

Friday Pearls of Folly

Its Friday and its been a long week...

- When risks are high one reasonably expects the risk free rate to be low.
- Buy when interest rates are high, sell when they are low.
- 'Tis calmest before the storm. 'Tis very calm. Corollary: risk is high when VIX is low.
- Markets are attached to fundamentals by psychology, a very elastic couple.
- When the pie shrinks, people are less happy to share. There is a point when economic considerations give way to strategic considerations.
- 'You got to know when to hold 'em, know when to fold 'em'. Kenny Rogers, The Gambler.
- "My options are decreasing mostly rapidly." Gordon Sumner, Seven Days.
- Money can buy almost anything, even and especially experience. But pay as you go, there is no need for a retainer.
- Often the way to an efficient portfolio is a short memory.
- Often the way to successful trading is a long memory.