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Frank Curzio's FRANKLY SPEAKING

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: Let's go out there. It's Friday, October 12th, and I'm Frank Curzio, host of the Frankly Speaking podcast where I answer all your questions. From [inaudible 00:00:23] County sports and anything else you want to throw at me. I created this podcast to answer more of your questions that you would send me to my Wall Street Unplugged podcast which I host every Wednesday. If you want any questions answered just send me an email to Frank@curzioresearch.com, that's Frank@curzioresearch.com. Be sure to put Frankly Speaking in the headline and you never know, your question may be the one I read on this podcast.

So I say I'm here to answer your questions about anything, [inaudible 00:00:54] County sports and since there's nothing going on with the markets these days, I think I'm just gonna, you know, answer some sports questions. I'm just kidding. Lots of questions coming in. Everybody's nervous out there and I get it. The market has sold off pretty hard, much more than I thought it would before it stabilized here, and I'm gonna just take a couple of random questions because I'm getting tons and the nervousness is out there. Let's see if we can address all the issues.

I took three of 'em. They're not the same but it's all concerns about what are we gonna do with this market. Shall I sell this and that but you're gonna hear an opinion that you're not really hearing out there because everybody's nervous. They're telling you why the market's coming down, why

is it crashing. Everyone wants to have a reason and it's not the reasons that they're saying. This is just regular pull-back and I'm gonna get to a lot of this stuff by answering these questions.

Let's start with Joe. Joe sums up good here. He says, "Hey, Frank, I hope that you're well. I appreciate all the great podcast episodes lately. I'm a subscriber of Curzio Research and I enjoy it. I try not freak when the market falls but it seems like the last few days it's dropping big in the broader market. What would your advice be to us who have 401K money in this market, S&P 500 funds, and things like that? Seems like tech is in free fall right now too. Is this a time to hold or just sell or wait out the storm? Any thoughts?"

This is a great question. You can't panic and sell out of these things to try to time the market. Would it be nice if we sold everything, all my positions, my newsletter three weeks ago, and then came back into them, yeah, well maybe a couple weeks from now when the market's stabilized and everything's ... Yeah, but you can't time the market, right? You're not gonna come in. This is your 401K money and when you look at money like that that's invested long-term, it's important to look at the fundamentals and say, is everything still intact?

And when you look at this market it's very important to realize for investors that this is not a credit crisis. This is a healthy pullback. This is normal. This is what the markets usually see. What's different about it is there's so many freakin' crazy algorithms out there that the selloffs don't take years and drag out years. You see 10% declines in your major indices now in weeks which is crazy. Why does that happen? It's not so much that the fundamental landscape is changing 'cause it's not. We're not expensive and I'll cover that in a question right after this.

We have a lot of positives going on with the economy. I don't think we've ever seen a market pull back this much with earnings growth above 20%. Are there risks? Absolutely. You

heard about every single one of them. Just put on the TV. The Fed is a major risk. Just basically pedal's to the metal, we don't care about the markets. We're not gonna adjust. We're gonna continue to raise rates aggressively. China in trade. Housing market is showing some cracks a little bit. You know, you name it. People say valuation, gridlock, politicians after midterm elections. You name it, right? All this stuff's coming out. This is the reason why the markets sell off, whatever.

I have a different take on it. So, for me, when I look at the markets, this is more of a technical selloff 'cause all markets are filled with algorithms now. The biggest funds in the world are all short-term trading funds. They have nothing to do with fundamentals and we have just 40% of the hedge fund market right now. That's beating their benchmark so they only have a couple months. They have to play catch up. So what are they doing? Well, it's hard not to invest in these high crazy growth stocks that go up 15% every month like the Netflix, Amazons, FANGs, all these stocks, right? Throw Nvidia in there and a lotta other ones.

But what they do is they put tight stops on this so the biggest ones with the best algorithms when you see these selloffs are the Renaissance Capital with more than a hundred billion dollars. You know, just come in and out of these big stocks like nothing because they're just so liquid, but once they get triggered then you have other companies that have algorithms as well that are gonna get triggered and they're all sitting right at the 50-day moving average, 100-day moving average, and once you break these things it's automatic selling like crazy.

It has nothing to do with the fundamentals. It has nothing to do with China. It has nothing to do with interest rates going higher because they're really not that high in the scheme of things, they're just higher than they've been. There's millions of sites that show interest rates. You're gonna see an impact of maybe a little bit of a slowdown if the [inaudible 00:05:17] is 3.5% and higher. Again, there's a lot of studies out there. We're not high. It's just like a traumatic feeling because interest rates have been

zero for such a long time so it's lower and now that they're moving higher people are worried.

You don't have to worry. They're junk bonds, everything. You look at credits. People I talk to in the bond market, few cracks here and there but nothing major. But when looking at this selloff, it has more to do with technical. I realized on Thursday when the market was down 150, it went down all of a sudden from 150 to 550 because we broke the 200th day on the S&P 500. Automatic selling comes out. So what does this mean? When you look at the whole picture here, and this is important for you out there, your 401Ks, when you're looking at the whole picture, the fundamental landscape is still good.

We're trading at under 16 times earnings, about 15.5 times earnings, which is relatively cheap. It's below the five-year average so we're not looking at the NASDAQ. Last time we were at this point during the tech bubble when they were trading 50-60 times phone earnings, some companies over 100 times phone earnings. It's different today so the fundamentals are intact. You're still seeing Amazon doing amazing business, announce joint venture with Travelers, sign a billion dollar contract for AWS. Doesn't matter, right? This selling is just resulting in more forced selling and more first selling because these people have to beat their benchmarks.

The fact that they're playing catch up, their stops are very, very tight on this which trigger more and more stops as we break through those averages. So when you're looking at the technicals, that's where we're getting nailed now. The reason why I'm saying that is because the emails I'm getting, and I understand it because the last time we've seen an event like this, traumatic event, where the market is really coming down is the credit crisis. It's important for you to understand that I'm gonna tell you something. I mentioned it before and a lot of people are gonna say that I'm absolutely nuts which is cool 'cause I am a little nuts sometimes. T

here's not gonna be another credit crisis in your lifetime, and in

my lifetime. I'm 40-something. I'm getting to the point where I'm afraid to say exactly what my age, but I'm 40-something. And probably for the 20-year-olds out there you could say it's not gonna happen in their lifetime. If you understand what happened during the credit crisis, it wasn't that we had a complete meltdown. It wasn't subprime. It was leverage, okay? Subprime loans were aggressive, yes, but we were doing synthetic CDOs, all kinds of crazy stuff, to the point where all we needed is for default rates to fall to 5% and we'll crash the entire market.

Even if you look at the worst statistic, the worst timing, everything that happened … I think it was like 7% of defaults or whatever it was, maybe 8%, quote me on that, it wasn't that big of a deal but when you're leveraged you can make a run on a bank like Lehman when you're that leveraged. The banks are no longer leveraged like that. They're being monitored by the government. They're not allowed to lend like they want to lend. Their balance sheets are the strongest they've been in history. That's why they're actually doing okay right now and performing and holding up well.

You have to get the thoughts of the credit crisis outta your head because it's not gonna happen when you're gonna see a complete wipe out and things are gonna go down 40-50% and not only that, if they do happen to go down that far, what's gonna happen? Well, we do have the Fed and the government that probably going to step in. Do I agree with it? I hate it. I hate the fact they did that. But the last time they did it, the worst thing happened. The government made a fortune on everything they bailed out. The housing market, Fannie, Freddie, AIG, you name it. The banks they invested in, preferred stock. They made a fortune on all of this stuff that they bailed out.

So if we see a further decline, you'll see them come in, but again, we're not gonna have that because you can't make runs on banks. We're not as leveraged as we used to be to the point where banks were leveraged 40 to 1, 40 to 1 which is … It's

like 10 to 1 now. You have to get that out of your head when you're looking at, oh man, is this market gonna be like … ? No. What we're going through is a normal correction which we're supposed to go through every few years but we haven't really had one. You're looking for how long has it been since we've seen a 1% before this the past couple of weeks, a 1% move up and down the S&P 500?

It's ridiculous how low volatility has been. The VIX, it's been insane so when you see a market like this, it's creating opportunity and I always say bear markets are great for those of you prepared. So with our newsletters we got into a lotta stocks at great prices. We took profits in Amazon, like we sold half of our position in Amazon. We lowered our exposure to growth stocks in one of our newsletters and we're getting hit, of course, just like everybody else but the fact is we it at good prices, we can afford to hold these stocks longer. We didn't buy Amazon at 2000. We didn't buy all these crazy growth stocks at the top of their market peak.

We bought 'em last year when it comes to this growth market and now we're seeing tremendous value and it's giving you an opportunity to buy a lot of great stocks at dirt-cheap prices. So when you look at the markets here and you're 401K are looking to get out, guys, try to avoid that. Try to avoid the news. The fundamental landscape is still pretty solid. There's risks out there. Don't get me wrong, there's risks out there but when you're looking at growth and earnings and you're looking at fundamentals of the market right now, we're not trading at super expensive levels, we're going through a normal correction where some of these technology stocks were going up like 10-15% a month on average some of these things.

Now they're pulling back but there's gonna be money flowing into other sectors. You're seeing it in utilities, you're seeing it in financials. It's gonna create other opportunities but if you own the whole entire S&P 500, you should be doing okay. Yes, you're down a little bit but we're trading at the same levels we were trading four months ago. We've just been in an incredible

bull market for such a long time but it's not that you have to panic and get out of all this stuff and everything like that. There's no way you'll even time the market, ever. Ever. You'll go crazy. No one could do it. I don't care if you're the greatest trader in the world, it's difficult and those are people who are just full-time traders. Hundreds of thousands of dollars in systems that just study every stock on the market, every single move every day.

For the average investor to say I want to take my money out of my 401K then I'm gonna throw it back in at a good time. You can't. If that was the case, you know how many people took money out of their 401K and just went on the sidelines five years ago, six years ago, seven years ago right after, like 2010 or '09, at the bottom, and just said I can't get into this market anymore. But we know over the history of over 100 years, if you'll look at the market and S&P 500 specifically, which I think became 500 companies around 1950s, you're looking at 8 to 10% average returns over the long hall.

You don't see Buffett getting out of all his positions. You didn't see him do it in 2009, you didn't see him do it during the 1987 market crash or the NASDAQ bubble, and look what Berkshire Hathaway is and even that pulls back but these are normal corrections for people that are prepared. You should've took profits in some of our positions that we told you to but being prepared right now you should be searching for ideas because there is a lotta discounts in the market and a lotta good opportunities that I'm seeing and right now I'm just looking at this more as a technical selloff, not fundamentals, not like it's a credit crisis and you have to worry and credit's frozen.

It's more of a pullback and people getting a little bit nervous and think this selloff is a little overdone here and you're gonna see a nice rally in stocks, probably … Look, you're gonna see a bounce-back, we're completely oversold, sooner or later. But I think you're gonna see some stabilization and one of the things I like to see is things like gold. We got into gold recently and I love the fact that gold … I love gold here. And people say, "Well

Frank, it's not necessarily a safe haven 'cause during the credit crisis it crashed." That was during the credit crisis. Everything crashed. The whole world, you don't want to buy anything, every single asset was crashed.

This is different, this is a correction. And when you're looking at a ton of investors, gold is cheaper than it's ever been. It makes sense right now as some place to place your money and as interest rates go higher I think gold's gonna be an incredible investment and I know before you gold bugs out there say, "Frank, it's that crazy conventional wisdom that gold doesn't pay interest so with interest rates so low it's supposed to provide a much investment. Now interest rates are higher. People are gonna go to treasuries instead of gold." Nonsense. Stop listening to the gold bugs because if you look at real interest rates they were negative since 2013. Where did gold stocks go? They crashed. They got destroyed. So I think let's just throw it out.

The reason why gold stocks are gonna go higher as interest rates go higher is because when interest rates go higher you're gonna see the risky assets come down. It's not necessarily bad for the entire market but the ones that are the most leveraged, right? Right now what would you rather do over the past three years. You could buy Amazon, Netflix, Facebook, and generate 10-15% a month, are you gonna throw it on gold? Now you don't have that option. Now gold looks pretty attractive right now and that's why you're seeing gold go high, gold stocks go higher. I think now gold could be bottoming out to the point where it's going to be a screaming buy and we recommended a gold stock in Curzio Research Advisory newsletter and I think gold's gonna go higher and I think a lotta stocks are gonna go higher.

If you look at gold, gold stocks have sold off since 2013 by like 60-70% in some of these names? You don't have to into the juniors. You look at the majors who significantly they're leveraged, they're in great shape right now. They could pick out any project they want to buy. Their balance sheets are

very strong and some of these guys are paying dividends now. They're all-in costs to produce are under a thousand so even if gold prices come down 10%, they're still making profits, generating cashflow, paying dividends, buying back stock, which is incredible, right? These guys restructured that much. But I really like gold here.

I think that's a great play, the financials as well but don't get scared out of this market. You can't come in and out and, again, it's not the credit crisis, guys. Get that outta your head. The banks are on much different footing today. Okay, you say, well, what about Turkey coming down, and Argentina falling, and stuff like that? Look, the banks have been doing fine. You could see cracks in the system, guys, there's ways to see it through looking at consumer credit default spreads and just looking if people are betting against this, and they're not. You know that there's ways to tell that, whoa, things are getting a lot worse than they are and they're not. The underlying fundamentals are still good. This is more of a technical selloff. People are panicking and it's gonna create buying opportunities for you. So, Joe, I understand your concerns.

I'm getting questions just like that and here's another one from Elon. He goes, "Hey Frank, hope all is well. I really hope the storm isn't affecting you guys," which is didn't and hopefully people in the panhandle are doing okay too. I know they really got nailed by Michael. He goes, "Quick question. I'm sure you're getting a ton of emails since the market is going a little haywire over the past two days. I don't want to catch a falling knife, done it several times already, but, seeing some really good names come down, this looks a little interesting. Would you suggest waiting for midterm elections to be over before jumping in even if we see some spikes ahead? Seems like the spikes are prop up before a major take down each time. Just wondering what your thoughts are."

You don't want to try to catch a falling knife, obviously. One of the things I like to see is insider buying but you're not gonna see insider buying because companies are reporting earnings

right now. I wouldn't wait till midterm elections. Midterm elections, if the Democrats win it's gonna be gridlock forever, our politicians hate each other. I'm hoping some of that at least is price into the markets right now. I think one of the things you need to do is look at earning season so pick out the stocks that are doing well, that reported good earnings, that issued decent guidance. Stocks that are down 15-20% that are still growing earnings 20% that are trading less than 15 times earnings.

That's one of the things I'm looking for because I could tell you right now, I read a screen just before 'cause I saw this question and wanted to run a screen for you guys and let me bring it up on my Capital IQ system. Okay, now after the recent selloff, guys, really quick, we're trading at 15.7 times earnings. What does that mean? Forward earnings on the S&P 500. The five-year average is 16.3. We're below that. The 10-year average is 14.5. We're just slightly above that so we're not like at these crazy expensive valuations that everyone's seeing. Now, I did a screen for the S&P 500 and brought all the companies up and see I have the daily closing price and had their forward PE.

I've got 50 companies right now, 50 companies in the S&P 500. Actually not even 50, it's more like 60 companies, are trading under 10 times earnings and they're growing their earnings more than 15%. When have you ever seen that? Think about that. That's where we are right now and I'm gonna cite some of these names on here. Let me tell ya, there's some good names on this list. You have Morgan Stanley, Goldman Sachs. Morgan Stanley traded at nine times earnings. AT&T nine times earnings. You're looking at Goldman Sachs is at eight times earnings. These companies are growing over 15%. D.R. Horton.

Delta Airlines just reported blockbuster numbers, the best quarter that they ever reported. They're trading at eight times earnings. They're supposed to grow earnings, what, 15% more? Capital One, Xerox, Nucor. You look at Ford and say wow, okay, I got Ford, General Motors, Harley. They're trading at 5-6 times earnings. Things are bad, don't get me wrong. [inaudible

00:19:08] told you about the auto industry, avoid it, told you to option trades bet against Goodyear Tire which he was right.

We actually went to field, saw these cars and saw all these things. We did this whole thing on Facebook live just showing the massive amount of cars in these lots that are not being sold that are just sitting there from these dealerships but at five-six times earnings. Viacom seven times earnings, Macy's eight times earnings. Again, I'm going through different industries. BorgWarner here. Let me see, United Rentals, Discover Financial Services, Western Union, Hewlett Packard Enterprises, CBS. Guys, these are good companies. Are they all good? No, you have to dig into them. Lam Research, another company. United Continental, Celgene, MetLife. Even insurance companies are on here. Newfield, Mylan, some pretty cool names.

When I see names like this trading below 10 times earnings and a lot of these names are going to be growing earnings, are expected to grow earnings by 15% year over year. Think about that. After earning season what are you gonna see? You're probably gonna see a lotta insiders come in and add to their positions. That's when you say, okay, it doesn't feel like I'm catching a falling knife. Do you have to look at the technicals? Yeah, you kinda do in this market because when you break through 200-day moving at a … You see an automatic two-three hundred point drop, extra in the Dow, another percentage, another two percent you go down but we're past these points.

And then eventually when a stock falls you look at valuations and that comes into play and when I see 50-60 stocks S&P 500 trading under 10 times earnings. That's a joke. Again, just because you're trading under 10 times earnings does not mean you're cheap. Okay, you could be traded 10 times earnings and you could be super expensive if you're not growing earnings at all but the fact that some of these companies are growing earnings on average by 15-20% and trading below 10 times earnings, look maybe we come down about 10%. I don't know, 5% some of these stocks. But I know two-three years from now, buying these companies at these valuations is a great buy and

that's what it tells me, again, as someone who's been doing this for over 20 years.

So when you see the market come down after seven-eight years constant just bull market, every pullback is met by a huge buying opportunity. What I love about this market, I mentioned about gold, is you're not seeing everything get destroyed. We saw that the first couple days but now we're seeing insurance companies doing okay, money going to utilities, money going to financials, money going to gold, so you're seeing a rotation of money and not gonna see the credit crisis where it doesn't matter, everybody's leaving the market and we gotta get out of every asset possible, and every stock. It's not like that.

You're just gonna see a shift of money going to different, allocated in different sectors, different areas, and that's what you're seeing right now. Unfortunately, we're built on electronic trading systems and algorithms that the trading is just insane when we hit these levels and the amount of selling upon selling upon selling but use that to your advantage 'cause when you see companies sell off 15, 20, 30 percent. A company like [Square 00:22:24] selling off that much where we're still up 75% on and we added to our position today and that stock's off 25% from its highs, but 25% off your highs when you're looking at a company in a secular growth market that's killing it and its CFO left under good terms.

She's great, she's awesome, and she said, "Hey, I just want to be the CEO of a company," and she left. She's staying until December which is okay. And [inaudible 00:22:49] is great with her and say, "Yeah, she's awesome," and stuff like that but, God, the CFO position for Square? Is there any CFO that is basically working for one of the Fortune 500 companies that wouldn't take that job in a second? Should it be down another 10% on that? No. It's a CFO position. That's a red flag if a CFO leaves under just worry about financials and it's abruptly and just leave but this is different. She's staying till December.

You have the CFO of Goldman Sachs right now is independent

director, pretty good replacement right now until they find someone else and I'm sure they're gonna find another superstar. It's a great industry. It's growing fast and the business is awesome but things like that you want to try to look for things that are valued good that have come down that are oversold and I'm seeing a ton of opportunities in this market right now. So you're not gonna be catching a falling knife here and I think it's an opportunity to buy but wait until after earning season 'cause earning season's now.

Next week the banks, tons of companies are gonna report. Let's see what they're reporting but I'm sure that's gonna stabilize the market 'cause earnings are gonna be strong. I expect guidance to be a little bit light but most stocks down 10-15% off their highs. A lot of that's probably factored in right now. I think earning season's gonna be cool which leads me to the final question here and this is from Matt.

He says, "Frank, what's the catalyst that is gonna get us outta this rut?" Matt's a good guy. He emails me all the time and I mentioned it's a technical selloff so what's gonna get us outta this rut? I could tell you, the Fed coming out and saying okay, we're not gonna be as aggressive. Now you may say, "Frank, really, because we have Donald Trump tweeting about this?" It's not about Donald Trump and it can't be about egos. The Fed can't go out there and say oh, I'm not gonna do this 'cause Donald Trump said. He should not be saying this or taking a more dovish stance because the president is threatening him. He should do it because it's the right thing to do.

Right now you're seeing a market in free fall. People are panicking and you're like, I don't care. I don't care what I'm seeing. This is exactly what happened during the credit crisis when you were raising rates during the credit crisis. This is when Kramer went nuts which was actually dead on like you know nothing. Do you see what's going on out there. So if the Fed comes out, not because Donald Trump's telling him to 'cause nobody cared about those tweets, but when you see a market coming down you have to adjust the figures and say,

okay, let's hold off, and if they announce that you're gonna see probably the Dow go up a thousand points in a day. That's one of the catalysts.

Another one is a China resolution which looks like it's gonna happen. You heard me say where I don't think it's gonna happen but after I saw this in the past couple of days, China has no choice because if China plays hardball with us, and again this is a little different than what I said last week but this is because the facts and the data changes, right? Because what happened when our market got crushed? China's market got murdered so if they really play hardball with us with tariffs, and it hurts our economy which I showed you ways in my tariff report how they could do that, if our market comes down they're gonna come down even more which can't be sustained. They're already down 20-25%. How much lower can that market go down?

Yeah, it's a communist country and I know they don't look at things like this and say oh, you know, we don't react. If your market's down 30-40% you're gonna react. You're gonna see people yelling in the streets. I don't care if it's a communist country or not. Are you kidding, 30-40%, you're seeing everyone's wealth get destroyed because you don't want to work with someone. Again, if they work with us, whether you agree with the U.S. stance or not, but I think an announcement … We heard about them meeting now, the G20, and if that happens, we saw the market get propped up before it came back down, but if they meet and say hey, you know, no more tariffs, we're good, that's a catalyst that's gonna move stocks higher. It's an uncertainty removed from the market.

And the other catalyst is earnings. You talk about the Fed, you're looking at a China resolution, and you're looking at earnings which are gonna be very strong. Those are catalysts, I think, that can really turn things around. If one of them happen it's gonna turn around the market. If all three happen we're probably gonna hit new highs again. And there's a shot that all three could happen. And all three could happen in the next couple weeks with earning season here, China resolution. We could see positive talks on that front and again behind the

scenes and everything that's going on I'm sure they're gonna come to resolution. I don't think China can sustain much more of a pullback.

If we pull back and China's even pulling back further, the correlation was our market's going higher and their market's going lower, right? But if our market's going lower and they're also going lower, it's hard for them to fight us on this tariff thing, don't you think? Common sense. How much further could they hurt themselves or really see that market come down? Eventually hopefully they'll come to terms but these things could happen in earning season. We have the Fed. I think the Fed is gonna ease their stance but it shouldn't be because Donald Trump's out there and even Kramer's out there saying, "You know the Fed, they don't know what they're doing." They should be pressured but they should be doing this.

Again, it's not about pride or anything. You just have to look at the numbers, look at sentiment, and say okay, just say we're not definitely gonna raise rates the next freakin' five times we could possibly raise 'em. Let's just take a wait-and-see approach and gradual … Just a little dovish there and I think that's when you're gonna see the markets really come back and get on some firm footing here. And you'll see a lot of these, especially technologies, significantly sold off, even the good names. Microsoft, you're looking at Apple, the ones that are leveraged, guys.

The Teslas, the Netflixes, those you see higher interest rates, those are the ones that are gonna go down a lot more but you see a lot of high quality technology stocks get nailed too which were a little bit inflated but after a 15-20% decline in a couple weeks, a lot of these names are looking attractive and not only that, you don't have to go to technology but there's a lot of other areas of the market like financials, insurance, a Home Builder. I would buy a Home Builder here. They just so oversold.

Again, I just named a whole bunch of names for you guys that looked very, very attractive here and it's not often you see a

quality 50-60 and if you want to go up to 13 under 12 times earnings you'll probably have more than a hundred companies to choose from that are trading under 12 times earnings and growing more than 15%. I don't think the last time I've seen a market like that. That's attractive to me. So as long as you're not concerned with hey, I might lose another 5-10% of my money in this market, as long as you have a long-term focus, the fundamentals are intact, our economy's still pretty strong, and this is more about technicals with this selloff but you're gonna see more money come back in. I think you're gonna see it during earning season.

So, guys, again I wanted to cover a lot. I'm getting a lot of questions on this. You always want to remain levelheaded in times like this. You don't want to take money out of your 401K and throw it back in there and go back and forth. A few things to take away from this podcast is this is not the credit crisis. I know that's what everyone compares it to and I get it but there's not gonna be another credit crisis in our lifetimes. The banks are just not leveraged anymore, they're not. They're stronger than ever. They can lend money.

We have a Fed that's backing the market as well that you know would jump in here, so we do have backstops in place and things like that, but we have valuations and our market is relatively cheap right now, cheaper than its five-year average and you're seeing a lot of great opportunities open up but wait. Again, you don't want to try to catch a falling knife but during earning season listen to those conference calls, listen to some of these companies are saying because Delta just reported a blockbuster quarter, awesome all around. I heard a stat that they generated more money over the past three years than they did over the previous 20 I think it was. Think about that.

They're trading at eight times earnings, growing everything. Passing on the higher fuel costs, able to do that now with the airlines. It's just incredible operational-wise. You're gonna see a lotta these companies. You're gonna see a good handful, maybe 15-20 companies that are just growing, knocking outta

the park, things are great but because the market's down these companies are down 15-20%. So, you gotta pay close attention to earning season, starts next week, and again, if you have any questions or comments, I'm here for you, frank@curzioresearch.com, that's frank@curzioresearch.com.

So, that's it for me. Have a great weekend. I know it's tough when you see the market coming down like this but be sure to spend time with your family, have a couple beers, relax a little bit, enjoy yourself. The market's up tremendously over the last eight years so we have a little bit of a pullback. It's not the biggest deal in the world. Just understand it's not a credit crisis and it's not you have to go crazy and fight with your family and all the stuff and you gotta worry about paying your bills. No. We'll be perfectly fine, enjoy it, relax with the family and guys, I'll see ya in seven days. Take care.

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