View of the Week

High Tech, Meet Medicine

You’ve gotta love technology, especially when it improves lives. As a student of demographics, I’ve known our current system would not be able to handle the enormous influx of baby boomers. According to the peak pharma/healthcare wave (late 70’s Dent Research) the 92 million born between 1932-1964 are turning 50-80. We begin spending more of our resources on healthcare/medicine around the age of 50, and continue to pour money into our health for the rest of our lives.

Virtual Care

Enter “virtual care”. A MedStop console is a kiosk that is equipped for the patient to check/enter their own vital signs, including blood pressure, weight, temperature, and blood oxygen level. The quality of the camera provides doctors a clear view into someone’s ears, throat, eyes, or up close to a skin rash. Follow up education/information can then be sent in digital format. Coupled with smart devices, MedStop consoles can actually provide the patient a more personal/comfortable experience with the doctor because they can access their healthcare providers from home where they are most comfortable.

While not suited for emergency needs, virtual care is designed rather to be of use for common ailments including headaches, flu-like symptoms, diabetes, urinary tract infections, allergies, skin conditions such as eczema, nausea or diarrhea, minor burns and sprains. Access to full/latest lab results and X-rays allow for ease of scheduling appointments and requesting refills.

Currently operating for about 18 months via The Mercy Health System and MyChart, the network has about 200,000 active users. The kiosks are currently
being marketed toward large employers with over 1,000 employees and cost around $50,000. In April, Anthem donated a unit to the Talbert House in addition to American Well, which owns LiveHealth Online technology, which, in turn, donated 500 doctor visits.

The pure efficiency and convenience of this technology is the very thing the baby boom demand wave must have. Employees at the Anthem headquarters in Mason began using a kiosk this month with the ability to scroll through providers and check education, background and qualifications before making a selection. They can also search nearby pharmacies in case the doctor needs to write an electronic nonnarcotic prescription. Patients have more options minus the stress of travel, leaving work and organizing child care.

A virtual visit costs a flat $49 vs. the average primary care of $115, or average emergency department visit of $1,500. Plus, 24 hour access to boot. What’s not to love...convenient, competent and cost effective?! I’m very excited about this one!

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**News and Views**

**Weekly Recap for September 19, 2014**

**Federal Reserve Leaves Guidance in Place, Lowers Asset Purchases from $25 billion to $15 billion per month...** The September Federal Open Market Committee (FOMC) meeting ended with the Fed confirming its previously released guidance. They are lowering bond purchases as expected, and stated there will be considerable time before short-term interest rates tick higher.

**What it means —** Nothing’s changed. While there was a lot of chatter afterward, it was pretty meaningless. The Fed expects to start raising short-term interest rates in the middle of 2015, with short-term rates around 1% to 1.40% by the end of next year. If the trend in economic data shifts dramatically between now and then, well, the Fed will change with it. In this regard, we still have no clue as to what the Fed will do in the months ahead. Remember, this is the same group that in January forecast U.S. GDP in 2014 to be between 3.7% and 4.0%, but that has now downgraded its forecast to fall within a range of 2.1% to 2.3%.

With that said, there was a very interesting tidbit of information released. After shortterm rates move higher, the Fed expects to trim its balance sheet by allowing maturing securities to roll off. This means the Fed will be left with cash, which, by regulation, it then sends to the U.S. Treasury as a gift. Looking at the Fed’s balance sheet, they own just over $1 trillion worth of U.S. Treasurys that mature in one to five years. This means that over the five years from 2016 to 2020, the Fed will gift to the U.S. Treasury an average of
$200 billion per year. That’s quite a gift. Remember, it came from you, in the form of newly printed money, which stole value from your dollars, and was used to buy bonds.

U.S. Industrial Production Dips Slightly, Down 0.1% in August... After decent gains in June and July, industrial production eased back a bit, led lower mostly by a drop in auto manufacturing. Capacity utilization — the percentage of all of our industrial capacity that we use each month — dropped slightly from 79.1% to 78.8%.

**What it means** — This is a report that sounds a bit worse than it is. Falling production is only good when it is planned, and that’s exactly what happens in the auto industry. Car manufacturers shut down production to retool their machines, which leads to a dip in the reports listed above. That being said, the July number on capacity utilization, 79.1%, was still below the long-run average for the U.S. So, while the current dip is not cause for concern, the economy remains sluggish.

U.S. Inflation Drops From 2.0% to 1.7%... The consumer price index dropped back in August, down 0.2% for the month and cutting its annual gain to 1.7%, driven largely by falling energy prices.

**What it means** — The rate of increase in food prices eased a bit in August, but was still positive. Energy prices fell 2.6% and appear to be headed lower again this month. Oil prices have hovered just over $90 per barrel of West Texas Intermediate, reflecting higher oil supplies and lower estimates of global use. This is good news for American consumers, since incomes remain well below their 2007 levels. We can use every bit of help we can get.

August U.S. Housing Starts Fall 14.4% From July... The annualized rate of housing starts dropped back below one million units in August, but that was after the strong July figure of 1.093 million was upped to 1.117 million.

**What it means** — A weak number in August balances out the strong report in July. Overall there is strength in multifamily homes, which makes sense as more people rent, but only subdued growth in single-family homes. As we’ve commented many times, this confirms our view that housing will not greatly boost middle-class employment in the months and years to come. There will be some positive contribution, but nothing like what the Fed is trying to foment with its continued easy-money policies.

Scots Vote “No” on Independence From Britain... The Scottish referendum on independence failed, removing a major source of uncertainty from global financial and trade markets.

**What it means** — The world breathed a sigh of relief as the results came in, since there was a great deal of anxiety surrounding the issues of trade, energy, and currency if the Scots had gone their own way. With the “No” vote, none of those issues have to be resolved. But that’s not the end. This is the beginning.
If the Scots can call a vote on independence, then why can’t any other region in the world? Catalonia in Spain is obvious, and so is Basque. What about Quebec? Flanders? Texas? The door is now open for people around the world — at least in democratic societies — to claim that it is only fair for citizens to decide their government. The genie of self-rule for small states is out of the bottle with the Scottish vote, even though they agreed to stay in the union.

**Citigroup and Bank of America Offer Below-Market Interest Rates on Mortgages to Sub-Prime Borrowers.** Agreeing to a plan by the Neighborhood Assistance Corp. of America (NACA), Citi and Bank of America will offer mortgages with interest rates down to 0.125%.

**What it means** — These are your tax dollars at work. In an effort to show what good lenders they are in terms of making loans in poor and under-served markets, the two banking giants, that were both saved and fined by agencies of the U.S. government, will make sweetheart loans to certain buyers. The plan, put forth by the NACA, calls for providing loans to applicants with no down payment, no credit-rating check, and as soon as 12 months after a bankruptcy. The money for the deal comes from the pots of cash marked as penalty payments by the two lenders in their recent settlements with regulators. Instead of coughing up real money, the banks get credit for the interest they have forgone on these loans.

**Pabst Brewing Company Sold to Russian Company**... Pabst Brewing Company, maker of Pabst Blue Ribbon Beer, along with Old Milwaukee and Colt 45, was sold to Oasis, a Russian firm.

**What it means** — In the South there is an old phrase that was used to describe guys from the country: “A red neck, white socks, and a blue ribbon beer.” The “blue ribbon” was a reference to Pabst, widely seen as the working man’s brew, and the red, white, and blue theme was clearly patriotic. To think that this company was sold to a Russian firm a mere 25 years after the fall of the Berlin Wall is strange indeed.

**Japan Suffers Trade Deficit for 41 Straight Months**... Part of the Abenomics plan was to devalue the yen so that exports would increase while imports would slow. This should have pushed Japan to a trade surplus, but it has not. Instead, its streak of trade deficits continues.

**What it means** — A trade surplus exists when a country sells more to other countries than it buys from them. This is desirable because it means other countries are supporting your economic growth instead of the other way around. Japan has worked hard to devalue its currency so that its exports would be cheaper while imports would be more expensive, hoping to create a trade surplus. It hasn’t worked... at least, not as intended. While there is no trade surplus, the yen has been crushed. The Japanese currency traded as low as 108.89 yen to the dollar this week, marching very quickly toward our target of ¥110.
The People’s Bank of China Lent 500 Billion Yuan to the Country’s top Five Commercial Banks... Using its Standing Lending Facility, the People’s Bank of China injected the cash into the Chinese economy in an attempt to jumpstart economic activity. The move is considered less aggressive than cutting interest rates or the reserve-rate requirement.

What it means — When the industrial capacity of the second-largest economy on the planet slows down, people take notice. When your own statisticians say it happened because everything, well, slowed down, then politicians take notice. Some sort of stimulus was expected. This won’t be enough. Expect more action of this sort in the months to come.

Chinese Home Price and Sales Slide Continues... The National Bureau of Statistics of China reported that home prices fell in 68 of 70 markets tracked from July to August, and 19 of these markets have seen annual price declines. Private estimates reported that the rate of sales fell 11% over the last year.

What it means — Years ago a reporter for the Wall Street Journal wrote that: “A train wreck in slow motion is still a train wreck.” I’ve used that line often, because it captures many situations so well. The Chinese housing market is a train wreck. It served as the investment vehicle of choice for many years. Now that prices are falling, investors are both angry at losing money and unwilling to risk new funds. The full extent of the drop in the market will take years to develop, but the pace of the decline doesn’t change the trend. Expect the Chinese government to unveil bigger stimulus packages in the months to come.

Next Week — The week of September 22 will bring U.S. real estate reports on existing-home sales and new home sales, along with a report on U.S. durable goods. In addition, there will be a flash report on Chinese purchasing manager’s index in manufacturing and the release of Japan’s inflation figures.

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Weekly Market Recap

Week ended September 19
FED POLICY RALLY: U.S. stock indexes recovered from the previous week’s decline to set record highs. The Dow posted triple-digit point gains on Tuesday and Thursday as investors focused on the outlook for U.S. monetary policy.

HIGHER RATES CLOSER?: The U.S. Federal Reserve Board reiterated its go-slow approach to raising interest rates. However, a growing number of Fed meeting participants indicated they expect that rates will begin to increase next year.

STAYING TOGETHER: Voters in Scotland helped to calm financial markets by rejecting a proposal to break from the United Kingdom. Many analysts had warned that a breakup could create economic instability and embolden other separatist movements.

Market-moving headlines: week ended September 19

HEDGE FUND RETREAT: The nation’s largest public pension, the California Public Employees’ Retirement System, decided to withdraw its entire $4 billion investment in hedge funds, aiming to simplify its assets and reduce costs. Experts said the move could prompt other cities and states to follow suit with their pension plans.

SHORT-TERM PLAY: The Dow climbed more than 100 points on Tuesday as short-term investors assessed interest rate prospects on the first day of the Federal Reserve Board’s two-day policy meeting.

END IN SIGHT: As expected, the Fed stuck with its plan to end its bond-buying stimulus program. The round of purchases planned next month will end a monetary policy experiment that left the Fed holding more than $4 trillion in U.S. Treasury and mortgage bonds.

ANOTHER TRIPLE-DIGIT DAY: The Dow jumped 109 points on Thursday as stock investors continued to applaud the Fed’s go-slow approach on raising interest rates.

YIELDS CLIMB: The yield on short-term U.S. Treasury bonds maturing in two to five years climbed on Thursday to the highest level since 2011 as investors tried to project when rates will rise.

JAPANESE RALLY: Japan’s Nikkei Stock Average rallied on Thursday to its highest level in eight months. Meanwhile, the Japanese yen fell to a six-year low versus the U.S. dollar, providing further support for Japan’s exporters and its economy.

ALIBABA IPO: Shares of China-based e-commerce giant Alibaba debuted on Wall Street on Friday. The pricing of the company’s initial public offering made Alibaba’s market capitalization greater than that of U.S. e-commerce leader Amazon.com.
The week ahead: September 22–26

**Monday:** Existing home sales, National Association of Realtors

**Tuesday:** Markit Flash Eurozone Composite Purchasing Managers’ Index; HSBC Flash China Manufacturing Purchasing Managers’ Index

**Wednesday:** New home sales, U.S. Census Bureau

**Thursday:** Durable goods orders, U.S. Census Bureau

**Friday:** Second-quarter U.S. GDP, third estimate, U.S. Bureau of Economic Analysis; final results, Thomson Reuters/University of Michigan Consumer Sentiment Index

Weekly Market Recap & Market-moving Headlines provided by [www.jhinvestments.com](http://www.jhinvestments.com). The data provided is for general information only. It is not intended to provide specific advice or recommendations for any individual and do not constitute an endorsement by NPC. NPC is not to be held responsible for and may not be held liable for the adequacy of the information available. Indices are unmanaged measures of market conditions. It is not possible to invest directly into an index. Past performance is not a guarantee of future results. Securities and advisory services offered through NPC, member FINRA/SIPC, a Registered Investment Advisor. Rik Saylor Financial, John Hancock, and NPC are separate and unrelated entities.

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**Quote of the Week**

"Life itself is the most wonderful fairy tale."

Hans Christian Anderson

[brainyquote.com](http://brainyquote.com)

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**Recipe of the Week**

**Broccoli Soup with Cheddar Cheese**

[food.com](http://food.com)
Ingredients:

6 tbs butter, room temp.
2 lbs broccoli, bite size pieces
1 large onion, chopped
2 garlic cloves, minced
1 tsp fresh tarragon
6 1/2 cups chicken stock
1 cup whipping cream
3 tablespoons all-purpose flour
2 cups cheddar cheese, shredded

Directions:

1. Melt 3 tbs butter in heavy medium pot over medium-high heat.
2. Add broccoli stems and onion; saute until onion is translucent, about 6 minutes.
3. Add garlic and tarragon, saute 1 minute.
4. Add stock; bring to boil.
5. Simmer uncovered until broccoli is tender, about 15 minutes.
7. Mix remaining 3 tablespoons butter with flour in small bowl to make paste.
8. Whisk paste into soup.
9. Add broccoli florets.
10. Simmer until soup thickens and florets are tender, stirring frequently, about 5 minutes.
11. (Can be made 1 day ahead. Cool slightly, then refrigerate uncovered until cold. Cover and keep refrigerated. Bring to simmer before continuing.)
13. Place 6 ovenproof soup bowls on baking sheet.
15. Sprinkle 1/3 cup cheese over each.
16. Broil until cheese melts and bubbles around edges, about 4 minutes.

Golf Tip of the Week

Memorize The Following Phrases:

Use them whenever you feel doubt creeping into your game.
I feel good...I'm ready to hit some great shots.
I have my target, my body knows how to hit this shot...Trust.
Ok, so I hit a bad shot...It's over. The next one will be better.
My focus is always better on the tough shots.
Everyone hits a bad shot sometimes, but I'm the kind of player who's able to make up for the bad ones by hitting some great ones. So there you have it! Try these mental techniques out on the course next time you begin to have doubts in your game.

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**Health Tip of the Week**

Splenda is chemically chlorinated sugar (similar to DDT), designed to make your body ignore the sugar part, although weight gain is a common side affect. The vitamin doses in the product are very small, and do not compensate for the damage the chlorine does in the body. A Duke study had shown that Splenda damages healthy gut flora, and alters nutrient absorption after just 12 weeks. To maximize health, skip the artificial sweeteners and use real sugar, honey, xylitol, or stevia instead.

[healthtip.com](http://healthtip.com)

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**Green Tip of the Week**

Go Green...Even While Shopping Online???

Online shopping has delivered one of the greatest conveniences ever made. Can you imagine having to hunt down that rare part for your computer in a physical store? And, remember when you had to head to 8 different stores to shop around for prices on that big ticket holiday item? Online shopping changed all of that. While it can be argued that online shopping is greener than buying from a store, there’s a counter argument, too.

Waste from online shopping does add up quickly, and there are some wasteful elements of shopping online that aren’t incurred from shopping in a physical location.

When you shop online, you’re getting a box. Most people don’t recycle those boxes. Packaging like peanuts and bubble wrap are included in every box. Items are often shipped in separate small boxes that could be combined.
Amazon.com has a bad habit of doing this. An item that normally was shipped from a local location may be shipped from the opposite coast when purchasing online, increasing shipping costs and energy use. Additional brochures, packing slips, and sales material are included with the item. When you shop in a physical store, there are some differences that might be less resource intensive. The only packaging you often get are the brand’s packaging if the item comes in a box, as well as a shopping bag. There are no packing slips, just a receipt. The item could be traveling less to get to you than if you purchased online. Online shopping can also be a much greener alternative to buying in a retail location as well.

1. Buy locally online when possible to save on shipping energy and costs.
2. Combine shipments into one box. Leave a note for the company to combine all items into one box instead of shipping separately.
3. There are no plastic bags used (usually)

livinggreenwiththeking.com

Workshop Schedule

*****ATTENTION*****

Monthly Market Economic Insight

October 2014

Medicare Open Season 2015, The Unveiling!

Tuesday, October 7th @ 12:30pm
or
Thursday, October 9th @ 6:00pm

Open Enrollment starts October 15th. Be prepared! Join Jeff Hendricks, Independent Health Insurance Agent, to explore what the 2015 version of Medicare has in store for you!

Savvy Social Security Planning
Tuesday, October 7th @ 6:00pm
or
Thursday, October 9th @ 12:30pm

Social Security is no doubt complex. There are literally dozens of personal and household factors that can play a role in the monthly and cumulative lifetime benefits that could have a significant impact of your retirement savings. Come and learn about the many ins and outs of this vital financial asset and how to maximize it to your advantage.

Both sessions will be held at Rik Saylor Financial (in Clock Tower Place)
1241 Nilles Rd. Fairfield, Ohio 45014

Light snacks will be provided. Each session is approximately 60 minutes.

Call 513-454-1362 to reserve your spot for either or both sessions!

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