



## WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

### Shoeshine indicator. Stay or go?

I've long fretted about the intrusion of technology into our private lives, commenting that Joseph Stalin, the Gestapo and the East German Stasi would have LOVED access to the kind of data many of us willingly hand over every day to our interconnected devices. The current use of social media by the SE Asian governments is a modern example. I've been teased by relatives for being a tinfoil hat wearing crazy Uncle, worried about aliens sucking out my brains through Gama rays.

A relative passed on a story this week where a lunchroom co-worker's fiancé was getting a flood of Air B+B ads for places in Sooke, right after the two of them were talking about it while on their phones. Neither of them had searched it yet on their phones, yet noticed they instantly started getting ads for vacation spots in Sooke after talking about wanting to take a trip out of the city on the weekend. They are convinced their conversation triggered a response on their smart phones. They were dismayed to discover their cell phones were listening and recording every aspect of their conversation. Uhm...how exactly did they think voice recognition/activation works?

A client of mine was a retired Canadian military commander at the national level. In 2019 during a review of his holdings he described a recent trip to England to see family and old military friends. He noted the street cameras throughout London, all connected to a central data and surveillance center, all designed to watch the public for threats against public security and catching criminal behaviour.

He made the following comments:

- Who decides what's criminal?
- Who decides what is a threat to the public?

He sadly shook his head and said, *"That's not what Canadians died for in World War 2"*.

## Reviewing your Global plan

June 11, 2021



Watch Anna's latest video here

<https://www.youtube.com/watch?v=LE1wqknLPTE>

### ***'Could Face and Voice Recognition become the new Phrenology?' Nora Young – CBC Spark***

Nora Young looks at biometrics this week. Better dig out that tinfoil hat.

<https://www.cbc.ca/radio/spark/could-face-and-voice-recognition-become-the-new-phrenology-1.6046992>

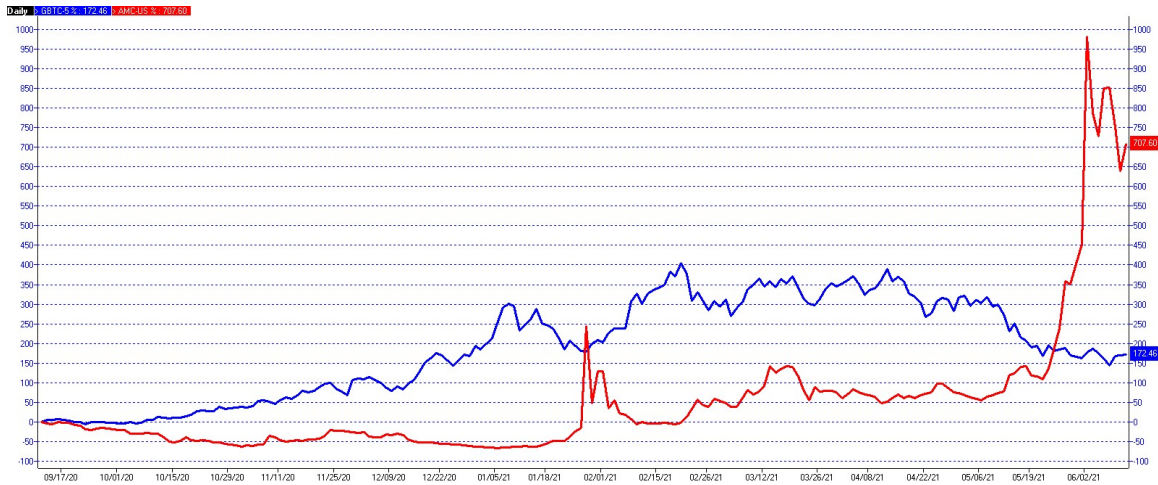


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## Are the Meme-traders getting bored with cryptos?

### Grayscale Bitcoin (GBTC-blue) vs AMC Entertainment (AMC-Red) % change daily 9 mos



I note an apparent proportionate money flow. Correlation is not causation.

**DISCLOSURE: We hold neither of these positions personally, for family nor accounts over which I have trading authority. We have not traded in either.**

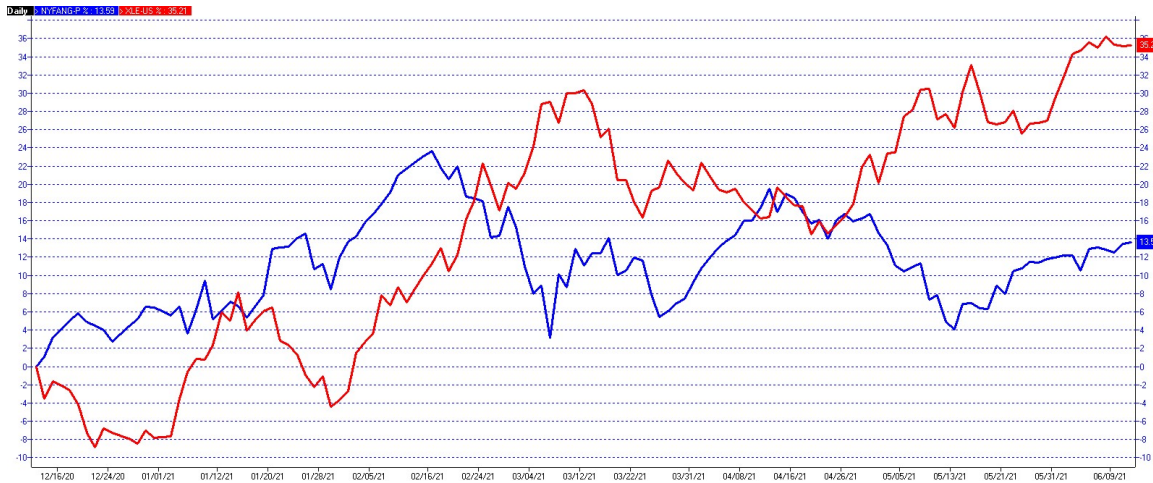
Are they also bored with the FAANGs (Facebook, Apple, Amazon, Netflix, Google)?

### NYSE FANG+TM Index daily 9 months

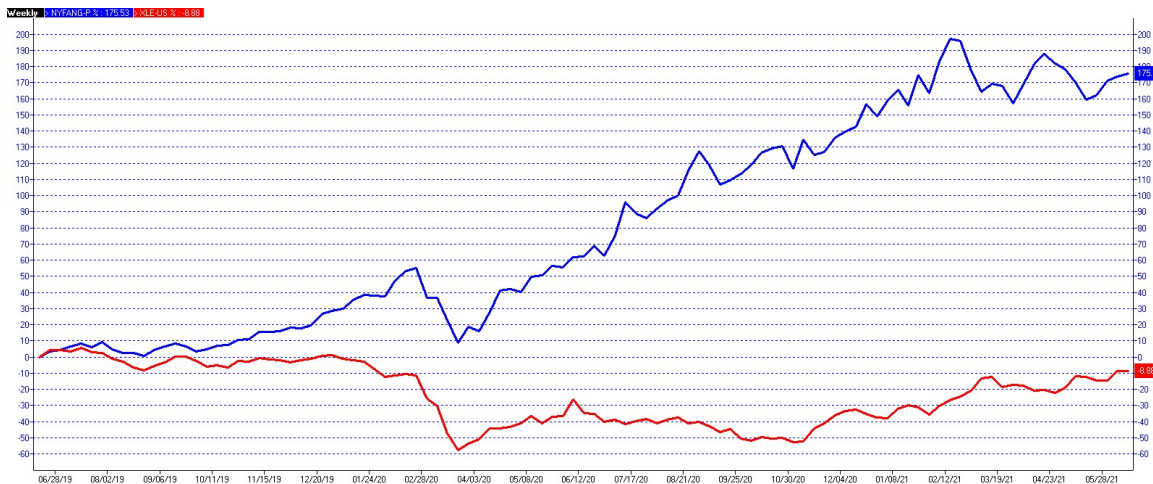


The next chart compares % change FAANGs vs US Energy Sector

**NYFANG+TM Index (NYFANG-blue 13.5%) vs. SPDR FD Energy ETF (XLE-red 35.2%)**

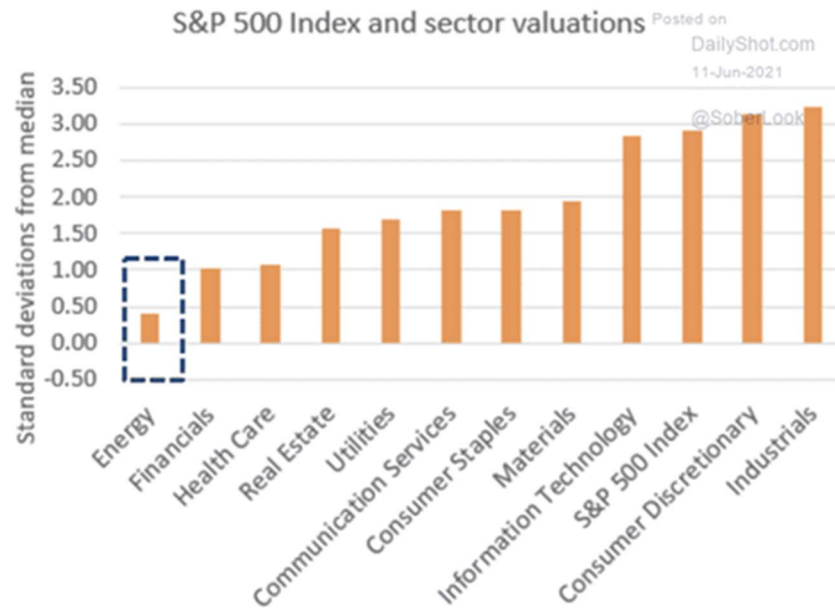


**Here is the same relationship over the past two years FANG +175% | XLE -8.8%.**



Is the first chart's 35%+ rebound in Energy signalling the last chance to get off before the Energy bus goes over the cliff? Too late. It already has.





Energy ratio to its historical valuation is 40% vs average while Consumer Discretionary is +300%. Note the FANGs are mostly labeled ‘Consumer Discretionary’ (how ‘discretionary’ is Amazon these days)? Maybe *‘It’s Different This Time’* and Energy is on the way out.

### The Shoeshine Indicator?

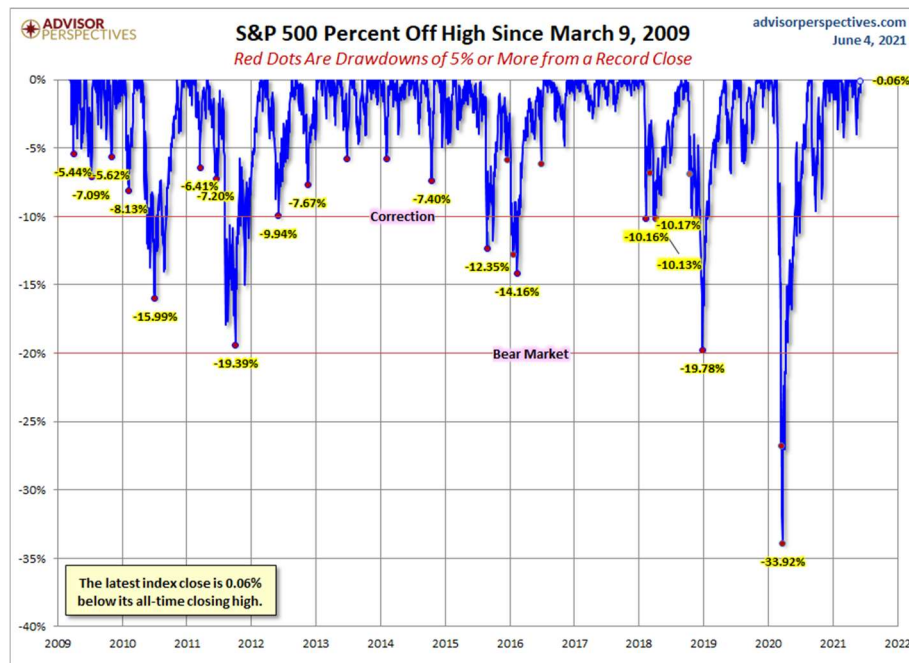
The fire and fury going on in Meme-land has my experienced peers nervous. I’ve been exchanging worries with a friend who is a retired portfolio manager out of Toronto. To say the least, he’s sophisticated. He notes the shoeshine indicator seems to be on full display and hasn’t been this nervous for some time. As a caveat he is well equipped to make short-term decisions, isn’t afraid to look himself in the mirror and change direction, understands the risk of missing out as well as seeing market value declines, is very nimble and is only responsible for his own not inconsiderable portfolio. I agree on many of his points. We’ve been debating stay or go?



He provided the following link showing S&P500 drawdowns.

<https://www.advisorperspectives.com/dshort/updates/2021/06/04/s-p-500-snapshot-up-12-6-ytd?topic=etf>





Since 2008 there have been 18 drawdowns exceeding -5%, 10 exceeding -10%, 4 at -15%, 3 at or exceeding -20%. It's hard to hug yourself with a 4% dividend yield when the paper value of your portfolio is down over 25%. Fear and panic are the price of admission for equity market returns. If you want stocks, you'd better get used to it. It is what it is.

Michael Batnick took on the same question this week.

### ***The Shoeshine Indicator is Dead – Michael Batnick Jun 9, 2021***

<https://theirrelevantinvestor.com/2021/06/09/the-shoeshine-indicator-is-dead/>

### **Getting the Goalpost to Stop Moving – Morgan Housel**

<https://www.collaborativefund.com/blog/goalpost/>

### ***The Ultimate Superpower in Investing – Charlie Billelo***

With the above S&P drawdown chart in mind, Charlie explains why the ultimate superpower in investing is being able to suffer. While the word suffer is eye catching I would more accurately name durability as the superpower.

<https://compoundadvisors.com/2021/the-ultimate-superpower-in-investing>

For much of this year we've been predicting dividends are going to start rising. Looks like the secret's out. This could be a reason to hang around for awhile.

***'Big dividend increases coming' as Big Six sitting on 'unheard of' levels of excess capital***

<https://financialpost.com/fp-finance/canadian-bank-dividends-coming-unheard-levels-excess-capital>

**Steve & Anna Hilberry**

**Have a Great Weekend!**



**FOR THE RECORD June 11, 2021**

DOW INDUSTRIALS:	34,434
S&P 500:	4,241
S&P/TSX COMP:	20145
WTI:	\$70.87
LOONIE IN \$USD:	\$0.8266 \$US

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