

# Cumberland Advisors Market Commentary – Echoes of 1968

Brent Donnelly is a good friend and fellow camper at Leen's Lodge. He is also a highly respected senior FX dealer at HSBC New York and the author of *The Art of Currency Trading* and the daily FX commentary *AM/FX*. On September 3, Brent penned "Echoes of '68," a thought-provoking comparison of the years 1968 (remember that doozy?) and 2020. Did you know that '68 included a global pandemic that killed 4 million, including 100,000 Americans? The similarities between the two years in the economy and markets are striking, too.

Here is Brent's complete "Echoes of '68," redistributed with his kind permission. Thank you, Brent.

Click the image or this link to read "Echoes of '68":  
<https://www.cumber.com/pdf/AMFX-Echoes-of-1968-03SEP2020-Brent-Donnelly.pdf>

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# AM FX

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The coolest interactive map I have seen. See page 2.

### Current Views

**↑USDCAD @ 1.3016**

Stop loss 1.2929  
Take profit 1.3280

**Sell EURUSD @ 1.1914**

Stop loss 1.2017  
Take profit 1.1687

## Echoes of '68

2020 has some striking similarities to 1968, a year often considered to be one of the most troubled in modern US history. For example:

1968	2020
Highly contagious virus triggers a pandemic which sweeps the globe. Infection causes upper respiratory illness, with highest mortality in those aged 65 and above. Pandemic kills 4 million, including 100,000 Americans	Highly contagious virus triggers a pandemic which sweeps the globe. Infection causes upper respiratory illness, with highest mortality in those aged 65 and above. Pandemic kills 1 million, including 185,000 Americans
US protests in response to racial injustice become a regular feature of the US landscape. Peaceful protests spur sympathetic protests from like-minded citizens around the world. US protests morph into fiery riots, looting and property destruction as more radical elements turn to violence.	US protests in response to racial injustice become a regular feature of the US landscape. Peaceful protests spur sympathetic protests from like-minded citizens around the world. US protests morph into fiery riots, looting and property destruction as more radical elements turn to violence.
US athletes raise gloved fists during the national anthem to protest violence towards and poverty among African-Americans. The next day, the IOC strips their medals and sends them home. In time, what was then seen as an ungrateful affront to America became, to many, a courageous stand for equality.	US athletes kneel during the national anthem to protest violence towards and systemic racism against Blacks. The leagues support them because Colin Kaepernick's actions in 2016 paved the way for this year's athlete activism. Kaepernick was not as lucky as athletes in 2020. He was vilified and criticized by many for his activism.
Tense elections as the Republican nominee campaigns on a platform of Law and Order	Tense elections as the Republican nominee campaigns on a platform of Law and Order
Stocks rally to all-time highs despite enormous social strain	Stocks rally to all-time highs despite enormous social strain

There are other similarities. 1968 was the beginning of pressures on the monetary system that eventually led to a break of the gold standard and a 25% dollar devaluation. The current record debt and deficits has brought bitcoin and gold to the fore as US dollar substitutes in an echo of the 1968 feeling that the monetary system was not tenable. There are also many important differences between the landscape of 1968 and that of 2020.

**David R. Kotok**

Chairman of the Board & Chief Investment Officer

Email | Bio

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