The Economy:
Highly anticipated action from Central Banks as well as key economic data made a choppy week in the markets.
Disappointment over no action from Central Banks was off-set by mildly stronger than expected economic data, pushing the markets up, then down, then up again as the worse fears of global dis-function have been arrested. In broad terms the global economy is muddling along, not fast enough to improve employment, but not slow enough to warrant Central Bank action. And with political uncertainty continuing at least through year end, it is difficult to act with confidence when it comes to investing for the future- whether it be a business or individual.

There is always a bullish and bearish case to be made.
-The positives are: exceptionally low interest rates; healthy business balance sheets; bottoming in housing market. Each of these factors are huge and can potentially propel the economy back to stronger footing.

-The negatives: exceptionally high government debt and looming fiscal cliff; high unemployment; very weak consumer balance sheets. Each of these factors will take many, many years to eradicate and thus remain a huge drag.

The Markets:
This week market comments display the dichotomy of importance given to the factors above:

Bill Gross, managing director at bond giant Pimco says: (Keep in mind he is a bond guy)
'*Stocks will no longer generate the kinds of returns they've had over the past century' because 'the return of stocks above the rate of economic growth as measured by GDP cannot be sustained. If an economy's GDP could only provide 3.5 percent more goods and services per year, then how could one segment (stockholders) so consistently profit at the expense of the others (lenders, laborers and government)?* '
Gross goes on to say, '*Financial repression, QEs (quantitative easing) of all sorts and sizes, and even negative nominal interest rates now experienced in Switzerland and five other Euroland countries may dominate the time-scape....The cult of equity* (ownership) *may be dying, but the cult of inflation may only have just begun*.'
Morgan Stanley chief market strategist Adam Parker *sees 'the market falling 12 percent by the end of year, and said the only reason to buy stocks now is in anticipation that Republican Mitt Romney will win the presidential election in November*.'
Though strategists at larger investment houses such as Bank of America Merrill Lynch and JPMorgan remain bullish on stocks, investors have taken a dimmer view. They pulled $9.4 billion out of stock-based mutual funds last week alone and poured money at near-record numbers into high-yield bonds.
Market Strategists like Sam Stovall, Chief Investment Strategist at S&P Capital IQ, state a reason to buy. '*History as well as technicals are telling us that stocks are likely to work their way higher towards the end of the year*.' "*Our feeling* (is), *a year from now, the trajectory of both earnings and economic growth would be up, not down as it is today, and as a result we might see an increase in the P/E multiples,*" Stovall and his firm raised their 12-month target for the S&P 500 to 1500 from 1450 previously, which is +7% from today's closing price.

Investment Strategy:
This financial debate will of course continue and insure continued volatility . So how do you grow wealth in this environment?
Portfolios are over weighted in:
1) Income producing assets: Corporate & High Yield Bonds, dividend paying stocks
2) Lower risk assets: Large cap, Health Care, Consumer staples, global infrastructure
3) Dynamic assets: Mutual funds with adjustable & adaptable strategies as market conditions change