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Keeping an Eye on Those Architects

Let me begin by saying that I hope you had a nice Father's Day. I actually slept late and awoke to my kids being very secretive around the kitchen table as they each made me a homemade card with poems and all. But they kept giggling as I turned on my laptop to read the morning's emails. I was greeted with another one of their homemade [Jibjabs](#) (<http://www.jibjab.com/view/tqTilijc96sfF2x0FVT>). And there's nothing better than laughing along with your kids.

From there, for the first time in months, there wasn't a "to do" list waiting to be attacked. So I took the blondes on the exciting errand of filling the spare propane tank and getting a few things at Home Depot before spending the day waiting for the US Open to begin and doing some prep work for the 15 people we were having over for dinner. Ahhh, the boring, mundane and routine. What a change!

By now, I am sure you know that Greek election is over and the world did not end. I sent some thoughts out last Friday via Vestorly, which hopefully

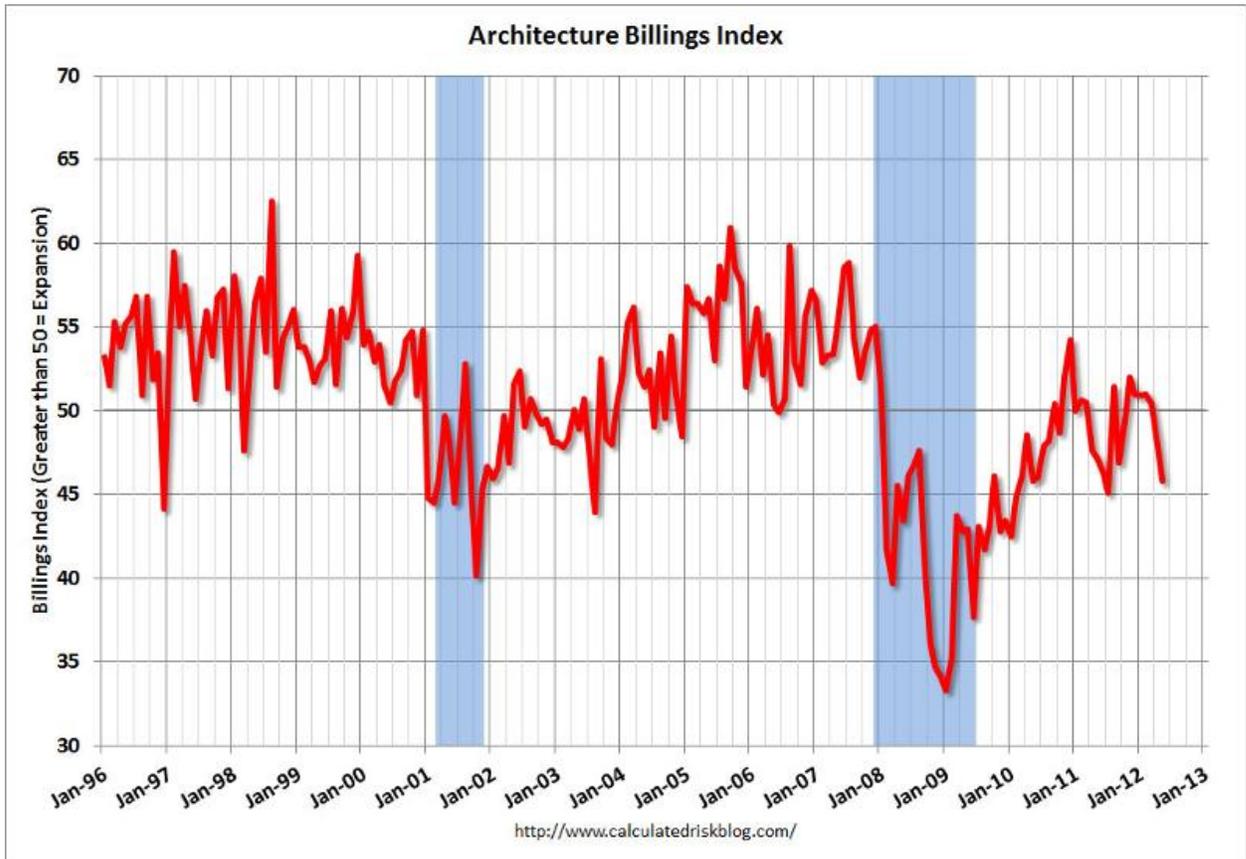
you received. They are also posted on our [blog](http://www.investfortomorrowblog.com) (www.investfortomorrowblog.com). I also participated in a pre-Greek election discussion on CNBC's Closing Bell where one of my answers wasn't exactly endorsed. As longtime readers know, I rarely go along with the crowd and this time was certainly no different. The video is the first one on the [In the Media](#) section of our website and I hope you enjoy it!

This week is another busy one for the markets as we have end of month, end of quarter and the Supreme Court ruling on the constitutionality of ObamaCare likely coming Monday morning. I have been looking for clues from the pharmaceutical companies and HMOs, but they have pretty much traded in line with the overall market so it's hard to tell what is expected at this point. Should any part of ObamaCare be deemed unconstitutional, I would imagine that the behemoth companies who already warned about profit shortfalls in 2013 and 2014, like Wal-Mart, Verizon, Caterpillar, etc. would rally on the news.

But you, my readers, have very strong opinions! In the survey I did in April, 67% voted to strike down the entire bill while 20% said to get rid of part of the law and only 13% believed the Supreme Court should leave it alone. I don't know what the national figures are, but I am guessing that this group's opinions won't be mirrored nationally. I would throw out a wild guess that 40%-45% of the country would like to leave the law alone.

I am going to close this section with one of my favorite non mainstream economic indicators from the architects. The thinking goes that if architects are busy now, that translates into building projects 6-12 months down the road, be it residential or commercial.

As you can see from the chart below, courtesy of Calculated Risk blog, the monthly figures are fairly volatile and have been trending down for most of the year. But, the numbers also continue to oscillate around the 50 level, which is a neutral reading, so the lackluster GDP growth just keeps plodding along as has been my thesis for 2012. If and when readings fall and stay below 45, we will have to take a good hard look at something changing for the worse economically.



Just remember that it's a presidential election year and any incumbent is going to do all he can to give that economy a jump start to boost his reelection chances. And this year, Barack Obama has the added benefit of Ben Bernanke in his corner, having just extended Operation Twist (buying long-term treasuries and selling short-term ones) through year-end. But perhaps more importantly, it certainly smells like QEIII is just around the corner in August.

Trading Range for Stocks, but What About Gold???

When we left off, the preponderance of the evidence called for a rally sooner than later as the blue lines indicated below. And so far, the market cooperated from almost the exact point of the low, and almost got back to 13,000 on the Dow. But at this point, I don't see a huge edge in either direction.

Most of the historical studies indicate that the June bottom around 12,000 should not be seen again, at least for a few months. But at the same time, there doesn't seem to be the catalyst, momentum or technical weight to break out above 13,300. So for now, I think the stock market is rangebound.



There are many key things worth watching now, but I would boil them down to high yield bonds, the canary in the coal mine, the S&P 400 Mid Cap Index and the Dow Transports. IF high yield bonds hang in and make a run to new highs, that bodes well for stocks to follow. IF the S&P 400 can get back to its usual position of the leading index instead being the laggard, stocks should surge higher. And IF the Dow Jones Transportation Index starts to move out to the upside, the other major indices will likely follow.

On the flip side, if the opposite scenarios begin to unfold, that should lead to a sharp downdraft over the summer, going against election year seasonality. I am going to leave you with some food for thought for next time regarding the all important gold market. Do you think the bull market is over in gold? I am interested in hearing your thoughts!

Here is the daily chart of gold for the past year with the light blue line connecting the peaks and the dark blue line holding the troughs.



Below is a weekly chart of gold going back to 2009. What do you think now?



And here is a monthly chart going back to 2002 when gold was in the \$200's! What do you think now?



If you have a 401K or other investment accounts and want to discuss how to best position, please don't hesitate to call me directly at 203.389.3553 or hit "reply" to this email.

Boy, Do We Need a Thomas Jefferson!

My 7 year old son has a fascination with our presidents. A while ago, someone gave him flash cards of all of the presidents, each one showing a picture and all relevant personal information along with his career, Vice President and how he left office. I was so impressed that no matter which picture I held up, my son quickly barked out the president. And a few times, I challenged him that the card was wrong and someone like Chester Arthur wasn't even a president. But my son held his ground.

He likes to tell me that Thomas Jefferson is his favorite and then rattle off a series of random facts and then ask me who my favorite president was. I always respond that from my lifetime, Ronald Reagan, but going back to our founding fathers, there were few people who ever walked on this planet as smart as Thomas Jefferson.

The following has been floating around cyberspace for years, but I always enjoy receiving it and thinking how much we need a Thomas Jefferson today! Thanks to my friend the Moondog was forwarding it.

Thomas Jefferson was a very remarkable man who started learning very early in life and never stopped.

At 5, began studying under his cousin's tutor.

At 9, studied Latin, Greek and French.

At 14, studied classical literature and additional languages.
At 16, entered the College of William and Mary.
At 19, studied Law for 5 years starting under George Wythe.
At 23, started his own law practice.
At 25, was elected to the Virginia House of Burgesses.
At 31, wrote the widely circulated "Summary View of the Rights of British America" and retired from his law practice.
At 32, was a Delegate to the Second Continental Congress.
At 33, wrote the Declaration of Independence.
At 33, took three years to revise Virginia's legal code and wrote a Public education bill and a statute for Religious Freedom.
At 36, was elected the second Governor of Virginia succeeding Patrick Henry.
At 40, served in Congress for two years.
At 41, was the American minister to France and negotiated commercial treaties with European nations along with Ben Franklin and John Adams.
At 46, served as the first Secretary of State under George Washington.
At 53, served as Vice President and was elected president of the American Philosophical Society.
At 55, drafted the Kentucky Resolutions which became the basis of "States Rights"
At 57, was elected the third president of the United States.
At 60, obtained the Louisiana Purchase doubling the nation's size.
At 61, was elected to a second term as President.
At 65, retired to Monticello.
At 80, helped President Monroe shape the Monroe Doctrine.
At 81, almost single-handedly created the University of Virginia and served as its first president.
At 83, died on the 50th anniversary of the Signing of the Declaration of Independence along with John Adams.

Thomas Jefferson knew because he himself studied the previous failed attempts at government. He understood actual history, the nature of God, his laws, and the nature of man. That happens to be way more than what most understand today. Jefferson really knew his stuff.

A voice from the past to lead us in the future:

John F. Kennedy held a dinner in the white House for a group of the brightest minds in the nation at that time. He made this statement: "This is perhaps the assembly of the most intelligence ever to gather at one time in the White House with the exception of when Thomas Jefferson dined alone."
"When we get piled upon one another in large cities, as in Europe, we shall become as corrupt as Europe." -- Thomas Jefferson
"The democracy will cease to exist when you take away from those who are willing to work and give to those who would not." -- Thomas Jefferson
"It is incumbent on every generation to pay its own debts as it goes. A principle which if acted on would save one-half the wars of the world." -- Thomas Jefferson
"I predict future happiness for Americans if they can prevent the government from wasting the labours of the people under the pretence of taking care of them." -- Thomas Jefferson

"My reading of history convinces me that most bad government results from too much government." -- Thomas Jefferson

"The strongest reason for the people to retain the right to keep and bear arms is, as a last resort, to protect themselves against tyranny in government." -- Thomas Jefferson

"The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants." -- Thomas Jefferson

"To compel a man to subsidize with his taxes the propagation of ideas which he disbelieves and abhors is sinful and tyrannical."-- Thomas Jefferson

Thomas Jefferson said in 1802:

"I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around the banks will deprive the people of all property - until their children wake-up homeless on the continent their fathers conquered."

Upcoming Appearances

Yahoo Finance's Breakout - June 25 at 11:00am

ET NOW's Trading Calls - June 27 at 10:30pm

Fox Business' Markets Now - July 9th at 1:00pm

You can view most of the past segments by clicking below.

Media Appearances

(<http://www.investfortomorrow.com/InMedia.asp>)

Investment Quotes/Adages To Live By

"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."

- Mohamed El-Erian

Friends And Family Plan

Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

[Sign Up Here](#)

You can also forward this email to family and friends by hitting the "forward email" hotlink at the bottom of this email.

To Your Financial Success,



Paul Schatz
President
Heritage Capital LLC

1 Bradley Road Suite 202
Woodbridge CT 06525

203.389.3553 Phone
203.389.3550 Fax

www.InvestForTomorrow.com

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