



The Month Gawne By

September 2018

This newsletter is meant to be entertaining and educational. Feedback is welcomed and we would be happy to hear your perspective on any of the ideas mentioned below. Please pass along to anyone who might find this information of value. Previous editions can be found at thegawnegroup.com.

What Happened?

The [S&P 500 and Dow Jones indexes hit all-time highs](#). In other index news, S&P Global Inc. and MSCI Inc. disclosed that a [number of technology companies would be reclassified as communications companies](#). This is the most [significant change to the indexes since 1999](#).

Amazon joined the [\\$1 trillion club](#).

[10 years since the global financial crisis](#).

[US Federal Reserve raised interest rates](#). The word accommodative was dropped from the Federal Reserve's statement, which some thought meant that interest rates would not continue to rise. However, Jerome Powell (Federal Reserve Chair) said that they did not expect to change their path and another rate hike is expected this year. The Federal Reserve forecasts 3 more years of growth.

[Great article explaining interest rates](#).

[10 year treasuries inch toward 7 year high](#).

A visualization of [US government bond yields](#) from 2005 to 2018. Important because short term interest rates rising above long term interest rates has preceded every recession.

Argentina's central bank [increased interest rate to 60%](#).

[US to spend more on interest than on its military](#).

[More tariffs on China](#). The new round brings the total for Chinese imports subject to tariffs to roughly half the value of all goods China shipped to the US. last year. [Product list of goods in \\$200 billion of tariffs](#).

[Increasing US trade deficit](#).

[China retaliation on \\$60 billion of goods](#).

[China seeks sanctions on US](#).

[NAFTA becomes the USMCA](#). Trees, cows, and cars.

Markets (as of September 28th, 2018)

Stocks	Benchmark	September	YTD
Canada	S&P TSX Composite	-1.17%	-0.84%
United States	S&P 500	0.43%	8.99%
International	MSCI EAFE	0.59%	-3.76%
Emerging Markets	MSCI Emerging Markets	-0.76%	-9.54%
World	MSCI ACWI	0.26%	2.19%

Bonds	Benchmark	September	YTD
Canada	FTSE TMX Canada Universe Bond	-0.97%	-0.35%
United States	Bloomberg Barclays US Aggregate	-0.64%	-1.60%
World	Bloomberg Barclays Global Aggregate	-0.86%	-2.37%

Currency	September	YTD
CAD / USD (Source: ThomsonOne)	-0.77%	2.38%

Articles of Interest

Amazon

Bernie Sanders wants to introduce a bill making companies [pay for the government services](#) their workers use. If an Amazon employee receives \$300 per month in food stamps, Amazon would pay a 100% tax on the amount (\$300). This is what was explored in the book, "[The Value of Nothing](#)." Some corporations benefit





from their costs being subsidized by taxpayers, particularly the human and environmental costs. [An interview with Jeff Bezos](#), Amazon CEO, Richest Man in the World.

[Disturbing accounts of Amazon delivery drivers.](#)

Amazon sends [anti-union training video](#) to Whole Foods team leaders.

Cannabis

A note dated August 31st from Sentry Investment Management highlights that Canopy Growth at \$60 per share has a market capitalization of \$13.2 billion dollars (greater than Metro, Canadian Tire, and RioCan); with debt of \$619 million, and a negative [free cash flow](#) of \$250 million.

[Canadian marijuana investors could face lifetime ban from the United States.](#)

[Why does the school day end 2 hours before the work day?](#)

[The world's oldest drawing? Throw your children's art away.](#)

[Towing ice bergs to Africa.](#)

[Paralyzed people are beginning to walk.](#)

[Toronto's super raccoons.](#)

[6 obstacles to decision making. Humans aren't the only ones with biases, algorithms are also biased.](#)

[Conserving energy is the top priority for your brain.](#)

[World's oldest brewery found in Israel.](#)

Privacy

[Uninformed Consent.](#) The use of private data, exploiting our biases, data being the most valuable resource.

[Facebook knows you better than your family.](#)

[By next year, half of all calls to cell phones will be scams.](#)

[China's social credit system.](#) A concept very similar to Big Brother from George Orwell's novel, 1984.

Music

[Monthly playlist](#) – the 10 to 20 songs I listened to the most during the month. I've done my best to filter for objectionable content and language.

[The future of music festivals is the internet?](#) There aren't many things that can compare to the energy of a musical performance. I prefer smaller venues over large ones because I can interact with the performers and fellow concert goers. I can see how limiting the attendance and offering a unique viewing experience online, could have mass appeal; even more so with the advance of virtual reality and the actions of Ticketmaster.

[How Ticketmaster manipulates ticket sales. Ticketmaster coordinating with scalpers. Ticketmaster's response.](#)

Books

"1984" George Orwell

This book has been on my reading list for a while. Given the amount of non-fiction I've been reading as of late, I was looking forward to the escape. While I really enjoyed the book, in particular the atypical ending, I found myself again reading about political, economic, religious, and social structures. The control mechanisms I had been reading about (see China's social credit system reference earlier and Hardcore History's Painfotainment podcast below) eerily paralleled the experience of the protagonist, Winston. I couldn't help but be reminded of the old adage, "the more things change, the more they stay the same."

Podcasts

Hardcore History "[Painfotainment](#)"

Dan Carlin explores the practice of public executions. Fascinating perspective, he compares the Roman arena where bears and lions were forced to fight for entertainment to the CGI effects of superheroes fighting villains in blockbuster movies. I couldn't help but compare the sensationalized headline news stories and how social media has allowed people to taunt others from a distance to the long procession leading up to an execution.



Philosophize This "[Michel Foucault pt. 1](#)"

Steven West starts off talking about the execution of Robert-Francois Damiens (which was also referenced in Painfotainment). It was the last execution by drawing and quartering in France in 1757. Steven West goes on to talk about the different systems in place over time to maintain order in society. Michel Foucault noticed that we have moved from punishing criminals by inflicting harm on their bodies to focusing on the disciplining and control of their minds (another theme in George Orwell's 1984). Foucault thought constant surveillance was the only way to ensure people act the way you want them to. See China's social credit system, George Orwell's novel, and Jeremy Bentham's [Panopticon](#).

Video

[Time lapse of 30 days aboard a container ship](#). In addition to the beauty of the sea and the sky, the portions of the video heading into the ports of Singapore and Hong Kong are pretty interesting. I imagined my last Amazon order in one of the containers as I was watching.

[Elon Musk's Joe Rogan interview](#). This is the infamous interview where Elon Musk smoked a joint live on air. I really enjoyed his perspectives on the future, but differed in my expectations for what will transpire. Prior to this interview I didn't really like him all that much based on what I knew of him from his twitter activity and news headlines, but watching this interview changed my opinion marginally.

[Video compilation of Typhoon Mangkhut](#).

[Colorado mascot misfires a t-shirt cannon](#). Not many things are as funny as watching someone get hit in the groin.

Health

A [combat tested technique](#) to fall asleep in less than 2 minutes. I have yet to master this technique.

[Falling in love makes you gain an average of 36 pounds](#) (17 in the first year).

[Chinese soup ingredients that combat dementia](#).

Food

[It costs \\$1,500 and takes 6 months to make a sandwich from scratch](#).

[Best foods for psychological well-being](#).

[The vegetable peeler that changed the world](#).

Photos

[The most amazing photo in history?](#)

[Aerial photos of Hurricane Florence](#).

[Photos from 9/11](#).

[Comedy wildlife photos of the year](#).

[Cat photographer from a century ago](#).

[Dogs and their human doppelgangers](#).



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