

# Blue Mt Tax & Accounting

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**BEYOND DEATH AND TAXES**

While the old adage is true, there is also hope for something better. I've often said that a well prepared tax return is just the first step in sound financial planning. Although we're not licensed to dispense financial advice for a fee, we ARE at liberty to share our opinion on the state of the economy, the financial markets, retirement planning, and anything else related to your tax return. That becomes a wide field when one considers the prospects for real estate, capital gain property, interest, dividends, etc.

As some of you know, I'm a perennial bear when it comes to the stock market. Briefly, I subscribe to the theory that a Grand Super Cycle Bull Market started in 1789 and is at or near completion, to be followed by a series of wildly fluctuating market cycles, spanning perhaps several decades. If true, the next few years will be the initial bear market that sees the air come out of multiple asset classes. Valuations are extreme in a number of areas, and investor sentiment sees no end in sight to rising prices. This should be enough to induce some caution into one's investments.

My initial concern relates to those with 401-k allocations that are "heavy" on stocks and bonds, as well. Interest rates are rising; a death knell for the bond market and anything leveraged, like most real estate and quite a few corporate giants as well. I think anyone in the market now needs to be extremely nimble. There are opportunities, yes, but in the end, cash is king. We've had a chance to try out Treasury Direct, where one can buy T-Bills direct with no fees. Recent annual yields of 2.44% are multiples greater than a typical savings or money market account, with no risk. So, I think it's worth examining one's posture, especially since last year's market sell off is perhaps just the front edge of a very deep decline in equity prices over the next few years. While there are stocks I like in emerging industries (e.g. industrial hemp, recreational cannabis, solar wind energy, and precious metals), I'm more interested right now in countering the prevailing view.

This year’s due date for individuals is April 15th. If you don’t expect to have information to us by April 10th, please advise so we can obtain a 6-month filing extension. Remember that an extension to file is NOT an extension to pay.

Dale Schwartzenhauer, CPA

January 29, 2019