

**Thank God It's Friday!**

**February 12, 2010**



The opening ceremonies for the 21st Olympic Winter Games begin tonight, which officially kick starts this quadrennial international competition. Over 80 nations and nearly 3,000 athletes will descend on Vancouver to compete on strength, speed and grace; 3 important skills noticeably absent from the global economy. And it comes at a very convenient time as the global landscape continues to get more heated and controversial. The problems in Europe appear to be in process of containment, as the European Union has signaled its intent to come to the aid of Greece, and stem a potential systemic credit crisis throughout the continent. Details still remain opaque, and more information is expected if not coveted over the weekend and into next week.

So bailouts are not dead in the economic recovery, which speaks to how wide, deep and serious this global recession has been. And despite the diversity in culture, politics and climate for the global economy, simple math applies to all, and is critical to success or failure when it comes to

financials. Excess debt continues to choke off growth and consumption, and debilitate recovery.

But the engine of this recovery has been decisively China, which at the current time is facing a much different problem than the Western World; it might be growing too fast. The Chinese are trying to cool things down a bit, to prevent bubbles in an over-heated economy. This has the global markets spinning their wheels of sorts to try to reassess both risk and reward.

Using an Olympic metaphor, China is a physically fit, fine tuned athlete that matches strength and speed, and is just entering its prime. The rookie if you will. The big question is that of stability and stamina, but indications suggest it is well trained, and a natural.

The United States is the reigning champion, and a veteran, who has every reason to believe it's still a force to be reckoned with, but is nursing a serious injury in rehab, and will have to resort to new and creative strategies to stay on top. Natural ability is no longer enough, but its size, scope, ingenuity and will still have no peer.

Europe is tricky. It is clearly passed its prime, and there is reason to believe that many of its players were artificially enhanced with banned substances, and its recent successes should be viewed with skepticism. Like the US, the EU remains in rehab, but its ability to compete effectively is further out. For those that are curious, Greece will not be participating in Vancouver either.

We remain optimistic for the year, but anticipate further hurdles in the way before we reach a smoother path. But as you know, investing is more like a marathon than a sprint, it just requires close monitoring, stamina, and the ability to deal with unforeseen events and act accordingly. At times you need to pick up the pace, while periodically you need to slow down the pace.

By: Mike Frazier