

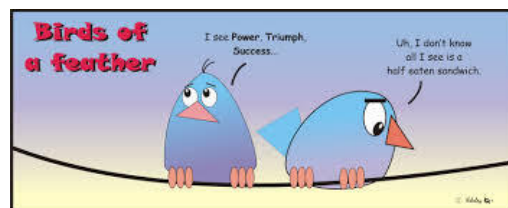
RETIREMENT PLANS THAT “CLEARLY” WORK FOR YOU.

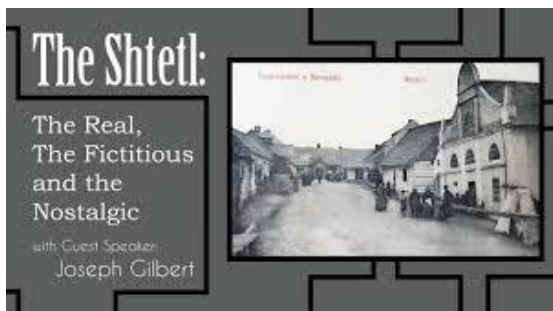


Prizant Group

BIRDS OF A FEATHER, FLOCK TOGETHER: Proverb — (idiomatic)
People of similar character, background, racial group or taste tend to congregate or associate with one another.

*Birds of a feather flock together means people of similar interests, background, ideas or characteristics will often congregate or hang out with each other, people who have similar ideas or values tend to stick together. In nature, many species of birds travel in flocks for safety and companionship. Like many proverbs, only the first part of the idea is often quoted, birds of a feather, with the expectation that the reader or listener can supply the rest of the phrase for himself. The expression birds of a feather flock together can be traced to a 1545 work called *The Rescuing of Romish Fox*, written by William Turner: “Byrdes of on kynde and color flok and flye allwayes together.” Whether the proverb was in common use before this time is unknown.*





I have always been interested in what I call the "**Shtetl Syndrome**" Whether it is childhood friends, college buddies, your neighbors, business associates, charitable boards, health club members; we all tend to congregate with people of similar backgrounds. It certainly is

logical as one would feel most comfortable with others of the same background and persuasion. Is this a good or bad phenomena? My own pedestrian view is that it fosters NIMBY Syndrome (Not In My Back Yard), inflames racism, sponsors bigotry, increases xenophobia, furthers myopic trains of thought, creates tighter gene pools (**And we don't need anymore brain shrinkage than we have!**) and deters from America's "Melting Pot" story. In fact, Great American Southern/Western migration taking place in the 2020's is already exacerbating the polarization of American politics. Blue States are getting "Bluer, Red States are getting "Redder" and we got all sorts of "Purple States.

[Political Migration](#)

A shtetl or shtetel (English: /'ʃtɛtəl/; Yiddish: שטעטל) was a small town with a large Ashkenazi Jewish population which existed in Central and Eastern Europe before the Holocaust. ... Shtetl is a diminutive of shtot with the meaning "little town".

One can see in any major city the remnants or current de facto segregation based on race, religion, country of origin, sexual preference and of course **MONEY**. Another name for a shtetl is "**GHETTO**."

In Italian, ghetto "the quarter of a city where Jews were obliged to live," dates from 1516 when the Venetians set aside an area for Jewish settlement, shut off from the rest of the city and provided with Christian watchmen. The etymology of ghetto is obscure, but several authorities derive it from Venetian dialect ghèto "(iron) foundry" (there was one at the site of the Jewish quarter).

In English, ghetto in its original meaning dates from the early 17th century. By the late 19th century, ghetto had extended its meaning to "a section of a city, especially a thickly populated slum area, inhabited predominantly by members of an ethnic or other minority group." Israel Zangwill's novel Children of the Ghetto (published in 1892) is about the life and experiences of East European Jewish children in the East End of London.

In The Ghetto-Elvis

So (you might ask) where the hell is Sanford going with this "Shtetl/Ghetto" education trip? A logical question which I will now delve into further. The whole **"FOMO"** (Fear Of Missing Out) is at play in today's equity markets. Whether the newest **SPAC** (Special Purpose Acquisition Company) offering, the latest EV (Electric Vehicle) wunderkind, Biotech miracle worker, the next Amazon E Commerce play, or the Rare Earth Minerals mining company; today's retail investor is all over these stocks like **"White On Rice."**

Danielle Park, CFA
www.seekingalpha.com
Feb. 14, 2021 3:16 PM

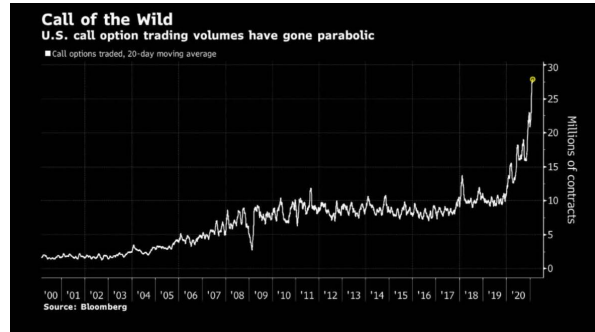
In the midst of manic market cycles, it is very human for one to imagine in retrospect where one "could have bought" and "should have sold." In reality, speculation is much more complicated, attention diverting, peace-destructive, and financially dangerous for individuals than commonly understood.

The vast majority of people end up worse off in the end, and this reality is consistent through generations of experience.

Lest anyone thinks it is just large-cap tech stocks that are trading to Jupiter these days, the chart of small-cap stock prices (the Russell 2000 index below since 2001) shows an incredible 40% gap above their 200-day moving average. Sven Henrich points out in Signal Fire, never before has the weekly chart seen such a steep disconnect, and there is no historical incident where prices have not eventually reconnected with their weekly 50 moving average (blue line below).

A simple reconnect from present levels would mean an average price drop of 31%, and as Sven points out, "...it's rare for it not to happen for more than a year."

A similar pattern is evident in U.S call trading volumes, which have never been



higher, as shown below in this chart since the market top in 2000 courtesy of Bloomberg. Retail is in the house!!

As J.P. Morgan famously remarked: "Nothing so undermines your financial judgment as the sight of your neighbor getting rich."

While all the classic errors are widely evident in young and inexperienced participants today, other folks, who should know better, are also perpetually at risk of succumbing to the seductive impulses of our lizard brain.

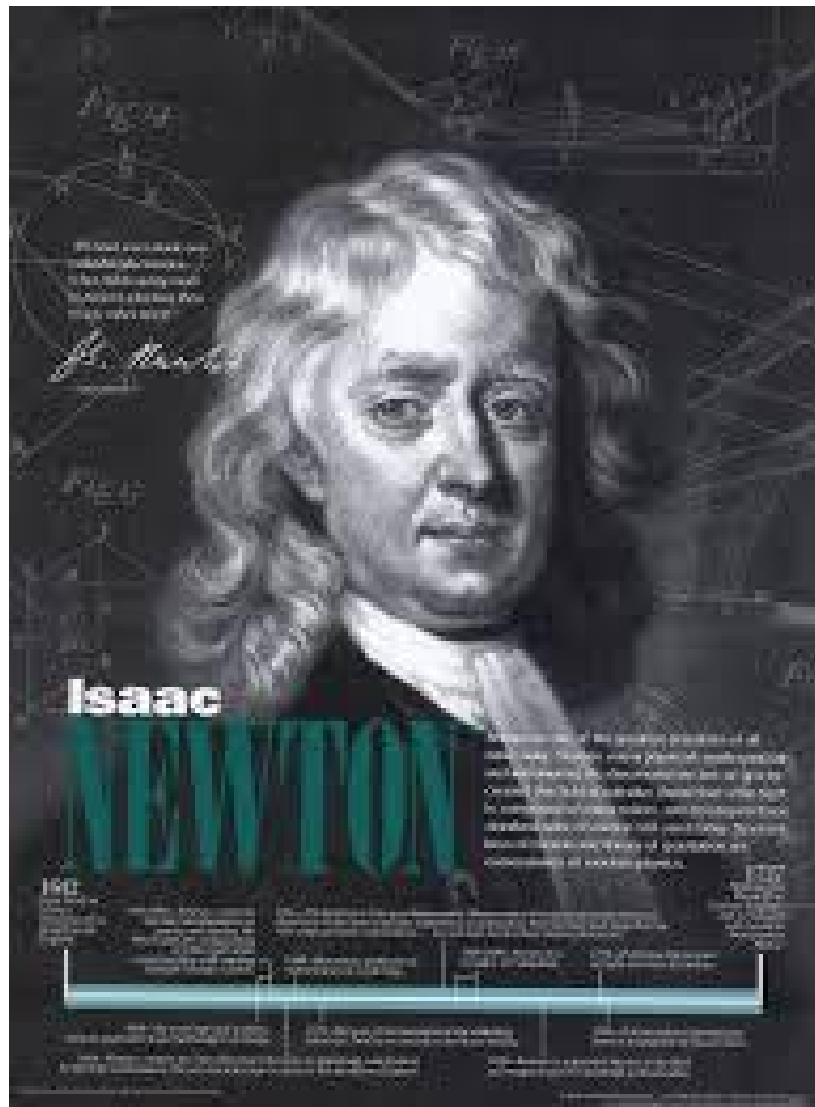
Just one example is the classic behavior that overtook the greatest mathematician then alive, Sir Isaac Newton, during the South Sea stock bubble of the 1720s. Especially today, it's important to review such precedents and be reminded of why firm rules and risk-management are essential to real-life outcomes. Read Investors have been making the same mistakes for 300 years. Here's a taste:

Early in August 1720, Sir Isaac Newton was faced with a choice. In a year when London's stock market was roaring upward in an utterly unprecedented boom, should he sell the last of his safe investments to buy shares in the South Sea Company? Since January of that year, shares in the firm-one of the largest private companies in history-had gone up eightfold, and had made paper fortunes for thousands.

Already a wealthy man, Newton was usually a cautious investor. As the year began, much of his money was tucked away in various kinds of government bonds-reliable, uneventful investments that delivered a regular stream of income. He did own shares in a few of the larger companies on the exchange, including South Sea, but he had never been a rapid or eager market trader.

That had changed in the past few months, though, as he bought and sold into the rising market seemingly in the hopes of turning a comfortable fortune into an enormous one. By August, he'd unloaded most of his bonds, converting them and other assets into South Sea shares. Now he contemplated selling the rest of his bonds to buy still more shares.

He did sell nearly all of them. It was a disastrous choice. Within three weeks, the market turned. By Christmas, it had utterly collapsed. Newton's losses reached millions of dollars in 21st-century money.[Mania](#)



As manias go, the existing home sale market is a real zinger! For the purpose of full transparency (and I am anything but opaque), my humble abode of 20 years has recently enter the frothy real estate market. Though not a religious

man, I pray that a "bidding war" ensues, and we walk away with deal above our asking price (My lips to God's ear).

DEMAND FOR EXISTING HOMES - The median price of a new single-family home built in the USA in March 2019 was +17% more expensive than the median price of an existing single-family home sold in March 2019. The median price of a new single-family home built in the USA in March 2021 was just +1% more expensive than the median price of an existing single-family home sold in March 2021 (source: Census Bureau).

MAKE A QUICK DECISION - Existing homes that were sold nationwide in March 2021 were on the market on average of just 18 days (2 ½ weeks) before selling (source: National Association of Realtors).

We, at **The Prizant Group** **DO NOT** get swept away following the "Herd Mentality" (Yes, Mr. Trump that is the correct usage of the phrase). We value our years of experience and hope to impart our investment wisdom on the younger generation of retirement plan participants (and some older ones too!). **"Chasing the Rabbit"** with the rest of the pack will only get you in trouble. It is best to stay above the fray and invest with a level head. The last thing a long-term investor wants is to be "trampled" by the "rats jumping off a sinking ship" when the stock market turns South. In summation, it is human nature to "follow the crowd" but being a **"Lemming Running Off The Cliff"** is hazardous to one's financial health.

Sanford Prizant (President) The Prizant Group, Ltd.

sanford@prizantgroup.com/847-208-7618

www.prizantgroup.com/@prizantgroup

Call, Email, Twitter, LinkedIn, Carrier Pigeon, Smoke Signals, Naval Flags

Advisory services offered through Capital Asset Advisory Services, LLC. A Registered Investment Advisor.

Nothing contained herein is to be considered a solicitation, research material, an investment recommendation or advice of any kind.

IT SOUNDS MERCENARY AND IT SMACKS OF RATS
LEAVING THE SINKING SHIP. BUT GET REAL, WHEN
EVERYONE IS BAILING OUT, YOU DON'T WANT TO BE
THE LAST MAN STANDING.
– AUTHOR: ROBBIE FOWLER

quoteberry.com



©2021 The Prizant Group, Ltd. | 826 Rosemary Terrace, Deerfield, IL 60015

[Web Version](#)

[Preferences](#)

[Forward](#)

[Unsubscribe](#)

Powered by [Mad Mimi®](#)

A GoDaddy® company