



# Frank Curzio's WALL STREET UNPLUGGED

- Announcer: Wall Street Unplugged looks beyond the regular headlines heard on mainstream financial media to bring you unscripted interviews and breaking commentary direct from Wall Street right to you on mainstream.
- Frank Curzio: How's it going out there. It's April 26th and I'm Frank Curzio host of the Wall Street Unplugged podcast where I break down the headlines and tell you what's really moving these markets. Guys I'm not sure you know this yet and this is proprietary information. It's extremely valuable. Ask you to do me a favor and please keep it to yourself. But the 10-year is at 3%. I'm not sure if you knew that. Not sure. Even though CNBC, Bloomberg, Fox Business have mentioned this every single minute over the past two days. When the 10-year was at 2.99 that's fine, no need to worry, but 3% holy cow. Sell your house, call your broker, sell everything. And whatever you do don't keep your money in the bank 'cause I read ATM's are gonna no longer work. So get a bunker, put your family in it, sure to buy enough dog food. Most people in the bunker industry they say it's the biggest mistake they see, they're gonna pack enough dog food?
- Frank Curzio: If you need to buy a bunker they cost around \$25000. I'm not kidding. Atlas Survivor Shelters you enter the promo code, "I need a freaking shelter right away," and you'll get 10% off. I already called them. Done deal. Before you buy your bunker there's just a few things you should know. Since the 10-year hit 3% over the past two days looking at the market all the emotions, all the risks you have to worry about, the crazy reporting, the nervousness is down 2%. It's not down 10% like the financial media wants you to believe. Remember fear sells. They want you to be paranoid, scared to death, because then you're going to stay home and read everything they publish, that's how they make money. But let's take a step back here. 'Cause what do we know? Interest rates are rising. Right?

Yeah everybody knows that's no surprise, but what exactly does this mean? If the 10-year is used to set mortgage rates so as that goes higher that makes borrowing costs go higher and that could slow home sales.

Frank Curzio: Higher rates also result in higher borrowing costs for companies. That's less money to buy back their stock, acquire companies, expand. Things that we like. [inaudible 00:02:55] in the business. But there are so many positives. Now you can look at the record 5.4 trillion equity in home equity. Right? People having their homes, nobody's really talking about. There's no supply in the market right now. You're looking at higher interest rates. You know that really sucks for companies who are leverage. Yeah it's hard to borrow. What about the companies that have huge cash piles on their balance sheets? That's pretty good news if you're Apple, right? You're sitting with what? Over 200 billion dollars in cash and that includes the cash that came back from the appreciation stuff like that. That's pretty cool that interest rates are going higher. Microsoft 140 billion in cash, Sysco 70 billion in cash. Alphabet 100 billion dollars in cash.

Frank Curzio: Maybe can make more money on that. We're looking at a market where earnings are growing 19% year over year. Probably can't remember the last time they grew that fast. You have to go back a long time. Without tax reforms we're growing at 15% year over year. Still a remarkable and incredible number. And you hear the argument out there especially when I, you know, I'm trying to, I like to watch CNBC just to see me a better gauge of what's going on out there. With the emails that I'm probably going to get of the worries because what they're saying on CNBC, on Bloomberg, and different outlets. Not that I don't like them or like the people on them, but that's the way it is. Lot of things are hyped up. But they're arguing is during earning season, they say, "Yeah but Frank companies like Twitter, Boeing, they're crushing our earnings. Those stocks are selling off. That's a bad sign. That's a horrible sign."

Frank Curzio: Actually it's not. It's the same thing that took place the last two earning seasons. I covered this all ready. Companies that beat store their stock decline. The last two quarters it's happening, the same

thing today. That what happened? Yeah those stock declined, but they really rose sharply after those earning seasons ended. More money got pushed into these names, institutions started buying, and they started taking off, and gained momentum. Actually hit new highs. Then we had what? In January, moved into February we had a 10% decline people were worried about [inaudible 00:05:15]. I told you don't worry about it. That's not going to be a story, it's no longer a story, right? It's nowhere. It was the end of the war. Right now China is beating us and everybody's okay with it because when you go with the facts everybody's robbing us and, you know, again. I'm not going to cover this and get into all this stuff again, but you know it's having a surplus. You know when you have a surplus you don't want to be in a trade war. It's the worst thing ever.

Frank Curzio: Which the EU and China, that's why they're fighting with us so much, but they're going to come to terms with us. They have to, they have no choice. And they did and they are behind the scenes. And now it's longer a story. So what happened? The markets came back. But now we have this magical 3% on the 10-year. I'm not sure who drew that line in the sand 'cause again it's not, "2.98 we're okay. 3% run to the hills." Just think about that for a minute. You see that it's like, "Jump out your window it's crazy." It's just insane that the news out there, it's nuts. I mean if you look at the facts again. All right, look, let's look back at the 10-year and go back, let's say 10 years pre 2008. Right? We all know 2008 was a credit crisis. What happened? We'll cover that.

Frank Curzio: During that 10 year stretch, I don't know if you know this, but the 10-year averaged well over 4% leading up to the credit crisis. Looked kind of fine until the you know what hit the fan. People got a little crazy and five, six, seven with housing and Synthetic CDO's, on top of Synthetic, on top of Synthetic whatever. You know what happened. People got greedy. But I'd argue right now, stocks ... Not even argue, it's true. Stocks are cheaper and growing faster today compared to that. In 2010, 2011 after the credit crisis 10-year average 3 1/2%. We were fine we didn't have people going on TV saying, "If it hits 3% that's it. Sell everything." We didn't have that back then. Turned out to be fine. And yes rates declined since then. But look at the Fed even if they decide to raise short-term rates

another three times. Right? So for the rest of the year we'd be three more times and then raising at a 25 basis point clip right? So they have three more hikes by the end of 2018 we're still going to be well below the historical average.

Frank Curzio: Does that mean you should go in and buy every single stock? No I'm not saying that, but be smart. And when everyone else is panicking when the markets just down 2% because a number hit something that was, a line in the sand, 3% that's it it's over. Use it to your advantage. Look to buy Boeing down 20% off its highs. I just reported a blow buster quarter. Record numbers, record, on top of record, on top of record numbers. Last three quarters for Boeing and the stocks down is what I'm saying. Look to buy Twitter. 13% after they reported and it fell 5% by the time the market opened.

Frank Curzio: So to report early Wednesday before the market opened and it popped 13% and they had a conference call. I mean nailed every number, blew out earnings. Every day just firing all cylinders, but you look at that stock that was \$16 not too long ago and it went to over 30. Yeah people might take a little profits. Use that big event to say, "Hey you know what I bought into this a while as something that I was pitching. I loved Twitter in 16, 17, 18 many times I mentioned on this podcast. Not that I'm right all the time. I mention my loses as well. You were buying that earlier, hey this is a big liquidity event right there. The stocks up 13% all this volume comes in. If you're a big institution it makes sense. Hey you know what let me take some off the table. Since, when I look at the macro part of it if you're top down inventory, listen most technology is getting killed right now.

Frank Curzio: They're starting to get smoked. This is a good opportunity I get it. It's normal. I look to go back into Twitter. [inaudible 00:09:02] actually double digit user growth, right? So they're getting more users. Average users per day or per month. A metric that crushed them for so long. It wasn't the money, it wasn't the profits, they found a way to generate money the whole time. You look at their earnings over the past few quarters, past few years. Rising, rising tremendously. But earnings aren't the only things that drive stocks especially social media. You want to see those numbers and

amount of users continue to uptake and that's where money starts coming in flat. That's where's Twitter at now. Remember all the comments on Dorsey? "Fire him he's running two companies and he's terrible. Got to get rid of that guy."

Frank Curzio: I love the people that actually say that. That run nothing. They don't run their own business they're just an analyst. "Got to get rid of that guy he's running two companies. He's crazy. He's not going to do it. Terrible. That and square are horrible companies." Yeah right. Guys doing just fine. But when you're looking at this, when you're looking at these names this is what you should be thinking at during these times. Not panicking at a 3% number that's kind of common. 'Cause a couple of people warned you about it for like a couple months. "if this happens be careful. Y2K it'll happen be careful." The whole world gets crazy. And there was a time when the financial media programs they used to be educational. There was a time where anchors used to ask questions and let the experts answer. Remember that? That was a lot of fun.

Frank Curzio: Every anchor is suddenly a market guru. A specialist and expert. They talk more than they ... They put a guest on poor guy's offered two minutes and the anchors talking for a minute and a half. You're looking at these stories and they're just being hyped up. It's the end of the world. I mean you see it all the time. Use it to your advantage. And when I see my mother walking into my office saying, "Hey you know I'm worried about the market. Should I worry about the 10-year being more than 3%?" She actually said that. I asked her, "Ma do you know what the 10-year is?" She's like, "No but I heard that that's really bad for stocks." You know what for me it's kind of a time to probably start buying. At least buy stocks that are down 10 15% over the past few weeks. Now it is earning season don't try to be a hero. Most companies crushing it. We even saw Alphabet right? Which is Google. Great numbers they're spending more, I love when stocks are crushed that they're spending more money.

Frank Curzio: You want Google to spend a fortune. You want Facebook to spend a fortune. These are companies that just generate a fortune off the money that they spend and I love when those stocks get hit

because of that reason. Even though they blow out earnings and yes costs cost a little bit higher looked at Twitter. Still a great number. But with earning season the trend that we're seeing is companies are crushing it and as seen in the stocks decline. So there's no upside in trying to buy your favorite stock ahead of earnings. 'Cause chances are even if the report a storing quarter it's going to see a little bit of a pullback and if they miss look out. There's gonna be minimum 10% decline in this market maybe more. So be patient. Don't buy a bunker, if you do be sure to use my promo code that I gave you. Save you 10%. But seriously be patient, look at names that are trading cheaper than the overall market, which is around 17 times 16 times earnings, around there.

Frank Curzio:

Also look at those companies. Are they growing earnings at least in the double digits which is most companies on average they're going 17 18% right now. And make sure they're growing sales. On average they're growing around 7%. That's a good place to start and I can tell you there's actually a lot of large cap really good names that fit that profile. That are trading a cheap evaluations 'cause they just fell 10, 15, 20% from their highs. They're reporting good numbers. Their earnings are solid, their sales are solid, and they're buying back stock. Plus they're paying at above average dividend. More than 2%. That's where I'd be looking right now. And don't take full positions in these names. Yeah turbulent markets pretty crazy a lot of vitality but scale into some of these names. Especially in the energy industry. Start scaling into a lot of these names the growth is incredible right there. Oil above 60 is amazing. It's pushing 70. Yeah we got some weak, weekly numbers for oil. Those just came out yesterday. But yeah it's a weekly thing more of a trader thing.

Frank Curzio:

As the oil prices continue to rise these guys are print like crazy. These stocks are still down tremendously. They haven't participated in the moving market higher over the past 12 months. That's a place I'd start looking. Lot of areas in market where you could find deals right now. Stocks that are cheap. That's what you want to do. Scale in to these names, don't take a full position, and you're going to be getting in at really really good prices and that's a strategy. And that's how you should be thinking about this market instead of watching TV and seeing a number that hits and the whole entire

world is worried about it. You're probably going to see a nice bounce back. Remember when all this nonsense, all the craziness, all your worries about the 10-year hit and 3% the market fell 2% on this news. So again the daily shows that have to create more and more news isn't a big deal. I don't think it's too big of a deal. Is it something worth watching? Absolutely.

Frank Curzio: Because 3 1/2 higher you have something to worry about, but the difference between 2.93 and 2.95, 6, and 3 I mean in terms of the whole entire market selling off and everybody runs to the exits is kind of ridiculous. So don't panic, be smart here. That's the way I would play this market. Now 10-year is a big story out there, you all know. So I'm going to do for you today I'm bringing on an amazing economist. Her name is Danielle DiMartino Booth. Danielle used to work for the Federal Reserve. Was an advisor to Richard Fisher at the Federal Reserve Bank of Dallas and she's a big shot. She's author of the incredible called Fed Up: An Insiders take on why the Federal Reserve is Bad for America. Pretty cool. Someone that worked for the Fed that actually says the Fed is bad for America. She's a person that doesn't hold back. She's a guest on Mike [Alkin's 00:15:24] podcast Talking Stocks over Beer a few months ago.

Frank Curzio: Mike introduced me to her we've been talking ever since and just having really great conversations that I thought would be great to put in front of you and said, "You know what why don't you come to podcast. I know you was on Mike's podcast last month, but it's a lot of different topics we're going to be talking about. So if you listen to that don't think it's going to be the same thing." Danielle is feisty, she's good, she has her own newsletter now called Money Strong. I thought she'd be a great guest to help explain what high yields means. Some individual investors, mom and pop, and why even bottom up stock pickers should be paying close attention to the economy right now since it could lead to a lot of new ideas. Then at my educational segment going to give something very special away and it's a lesson.

Frank Curzio: More like a play by play on how find some of my best ideas. It's original. Something you're not going to read in any textbook. All those wonderful trading seminars that you watch on TV sometimes



where that guys says, “Yeah I turned \$6 into 65 million and all you have to do is buy here and sell here.” No it’s not going to be that I promise. You can make a \$2000 profit all you have to do is pay me 5000. No it’s not that. Real analysis, no B.S. almost anyone can do it to find new ideas. So you definitely don’t want to miss it and speaking of new ideas Danielle is about to share things about the Fed that you’re not going to read anywhere else. She has strong opinions about the current state of the economy and higher interest rates means for both bonds and stocks over the short and long term. Let’s get to that interview right now.

Frank Curzio: Danielle thanks so much for coming on the podcast.

Danielle D.: It’s great to be here.

Frank Curzio: Well we’ve been talking a lot over the past couple weeks and I’m going to jump right in here because you wrote an amazing book called Fed Up. This was last year which is an insiders take on the Fed since you spent, I believe, it was nine years as an advisor to Richard Fisher at the Fed Reserve Bank of Dallas. And it was interesting because you said you were basically surprised at the decisions being made from people which, basically right? Literally impact trillions of dollars worldwide at the Fed without understanding of what’s going on in the real world. And it sounded like you were really surprised because of the economists at the Fed you know had PHD’s and they had not very little business experience. Is this really how it is there? I mean I’m curious to get the inside scoop of what goes on?

Danielle D.: Yeah you know it was really, it was surprising, but not in a good way. When I started if you can imagine when I started this was late 2006. Okay. So, home prices had already rolled over on a national level and there were already subprime mortgage companies that were blowing up. And there were already signs that there was outright fraud occurring in the mortgage industry and judging from my reception and the fact that I thought maybe that the world might be about to catch on fire, you’d of thought that I was ... I was the crazy one and that they were perfectly rational.



- Frank Curzio: Now you were the one of the people that actually saw that crisis coming. You saw the housing bubble and things like that. I mean what was some of the things you saw? Were you surprised that there wasn't a reaction here? 'Cause you're mentioning it now but it seemed even through 2008, right? I mean we were still tightening I believe. Right? I mean during this time before we said, "Okay wait a minute." It seems like they weren't listen to anything out there and they were very late to the party here. Why was this something that you could see and a lot of people who were supposed to be the smartest people in the room weren't able to see?
- Danielle D.: Well you know one of the title of one of the chapters, one of the first chapters in the book is called Group Sink as opposed to Group Think and it's like group think on steroids and that is really what I encountered internally you know. Bernanke would get up in front of Congress and say, "That the subprime situation will be contained." And everybody would be like, "well that's what the boss said, but that's the reality of it." And there was never, it was never my intention to be disrespectful of Bernanke's brilliance, but by the same token I was kind of like, "Well you know there are foreclosures that seem to be exploding in our midst, in our backyard." Even in Dallas, Texas where I was at the time.
- Danielle D.: Foreclosures were going through the roof and I'm like and this is not anywhere near the sand states which was subprime central. So it was a very surreal environment and I had, you know, if on Wall Street, which is where I had come from you saw a deal that really stank to the high heavens you might say something or at least you'd prevent your clients from investing in it. And yet these people just took it on blind faith that what the boss said was how it was. There were a few that questioned but way too few versus the majority of people who thought the same thing. Bernanke said that home prices haven't [inaudible 00:20:38] since the Great Depression on a national basis and therefore they will not.
- Frank Curzio: Now when we fast forward right. We know all the stimulus, we don't have to cover all that. I'm sure everybody knows by now and just, you know, that big punch bowl being there for everybody and now we're seeing a market where it's kind of being taken away. What

are your thoughts on where those are the right measure because people have argued about that for ... "since deficits are going higher and higher." And right now, I mean, it seems like we don't have any concerns for deficits at all, at least from my scene. I mean you believe the same thing. And you could argue, and I'm not saying this, but it really didn't matter if you look at the stock market, if you look at the what the economies doing now it is going to matter one day right? I mean what are your thoughts right now where it felt like for me and you're the economist and feel free to say, "Frank you're an idiot. I have no idea what you're talking about."

Frank Curzio: But I just felt like they should have been raising rates two or three years ago even further as the economy seemed like it was picking up steam compared to, you know, very late now. I mean is it safe to say that? I'm curious to hear your thoughts on it?

Danielle D.: Oh, you know absolutely look I'm ... We all remember you know us market veterans remember good and well the taper tantrum that started in 2013 and culminated the 10-year benchmark treasury yield going over 3%. You know something that has just now recurred over 40 years later. At the time there were plenty of people on the inside Richard Fisher, Jeremy Stein, J Powell was among them. But also Charlie Evans, sorry Charlie Evans was the ultimate dove, but the head of the Philadelphia said his name, it's escaping me right now, but there were plenty of people who were rational and saying, "We don't need to be talking about a taper right now. We need to just rip off the Band-Aid because the bond market is acclimated to the idea that we're no longer going to be the biggest force in the market and start raising interest rates."

Danielle D.: We don't have to take things a glacial pace and yet if you look back at the history of the Federal Reserve 104 plus years of history you will see one thing. What we have just witnessed beginning in December 2015 is the slowest paced tightening campaign in the history of the Federal Reserve. And I think that markets are as sanguine as they are because the current tightening campaign makes Greenspan look like he was an uber hawk because, you remember when he used to ready interest rates 25 [crosstalk 00:23:13] points at every meeting and it just kind of looked like a

stair step. In the years leading up to the house bubble popping well this has been an even slower pace, but starting points matter. The two year treasury yield has doubled. Wybor has gone through the roof. Companies interest expense has increased and inflation is a very real phenomena but I think that market have been lulled into a sense of such comfort that they are akin to that proverbial frog who does not realize that the water is heating up slowly but at some point it will come to a boil.

Frank Curzio: Yeah and I guess the big question is when will that happen? Because when you look at housing prices today what do you think? Because you know with this podcast on Fortune where it has a big following and there's a lot of brilliant people that listen to this and I have a lot of real estate agents so I'm a data guy. Right? It's not that I'm permeable, bearing data do the talking. I see no supply in the market. I have a lot of real estate agents as friends. They can't even get houses on to sell 'cause there's nothing on the market. Those that comes out they're immediately selling it, but what do you see now and how will interest rates play with that because that's one of the risks people are talking about, again we'll get to the 3% right?

Frank Curzio: The line in the sand that soon as it hits 3% you know we'll see the market come down, everybody getting nervous then on CBC every second. But what is your thoughts on the housing market as someone who saw the [inaudible 00:24:37] having predicted that compared to right now? Should we be worried? Do you still think we have some time? Is it a bubble inflating? What do you think?

Danielle D.: A buddy of mine who happens to be a raging bull typically sent me a picture recently and he said, "What is wrong with this picture Danielle? What am I missing? Why haven't any home ownership not rebound it even as home prices certainly have? What am I missing here?" The St. Louis Fed of all places called it a housing recovery without homeowners. It's not that some of the news that we're seeing on housing is not hopeful. It is that we have literally gutted an entire of generation of home buyers and the implication for the baby boomers cannot be understated. If you have an entire generation of millennials who have missed the window, a natural

window, that they would've stepped into, had they not had all this student loans. Had had wage inflation and higher than what it was. Had wage inflation not really been stagnant. Then they right now Frank would be popping out their second kid. And they would looking to their move-up home. And move up home buyers would be looking to buy baby boomers homes, McMansions.

Danielle D.: Well we have a huge gulf in between the millennial's and the baby boomers McMansions and prices are prohibitively high. You see that first time home buyers are paying under a third of buyers and have for the entirety of the housing recovery and median home prices. Median home prices are through the roof. The majority of new homes being constructed and sold are multiplied by the \$1000. That's not going to help out a millennial. So my greatest concern is that we have seen a full rebound in home prices but we've not seen anything like a full rebound in what natural home ownership should be among those in the largest generation in United states right now, the millennial.

Frank Curzio: Yeah I know millennials. It's funny how you said you should be ready to pop out your first kid. You haven't lived in Florida 'cause usually that happen when they're 18 here. I'm still getting used to it. But when we grew up ... Well you can't do that because it's very expensive to live in some of these areas and, I mean, my wife and I waited 'til we were 30 you know you can't afford, both of you have to work for a long time and save up money. Where you know it's a little bit different in Florida. I guess that the cost of living is cheaper, but so what is your take on millennial's?

Frank Curzio: I guess and we'll stay here because it's such an important part, right? I mean this is the next group and I think now I think in something like that are even bigger. That's a bigger group than the baby boomers. I could be wrong on that, but this is a group that is that heavily in debt. Student loans. They were told if they took out student loans they'd make a lot of money and now they're not getting those jobs to pay off those loans. How is this going to affect the economy to the point where when do they become the prime people in the economy where it's going to make a difference? Is this something that we have to worry about 10 years from now or

are we seeing it right now? Especially, you bring up, which we'll talk about your newsletter a second the unemployment of millennial's right?

Danielle D.: Oh absolutely. This is something that we have to worry about.. And you can throw a tomato at me but it's not going to hit me. I'm too far away from you. This is something that will come to a head just as soon as the market fall out of bed. It's as simple as that. Mainly because the baby boomers don't have wiggle room to withstand another body blow to their retirement portfolios. And a lot of them will at some point because they are truly aging a lot. You read all the time about baby boomers going back into the workforce, but now they're hitting their 70's and a lot of them aren't going to be able to work. A lot of them are going to turn to their homes to sell them and who's going to be there to buy them?

Frank Curzio: It really is a crazy situation. It's just, it's getting worse, yeah.

Danielle D.: Baby boomers net worth is tied up in their homes. In a lot of cases and the next time the markets set back and I do believe that the market will setback, will have a setback. I don't think that we have rescinded the laws of gravity. And I don't think that the volatility in the market in 2018 is a figment of our collective imagination. I think that these are very real rumblings as the storm moves on shore. So it's fair to say that the baby boomers aren't going to have enough time in the stock market to recoup their losses as they've had the opportunity to do over the last nine year bull market run. But again we still have underemployed millennials and millions and millions of them.

Frank Curzio: Yeah I know you brought up a percentage living actually at home still. They're over 20 years old and it is a crazy situation. A lot of millennials listen to the podcast and I'm aware of it even through them as well. And once again we're talking to Danielle DiMartino who's author of the books Fed Up: Insiders Take On Why the Federal Reserve is Bad for America. Guys, seriously I don't endorse books a lot but this is just a fantastic book so definitely give it a read and I was introduced to you from Michael Alkin who works at [Kurds 00:29:55] and Research has his own newsletter and

what I love about this and talking to you and talking to Michael because now we're seeing the Wall Street crowd and there's so many brilliant people. Right? When people hear Wall Street they're thinking terrible things.

Frank Curzio: Really most people are really good and do the right thing on Wall Street. You just hear about the bad people and the point I'm getting to here is it's amazing how many people are coming out of that to write newsletters. Like Alkin and I heard that we got Barry Cohen who was in that hedge fund industry for 20 years and now we have you who's writing a newsletter. So why don't you talk a little bit about your newsletter which is pretty cool.

Danielle D.: Well my newsletter is actually, it took me being lazy after leaving the Fed. So what can I say, I was in the bureaucracy for years. I got fat and lazy, no I'm kidding.

Frank Curzio: It's not lazy guys. It's not lazy, it's a great newsletter. It's a lot of work into it.

Danielle D.: But it is, you know the position that Richard Fisher created for me was so unique and it was such a great opportunity to effectively be his eyes and ears on the market. On every aspect of the financial market. Whether you're talking about private equity, whether you're talking about commercial real estate. The bond market, the stock market, the earning season you name it. I was tasked with rooting out any areas of growing risk in the market. That was my job. And it was such a joy to produce this briefing in front of every set federal open market committee meeting that, when I left after having done this for eight times a year and writing a policy recommendation before he went off to [inaudible 00:31:28] having done that for so long I realized that it was my life calling. I was just going to start doing it for the public. And so the breadth of information that I cover because I became instantly familiar with the field of economics while all inside the Federal Reserve which I sure hope that I did. I hope Powell has as well even though he's not a trained economist.

Danielle D.: I always knew the financial markets. I came off of Wall Street and

now have this treasure trove of information on inner workings of the central bank, the biggest central bank in the world, why wouldn't I share that unique bit of information that unique perspective with potential investors because these days it matters. All perspectives matter.

Frank Curzio: Yeah that's a good point and look I love economics and we talked about you at the Fed when it comes to economists, but for me when I look at economics and, again, most people really don't like it. I love it I know you love it. And it's for me it was bell curves you know you can look at stock analysis and stuff like that but it was like a numbers, but the economy, you know for everyone listening to this is everything around you. It's like when you go into the malls there's a crowd are people actually buying stuff? They're carrying bags. Are there homes being built in your neighborhood? Are prices rising or falling? When you go to the supermarket price of milk, cheese, water bottle, whatever going higher lower? You fill up your car gas, you know, whatever. What are you friend's doing? Borrowing more money for their new car. Everything around you impacts the economy and the point I'm getting here is the average person out there if they open their eyes they just pay the slightest attention I think they could have a good gauge on the economy.

Frank Curzio: Now from your experience and outside the Fed's say with some of the economist's that you do know with all the experience you've been in this industry for a while do they always just look at the regular indicators? Are they really looking at the real world stuff? Again we talk about that with the Fed but what about the average economist 'cause what I see and what the forecast I see for economists is very rare for them to have their finger on the pulse. At least from what I'm seeing.

Danielle D.: Well and again look at Alan Greenspan's [inaudible 00:33:28] to a warning in 2003 from one of his chief lieutenants that, "You know what this subprime thing is really opening the gates to homeowners who never ever qualified for a mortgage. Do you see anything wrong with this picture?" And Greenspan's answer to him was, "All of this non-prime lending is occurring outside of the 25% of mortgage lenders that the Fed technically regulates



ergo go away. Leave my office.” So he chose to look the other way, turn a blind eye to something that was going to effect the entire economy. You know now you see people driving all manner of new cars and I know and you know that the size of new car loans is at a record high and that the majority of car loans is also a record right now. And that there are a lot of people out there driving more cars than they can afford to drive. And yet you hear from most central banking types that this is not going to be a problem because it’s only affected a tiny sliver of households.

Danielle D.: Well guess what. Those are a lot of the same households who are still smarting from having their homes repossessed. That they decided it’s the best thing that they can ever hold onto is a set of reliable wheels to get back and forth from their overpriced rental to work. So again it’s, to me, they haven’t noticed too many things that are in our face. It’s true that there’s a ton of consumption going on out there, but mobility has not improved from the worse level since World War II. Mobility. There are still as many millennial’s living in their parent’s basement as there were when at the depth of the housing crisis and they’ve been unable to move out because Fed policy has encouraged luxury apartment construction and luxury home construction. ‘Cause that’s all that works in a zero practice trade environment. So now there’s no place for these kids to go and by the way they’re not kids anymore they’re 35 years old. So, it’s not that millennials don’t have the newest iPhone and that they’re not driving a BMW, it’s that they’re still living in their parent’s damn basement.

Danielle D.: And this should be visible to your average central banker. It is, I’ll add one more little anecdote. I follow Challenger, Gray and Christmas layoff data. I have for years. I’ve known Jim. Josh Challenger since he founded the survey. I’ve known John Challenger since he started tracking hirings. I promise you right now that there are very few people inside the Fed who can tell you that last month hirings versus last year for the first quarter declined from 300000 to 200000. And that is not a good sign. [crosstalk 00:36:17]

Frank Curzio: So speaking of-

Danielle D.: Challenger data was something I was told to disregard because you couldn't seasonally adjust. That's a real world example.

Frank Curzio: Wow yeah it is incredible. I like that survey too. Yeah. No I hear about it too from the comments. Well you should disregard that and disregard that. It's kind of funny, when yeah, a lot of the unemployment reports and all these numbers are reported, you know, and all these guys jump on TV at the same time. They got like ten windows and stuff like that. They analyze the data within one minute, but anyway, I want to go back to what you said earlier where you say, you know, "Millennial's, a lot of this stuff is going to come to a head." How important right now, and this is a caution I guess everybody wants to know, is the 10-year hitting 3%? I mean how big of a deal that is where, for me when I look at it is there really a difference between 2.97, 2.98, and all of a sudden 3%. There was a line in the sand and the market fell 500 points.

Frank Curzio: Again I don't want to get too much into stocks and stuff like that, but how big of this is a deal? And if it's not that much big of a deal what should we worry about because when we look at the 10-year we saw that, you know, the 10-years prior to the crisis it average 4 1/2% and we're so worried about 3%. Why should we be so worried about 3% or should we be at all?

Danielle D.: Well I think that 3% was a line in the sand that triggered a lot of [inaudible 00:37:29]. It is a psychological level. The level itself simply reflects a slow march upwards that we've seen in yields now. But well over a year. So it shouldn't necessarily mean anything. The question becomes one of though what happens as the monthly interest expense of the country begins to be reported and the numbers start to rise at a very quick pace? For now I think the markets are taking it in stride. I've been telling my readers that what they need to pay closest attention to is not the [inaudible 00:38:16] but the move. And we have not seen complacency tick, we've not seen the death of complacency in the debt market. In markets. Right now we've got high yield spread, differential, but companies pay over a comparable maturity treasury. At the lowest since 2007. At the lowest of the cycle.

Danielle D.: In other words, the bond market is wide open and as long as that is the case I think markets will take the buy in interest rates in stride, but once we see more bond deals, and you see the mad rush of companies. We had [WeWork 00:38:58] come to market for the first time. Recently we had Netflix a billion and a half. We have Tesla. You're seeing companies rush to the market and price pay for as quickly as they can and as much as they can. My greatest concern is as we're seeing profit margins compress that this might be the peak earning season and that corporate America might start to choke on higher input cost, on higher work cost at the same time that they have to go to market to refinance their bonds.

Frank Curzio: And it makes sense. You know I might disagree with you maybe a few months ago but I have to tell you after listening to conference calls a lot of these, a lot of the CEOs are talking about higher input cost, higher inflation, and commodity cost, and stuff like that. I think that caught the market by surprise as well where they're actually seeing it all ready and we're being told right now, "you know inflation's rising gradually. It's a little bit," but to hear from that many people I was just surprised so far during earning season and we're probably not even half way through earning season yet.

Danielle D.: No I mean at first it was General Mills and they were like, "Oh that's an idiosyncratic situation. It was just their cardboard blah, blah, blah." Well and you know, but in one day then we hear Kimberly-Clark, Caterpillar, and 3M. You know 3M got smoked again, these input costs are very real. My husband works in industrial packaging and he's seen 3M push through three price hikes in the space of a few months. A 30 year veteran of the packaging industry never seen anything this rapid. So my concern is that, you know, Monday we get the Core PCE which is the Fed's preferred inflation metric. On May the 9th we get the next CPI report and my concern is that J Powell, the Fed, is going to chase this inflation and push up interest rates more than the markets are anticipating. And that will be much worse for the markets than the 10-year benchmark yield hitting 3%.

Frank Curzio: Now that's a very very good point. Now I'm going to ask you a question you probably never get asked before. You're talking about stocks, it sounds like you're listening to conference calls and seeing

exactly how, you have your finger on the pulse do you personally invest on this like as a top down approach? Because you have a great feel for the markets of where, you know, where we're heading on economic levels. Probably different industries and input costs and stuff like that which leads to a lot of good investments. Not even the industry, but filtering it down to different stocks. Do you invest in some of these things? I mean am I going to get an idea out of you. It's kind of like oh you just back in the, you know, the bigger level and just listen to some of these big guys on these conference calls.

Danielle D.: Well, look I do not have money in the stock market. I'm going to answer your question as plainly as I possibly can. I have seen where we are today and I know how it ends. The final chapter of a markets last hurrah typically is when correlations begin to line up and we've already begun to see that and that usually signals that we're going to throw out the baby with the bath water and that all stocks are going to get hit when markets come down. That is not to say that the [inaudible 00:42:07] in the stock market, but the concentration in the stock market is not such that it would be great buying opportunities. Earlier on well before market bottom. So that I will put out there. Because if you look at the differentiation between valuations day and night for a lot of companies. Some companies have overbalances and greater cash flow than others and there will be buying opportunities in those sectors in the months and the years to come.

Frank Curzio: No you're definitely right about this connects and evaluations. I mean you see 16, 17 SNP but there are some that are trading 40 and 50 times and you see some are trading 13, 12 times. There's a big difference. Bigger than I've seen in a very long time which may lead to more ideas and things like that for people, but before we go here I want you to tell the audience and my listeners if they want to find out more information about you and your amazing newsletter. I love the fact that you write newsletter now which is Money Strong. It's a weekly newsletter that you write, right?

Danielle D.: Yeah I've not skipped a week. I've not skipped a beat since I left the Fed in June of 2015. I've published every singly week. My husband

just loves that I published regardless where we might or might not be on vacation. But it is my passion follow me on Twitter at DiMartino Booth. D-I-M-A-R-T-I-N-O. B-O-O-T-H. And that's also my website. Come to a trial subscription if you like. You get a 30 day look back, but more importantly than anything else don't let me convince you. Fork over 20 bucks, buy Fed Up, read it, and you won't need to know anything else. Then you'll want to read what else I have to write.

Frank Curzio: No it's great stuff. Well Danielle listen I really appreciate taking the time and know how busy you are. You're always traveling and I know my audience really appreciates that you took the time to come to the podcast.

Danielle D.: The pleasure was all mine Frank. I appreciate your time.

Frank Curzio: All right great stuff from Danielle. I love having economists on. Sometimes it doesn't always go well, 'cause I know people love their stock picks and individual picks but and I really enjoyed the interview. I thought it was awesome. I think she was great, but this podcast is about you. It's not about me so let me know what you thought at [Frank@CurzioResearch.com](mailto:Frank@CurzioResearch.com). That's [Frank@CurzioResearch.com](mailto:Frank@CurzioResearch.com). Again, when I'm talking to people I think, you know, I'm always thinking of you guys and say what's interesting? What do you need to know? I know 3% on a 10-year is such a big story and you know I just wanted to bring someone on, but you know want to make sure that it's entertaining and fun and educational and stuff like that. And I really liked that interview, but again like I said it's about you not about me. So, I always want to hear your comments whether they're critical whether they're, you know whatever it is [Frank@CurzioResearch.com](mailto:Frank@CurzioResearch.com). Now let's move on. Get to my educational segment.

Frank Curzio: Which is about finding new ideas. In fact that should be every investors goal, right? I mean trying to find these new ideas before the public knows about them. And I'm not talking about insider trading here. There's tons of stories out there that most of Wall Street, you have the media, they really don't catch on. Especially early on in these trends until the industry or the stocks within

those industries really run up tremendously. Then they get on everybody's radar. I mean you're not seeing IBD recommend that's down 60% or new thing that's just, you know, they always like these up trends and sometimes it takes a while to build these things. I mean early on nobody really know what big data was. Nobody knew what fracking was until 2010. Cloud, you know. VMware was the big name like 10, 12 years ago. I mean it's just staring now it's A.I.

Frank Curzio: Hey you want to get into a lot of these trends before people really start talking about them because that's how you can make the biggest gain. 'Cause as you bring on more attention to the Netflix and the Facebook and things like that. I don't know if you can bring any more attention to Facebook before it got and went public. But I think you know what I mean. But once they get on these medias and the get the IBDs, Wall street journals you see so much more interest institutional money starts pouring into these things. It's nice to get into some of these things early. Now how do you do that? It's not easy. And I can tell you something it's not always about finding the new trend. Right? It could be about an industry that's completely out of favor that everybody hates. You know like oil six months ago. Technology in 2004.

Frank Curzio: Norman Banks were hated. I mean we're talking two years ago. J.P. Mortgage trading under 60 it's over 100. That's two years. What about the airlines. Remember how hated the airlines were? Buffet, "I'll never buy an airline that's the worst. Want to lose money buy an airline." Remember ... Now he's one of their biggest supporters. I mean huge stake in several of the majors. Things change within each industry and the reason and ways you make the biggest returns is buying something that's really out of favor. Yes you could buy sometimes, you can buy the Netflix's you can buy the fan names on those momentum and you can get big gains. But life changing gains usually come when you're really early to something because it's so depressed and out of favor that even when these things go from bad to less bad you're going to see 100% move.

Frank Curzio: I mean sometimes you'll find stocks that were trading at 56 and now they're trading at 10 and then their trend starts to turn a little

bit and those things go to 20 like nothing. They go to 25 then you got tech analysis say, "Wow they're breaking out. Things are going great. Now they get the attention all of sudden next thing you know you have 300 400% and you got idiots on TV saying, "This stocks are buy." When you bought it at 10 and it's now 40 and you know whatever. You guys get the point. So where am I getting at with all this? In order to find those good ideas you have to be a contrarian. And that's a word that's thrown around a lot. Right? We hear so many people ... "I'm a contrarian." We hear it all the time. Right? They say it. They say it all the time. "I'm a contrarian. That's the way ..." You know just like a lot of people say, "They didn't vote for Donald Trump." Right everybody says that. "Nobody voted for Donald Trump." No 63 million people voted for him. Right. They're all over the U.S.

Frank Curzio: "Nobody voted for Donald Trump." But being a contrarian or if you want to know if you're a contrarian it has to make you uncomfortable. And when you're presenting idea and people are reading your research in front of you or the people you're pitching that idea to you want them to be shaking their head in disbelief that you would actually talk about such a thing. You almost need to doubt yourself like holy ... I won't say it. You know am I making an idiot of myself talking about this. You have to be uncomfortable. You're almost like a 400 pound person taking their shirt off on the set of Baywatch. Right? Very very uncomfortable that's how you have to feel. That's how you know when you're being a contrarian.

Frank Curzio: Now one sector I've liked since October is department store retailers. And people thought I was crazy. I actually thought I might've been a little nuts for a minute or two. We all know Amazon right putting every one of these companies out of business. The malls they operate in are dead. Burn them the insurance money you get will be far greater than the sales profits that they're probably going to generate what over the next three to five years. Right? That's how bad it was. Right? It's gone, it's crazy, it's nuts. But for me when I was digging deeper I realized that a lot of these companies down 70% plus they weren't going out of business. Right. They're finally making progress adapting to ecommerce. That's what it is right?



Frank Curzio: You have to adapt to this market right? So they're doing it online to in-store purchases. They're using big data analytics now to control inventory which is a major concern for them. At the end of the holiday season it was crazy. They have people in person, they're educating their employees to answer your questions as you know you would go in and actually sample these products. Right? So in person what you'd like to do. So to me it was no surprise most department store big box retailers they had an amazing holiday season. We saw a big bump from pretty much October November, yeah think about the moves in Macy's, the moves in Kohl's, the moves even Target has gone up tremendously which caught me by surprise. One of the ones I didn't like. J.C. Penny came back a little bit. So, you know when I see all these companies really coming back it just made sense to me. Now where are we today? It's still a depressed industry and people are still talking about how bad it is.

Frank Curzio: There was an interesting story last week that was a game changer in my opinion. I mean it was absolutely fantastic and totally under the radar. And no it wasn't like you know [inaudible 00:50:09] got the trade. It's awesome with the NFL right? They just traded away their last few picks for Cleveland or sign a quarterback or go crazy, you know listen it's not that. All right. That wasn't the story it wasn't crazy. Wasn't AT&T deal was nothing like that. This story was much more important in my opinion if you're a New Yorker. So Jeff Bezos and Hubert Joly signed an exclusive partnership between their company. Bezos you know, CEO of Amazon. Large ecommerce retailer in America. Joly is a CEO of Best Buy the largest electronics big box retailer in America. And they signed a deal. So, Best Buy is now going to become what, their exclusive big box sale channel, so they can sell flat screen TV's with Amazon's Fire TV streaming service and that these TV's also going to be equipped with Alexa voice assisted technology.

Frank Curzio: Now why was this such a big deal? Well Amazon as you know sells almost every one of its products. You could find a big box retailer on its website. They can ship these products to what? To your home in two days free if you're a Prime member. So every transaction Amazon has obviously online and then what does that do? Eliminates a massive cost big box retailers must pay, right? To

operate these 100's of stores including employee wages, electricity, cleaning equipment, expenses. You know millions of dollars on leases. Right? Something Amazon doesn't have to deal with so what does that mean? Without those costs Amazon can charge pretty much lower prices than its competitors. Happened in the market. Well we see a lot of people have gone bankrupt, a lot of companies. We got Sports Authority, Radio Shacks, The Limited, Gymboree, Bon-Ton, recently Toys R Us. They were going to try and do bankruptcy keep couple of stores, nobody wants to buy their stores they said, "Okay we're closing them all now." All right it was a story a couple weeks ago.

Frank Curzio:

So most retails believe big box stores and malls they operate in were absolutely dead. We all saw the headlines. The fate of America's dying super centers. The great retail apocalypse, the death of American mall. Again, this is from the big outlets Wall Street Journal's seeing the business side, right? As you know I've been arguing strongly against this, at least over the last nine months. I know they were going to have trouble competing against Amazon, but they learned to adapt in prices, brought in specialist service or stuff like that. But what was interesting about this is Bezos actually met with Joly in a Best Buy store, this was in Washington and here's what he said. He goes, "Watched Best Buy for a long time and the last five years since Hubert Joly came to Best Buy have been remarkable."

Frank Curzio:

He goes, "I mean the turnaround that got done there from just a business case study point of view is going to be written about and talked about for a long time." And then Bezos also added, "We're talking about the huge benefit of customers being able to try out new products in person." He goes, I'm quoting him here. "People want to come in and see the TV. They want to experiment with the TV and try it out." The magnitude of those comments can't be understated. I mean you have basically the CEO of the biggest ecommerce company in America, the company that was predicted to put every big box retailer out of business is now saying he needs companies like Best Buy to sell its products. If that's not the ultimate endorsement of this industry not going away I don't know what is. So what does that mean? Where am I going here?

- Frank Curzio: 'Cause when I look at this and I see big box retailers they all get lumped in the same way. But yet if you look at Walmart, Target, Home Depot, Costco, TJX, Ulta Beauty these companies are thriving. They're big box it's not the whole industry. A lot of these names are trading at super depressed levels. Some are still down more than 60% from their all-time highs. Wall Street and the media still completely write off this industry. So for me, and I'm getting to the stock picking part, right. I'm just setting up the scenario for you. Big box retail it's a good place to look for ideas. You're going to get companies that are dirt cheap that likely going to see strong earnings grow 'cause they learn to adapt. Right. It's not just because they figured out how to use ecommerce finally, but they also went through massive restructuring. They're closing stores, firing employees, creating stores within the store.
- Frank Curzio: What does that mean? If you go into a J.C. Penny they have Sephora and stuff so they used to have space there of clothes for women, that didn't sell, now they're putting something like beauty salons in there. Inside the store. That increases your square footage right. Per square footage I'd say that increases the value in your stores. You're bringing in more traffic. They fired executives, have lower pay structures. You know what these things do? They significantly increase earnings. As someone like me who has been in this industry for the past 20 years most sell site analyst, most, not some, most do not see this earnings growth from restructuring. They don't put in their estimates. They always underestimate it. They're usually either super conservative but yet these cost savings cut them out to 100s of millions of dollars. I mean they could sometimes increase earnings by 15 to 20% and they're not any analysts estimates. I see it all the time.
- Frank Curzio: 'Cause when a companies restructuring what does that mean? It means probably the stocks falling and they're not doing something right. So you're not going to have higher earnings on it they're going to report lower earnings, lower earnings, lower earnings until they hit a bottom and once they hit a bottom business starts spinning around, those earnings get multiplied because their costs are much less, because they cut back on so much stuff. So now you're going to see these earnings explode. They're not going to go 10, 15% they're going to 30, 40 ... There's a reason why earnings are exploding right now for energy companies. It was depressed. They cut out all their garbage all their crap. Now all the prices have shot up they have half their employees to pay, now they can, now they'll build up. They'll start spending a little more here and there but there's so [inaudible]

00:56:01] those earnings soar. And that's what people are missing with the oil industry. You're seeing the stocks go through the roof and you're going to see it with department stores and big box stores.

Frank Curzio: So for me every day that I'm doing research I'm looking through my search engines, I'm watching the news, screening for stocks, and I have retails in the back of my [inaudible 00:56:19]. So two weeks ago I saw several in size purchasing shares of their retail company. Doesn't mean I'm going to run and buy the stock, no. It's like, "Oh you know inside you got ..." No. There's much more to that. That's just a starting point. It means I want to do some more digging. So I look at the stock it's down 40\$ over the past 12 months. Something I like to see insiders buying when the stocks down 40% I like that. I do. Makes me feel like there's a bottom there. So I started digging even more and see the company fell along with the rest of the industry from January through October 2017 which is normal. But why is the company sold out? And it had two crazy events that pushed the stock down further. I'm not going to give anything away, but let's just say these are two events that will never happen again. Never happen. One time.

Frank Curzio: That's probably why these insiders are purchasing the stock at these dirt cheap levels. 'Cause every investor lost patience with the company. They went through that whole site 2017 everybody got [inaudible 00:57:15] like okay I want ... And now all of a sudden you take another dip down they'll just lose patience. "I'm out of it I can't take it anymore. I'm done." That's called puking. So I start looking at the insider history and there's several insiders that are buying. 'Bout four or five of them buying big lots but one insider, one bought more than 40 million dollar's worth. That's a lot for a small cap company. So for me I never heard the guy, I start digging further I found out that he's a billionaire and a legend in the retail industry. So the reason I never heard of him is because most of his assets along with his huge retail company are based in Europe.

Frank Curzio: Yeah this guy has been sitting on the board of this company for the past couple years and he's one of the smartest retail investors. You just have to look at his track record. How he became a billionaire. So I start digging even further. I start seeing not only is the stock dirt cheap because dirt cheap starts to get even more dirt cheap. Right? You want to have catalysts. So not only is he stuff is dirt cheap, inside he is buying hand over fist they have several huge catalysts coming up. Game changers for the company. Catalyst that, you know, are only safe. They'll be launched over

the next few months. Not only do we have the catalyst I mentioned earlier about restructure. We had this company on the way down restructuring and proving it's balance [inaudible 00:58:30] in six months. Restructure operations that would definitely increase earnings. Not just this year but for years and probably a decade.

Frank Curzio: You're a Courage or venture opportunity member you just got that stock pick last night. When you read my research you're going to know why insiders are buying the crap out of it right now. And to be honest I had no idea the stocks going to go up or not. I don't have a crystal ball. Based on everything I know and been doing this for a long time, doing the homework, really doing a lot of research, I think we're easily going to see triple digit gains on this. Easily. I'm talking about over the next 12 to 18 months 'cause it's so depressed, not just inside the buying they got great catalysts. They just reported a pretty decent quarter. But what I do know is the stock is trading pretty close to an almost [inaudible 00:59:15] price. I mean it's already gotten destroyed based on the fundamentals. It's dirt cheap. They restructured operations including their debt where they're going to have no major [inaudible 00:59:24] four years.

Frank Curzio: They're going to see earnings growing, you got, just from cutting all those costs and now have the insiders who are filthy rich people buying the crap out of the stock here which means if it does go lower what's going to happen, these guys are rich. They're going to buy more. They're not into buy ... You know I say this all the time when it comes to insiders. They sell stocks for 20 different reasons. They only buy for one. These guys aren't looking to buy their stock to get a 15% gain. They're looking that the stock could easily double go minimum of 15%, 100% and that's why they're buying at these levels. And based on where they'd been buying, which was a little bit higher and the stock has come down a little bit more, they continue to buy, that tells me you know we got to have a bottom here. And if things go right this stock could really go through the roof.

Frank Curzio: Anyway I know I'm getting a little long here, but this is how I follow ideas. I try to buy things that are cheap, which means they're probably come ... Not probably, but they're out of favor. I don't do this all the time. You guys know I like buying growth with momentum names. I have Facebook, I have recommended Amazon. And a lot of these growth names. But for me I'm always on the hunt for new ideas. I'm familiar with the retail industry I know it's depress and by seeing one small insider buy it lead me to a stock

after doing tons of homework that I think is going to make a lot of money for my subscribers. So for me and this educational segment I just want to go through that whole process. Show you how long it takes to find a new idea. It's a process. You need to be patient. But you also have to be on the lookout at all times.

Frank Curzio: That's more than just reading the Wall Street Journal or watching CNBC for an hour. But attending conferences, trying to visit companies, taking tours, subscribing to the right newsletters, where the analysts basically has been around longer than 15 years. That means he lived through lots of ups and down sessions. Inflation, deflation every conditions. Someone with experience. But if you do the work and put yourself out there you're in the room you'll be rewarded. Trust me on that.

Frank Curzio: 'Kay guys also be sure to check out my Curzio Research Facebook page. We just upgraded our technology where I could do live Facebook interviews now. Going to start doing that pretty soon. Plus we can post to numerous social media outlets so you're not just going to see me on Facebook. You know if you're on Twitter lots of different things. Periscope things like that and more important I can also bring up screens now when I'm talking. Right. Since we have, you know, several cameras. You don't have to look at my ugly face the whole entire time during these videos which is good news for you. So I can bring up a lot of free sites like, you know, whether CNBC, Fid Biz, Yahoo Finance. I like to bring up free sites so you guys can follow along and show you the different stories. The actual numbers. Teach you how to read a balance sheet, income statement. Go over what each metric means. Like dividend payout ratios. If it's short ratios. Tangible book value. Inside ownership. Why some of these metrics are really important for some stocks and kind of meaningless for others.

Frank Curzio: Right same stores sales are a big trend. That's more important than just earnings when it comes to retailers. If you're looking at social media companies a lot of times it's not about earnings it's about monthly average user growth. So you know there's different metrics that are much more important it's easy to cover now that I can put these screens up while I'm talking so all that technology available really cool stuff all for free on Curzio Research Facebook page. So guys be sure to check it out. Lot of fun put a lot of work into it and we're getting really really good feedback. So guys that's it for me. Thank you so much for listening I'll see you in seven days. Take care.

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