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 December 19th. I'm Frank Curzio. This is the Wall Street Unplugged Podcast, where I break down the headlines, and tell you what's really moving these markets. I know all of you are probably stressed right now. It's December, making plans for the holidays, cooking, cleaning, buying presents for the spouse and kids, traveling. It's always a stressful month, and now you're dealing with extra stress with the markets, which continued to fall outside of what the occasional one or two days ago it goes higher, which we've seen on Tuesday and I'm doing this podcast right now, taping it at 11:00 a.m., before the Fed meeting, which I'll get to in a minute, but the market's doing well right now. It's up.

Frank Curzio: These bounces especially not just December, but November, even October are now being used as selling opportunities. Think about that, a lot different compared to the past three, four years. Every time the markets fell it was a great buying opportunity, get back in, go, buy these stocks. You know what? I have news for you. The selling's likely going to continue at least through year end, which I know is almost here, but probably into January, because it's not fundamentally based. I've been saying this for a while.

Frank Curzio: You'll look at the markets right now, we're trading at 15 times forward earnings on the S&P 500, 15 times forward earnings, and you want to put that in perspective. That's the lowest P the SP 500 on a forward basis since 2004. Almost five years, and the last time that happened. I've got this cheap and that was to put exactly and it was October 2014. The S&P surged one in 35% seven months later. Not

saying it's going to happen, but it can happen because we're relatively cheap levels. So you look and say, well it's so cheap.

Frank Curzio: It was cheap. 10% of the market was cheap on January 1st 2009 it was cheap. It was what turned out to be a great buying up. If you bought there and so held stocks now you're doing great, but that three month period with all this sentiment in all everything, people will forget the market crash another ... What was it? 20, 30% through March until it hit the low, which was what? Six, six, six at and then boom. Took off for eight straight years or even longer. But when we're looking at what's going on, and I know a lot of you looking at your portfolio and saying I cannot believe this stock is dead.

Frank Curzio: It's not the stock. It's the markets, and I know it's frustrating. I'm saying it's not frustrating. It is, but we stick to the fundamentals when you look at them because earnings are growing. They're not gonna grow by 25% like they did last quarter and one and 20% last couple of quarters. A lot of that due to tax reforms, but they are all going to grow seven, 8% easily over the next 12 months. And I say easily because I'm not include the hundreds of billions of dollars in buy backs that have already been announced. I mean Apple Maps, it's on buyback itself, and you look at the risks which you read about every day, which are made to scare the crap out of you.

Frank Curzio: This way you're reading everything. You got to be talking about a little holidays. That's what drives the media. Remember it's page views. They want to just scared the hell of you as much as they can. They've been talking about trade wars since February, and our market hit all-time highs through September now saying, wow, these trade wars are a little series. They're much more serious with China. Everything that's going on because what we know is China can't sustain this.

Frank Curzio: I've talked to my contacts in the eight columns, podcasts, and they're not really worried. They're worried now because they can't continue to play hardball. Politics aside, I'm not saying well we are the U.S. and they got to deal with it. No it's not that. I'm talking from a perspective of your portfolio, and that's all I care about is making you guys money. Okay, so leave the politics aside. Leave everything aside. Leave you think we're wrong or right during this trial, whatever. Leave that aside. You got to deal what's happening.

Frank Curzio: That's what happened during the credit crisis guys, because in 2010, 2011, everybody complained that I cannot believe we bailed out the banks. It's all ridiculous. You're right. Nobody could believe it. Everybody hated. Nobody got arrested, but you know what? The federal government, our government backed everything. They took risk completely off the table. They took all the bad assets. Think about. Think about how crazy Barclays was, what a bunch of idiots during the credit crisis, they had the opportunity to take over Lehman, which we let go bankrupt, which everybody high five each other until about a week when the whole entire system collapses and all the credit froze.

Frank Curzio: Barclays had a shot to by Lehman Brothers. And you might say, wow, why is that good? It's good because the Fed was going to take all of the garbage off their balance sheet to stabilize Lehman and say, hey, just buy Lehman we'll backstop all the garbage like we're doing with Bear Stearns, and that's why every day they gave JP Morgan all that, all the Merrill Lynch, all those deals, they took all the garbage and said, we'll put them in one pool. We'll back them. We just got to stabilize the system and we'll throw money into the banks. And Barclays said, you know what, no we're not going to do. Would've been a pretty good decision.

Frank Curzio: So instead of complaining back then, and say, wow, hopefully everyone went to jail. What your mindset should have be as someone who owned stocks and has a portfolio is there's zero risk in the marketplace. They were giving us checks to buy houses. They were giving us checks to buy cars. So again, politics aside, personal feelings aside, this is about your portfolio and when you look at China, they cannot continue to play hardball unless they want to fall into a depression because they're already in a recession. When it comes to manufacturing, housing and retail sales, last month, grew at the slowest pace in 15 years, it's going to get worse. GDP expects are growing north of 7% next year.

Frank Curzio: Now those estimates are six percent and that's still super optimistic. China's going to have to come to this census. They're already doing that. They worked out a deal to lower order tariffs. They're going to continue to do because they cannot sustain this. They'll do it behind closed doors and they'll say we really didn't agree with … Whatever they need to do. As an investor that risk is going to come off the table. It has to because China's not want to fall into a depression, and it will happen soon. So for me, I don't see that as a big risk in 2019, maybe for the first few months. Another risk, higher interest rates, get them doing this podcast before, right before.

Frank Curzio: So I'm doing it before they're going to meet. Right now there's a 60% chance the Fed is going to raise rates. That was more 80% it came down. So they're probably going to raise by quarter point five I guess, and then come out and say, look, you know what I could have raise, they won't say they won't raise of 2019, I'll be surprised, but they're probably gonna say, look, we're going put on hold and monitor conditions a little better and let's face it, you're looking at higher interest rates of course. It's gonna result of slower growth, that's normal, that's fine. But the big overhang with the Fed is not just about tightening or raising rates, which I agree with over the past two years.

Frank Curzio: I mean we had zero. We need to go back to some kind of normal level. I get it, but there's tons of uncertainty where the Fed was basically saying, you know what, we're raising rates no matter what. I mean six months ago, no matter what look at the data for a second. What's going on? We're seeing housing come down tremendous and we're seeing a lot of things. We've seen consumer spending come down, manufacturing come down, just a little bit. Not a recession, but you're seeing this impact where maybe you shouldn't be so aggressive, but more important is the uncertainty of what they're going to do, because you have public figures like Cream which has a big influence whether you like them and not get.

Frank Curzio: I worked for them. I like them, but some people don't. That's fine. I get it. I understand you like whatever you want to like, but calling them out every day on his show, mad money and saying, they're crazy. They got to stop raising rates and again, he has a history of being right with that. What did the last blow up and crazy meltdown he had, but he was right when he said they had no idea that raising rates while during the credit crisis, you also heard the president's been vocal. Pissed off the Fed continues to raise rates saying it like in every other tweet nowadays. Again forget politics. I don't care what you think of Trump. This is about your portfolio.

Frank Curzio: My point is it creates uncertainty and that's a killer for the markets, so no one knows what the Fed's going to do. Right now we're seeing, I'm guessing and I'm going to do this telling you again, 11:00 and the markets up, I'm looking over 200 points was up yesterday and I could see it being up because of the Fed says hey, you know what, we're going to stop raising rates or if they don't raise rates today and also say we're not going to do it for 2019, which I don't think they're going to say. At least I think they'll say, more like wait and see approach and stuff like that, but we're going to calm down a little bit, and in the market probably go up a little higher, I don't know, maybe finishes down 500 points.

Frank Curzio: That's the way it's been up 500 down 500, 3% moves either direction in the market. I mean crazy volatility and more than I've seen again because it's not fundamentally based, but getting back to the Fed, if they do stop raising rates it's going to be positive. At least you know, in the short terms this higher rates are impacting consumer spending. They definitely impound the housing. We've seen the numbers come out, one of the biggest drivers of the economy along with overall consumer spending and what are we seeing in the markets.

Frank Curzio: When the markets are starting to fall, they're falling. We've seen a company like Apple is too large in the world, the best company went down 30, 35% percent from its highs. Down components down more than 20% which we're going to stop left and right, and we've done a lot of stocks early, but yes, we were going to fall in with everybody else, and get to where I'm going with this, which is very important. So bear with me. Are you looking at those higher rates and what is also impacting international markets, overseas, they're dead is pricing dollars. US dollars continues to rise, is strong, it's hurting them, but that's got to be a risk that could come off the table. China trade war and the Fed, which has been two big risks pushing down this market could come off the table very, very soon.

Frank Curzio: But these are risks. They're out there, no doubt, but right now the markets are trading as if we're currently in a recession. That's why they trade at 15 times forward earnings. That's what you're saying that they're currently in recession and we're not. The numbers don't suggest it, we're slowing down. It's a big difference. Yes. Spending, housing, earnings slowing down. Fact, there's little evidence that a recession will occur over the next two to three years. That could change in a heartbeat as you know, spending is a function of sentiment, optimism. When people are scared the markets continue to fall further, they will start to spend less. Maybe that's happening now, we'll see the holiday numbers and they're going to save more.

Frank Curzio: Now for the markets out there, savings are the he right thing to do. If you're ... Self-help gurus save you money. You want to save you money. I get it. You should be saving your money, but when it comes to the economy, saving is terrible, right? You want to have people spend money and that's the goal. That's why the economy drives itself, and that's why credits and debt is such a big thing. When you're looking at spending, again, a functional opposite that could change in a heartbeat, and that could push us into recession. Again, I don't see this happening, I'm just throwing it out there and see it happen at least over the next 18 months.

Frank Curzio: But we're seeing stocks continued to slide mostly for obvious reasons right now. Look the market we're up a ton through September, you can say they will help a ton for the last seven years. So as they go up through September, what's happening? Well, a lot of people took profits on the big winners, including us on our portfolios, took a lot of profits and a lot of stocks, they we're 300%, 200%, 100% sell half positions and stuff like that, so called profits. So now we have profits in our portfolio and all the sudden, my blue chip portfolio that's supposed to be stable, I'm seeing consumer staples down 15, 20% now. You know what? Let me sell some of these right to offset my losers for tax purposes. Now you see the whole market come down, now that could result in more and more selling.

Frank Curzio: Also think about mutual funds, hedge funds, private equity firms, and some of these managers, almost all of them get paid based on performance. They make a base salary, but they get a bonus based on performance, and you know what, as a portfolio manager, it's pretty smart to lock in your gains before year end, especially if you see the market's coming down. I mean through September you high fiving and going, wow honey, we're going to buy two new houses, and next thing you know, your performance went from up 5, 7% to down 4, 5%. And to stop that and to start selling out of positions, it can happen very,

very quickly guys, I mean with the way the market is, we haven't seen a market pull back like this since the credit crisis, and what's happened over those years.

Frank Curzio: I mean algorithm trading. You're looking at passive investing ETFs, and what is it? Vanek and what else do you have? You have black rock, you looking at your two or three that control 30% of all the money in the stock market right now. That's how high it is. I mean state street. I mean you're looking at these companies a Vanguard, so it's Vanguard, BlackRock, Vanek, I mean you look at those three when it comes to ETFs, I mean holy cow, and you look at a 25, 30% where they own every stock. If you look, look at the largest owners of any stock and it has to be 500, I guarantee you Vanguard and BlackRock are going to be in the top five. They own everything. That's how big they are.

Frank Curzio: They're not even selected well I wish ... No, they create a massive ETF that owns everything. So when you're getting redemption's, everything's being sold. You're not diversified here, doesn't matter what you own, but you're looking at all this and it almost causes more selling. Like I said, fundamentally the market sound. I mean don't worry about debt levels is something that's been a concern for the 70 years, and when it comes to debt, the only thing that matters is being paid as being paid on time. And based on the banks, the Fed it is. Of course, interest rates are really ... Interest are the most important thing, but again, companies are paying off debt, paying it on time, which is key.

Frank Curzio: I know debt is a hot topic. Bears love talking about, but I have to tell you there's tons of warning signs and indicators that we'll see. It just becomes an issue. Monitoring the bank's balance sheets, loan losses, major moves in the bond market, credit default swaps on banks here and internationally. These are things, credit default swaps guys are basically insurance against the possibility

of default and you'll see these things trade and give you a good indication like, whoa, you better be worried. We see with Deutsche Bank. Right now there's no evidence or warning signs that your debt is a big concern and this indicates that we will monitor and look at that, that will let us know that, but right now it's okay, so what do we have with the market's falling? Not Fundamentally based.

Frank Curzio: As an individual investor, what do you do? What does that mean? It means that you need to limit your risk. This is something that we preach in our newsletter, something I preach on the podcast. Look, I hate taking losses. You, hate taking losses. We all hate taking losses, but that's to tell you every stock we stopped out at in the past month or two is probably down to another 15 to 20% from there, not because of fundamentals. These are good names and I know you're looking at your portfolio going, man, I can't believe that this stock is down 30%. They just reported good earnings, but it's the market everything selling off.

Frank Curzio: So it's important to limit your risk. Don't fight the trend. No matter how good the numbers look, it doesn't matter because to be honest, the market was cheap in early November. Just like the market was cheap. Like I told you in January 2009 before it really came down. Would have been the ultimate buying opportunity by March 2009? Because March 12th was the date, the actual date March 11th maybe to buy. The reality, January's good time to but man, it cost you. You're like, Whoa, holy cow. I can't believe we fell even more.

Frank Curzio: They can't tell you the number of stocks and seeing that are trading below 10 times earnings, growing those earnings more than 15% and paying in 2.5% yield. Guys I have been screening for stocks for 20 years. That's rare that you see. Doesn't mean that if you buy now, it's going to go down, and you get scale in certain positions, but more important if you own stocks and, they're coming down, you have to limit your risk. Be sure to follow your

stops. This will keep money on the sideline. Again, you're going to take losses. It's not fun, but it's a lot worse when you take it at 70, 80% loss, which you're going to see.

Frank Curzio: I screened for small caps recently. Amazing statistics. You look at 17% of that index stocks, 17% of the stocks are down 50% plus. You only have 30% that's actually showing gains. There's like 27%. But think about it, that's a big portion of that index is down more than 50% these stocks over the past year, or year to date, so by keeping money or the powder to dry, we call it, it gives you the opportunity to buy a lot of these stocks as they come down.

Frank Curzio: Again, scaling into these positions. You're doing smart things, but bear markets are great for people that are prepared, and you're prepare by limiting your losses, you're going to take losses. It's fine. Everyone in the world takes losses. It's the people that limit their losses when times aren't good because those are the guys that are able to buy money to use that money to have cash when everybody doesn't have cash and they're able to buy assets at much, much cheaper prices.

Frank Curzio: Now I put together a special interview today with a good friend. His name is Dr. Richard Smith, The CEO and founder of Trade Smith. He's a PhD in math and Systems science, where he spent most of his career finding ways to help individual investors reduce their risk by using stop losses, position sizing, asset allocation, but they have a great in detail very awesome conversation with him about his company, his motivation by helping individual investors manage their portfolios, and how to use simple tools to reduce your risk because bear markets again of the greatest thing in the world for people who are prepared. Doesn't mean you're not going to take losses like I said, but it's about limiting those losses.

Frank Curzio: Having that dry out in the sidelines, very very important. So my interview with Rich guys, please listen to it once, twice, 10 times because it's going to help you become a better investor, which means helping you manage your portfolio better, and not just read a great times where everyone is a superstar with the market. It's going higher for seven, eight straight years and everyone's high fiving and it's awesome, but even through the bad times. Later on in my educational segment, I'm going to go even further about risk management because I could give you a real life example how I saved my subscribers a fortune because I limit my risk on one of the best dividend paying companies in the world. So for disclosure, I'm going to talk about one of my losers. I know you almost never see this from money management, especially from financial newsletter editors since it's terrible marketing.

Frank Curzio: Forget about that. It's more important because the segment is going to help you become a better investor. Since we always, even though we don't wanna admit, but we always learn more from our losers, our mistakes compared to our winners, so get that special education segment in a few, but first, let's bring in Dr. Richard Smith, CEO and founder of Trade Smith. Here's that interview right now. Dr. Richard Smith. Thanks so much for joining us on the podcast.

Richard Smith: That's great to be here. Frank. I've wanted to be on your show for a while now, so really looking forward to spending time together.

Frank Curzio: I appreciate that. Now I'm sure the audience and listeners don't know this, but we go back a long way where we were at Stansberry together, and you worked with Steve Sjuggerud a lot, Amelia island, which is ... I was working at that office with him, Tom Dyson, and all those guys, and I got a chance to see your lot and you were even my golf partner a few times. I think you beat me a couple of times, which is. Yeah, maybe I shouldn't even mention

that. But who knew back then?

Frank Curzio: We're talking four or five years ago that we would both have our own publishing firms. Me with Curzio research. You with Trade Smith. Go over. What made you start this company? When did you … Because I know you were working with Stansberry a lot, what made you say, you know what? I want to make a difference. This is what I want to launch. This is what I want to do, and give listeners maybe a little bit of background, and what you're doing right now because you're growing tremendously.

Richard Smith: Absolutely. I mean, going back to why I went in to business for myself in the first place. I finished my PhD, and I just thought, well, I could go into academia, nah that doesn't sound very fun. Actually read this quote from Woodrow Wilson, President Wilson, who was the president of the university and he went on to become president of the US [inaudible 00:21:21] Why did you want to become president of the University instead of president of Princeton. And he was like, well, I couldn't take the politics anymore.

Richard Smith: The politics in academia are so petty and brutal and I really wanted to innovate. I wanted to develop my own staff. I wanted to develop my own team. I wanted … I love the creativity in business and the opportunity to innovate in ways that you just can't really do in academia or in a research institution. So it just has built over the years and then five, six years ago I took on partners, and that definitely accelerated the trajectory and the learning curve. I mean, you've been in business yourself for a few years now, Frank there's a lot to learn wouldn't you say?

Frank Curzio: Yeah. Just a little bit. We can even go on about that because for me, when I was working, I was just writing newsletters and then Stansberry hired me. I worked there for a while. I worked for another firm briefly, and my job is just write newsletters and that was cool and I never

really appreciated how much goes behind this. It's more than just writing a newsletter, designing, going and make sure your marketing is in tune, make sure everything, everyone's on the same page. When to market, marketing schedules. It's just dealing with different people and I never … Now when it comes to report at Stansberry because Mike Ward and a lot of biggest publishers that we have out there [Inaudible 00:22:49] I really have an appreciation for what they do because I didn't realize how many moving parts and how difficult it is. I love it, but I'm sure you're going through the same stuff yourself.

Richard Smith: And how about recruiting?

Frank Curzio: Recruiting is always fun and dealing with employees.

Richard Smith: Executing, making plans, setting goals, achieving them, saying no to things that you'd really like to do, but you can't do them because you don't have the resources, and it's an opportunity cost. Right. Businesses has just been shockingly creative experience for me. I went to Berkeley back for my Undergrad, so I was heavily indoctrinated in the anti-business liberal realities, realities, ideology, but it took me a while to kind of warm up to the creative side of business, but man, it really calls you on the carpet so to speak. You got perform every day, you gotta be creative, you've got to talk to people, it's just awesome. I love it.

Frank Curzio: Yeah, me too. Me too. And networks is so important and have the people that help me out and people that ask questions too, and like you said you partner with someone that few people that really accelerate the process. But it is. Even the business managers did that job for 20 years. It's always a learning experience, especially at the beginning for young entrepreneurs out there. I think one of the mistakes I made is you want to do everything at once because you have so many good ideas and you're like, wait a minute. You don't have the resources for that. So you have to just step back a little bit and focus on, okay, this

is what's going to generate money for us and when we do that, okay, now we can launch a new product. Now we could do this, but I'm just that, that whole period of just learning and stuff. It's been fantastic.

Frank Curzio: Like you said, I love it. It's a great business, it's a high margin business and if you get it right it can be really good. But like you Richard, we talked about this. It's not like, hey, we're creating these businesses and I want to be worth $100 million tomorrow. You have a passion for doing the right thing for the investors and why don't you get into that a little bit of trade stops because what I love about your system is you talk about things that people or individual investors, mom and pop investors don't really think about.

Frank Curzio: Not in a bad way, but when you're buying a stock, what do you think about how much money I'm going to make with you? And using your system … Listen, in case you're wrong, because unfortunately we're all going to be wrong sometimes. Here's the risk management you need to use. Talk a little bit about that system, which is great for investors.

Richard Smith: Well, it all has grown out of my own firsthand experience as an industrial Frank. Going back to the late 90s when I first started in 1998, 1999, the dotcom boom was going on. I [inaudible 00:25:38] my life savings, which amounted to ten thousand dollars at the time I'm still working on my PhD and I run it up in like a year to forty thousand and I'm feeling pretty good. Pat myself on the back, March 2000 rolled around and my portfolio's going down 5% sometimes 10% in a day and you have no idea how to react, and no idea how to manage that situation and I barely got out of that market with my initial capital impact.

Richard Smith: And I know that a lot of other people didn't get out with their initial capital intact, just pretty sad to say, but it

was a real wake up call for me that, hey, it's one thing to be getting great information, great ideas, even to have good stocks in your portfolio to. totally different thing to actually manage risk, manage your own emotions, make consistently good decisions that aren't emotionally driven or impulsive. Just a quick side story related, but this guy that was Trump's right hand man for a while, that's Steve Bannon.

Richard Smith: His father Marty Bennet had worked for AT&T his whole life, and they had all this money in retirement and sort of family wealth tied up in AT&T stock and at the bottom of the 2009 stock market crash. Marty is watching TV and he can't take it anymore and he sells all the AT&T stock, at the bottom and that's what happens to us as investors if we're not careful with ... We're too committed to one position at too much money in our stocks, we don't really have a good strategy for when to buy, when to sell, et cetera. So that's what I found myself and a lot of the products that I've developed have been strategies for essentially me becoming a better investor myself.

Richard Smith: Seeing what works for me, talking to other people, and then bringing those products to the market. And I think that, that's what's really unique about my work is that I'm really focused on what is real flesh and blood retail investors need to succeed in the markets and that might be different Frank than what an MBA in finance needs. We're in the markets, our customers are in the markets. We're running businesses, we've raising family. We're not watching the markets 24/7 or intraday trading necessarily. We're dentists, we're doctors, we're entrepreneurs, we're teachers, all kinds of different things that are kind of taking up our lives.

Richard Smith: How do you really create tools and algorithms and opportunities for people who don't want to spend their whole lives studying the markets but still want to be successful investors that we can use those and hold

our own and hopefully even outperform the rest of the participants in the markets. So I think that's what's been kind of unique about my approach. Of course, I started out with simple trailing stops, and I learned about those from Steve Sjuggerud, our mutual friend and somebody that I know both of us admire immensely.

Richard Smith: I'm a mathematician and a computer guy. I started taking simple trailing stops, like the 25% trailing stop, and saying, well, what would have happened if all the stocks that I picked, I just sold them on a mechanical 25% trailing stop instead of going through all those emotions about when to sell. And Low and behold, a simple, 25% trailing stop strategy, no emotion, no drama. I would have made twice as much money. That sounds pretty good. So I don't have to go through all that emotional upheaval and I get to make twice as much money. I'll take that, that sounds interesting to me.

Richard Smith: So I have stock tested, other people's portfolios. I even backed up to Steve Sjuggerud route newsletter track record, he's got a phenomenal track record, but I see that a mechanical 25% trailing stop strategy. I'm like, wait a minute. [inaudible 00:30:13] P 500. But if he had just exited on a mechanical trailing stops strategy, he would have made another 50% again. How could that be? I learned about trailing stops and this guy is using trailing stops. Well, what I found is that he was using trailing stops to get out of his losers, but he was selling some of these winners early. Oh, you know, got into the stock. It went up 100% in six months, let's take the money off the table now because we got something that we weren't expecting to get.

Richard Smith: Well, I found that if you had let those winners run and only get out of them when a trailing stop hits, then you could have... That 100% gain in six months, could have turned into a 1000% gain in like two years. That really kind of was shocking to me, and then also really triggered

my research into essentially behavioral finance, and now two Nobel prizes in economics have been awarded one to Daniel Kahneman. And then the second one to Richard Thaler in economics. This past year about how … When we're losing, we want to dig ourselves out of the hole. We want to take more risk to get back, to break even. So we're willing to take more risks, put more money on the table when we're losing. But when we're winning, we want to pull those profits off the table.

Richard Smith: That's kind of our, our bias that we bring almost every decision. We don't …. So essentially we create opportunities for our losers to get away from us, but we don't create opportunities for our winners to totally define our expectations to defy logic. That was my first real aha about why am I not succeeding to the degree that I know I'm capable of, and why are the vast majority of individual investors not succeeding to the degree that they're capable of. And it's because of these biases that we bring to our decision making that we're not really aware of and that are the exact opposite of what we need to be doing to be truly successful in investing.

Frank Curzio: It's so funny you say that because how we're programmed is, we buy the exact wrong times and we sell at the wrong times. This is sort of how we were programmed. Where everyone says, I wish just market came down, 20% so I could buy, its down 20% everyone is like I'm not going into market. It's scary now.

Richard Smith: Yeah. I remember when I was five years into investing, I'm like, man, if I had just done the exact opposite of everything I did in the market, I'd be a wealthy man. How could that be you? And you and I know Frank, the markets make everybody feel this way. Who goes into the market and goes, oh yeah, that was easy. I made a $1 million, it was nothing. Everybody goes bankrupt three times before they finally figured out. My gut instinct, my guns when you made shooting from the hip, I guess I'm not as smart

as I thought I was, maybe I better be more disciplined about that.

Frank Curzio: It's funny that you say that because I'm going to use two sports analogies here because I want you to check out behavioral finance, and we're all emotional. I don't care if you are the biggest hedge fund manager or you're not. There's a lot of emotions unless you have a renaissance in just pure algorithm system. But when I say the Philadelphia Eagles were tolerable. They have the same talent, the same everything. They had a couple injuries whatever and won the Super bowl year, and now you have this year they come in, they don't look that good. Their starting quarterback once gets hurt, they bring in Nick Falls.

Frank Curzio: All of a sudden they just beat the best team in the league at their stadium. It's not that their players are great, and are better all of a sudden. It's just that the sentiment around it saying, hey, last time this happened, we made the Super bowl talk about that because sentiment is so important when it comes to investing where it's emotional, it's feelings and you're able to play through that through algorithms.

Richard Smith: Yeah. One quick side story here. One of my customers came up to me and was like, I'm a scientist. I'm a risk manager, but when it comes to my stocks, I get so emotional. I'm like, well, what's your day job is? He says, I'm a safety engineer for NASA. So he's like in his day job he's feeling risk management and safety engineering for NASA. But when it comes to his stocks, he's like an emotional basket case, and so we can be intelligent, have IQs, be successful. But the bottom line is when it comes to money, when it comes to making decisions in investing, we're all emotional.

Richard Smith: And people used to say about my work, how you take the emotion out of investing. I know what people mean when

they say that. I helped them make decisions that are a little more algorithmic and take some of the impulsive emotions out of investing. But investing is emotional and it's our money. It's our success, it's our family's futures. It's pride, it's exciting. So there's no way to completely take emotion out of investing. You're emotions are going to have a seat at the table whether you like it or not, and really being able to kind of be in the markets and be able to manage your emotions, I think that's what's really critical.

Richard Smith: I do want people to be emotional about investing. I want people to be able to care about what they're invested in. Like bringing Nick Falls in, and beating the rams. When you can get the right emotions into investing, it can really add to your success. I think it can really elevate your game, but you got to make space for those inspiring and enduring emotions to be present instead of just like, oh my God, you won a mask, smoked pot on Joe Rogan's podcast and it knocked down 20% today, should I sell. That's not an emotional ... That's not an enduring emotion that's gonna win a Super bowl. That's an emotions that's gonna get you to make an impulsive decision that you're going to regret when you wake up the next morning.

Frank Curzio: That's a good example because a lot of people sold because of that, and probably 250, 260 and it's whatever 350, 360 now. But it is amazing-

Richard Smith: Oh my God, this thing's [inaudible 00:36:49] he's smoking pot on Joe Rogan's podcast.

Frank Curzio: It's funny because you brought up something that's interesting because a lot of times when I have educational segments and I talk to my newsletter and we're saying if it's not that we're geniuses, it's because we made mistakes in the past and one of the mistakes that I hear, even from people in emails that I made in the past is when you're holding onto one of those losers that are down 70%, it's

more than the stock just being down 70%. Because that's the one you're focused on everyday going, why is it going down? Well, maybe the sector's out of favor.

Richard Smith: Absolutely.

Frank Curzio: Instead of looking for new ideas, there's great things, maybe the market's coming down you are focused on just these losers, but you know there's gonna be opportunities because the whole market's down. So talk a little bit more about that. The emotional part, which we went over, but how many times have you heard that from just individual investors? Because I'm sure people sign up to your system saying, well, you are taking the emotion out of this and this is one of the reasons why, because I hate seeing that when people are down 70% of the stock that I stopped out of, which I instructed people to sell and they're still in it and I just … It's just difficult. I hate seeing that

Richard Smith: Yeah. Well, there's actual capital that your money that you have in the markets, but there's also your mental capital and I think every investor needs to be keeping track of their mental capital account. Just like we're keeping track of the money in our brokerage accounts. Because absolutely right, you get into one of those tough situations where some have gotten away from [inaudible 00:38:20] to the downside and you really start to focus on it to the exclusion of other opportunities.

Richard Smith: I think you're absolutely right. That's an additional big risk of putting yourself in a top position, that you're not able to really manage anymore and that you let get away from you. In my work there's a couple of different ways of essentially making sure that you don't get yourself into that position, and one is a trailing stop strategy, and you know, that I've evolved the trailing stops beyond just a simple, fixed percent trailing stop.

Richard Smith: I have a proprietary algorithm that I developed that I call

the volatility quotient or the VQ, and gives people an idea of, of how wide of a trailing stop can use on different stocks. So it might be, 10, 11% on blue chips like Johnson and Johnson or Walmart. It might be 17, 18% on kind of blue chip tech stocks like Microsoft and Apple, Tesla, Twitter 35% let's say. Junior gold mining companies, 50, 60, to 70%. That's basically telling investors how much noise or randomness is in this stock. If I want to hold it for 12 months or more. So instead of using a 25% trailing stop. If Johnson and Johnson falls 25%, then it's like the world's ending.

Frank Curzio: Yeah. And that's what's happening now.

Richard Smith: Tesla can fall 25% in a month, and that's normal for Tesla. You gotta be able to ... You got to be prepared to be okay with that if you want to be in Tesla, to have Mars literally take you to Mars or the moon or wherever he's going.

Frank Curzio: Yeah.

Richard Smith: That's one thing, having a self-strategy that you have confidence in. But the other part of it, and this was something I discovered a little later in my work, Frank, is deciding how much to invest in different opportunities, and just how I use that volatility quotient to decide kind of where my sell point is. I also use that volatility quotient to decide how much to invest in different opportunities and if you put more money into the stocks with lower volatility quotients, and then I like to say just the right amount of money into stocks that are very speculative and you're swinging for the fences.

Richard Smith: Then, let's say a highly speculative biotech stock that doesn't get the results in it FDA trials right away and takes the 25, 30% hit. Well, if you have the right amount of money in that stock, you're like, okay, well, 30% that's rough, ouch, but you know what? I didn't have too big of a position in this stock, but now I've got to make an

emotional decision. I was prepared for the possibility of a 30% correction because I'm using the right cell strategy because I've invested the right amount. I know you've heard the phrase strong hands and weak hands.

Frank Curzio: Mm-hmm (affirmative)

Richard Smith: Now you're the strong hands in the market, you're not going to get shock out of your position just because of random movements that are beyond your control to predict. I call it the sleep number, I wish I had a copyrighted or trademarked that phrase but unfortunately, a mattress company came up with it instead. But people have to have their sleep number for different stocks, different investments.

Richard Smith: Now what strategy do you need to be able to be invested in this and still be able to sleep at night. I think that really in a nutshell, describes what I think my work has uniquely done for a lot of investors and what I've kind of uniquely contributed is to help people feel like they can be involved, and in managing their risk and not have to be, just terrified of disaster coming around the corner any day now, and having an itchy trigger finger.

Frank Curzio: I hear Ya. And like you said trading stops it's not just about … It's more than just stops, but you talked about position sizing, asset allocation. Could you take us through a real life example of somebody because I love what your website does, where it's … You mentioned a couple things. You mentioned volatility, quotient and algorithms. When people, I'm sure Mom and Pop investors are like, whoa, whoa, what's going on? But you do all the work for them and tell … Because it's basically you're taking that portfolio, throwing it into your system and then it all … You're doing all the work for them. Take that through that process. If someone was like, hey, you know what, I want to try this, here's my portfolio E*trade, Ameritrade, take us through that part.

Richard Smith: So subscribers to trade stops can literally download their portfolios from over two dozen online brokers right now. One of the things a lot of people appreciate about trade stops is it's sort of a one stop shop for … Because like I have an accountant used to be options express, now at Schwab. I have a couple accounts at Ameritrade. I got a 401k account at Fidelity but I'm able to download all those different portfolios into trade stops and use trade stops as a single kind of portfolio management location.

Richard Smith: And then in addition, as a consumer of financial research, we worked with 10 plus publishers now and I'm so I'm a subscribers to different research companies are able to actually get the newsletter recommendations inside of trade stops. And now you've got your existing brokerage accounts, potentially your newsletter recommendations from a lot of different publishers and now those were all together in one place.

Richard Smith: You can see your portfolios. In trade stops we have a simple yellow light, red light, green light system that's based on kind of our self-strategy together with the momentum indicators. So, you can see kind of where your investment stands relative to this red light, yellow light, green light system and also investments that you're considering adding to your own portfolio as well.

Richard Smith: So all of that and trade stops and cover US stocks, Canadian stock, London stocks, Australian stocks. In the US, we also cover options ETFs and mutual funds. So it's quite a vast database that pretty much has everything that you might possibly be interested in. So, somebody's coming into trade stops initially, they're probably coming in thinking, oh that, Dr. Smith is right, I need a more systematic way to decide when to sell, decide how much to invest.

Richard Smith: Those are simple tools in trade stops, but you can set up trailing stops, you can use our red light, yellow

light, green light system, you can use our position size calculator. I've been at this for 13 years now, Frank, and I'm very passionate about developing even more powerful tools that, make investing decisions easier and easier. It's still kind of customizable and individualized for people, right? We're not managing your money. We're not making the decisions for you, but we have this incredible tools. One of them, for example, I call the risk rebalancer, and uh, you know, how I talked about putting more money into lower volatility stocks and less money into higher volatility stocks. This risk rebalancer ... What's in your portfolio now, or 20 stocks that you want in your portfolio.

Richard Smith: How much money do you want to spread across these stocks say $100 thousand? Click a button and it tells you exactly how much money to put into each stock. So you have equal risk, based on position size across all the stocks in that portfolio and that amount of money. So that's a great illustrative example of how we've been able to evolve these tools and strategies and use the power of technology and software design to give individual investors just absolutely original, unique, noble ways to improve their decision making in their own investing.

Frank Curzio: So far you can say you've been successful just for the fact that how fast you guys are growing. And things like that. I'm a big fan of the system as well, I'm a fan of you Rich as you know, I just wanted to end with this really quick because you did great job explaining everything and we covered it. I just saw a commercial for trade stops on the CNBC that you were on. So now that you're big time, does that mean you're going to forget about us old guys or what?

Richard Smith: Well, you know Frank. I actually did a TV commercial when I was a kid. I grew up in Los Angeles and I did a McDonald's commercial, and if you blinked you would have missed me in the commercial. Of course my mom saw me but my sister went on to be a successful actress

actually in her career. So it is kind of ironic and funny for me to be back on TV now advertising my own business. I was like oh, I guess that acting class back when I was 13 actually paid off a little bit. But hey, you know me man, I'm very passionate about what I'm doing. I feel like I have a unique message and I've been at this. I'm an overnight success, 15 years in the making.

Frank Curzio: I like that.

Richard Smith: Fifteen years overnight success. But over that 15 years, I've worked with fifty thousand investors today, thirty thousand people are using trade stops when they're tracking over twenty billion of their own assets inside of trade stops, and I've spoken to probably 100 different audiences and over and over again, I've seen people nod their heads like, yeah, yeah, that's me. Yeah, that guy's talking about me. So just that conviction that's built up over watching, my message be received by audience after audience is like, hey man, let's swing for the fences here.

Richard Smith: Now let's take this to the masses. Why not, and going back through kind of our original conversation around being an entrepreneur, Frank, I know you probably know this, but I remember at a certain point in my career, you have a lot of self-doubt, I might not be perfect, I'm not sure I want to put it out there yet, but at a certain point it's like, you know, why not me?

Richard Smith: Why not just go for it, why not unleash it, and try to just see where this thing's going to go. So that's what those commercials are about, for me it's like, why not. Let's put it out there. We've got a good track record, we got a great product, we care about our customers. we had great results so far. I think swing for the fences maybe when Nick Falls is winning the Super bowl. I will be running my first Super bowl ad.

Frank Curzio: Yeah. Just remember that, because as entrepreneurs and, like you said, it's like, well let's grow this thing. Let's

keep growing. And sometimes you don't reflect on what you've accomplished, and that's been one of my problems. Something you'll just take a step back and say, holy cow, look where we are-

Richard Smith: Great point man.

Frank Curzio: Always in growth mode. We've got to grow, grow, grow, grow, grow, and what we've accomplished. Like you're on CNBC or on TV, you're growing your business, is becoming a major, you know what I mean? So it's pretty cool. But that's one of the mistakes I always make where I just don't take a step back and enjoy it. And it's always growing. You got to grow the business, grow, grow, grow if you're successful just take a step back a little bit and say, wow, this is pretty cool. At least sometimes I guess.

Richard Smith: They're [inaudible 00:50:52] you're always under pressure and it's never easy so that is an excellent point to end that Frank. Thanks for doing my interview.

Frank Curzio: Oh yeah, no, I hear you. Yeah. Your job's never done. And one of your own company. Now, last thing here is if someone wants to learn more about this and try your system and trade stops, Rich what's the easiest way they can do it?

Richard Smith: Go to tradestops.com TRADESTOPS. Tradestops.com We have a money back guarantee on all our trials. There's a lot of information there on the website. I'm very passionate about education, just hop on board, you got nothing to lose and Frank congrats on your success. It's great to see you out on your own and taking these risks, I know it's not easy and succeeding in stops and what an awesome podcast.

Frank Curzio: I appreciate it man. Listen, thanks for coming on. Don't be a stranger. We'll have you on soon. And if you ever need anything, just give me a shout. Thank you so much for doing this man. I know you're traveling a lot, you do a lot

of things now and doing commercials all over the place and stuff. So thanks so much for hopping on the podcast, man.

Richard Smith: Alright. Likewise.

Frank Curzio: We'll talk soon.

Richard Smith: Thank you. Bye.

Frank Curzio: All right. Great stuff from Richard and [inaudible 00:52:08] for a long time golfed together. Good guy. And just see his business succeed and now he's working, we're kind of in the same boat, but I bet that you do have appreciation for a lot of our competitors out there that we worked for. And for me, I was just writing a newsletter and sometimes it wouldn't get done on time or not because of me, I'm a sucker if it's to really get things done on time.

Frank Curzio: There's a whole process behind it that I really didn't appreciate how hard people work behind the scenes. Now you run your own company, you really do have appreciation for a lot of the guys even he mentioned Stansberry, the guys at Money Map and a lot of the Gore affiliates and stuff like that and Banging Hill and things like that.

Frank Curzio: And the Gore financial, again it's a small industry so we all know each other, but you do have an appreciation and respect and now that you're in the same boat with them that I never knew unless you actually do and how much work now, how difficult it is and how many people you deal with and stuff like that. So, I hope you guys love that conversation. I mean, he was, talking about being entrepreneurs. We talked about, just how important it is and sometimes maybe it's my fault. Well, I come over on this podcast and it's not that we sound like know it all, it's that we're trying to teach you from the mistakes that we made in the past that you don't have to make. Sometimes that's not a good thing to do.

Frank Curzio: Sometimes you have to make those mistakes. If you have a model portfolio and your stocks and it's down 40%, you don't care, you're not looking at it, but if you have money in it and you lost 40%, you care, you know, you're like, why is the stock down? You start digging. You go through the emotional periods and everyone's emotion. Like Rich said, no matter how much you think you're not, everybody is. Everybody is. I mean, you saw Ackman, an icon on TV. Was that three years ago, whatever it was, how crazy was that? They would go, I'm a big a millionaire than you and I'll be jumping. I came from Queens, I don't know if he came from the areas of Queens that I came from, but I just thought that was a funny statement that [Ackman 00:53:55] made.

Frank Curzio: But you see how emotional against. Because billionaires want to destroy the billionaires. That's just normal. I guess I'll let you know if that ever happened to me if I'm a billionaire, if there's any truth to that. But I mean there is truth to it. I don't think I've ever met a billionaire that's happy either. So it's just kinda weird. Start running. But there is emotions evolve and you take a lot of that emotion out by following these rules. So instead of focusing on that, lose, it astounds 70% going, why is it down? Man, should I buy more? You may be bought more where it's down to 20% of the 30 percent. It's gone. You're not thinking about it. Now you're looking at the rest of the market saying, wow, these are really good situations. Our goal is really starting to kick in here.

Frank Curzio: Gold prices moving higher, you see gold moving higher, the dollar's getting weaker, we've seen a bear market in gold for how many freaking years. I mean, it's a cyclical market and how many years as it's been, it's been discussing terrible our friends in this industry, but now you're seeing that maybe, hey, you know what? I want to buy a couple of scale into a couple of gold stocks and that makes sense. So hopefully you guys appreciate that interview. I always say this podcast is about you. It's

not about me. Let me know what you thought. Frank@ curzioresearch.com that's Frank@curzioresearch.com. Now let's get to my educational segment.

Frank Curzio: I'm going to do something that nobody does, but it's important. I hope you guys appreciate it because I do have losers. Two of the biggest ones is that last year with GE, which I got Deveron, which we stopped that and one of the other ones was Dibbled. Okay, look at my portfolio. It's performed well. Yes. Everything's coming down along with everything else, but we've had 15 that is 16 stocks that we're up doing well. It took profits in a couple of things including Amazon, [inaudible 00:55:23] and we still have a half position in which come down, but still we've done … The things that we sold Skyworks Networks, Mind Body are probably down 30% below where we sold them.

Frank Curzio: So we did a pretty good job and we're stuck into our stops. But I want to talk to you about the losses because that's what we learned the most. All right, so I'm putting my ego aside and when it came to Debo, this company I covered for a long time, which we did very well on two or three times and the stock came down a ton this is the leader in banking technologies and ATMs and people like, well, it's hardware. It's ATMs, it's more than that. It's all services cloud technology. All these banks need to upgrade. Yeah. Supposed to be a safe company. Started operating for over a hundred years. Elliot Ness was a former CEO of this company that should tell you how old it is.

Frank Curzio: Held one of the longest streaks of the longest streets. That consecutive annual dividend increases of 59 years. That was broken I think three, four years ago because they decided to take over. I think there were a number two and I took over the number three competitor which made them number one. And when you think about consecutive annual dividend increases? When I said at 59 years, and we're talking about longer than McDonald's, Procter & Gamble, the rest of the … Everybody in the Dow Jones, this

was a good company, so it was a good name, had great growth callus because you had the largest customers, the biggest banks flush with cash, and they need to upgrade their systems, which they set on their conference goals, update their technology and they signed contracts.

Frank Curzio: They basically said, okay, with the bold, you know, we're signing with you. But they were delaying those orders. So basically it was showing up what billions of dollars in potential revenue in that backlog. I wouldn't say obviously it's not guaranteed, but a lot of times, that accounts for future revenues, good indication of a company. They delayed a couple of times, and they spent a lot of money to buy their largest competitor, Wincor Nixdorf was his name, and it turned out to be a couple of quarters delays. Then a year than a year and a half and the stock fell tremendously. And you're seeing all these orders and the balance sheet, again, this is usually a good stock. It was paying a two and a half dividend now because it got cut though.

Frank Curzio: It was a great buy. It was dirt cheap at the time. And then revenue we've stopped coming in. You had the guys from Windhor that said, hey, you know what, we want to sell our position in the company and then you're seeing the stock come down, revenue not coming in. And the reason why the banks were just on the sidelines because they were saying, hey, you know, there's a lot of uncertainties out there about new regulations. It's [inaudible 00:57:50] more conditions, especially globally. We just want to wait before we actually, have you guys come in and redo all of our systems.

Frank Curzio: So when I first recommended the trade, I said, hey, we'll place in a 35% stop my cost basis and in May our stop was triggered. So we sold for a loss. So we sold around 1290 game stole from 35% loss and that's when the ... What hit the fan. So the stock was still intact when we sold it. It was the contracts were there everything was still

okay. They would just like warning and the margin was optimistic saying look, they're gonna come around, big banks still need to upgrade their technology, and I could have justified, just saying, you know what guys stay in this one. It's a good name. Ignore. I'll our stop, it's a dividend payer, since the thesis was still sound, but we always follow our stops at 35% stop and we follow it.

Frank Curzio: And you find 99% of the time there was only one or two times. I said, hey guys, let's increase the stop one of those times the stock more than doubled, and the at the time I think the stock did pretty good as well, but you always want to stick to your plan and we sold out of stock at 1290. Now here's what happened. Banks continue to delay orders. Sales and earnings declined rapidly. This forced Diebel to renegotiate its debt with creditors triggering tons of downgrades, debt downgrades, but you know, major credit rating agencies. And he had Diebold decline another 70% from where we stopped out of the position 70%. So now we're down 35%. I'm talking about another 70% in decline.

Frank Curzio: People don't talk about that. They're just like, wow, it's 35% loss. Supposed to be a good stock. I mentioned on the podcast and I get it, I had a lot of conviction in his company. I like it looked fundamentals. I said, I love when companies delay where they say, well, you know, a contracts being delayed, it's going to be paid. Usually the stock will full, but eventually it's going to get paid and it gives you a chance, I've made a lot of money on using that strategy, whereas this delay, these are in the backlog. It's eventually gonna come through and now it's stopped down 25% as if nobody was going to pay them. So I thought it was a good buying opportunity. I was wrong. Again, everything looks like it's gonna fit sometimes and it just doesn't. But we followed our stops and we avoided a catastrophic loss and that money is gone, and sometimes you'd put a lot of money into a situation.

Frank Curzio: Once that happens, you're sitting there going, I just lost … You lose 70, 80% of your money and say if you have all your money in one sector, like mining, there's so many great mining stocks out there. And we triggered stops two times because I thought, two different times that we'd be okay. I mean we made up those losses easily because we did great in 2016 and several gains to 300%t gains in several of our socks. Though dynasty went up 900% in seven months when I came back and gave you that one, so I'm okay taking some losses because we know when this bottoms, these stocks in mining, they don't go up 100%. They got three, four, five x, 10 x. that's how depressed they are. But say if you have your whole entire portfolio mining stocks now, I mean that's 70%, 80%, 90% of your capital wiped out.

Frank Curzio: Now you're looking at a market trading at the cheapest level in five years. We could probably start picking away at certain situations that you like. I'm not going all in position size and taking a third position here. Maybe it comes down by a little bit more, improve your cost basis. Instead that money is gone. So it's very important. Nobody talks about this because it's not good marketing. I don't like coming out of and say, Hey, highlighting a loser that I know you guys with Diebold or GE and stuff like that, but that's how you learn to become a better investor. If I wasn't right more than times, I'm wrong, obviously I wouldn't be doing this for 25 years, but it's important to focus on that. When it comes to your losers, again, people just don't want to talk about it.

Frank Curzio: I always say it's not good marketing, but even personally know you always hear from your friends when they have winnings. Oh Man, I got this stock. Yeah. Well before worth 90% you never hear like, Oh, I just lost 70%. They don't talk about that. Your friends. Everybody talks about their winners, but we all have losing positions with time at a time. Instead of ignoring the bed, prepare for it, embrace it, learn from it because that's what the greatest investors

do because you're going to have them. You have a lot of volatility to market. If you're a trader and you say, well, 35%, it is a big stop. The only time I use 35% stops is if I believe, based on my research that that stock has more than 100 percent upside with an 18 to 24 months.

Frank Curzio: I'm not doing a 35 percent stop if I believe the stock has 50% upside, doesn't make sense? I don't want to take on that much risk, so you want to take on little risk in terms of your percentage gains and now how you think they're going to be based on your research, or based on whoever you're listening to. So again, learn from it. Embrace it. You stops. The whole podcast is based on, limiting your losses, portfolio management, which is very important during these times because 2019 look, lot of good ideas out there. The risk that push this market down over the past three months may not exist.

Frank Curzio: I don't see the effect continue to raise rates through 2019. I don't see China could, unless they want to go into depression and see their GDP actually fold negative, which could happen in 12 months if they don't ... If these trade wars continue, which is going to hurt us, but it's gonna hurt 10 times more. Gonna hurt them since February. The market was down 25% while we hit all-time highs for September, so for them to get back at us and say, well now it's hurting you. It's hurting them much, much more. That's why you saw them, agreed to cut auto tariffs, and you're not going to see this trade war, which is not really a trade war right now, but you're not going to see it continue and I the first quarter tops. I think this isn't going to be a risk of the market.

Frank Curzio: Interest rates aren't going to be in a risk that you have a cheap market right now, with a lot of growth catalysts, especially through buybacks, so the consumer spending is strong. You can see the housing market come back and rebound a little bit when interest rates, which is a big driver of the economy because when you buy new houses, you buy everything within a house.

Frank Curzio: It's got a lot of cows heading into 2019. Again, be sure to limit your losses, that's what's this whole podcast is about. Hopefully you got it. Let me know what you thought about this podcasts. Getting almost the whole thing was educational, but at this time and being nervous and being December, I just wanted to say, hey, you know what guys, it's okay. We are seeing losses. Everyone's seeing them. Limit them by 2019 cause is sent up to be a pretty good year because the catalyst or the things that pushed us down, all those risks that pushed us down the past few months aren't really going to exist after the first quarter next year, which could result in a pretty big rally.

Frank Curzio: Again, we'll monitor, we'll have this podcast go on every week, and will be updating the data and stuff like that. But guys, be safe out there. Make sure you limit your losses because it's going to be a good time to buy a lot of great, great companies, industry leaders at some of the cheapest valuations they traded in more than five years.

Frank Curzio: Oh, okay guys, so long podcasts that's it for me. I want to really wish you and your families happy holidays. Have fun again. I always say as you're on holidays. Don't talk politics, don't talk stocks. Relax, enjoy, eat, drink a few beers. Watch football, have fun. We will be off next week and mail company off. We will be publishing with the best podcast of the year for you. It is evergreen, so I'll leave it as a surprise, but I'll give you a little hint because this person did predict the current crash, told you guys to buy gold few months ago and he was dead on.

Frank Curzio: It's gonna be played next week because it's still relevant today. One of the best podcasts. I'm not going to tell you to guess, although you probably figured out already if you listen to this podcast, but as a podcast going to be up next week, we'll put two of them up, which is pretty cool. Anyway, happy holidays. Thanks so much for all your support. I really appreciate it. I'll see you guys in 14 days instead of seven. Take care.

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