

# RADIO 7

## Topics

Will higher interest rates tame inflation

<https://www.ftportfolios.com/blogs/EconBlog/2022/9/19/will-higher-interest-rates-tame-inflation>

Bloomberg Central Bank Hikes Risk GLOBAL Recession

<https://www.bloomberg.com/news/articles/2022-09-19/central-bank-rate-hikes-risk-global-recession-in-2023>

FedEx stock biggest drop in 40 years

<https://www.bloomberg.com/news/articles/2022-09-15/fedex-pulls-annual-forecast-as-preliminary-results-disappoint>

210 US housing markets are at risk of 15-20% home price declines Moodys/Fortune

<https://fortune.com/2022/09/13/210-housing-markets-at-risk-of-15-to-20-home-price-declines-says-moodys-housing-crash/>

Tech Layoff 2022 White Collar Recession

<https://www.bloomberg.com/news/articles/2022-09-13/tech-layoffs-2022-portend-white-collar-recession>

The Great Bond Bubble Is 'Poof, Gone' in Worst Year Since 1949

<https://www.bloomberg.com/news/articles/2022-09-24/the-great-bond-bubble-is-poof-gone-in-worst-year-since-1949>

## Interest Rates Tame Inflation

We know many people think we are beating a dead horse, but this horse is far from dead. Instead, she's in the middle of one of the most important races of her life. What we have been talking about – and will keep talking about until we think Americans understand it – is monetary policy and the Federal Reserve.

Ludwig von Mises once said that the value of money is at least as important to a society as its Constitution. The value of money should be sacrosanct, and Government, if that's who's in charge of it, has a responsibility to keep it stable. Fourteen years ago the Federal Reserve completely changed the way it manages the value of our money when it shifted monetary policy from a "scarce reserve" model to an "abundant reserve" model, and we believe there is a direct connection between these actions, and the dramatic decline in the value of our money the likes of which we haven't seen in 40 years. Inflation undermines work, living standards, investments and is a nightmare for future planning. The Fed has failed.

## ***The Global Race to Hike Rates Tilts Economies Toward Recession***

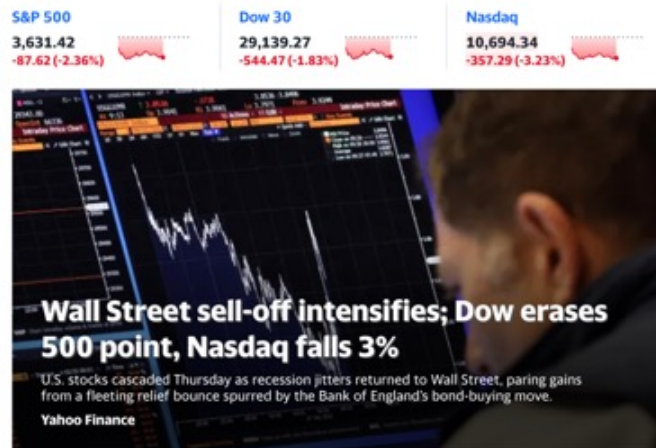
Central banks are intent on driving the world economy perilously close to a recession.

Late to see the worst inflation in four decades coming, and then slow to crack down on it, the Federal Reserve and its peers around the globe now make no secret about their determination to win the fight against soaring prices — even at the cost of seeing their economies expand more slowly or even shrink.

## ***The Fed looks willing to tip the US into a slump if that's what's needed to beat inflation. Other central banks are ready to make the same gamble***

### **FedEx Has Biggest Drop in Over 40 Years After Pulling Forecast**

- Demand for freight has 'significantly deteriorated': analyst
- Courier's shares suffer worst one-day loss in over 40 years



## ***The Great Bond Bubble Is 'Poof, Gone' in Worst Year Since 1949***

- Bonds keep sliding in the face of aggressive central banks
- Losses mount as Fed vows to pull inflation down to 2% target
- Week by week, the bond-market crash just keeps getting worse and there's no clear end in sight.
- With central banks worldwide aggressively ratcheting up interest rates in the face of stubbornly high inflation, prices are tumbling as traders race to catch up. And with that has come a grim parade of superlatives on how bad it has become



## **Mortgage rates race toward 7%, hit 15-year high**

Mortgage rates surged closer to 7% this week, in a move that caused even repeat buyers to back off from purchase plans.

The average rate on the 30-year fixed mortgage jumped to 6.70% from 6.29% last week, according to Freddie Mac, its highest level since July 2007. Rates increased over a full point this month and are now more than double where they were at the start of the year.

Elevated borrowing costs have crushed affordability, driving inflation-weary homebuyers to lower their purchase budgets or simply walk away from house hunting. Those who haven't run off are negotiating sales before rising rates wipe out even more of their buying power.

## **Let's get into some of our options for alternative long term care:**

A life insurance policy with a long-term care rider.

You can purchase a life insurance policy with a rider that allows you to use the death benefit in the event you qualify for long-term care.

An asset-based policy.

**Asset-based policies are a hybrid of life insurance and long-term care insurance.** You need to have some cash on hand to fund an asset-based policy, but such policies typically allow you to avoid some of the problems of traditional long-term care insurance, such as significantly higher premiums. If you decide you no longer want the policy, many asset-based policies will return all or a portion of your premiums to you as cash back.

### **An annuity**

If you invest a large lump sum, an immediate annuity will provide a steady stream of payments that can be used to pay for long-term care. The amount of your payments depends on many factors, including your age, health and how much you paid in. Also, keep in mind, the amount you receive may not be enough to cover all of your expenses.

Jay in \_\_\_\_\_

I am self-employed with approximately \$1.2 MM in various IRAs, 401(k)s, and a couple annuities. I also have another \$250,000 in liquid savings. I will probably never fully retire, but I fear taking a major hit on my portfolio. I am turning 68 years old and my wife will turn 65 years old this year. What are some suggestions for allocation and diversification of my portfolio?

Erica in \_\_\_\_\_

I have \$640,000 in a previous employer's 401(k) and \$100,000 in my new employer's plan. Do you recommend I merge the two? Both funds offer similar investment options. My only motivation is based on simplifying paperwork during retirement, although there may be other advantages I am not aware of.

