

NEXT-GEN INVESTING



Hey MF Advisers clients,

We hope you are doing well in the new year! Please read the following article, and forward/share with any people you think might be interested in its content (it's a great article).

We'll resume sending the monthly newsletter (The Financial Formula) at some point in either February or March of this year (tax time is very busy for us)!

If you need help with anything (including taxes), please let us know - thank you!



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REFLECTIONS ON 2017 & FORWARD THINKING

New Years Resolution: Self-Awareness

For many people, the start of the New Year is a time for personal reflection, a time to consider commitments and maybe even make some resolutions for the coming year. Maybe your vow to make your finances a priority, lose/gain some weight, read more books, run a 5k or volunteer at your local food bank.



All of those are awesome, but consider trying this in 2018: **practicing self-awareness.**

In his best-selling book, Emotional Intelligence, psychologist Daniel Goleman proposed a definition of self-awareness as *“knowing one’s internal states, preference, resources and intuitions”*. He further suggests that *“self-awareness goes beyond merely accumulating knowledge about ourselves. It is also about paying attention to our inner state with a beginner’s mind and an open heart.”*

“A beginner’s mind and an open heart.” It might be your best resolution. I’m hoping it’s mine.

Last Year Was Like No Other

In the past 12 months, we faced new nuclear fears from North Korea; debated whether NFL players should take a knee during the national anthem; experienced the largest security breach in history; tempted fate by looking at the sun during the total solar eclipse; witnessed countless allegations of sexual misconduct in Hollywood, Congress and around the world; watched the meteoric rise of the cultural phenomenon called #MeToo; mourned the deadliest mass shooting in modern US history; regrouped after one of the most devastating and costly hurricane seasons ever; watched hopelessly as California burned; learned to weave the term “fake news” into our every-day conversations; and were perplexed at this new thing called Bitcoin.

Looking at stock markets around the globe, this is what 2017 delivered:

NASDAQ ended the year 28% higher – its best year since 2013;

The Dow Jones Industrial Average ended the year 25% higher – its best year since 2013;

The S&P 500 ended the year 19% higher – its best year since 2013;

At nearly nine years old, the bull market is now the second-oldest and second-strongest in history.

But Did You Know?

While 2017 was a great year for U.S. stocks, did you know that international and emerging market investors did even better? Europe was up 27%; the Pacific region advanced 28.9%; and emerging markets surged 37.4%. Even Japan was better with a 24.3% gain. But wait, there's more:

Argentina's Merval Index surged 77%;

The Nigerian All-Share Index leapt 42%;

Turkey's benchmark Index rocketed 48%; and

Hong Kong's Hang Seng Index rose 36%.



But, Should We Worry About 2018?

The current bull market is closing in on a 9-year run without a 10% correction. Last year, the DJIA set 71 all-time highs, besting the previous record of 69 set in 1995.

And lately, market commentators are starting to use words like “The New Normal” again. Note to self: the term “New Normal” was originally coined as we headed into the 2008 financial crisis.

Of course, we all remember the 17-month bear market that lasted from October 2007 to March 2009, during which time the S&P 500 lost about 50% of its value. Right? Bueller? Bueller? Bueller?

And Along Came Bitcoin

Although it’s been around for almost 10 years, Bitcoin captured the attention of everyone on its way to a crazy 1500% gain in 2017.

First invented in 2009, Bitcoin is different from other currencies traded on Forex in that it does not require and is not backed by a central authority. Instead, Bitcoin is a peer-to-peer system for online payments that runs on a decentralized network of computers around the globe that keep track of all Bitcoin transactions, similar to the decentralized network of servers that makes the internet work.

Is Bitcoin the “Currency of the Future?” That’s hard to say of course, but the reality is that if you have a bank account or credit cards or even use PayPal, you are already using digital currency. Same thing goes for when you trade stocks – you’re using digital currency.

Debates raged (and continue to rage) over whether Bitcoin qualified as one of the greatest bubbles of all time or if 2017’s gains were just a stepping stone to future values. But consider this: Bitcoin’s chief rival – Ether – soared more than 5,400% in 2017. And there are 16 cryptocurrencies worth over \$1b and almost 100 valued at over \$100 million – with the total cryptocurrency space worth over \$425 billion.

So, what will these cryptocurrencies do for an encore? Who knows. (By the way, mentioning these names does not, in any way whatsoever, mean I’m recommending you even think about owning. At all.).

So, What Was Our U.S. Government Doing?

Early in the morning of December 20, 2017, the Senate passed the “Tax Cuts and Jobs Act” by a party-line vote of 51 to 48; (Republican Senator McCain was absent for medical reasons). Irrespective of your political affiliation, most would agree that this legislative achievement is the most sweeping overhaul of the US tax system in more than 30 years.

Then EXACTLY one month later, at midnight EST on January 20, 2018, the U.S. Government SHUT DOWN. Really. The good news is that this “2018 Shutdown,” which happened to be the 19th such shutdown since 1976, was over on January 22nd.

Makes you wonder what will happen on February 20th.

New App Spotlight Skiplagged

There are a lot of travel apps that will help you book flights, find a hotel or rent a car.

But Skiplagged is so very different, really cool and can save you money. Don’t ask me to explain how, but Skiplagged searches a little-known area of bookings called “Hidden City” flights – these are flights that can be booked more inexpensively than normal because they occur as layovers to other destinations.

Basically, Skiplagged sorts through all possible flight combinations in order to get users the cheapest flights possible. But don’t take my word for it: do a quick google search for reviews of Skiplagged and you will see how opposed the airlines are to this new app. They say it violates their terms and conditions. Oh, and they were sued by Orbitz and United Airlines.

All that tells me that Skiplagged is probably great for consumers. www.skiplagged.com »



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