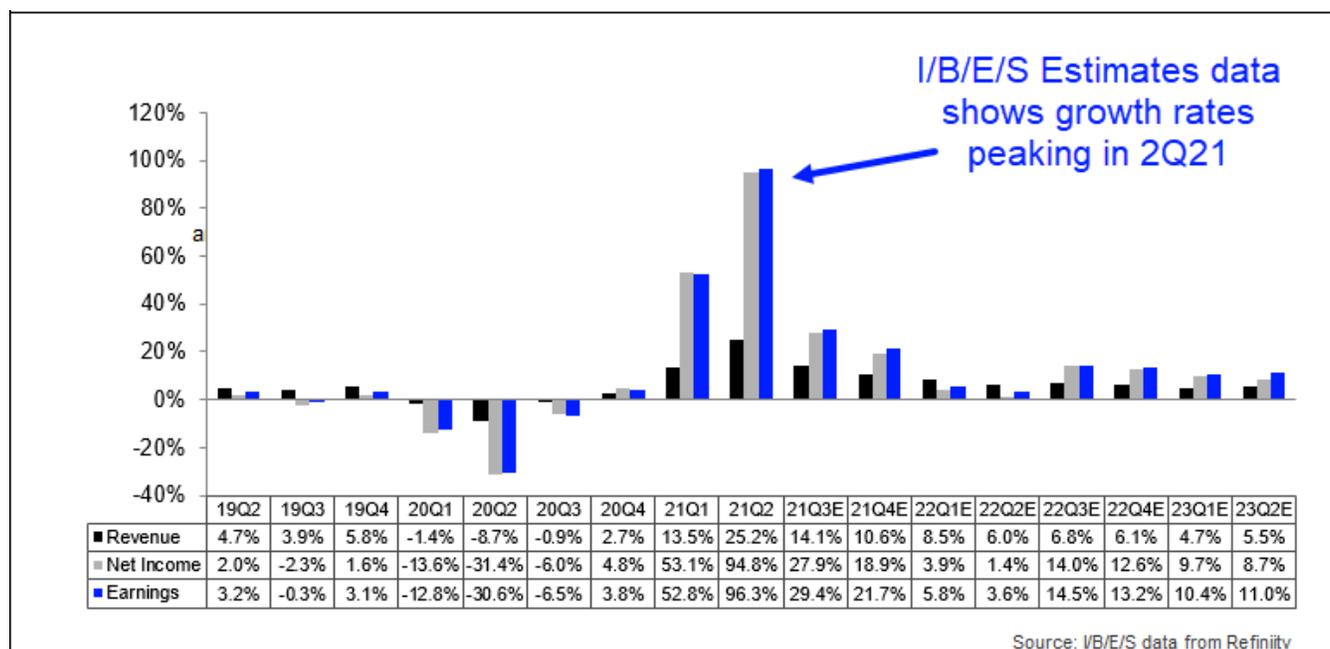
Shorter than usual notes to start the week, as we enter a rare 'shoulder season' for earnings and market moving economic news. Probably the most exciting thing happening in finance this week is the return of the live and in person Milken World Economic Forum in Los Angeles. Hopefully Tom Barrack's new bail terms allow for him to make an appearance.



Consumer prices for September came and went, and while the numbers were hotter than the market expected, it was met with a yawn. That said, the stagflation debate is raging like a wildfire, 'distraction' or otherwise. This Friday, in our monthly deep dive called Mid-Current, we will frame both sides of the debate. And while our bias sits on the side of caution, we can understand how the transitory argument is winning the day. With that, get ready to go elephant hunting.



Aside from money center banks that reported earnings last week, the calendar is quiet this week. That story changes in seven days, but for now, enjoy the tranquility. This quarter should be a big one as well, supply chain issues aside. And while growth of 20% drops off at the end of Q4, an average of 10% looking ahead over the next two years isn't bad by any stretch of the market's imagination.



A funny thing happened to Zillow's takeover of the home flipping market, they ran out of bodies to process transactions and contractors to do the required improvements to actually flip the home. Once again, the human side of the equation can't keep up with the algo machines.

Bloomberg Businessweek

February 18, 2019 • SPECIAL DOUBLE ISSUE

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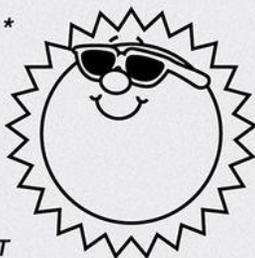


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America lost a hero this week when former Secretary of State, and head of the Joint Chief of Staff, Colin Powell passed away at the age of 84. While he will always harbor the painful distinction of being out front in terms of advocating in favor of the War in Iraq, his legacy is otherwise sterling.



His rules of life's road ran on CNBC, and they are well worth taking the time to read and reflect on as they aptly apply to business. Among them, trust your gut and be optimistic.

Colin Powell accomplished his goals by adopting a handful of key life principles along the way. Thirteen of them, in fact.

His career spanned combat duty in Vietnam, his appointment as the youngest-ever chairman of the Joint Chiefs of Staff in [1989](#) and an aggressive push for the Iraq War under President George W. Bush. That last element of his legacy haunted Powell later in life, he [admitted](#) to Al Jazeera in 2011.

Throughout the ups and downs, Powell lived by a set of "13 rules," which he laid out in his 2012 memoir, "[It Worked For Me: In Life and Leadership](#)."

Here are those rules for success and leadership:

1. It ain't as bad as you think. It will look better in the morning.

This rule reflects an attitude, not a prediction. "I have always tried to keep my confidence and optimism up, no matter how difficult the situation," Powell wrote.

A good night's rest, Powell noted, usually reduces any problem or conflict. He also wrote that leaders should leave their office every night with "a winning attitude," even while dealing with major problems, to convey strength to their team.

2. Get mad, then get over it.

Everyone gets mad. But, as Powell wrote, "staying mad isn't useful."

"I've worked hard over the years to make sure that when I get mad, I get over it quickly and never lose control of myself," he wrote. "With a few lapses I won't discuss here, I've done reasonably well."

3. Avoid having your ego so close to your position that when your position falls, your ego goes with it.

One of Powell's tricks for combating ego: encouraging his commanders and staff to argue with him.

His guidance was simple: "Disagree with me, do it with feeling, try to convince me you are right and I am about to go down the wrong path," he wrote. "You owe that to me; that's why you are here."

Minimizing your ego is crucial to success, he noted, adding that any decision "is not about you or your ego; it is about gathering all the information, analyzing it, and trying to get the right answer."

4. It can be done.

For Powell, success was sometimes a self-fulfilling prophecy: If you believe that it's possible, he argued, you're more likely to attain it.

"Don't surround yourself with instant skeptics," Powell wrote. "At the same time, don't shut out skeptics and colleagues who give you solid counterinterviews."

His recommendation: Listen to what the skeptics have to say, while staying focused and positive on your goal. Sometimes, their concerns can help you address your blind spots.

5. Be careful what you choose: You may get it.

For Powell, this rule could also be summed up with four words: “Don’t rush into things.”

Even when you need to make fast decisions, there’s almost always time to examine the pros and cons, he noted — and when you can, you should.

“Some bad choices can be corrected,” Powell wrote. “Some you’ll be stuck with.”

6. Don’t let adverse facts stand in the way of a good decision.

Powell’s key to great leadership was pretty simple: “superb instinct.” Or, in other words, trust your gut.

When faced with a tough decision, Powell wrote, you should gather as much information as possible — but in the end, use your judgment and instincts to make the right decision.

“This is when you look deep into your own fears, anxiety, and self-confidence. This is where you earn your pay and position,” he wrote.

7. You can’t make someone else’s choices. You shouldn’t let someone else make yours.

You can always ask other people for advice when making decisions. Just don’t let someone else take over your decision-making process, Powell advised.

“Seek the advice of others, but be aware that people are always around who are full of advice and sure they know how you should decide,” he wrote. “All too often, your decision affects them and they are pushing you in a direction that’s more in their interest than yours.”

8. Check small things.

As a leader, Powell noted, he’d often drop in on other departments and wander around the office to see what others were working on. That’s because for him, success was built off small details.

“Leaders have to have a feel for small things — a feel for what is going on in the depths of an organization where small things reside,” he wrote.

9. Share credit.

When done correctly, Powell wrote, success should also be a team sport — and when something goes well, you need to share the credit across the entire organization.

“Let all employees believe they were the ones who did it. They were,” Powell wrote, adding that people need recognition and a sense of worth “as much as they need food and water.”

10. Remain calm. Be kind.

When situations become chaotic, Powell wrote, stay calm and kind: “In the ‘heat of battle’ — whether military or corporate — kindness, like calmness, reassures followers and holds their confidence.”

Think about the type of leader you’d want to follow in times of crisis. Then, think about the type of leader you’d want to avoid.

Be the former, not the latter.

11. Have a vision. Be demanding.

Powell says employees need to know where their leaders are taking them, and why. So, if you’re leading people, you need to define a “sense of purpose” and get your team to believe in it as strongly as you do.

“Great leaders inspire every follower at every level to internalize their purpose, and to understand that their purpose goes far beyond the mere details of their job,” Powell wrote.

The focus, he noted, should always be on getting better and better.

12. Don’t take counsel of your fears or naysayers.

Every leader needs to learn and understand their fears to make good decisions. If you don’t, your fears will control you in challenging times, Powell wrote.

“Fear is a normal human emotion. It is not in itself a killer,” he explained. “We can learn to be aware when fear grips us, and can train to operate through and in spite of our fear.”

As for naysayers, Powell wrote, they’re more often wrong than right. Of course, sometimes they’re correct — so they’re worth listening to, but only in small doses. Use them as “one line” in your decision-making calculus, he advised.

“Listen to everyone you need to, and then go with your fearless instinct,” he wrote.

13. Perpetual optimism is a force multiplier.

The people around you will feed off your optimism, Powell wrote, adding that self-belief is equally contagious: “If you believe and have prepared your followers, the follower will believe.”

That, Powell wrote, was one of the greatest lessons he learned from the military — where effective communication alone can be a competitive advantage.

“Having greater communication and command and control over your forces than your enemy has over his is a force multiplier,” he wrote.

We, the true blue Gutter Little Bruin football faithful, had our wish granted on Sunday when ESPN announced that its juggernaut program, College Football Gameday, will be coming to you live from the seaside hamlet of Los Angeles.



There a lot of things we like in life, but waking up at 6:00 am on Saturday mornings with the high anticipation of what the next three hours of college football life looks like is high on the list, signs and all. Everyone has their own little geekdom they call their own, game day is mine. And while we can't claim any allegiance to wither LSU or Texas, we were there that morning under the Texas flag in Austin, and it was glorious. Hook em' Bruins.



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