



**July 11, 2007**

At one time, I was considered to be a pretty good golfer. Having played the game since I was a little kid with my parents, I had a big advantage over those who took the sport up later in life. When I was younger, golf wasn't thought to be much of a sport, especially amongst my friends, and some people laughed when I said that I played.

I remember going out on the course, at first, for one hole and then two holes and three and I finally reached 9 holes by the time I was around 10 years old. I think I still have my first real scorecard from that 9 hole round!

Throughout high school and college, I worked incredibly hard on all aspects of my game, including taking countless hours of lessons with a leading Connecticut professional. Every sunlit opportunity I had outside of my summer job and school, you could find me on the practice range working on different shots or around the putting green honing in my short game.

When I moved to New York City in the late 1980s and started my career at Shearson Lehman, I was worried that my golf game would suffer. But every Friday I managed to jump on the 5:03pm express train back to Connecticut for some early evening practice before my 36 holes on Saturday and Sunday.

At this point, I had developed what many said to be a very good, repeatable swing with excellent tempo that would hold up under pressure. The more tournaments I entered, the more confident I became as I grew into a fairly decent golfer. I thought this would be the case for decades to come. Practice, improve, play and win.

I bumped into some old friends recently and they invited my family and I over for a weekend barbeque. When I declined because we had previous plans, they laughed and said, "Same old Schatz; always on the golf course!" My response floored them.

"Guys, I don't even play golf anymore."

Of course, they didn't believe me; no one who knew me years ago would! In fact, they almost fell over laughing from my answer. But it's essentially true. By "play", I mean that I don't get to practice for hours and hours and get out on the course all the time. I do hit some balls and play a few rounds, but it's not the same.

When friends invite me to play, I usually decline since I really don't enjoy the game without a high level of play, and they are all still excellent golfers. It's frustrating! Sure, every once in a while I throw in a low score, but my consistency and concentration have waned significantly.

If you've read this far (and thank you if you have!) you must be wondering what the heck am I getting at! Hang in, we are almost there!

When my golf game first began to deteriorate, it did not sit well with me. As you know, I am super competitive and refused to believe my skill level would not stay strong with less play and little practice. But I have come to the realization that with any gift in life, we can only go so far without putting in the time and effort.

The story of my golf game could not be a better analogy to investing and making money in the financial markets. Meeting with so many clients and prospects, it's interesting to hear the reasons why people come to see me and seek help.

I can't tell you how many folks say they just can't make money in the stock market. Whatever they do investing wise, the exact opposite happens. Some have even said they are cursed.

I usually ask them what kind research went in to their decision making. Typical answers range from, "I watch CNBC and Jim Cramer" to "I read Money magazine or the Wall Street Journal and Investors Business Daily." Garbage in... garbage out.

I am sorry to say that I have never met anyone in my almost 20 years in the business who has consistently made money from watching TV or reading mass distributed publications for a few hours a week. It's just not going to happen. I doubt there are any tour golfers who picked up Golf Digest and learned to play!

If you want to run your own money, that's great, but you need to treat it as a job. It's not a part time hobby. It requires a lot of hard work with research and follow up and monitoring. Just like I can't hit a few range balls each week and expect to shoot even par, the same goes for investing.

Another answer I get from first time visitors is that they used to make so much money in the stock market. Yet this decade, they are still down or barely breakeven. In sports, equipment changes. Golf swings have evolved over time.

In investing, methodology and philosophy is ever evolving. What you found to work in the 1970s or 80s may not work as well today. Years ago, almost everyone was glued to the wires for the Thursday afternoon release of the money supply. Today, no one cares. It's become almost useless and irrelevant.

The most successful investors, whether individual or professional, have one thing in common. (And, I'd like to include myself in that category.) We continue to do unending and diligent research. We stay on top of our old analysis to monitor its effectiveness and work tirelessly to come up with new, cutting edge techniques to remain ahead of the curve. We thirst and crave success.

Just like being a good golfer takes dedication, time and skill, the same goes for investing. This is a marathon, not a sprint and the real professionals find ways to make money in a variety of market environments. That's why so many people were crushed earlier this decade.

If you are not ready and willing to dedicate yourself to making the most of your hard earned portfolio, please, please seek the help of a qualified professional! Would surf the net on how to fix your spouse's heart disease? Or drill your own cavity?

It's getting late and for some reason my wife wants to spend time with me. I didn't even get to chat about the stock market yet. Here are some quick thoughts, but not much has changed that I need to spend a lot of time right now.

Those that email or call regularly know that stocks became very overbought in the short-term late last week. I expected another one of those 1-3% dips to scare some folks out and build some worry. The never ending sub prime mess was just the ticket and we saw some weakness this week.

Thursday is a seasonally weak day and if we see that, I would use the pull back to add to longs if you have spare cash. We invested fresh money at today's open and I will again on Thursday or Friday.

Next week is the monthly expiration of options and that has been an up week the vast majority of the time when the prior four weeks have been up. Right now, I expect more strength. JP Morgan, Intel and Yahoo report on Tuesday and that should add a good dose of volatility, hopefully to the upside, as earnings season swings into full gear.

With both investment models positive, I continue to expect more new highs this month. Over the intermediate-term, smart money in the futures markets is about as bullish as they ever get. It's interesting since that usually occurs after declines, not at or close to all time highs. And these investors are typically right!

Finally, I invite you to forward this edition or any other edition to family and friends who could benefit. Please ask them to subscribe on the homepage of [www.InvestForTomorrow.com](http://www.InvestForTomorrow.com).

By request, next week I am going to update the 2007 forecast I made in January to see where we stand. That's always a fun exercise!

If you got this far without hitting the delete key, I appreciate you reading!

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