



# The Rennie Quarterly Return

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## A Blast from the Past—But Still Relevant

Almost 20 years ago, Ed wrote a letter to Louis Rukeyser, syndicated columnist and host of “Wall Street Week,” then the most widely watched weekly business show on TV. Louis was very bright, knowledgeable and had a great sense of humor. Ed thought he might enjoy his insights. Surprisingly, Louis published Ed’s observations with a few of his own. The following is Louis’ article he titled “**10 market insights from bottom to top,**” edited only for brevity.

Do you ever get the feeling that much of what passes for informed comment about how to invest is about as useful to you as a fur coat in Jamaica?

Well, join the club.

Ed Rennie, a veteran and obviously astute investor in Newport Beach, Calif., writes me that he has become so fed-up with the stuff naïve financial reporters pass on as keen market insights that he has compiled what he calls “Rennie’s Top 10 Utterly Useless Market Comments.”

“More and more of what I hear, especially in the public media has been said many times before and is just as useless as it was then,” he contends.

### Sounds great, but...

What’s more, in his shrewdly disenchanted view, the financial community’s practitioners of the art of 20-20 hindsight often transform the ringingly obvious (and/or the boldly meaningless) into pre-tentious axioms that sound great when you say them fast,

but are painfully deficient in actually helping you make money.

Here, then, are Rennie’s top 10 market banalities—along with his comments on the value, or lack thereof, of each one.

1. The easy money has already been made.

*“I don’t remember it ever being easy.”*

2. The really important economic data that will move the market comes out next week.

*“What came out last week, last month, etc. is obviously useless.”*

3. 85% of professional stock pickers are bullish.

*“These guys must know. This is what they do for a living.”*

4. The private sector isn’t cutting it. The government should regulate it or take it over altogether.

*“Scary, really scary.”*

5. The Fed just never seems to get things right.

*“Hey, you don’t think it’s my fault?”*

6. After the next election, things will really change for the better.

*“Hope springs eternal.”*

7. Just buy stocks in—(choose one of the following:) (a) companies that have consistently strong earnings growth; (b) companies that are dull, overlooked by the herd and have low price/earnings ratios; (c) small-capitalization companies; (d) a few really good companies, and hold them forever—and you’ll outperform the market over the long term

*“All supported by historical evidence, of course.”*

8. Bonds? Are you kidding?

I’m out to make some real money.

*“Four percent real return since the early 1980’s? Nah!”*

9. This time things are different. The market is just going to keep going up—or down.

*“You betcha. (Sorry, Louis—I know this is your patented phrase—but it fits so well.)”*

10. This is a time when investors must be selective.

*“Gee, thanks. I’ve just kind of bought anything whenever I felt the urge.”*

Rennie notes that between writing Comments 9 and 10, “we had a mild earthquake here in Southern California”—presumably a violent reaction from the Market Jargon Spouters Association of America—“so maybe I shouldn’t send this.” But I’m glad he courageously went ahead.

### Missing the obvious

As Rennie puts it, “having spent the better part of my lifetime involved both casually and professionally in the markets—and just loving every minute of it—I have become unalterably convinced that history really does just keep on repeating itself. However, it seems to me that because the names, places and terminology are never the same, we mortals—even the very brightest—just cannot seem to recognize what should be obvious.”

Rennie’s top-10 list gives us some amusing ways to cut through the chaff—and get to the really cheesy.

David Letterman, eat your heart out.

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Our Two



*“Don’t sweat the small stuff...and it’s all small stuff.”*

Book by Dr. Richard Carlson



### Quarterly Trivia:

How much of the money printed each year in the US is new?

5% the other 95% replaces money that was worn out