

Our Bizzaro Economy

Luxuries are cheap because they are produced abroad with deflationary labor arbitrage

Necessities are expensive because they are produced locally

It is easy to spend money

It is easy to borrow

It is hard to earn money

It is really hard to save money

Prices are distorted upwards because of credit availability

Local labor is expensive

Prices are distorted upwards because monopolies are encouraged

Everything should be the opposite

What is fake news; fake news is anyone claiming they produce real news (everything is antipodal)

Remember Russia is the enemy; NAH, Told ya so. Turkey, China, Philippines and Saudi Arabia are the enemies that have us in their gunsights. US, Japan and Russia will align. Korea will be overrun; Remember the history of the Korean War.

Deflation

--Sort of benign type Per Schiller - since 1991 good deflation from Chinese labor arbitrage

--Lose your savings type - which is on the horizon - Debts won't be paid back Municipal Federal

Inflation

--Has everything to do with Velocity of money; not money printing

--Banks and lenders print money, not the federal government

Asset Musical Chair Time Ahead

--Ultra Short Duration Corporate until you see 9% 10 year

After a private company bankruptcy blowout;

Then you will need to rotate to

--US Stocks (because Stocks will act like a currency)

Then you will watch gold become illiquid

--Then that is the time to buy

Then you will see pensions and governments go tits up

Eventually gold will act as a currency

China

--Think of China as a giant Pig with lipstick (lipstick being the trappings of infrastructure)

--People are totally xenophobic

--All channels of communication are "managed by the government"

- Current generation in China will be the hero generation (not millennials in the US)
Current generation of Millennials are a "lost generation"
- Middle age generation in China are total selfish idiots pricks who are uneducated by design
- Chinese culture has a lack of manners
- Presently in China it is everyman for himself but unlike us they will unify and speak with one voice. This unified uneducated mob is very dangerous for the US, For Russia, and it will prove deadly for Korea over time**

Perhaps Interest Rates

- Something called convexity look it up
- 10 Year interest rates could go to 9% then down to 5% (5-9% is normal range)
- Treasuries are total trash
- Local and State debt is much much worse

Real Estate

- Understand Cleveland - the best house is cheap but the taxes are huge
- All these failed municipalities cannot cut costs and they will tax beyond refusal
- Understand NYC - you can buy a fixer upper for \$1,000,000+ with a rent roll which is \$30,000 and could be \$60,000 and the taxes are about \$30,000. Negative cash flow up the wazoo. The real value is Net income times 7-12 period. On such a building you would need a minimum of \$100,000 gross rent. Building is essentially worthless. That is the business model in all the Blue State cities. Crap total crap.
- Seen some "good" ROI in cheap red state real estate; however your tenants may not be able to pay you over time. Personally looked at RE selling for \$100k yielding \$14-16K rent per year gross. As rents go down this is crap too.

Prescription for PC & PC Snowflakes - Use profanity in day to day conversations

- Curses are not ambiguous they are clear

HRC would have caused a massive deflationary crisis

Trump - Will remove deflation from labor and pollution arbitrage. It will seem inflationary, yet asset values in real estate will be cooked.

Rhetoric has been confused for policy

- Rhetoric everyone gets an affordable healthcare plan; reality is far from that
- Under trump there will be simple stream of rhetoric and sophisticated back office operations developing and driving policy

Will "Drain the Swamp become Read My Lips?"

- Everyone in the government and most major corporations reside inside the swamp
- He has many Generals and Business People - these people are pragmatic and informed
- More so he has major outsiders as "advisers"

--I would suggest that Trump fight local and state corruption and then work his way up the food chain.

---In the short term Trump will navigate and operate within the swamp as to avoid enemies from all directions. Eventually he will either turn these swamp dwellers into useful tools, yes men, he will manipulate them, or he will pick them off by dividing and conquering.

Armstrong

MA> trying to move even a pebble inside government takes on a huge effort. It is far easier to move mountains from the outside than from the inside. WP) ->this is why Trump's top people are advisers not cabinet members. Trump does not have to ask permission to use an advisor.

--correct call, best place to be is in ultra short duration high quality bonds 90 days

--Personally executed this strategy for myself prior to Armstrong call and prior to bond market route

My Take

--worst place to be in bond funds because of duration and mark to market driven by the need to cover redemptions. There is a possible run on bonds.

-Bonds are going to be crushed internationally; see China Auction

=USD bonds will be unsupportable

=Municipality bonds are trash with treasuries not much better

Celente

--There are no more international news desks and it might impact my forecasting

Nobody funds news, therefore all "news" and "reporting" is either playing telegraph or opinion.

Russia as Foil

--Part of the soft coup.. Russia cannot do much with conventional weapons. It cannot even invade

Allies: Turkey, Saudi Arabia, China, and the Philippines

Axis: US, Russia, Japan

Government in America is totally corrupt and inept;

Mrs. Clinton did mishandle classified information and did put national security at risk, but **was too technologically inept to know the risks she was running.**
===our government is totally inept because you cannot fire employees

Politics vs Business

We said last time; that if HRC got elected would she have the moral authority to lead; we said if Trump got in would the establishment let him lead?

--So far the republicans are letting him; the opforce the establishment are doing things like trying to incite riots, revolution, information shaping, dirty tricks, public manipulation, and eventually insurrection.

The Piranha Attack vs A Shark Attack

--Political hacks are piranha's they nip nip nip nip nip

--Trump is a Shark, he will bite your leg off, bite your arm off, or kill you outright.

A school of Piranhas are potentially more difficult to deal with than sharks

The Piranhas are not pragmatic; A pragmatic attacker would;

--Give the guy a chance and let him fail, then attack into weakness

--Attack the issue; How do you attack draining the swamp; allowing corrupt or incompetent civil services people to be fired for cause. Fighting waste and corruption

==The establishment can only therefore attack the person (hand in the pussy)

Trump Managerial Style with HRC, News, and Dems

-- A business person wants to conduct his business, he does not want to be bogged down in a fight

--Trump reached out to non-business people, top politico's and high political people and a capture press; he said ok we had our differences let bygones be bygones. He wanted to move on with doing business. That what a business person does.

--The politico's and the racketeering engine see the swamp draining; they see themselves being pushed out; divisiveness and the piranha attack is their product

What does trump have to do;

--He is not fighting a shark he is fighting a school of Piranhas

--He tried to be nice to the piranhas but that just encouraged them to misbehave.

Trumps accomplishments or potential will be totally irrelevant to the piranhas. .

He has a few choices

--Do nothing and ignore them

===Downside is that a dirty trick will eventually stick
===Downside is that LGBT, SJW, Snowflakes and the ignorant will be pounding on him on a personal basis and because they feel personally assaulted (they are tools of the worst sort)

HE has to fight in some way

===There is a big cost to fighting. When you sling mud you get dirty
===Also distracts from your agenda
===But he has no choice whatsoever. It only takes one side to start a war.
----The losing interests in this election need to lose more.

Total War

--He has to kill All of piranhas all at once (Very difficult)
--He has to demonstrate that he will kill any and all piranhas on sight (A bit easier)
=====this might or might not work
--He has to kill the "Alpha Fish" HRC Podesta etc.
----The downside of that is that it will be very costly for trump

Attrition

===That is actually the worst option
===It is a slow bleed and eventually the republicans will attack into weakness

Real Estate

--Better to "own" in a red state than a blue state
--You don't own allodial title to your land Allodial = *Free; not subject to the rights of any lord or superior; owned without obligation of vassalage or fealty; the opposite of feudal.*
--**Who owns your land; see letters patents and you will find it is all based on the concept of fealty; this is true to this day;** The King grants his delegate to set up governments to govern and record the allocation of his lands based on the construct of fealty (His lands being either purchased from the indians or stolen from them) for the sole purpose of taxation based on their assignment and use. See Sir Edmund Andros If you "own" land, you are essentially a peasant who has your person. Basically you are a not free person and you don't own land, all you hold is a vector for taxation and administration. How do you get allodial title? You cannot you don't; and you cannot become a "sovereign citizen." Sovereign Citizens intentionally misinterpret the facts.
Beyond the title issue See Cleveland OH.

Gold Good Bad and Ugly

--Trump tariffs could be highly inflationary
--In contrast, Massive debt deflation on the horizon with rising rates
--War on "currency" see India is a very important trend
==recommendation buy small denomination coins as price goes down
==be prepared for a downdraft to a point lower than you expect
==be prepared for a possible loss of gold liquidity (something now happening in India and discussed in the last Greg Hunter interview).

--Gold survives in time, the time horizon for gold spans thousands of years

Journalism - Very High Cost - Very High Freedom

Reporting - Very High Cost - Very High Freedom

Editorial - Low Cost - Low Freedom

Opinion - Low Cost - Low Freedom

Issue Framing - Low Cost - Very Low Freedom

Propaganda - Medium Cost - Very Low Freedom

IYI Bubble - Very Low Cost - Revolutionary Precursor

Public Relations - High Cost - Very Low Freedom

Big Data / AI - Very High Cost - No Freedom

