



Basis Points – January 9, 2020

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Above the Fold

Is War an Option?

Following the surgical killing of known terrorist Qasem Soleimani, Iran launched more than 20, powerful ground-to-ground missiles over its borders and into Iraq targeting several bases housing American and foreign troops. Iran took full responsibility for the attack, using retaliation for Soleimani's removal as an excuse. Other terrorist groups sympathetic to Iran vowed further retributions. Fortunately, there were no casualties in this latest wave of attacks, but **thousands** of Americans have already lost their lives in the Middle East in the post 9/11 war on terror.

Barring any further escalations by Iran, it seems the Trump administration is taking the high ground, and diffusing the tenuous situation — and this is good for all. While Iran talks big and broadcasts threats against America regularly, its military is no match for U.S. might. A declaration of war would be absolutely devastating for the country and would have ripple effects throughout the region, likely altering positive consumer sentiment and growth domestically as well. Worst of all, it would cost more lives and add motivation for terrorist factions, who don't respect any international laws or accords, to spread mayhem and make an extremely difficult situation worse.

All we can do is pray for a peaceful outcome, but this feud is far from over.

Three Things

1. *Crude's Unexpected Move* – Despite turmoil and rising tensions in the Middle East, crude oil prices were falling early this week. Several experts believe the lack of follow-through is due to record U.S. production, waning demand and an increasing lack of control over the market by OPEC (The Organization of the Petroleum Exporting Countries).
2. *Closing the Gap* – The latest U.S. trade deficit data show a decline to just \$43.1 billion; the lowest level since President Trump took office. While a large part of the gain came from a trade gap reduction with China, American consumers also imported less.
3. *Yum Getting Into Burger Biz* – Yum! Brands, owner of nonburger chains Taco Bell, Pizza Hut and KFC, is jumping bun-first into the burger business with its recent acquisition of Habit Burger Grill for \$375 million. Habit operates dozens of locations, mainly in coastal states and China.

Did You Know?

Love Salt? Eat More Cheese

A 2019 study published in the Journal of Nutrition found that diets high in cheese may help reduce the negative effects of high sodium intake. The study suggested that incorporating cheese into a high-salt diet seemed to counteract the blood vessel contraction that causes high blood pressure. While it's best to defer to a doctor, it's nice to know that something delicious and decadent might do the body some good!

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