



## Basis Points – November 19, 2019

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### Above the Fold

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#### *Records Are (Cautiously) Being Made*

In early 2006, much of the world was fueled by a sense of euphoria and even mania in some aspects. The U.S. stock market was nearing all-time highs, while the housing market was doing the same. We were not even five years past the worst terror attacks on U.S. soil and just a few years out of the recession that followed, and investors around the world remembered the meteoric fall of stocks after the tech bubble burst.

But rather than a warning of things to come, it seemed that most of us had “learned” from our mistakes (even though many stocks, properties and commodities were being pushed to extreme valuation levels), and were almost blindly continuing to march forward. Looking back through the news stories from the period, you’ll certainly [find caution](#), but concerns were more focused on terror attacks and war than the simple fact that the prices of so many things were hard to justify. In short, the masses seemed little worried about a meltdown.

As the Dow Jones works to push through its landmark level of 28,000, the tone remains cautious and less feverish (which may be a good thing). The “melt up” of stocks has coincided with very public scalebacks in manufacturing and auto production, less optimistic outlooks from many executives and widespread, express dissuasions from media outlets. It’s safe to say that the level of euphoria is nowhere near where it was before the economy unhinged in the mid-2000s.

That said, the ominous inverted yield curve has now unwound and it’s apparent that even accounting for all the potential risks, investor and consumer appetites remain healthy. We learn from every recession and hopefully our responses to the last few will make the next less severe.

## Three Things

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1. *Hulu Going the Wrong Way?* – After the wildly successful launch of Disney+, streaming competitor Hulu decided that a price hike was the best solution in a space where it’s getting harder for consumers to navigate and justify subscriptions. The cost of Hulu + Live TV, a service that offers live news and sports as well as on-demand content, will jump more than 22% to \$54.99 on Dec. 18.
2. *Just Take the Mustang to Soccer Practice* – After 55 years as an iconic, best-selling sports coupe, the venerable Ford Mustang will morph into an all-electric SUV. The new Mustang Mach-E will sport four doors and look more like a Tesla Model X than any Ford produced. Executives are hoping the Mustang name will lure consumers to the growing electric car market; and don’t worry, the regular, fossil-fuel-burning Mustang body style will still be sold.
3. *Welcome to Google Bank* – As a way to capture more profits and gather more of your most intimate data, Google is soon expected to offer online checking accounts to consumers. Just as Apple partnered with Goldman Sachs to offer its metal credit card, Google will pair up with Citigroup Inc. and Stanford University Credit Union to support its version of online banking.

## Did You Know?

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*Houseplants and Their Surprising Effect on Air Quality*

A recently published study in the [Journal of Exposure Science and Environmental Epidemiology](#) reviewed dozens of previous studies that tested nearly 200 plants for their effectiveness as “air purifiers” in the home. The research concluded that while plants can help remove volatile organic compounds (VOCs), like those found in cleaners, polishers and paints, the average home would have to have hundreds, if not thousands of plants (think Amazon jungle) to remove the same amount of pollutants that a properly functioning heating and cooling (HVAC) system with a clean filter is able to do.

So, keep your houseplants for aesthetics, but ensure your HVAC system is not only clean, but continuously serviced by technicians to keep your indoor air healthy. It also pays to spring for a high-quality air filter that removes the tiniest of particles and irritants.

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