

## **Investment Forum Program for Wednesday, September 30 at 11:45**

**Perspective:** On September 23, *Washington Post* columnist Steven Pearlstein wrote an article entitled “A New Bubble Of the Fed’s Creation.” Pearlstein warned that the vast amount of liquidity that the Federal Reserve is injecting into the financial system (along with similar actions by foreign central banks) far exceeds current credit demands of households and businesses. Instead, the cheap money is being used by professional investors to buy financial assets and commodities for purposes of speculation. So, the Fed is caught between the horns of a dilemma with a weak economy that needs support and another potential financial bubble forming that will inevitably deflate and harm the same economy that the Fed is attempting to support. Meanwhile, *Kiplinger’s Business Resource Center* forecasts that the Fed will continue to provide easy money for many months to come because the recession is being felt so strongly on “main street.”

**Strategies:** 2009 has been one of the most difficult years for investors in U.S. history. It has left both professionals and individuals groping for their bearings. The current issue of *BusinessWeek* magazine has a long article on the topic. Unfortunately it raises more questions than answers. But, at least they’re good questions.

**Bonds:** Amid this year’s confusion, Treasury Inflation Protected Securities (TIPS) are often highly recommended for individual investors. *The Wall Street Journal* recently published an article which includes everything you’ll ever want to know about them. There’s a case to be made that they may have been oversold. Only time will tell the tale.

**Stock Talk:** How well does Verizon (VZ) stand up to scrutiny? It’s a complex business and it depends on what segment of their business is being examined. Wireless may provide a positive surprise in comparison with industry peers.

**Disclaimer:** Last week mention was made of “exogenous” events by a member. In that same line of thought, if a major conflict breaks out in the Middle East that disrupts global oil supplies, all bets are off regarding investments including previous comments discussed at the forum.