



PEREGRINE
Private Capital Corporation



PEREGRINE PRIVATE CAPITAL CORPORATION

JUNE 24, 2015

Lies, Damned Lies and Statistics

According to Wikipedia, “Lies, damned lies and statistics,” is a phrase describing the power of numbers when used to bolster weak arguments. It is a phrase popularized by that great cynic, Mark Twain.

This is why statistical analysis lends itself so well to central banks around the world like the Fed, the ECB, the BOJ, etc. The reams of data their minions study tells them whatever they want to believe. Statistics will support whatever position you *want* to take.

The operative word here is want. None of these institutions are objective. They are all highly politicized with policy driven agendas. This is one of the reasons why the “economic models” they use make a lot of bad predictions. Some of these are small and trivial, some are monumental and devastating. And I fear trying to stimulate economic growth through zero interest rates and quantitative easing is the latter.

This created a profound disjoint between stock market valuations and performance of the underlying economy, both here and abroad. This has also resulted in a resurgent housing price bubble.

At this point, no one really wants to go into how the Fed can get itself out of the position (or corner) it has painted itself into, without a painful general asset price correction. They prefer to distract themselves with happy talk about how the dollar will always be strong (already proved wrong) and how U.S. stocks and bonds will always be a great investment. Or, like Alan Greenspan, they trivialize it by describing it as a possible “taper tantrum” and how the average investor should just buy and hold.

The elites have always been good at trivializing their own mistakes. If they didn't they wouldn't be elite would they? However, even though they don't want to see the new bubbles they've created (meet the new boss, same as the old boss), hopefully you will be able to protect yourself before it's too late. Don't get fooled again.

Robert S. Smith
President/CEO
Peregrine Private Capital



Discipline. Drive. Commitment.

5000 Meadows Road, Suite 230, Lake Oswego, Oregon 97035 | P 503.241.4949 | TF 866.762.4520 | F503.469.4578
RS@PeregrinePrivateCapital.com | www.PeregrinePrivateCapital.com

Securities offered through Concorde Investment Services, Member FINRA/SIPC.

* FINRA, the Financial Industry Regulatory Authority, launched in July, 2007, with the consolidation of the National Association of Securities Dealers and the New York Stock Exchange Member Regulation firms. SIPC is the Securities Investor Protection Corporation.