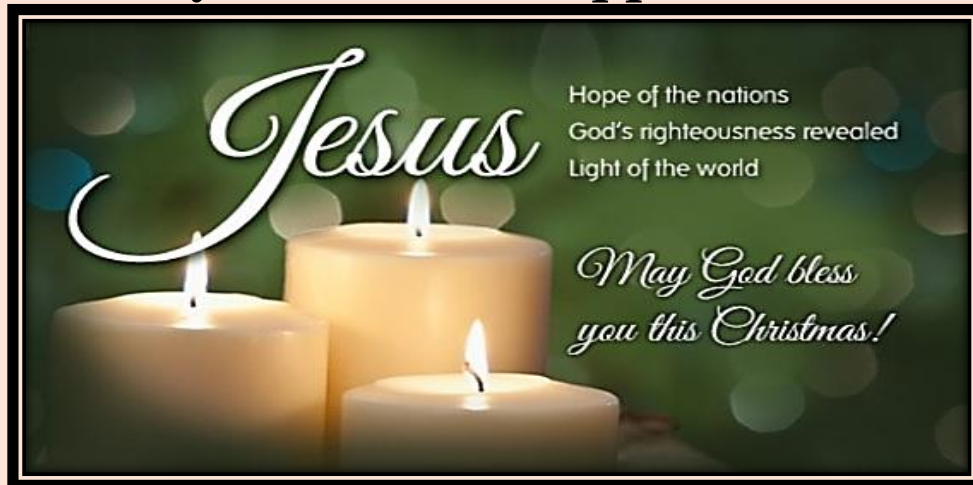


War, Everything Bubble, Cryptos & Annual Christmas Message

Posted December 24th, 2017

By www.chuckcoppes.com



“And ye shall hear of wars and rumours of wars: see that ye be not troubled: for all these things must come to pass, but the end is not yet.”

- **Lord Jesus Christ, Matthew 24:6 (King James Version)**

“Hatred is the most accessible and comprehensive of all the unifying agents ... Mass movements can rise and spread without belief in a god, but never without a belief in a devil.”

- **Eric Hoffer, *The True Believer: Thoughts on the Nature of Mass Movements***

“To those who pay attention to fiscal, monetary, economic and financial realities, it is becoming clear, despite the current frenzy of propaganda to the contrary, that the existing system is failing.”

- **Stewart Dougherty, Creator of Inferential Analytics**

“Oh, what a tangled web we weave, when first we practice to deceive.”

- **Sir Walter Scott (*Marmion*, 1808)**

“For a Child will be born to us, a Son will be given to us; And the government will rest on His shoulders; And His name will be called Wonderful Counselor, Mighty God, Eternal Father, Prince of Peace. There will be no end to the increase of His government or of peace, On the throne of David and over his kingdom.”

- **Isaiah 9:6-7, OT Messianic Prophecy**

Christmas Eve Greetings to All!

In this newsletter I am commenting on a **few topics** that have caught my interest. These are topics that simply *will not go away*, and will become more urgent in the **New Year**. I am talking about the very real threat of war, market overvaluations and the current **cryptocurrency mania**. Not a day seems to go by in the news cycle that doesn't include headlines about the rise of **Bitcoin**. At the same time, we have [articles](#) pointing out the disparity between **BTC** and metals, and how this disparity points to criminal collusion to suppress **gold and silver**. More on that later. A more pressing issue is the existential threat from **North Korea**. A secretive hermit kingdom that thrives on potential conflict with the **US** to settle old scores dating back to the **UN-sponsored Korean “conflict” in 1950**.

North Korea: *Is Nuclear War Inevitable?*



At this joyous time of year when we sing about “**peace on earth**” it seems that this beatific vision is fading fast. As I covered in my [October newsletter](#), the Middle East is the most likely place on earth for a conventional/nuclear conflagration according to **Bible** prophecy, but **North Korea (NK)** is posing a formidable challenge as we go into **2018**. **Jesus** said that the last days would be noticeable by an increase in “wars and rumors of war.” Some could argue that we have always had wars and conflicts, but **He** also said these events would *increase* like “birth pangs” that suggests frequency and intensity (Mt. 24:8). In other words, geopolitics is going to get *rather tense*. And what could be more tense than *thermonuclear war*? Just this week a leading warmongering neocon (Graham) said that there is a **30%** chance that Trump attacks **NK**, but if **NK** launches another missile (which is all but certain), then there is a **70% chance** that the **US** will launch a military/nuclear attack! He relates this little “chat” while he and Trump were out *golfing* last week at [THIS LINK](#). **Amazing.**

Don't you love the casual nature of all this? I don't know about you, but I find all this nuclear/EMP talk quite disturbing. And the metaphor of a determined enemy that has the means and motivation to rain destruction down upon major cities in the **US**, and some guys out golfing is maddening. If things break out on the Korean peninsula, this will also draw in the **Chinese and Russians**, and if you have a stomach for [THIS ARTICLE](#) you can see **maps** of the combined devastation that will be inflicted upon the **US** and the related radiation deaths. Sorry to be so somber at **Christmastime**, but I have watched several hours of video documentaries about this *ideologically-controlled society* in **North Korea**. We all know how bad it was in **Nazi Germany**, but **NK** poses the best example of *Animal Farm* since **1948**. In other words, during war or crisis, populist/nationalist leaders rise to power and only prove to be *worse* than the former regime. I served a year on the DMZ in **South Korea** in **1973**, so I have some perspective on this. The egregious and demonic forces in **NK** are unrelenting. If you have time, you can watch all four of **these videos**, and I will comment below. Your future is at stake.

World War III: Two and Half Minutes to Midnight

In this very graphic **hour-long documentary**, we learn much about this hermit kingdom at the **38th** parallel. At **11 minutes** we see how **NK** became a personality cult, and at **15 minutes** is a scenario for a complacent **US** and the grim survival chances if things go nuclear. Below is a video link from the **NY Times**. Yes, we *utterly despise* the **NY Times**, but *broken clocks* are right twice a day. On this issue, they provide some important perspective from their reporters in the hermit kingdom.

New York Times: Missile Threat from North Korea Documentary

In the above **26-minute clip** we can see how *deluded* the population has become after **70 years** of hardcore propaganda. Watch them sing to the **Great Leader** at 7:30 and how all **25 million** peasants are mandated to sign up to fight the **US** – *the entire population!* At 15 minutes they worship the sites and development of nuclear weapons! The rest is a very sick devotion to their **Great Leader**.....

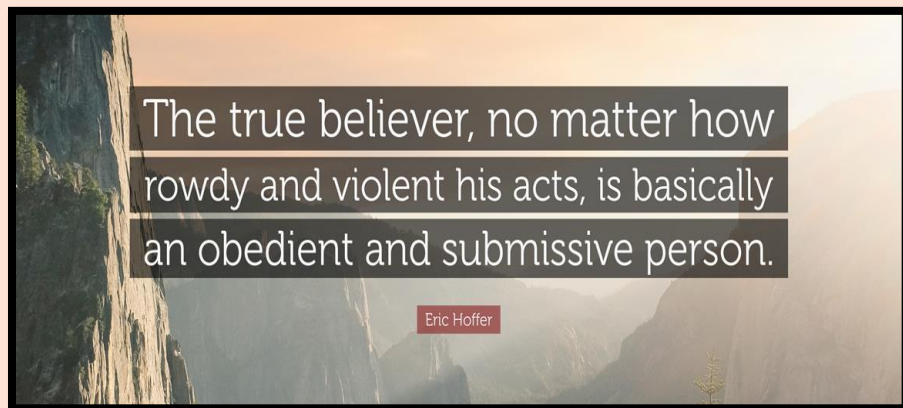
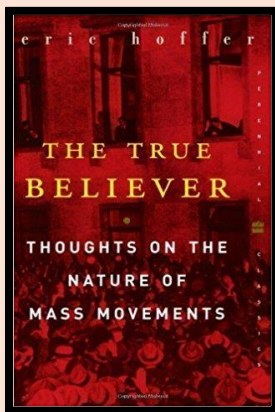
What to make of this? My dear friends, we should have heavy hearts for these poor captive people in **NK**. It is a Satanic regime that has used **ideological force and fear** to maintain power, as all collectivist societies do. I have watched far too many documentaries that keep me awake at night, but I share **two more** with you. These are provided by **Lisa Ling**, whose sister was imprisoned for six months as an outside journalist, and a **PBS Frontline** documentary this year. Check it out.

National Geographic: Lisa Ling Inside North Korea Documentary

In this enlightening expose we can see the raw face of tyranny. Let this sink in as you see the reality of this nation driven by leftist/collectivist ideology. *The individual does not matter.* It is all about the collective. This is *the abstraction* of the all-powerful State and conforming to **Group Think**. I am going to purposely use this term, because it perfectly defines this prophetic age.

PBS: North Korea's Darkest Secrets Documentary

Earlier this year in March, PBS Frontline released the above documentary. It is another inside look into this very tyrannical regime, and I find it *extremely hypocritical* of Leftist journalists like **PBS** and **Ling** and the *NY Times* and others to be outraged at human rights violations when their own ideological views are in synch with these same collectivist ideologies. This is the same pervasive **Leftist Group Think** that is infecting our body politic. **What do I mean by this?**



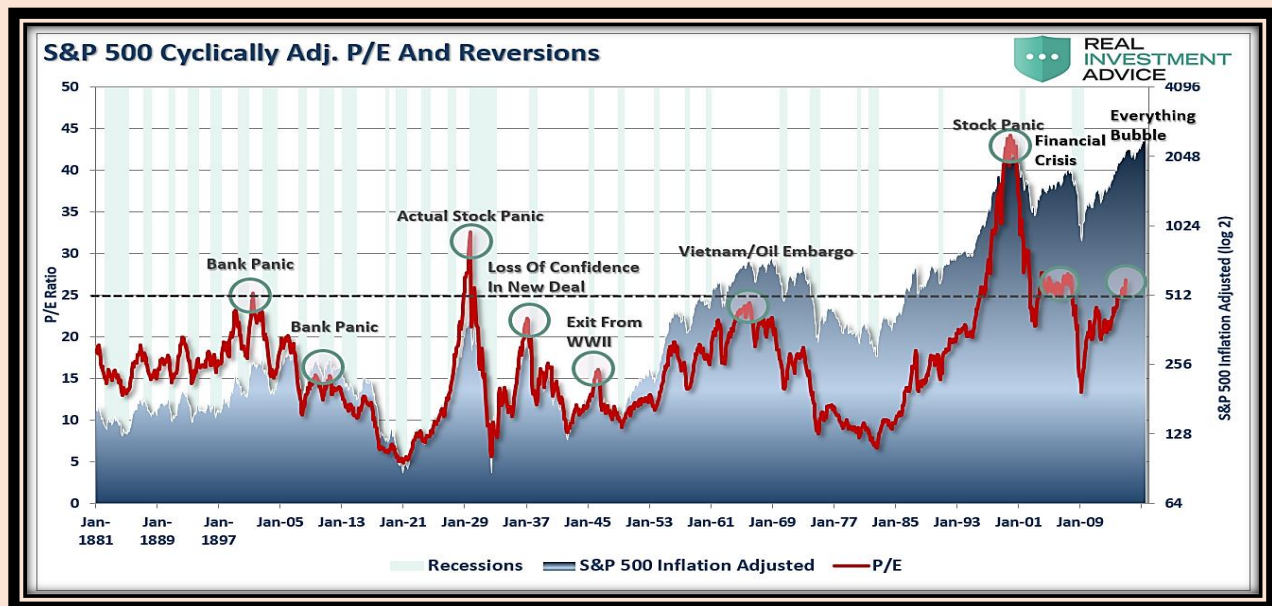
In 1951, Eric Hoffer published a study on mass movements and it is still a classic in sociology studies in major universities. The propaganda in **NK** is very intense, but we have a collectivist **Group Think** here in the **US**, and especially in the toxic reeducation centers in academia. **True believers** are obedient and submissive to the group cause, and hatred is a unifying agent. “All mass movements,” **says Hoffer**, “irrespective of the doctrine they preach and the program they project, breed fanaticism, enthusiasm, fervent hope, hatred and intolerance.” Look at all the koolaid-drinking snowflakes and anti-Trump fanatics in our Alinsky-inspired culture wars! Look at how pathetically dumbed-down the masses are today. A **Harvard Poll** this month reveals that **Millennials** (18-29) vote **65%** for the **Democratic** ticket. This is the largest demographic, and it is a **2-1** Leftist ideology. Hippies used to say don’t trust anyone *over 30*, now we almost have to say don’t trust anyone *under 30*!

So is nuclear war inevitable with North Korea? Only time will tell, but it does not look very good according to a noted expert on North Korean affairs. **G. K. Chesterton** once observed that “when men will not believe in **God**, it does not mean they will believe in nothing. It means they will believe in anything.” Or as I like to say, if you don’t stand for something you will fall for anything. Mass movements are not usually distinguished by critical thinking. They are more emotional than rational. **Atheism** is a hallmark of Communist regimes like North Korea, and our own secular culture is becoming more and more godless. **Aleksandr Solzhenitsyn** (1918-2008) was a Russian dissident and historian who suffered in Russian gulags for eight miserable years. At this **Christmastime** it is good to reflect on the **Lord** and the need for a **Biblical** worldview to help guide us individually and as a nation. Listen to his words that were delivered at Harvard University some years ago:



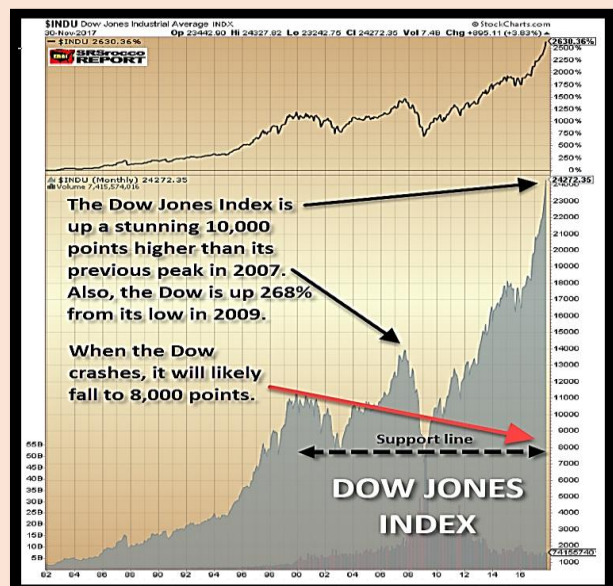
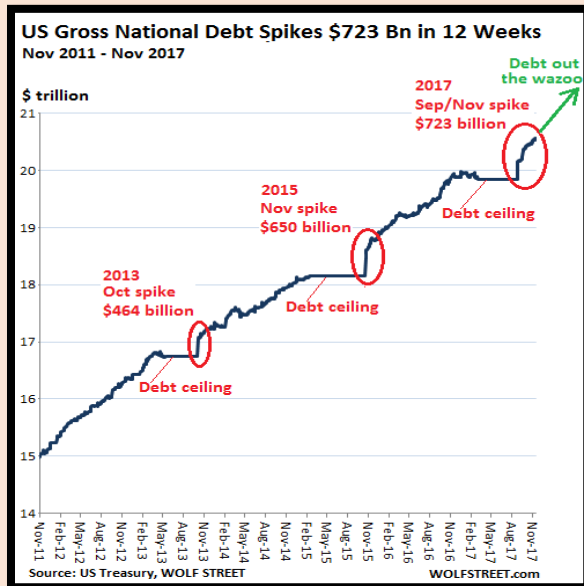
*“Over a half century ago, while I was still a child, I recall hearing a number of old people offer the following explanation for the great disasters that had befallen Russia: **“Men have forgotten God; that’s why all this has happened.”** Since then I have spent well-nigh 50 years working on the history of our revolution; in the process I have read hundreds of books, collected hundreds of personal testimonies, and contributed eight volumes of my own toward the effort of clearing away the rubble left by that upheaval. But if I were asked today to formulate as concisely as possible the main cause of the ruinous revolution that swallowed up some 60 million of our people, I could not put it more accurately than to repeat: **“Men have forgotten God; that’s why all this has happened.”**”*

Central Planning & The Everything Bubble!



Turning our attention to economic affairs, we have now entered into the Everything Bubble. We, of course, are referring to stocks, bonds, real estate and cryptocurrencies (more on this later). As seen in **this chart**, the *overvaluations* for **stocks** (based on **P/E** ratios) are now on par with the **Bank Panic of 1907**, the **1929 Crash** and **Dot.com Bubble in 2000**. These are not exactly inspiring metrics for an allegedly “robust economy” that has mostly been engineered by the **evil central banksters**.

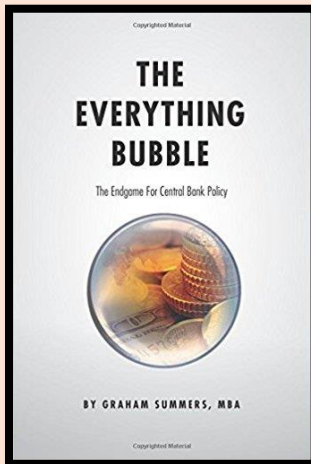
To give you some idea of how massive the bubble is in stocks, global equity market capitalization in **2009** was **\$27 trillion** and now it has ballooned to **\$100 trillion**! Following the **Financial Crisis of 2008**, the Fed (and most banksters) started monetizing debt to create a “wealth effect” that you have heard me refer to many times. Just in **2017**, the central banksters have shoved almost **\$2 trillion** into the financial system – **a new record**! In September, our feckless Congress kicked the **debt ceiling debate** into this month. At the end of fiscal year **2017** (in September), the same feckless Congress (and Fed) increased our national debt by **\$723 billion** in just **12 weeks** as seen in **this chart below**!



Before **Trump** came into office I said that he was **20 years** and **\$20 trillion** too late to avert a financial reckoning day, and this is still true. Also consider the fact that according to a Michigan State study by **Professor Mark Skidmore**, the **US** has spent **\$21 trillion off the books since 1998**! Add to this our unfunded contingent liabilities of **\$220 trillion** and you can appreciate how bubbly and fiscally irresponsible we have been...*and deceitful*. “Oh, what a tangled web we weave,” said **Sir Walter Scott**, “when first we practice to deceive.” Central banksters and government bureaucrats have spun a tangled web of lies, falsifications and fiscal chaos that will be visiting a complacent investor class in the not-too-distant-future, and indicated in **the above chart on the right**. Recently, **Grandma Yellen** at the **Fed** delivered her final carefully-scripted-speech for the fawning and reverent financial media shells. In this little chat she addressed monetary inflation targets (the holy grail of **2%**) and other platitudes; but financial analyst **Lee Adler** exposed the total fraud of her testimony. **Top down central planning** does not work in Third World nations or modern industrial nations. **Adler says:**

*“Yellen admitted that the Fed doesn’t quite understand inflation and she said that policy should remain relatively accommodative even if inflation overshoots their **2%** target. This is a misdirection for a couple of reasons. First, the Fed does not measure general inflation. It measures only a narrow, arbitrary, and artificially suppressed index of consumer goods and services prices [CPI]. **It excludes asset prices, and thus ignores, and even promotes and causes, the most dangerous kind of inflation-asset bubble inflation. When asset bubbles ultimately deflate, as the always do, they cause financial crashes because collateral values no longer are sufficient to cover the attached debts. Loans start getting called, particularly securities margin loans, and the downhill snowball begins.**”*

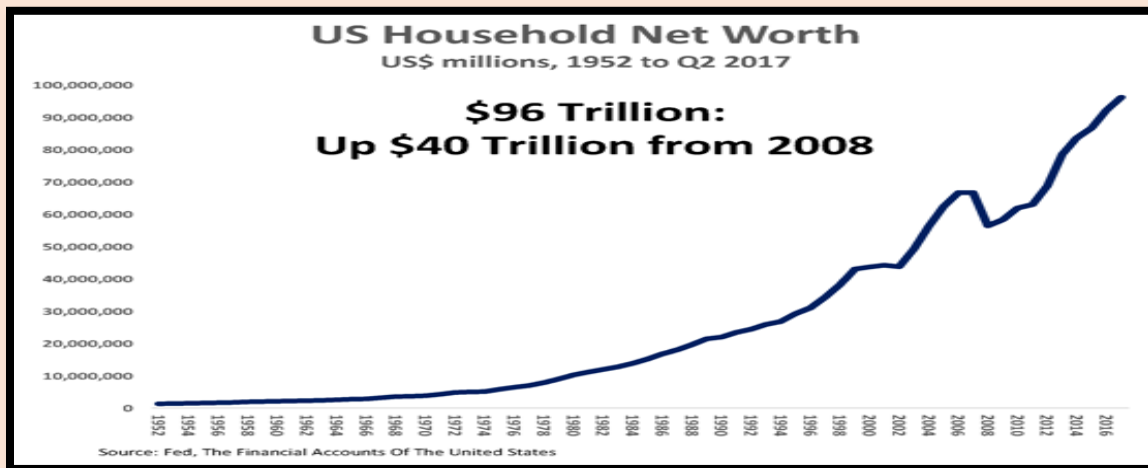
Did you get what he has said here? Central planners always fudge economic data. In the case of the **Fed** (and all of the central banksters) all they know to do is print money and **create bubbles**. The **everything bubbles**. “Money is the answer to everything” (Eccl. 10:19). **Yep**. Just jack things up and create the infamous **wealth effect** and the **greater fool theory** for the masses – another study in the psychology of mass movements driven by emotions and irrationality. In the late **1920s**, **Ralph N. Elliot** developed the “**Elliot Wave Theory**” that proposed that market cycles resulted “from the predominate psychology of **the masses**.” Stock market analyst **Robert Prechter** has continued in this tradition and has even supported the study of something called socionomics? More Group Think.



Folks, we are living in the era of central planning and everything bubbles. Graham Summers has written *The Everything Bubble* (2017), and he correctly lays the damnable blame upon the **Fed**, and their financial apparatchiks for our coming collapse. **He states**, “the Fed’s entire monetary focus is on **papering over** declining living standards in the **US**. Since **1971**, real incomes are down. This fact stares us in the face: before that time, one parent worked, and most families got by, today both parents work and rely on debt to get by. Indeed, the fact is that most Americans are worse off than they were 10 years ago, 20 years ago, even 40 years ago. The **Fed** tries to mask this by making debt as cheap as possible, and then ‘inflating the debt away’ by *debas*ing the US Dollar. **That, in a nutshell, is the Fed’s entire game.**” That is the theme of his book (and mine). You can hear his own words at [THIS LINK](#). Our debt-based economy guarantees perpetual currency debasement.

One of the cruelest hoaxes by the central planners is the notion that a rising **Dow Index** is benefitting most American households, and that household **wages** must be going up as well. As you can see in **the above chart**, Fed interventions beginning in early **2009** has boosted the stock market, but real wages (the blue line) has been flat. This is why the velocity of money has also been flat. Household stock ownership is about where it was before the **2000** crash. A prime example of how the **Dow Index** is rigged by the banksters was the surprise election of **Donald Trump** year ago. As **Chris Martenson** relates, the index dropped **1,000 points** (and gold shot up), but within hours the index was up again (and gold dropped). How does this even happen when the exchange **is closed**?

*“My view is that the **Trump election** was a totally unexpected black swan shock for the global central banking cartel, and it freaked out. **With the Dow down -1,000 points in the late night hours following Trump’s surprise win, the central banks dumped gobs and oodles of money into the equity markets to prevent carnage.** All that money calmed investors and sent prices roaring higher over the following months. The resulting 80-degree rocket launch will hurt a lot when it comes back to earth. **Good going central banks!**”*



Another indication of how bubbly things have gotten since **2008** is the expansion of household net worth as seen here. This is an example of **inflated asset prices** and the **wealth effect**, and not real wage growth or increased savings, as I will point out in a moment. **Goldman Sachs strategist Christian Glissman** wrote this week, “It has seldom been the case that equities, bonds and credit have been similarly expensive at the same time, only in the Roaring ’20s and the Golden ’50s. But all good things must come to an end and there will be a bear market, eventually.” In the meantime, according to [FINRA](#), there are **634,000 stock brokers** who are daily churning accounts in the **Wall Street casino**. As the phony stock indexes broke new records lately **Trump** has [foolishly](#) taken full credit for the **everything bubbles**, and he will soon regret this when the bubbles all burst.



[Donald J. Trump](#) Verified account @realDonaldTrump Nov 30

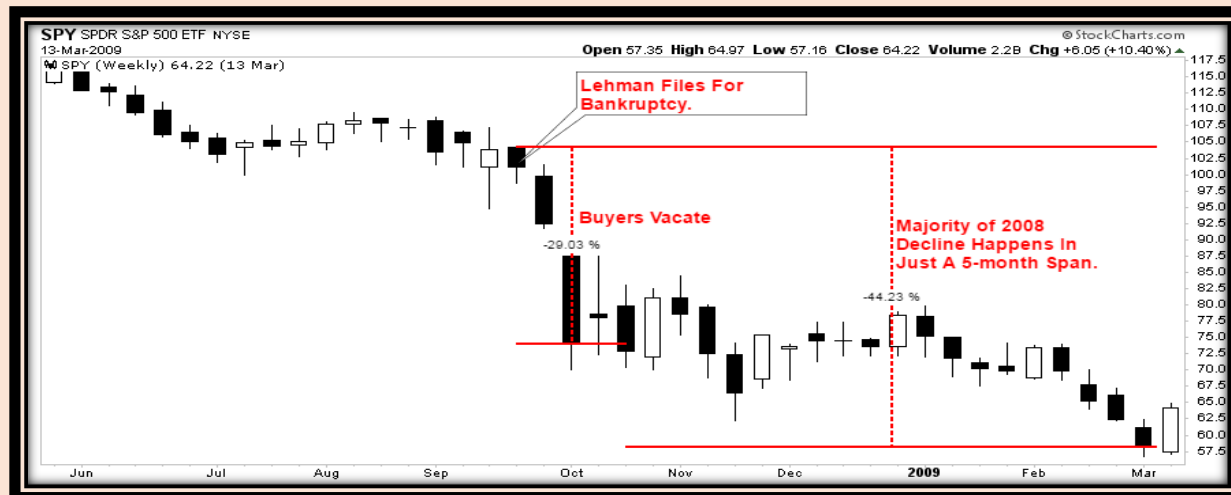
The Dow just broke 24,000 for the first time (another all-time Record). If the Dems had won the Presidential Election, the Market would be down 50% from these levels and Consumer Confidence, which is also at an all-time high, would be “low and glum!”

During the campaign, candidate Trump repeatedly said the stock market was “one big fat bubble,” but now he likes the narrative that this **big fat bubble** is due to *his leadership!* He will likely be remembered as **Herbert Hoover** who inherited the **Great Depression** when asset classes fell into a steep deflation. So what accounts for so much financial mischief in recent years? According to **Gordon Long** it is the **financialization** of the economy. This phenomenon began in the early **1980s** and simply means that profits in financial services has *replaced* real trade and production. **In this clip** he explains this dynamic and how the **US** has built “its house on sand” since **1971**.

[Gordon T. Long: The Results of Financialization](#)

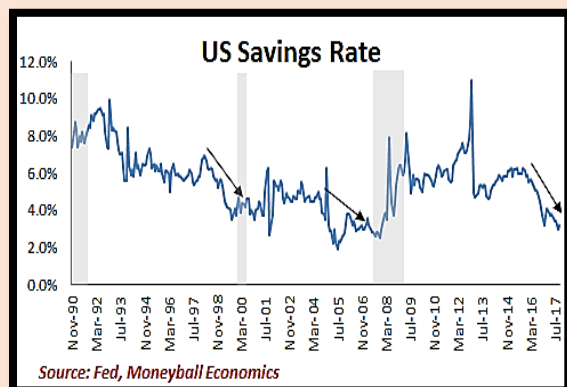
Nixon decoupled gold from the dollar in **1971**, and he notes that there has been a flight to gold, silver and cryptocurrencies in recent years and months. He also warns of imminent collapse and huge **margin calls** that will further take down the stock market bubble and others. How large is the margin call on Wall Street today? [According](#) to **Wolf Richter** it is now a record \$561 billion, a figure **double** that in Tech Bubble in **2000** and the Subprime Bubble in **2008** that took down Lehman brothers.

Lehman Brothers & the Minsky Moment!



Here is what a margin call looks like. In late September 2008, Lehman filed for bankruptcy and the margin liquidation forced an immediate 30% drop and finally down to 44%. In financial circles this is known as a **Minsky Moment** and named after **Dr. Hyman Minsky** who observed that when leverage is used in capital markets they are vulnerable to margin calls to raise capital, and this leads to a **bust**. I have mentioned this before, and **Jim Rickards** likes to use the metaphor of snowflakes and an avalanche – you don't know when that last snowflake is going to expose a very unstable system. This is where we are in the global economy, and **2018** is increasingly looking like a year of volatility that will shake investors out of their complacency. **More on this in January.**

To summarize, the whole system is rigged to create extreme overvaluations, wealth effect and bubbles based on rising debt. This financialization has inspired the **greater fool theory** to new record levels never seen in the history of the world. **Central bankers and planners** would like you to believe that they have suspended **the business cycle** (no more crashes in her lifetime said Grandma Yellen), but we have been here before. The coming collapse could not be coming at a worst time for the babyboomers. Households are tapped out and retail store closings have tripled in **2017**. The US has one of the **lowest savings rate** in the world. Only **17%** compared to **46%** in China (and they also buy lots of gold as a hedge). A **recent poll** also finds that consumer expectations are dropping while the **S&P 500 Index** keeps soaring into bubble territory. There is a deceitful disconnect here?



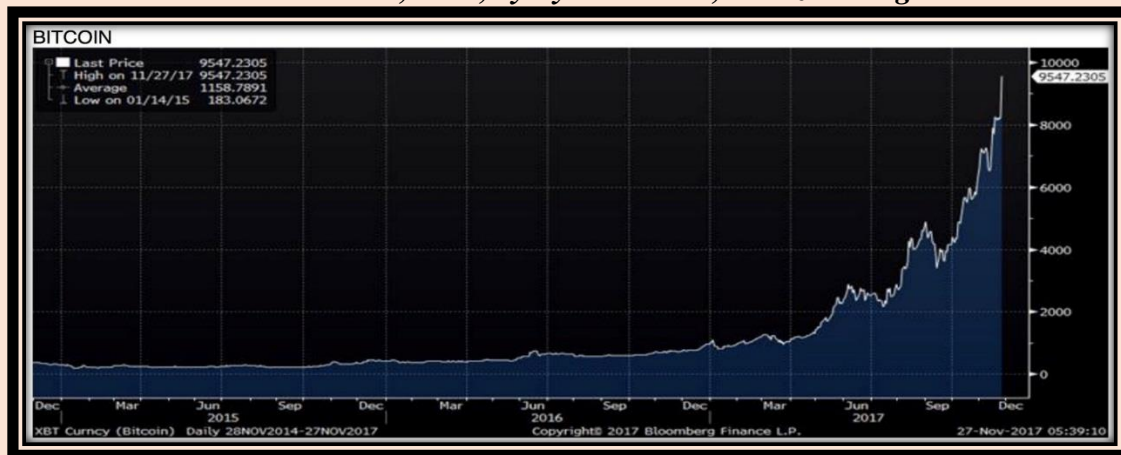
Demographic studies have found that all age groups in the **US** are lagging when it comes to planning for retirement. As a babyboomer I am keenly aware of this looming humanitarian crisis and have covered this in the past. The older generation can not endure another market crash in addition to the insolvency of the **pension fund system** in America, not to mention the bankruptcy of our **Welfare State** and *trillions* in entitlements. There is more at [THIS](#) link and [THIS](#) link.

Reagan reminded us often that government is not the solution, *but the problem*. The problem is too much government. In that regard he warned that when government increases, *liberty decreases*. This sage advice seems to be lost these days. A new **NBC/Wall Street Journal** poll found that a record **57%** of respondents said that they want *more* government in their lives! This figure was roughly **28%** in **1995**. Americans are simply not prepared for a financial reckoning day.

Now comes the great tax reform/cuts that Trump promised he would deliver. But is it really reform and meaningful cuts? As **Peter Schiff** [recently stated](#), it is all a masquerade since the **503-page bill** does not address the spending problem. We might get some tax breaks now, but the debt just keeps growing. **Schiff** quotes **David Stockman** who says that **30** million filers will see the equivalent of **\$6.51** per week tax break, or “two Starbucks cappuccinos and a banana.” **Ha!** For a rather succinct overview by **Stockman** you can click [HERE](#). A major incentive in this bill is to attract over a trillion in corporate funds being held offshore. Why do they do this? To avoid repatriating the money back to the **US** to be taxed to death. This is why Facebook operates in Ireland, etc. But will a lower rate attract this money, and will it really lead to jobs? According to a **University of Chicago** study, when a similar incentive was introduced in **2004**, **94 cents** of every **dollar** was spent on stock buybacks, dividends and mergers, *and the mergers resulted in job losses!* Trying to tweak the 76,000-page US tax code is a farce. It is theatre and a feel-good moment for the **Trump True Believers**. The issue is *unsustainable debt* and this is why people are hedging in gold, silver, and now even **Bitcoin** to get out of the system. As you know, **BTC** has been on a tear, and now I would like to address something I have suspected all along – **this is a narrowly traded platform**.

Bitcoin Has A “Whale” Problem: 1,000 Investors Control Nearly Half the Market!

Posted December 8, 2017, by Tyler Durden, www.zerohedge.com



Perhaps the most blatant hypocrisy perpetrated by bitcoin evangelists is their insistence that bitcoin and other digital currencies represent a return to a truly democratic financial system beyond the control of banks and other special interests, where players small and large can earn

enormous profits simply by holding. Of course, this idealistic take couldn't be further from the truth. As [Bloomberg](#) points out, the markets for bitcoin and most of its cryptocurrency clones more closely resemble the US equity market of the Gilded Age, **where a handful of powerful traders and brokers colluded to move prices in their favor. And because securities laws at the time were virtually nonexistent, the big players minted suckers with impunity.** According to [Bloomberg](#), about 1,000 so-called “whales” control 40% of the bitcoin in circulation, giving them unrivaled leverage over the broader market. And because there are no laws explicitly banning collusion in digital currency markets, only the most blatant pump-and-dump operations risk being prosecuted as fraud.....[READ MORE](#).

As noted above, just 1,000 big players are front-running BTC. In other words, this is not a widely traded cryptocurrency with participants like your grandparents and big corporations on Wall Street. In fact, corporations and commercial interests are avoiding it because there are no clear guidelines for **compliance** with tax authorities – something that is lost on **computer nerds** aggressively pursuing **the greater fool theory**. [This study](#) in Japan by Nikkei reports that **40%** of cryptocurrency trading is yen-denominated, and the average age is young men in their **30s**. There is also strong interest in **China** where investors are trying to get out of the yuan currency. **BTC** is a hard concept to get your head around, and I am only going to make a few observations since I am always being asked about the **Bitcoin Mania**. Compared to **gold and silver**, this is a small market and being overstated.



It is estimated that the market cap for ALL cryptocurrencies today is around \$500 billion. The market cap for gold and silver is over **\$8 trillion**, and capital markets represent **\$200 trillion**, and FOREX trades *trillions* in currencies **24/7**. Even at bubble prices approaching **\$20,000** for **BTC**, the total market cap is only **\$300 billion**. **Bitcoin** now has the distinction of being the **biggest bubble** in history, having surpassed the [Tulip Bulb Mania](#) of **1634-1637**. Lots of greater fools are piling on, and this looks more like a **lottery** than a legitimate challenge to the global monetary system. Is **BTC** better than gold (or silver)? This is being debated, but I think not. [HERE](#) are six reasons why **BTC** will never replace **gold/silver** as a reliable hedge. I also like this comment by **Dave Kranzler**, who debunks the anti-gold crowd in [the financial media](#) who assert that there is a rotation trade *out of gold* and into cryptocurrencies. The **BTC Mania** is little more than action junkies in a sandbox:

*“The popular narrative that has gripped the financial media searching for reasons that the price of gold is sluggish for reasons other than overt **Western Central Bank manipulation**, is that Bitcoin interest is diverting cash that would otherwise be going into gold. **However, I would argue that the type of trading funds playing in the cryptocurrency ‘sandbox’ is little more than ‘action junkies’ looking for anything to buy with high upside velocity.**”*

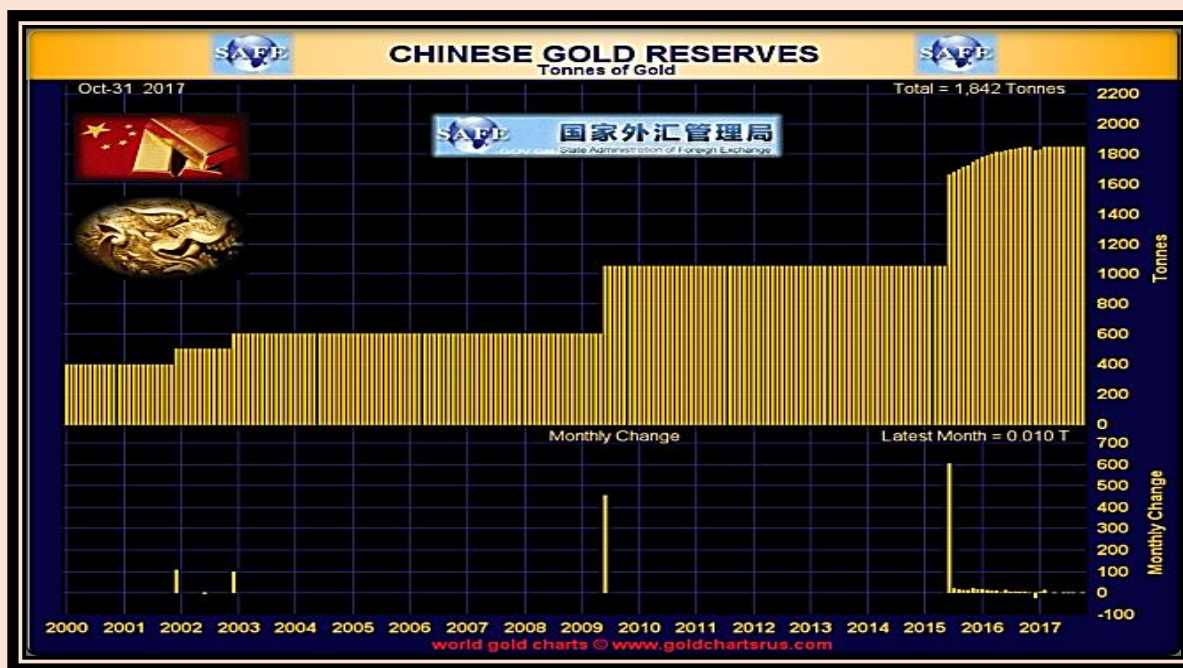


With cryptocurrencies there is always the threat of hackers and theft. When famous bank robber **Jesse James** was asked why he robbed banks he replied, “that is where the money is.” Not much has changed today, and the losses are staggering. When **the Mt. Gox Exchange** got hacked in **2014** I closed out my wallet at Coinbase. That was **850,000 Bitcoins** stolen at the time. If you want, [HERE](#) is a list of **30** of the most recent hacks and rip-offs in the cryptocurrency sandbox. It is just like the old wild west days. Last week, a computer mining operation known as **NiceHash** made off with **\$80** million in Bitcoins, and now even **North Korea** has gotten into the hacking sport. I don’t know about you, but I am sticking with physical gold, and **mostly silver** as I will comment on later.

So, what are we to make of the Bitcoin Mania? First of all, it is limited by the sheer use of energy to “mine” **BTC** in the blockchain technology (electricity). This fact is noted by **Steve St. Angelo** at [THIS LINK](#). **BTC** is not as decentralized as we are led to believe with the participation of whales in the sandbox. **BTC** is far too speculative to be taken seriously as a currency alternative. It has intrinsic utility, but no intrinsic *value*. Hacks and rip-offs continue, but there are safer ways to make this trade as noted [HERE](#). The **IRS** has now [succeeded](#) to go after **13 million** accounts at Coinbase to prosecute for unpaid taxes (larger than all Schwab accounts in the US!). The totally corrupt **CME Group** (Crimes) in **NY** has launched a paper futures market to cap **BTC** as of last weekend. Finally, the real kicker is that **BTC** is leading to a **cashless society** as the banksters regulate **BTC** out of business in order to impose their own Fedcoin and negative interest rates as **Michael Pento** explains [HERE](#). It was Austrian economist **Ludwig von Mises** who warned that after a large credit expansion (bubble) that there is no way to avoid the **crack-up boom**. In that day people want tangible assets like **metals**.

*“But then finally the masses wake up. The crack-up boom appears. **Everybody is anxious to swap his money against ‘real’ goods, no matter whether he needs them or not, no matter how much money he has to pay for them.** Within a very short time, within a few weeks or even days, the things which were used as money are no longer used as media of exchange. They become scrap paper.”*

Gold and Silver are still the *Real Goods*



The **BTC** technology is truly fascinating, and even the newer hashgraph distributed ledger technology that is being [discussed](#), but the ultimate and time-tested monetary asset to possess prior to the collapse of the **everything bubble world** we live in today is still precious metals. They don't call it *precious* for nothing! According to the **World Gold Council**, all the gold mined in the world would fit into a **67-square foot cube** today (silver is much less). **China** is the largest producer (and consumer) of gold today. Literally all the physical gold in the West is heading East. Why is this? What do they know that the average guy in the West is not being told? In the **above chart**, we can see that **China** is very careful to downplay their official gold holdings. Notice how static the lines are. **China** has stated that their official holdings are **1,842 tons** of gold. It was recently disclosed that **Russia** also has **1,801 tons** of gold. But are these figures accurate? According to **BullionStar** and many others, the Chinese likely have as much as **20,000 tons** (*30,000 tons* according to Pravda!).

In a [recent interview](#) on **RT TV**, **Peter Schiff** again warned about the Mises “crack-up boom” coming on **Wall Street** (and other markets), and concluded with this comment and **the gift** that the banksters are giving people with artificially suppressed paper prices. A real Christmas gift to be embraced.



“I think it’s the mother of all bubbles, and when it bursts, there is not a bigger one that the Fed is going to be able to inflate to mask these problems, meaning we can’t kick the can down the road anymore. This time, the crisis is going to hit everyone in the wallet. People don’t trust fiat currencies. More and more people are looking for alternatives, and the real alternative is gold. When they embrace it, it’s going to overwhelm the central banks’ ability to suppress the price. In the meantime, enjoy the gift that they are giving.”

The Silver Market: *Major Upside Coming?*



It would appear that we have a near-term development in the silver market. As most of you know, I have been bullish on **silver**, and going into **2018** just might prove to be the critical year for a breakout. Let me explain. According to **recent charts** and links, we are seeing a shift in sentiment to the upside. There is something going on in the trading pits in NY. The **above chart** indicates a move higher in **2018**, and it is based on the data on **the charts below**. According to Zerohedge and Bloomberg, speculators in gold and silver futures are shedding their bearish positions to “a five-year low” and this seems to be driven in part by geopolitical risks with **North Korea**. This report says that “traders are adamantly opposed to shorting metals” and this will be even more bullish when the risks in our bubble economy are further exposed in the months ahead.

Gold COT Report - Futures						
Large Speculators			Commercial		Total	
Long	Short	Spreading	Long	Short	Long	Short
251,234	77,905	44,905	132,509	322,399	428,648	445,209
Change from Prior Reporting Period						
-36,150	14,938	-7,450	15,678	-40,973	-27,922	-33,485

Silver COT Report: Futures				
Large Speculators			Commercial	
Long	Short	Spreading	Long	Short
84,905	53,479	16,984	61,774	108,128
-5,233	22,123	-139	9,701	-17,020

As I shared last month, it has been a long wait since the market highs for metals in 2011, as seen in the above chart. I know it has been hard to be patient and contrarian when inflated financial assets are booming, but our day will come. **Jim Rickards** has released a report indicating that a global monetary reset is in the works, and this could even “reprice” gold to \$10,000 or more by early **2018**. You can access his reasoning at [THIS LINK](#). While I am not sure about the timing, I am convinced it will happen, and this is why I wrote my book. Perhaps even the banksters are convinced as well?

Earlier this month, **GATA** (www.gata.org), has repeated what we have known for a while. **JP Morgan** and **Goldman Sachs** are “positioning themselves for a big turnaround in the precious metals market.” In the case of **JP Morgan** we know that they have acquired almost **700 million oz.** of physical **silver**. Think about that. We are talking almost an annual production of silver in the entire world! Just exactly do they know? In a [related story](#) by **GATA** we find that **ScotiaBank** in Canada is selling their precious metals trading operations. Why are they doing this? Because of “a string of lawsuits related to the manipulation of gold and silver price benchmarks” in **2016**. **ScotiaBank** is second only to **JP Morgan** in the manipulation of **silver**, *and they have no physical silver*, and many see this as a capitulation to **JP Morgan**, who in turn are anticipating much higher prices in the metals space. **These two banks** alone account for **53%** of annual silver shorting, and this looks like a turnaround event to me. For more perspective on this I invite you to consider these bullish comments [HERE](#), and this article concludes with **an analogy** that I have used often, “The **gold and silver beach balls** have been pushed near the bottom of the ‘**precious metals pool**.’ The lower they are pushed in the short term, the higher it will surge in the medium and long term.”

Stewart Dougherty: *War on Metals & Defeat*



Stewart Dougherty is the creator of **Inferential Analytics**, a forecasting method that applies to events proprietary, time-tested principles of human instinct, desire and action. I find his work very compelling and encourage you to read **Part One and Two** of this guest commentary he posted with **Sprott Money** in Canada. It is a sweeping overview of how the powers-that-should-not-be are desperately trying to prevent **gold and silver** doing what Bitcoin has done lately and more.

Part One: The War on Gold Intensifies & Elitists’ Panic

Part Two: The War on Gold Intensifies & Elitists’ Panic

Below is an excerpt noting that the entire system in the **US** is failing, and this runs counter to the accepted narrative of a “robust economy” and so on. I wish I had merrier news for the Trump faithful.

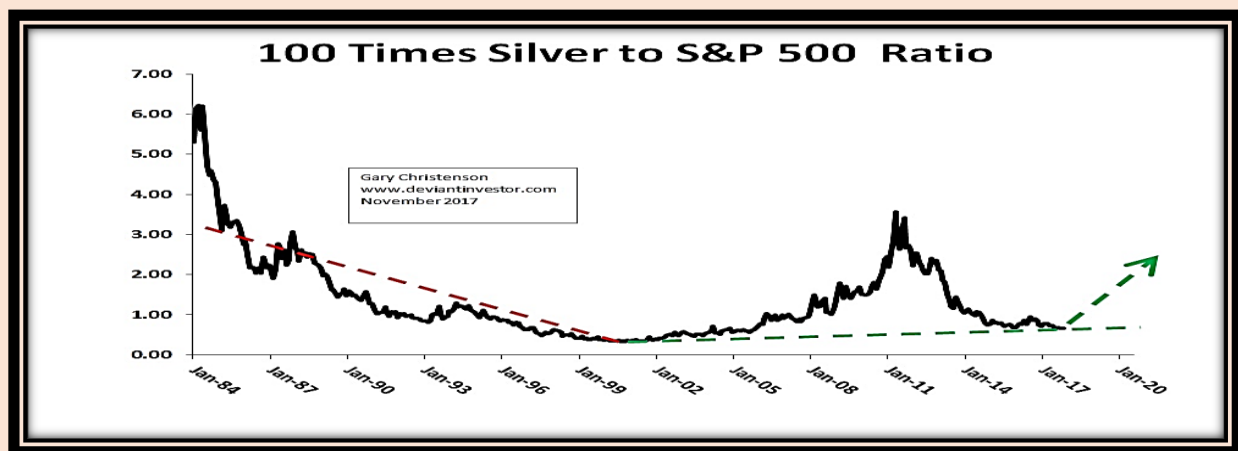
“To those who pay attention to fiscal, monetary, economic and financial realities, it is becoming clear, despite the current frenzy of propaganda to the contrary, that the existing system is failing. In the United States, to focus on one national example, massively underfunded pensions will collapse without equally massive bailouts; every government entitlement program is bankrupt, a fact

publicly admitted by the programs' respective government overseers; structural deficits are uncontrollable under current law and can only be contained if government promises are broken at extreme expense to the economy and people; debt at all levels is exploding and structurally, must continue to explode; mass financial stress is directly observable in such forms as street-level, in one's face homelessness, fast-spreading tent cities, and teeming under-bridge communities; **paycheck to paycheck and government welfare payment to government welfare payment living is now the norm for the vast majority of the population** (for example, 78% of *full time* workers in the United States now live paycheck to paycheck; the financial condition of part time and unemployed persons is even more dire); the savings rate has plunged as people struggle to make ends meet or engage in financially disastrous "Eat, Drink and Be Merry" binge spending programmed into their brains by the MSM, **which repeatedly tells them that things have never been better and they should go shopping**; overall savings are non-existent or meaningless for the vast majority of the population; **among many other signs of fiscal and financial decline.**"

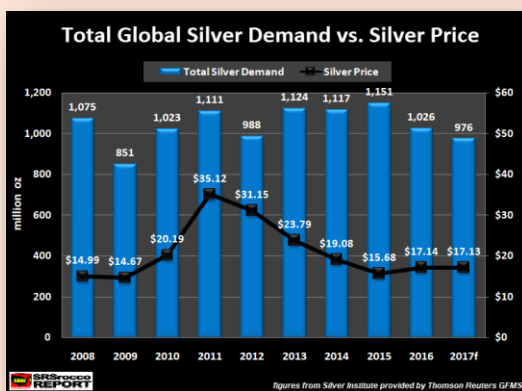
It is in this backdrop that people need precious metals as a hedge, and these are sale prices that do not agree with normal metrics. **Below is a chart** dividing **silver** with the **national debt ratio**, and it is suggesting that **silver** is extremely undervalued based on the past **25** years.



Not only is **silver** undervalued against our national debt, it is artificially low when compared to the rise in the broad **S&P 500 Index** ratio as seen here. We think **2018** will tell a different story.



Recent commentary from [Sprott Money](#) cites several reasons why **2018** will be favorable for the metals space. Among them is geopolitical conflicts with North Korea, Russia and the Middle East; an inverting yield curve that always leads to a Recession; Fed intervention with negative rates and more QE; continued de-dollarization by China, Russia, OPEC and BRICS countries; and continued political discord in the **US**, perhaps even impeachment of **Donald Trump**. Another consideration is [an article](#) that just broke on the 21st from silver expert **Ted. Butler**. **Ted** has learned that it appears that **JP Morgan** has been allowed to short silver (while accumulating hard silver) based on a deal with the Fed, Treasury Dept., CFTC, COMEX, etc. back in **2008**. This was the year that **JP Morgan** took over the huge silver short by defaulting **Bear Stearns** at the behest of these people. The deal is that **JP Morgan** has impunity to rig and profit from silver for a **ten-year period**, and **2018** is the end of the line. Is this why sentiment among the big traders is positioning to **the upside** as mentioned earlier in page 13? Remember that it was **March 2008** when all this went down. **Just sayin...**



Steve St. Angelo has pointed to declining prices for silver despite consumer demand since **2008** as seen on **the left**. **Silver** demand is still *double* what it was in 2008 on **the right**, and he makes several good points at [HIS WEBSITE](#) to consider. Finally, I leave you with a quote from **Adam Taggart** over at **Peak Prosperity site**. Regarding the moon shot for **Bitcoin** he has this advice for holders of gold and silver. And keep in mind that the market cap for **silver** is a mere **\$17 billion bucks**.

*“Holders of gold and silver have watched Bitcoin’s moon-shot with a lot of understandable envy. This is the kind of massive re-pricing boom they expected the precious metals to experience as world fiat currencies inflate away their purchasing power. Were PM investors wrong? Did they pick the wrong horse in this race? Should they have piled into the cryptocurrencies instead? **While it has been a painful five years, we expect precious metals holders will be rewarded in the end.** Separate from the current emotion-driven Blitzkrieg, the reasons informed investors are buying Bitcoin have heavy overlap with the rationale for owning gold and silver. Capital will return to the PM market as soon as the current nested set of financial bubbles begins bursting. **And if you think the jump in Bitcoin has been tremendous as a money tsunami has flooded into this small market, remember that the Bitcoin’s market capitalization is now substantial larger than that for all the world’s above-ground silver. How high could we see silver go when that metal become in vogue again?**”*

The Lord Jesus: *Light of the World!*



In both the Old and New Testament, the motif of **light and darkness** is a metaphysical reference to **good and evil**, and an ethical distinction between that which is morally right and wrong. **God** created light out of darkness in Genesis 1:3. “God is light” (1 Jn. 1:5) and He dwells in “unapproachable light” (1 Tim. 6:16), and is known as the “Father of lights” (Jas. 1:17). **Jesus** said He was “the light of the world” (Jn. 8:12), and everyone who believes in Him are “sons of light” (Jn. 12:36; Eph. 5:8) and will “not remain in darkness” (Jn. 12:46). The Devil is known as the “Prince of darkness” (Jn. 12:31; Eph. 2:2), and Jesus said He came to “destroy the works of the Devil” (1 Jn. 3:8). This battle between **light and darkness** will continue until Jesus returns, but we can be sure of the outcome. As we celebrate **His first coming** to redeem us, let us be mindful that He is returning as the “King of kings” (Rev. 19:16). The following is a letter that I send at **Christmastime**, and it highlights this important fact and the true meaning of Christmas. I will comment below.

The True Meaning of Christmas

Christmas is a time to reflect on the most unique birth in all of world history. In 700 BC the prophet Isaiah foretold that, “A virgin will be with child and bear a son, and she will call His name Immanuel” (Is. 7:14; Mt. 1:23). In Hebrew, Immanuel means “God with us”, and this is a comforting reminder for all of us. God is still with us today.

A King is Born to Die

Announcing the birth of Jesus, the angel Gabriel tells a bewildered Mary, “He will be great, and will be called the Son of the Most High; and the Lord God will give Him the throne of His father David, and He will reign over the house of Jacob forever; and His kingdom will have no end” (Lk. 1:32-33). It is obvious from this angelic announcement that Mary’s divine infant will be a royal king with a kingdom. The apostle Paul’s account reads, “But when the fullness of time came, God sent forth His Son, born of a woman, born under the Law, in order that He might redeem those who were under the Law, that we might receive the adoption as sons” (Gal. 4:4-5). Paul further writes, “Although He existed in the form of God, did not regard equality

with God a thing to be grasped....And being found in appearance as a man, He humbled Himself by becoming obedient to the point of death, even death on a cross" (Phil. 2:6-8). How is it that this king must die on a cross? Central to Christian theology is the empirical fact that all men are born sinners as a result of The Fall in the Garden of Eden (Gen. 3:6). "Therefore just as through one man [Adam] sin entered into the world...so death spread to all men" (Rom. 5:12). Jesus stated His earthly mission when He said, "The Son of Man has come to seek and save that which was lost" (Lk. 19:10). Lost humanity needs a Savior and this was God's plan from the beginning – to offer forgiveness of sin and restore man to fellowship with God. "God made Him who knew no sin to be sin on our behalf, that we might become the righteousness of God in Him" (2 Cor. 5:21). "For the wages of sin is death, but the *free gift of God* is eternal life in Christ Jesus our Lord" (Rom. 6:23). This is the real meaning of Christmas. This is the real meaning of life – to have *eternal life*. Following His death and resurrection from the dead Jesus appeared to His disciples in His glorified body. "To these He also presented Himself alive, after His suffering, by many convincing proofs, appearing to them over a period of forty days, and speaking of the things concerning the kingdom of God" (Acts 1:3). The king who died for all our sins had much to say concerning His future kingdom upon the earth. His reign as King of kings is certain and is soon to come to pass.

A King is Born to Rule

Jesus taught us to pray, "Thy kingdom come, Thy will be done on earth as it is in heaven" (Mt. 6:10). During a tense moment during His trial Pilate asked Jesus if He was a king. Jesus answered, "You say correctly that I am a king. For this I have been born, and for this I have come into the world, to bear witness to the truth. Everyone who is of the truth hears My voice" (Jn. 18:37). Here is the amazing truth that Jesus is indeed a King and assuredly His kingdom will be established. When Jesus returns He is referred to as "the King of kings and Lord of lords" (Rev. 19:16). His earthly reign will be for 1,000 years (Rev. 20:4), and "He will speak peace to the nations; and His dominion will be from sea to sea" (Zech. 9:10). "For the earth will be filled with the knowledge of the glory of the Lord as the waters cover the sea" (Hab. 2:14). "Because at that time He will be great to the ends of the earth, and this One will be our peace" (Mic. 5:4-5). "And the Lord will be King over all the earth; in that day the Lord will be the only one, and His name the only one" (Zech. 14:9). A notable feature of the Millennial Kingdom is world peace. "Nation will not lift up sword against nation, and never again will they learn war" (Is. 2:4). Jesus, the Prince of Peace, will reign from Jerusalem, which translated in Hebrew means "the City of Peace." It will also be known as "the City of Truth" (Zech. 8:3) since Jesus said, "I am the way, and *the truth*, and the life; no one comes to the Father but through Me" (Jn. 14:6).

Is There Room in your Heart?

In Luke's narrative we are told that Mary gave birth to Jesus in a manger, "because there was no room for them in the inn" (Lk. 2:7). In a similar way we must make room for Jesus in our hearts. St. Augustine wrote, "Thou hast formed us for Thyself, and our hearts are restless till they find rest in Thee." Wise men still seek Him, and they do so by confessing their sins and receiving Jesus as their Lord and Savior. "For with the heart man believes, resulting in righteousness, and with the mouth he confesses, resulting in salvation" (Rom. 10:10). May this Christmas truly be meaningful as you also seek Him and receive His free gift of eternal life. "Thanks be to God for His indescribable gift!" (2 Cor. 9:15; 1 Jn. 5:21). **Indeed, and Merry Christmas to all.**

Summary & Conclusion. At this special time of year, we give and receive many **nice gifts** and enjoy the time spent with family and friends. The **Bible** says that “Every good thing bestowed, and every **perfect gift** is from above, coming down from the **Father of lights**” (Jas. 1:17). This not only speaks of God’s providence to bring good things into our lives, it also speaks of the greatest gift of all by sending **His Son** (Jn. 3:16). Paul responds, “Thanks be to God for His indescribable gift!” (2 Cor. 9:15). When **Jesus** came the first time, He fulfilled over **300 Old Testament** prophecies including this one from **Isaiah 9:2**, “The people who were sitting in darkness saw a great light...upon them a light dawned” (Mt. 4:16). **Jesus** was that **great light**, but He would later say, “the light has come into the world, but men loved **the darkness** rather than the light, for their deeds were evil” (Jn. 3:19). This is the human condition today, and why we hear about endless scandals, conspiracies to commit evil and all the rest. This is what happens when people reject the light and live in darkness. This is what happens when men forget God, said **Aleksandr Solzhenitsyn**.



Finally, let us pray for our president in these troubled times. Let us also pray for a peaceful solution with **North Korea**, or at least for our protection from this ominous threat in **2018**. The world is spinning into chaos and we are living in a tangled web of deceit in every sector of our society. I will have more in my next newsletter, and until then avoid all the bubbles in this world, stick with real money like **gold and silver** and let me know if I can assist you in the area as always. I see great potential going forward, and the only **greater fools** will be those

who are chasing all the markets in the world that are peaking right now. I am a “**true believer**” that gold, and especially **silver**, will outshine all other asset classes in the near future. **God bless.**

“Though I dwell in darkness, the Lord is a light for me.” (Micah 7:8)

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