

The Value Investor Note

Insights & Think Pieces for the Prudent Investor
October 13th 2017

Market Snapshot
DOW JONES: 22,872.89
S&P500: 2,555.24
NASDAQ: 6,603.55

October 18th: China's largest political event takes place

China's "Party Congress" will take place next week, in which 2,300 of China's ruling elite will assemble. The event serves as China's answer to national elections; a forum to vote on policies, revise the party's charter, and replace top leaders. The event, which is held twice a decade, marks the halfway point in Xi Jinping's expected tenure.

The weeklong event will begin with a speech by Xi laying out the country's priorities—the most authoritative policy statement to come out of China every five years. The congress is expected to replace about half of the 200-member Central Committee, including as many as five of the seven members of the Politburo's all-powerful Standing Committee.

Much is at stake for Xi, China, and the future of international policy. It is Xi's opportunity to reveal his plans to address China's \$33 trillion debt pile, relations with North Korea, or overhauling the world's largest military. It is an opportunity for Xi to amass enough power to choose his own successor, or break from recent convention and stay on for a third term.

"It's 2017, this is the second-largest economy in the world, the way it chooses its leadership is almost a complete black box," said Jude Blanchette, engagement

director at the Conference Board's China Center. "And so, all we have to go by is rumors." The carefully orchestrated event will have deep consequences for global economies, and we are closely monitoring its effect on financial markets.

A deeper look at crypto currencies

Cryptocurrencies as a whole have increased in value by 1,500% in just one year. With so many to choose from, [this link](#) provides a stunning comparison of the most notable coins.

Do cryptocurrencies belong in your portfolio? From the perspective of a value investor, the asset class is rising on speculation, similar to the tech bubble of 2001, or the way in which the S&P500 is being elevated by a small number of overpriced stocks right now. However, it can also be seen as a completely new and uncorrelated asset class that can outperform when traditional equities and bonds are going through a downturn. Interested in learning more or buying a crypto? As always, don't hesitate to ask.

Will you be prepared for retirement?

The following is a link to an [excellent retirement calculator](#). Enter your information to get a better understanding of your financial situation. While stock market returns fluctuate yearly, a crucial variable to consider is how much you are saving on a monthly basis.