
The Duller it Gets The More Exciting It's Just GOTTA Get.

(by Arthur Rosenberg, and no one person or organization is responsible for his blather other than him)

There they are. It's morning time (or evening time) on the radio or television. The pressure is on. Steven related to me that this morning, on a television financial program, the interviewee was being pressured into predicting what was going to happen to the stock market this morning. The more he tried to discuss the longer term (longer than one day that is), the more he was pressured to predict. I always thought that predicting was not only useless but could be dangerous. Take for example a radio program I used to listen to about forty years ago. People would call in and would ask a question of the "expert." I remember one question in particular. The expert was asked about refinancing their home mortgage. The expert suggested that they not do it at this time, but (to paraphrase from my failing memory) *wait six months. Interest rates will be lower.* I remember even at that time how unprofessional it was to give that kind of an answer. The expert really had a 50/50 chance of being correct (in that case I remember he was wrong- maybe that is why it stuck in my mind), and here these people were going to rely on that. There are a couple of things I have learned over the years.

One, you make the best recommendation, decision, etc. today directed toward the long term, *which may change tomorrow.* This would hold true in most situations. Take for example the investment manager, Brandes. Their philosophy (and many others as well) and goal is to hold stocks for five years. That is their position when they purchase the stock. On the other hand, something may change tomorrow, next week, next month, whatever, that may cause them to sell the stock. I really believe that this holds true in many situations in and out of the financial markets. Two, the stock market is going to do what it's going to do. Predicting doesn't work. The market has a mind of its own. Two or three years ago when oil was selling at \$20 a barrel, if you were told that in a couple of years it would be selling for \$90+ a barrel and you were asked to predict the stock market, you probably would not have predicted that the Dow Jones Industrial Index would go up about 5 thousand points, as it did. Why? I dunno. Ask the experts.

In the early sixties, when I was at Reynolds and Company training in New York, the head of Research took me out to lunch at Delmonico's, a haunt of the stock brokers. (Actually we were called "customer's men," a term I still like today. It meant "we work for you" which is what we do.) We were sitting with some of his friends who were in similar positions with other firms. It was suggested that I 'get on the radio.' That way people will hear you and maybe you'll get some people call you. You'll get "known." I told them that I couldn't do that. I heard them on the radio and they always gave a prediction as to what the stock market would do. I haven't the slightest idea. They all laughed. They told me that they didn't know what the stock market was going to do either, but if you don't give a prediction, you'll never get back on the radio.

Lately we have seen dramatic increases and mostly decreases in the Dow Jones Industrial Index. Please keep these moves in perspective. I was there when the DJII dropped around 250 points in 1967. That was 25%. The often quoted one day in October 1987 the market dropped 508 points or 23%. A 300 point change today is a change of less than 2 1/2%. Yes still an uncomfortable change (if it's down of course), but still 2 1/2%. The sub prime problem is real and is having a bad effect on a number of industries. Even the experts at this point don't claim it is anywhere near as bad as the savings and loan bailout in 1987. (Also remember that the PE ratio was on the north side of 30 times in 2000 whereas now it is in the more reasonably historic mid to high teens.)

Watch and listen what is going on now. Think about the longer term, or the term that should be looked at in your personal situation. Make long term plans - - - which may change tomorrow.

Don't Worry Jacki. You can keep doing this while you are driving in Pennsylvania (For The Time Being)

Although the recent Legislative Brief reads (almost) that "Effective November 10, 2007 motorists in the state of Pennsylvania will be prohibited from using handheld mobile tele- phones while operating a vehicle. The Bill (House Bill No. 1827) amends Title 75 of the Pennsylvania Consolidated Statutes and was passed on September 11, 2007."



The bill states that "No driver shall operate any moving vehicle on a highway of this Commonwealth, which shall include Federal, State and municipal highways, while using a handheld mobile telephone."

According to the best information we have been able to obtain, that this bill is not only NOT a law, it is still being held in the Transportation Committee. There is still a long road this needs to go down before becoming law. Anyone interested or curious about the bill can contact State Rep. Josh Shapiro's office at 215-517-6800.

Please note that we believed the alert quoted above confused the introduction of HP 1827 into Pennsylvania's House of Representatives with the passage of that bill into law.

OK JACKI. YOU CAN KEEP USING YOUR CELL PHONE WHILE YOU ARE DRIVING, BUT PLEASE TRY TO KEEP IT TO ONLY ONE PHONE AT A TIME!!

Welcome Tom Gallagher

Tom just joined us taking over for Denise Clark. He has big shoes to fill, but he is doing it well. Tom



is primarily responsible for keeping track of investment accounts managed by professionals. He has over 6 years experience in the financial services industry.

Tom lives in Quakertown, PA and enjoys spending time with his daughter. He is an avid art and music fan and spends time focused on improving his own artistic talent. Most recently, he has become interested in glass blowing and begins classes shortly.

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Welcome Joanne Keller

We are happy to welcome Joanne Keller. Joanne will be taking on Mary Beth's responsibilities. Joanne comes to our organization with 25 years of experience in the financial industry and she holds her investment licenses. Joanne is committed to providing optimum quality customer service and a dedication to excellence. She is looking forward to all of her new responsibilities and opportunities this position will offer.

Joanne resides in Montgomeryville, with her three sons, two thirteen year olds and a son attending his freshman year at Temple University. Her interests are varied. She enjoys gardening, reading, cooking, music, and classic movies.



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