False Metrics, Economic Reality & Perspective on Safe Haven Assets

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"The Fed actually made the bubbles bigger than the ones that popped. So now, the dollar's collapse is going to be that much bigger, because it's now a bigger bubble with more air to come out of it. And I think they have no more tricks up their sleeves. When this happens – it's over."

- **Peter Schiff, Vancouver Investment Conference, Feb. 1, 2018**

"I think there are two bubbles. We have a stock market bubble and we have a bond market bubble. I think [at] the end of the day the bond market bubble will eventually be the critical issue."

- **Alan Greenspan, Bloomberg, 1/31/18**

"There is a huge bubble of passive money flowing in... a sort of euphoria, and a lot of people are going to pay the price just like in 1929."

- **Carl Icahn, Billionaire Investor, 2/6/18**

"The myth of sound US fundamentals has never rung more hollow."

- **Steven Roach, Former Chief Economist, Morgan Stanley**

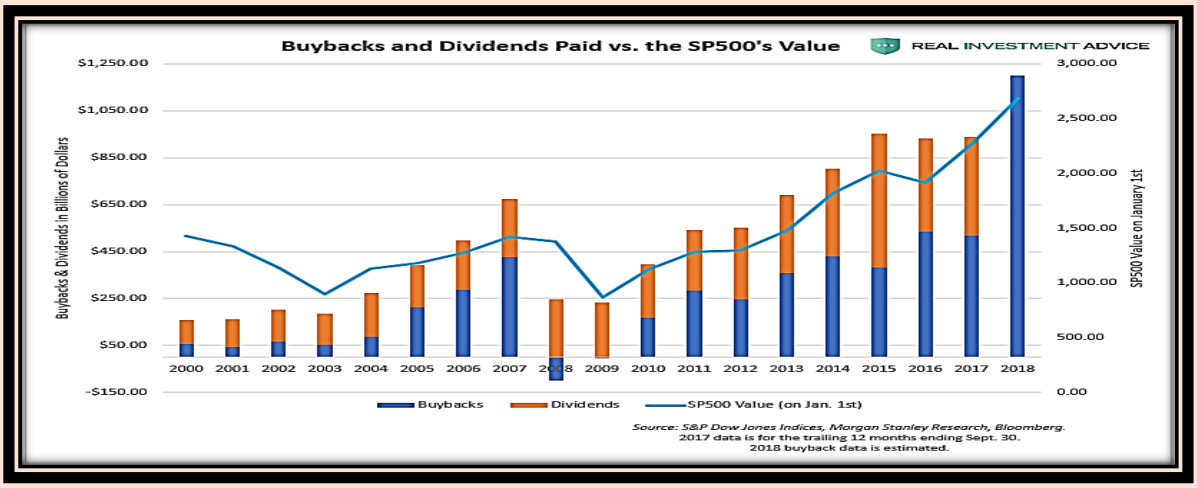
"We can't let anyone know, until everyone knows."

- **Movie Line from 'Contagion'**

Greetings to All,

And, you have to love that last quote. It is sort of like, things work, until they don't, right? And that is precisely where we seem to be in the scheme of things. The officially-accepted-narrative is that we are in a robust economic recovery, low unemployment and pretty soon the **US** will be great again. We would like to believe this, but the **economic reality** suggests otherwise, and this is due to **false metrics**, central bank interventions and market rigging. Nothing new here, but time seems to be running out for the lords of finance and **Wall Street** trickery. Not a week goes by that we are not assured that we should stay fully-invested in the **US** stock market and that the **US** can efficiently – *even safely* – unwind trillions in toxic debt at the **Fed**, and also raise interest rates at the same time! This is after ***110*** *months* of near zero rates and the assumption is that the **US** will avoid a "recession" for another ***120*** *months*! Folks, this is crazy stuff, and I hope the following **charts and data** will convince you otherwise and to either seek the safety of **precious metals,** or stay the course. I will wrap things up in my **conclusion** as always.

The Stock Market is *a False Metric for America!*



*"I have been saying it for years and I will say it again here - stocks are **the worst possible predictive signal** for the health of the general economy because they are an extreme trailing indicator."*

- Brandon Smith

Why do we pay so much attention to the Dow Index? Have you ever wondered about the mainstream media's *obsession* with the **Dow Index**, or more precisely, how **30** major stocks are trading every day? To me, it is mind-boggling that *each and every day* of our lives as Americans we have to somehow concern ourselves with the daily (almost hourly) performance of the **Dow Index**. And this index is primarily influenced by the market capitalization of *just five tech stocks!* As **Smith** says, looking at the stock market is "the worst possible" indicator for the **real economy**. The reason for this is the fact that the majority of stocks (**see above**) are ***NOT*** being pushed up by ordinary investors, but by corporations *borrowing* and *buying their own stock*. **Why do they do this?** The purpose is to use cheap money to buy their own stocks and shrink the pool of their stocks that forces up their share price, and this not only makes their bottom line look good to their shareholders, but more importantly it provides ***huge bonuses*** to upper management – get it? When Trump got his corp tax cut in December it was to create jobs right? **Wrong**. As you can see in the **chart above** (blue line), all it did was *incentivize* corporate buybacks. No new jobs, R&D, expansion, growth or whatever. Same as the Bush tax cuts in **2004** (look it up).

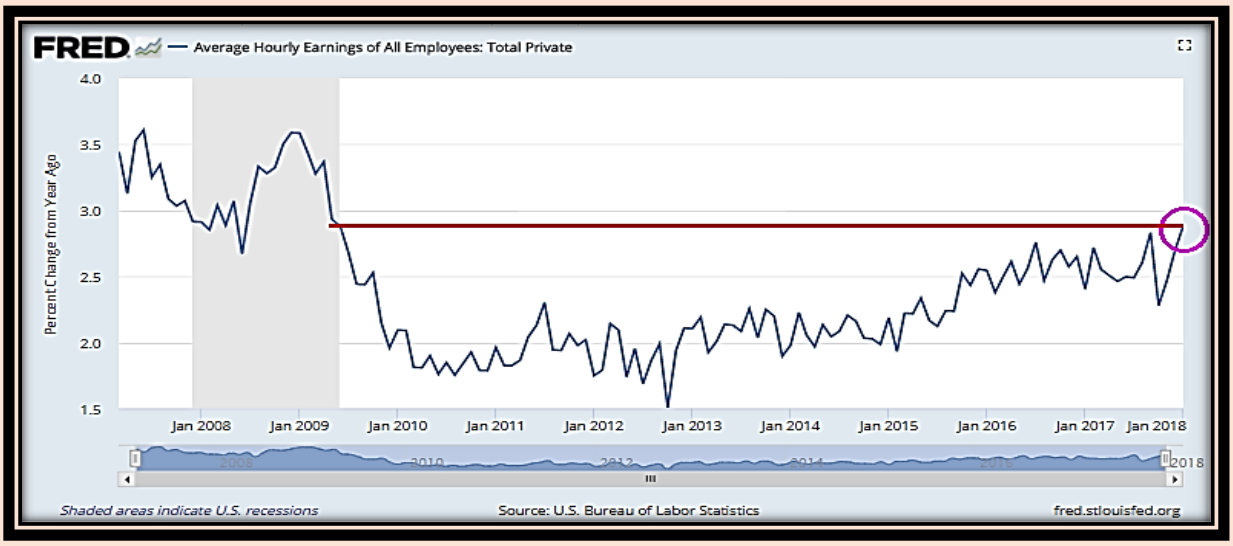
According to THIS study, "About half of US households have ***zero exposure*** to the stock market: no stocks, no mutual funds, no 401(k), no IRA, nothing." Even more revealing is the fact that **84%** of **US** stocks are owned by less than **10%** of the wealthy class. **This report** goes on to say, "Subtract that **10%**, and subtract the **50%** who own no stocks, the remaining **40%** of Americans split about **15%** of the stock market. For many, their investment is *negligible*—maybe a few hundred dollars in an old 401(k)." So, there you have it – a **meaningless metric** for the majority of Americans served up in the nightly news *every single day ad nauseum*. On **February 5th, 2018**, the **false metric** on Wall Street dropped **1,175** points (fully 1,600), and the financial media freaked out. **CNN** hysterically said it was "by far its worst closing point decline on record!" Is this correct? Yes and no. In **1987**, stocks dropped **508** points, and this was **23%** of the Dow Index at **2,208** points down to **1,738**. Wow. What happened on February **5th** was ***4.6%*** compared to ***23%* in 1987**. For some perspective; if the **Dow Index** fell **23%** today in the index of **24,800** points that would translate to a ***5,700 point drop!*** Do you think most stock portfolios could survive this? I think not. This is how **monetary inflation** (created by central banks) distorts our market perceptions, right? Regardless, this latest drama was blamed on **Trump**.

The Stock Market is *a False Metric for Trump!*

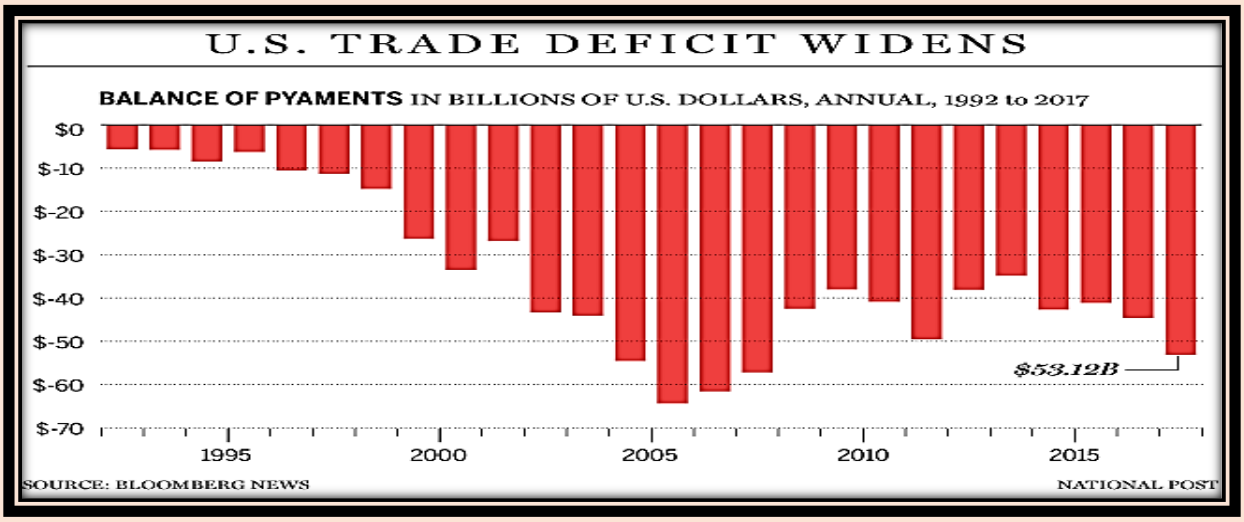
In these days of **extreme partisanship** any movement in the false metric of the **Dow Index** is to be exploited by either party, and this is extremely unfortunate. In **2016**, candidate **Trump** called the stock market "a big fat bubble" and since then he owned it as I have stated in my past newsletters. If Trump wants to brag about the inflated **Dow Index** it will soon bite him in the rear. **The Fear & Greed Index** has been shifting to the negative side as **seen above**. As **Carl Icahn** said a day after the big drop in February, the euphoria and money flows are just like **1929** "and a lot of people are going to pay the price" and they will also blame **The Donald**. To calm the markets, the White House quickly issued a statement to assure that all is well and that the long-term outlook is rosy:

"The President's focus is on our long-term economic fundamentals, which remain exceptionally strong, with strengthening U.S. economic growth, historically low unemployment, and increasing wages for American workers. The President's tax cuts and regulatory reforms will further enhance the U.S. economy and continue to increase prosperity for the American people."

I will address the notion of *exceptionally strengthening economic growth* and unsustainable debt and demographics in a moment. As far as **increasing wages** this has been repeatedly overstated for almost a decade, and the only real growth in **wages** has been for upper management – not the other **90%**.



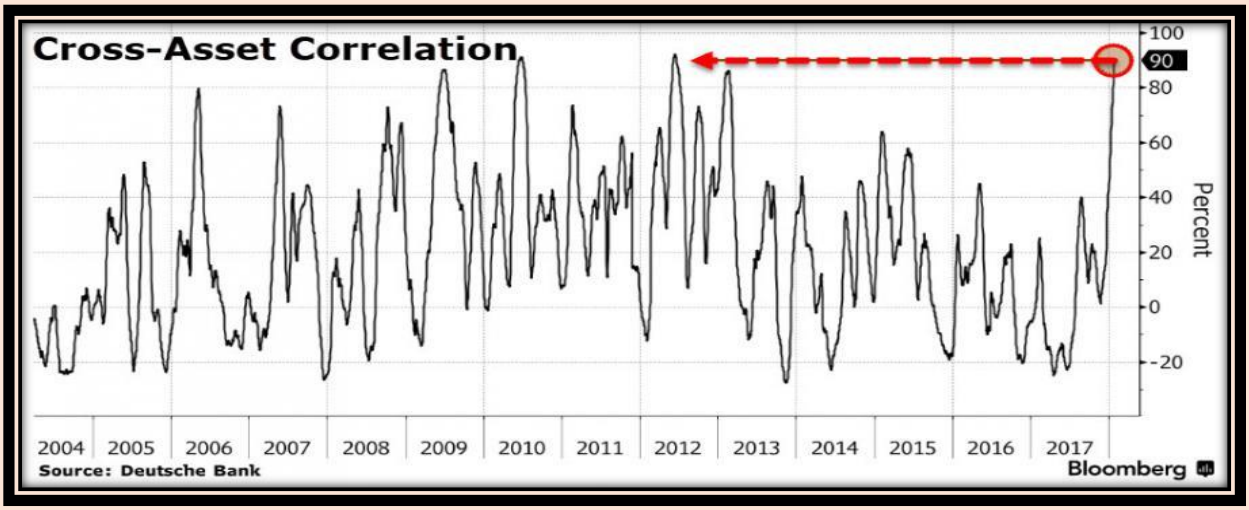
Almost all government statistics are heavily skewed and manipulated (by the **OMB**), and this is most certainly true when it comes to wages, unemployment, growth, GDP (always revised down), solvency of Social Security, Medicare and the entire Welfare State in the **US**.



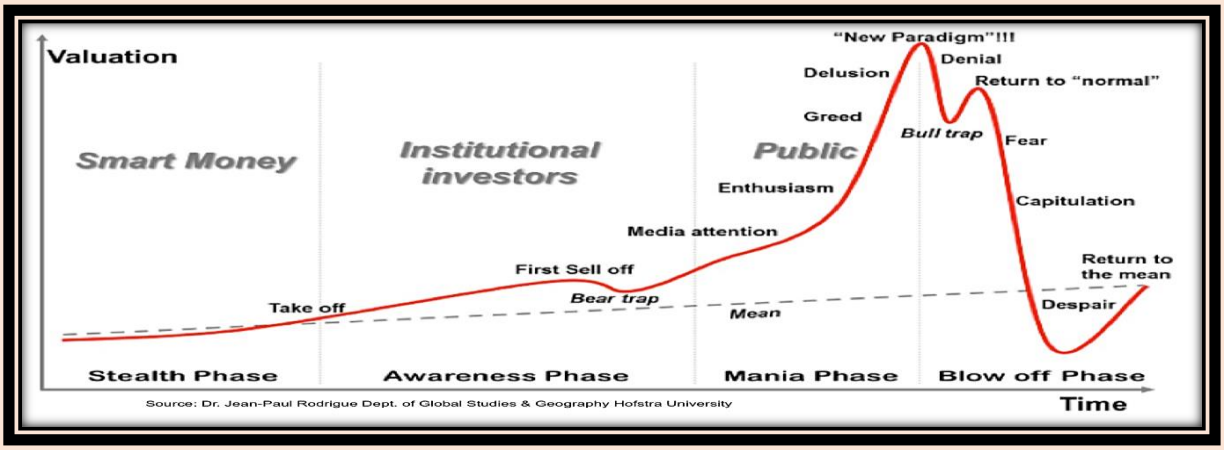
More recently, the **Trump administration** has launched a **trade war** with other nations by slapping **tariffs** on their imported goods. Is this a good idea? Many do not think so. As **Peter Schiff** explains clearly in this **40-min video clip**, nations resort to this when they are *weak*, not strong, and our problem is too much debt and spending and not enough production and saving! **This will backfire.**

Peter Schiff: America Can't Win a Trade War

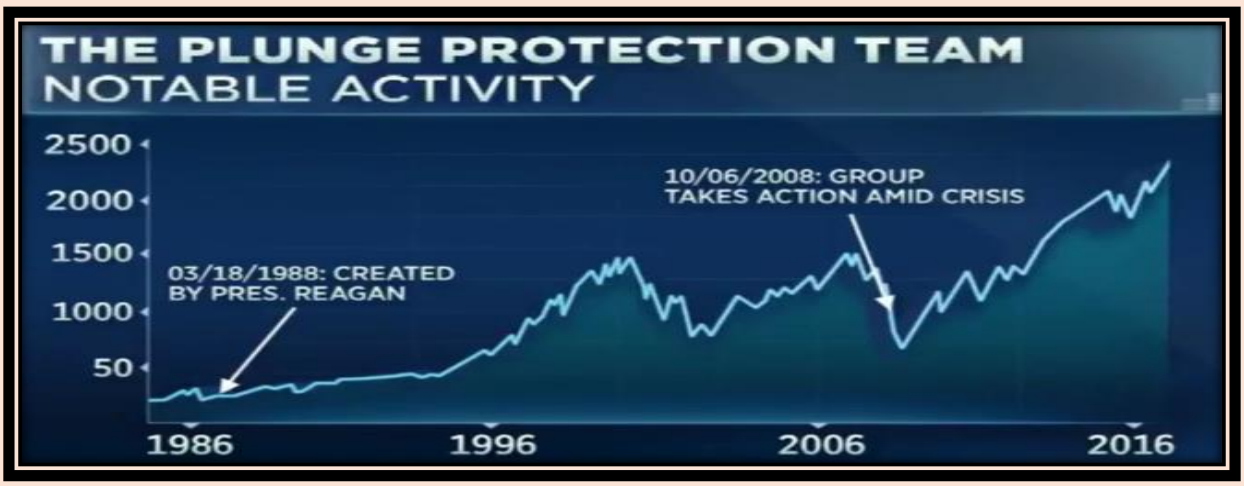
A day of reckoning is coming. This is his conclusion from above. He notes that our biggest *export* is the US dollar (through inflation) and **trade deficits** have been occurring ever since **Nixon** decoupled the US dollar from gold in **1971** (**see above**). A study done by **Deutsche Bank** indicates that all capital markets are getting risky at this precise moment in **2018**. **This chart** measures extreme leverage, risk and over-valuations for key asset classes. It is basically saying that things are out of whack everywhere. Interestingly, at the same time a report came out that **Deutsche Bank's** revenues have fallen eight out of ten quarters and **DB** is extremely under-capitalized. It is rumored that **DB** also has the largest exposure to derivatives in the world (*almost $50 trillion*) and should hardly be lecturing us about financial stability and risk in capital markets. Collectively, the **banksters** are gambling with *$550 trillion* in derivatives!



In a recent article, Jim Rickards has this to say. "Yale scholar **Stephen Roach** points out that between **2008** and **2017** the combined balance sheets of the central banks of the U.S., Japan and the eurozone expanded by $8.3 trillion, while nominal GDP in those same economies expanded $2.1 trillion. What happens when you print **$8.3 trillion** in money and only get $2.1 trillion of growth? What happened to the extra **$6.2 trillion** of printed money? The answer is that it went into assets. Stocks, bonds, emerging-market debt and real estate have all been pumped up by central bank money printing. What makes **2018** different from the prior **10** years? The answer is that this is the year the central banks stop printing and take away the **punch bowl**." I will address the **punch bowl** in a moment. What institutional investors and the public are about to experience is some **economic reality** as illustrated in **this chart**.



What we see here is a typical boom/bust in your average stock mania. I would say that we are right at the bull trap and capitulation phase, and when this baby blows it will be ***ten years*** in the making! In this same ten years, household wealth in the **US** has soared from **$44** trillion to ***$99 trillion***, and this is a result of assets inflation, or ***the wealth effect***. And this too is another **false metric** that will deflate faster than it went up. As **David Stockman** clarifies in THIS article, the "Everything Bubble" is just waiting for the pin of **economic reality** to expose all of the fraud related to jobs, entitlements, debt and so on.



So, what has been holding things up since 2008? Clearly it has been central bank interventions (QE1, 2, 3), but it has also been *confidence*, and perhaps more mysteriously it has been the **Plunge Protection team (PPT)**. I have covered this before, but it bears repeating since most investors don't even know that the **PPT** exists. Formerly known as the **Working Group on Financial Markets**, it was created in **1988** after The Crash of **1987**, as I mentioned earlier (p. 2). It only exists to manipulate the **Dow Index**.

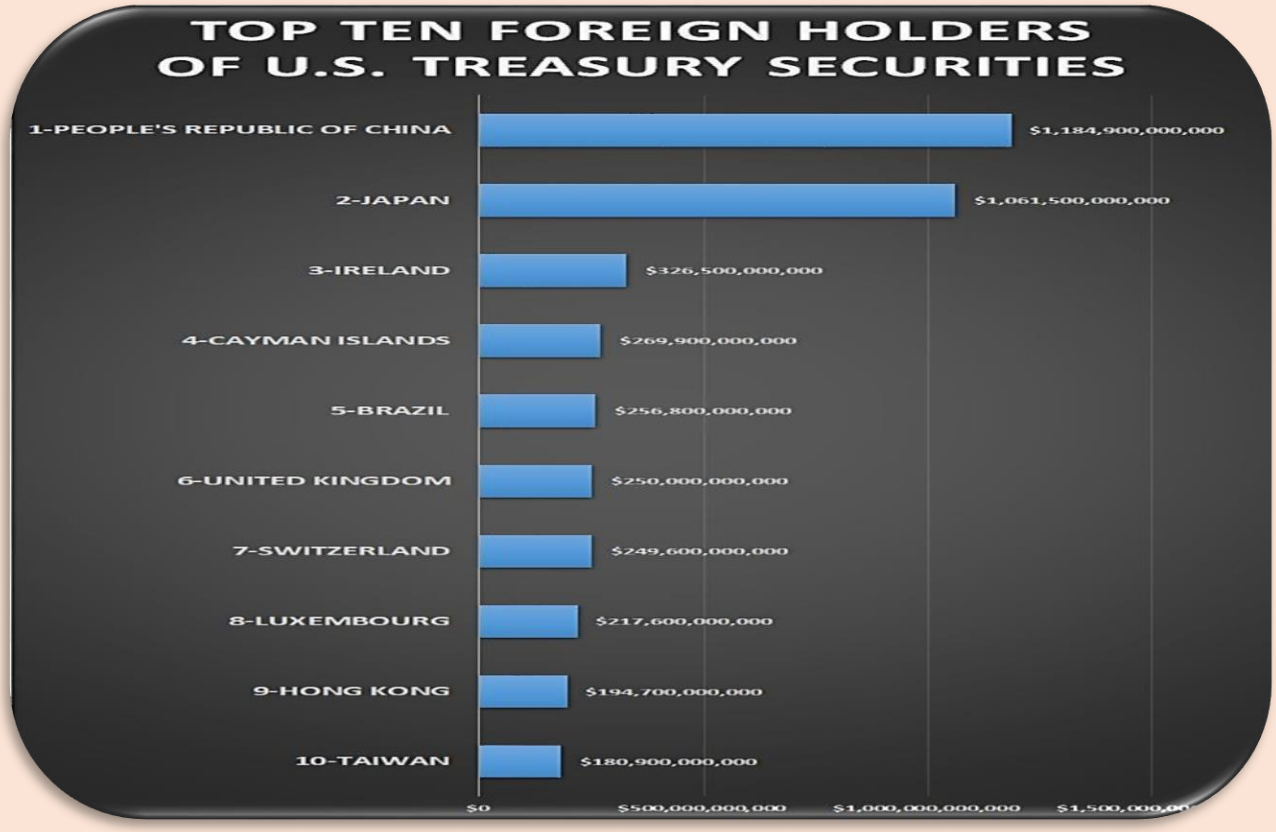
Who are the members of the PPT? The usual cronies at the Fed, Treasury, SEC and phony regulators at the **CFTC**. The day of the crash on February **5th**, bloggers started asking if the **PPT** was going to act. Our answer came on the **7th**, and **Paul Craig Roberts** describes the collusion/conspiracy HERE. Wall Street watchdogs **Pam and Russ Martens** add to the Roberts findings and REVEAL that the Swiss and Israeli national banks are helping to prop up the false **Dow Index** metric. With this kind of front-running, high frequency/algorithm trading, dark pools and spoofing can we really say that Wall Street *is a market?*

Peter Schiff: The US is Ripe for a 1987-Style Crash

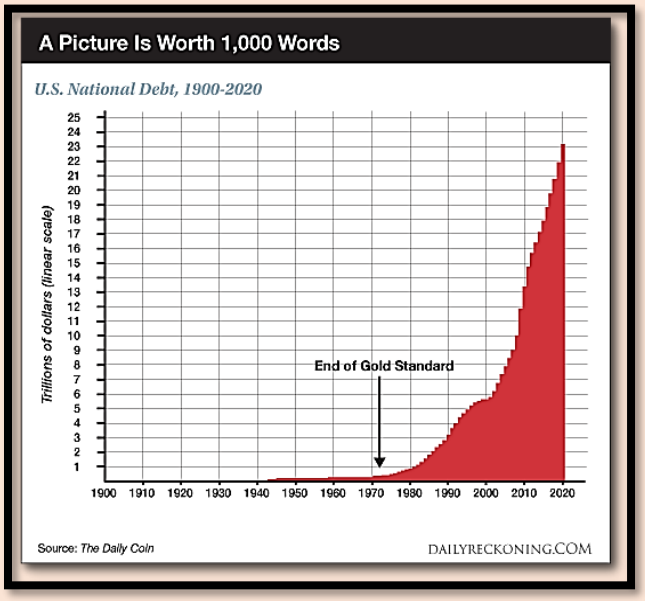
Wall Street is a casino, and in his opening statement Peter Schiff compares things to 1987. I invite you to listen to this clip if you have time. Good ole Peter, always *correct*. Always *hated.* I can surely identify with the difficult task of sorting through all of the lies and telling the truth. Today, it has become a full-time job. **David Stockman**, *repentant* **OMB Director** from **1981-1985**, adds this commentary:

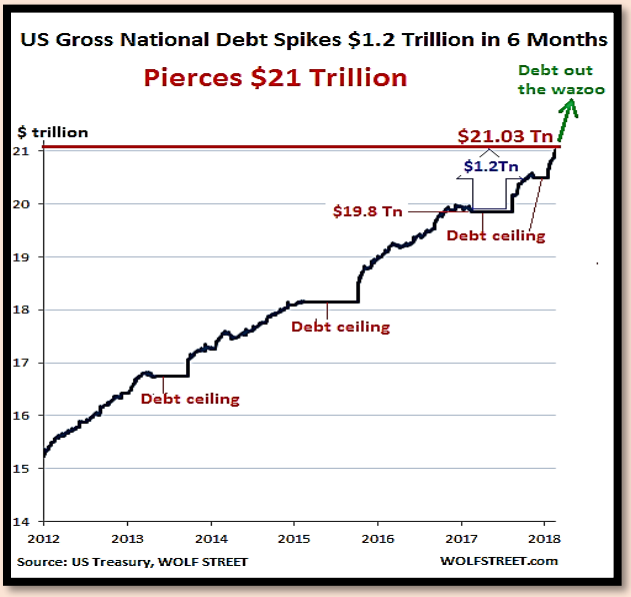
*"**What central banking does accomplish is the systematic inflation of financial assets. That is, the plenary pegging, manipulating, falsifying and distorting of prices, yield curves, credit spreads and other relationships among financial variables**. So doing, it clobbers, flattens and deforms the delicate clockwork of capitalism embedded in the money and capital markets; **it's putrid fruits are unhinged speculation and destructive financials bubbles on Wall Street and anti-growth barriers on main street."***

The most delicate clockwork of capitalism is the bond market, and most recently **Alan Greenspan** told *Bloomberg* that "at the end of the day **the bond market** will eventually be *the critical issue*." And boy, is he right. Back in **2015**, it was tiny **Belgium** that was the **3rd** largest holder of **US** debt as noted HERE. *Today it is tiny little **Ireland*** (as noted below). What directs this kind of capital flow in the **US** bond market? All fingers point to only one entity – the **NY Fed** using proxies to support **US** debt.

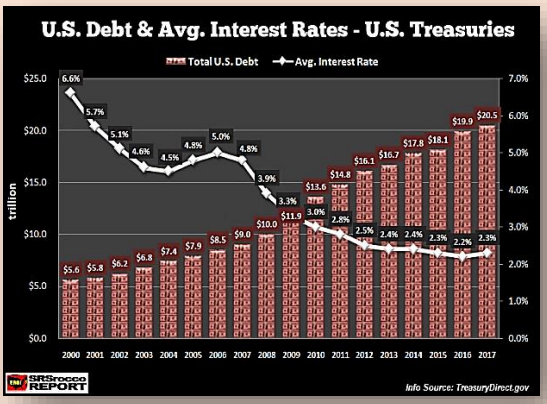


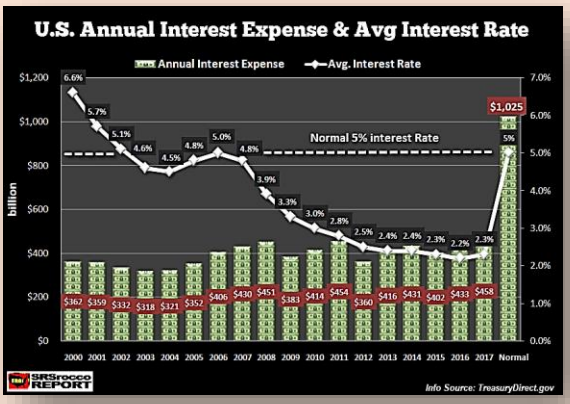
And how large is the US national debt? Well, back in **1971** it was a mere ***$370 billion***. This was also when **Nixon** took us off the gold standard (p. 4), and the **US** national debt and trade deficits have both risen exponentially ever since **as seen below**. See all of that ***unsustainable* red ink?** It continues….





I draw your attention to the chart on the right. Brace yourself. The **US** national debt was *only* **$19.8** trillion on September **8th**, and in *just six months* it has *exploded* to over ***$21 trillion!*** Folks, this is with ***NO*** national emergency or monetary crisis! And **Trump** wants to *accelerate* the spending, *cut* taxes and *raise* interest rates!? This is not only *crazy*, it is getting scary. In his usual irreverent manner, **Stockman** says, "the alternative of a **bipartisan fiscal responsibility coalition** emerging in the foreseeable future is about as likely as vows of chastity being taken **in a whore house**, and we do not employ that particular **metaphor** at random." **Ha!** This is a smash-mouth broadside you have to read at **THIS LINK**.



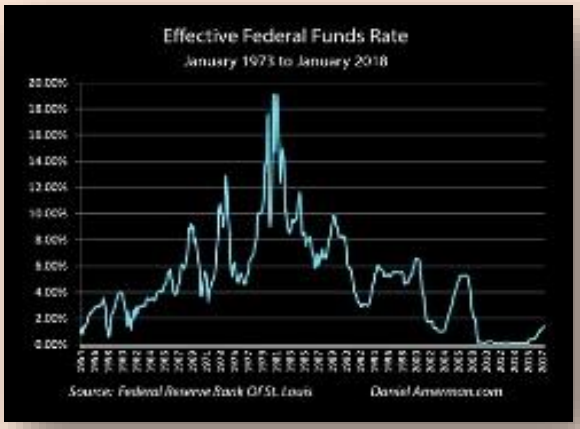


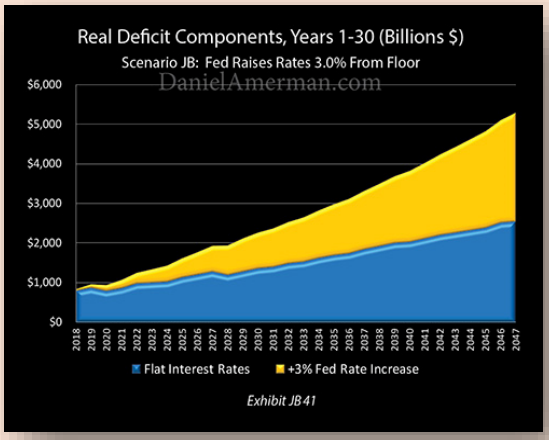
Let us now address "the critical issue" of the credit/bond market as the Maestro warned about. **The above charts** are merely pointing to *the unsustainability of raising interest rates*, as we have been hearing about for months and years now. **On the left** is the falling **benchmark 10-YR** Bond yield we have seen since **2008**, and **on the right** is what an average **10-YR** Bond Yield *should be* today. And if that were the case, it would increase the interest on our national debt ***by four-fold***! Let that sink in. For **the full story** you can CLICK HERE, but understand that we are being fed **false metrics** on every level and the **economic-fiscal-monetary reality** that it is coming will not be pretty. More on that later.

And speaking of US debt and macroeconomics, I defer to James Rickards. My friend **Jim** warns that trying to raise interest rates by the **Fed** – known as Quantitative Tightening (**QT**) – will not only increase the interest on the national debt to unsustainable levels, it will distort all other assets classes as noted HERE. He concludes with this statement, "The **Fed** isn't raising rates because the economy is strong or they're trying to get out ahead of inflation. The **Fed** is raising rates is because *it's desperate* to get interest rates up to around **3–3.5%.** That will allow it to prepare for the **next recession**." This is what he said earlier about central banks contracting their easy money (credit) policies and taking away **the punch bowl** (p. 5). And what a *hangover* the stock and bond world is going to have when that day of reckoning comes. It will not be a **Recession**. It will be a ***Depression***. More from **Peter Schiff**:

Peter Schiff on Greg Hunter: Bubble Economy & QE4 Coming

What **Schiff** is saying is that the entire **US** economy is a ***false narrative*** and he exposes what the real economy is as it relates to flat wages, debt and trade deficits. He also shares how he has been banned from the **fake financial media** for the past year (at 13-mins), and how most people have bought into all of the **false metrics** (at 20-mins), and the only safe haven is **gold and silver**. Listen up people.





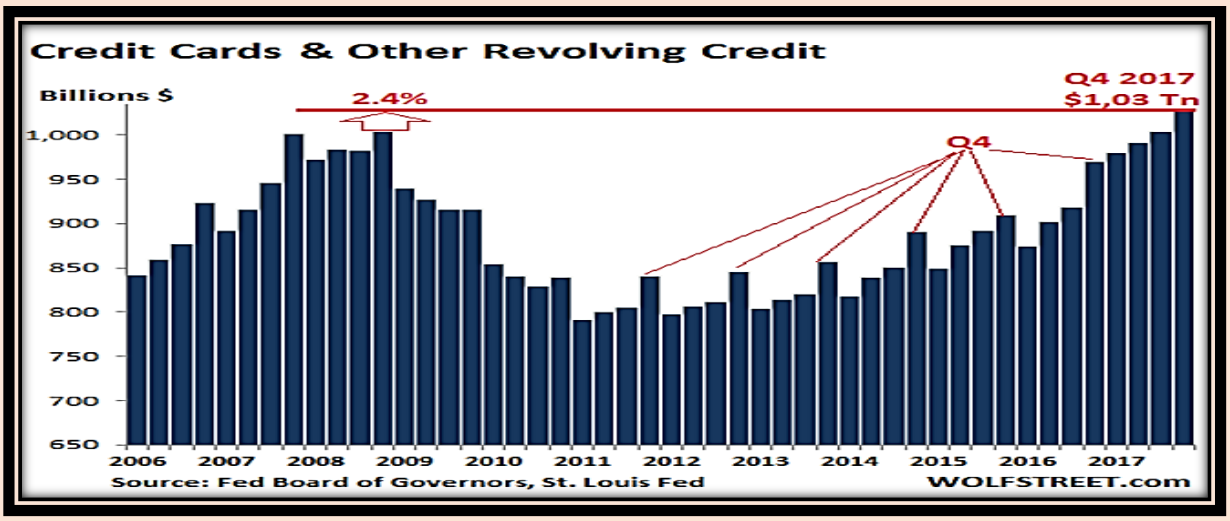
This chart on the left indicates how **Fed** interest rates have fallen from **21%** in **1980** down to a ***zero*** rate starting in **2008**. What does that tell you? **The chart on the right** indicates what the interest on our national debt would be in **2028** ($2 trillion), and **2038** ($3.5 trillion) and **2048** ($5.5 trillion). Of course, none of this is ***sustainable***, but we all keep talking like *millions, billions and trillions* of fiat dollars is nothing to worry about. **Dan Coats**, the newly appointed **DNI** on February **13th** had this to say:

> ***"The failure*** *to address our* ***long-term fiscal situation*** *has increased the national debt to over $20 trillion and growing.* ***This situation is unsustainable,*** *as I think we all know****, and represents a dire threat to our economic and national security****."*
> - ***Dan Coats****, Director of National Intelligence*

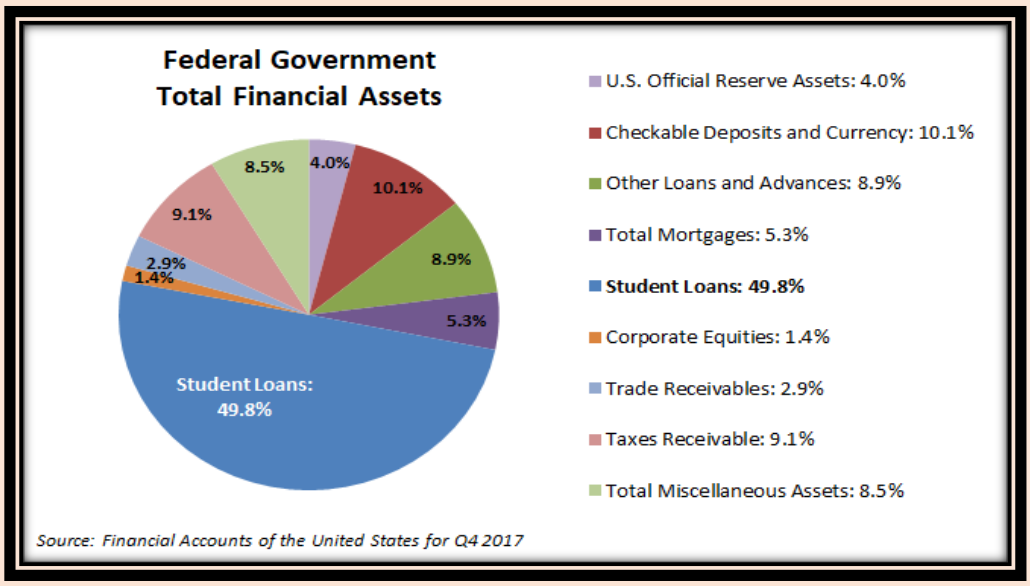
I would say that this is a very clear warning from on high. Are people listening? I would say, not so much. The following is a chilling depiction of what a **US financial reckoning day** would look like. It dates back to **2012**, but it is still relevant in **2018** and also linked to my **Contingency Page** at **IDP**:

Six-Minute Video: The Day the US Dollar Dies

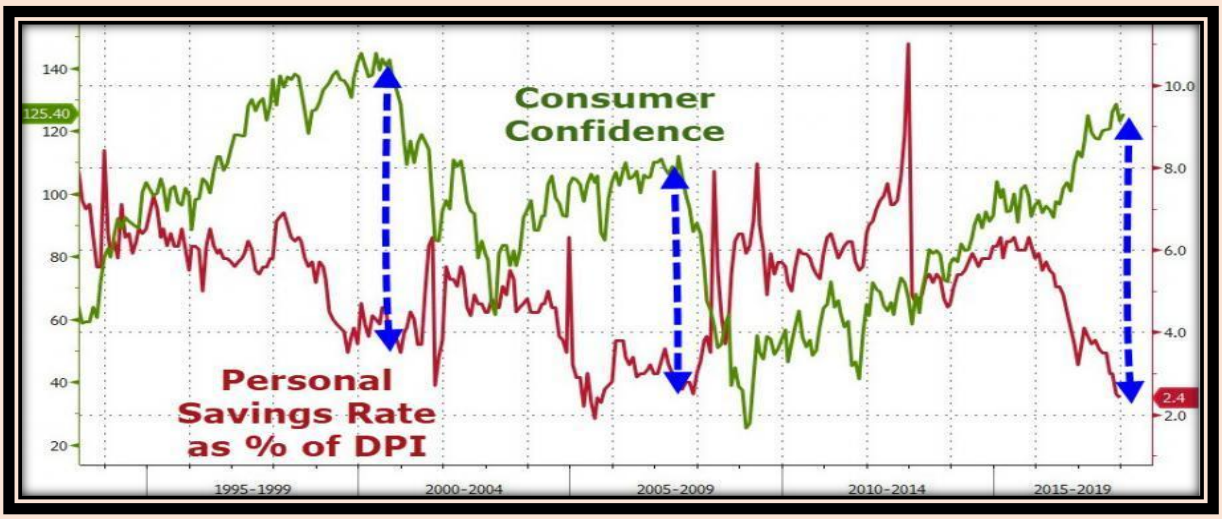
Economic Reality & the *New Normal in the US*



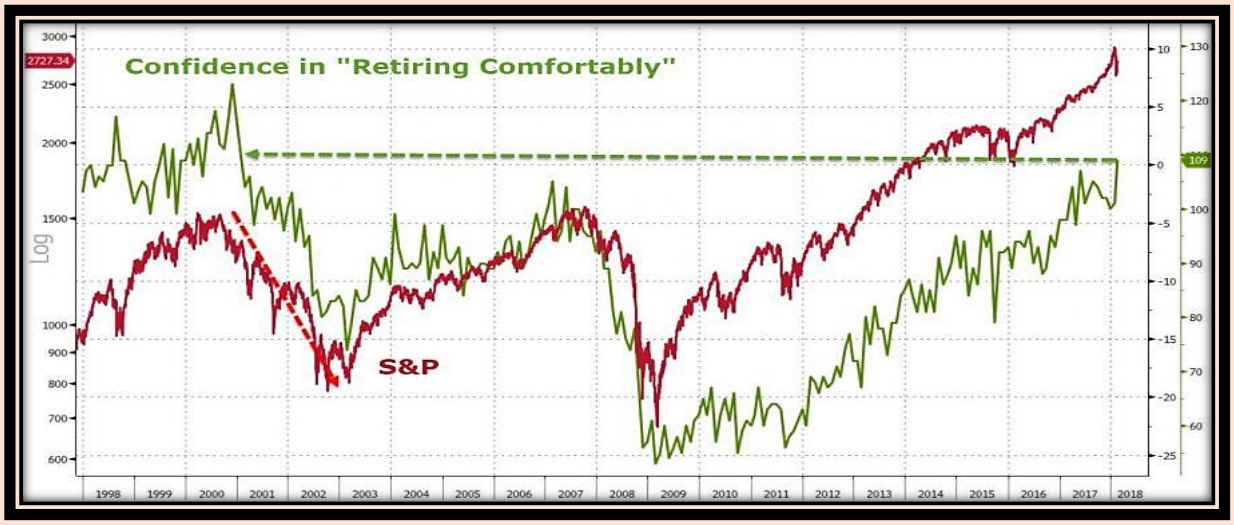
<u>So, what is economic reality and the new normal in America?</u> Let me present the following charts, statistics and data to put matters into the **proper perspective**. **Above,** we have a new record for **credit card debt** in the **US**. Consumer spending (and more debt) accounts for **70%** of the **US** economy, and increasingly people are using their credit cards to make ends meet. We have now exceeded the pre-crash of **2008** levels and this trend *has accelerated* since **Trump** came into office. This **metric** can be read that people are feeling confident about future earnings, or are living on credit, and I think it is the latter.



<u>Student loans now exceed credit card debt at nearly $1.2 trillion.</u> In this **stunning chart** I came across, the government actually considers government subsidized loans as a "financial asset" – in fact, nearly ***50%*** of all government financial assets! <u>How has this happened</u>? Student loans were only **$115** billion in **2008**. In this same year (with **Obama**), the Student Loan Marketing Association (**Sallie Mae**) was converted to a Government-Sponsored Enterprise (**GSE**) and started "servicing" federal loans on behalf of the Dept. of Education. This has led to ***wholesale moral hazard*** as millions of kids signed up for **easy credit**, fraternity parties and worthless degrees. This is what happens when the feds *sponsor* an enterprise! Students are now **debt slaves** and have their first real life does of **economic reality**.



And only in America could you have consumer confidence soaring as private/public debt deepens by the hour. Talk about delusional! The **US** has the lowest savings rate in **14** years, and you will notice that when confidence is *high*, and savings are *low*, it precedes *a crash*, as in **2000** and **2008**. The exact same pattern has now emerged in **2018**. "Pride goes before destruction" (Pro. 16:18). A new study also confirms that American household debt has hit a new record at **$13.1** trillion. Economist **Stephen Roach** recently wrote a piece entitled *The Myth of Sound Fundamentals* and concludes, "With dysfunctional policies pointing to a further compression of saving in the years ahead, ***the myth of sound US fundamentals has never rung more hollow***." Add to this a new record for auto loans at **$1.1** trillion and things are looking very hollow indeed, and consumer confidence will prove to be another **false metric**.



And speaking of misplaced confidence just look at this chart! Overly-indebted Americans are feeling unusually upbeat about ***retiring comfortably*** in the future. Why is this? Aside from being delusional, their **stock brokers** seem to have convinced them that the US stock market will keep creating ***the wealth effect*** for another **120** months or so. **In this chart**, as soon as the **Fed** intervened in **2009,** the **S&P 500 Index** magically rose, and retiree hopes have risen to **2000** levels…just before *the crash* that wiped out ***50%*** of retiree funds (see above). It took eight years to recover, and then another crash in **2008**. The crash of **2018** will exceed all previous loses, and when this **economic reality** hits the **Wall Street** trading pits and client quarterly statements it will not look so comfortable after all. Yet another **false metric**.

A recent study by the **Stanford Center on Longevity** concluded that for middle-income retirees, **Social Security** was likely to account for between ***50% and 85%*** of their total retirement income! Folks, this is not retiring comfortably or even smart. This survey by **BankRate** concluded that ***65%*** of Americans have saved little or "nothing" for retirement, and fully ***50%*** will be desperately struggling in their latter years. This is not a good trajectory for aging **demographics** in the **US**. **Daniel Amerman** (CFA) is the only accountant and financial planner that I know who consistently warns about the damaging affects of monetary inflation, debt and interest rates for retirees. **Inflation** is *the hidden tax* on all future earnings, and this is courtesy of the **Fed** (and all central banks who print money out of thin air). I invite you to study his work and **subscribe** to his free updates full of data and **charts** (and you know I love charts) by clicking HERE. This is a link to one of his **latest articles** and commentary.

So aging babyboomers are feeling confident these days huh? Perhaps they have not considered the *Four Horsemen of the Retirement Apocalypse* as recently presented at THIS LINK. What are the **four major dangers** facing our optimistic retirees? It is an inflated **Dow Index** (as I have shared), low bond yields, living longer and the threat of long-term medical care. The author adds the **5th** danger that I have covered in chapter three of my book – the *insolvency* of **Social Security and Medicare**…by **2029**. You can ponder that and **this new normal** for the **US** is going to look very different than anything in the past.

Even worse are the under-funded public and private pensions in all 50 states. Financial Analyst **Catherine Austin-Fitts** has documented this looming crisis, and recently published her research (for free) at THIS link. This is a hugely comprehensive study, **or you can listen to her comments below**:

Catherine Austin Fitts on Greg Hunter: Pensions Fund Crisis

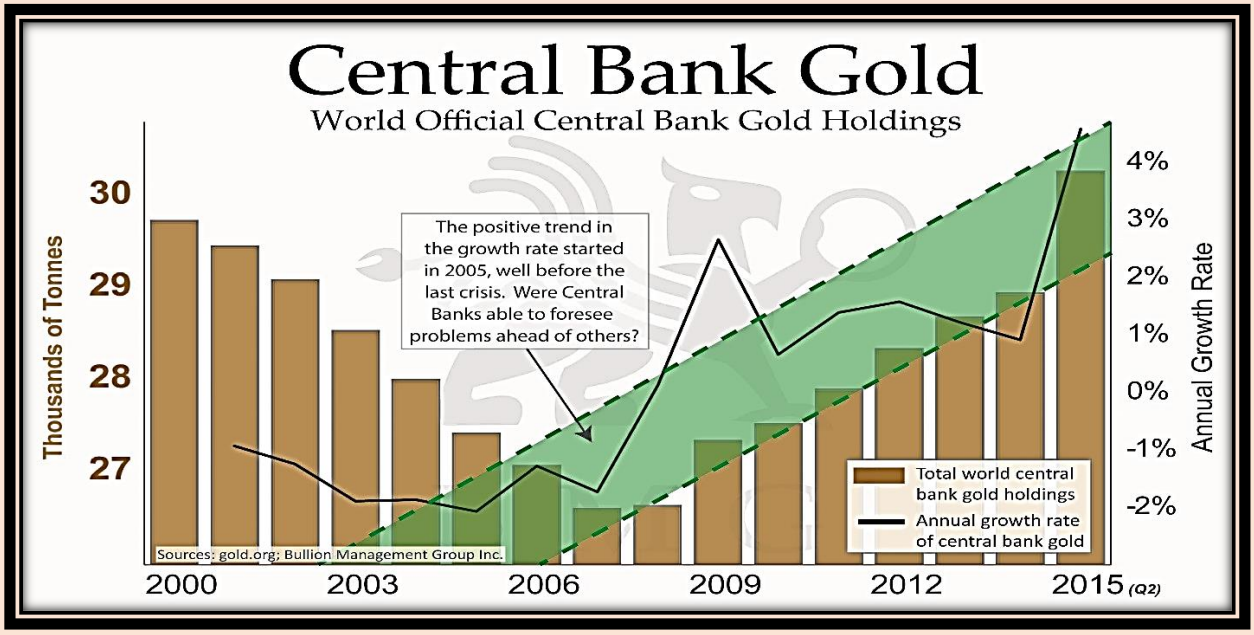
Many have asked when I am going to be on Hunter's program, and I expect to do this after my book revision is completed in a month or so. I will keep you posted. Regarding failed pensions and aging populations, I conclude with this sad reality in **Japan**. The demographic sun is setting on the Land of the Rising Sun. **Japan** is experiencing the *lowest* birth rates in **118 years** (worst in the world), and their elderly are purposely committing petty crimes to be locked up in prison…*to eat and have shelter!* You can read about this at THIS link. Will this **economic reality** also visit the **US? Read my book**.

Finally, let me summarize things here. An economic recovery is not going to happen, and **false metrics** are pervasive and misleading. The **PPT** will not be able to prevent the economic-fiscal-monetary reality that is coming. Our new **Director of National Intelligence** has laid it out (p. 8) – all of this collective debt "…***represents a dire threat*** to our economic and national security." What does *he know* that the daily pundits in the financial media *don't know?* He says that "this situation is ***unsustainable***." And he is referring to everything I have said so far. I start every interview (like Schiff) with this same warning that we are on an **unsustainable path**. With that in mind let's talk about **safe haven assets**.

Silver and Gold are the *Only Safe Haven Assets*

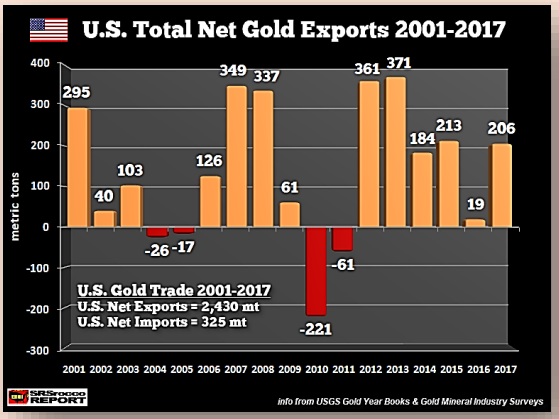
You will notice that I mentioned *silver* over gold, and I will explain this later. I also favor **silver** (and gold) against the latest **cryptocurrency phenomenon**. Put simply, cryptos have no intrinsic value, online "wallets" are frequently raided by **techno-nerds**, and nations are outlawing the entire operation. **The banksters** have generally come against the bitcoin space, but *both* are leading to a **cashless society** that the **Bible** predicts in the last days (Rev. 13:11-18). In a recent article from **RT**, I was struck with a photo of **Agustin Carstens**, head of the equally *cryptic* **BIS** in Basel, Switzerland, and comparing it with one of my favorite **bankster images** – do you see the likeness? Pretty accurate I would say! In this **article** he regards all cryptos as illegal, illicit, and a Ponzi Scheme and so on, etc. An evil bankster.

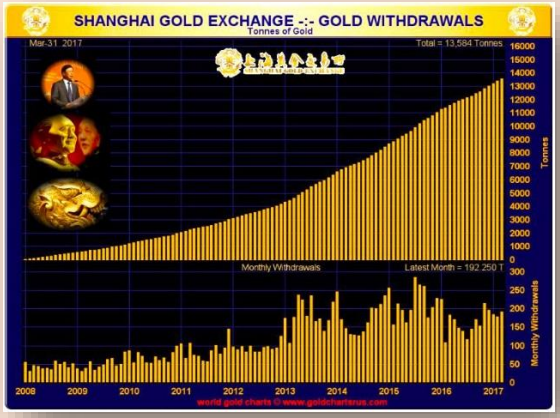
Gold as a safe haven. Gold is the sentimental favorite for most investors, and most certainly the **central banks**. Since **2008**, the banksters have been accumulating **gold**, and this trend continues. Why is this? According to the (mainstream) **World Gold Council**, "investors could benefit from having an exposure to **gold** as it has historically reduced losses during periods of **financial distress**." Golly, how insightful and prescient can you be? I guess you guys think that *financially distressful* days are coming huh?



<u>I think the Russians see financial distress coming</u>. Here is a recent chart of **Russian** gold reserves, and the actual total is more than **China's** reported gold hoard of **1,842 tons** (which nobody believes). According to **RT** (<u>Russian Television</u>) the apparatchiks in the Kremlin are buying *two-thirds* of all the gold that they mine each year. Another **RT** article <u>reports</u> that **Russia** now has **1,857 tons** and they refer to gold "as a strategic monetary asset" and "a **safe haven** [in] a time of geopolitical turbulence." In this same article, **Ronan Manly** with the highly respected **BullionStar** out of Singapore told **RT** that most people seriously doubt that the **US** has the alleged **8,134 tons** it claims to have:

> *"<u>The entire story around the US gold reserves is opaque and secretive</u>. There has never been a full independent audit of the US gold reserves, and the custodians of the gold, the US Mint and the Federal Reserve of New York, <u>will not let anybody into the vaults to view the gold or to count it</u>."*

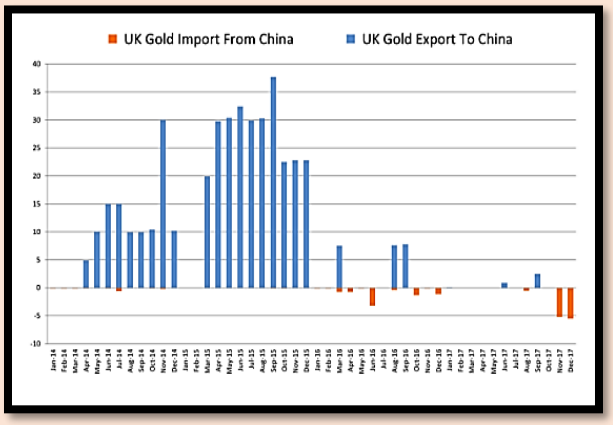




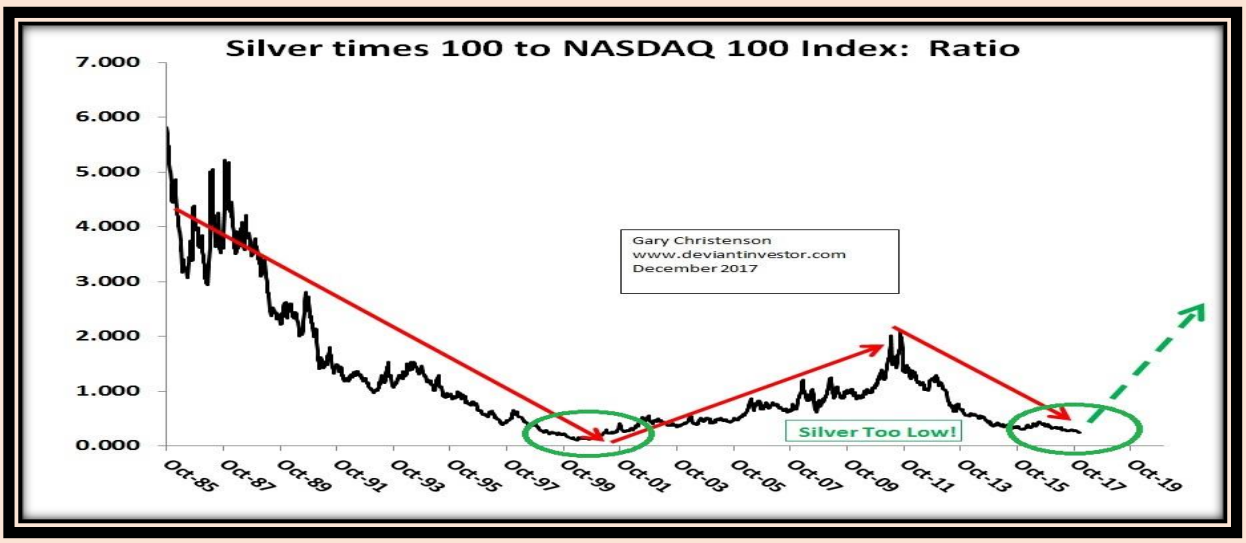
<u>The US bluffing and exporting gold</u>. In a recent and damning article by **Stewart Dougherty** he states that "if we don't have **the gold**, we don't have a country." You can read his commentary <u>HERE</u>. As the **chart above** indicates, the **US** is in the business of *exporting gold* (not hoarding), and guess where it is going? <u>Did you say **China**?</u> You better believe it, and estimates are that they have more than ***20,000 tons!*** Someday soon we will find that out, and **Russia** has recently done what no central bank has ever done – they have allowed their **gold and silver** hoard to be filmed! This has gotten around the Internet, and you have to see this for yourself. Do you think this would ever happen at **Fort Knox? Never.**

<u>Six Minute Video: An Inside Look at Russia's Gold Hoard!</u>

New Chinese Yuan-Denominated Oil Contracts!



On March 26th, the Chinese will finally launch a new benchmark for price crude oil. This is rather huge as many of you know. **China** has become the largest importer of oil (not the US) and they have been planning for years to create a benchmark for pricing oil and directly challenge the current petro-dollar system created in **1974** (you can download my ***Petrodollar Warfare Report*** at either of my websites for a complete overview of this geopolitical dynamic). What does this mean? According to the **Shanghai International Energy Exchange** they want to create a **"petroyuan"** to recycle their currency like the **US** has done for over **40** years. Not only can futures contracts be denominated in yuan, the Chinese have made these contracts *convertible to* ***gold*** at the **Shanghai Gold Exchange**! Talk about a stealthy move! The **US** can't do a damn thing about this, and it is also rumored that **China** will buy a **10%** stake in **Aramco** when **Saudi Arabia** offers their **IPO**. Will this collapse the petrodollar scheme immediately (as some are warning)? Not really, but it is now underway. **Look at the chart above**. The Chinese have been *exporting* gold to **London** in anticipation of this new gold-backed oil contract. This is truly amazing and THIS article is predicting "golden fireworks" for precious metals. **Stay tuned.**



Silver is the most undervalued monetary asset in the world. **Gary Christianson** has compared the overvalued stock indexes and is predicting a significant breakout, and perhaps this year. It should also be noted that **Russia** also has significant **silver bars** in their vault as seen in that **short clip above**.

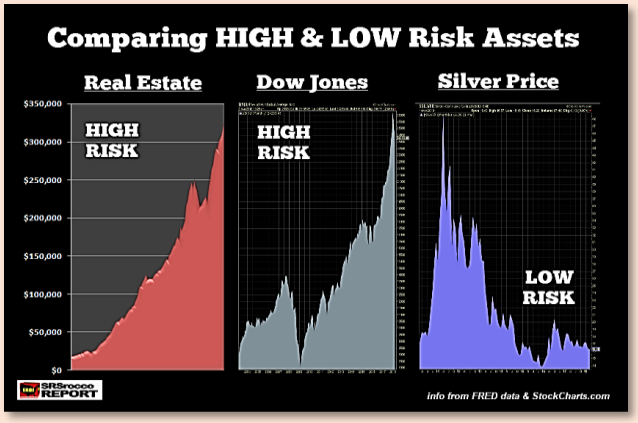
Gary Christenson has also provided this chart. In THIS article he compares **Bitcoin to silver**, and predicts that what **cryptocurrencies** have done in their price run-up is what we can expect with **silver**. Can this happen? He insists that it will (and I agree), and he provides **these answers to critics**:

1. **All-time highs seem distant.** However, the silver price in 2009 was under $13, and yet prices touched $48 in 2011. In a few years $50 to $100 is likely.
2. **All the speculative froth has gone into Bitcoin and other cryptocurrencies**. The silver market is dead. Not a chance! Modern life, medicine, and technology depend upon silver. Can you say the same for Bitcoin?
3. **Central bankers, the government, the COMEX, and JPMorgan will never allow silver to rise to all-time highs again**. Nonsense! Central bankers will weaken the dollar to minimize the coming recession, governments will obsess over larger issues, COMEX will become less relevant as physical silver markets overwhelm paper markets, and JPMorgan would love to see their half billion ounces of silver bullion (per Ted Butler) rise in price. Yes, much higher prices are not only possible, but likely.
4. **Silver at $50 is too big a move**. Not true! Consider Apple stock in 2009 at $10.01. Today $170. Amazon stock in 2008 at $35.00. Today $1,450. Bitcoin in January 2017 $800.00. It peaked near $20,000 in December of 2017. The world changes, but silver is necessary, more expensive to mine, and critical for high-tech, medical uses, and future power generation. Dollars will disappear long before silver is forgotten.

Gary concludes with this comment worth considering. "Silver prices rising to **$200** is no crazier than Amazon stock moving from $35 to $1,500 in seven years. Prices would exceed **$300** if silver matched (only) the **2017** move in Bitcoin. Prices probably will not reach **$200** soon, but much higher silver prices are coming." Another factor that gets little attention is the fact that **silver production** has peaked in **2015**, and according to THIS study *eight out of eleven silver producing countries* are now in decline, and this is coming with the huge **commercial demand for silver**. Recently I listened to legendary investment analyst **James Dines** who has called things since **1960**, and he has never seen this level of complacency and ignorance among retail investors while **silver and gold** represent the only **safe haven** in these uncertain times. This interview is **22**-minutes and well worth a listen if you have time.

James Dines Interview: Silver and Gold Will Experience Huge Gains

The Ultimate *Safe Haven* and *Wealth Transfer*



Comparing high and low risk assets in 2018. As indicated above, **silver** represents the lowest risk asset in the world. The current **silver to gold** ratio is **82:1**, and this is way too high! As I have said many times, the historic ratio has been closer to **15:1**, and silver and gold has been mined from **Egyptian** times to modern mining operations at **9:1**. That's right, a ***9:1 ratio***, and several miners want to see this price ratio in the precious metals industry! For some perspective on this, a **15:1** ratio with gold at $1,355 would be **$90/oz**. silver today. A **9:1** ratio would be **$150/oz**. silver. Many are predicting a gold price of **$5,000 to $10,000** an ounce. In this scenario, silver will represent the **largest transfer of wealth** in history (forget BTC). At these levels we would have **$330/oz**. silver and even **$660/oz**. silver. Today silver is near the cost of production at a measly **$16.50**. A *20-fold* increase would be **$330/oz**. silver. Can this happen? **Rhodium** had a *20-fold* increase from $500 to $10,000/oz. just ten years ago! You bet it can happen! Look it up. If you have **silver**, please be patient. Our day is coming.

Finally, I want to draw your attention to this chart on the right. This is rather important. What is this chart? It is the weekly **commitment of traders report** (COT) at **COMEX** (CRIMEX) in **NY**. What we see here is very revealing. The net commercial shorts (as in JP Morgan) are at **a cyclical low** and this is suggesting ***sharply higher silver prices***. You can read more at THIS LINK. This is something to be watching, and I will also report on this next month. **Mike Maloney** says he has never seen this before in all of his years, and he provides a **very short clip** here to explain what this potentially means.

Mike Maloney: Technical Shorts and Silver Set Up

We shall see how this turns out. As I mentioned in my last newsletter, **JP Morgan Chase** has now acquired ***700,000,000 ounces*** of physical silver since **2011**. As **Ted Butler** and others have observed, this is all you need to know about the potential explosion in **the ultimate safe haven asset. Buy silver.**

Financial Markets, Trump & *the Deep State*

I seriously debated about concluding with these remarks, but I feel compelled. As you already know, I am a bit of a "news junkie" and I only share a portion of what I learn every single day. **President Trump** has walked into a dangerous time in our nation's history, and I'm not sure that he realizes the gravity of the situation**. Pat Buchanan** has been pushing out articles with this theme for several months now – and *he should know* as a veteran of the beltway in **DC**. Recently he says that **Watergate** "was a prank" compared to the **Deep State** *palace coup* against **The Donald**. Complicit with **17** intelligence agencies against Trump is the **Fourth Estate** (media whores). The **CIA** owns them all. Below is a **48-minute** clip that I hope you might find time to listen to. It is very serious and very sobering.

Harley Schlanger: Your Life Depends on Stopping this Coup

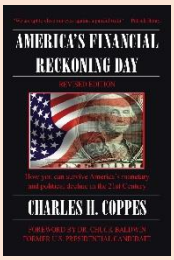
Schlanger is an advisor for **Lyndon LaRouche** (eclectic political philosopher) but he makes some very good points. **The bottom line** is that these attacks on **Trump** are an attack *on **all** of his supporters* (the deplorables). What I see coming (with others) is that the **Deep State** and financial powers want to **crash the financial markets** on his watch **this year** and secure a November triumph for the Communist Party (**DNC**). I like to call things for what they are. **Mike Adams** has sounded the alarm that this is precisely what they are going to do this year, and we need to be wise. Read about it at **THIS LINK**. Just three weeks ago, **YouTube** deleted Mike Adam's account (1,700 videos) and they are also attacking **Alex Jones**. Folks, this is war. **YouTube** has also attacked **Mark Dice**, and **Dice** responded with this stinging **7-min** response on another web source – Watch it **HERE**. We all know that **Donald Trump** is not a *perfect candidate* in presidential terms, but we cast our votes that he would **disrupt** the ***evil status quo*** in the **District of Criminals**! Even though I am *a deplorable*, I have issues with **Trump** as far as *exalting* the military (even promoting a Soviet-style military parade this **July 4th**!), and other assaults on **The Bill of Rights**. How has it come to this? **Michael Krieger** provides this comment from HIS website:

*"**In many ways, Donald Trump is the ideal President to usher in the end of U.S. empire**. While the more gullible slice of his support base credulously believed he'd 'Make America Great Again,' his more jaded and realistic voters merely hoped he'd just **burn the whole thing down**, metaphorically speaking. He needed a combination of these two groups to win, so it's very important to not think of his voters as a monolithic entity. Many of them don't even like Trump, **they just wanted to throw a grenade into this corrupt system and knew he was the best of the two candidates to do it. In many ways, they were correct**."*

Historically, it is "during periods of financial distress**" (**to quote the World Gold Council**)**, that people hoard gold, but it is also when demagogues and other **strange actors** rise up on the world stage. Our time is no different, but I need to leave you with this **bit of humor**. This is a one-minute clip:

Braveheart Redux: Donald Trump Saves America from CNN!

Summary & Conclusion: The **Bible** says that we are to pray "for kings and all who are in authority, in order that we may lead a **tranquil and quiet life** in all godliness and dignity" (1 Tim. 2:2). We need to be **praying** for this president. With what I see coming, it is not likely that we will be living *tranquil and quiet lives* in the days to come. **Each month** I try to provide you with a comprehensive update on current affairs and financial markets. I do this to keep *mentally sharp* for radio/webcast interviews, and I am glad to share this with you. I know it is a lot of information, but these are the weird times that we are living in, and we need to be discerning (Mt. 16:3). We are *not* in a robust economic recovery, stocks serve as a **false metric**, and just this past week the **Dow Index** fell ***1,400 points*** – the most in *two years*! Unfortunately, this president now "owns" this **false metric** because of his egotistical bragging and unwise **trade wars** with our trading partners. The **PPT** is desperately trying to intervene with more liquor in **the financial punch bowl** to maintain this phony "wealth effect" for millions of retail investors who are trusting **635,000** stock brokers that "the greater-fool-theory" will work for their portfolios.



Economic reality. This past week, a *shameful* **GOP Congress** also passed a **$1.3 trillion** budget, and this "unsustainable debt" is posing a "dire threat" to our nation, as expressed by our new **DNI** (p. 8). All of these financial/fiscal/demographic metrics are pointing to ***a financial reckoning day***. This is the title of **my book**. I will have a **revised copy** for **2018** in the next month or two. If you would like a copy, let me know. In the meantime, play it safe. Invest like **the central banks** and their primary dealer banksters. Buy **silver and gold** on the cheap while you can. The window is closing for this opportunity.

Conclusion. "My reading of history," said **Thomas Jefferson**, "convinces me that most bad government results from *too much* government." Put simply, we have too much debt and now a dangerous bubble economy. On January **16th**, the **Chinese** (our bankers) *downgraded* the **US** to **BBB**, and you didn't hear this in the news. How soon before we are uncreditworthy? Our problems are fiscal and monetary, but more importantly they are *moral and ethical*. The **US** was great when we were a better people, a religious people as our **Founding Fathers** referred to. The passing of **Billy Graham** last month struck me as the passing of the **American era**. "He makes the nations great, and then destroys them" (Job 12:23). But a nation is made of people, and it is not too late to seek the salvation that Billy preached. "For God so loved the world that He sent His only begotten Son into the world, that *whosoever believes in Him* shall not perish, but have eternal life" (Jn. 3:16). This **Good News** is available on my site, and I commend it to you, and to also share with others for inspiration, hope and encouragement. He is our *only* hope.

Until Next Time, Your Messenger from Pinetop

www.idpconsultinggroup.com