

## *Bottom Right = Nirvana*

One week we are in 'crash' mode in the markets, the next it's the best one of the year. Why? Because right now we are living in three out of the four states of noise vs. signal existence.

Don't take the positive news of this week on the economy as a repudiation of last week's unwind of a heavily correlated trade that has been going on for years now.

It's noise, almost all of it. I've seen disconnections like this before, but never of this size and magnitude. Welcome to Chaos City. You can visit any time you want, but you can't seem to leave.

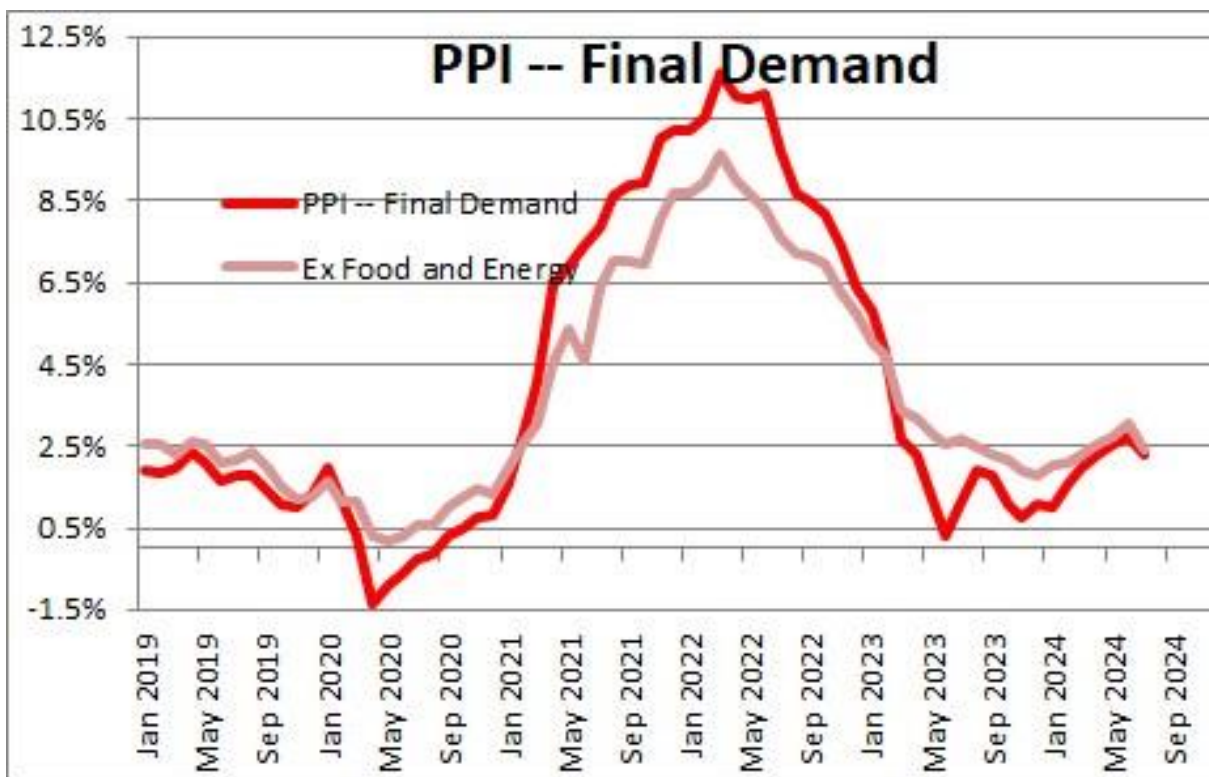
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## *This Week's China White*

Want to know why this week's rally had a little more juice in it? It's because this squiggly red line rolled over a bit, and that signaled a possible all clear in terms of what it costs for producers of goods, to produce goods. If you believe that, you like the fiction section of the bookstore. Assuming one still exists.

Why you ask? Because you can't have three years of well above trend growth, and then a slowing of that growth, and somehow think you aren't going to experience perpetually higher prices.

I'm still scratching my head as to why me, a man of little professional training in economics, have reached that bottom right state of 'clarity'. Join me, there is plenty of space.



## *Nice Backdrop, Buddy*

Get ready up for the annual monetary Davos in Jackson Hole hosted by the Kansas City Fed next week, because it's happening. And guess what, it's going to be a victory lap for all involved.

Across the board inflation and angst will be trumped, no pun intended, by 'cooling prices, stable employment, strong wage growth, and a rate cut next month'.

If your employer is sending you, bail on attending and hit the rivers with a 'hopper and a dropper' rig and go hog hunting. It's going to be the same message that I just outlined. Plus, 'hoot owls' have been lifted across the area and the once distressed *salmo trutta* are running hungry.



## *Reality Check for Democrats*

The 'Biden's inflationary policies' is sticking in the fly-over states. I say that with clear knowledge as a reported 70% of Republicans in Montana think the United States is headed in the wrong economic direction. Biased. yes. But directionally accurate.

And the number one reason they think it is? You guessed it, prices for everything up here have gone through the roof. And the shower of wealth being had on the coasts isn't being felt.

Why, as an equities guy, do I keep hammering on this? Because while bottoms up earnings are doing fine, the tail that is wagging this dog lives in the top down nature of Fed policy.

And look, I want off this trade myself. But as they say in Texas, 'You've got to dance with the hand that brought ya.'

## BOZEMAN SINGLE FAMILY HOME PRICES



### *Speaking of Texas...*

Quick diversion, and a lesson in George Soros' 'Theory of Reflexivity' and the application to asset pricing.

Kyle Shannahan, and his penchant for getting outscored in the fourth quarter of Super Bowls, has forced my hand. Myself and the Forty Niners, my teams since the earth cooled, have announced our legal separation. Please respect our privacy as we work through this painful time.



I simply can't take it that the offensive output when Kyle is calling plays in Super Bowls has equated to nine points in three of them. And the George Kittle 'Revenge Tour' was not supposed to end in four receptions in the biggest game of them all.

Replacing them is the Dallas Cowboys, and my new Lord and Savior, Jerry Jones. I'm getting a hat, an Aikman jersey, a foam #1 finger. Now all I need to do is be able to name a few players.

How does this apply to the markets? Because it's what we in the business call a 'puke shot'. The selling of our last share or bond. I've just done it. Which of course means the Niners are now a lock to win it all. Faithful, you can thank me later. I do take cash, check, Venmo, and Zelle.



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*'Fifty Yards...Russ'*

Chances are good this is the last week of summer for your kids, and that hopefully means some quiet time of reflection on how much you enjoy them, and important they are in your life.

This week, our family said goodbye to the last of three Chevy Suburbans, that grossed up a total 750,000 miles of western asphalt. We bid you adeiu in our trucker names: Sugar Momma, Boss Hoggin, RonDog, Big Tex and Blanco Squacho.

While we will miss you, we won't miss Baker, Vegas, Jackpot, Reno, Stockton, the El Cajon Pass, and many other painful stops along the way. We will think fondly of St. George, Beaver, Jackson, Big Sur, Tahoe, and the Beartooth Pass.

We will ride now in luxury aboard an aged aluminum cylinder doing 400 knots. The \$84 flight from Burbank to Bozeman aboard one of Avelo's two 737s with re-treads. Or on the Allegiant \$130 roundtrip from LAX to Billings that departs at 5:00 am.

For who's got it better than us? Noooobody!!!

