
ON CHINA AND POLITICS WITH DAN DAVID

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On last Friday's podcast we had a conversation with Dan David, Co-founder of GeoInvesting, who was profiled in the documentary China Hustle for his work uncovering Chinese frauds that were listed on U.S. stock exchanges.

David says his research led to 12 companies being kicked off U.S. exchanges, and the frustration that stemmed from his congressman's lack of response in putting more investor protections in place led to David's running for Congress in the 4th district of Pennsylvania and Montgomery County.

Professor Siegel has discussed many times on our podcast why 2018 could be a [volatile](#) year for equities. This belief stemmed from two primary risks: the [Fed's interest rate](#) hiking cycle and four [hikes](#) that he saw as providing a more challenging environment for equities, but also political uncertainty surrounding the midterm elections.

With that political risk for the market in mind, hearing the battleground issues for Montgomery County was a good preview of some of the stories we will be hearing more of during the second half of the year.

David describes Montgomery County as a very "purple" county—a mix of 14% independents but that leans Democratic with a six-point voter advantage. David is clearly attempting to appeal to this large swath of independent voters. Issues we touched on during the podcast included:

- Why David believes more action needs to be taken in both trade negotiations with China and investor protections from Chinese frauds that he believes are still ongoing
- Concerns surrounding the opioid crisis and its impact on the labor force ([an issue that was also discussed in last week's podcast with Jeff Korzenik](#)), but also why David supports the medicinal benefits of cannabis in lieu of opioids for the treatment of pain
- The current state of the economy and global financial markets, and why he thinks politics are becoming more global and not just local issues

This was an interesting discussion on the state of politics and one county's election. Please listen below to our full conversation with Dan David.

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Volatility: A measure of the dispersion of actual returns around a particular average level.

Federal Reserve: The Federal Reserve System is the central banking system of the United States.

Interest rates: The rate at which interest is paid by a borrower for the use of money.

Rate Hike: refers to an increase in the policy rate set by a central bank. In the U.S., this generally refers to the Federal Funds Target Rate.