The Big Bribe

Financial Engineering & How to Profit From the Great Bull Market Ahead

Kip Herriage

With Tyler Herriage

The Big Bribe

Printed in the United States of America

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Dedication

This book is dedicated to the priceless people who are my "why" and the value and meaning of my life.

To Cindy, my beautiful wife of 33 years and our two amazing sons, Tyler (who researched and wrote this book with me) and Sam, our youngest.

This is my third book. These books, and my career, would not have been possible without the patience and wisdom of my mentors Ted Parsons and Michael Metz (RIP, gentlemen).

To everyone who's contributed to making my life so blessed, I thank you.

Introduction

The last 2-3 years have been among the wildest, most difficult and downright bizarre time frames in all of American history. We have to start The Big Bribe right here.

From the countless lies of coronavirus insanity to the rigged/stolen Presidential election of 2020 to the slew of upside-down decisions from the current “resident” of the Oval office and to the fact we’ve just witnessed an unprecedented 3 bear markets in 4 years (where the average stock fell 40-50% plus, each time), Americans lives have been tossed and turned like a tiny rowboat in a roaring sea.

But let’s be brutally honest. Too few connect the dots today, but it’s been much more than just a couple of bad years. The last two decades have been the worst 20 years in American history…period.

9/11/01 started it all. In my studied view, America…and the world…will not fully heal until the truths surrounding 9/11 are both known and adjudicated. 9/11 led to the Patriot Act (unprecedented loss of Americans privacy and civil liberties) and to the nonexistent WMD’s and pointless wars that followed in Iraq and Afghanistan. These two wars killed more than 7000 US soldiers, injured another 150,000, with 22 veterans committing suicide each day (on average, since 2003). Not to mention the more than 500,000 innocent civilians killed and the $7 trillion that US taxpayers have paid to fund these "forever wars". Our blood and treasure wars.

The collapse of the housing and financial markets followed in 2008, triggering our Great Recession (which was in fact a 2 year Depression). Next came 8 years of Barack Obama and the destruction of US healthcare (if you like your doctor, you can keep your doctor. If you like your plan you can keep your plan), followed of course by the launch of the China virus, the loss of even more constitutional rights along with the destruction of the (global) middle class. Then, the rigged/stolen presidential election of 2020.

Look as much as you want, but the last 20 years have been our worst ever. Americans have been, in effect, broken.

But it's always darkest before the dawn and I just happen to be the definition of the eternal optimist. Never sell-short America. I believe America (and the world) can look forward to possibly two decades of prosperity and growth that will dispel the negativity and loss of the last 20 years. I think we're due. Don't you?

As I've written in both of my previous two books and as clients and subscribers have heard me say often over the last few years, I would fault no investor for wanting nothing to do with this stock market.

In 2018, as the Fed hiked rates 8 straight times with Trump as President, the S&P 500 quickly collapsed 19.8%, even as most stocks fell more than 40%.

Then in 2020 (CV insanity), in just 5 weeks the S&P 500 plummeted 35%, with the average stock imploding close to 60%.

Now, as we prepare to publish The Big Bribe, the US is experiencing its worst inflation in 40 years with an economy that's just had the breaks slammed on it, as Jerome Powell and his merry band of central bank money printers have started hiking interest rates and going full circle from Quantitative Easing (QE) to Quantitative Tightening (QT).

Today, the S&P 500 has just been hit 20%, falling into a bear market once again, even as the average stock has been slammed with losses of more 50% and as many investments–like Cathie Woods innovation fund (Symbol; ARKK), a leading investment vehicle for years which just fell a staggering 77%--have been falling in price since February of 2021.

And even in light of the carnage of the last 4 years, from the time I started writing the Big Bribe with my oldest son and business partner, Tyler Herriage, we believe a stock market boom is nearing—we believe it will be the likes of one not seen since the late 90s with the 5 year dot-com melt-up that sent the Nasdaq soaring 575%.

As you'll read throughout The Big Bribe, and this is vitally important to understand, *the stock market is not the economy.* Throughout my career "perma bears" have made the mistake of equating the equity and debt markets with the economy, yet there are structural differences between the two that smart money investors have learned to distinguish and evaluate.

We're also seeing direct evidence that America is in the process of being red-pilled and believe that the November midterms should help mark the official resurgence of American Patriots. Make America Great Again, indeed.

Let's start with a jaw-dropping number: 100,000. This is what the Dow Jones is going to hit by 2030. As I write, the Dow Jones just crossed 30,000. And yes, a 70,000-point spike is possible by 2030. I have the background, the evidence, the research, and yes, the client testimonials to back this up.

(Note: To make this book an even more enjoyable read for most people, we've gathered resources at BigBribeBook.com/Start.)

Tyler and I have been hyper-bullish on US equities since the depths of coronavirus insanity (March 23, 2020), just as the Dow Jones was hitting its lows of 18,200. And we triple-time stamp every investment recommendation that we make to our subscribers around the world. In other words, we have the evidence to back it up.

When we first began gathering data for *The Big Bribe* in late 2020 (when the Dow Jones was 27,000), we had already published a target of 75,000 on the Dow Jones. Because the Dow had already jumped 72% percent from our initial buy signals in March of 2020, we just raised our price target dramatically.

As you'll read, our research and data pulled from our investing system tells us that even in light of an already massive move higher (from the coronavirus lows), this new bull market will have "forever" to run, even as at the time of this book being published we have just officially entered a bear market. But remember, bull markets follow bear markets…we think this book is coming out at just the right time.

We've been crushing Mr. Market for *many* years. We wouldn't be surprised if the Dow tripled by 2030. In fact, we expect it.

And you will learn how to triple your money by 2030 by reading the contents of this book. Not just triple. By following the market-crushing strategies in *The Big Bribe*, you'll join the ranks of my followers who are positioned to 10x their money.

What's Behind This Boom?

The historic stock market run that's nearing is *not* an accident. It's also not entirely the result of a "free" market. And it's certainly *not* democracy in action. In fact, in many ways it's the opposite of democracy.

Instead of being a free market in action, the bull run we're about to enjoy is orchestrated. It's a part of a PSYOP—a psychological operation orchestrated by our "planners." We refer to it as "The Big Bribe."

The government, the Federal Reserve and other "elite ruling class" powers have manipulated us with government handouts (already more than $5 trillion in new stimulus, aka "free stuff"), $9 trillion in QE (The Fed's "balance sheet") and yes, with a swollen and financially engineered stock market.

It's designed to make us forget about a stolen election, the lies of coronavirus insanity (AKA the plandemic), the unprecedented loss of our constitutional rights, and the potential thefts to come in upcoming election cycles (the 2022 midterms). Meet the "elite ruling class".

Most devastatingly, certainly longer term, is that these planners are employing the biggest middle-class attack ever designed—obscene levels of currency debasement—to fuel their big-bribe objectives. We're already seeing the evidence of this through soaring inflation, the worst since the late 1970's brought to us by another failed Democrat President Jimmy Carter, which by its very definition is "currency inflation," also known as "fiat currency printing."

Bizarrely, it's exactly this debasement of the US dollar that will serve to help ramp US equity markets higher, along with real assets, such as housing, real estate, precious metals, base metals, mining stocks, energy and energy stocks and yes, bitcoin and various other crypto currencies (even as bitcoin just dropped below 18,000, down a stunning 70% from its highs). The longer-term consequences will almost certainly be equally destructive. But that's a book for a different time.

For now, as we see it into 2030, we must remain "long and strong" the exact investment vehicles that will shine in this environment to have any shot at beating government sponsored, record levels of inflation.

I realize my point of view may seem extreme to some. But that's exactly what it is: my educated and thoroughly researched point of view. And it's been proven to be successful among thousands of clients and subscribers of the Vertical Research Advisory (VRA) LLC, which you can read more about at BigBribeBook.com/Start.

Who Is Kip Herriage?

Before we dive in, allow me to introduce myself.

My name is Kip Herriage. I grew up as a small-town East Texas boy, and if you're thinking I'm a hardcore, redneck Republican, you'd be wrong. I'm a lifelong independent, and I pride myself on voting for people and ideas over party.

I also didn't come from a country club family—I know the value of a buck earned. Independent-minded, contrarian research and in-depth due diligence mean everything to Tyler and me.

I've been in the investment industry, as a financial advisor, venture capitalist, researcher and financial publisher since 1985.

I used to imagine where I'd be and what my life would be like in the 21st century. I imagine you did as well, so let me ask you a question. Does the life you're living today look like you thought it might 10, 20, or 30 years ago? I'd be willing to wager that as you considered that question, your thoughts turned to the money you have or the money you lack, at least to some degree.

Unlike many in the investment industry, with a deep pocketed family and connections to match, I started at the bottom. East Texas isn't exactly a hotbed for Wall Street recruiters but I quickly became one of Wall Street's top financial advisors and venture capitalists.

How? I outworked my competition and I was blessed to have amazing mentors. In fact, both of my mentors' mentors worked on Wall Street during the Great Depression. Some serious lineage, huh?

I have come to be known as the "Nostradamus of Investing" during my 36 years in the investment industry. This is because of the spot-on, accurate timing of my forecasts and world-beating results.

In 2003, I founded the Vertical Research Advisory, LLC which Tyler and I publish as the sole authors and researchers. We also run the VRA Investing System, which, again, you can read more about at BigBribeBook.com/Start. Every written word is ours, and every company recommended is based on *our* work.

I do things differently. I call it just like I see it. I spent 15 years on Wall Street, where I managed significant money for high net worth individuals and institutional accounts. I also raised hundreds of millions in helping to take seven companies public. In late 1999, I predicted the dot-com would become the dot-bomb, and we took profits in anything even remotely connected to Silicon Valley. I saved my clients tens of *millions* in certain losses by getting them out of the market.

At 38, I saw a bubble that was about to burst and "retired" from Wall Street. Then, at the request of several long-time, valued clients, I began publishing the VRA in 2003. I also wrote the financial tell-all *CrashProof Prosperity*. (The first edition, *CrashProof Prosperity*, *Becoming Wealthy in the Age of Risk* was published in January 2011. The second, *CrashProof Prosperity*, *Becoming Wealthy in the Age of Trump* was published in January 2017.)

My work during the last 36 years has taken me to the four corners of the planet, speaking on stages all over the world for my investment seminar company. But I wasn't born with a silver spoon in my mouth. So, my focus has remained on uncovering the truth and then sharing this most important information with my valued clients so that they, too, may learn the secrets to successful investing.

During my travels I have presented onstage to thousands of like-minded truth seekers. Whether the subject is investing, geopolitics, the military industrial complex, or maximizing your potential, the reactions that I have received tell me that my message of building a "generational legacy" is making a difference.

My work during the last 36 years has taken me to the four corners of the planet. But I wasn't born with a silver spoon in my mouth, so my focus has remained on uncovering the truth and then sharing this most important information with my valued clients so that they, too, may learn the secrets to successful investing.

I've learned that establishment big-government insiders and the elite of the world have little interest in making the lives of others better. *Wow*, have we ever learned this fact from the onset of CV (China-virus or Corona-virus—take your pick) insanity.

It doesn't matter whether it's a crooked politician, above-the-law banker, Wall Street fat cat, or smarmy corporate elitist. These professional criminals are primarily interested in one thing: lining their own pockets. And they are robbing others of their hard-earned money, through the introduction of one shell game after the next.

I've also learned that the Federal Reserve, a global cabal of international/private bankers created in 1913, has destroyed the value of its singular mandate. The Fed, and central bankers everywhere, have destroyed the *one* thing they were supposed to protect—the US dollar. During the past century, the Fed has intentionally destroyed the value of the dollar to the tune of 98 percent.

So how will you triple, or 10x, your money during the Big Bribe—without assuming a scary amount of risk?

The answer lies behind the smokescreen put up by our government. The smokescreen that makes you think things are good in America. To make you forget the many unanswered questions about the insanity of the coronavirus, the election, the attack on our constitutional rights and an economy destroyed by government lockdown mandates.

Some readers won't agree with my political views. And that's okay. The world would be a very boring place if everyone completely agreed on everything.

This book focuses on the other side of the smokescreen—why right now is the right time to make money.

But it's not just about making money. This book is about acquiring all the resources you need to achieve your goals and to make an impact. Whatever they are, *The Big Bribe* will point you in the right direction.

"Whatever the mind can conceive and believe, it can achieve."

– Napoleon Hill

In the meantime, you'll learn the five investing megatrends that will take the Dow to 100K and Nasdaq to 40K by 2030. And you'll learn, through a proven system, how to be one of the smart money winners. We'll start by revealing the government's Big Bribe, and looking at the lessons that history has taught us, before pivoting toward the future and my DJ 100K prediction.

Next, we'll discuss those five megatrends in more detail (and how they all fit together). Then you'll discover how to take advantage of them with a few simple steps. I've written this book to turn the bad news into a lifetime of good news. It's full of great money-making strategies to allow you and your family to live the life of your dreams.

The point of this book is to show you how to profit off the easy money policies created by a corrupt system.

You don't have to do it all at once. By reading this book, you'll discover the small steps you can take to potentially 10x your money by 2030. If you think you can't invest because you're no good at math or have always left the investing to someone else, think again. Smart money investing is based in good decision making based on knowledge of the facts and probabilities. We're revealing these facts in the Big Bribe, along with the facts of the roaring 2020's that lie directly in front of us

You also don't need a ton of money to invest, or a boatload of time. Imagine planting a tree, which starts out as a tiny sapling and in 20 years (or, in this case, eight years), turns into something magnificent.

I'll wrap this intro with this; Tyler and I both believe in going wherever the research takes us and that people recognize the truth when they see it and when they hear it. Too few on Wall Street have a grasp on the fact that the intersection that exists today between investing, economics, Wall Street and Main Street has never been closer or more important to understand and implement.

Because I have made a lifelong habit of going where others choose not to, and saying in plain english what others will not, I have been permanently banned from Twitter and several other publishing outlets (Medium and YouTube among them). You'll learn many of the disturbing truths that have resulted in those bans in the Big Bribe. And no, I have no plans to begin self-censoring. History is full of examples that make clear that those that favor censorship are on the side of losers. It's the First Amendment for a good reason. Fascists may seem to have power, in short stretches, but their foundations are built on sand and their downfalls occur in a hurry.

Now, let's get to work on becoming the smart money. Thank you again for reading the Big Bribe!

Part 1:

How the Stock Market Really Works

CHAPTER 1

A Look Back at the Government's Big Bribe

Today, even in light of recent calamity, I believe we are about to enter a new bull market of significant size and scope. It's a structural bull market, driven by unprecedented liquidity, surging corporate earnings, and never-before seen levels of currency inflation. We've never experienced a bull market like the one that's soon to begin.

So, how can you benefit? It can be intimidating, even for the most seasoned of investors, to play the game right. But I assure you, everybody has the chance to participate and make a lot of money. All it takes is participating in taking advantage of this once-in-lifetime opportunity.

And based on my 36 years of research and due diligence, I'm excited to report this bull market has the potential to be the most breathtaking one of our lifetimes.

Before we dive into the megatrends that will send the Dow to 100,000 by 2030, let's take a look at what history has to say about where we are today. This includes the Federal Reserve System that has such a significant hand in our struggles for the accumulation of wealth.

The Roaring Twenties Rise Again

The old saying goes that history repeats itself, which doesn't really happen. But history definitely rhymes. No two situations will ever be completely alike in every detail, because the circumstances and people involved are always changing. Human nature seems to remain constant.

And, except for unpredictable natural disasters, most events tend to follow recognizable patterns and cycles once they're set in motion by human desires and motives. (And, sometimes by human weakness when we fail to live up to the best in ourselves.)

The recent economic turmoil bears a chilling resemblance to the dark chain of events that led up to the Great Depression. It's a fascinating story that reads like an industrial espionage thriller. The *really* fascinating part is that what actually happened has nothing to do with the "historical" fairy tales we've been fed by the cabal of career bureaucrats and the banking cartels.

They didn't call them the Roaring Twenties because money wasn't flowing freely or because consumers weren't spending it like there was no tomorrow. The newly created Federal Reserve System, established in 1913, expanded credit by setting below-market interest rates and low reserve requirements that favored the big Wall Street banks.

The Federal Reserve increased the money supply by 60 percent after the recession of 1921. By the end of the decade, "buying on margin" entered the American vocabulary. More and more investors were overextending themselves to start speculation on a soaring stock market. This was partly because the 1920s also marked the beginning of capital-hungry mass production and gave rise to a culture of consumerism in America.

If you're looking for a symbol of American consumerism, you couldn't ask for a much more powerful one than the automobile. In 1919, there were just 6.7 million cars on American roads. By 1929, that number had exploded to more than 27 million—virtually one car for every household in the country.

During this same period, banks offered the country's first home mortgages. Manufacturers of everything—from cars to everyday household items—allowed consumers to "buy on time." Installment credit skyrocketed during the 1920s. Statistics show that roughly 60 percent of all furniture and 75 percent of all radios were bought on installment plans.

Almost overnight, it seems, thrift and saving were replaced in the new consumer society by rampant spending and borrowing. Is any of this starting to sound familiar yet? Just wait. There's more.

Encouraging all this spending, the three Republican administrations of the 1920s practiced a kind of laissez-faire economics. They began by chopping the top tax rates from 77 percent to 25 percent by 1925. Non-intervention into business and banking quietly became government policy.

These policies led to a booming economy. The Fed's tampering led to overconfidence on the part of investors, followed by a classic credit-induced speculative boom. Otherwise, an orderly and strong economy would have continued.

Instead, gambling in the markets by the banks and the wealthy increased. While the rich got richer, millions of Americans lived below the household poverty line of $2,000 per year. The days of wine and roses came to an abrupt end in October, 1929, with the Great Stock Market Crash.

Between 1929, and 1932, the market plummeted 89 percent from its high point. The cover story promoted by devotees of economist John Maynard Keynes ("Keynesians") is that Herbert Hoover's administration did nothing to try to bring the sputtering economy back to life.

They say it took Franklin Delano Roosevelt and his Keynesian New Deal Policies to save the country. It's a convincing story, but it happens to be completely false. We'll explore this more in a moment, but for now, just hold on to the idea that between 1929 and 1933, when Roosevelt came to power, the Hoover administration actually increased real per-capita federal expenditures by 88 percent—not exactly what a sane observer would call an austerity program.

Most people know that the Great Depression officially lasted from 1929 until 1940. What is *not* well known is that the GDP was at the same level in 1936 where it had been in 1929. The GDP soared by 37 percent between 1933 and 1936. The unemployment rate in 1929 was five percent.

In 1936, even after the GDP had receded to pre-Depression levels, the unemployment rate was still 15 percent.

It spiked back to 18 percent in 1938 and stayed above 15 percent until World War II. It's significant to note that in 1936, private domestic investment was 21 percent below where it was back in 1929.

What Really Got Us Out of the Great Depression?

It's almost never discussed in the school-approved history books.

For you history buffs out there, we would recommend a phenomenal book about the armament for WWII called *Freedom's Forge* by Arthur Herman. It provides concrete examples of how the armament for WWII jump started the US economy and began the journey out of the Great Depression.

From 1939 to 1940, as an existential threat was facing our European Allies, the US knew we needed to begin preparing for war. Leading up to the US entrance of the war, there were still more than 17 million Americans unemployed. During the war, more than 12 million Americans were sent into the military and an equal number also entered defense-related jobs.

You can see how the expansion of the military quickly took care of the unemployment problem.

However, the national debt also rose from $49 billion in 1941 to nearly $260 billion in 1945. We had traded debt for an unsustainable form of employment. After the war was over, the real work of repairing our economy began. But the reconstruction was done with the opposite approach of that which kept us in the Great Depression.

In 1946, President Truman wanted a revised version of FDR's New Deal to reignite the economy. But a large majority of politicians, both Republican and Democrat, rightly noticed that FDR's New Deal had only led to continued stagnation and unemployment during the 1930s. This problem required a new way of thinking.

The chairman of General Motors, Alfred Sloan, had one question: "Is American business in the future as in the past to be conducted as a competitive system?" He then answered, "General Motors... will not participate voluntarily in what stands out crystal clear at the end of the road—a regimented economy."

This sentiment was shared by most Americans, who wanted their freedom of choice back.

What followed was a massive campaign against Truman's revised New Deal policies. Politicians and business leaders alike fought for a free market system. This included some of the largest tax cuts in American history from 1945 to 1948. These were the first tax cuts since the 1920s and the results were astounding.

The US economy roared back to life as businesses and entrepreneurs were encouraged to create jobs for the veterans returning home. As our economy went back to a freer system with lower taxes, we were actually able to balance the budget. Unemployment fell to 3.9 percent, where it stayed for most of the next decade. This proved that WWII and the economic policies that followed were what really got us out of the Great Depression.

What Actually Collapsed in 1938

Government expenditures surged by 46 percent between 1929 and 1936. The government was busy creating an alphabet soup of expensive new agencies and hiring masses of people for make-work projects. Private industry was being crowded out.

Sound familiar? The extensive governmental economic intervention that began during the Hoover administration was expanded dramatically under FDR. The manipulation of wage rates and prices, expansion of credit, propping up of weak firms, and increased government spending on public works actually *prolonged* the Great Depression.

All of this evidence strongly contradicts the so-called “official” story promoted by Keynesians that the supposed 1937-38 Depression within the Great Depression was caused by Roosevelt becoming a believer in austerity. In fact, the GDP dropped only by 3.5 percent in 1938 and rebounded by 8.1 percent in 1939.

What *actually* collapsed in 1938 was private investment, which fell 34 percent. By contrast, government expenditures declined by only 4.5 percent in 1938, confirming that Roosevelt did nothing to slash spending.

The most important insight to pick up here is that just like their predecessors, our politicians and monetary authorities have once again drawn the wrong conclusions from the lessons of the old Roaring Twenties as we enter the new Roaring Twenties.

To paraphrase visionary trend forecaster Gerald Celente, we can learn to recognize where we’re going by understanding where we've been. That means also understanding the founding of the Fed.

The Invisible Hand

It's time to get to know the Federal Reserve. And the first thing you should know about the "Federal Reserve" is that it is not now (nor has it ever been) a part of the government of the US. It is privately owned and is in no way officially accountable to any real government authority. As a result, it's just as "federal" as Federal Express, although dramatically less reliable.

And while we're on the topic of misnomers, you should also know that the Federal Reserve System has no real reserves. In fact, it's responsible for the recklessly loose fractional reserve lending standards that have made the ultimate collapse of our banking, currency, and credit card systems virtually inevitable.

Yes, right now we are on the cusp of a new bull market. That's precisely why I share this history lesson. Now is the time to make the money necessary to protect yourself and your family before the Fed's repeating pattern of manipulation and boom-bust cycles circles back around toward collapse again. As Warren Buffett so astutely said, "the smart money buys their winter coats in the summer."

"I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around [the banks] will deprive the people of all property until their children wake up homeless on the continent their fathers conquered. The issuing power should be taken from the banks and restored to the people, to whom it properly belongs."

– Thomas Jefferson

On a daily basis, the Fed forces the US Treasury to print tens of billions in new US dollars. The Fed acquires this currency for virtually nothing and then disperses it into the markets as they see fit. The end result? Massive currency inflation! This is a fact, and no one would dare dispute it.

Here's how it works. The Fed uses much of this free money to purchase trillions of our own debt, known as QE or quantitative easing. The Fed routinely buys US Treasury bonds, mortgage-backed securities, and essentially any toxic debt instrument they deem necessary to keep this near worthless debt from flooding the markets. This is another fact that no one disputes.

As you'll continue to see while reading this book, everything's connected. Massive liquidity injection into the economy is just what Wall Street loves. As I wrote in *CrashProof Prosperity*, experiments with monetary policies eventually lead to bigger and deeper losses on our debt in the long-term.

This is the key point: Massive levels of fiat money and debt creation can lead to massive stock-market rallies in the short-term. And the short-term is right now, from 2022, as I write, until 2030. The time to act on this stock-market rally is right now.

The time to stock up on stocks for long-term protection of your wealth is right now. Because eventually, the "invisible hand" could slap us squarely in the face.

What is the invisible hand? Allow me to explain. The idea of the invisible hand was originated by Adam Smith in the mid-late 1700s. It is a metaphor for the seemingly intangible forces that move the economy and market in a laissez-faire style of economy.

Smith essentially states that as long as market participants are left to their own devices, without interference from government or other outside forces, the market will find an equilibrium. Smith also believed that if individuals were allowed to act in their own self-interests you would end up maximizing social benefits.

Today we have only a faint trace of a laissez-faire economy. Instead, we have a regulated, planned economy that is manipulated by our government and the Federal Reserve. This combination has created their own, Frankenstein version of the Invisible Hand, The Plunge Protection Team (PPT).

After the crash of 1987, or Black Monday, as it became known, I watched the powers that be at the Fed and Treasury deploy their highly secretive group known as the PPT. Everyone on Wall Street referred to it as the "invisible hand," because while you couldn't see it, you could certainly feel it in action. The PPT was purportedly formed to place a floor under the market during stock market panics to avoid another one-day crash like the ones that happened in 1929 and 1987. To me, the creation of the "invisible hand" marked the beginning of the end of our free market system. And it's very much alive and operating on steroids today.

The time to stock up on stocks for long-term protection of your wealth is right now. The Fed's backstop under equities has created something known as TINA (There is No Alternative). This essentially forces investors into stocks because interest rates continue to be forced lower, giving investors *no alternative* but to put their savings into the stock market. Right or wrong, investors have been conditioned to believe that the invisible hand will be there to bail them out following each market decline.

Don't Fight the Fed

In fact, don't fight an entire planet of Feds. As I write, the Fed just wrapped a program of $120 billion in monthly asset purchases—not including their leveraged programs and not including the shadow banks that mimic the Fed. Plus, of course, there's the $30 trillion-plus in combined global fiscal and monetary stimulus. This has been forced into the financial system since March of 2020, with what I expect will be much more on the way in the years to come.

A sane person might question the long-term economic solvency of an approach like this, but we must remember that we're talking about central bankers and the global banking cartel. They no longer require sanity. They are demigods. They are our financial masters of the universe. And the bubble they're building is almost certainly going to reach tulip-ville status (if you've never heard of "Tulipmania," it's worth a Google search) before the music ends.

When might the music end? The most outspoken talking heads seem to think they have that answer. But folks, from my first days on Wall Street, I've heard the same song and dance, time and time again: "Record levels of debt and unlimited fiat currency printing will bring our financial system to its knees." They were saying this in 1985 when I became a financial advisor and they continue to say it today.

For all we know, this central bank induced financial engineering can go on for decades. Tyler and I are committed to helping our clients and subscribers make money.

In order to do that, we are trend followers, whether in bull or bear markets. As Tyler often says, investors should avoid both permabears and permabulls. Being perma-anything is dangerous and irresponsible.

As trend followers, we are agnostic to market direction (although it's much more fun making money in a bull market than a bear market).

Thanks to the Fed, the US dollar has lost 97 percent of its purchasing power from its creation in 1913.

The Fed's actions are rife with unintended consequences. We'll discuss the coronavirus more in Chapter 7. But right from the start, the Federal Reserve and central banks all over the world were on board with accommodative policy. They cut rates at breakneck speed (for central banks) and openly supported a massive stimulus plan. They even encouraged governments to go bigger.

The result was a combination of fiscal and monetary policy never before seen. This includes the first experiment with Universal Basic Income (UBI) in the US. It also includes unemployment benefits well above many employee's current salaries; stimulus checks; a hold on evictions for homeowners and renters; and other loose monetary policies.

Many of these policies were necessary to prevent many Americans from falling into abject poverty. But the economic hardship was brought on by the *response* to the virus as the

US government and governments around the world chose to lockdown their economies. This left millions worldwide unsure of where their next paycheck would be coming from.

All of these factors together served to pacify the public—to condition them. When people are being paid to stay at home, it makes it much easier to give up your constitutional rights. Many people still don't realize that anything was taken from them.

Living in Texas, it's hard to believe that there are still places in the US still under various forms of lockdown and there are not massive protests in the streets. Forced vaccinations remain the law of the land for many. Many people either don't care, or worse, appear to be okay with it.

While I cannot prove that "the powers that be" pulled all of this off intentionally, it was certainly a perfect storm of events that has led to the word that I believe is most appropriate; the "plandemic", and it all dates back to the recklessly loose fractional reserve lending standards of the Fed.

Future Stock Market Action

Two primary forces determine future stock market action; liquidity and corporate earnings, which we'll discuss in the next part of the book, but here's the bottom line.

All central banks act in unison.

After the Lehman Brothers collapse in September 2008, it was a whole new ballgame. The US government, the Federal Reserve, central banks and global governments decided to begin buying up their own debt.

It's pretty simple, really. The Treasury Department issues bonds to raise money, and then the Federal Reserve is the buyer. So far, the Fed has purchased well over $9 trillion in US government debt and mortgage debt, making the Federal Reserve the largest holder of US debt in the world, long ago surpassing even China.

Incredibly, $4 trillion of this happened in less than two years, whereas China took well over a decade to accumulate most of their US debt holdings. This is what the Fed calls Quantitative Easing (QE) and it's radically altered the state of our monetary, economic, and investment system. It's a sign of admitted desperation. But now, QE is part of what's sending the Dow soaring to 100,000 by 2030.

Japan kicked off our experiment in global financial engineering in 2001, when their central bank (Bank of Japan, or BOJ) became the first central bank to aggressively use QE. Since that decision by the BOJ, our Federal Reserve has been champing at the bit to initiate QE.

(By the way, today the BOJ is now the largest holder of not only Japanese sovereign debt but they are also the largest holder of Japanese stocks. The "Turning Japanese" song by the Vapors has described the global financial system for two decades.)

The stock market economy is fabricated and manipulated. It's all financial engineering, and it's all because of the global banking cartel.

As this chapter indicates, we're big believers in repeating patterns (the basis of technical analysis) and in history repeating itself. Rinse and repeat, rinse and repeat. Central banks will acquire only more power, not less, over time. If and when our financial system collapses, the present and ongoing actions of central banks will without question have played the leading role.

As the financial masters of the universe, the Fed got their first real chance at taking control of our financial system with the housing and financial collapse of 2008 to 2010 (what was, in fact, a two-year depression). Of course, the Fed first had to *cause* the crash of 2008. They did this by raising rates 17 straight times from 2004 to 2006, dramatically marking the top in US housing and starting the dominos tumbling as mortgage companies began to fail in 2007.

That gave the Fed the opportunity to launch QE, which, as I mentioned, they did with $4 trillion during the next four years.

Fast forward to today, post coronavirus insanity, and from 2020 to 2021 alone, we had a combined $30 trillion-plus in global fiscal and monetary stimulus. We'll go into this in much more depth in the following chapters. As we move forward, keep in mind the history of the Fed we've reviewed in this chapter.

We can't trust the Fed but we can't fight the Fed either. This is the basis for all of your investment decisions, because the Fed controls almost everything in the economy.

But you are not powerless to the Fed. As you'll learn in the pages ahead, you already have everything you need to turn the Fed's manipulations into a money-making machine. This begins with learning more about the forces behind the Dow hitting 100,000 by 2030, and how you can make up to 10 times on your investments from this phenomenon.

CHAPTER 2

Why the Dow Jones Will Hit 100,000+ by 2030

We've just learned how the easy-money policies have driven the US economy for more than 100 years. Now it's time to take a look at how those easy-money policies come into play.

All of the new money pumped into the system finds its way into the stock market in one way or another. The new money shows up in companies' earnings numbers because people were spending their stimulus check. Back to the stock market it goes.

What does this mean for the Dow Jones? That's exactly what this chapter will answer before we take a deeper dive into the five megatrends moving the market right now.

"Kip, everyone that I saw was saying that Russia was about to collapse, and when I saw your recommendations to buy the most aggressive of all Russian investments, I thought you were crazy, to be honest, but then I took some life-changing profits in about 30 hours. Please keep being crazy! Thank you for going where others will not!"

– JB, San Francisco

Welcome to Quantitative Easing

Simply put, quantitative easing (QE) is an unconventional monetary policy in which a central bank buys longer-term government debt securities from the open market. This increases the money supply, drives down interest rates and encourages lending and investment.

The fact of the matter is that QE has made the economy now fully dependent on the Fed. The Fed has now become the buyer of first and last resort after they flooded this market with liquidity. This surpassed the amount of quantitative easing used during the four years of the financial crises from 2008 to 2012 in just a few months. The Fed grew its balance sheet by more than $4 trillion within a year of the onset of the pandemic, while it took four years to employ this amount of QE after the Great Recession.

And it isn't just happening here in the US. This is what central banks all over the world are doing, top of the list being the European Central Bank (ECB), the Bank of England (BOE) to the Bank of Japan (BOJ) and the People's Bank of China (PBOC). There is no limit to the amount of money that these central banks can choose to print.

The economy can continue to struggle, and the Fed would still have the power to artificially inflate the stock market to astronomical levels. If the Fed wants the Dow Jones at 100,000, the Fed can make the Dow Jones hit 100,000. As you'll read a bit later, the economy and the stock market are completely different and unique creatures. The sooner, you, as an investor, understand this most significant of points, the sooner and more prepared you'll be to profit from our system of financial engineering.

The stock market and the economy are completely different and unique creatures.

Again, understanding the birth of financial engineering in Japan is key to understanding and profiting in the markets going forward. The Bank of Japan is now the largest holder of not only Japanese debt, but also the largest holder of Japanese equities.

For more than two decades, so-called smart money investors the world over have claimed that this was a recipe for the country's financial ruin. Those bearish claims have proven to be broadly off the mark and, if anything, have given the US Federal Reserve a playbook to follow.

The economy can continue to struggle, and the Fed can artificially inflate the stock market as much as they want to. If the Fed wants the Dow Jones at 100,000, the Fed can make the Dow Jones hit 100,000.

As I've written many hundreds of times before during my career and will no doubt write several hundred times again: "Don't fight the Fed." The Federal Reserve is undefeated in getting stock prices to rise. As Japan has shown us, the central bank cartel can continue to inflate this bubble as they see fit.

We know there is one thing that the banking cartel fears most, and that is deflation. Deflation would bring with it the potential for debt repayment issues, which in turn could bring a death spiral for US commercial and major money central banks. What is one way to ensure we don't have deflation? Welcome to quantitative easing.

Your Market Melt-up Forecast Is Looking Up

**In March 2021, I shared the following Market Melt-Up Forecast in our newsletter. History will soon repeat in the new bull market that we've just entered.

15 Reasons We've Been Hyper-Bullish, Short, Medium, and Long-Term

1) Don't fight the Fed. Don't fight an entire planet of Feds. As a reminder, the Fed has an ongoing Quantitative Easing (QE) of $120 billion in monthly asset purchases (not including their leveraged programs and not including the shadow banks that mimic the Fed). Plus, of course, we have the $30 trillion-plus in combined global fiscal and monetary stimulus, with much more on the way.

2) We've just entered a new bull market from the lows of March 23, 2020. Like the birth of the last bull market in March 2009, this bull has years to run—and it's being juiced by *far* more fiscal and monetary stimulus than the world has ever witnessed. Excess liquidity and surging corporate earnings are a bull market's best friends.

3) We've just had multiple Dow Theory buy signals. These act as leading indicators for both the market and the economy. (A Dow Theory buy signal happens when both the Dow Jones Industrials and the Dow Jones Transportation Indexes hit new highs at the same time.)

4) Every major stock market on the planet now has a rising 200-day moving average (DMA), a primary indicator of the beginning of a new bull market (rather than the end).

5) Housing and transportation (such as rail and trucking) industries are at all-time highs. These are the VRA Investing System's most important leading economic indicators.

6) We expect Standard and Poor (S&P) 500 earnings to hit $210 per share by year end, which would place the price-to-earnings multiple at just 19, with 15-plus percent growth in 2022 and 2023.

7) Believe it or not, the markets are not ridiculously overvalued. And as Ed Hyman and his top ranked team at Evercore remind us often, bull markets do not end until S&P 500 earnings peak. We're calling that peak circa 2030.

8) Markets actually perform better under Democratic presidents than under Republicans. We see 15 percent average returns under Democratic presidents versus eight percent average returns under Republicans.

And to the hardcore Republicans and Biden-haters out there: Please don't shoot me, but once Republicans steamroll in the midterms we may even see signs of a potentially more moderate president.

I actually see a decent chance that Biden may be trying to pull off a Bill Clinton presidency, triangulating all sides against one another. (Or, should I say that Biden's handlers may be trying to pull this off?)

Remember, under Clinton's eight years, the Dow Jones had average gains of approximately 24 percent per year. Who wouldn't take that?! And, if Republicans steamroll the mid-terms as I have high hopes will happen, Biden will have the exact same setup as Clinton. A divided government. Gridlock in DC. Manna from heaven for investors.

9) 2021 earnings are replacing coronavirus insanity earnings of 2020, with massive year over year earnings beats. This is our short term "juice." Short covering reasons *du jour*—investors who have sold stocks short, expecting the markets to drop, will instead be forced to cover their short positions and then go long in the market.

10) Investor sentiment was becoming more optimistic (but still nowhere near market tops) until the recent tech and growth mini-panic that ended with our capitulation on May 12, 2021. (Capitulations mark a significant reversal effect—in this case, marking important lows in tech momentum. This was another short covering event.)

Today, the Fear and Greed Index sits at just 45, even as the Dow and S&P 500 are less than one percent from all-time highs.

How is this even possible?

Permabears still (aggressively) scatter the landscape. When the last one capitulates, we'll know a top is nearing. That is, when the vast majority of investors start believing that stocks *cannot* go lower. At this rate we'll likely hit Dow Jones 50,000 before sentiment reaches extreme greed levels of this nature.

11) We continue to see this period as most similar to the five-year run to the dot-com melt-up when Nasdaq rose 575 percent with average gains of 115 percent per year.

12) Technology is in the process of coming full circle, from the possibilities of the dot-com era from 1995-2000 to the

realities of today and the surreal technological/biomedical/medical transformation that lies directly ahead. Folks, magic is in the air. I choose to embrace it!

13) One more important point on investor sentiment, because this also marked the final 12 to 18 months of the dot-com melt-up: We'll know a market top is nearing when droves of employees across a multitude of industries start quitting their jobs to day trade, and when your Uber and Lyft drivers are confidently giving you their hot stock tips—and you're listening.

14) Our advice outperformed the markets in 15 out of 18 years. The key to our outperformance during the next five years will be our "10-Baggers" and following our advice in order to time short term peaks and valleys, using leveraged ETFs and tech blue chips.

15) Wild card: This market melt-up is also a PSYOP, a psychological operation to help people forget about the "plandemic" of coronavirus. (Later in this book, I'll explain more about the Rockefeller Foundation's prediction of "Lock Step" from 2010.)

It's also designed to help us forget the stolen and rigged election of 2020 and the effort to push the world closer into globalism and communism as our constitutional rights are slowly but surely torn down.

And as unpopular as Biden and Democrats are today, a market melt-up and big-bribe economy might be their only shot at keeping the House and Senate in 2022.

16) And yes, this is *that* bull market. A melt-up of melt-ups. The roaring 2020s. This is likely the last major

bull market for decades, and almost certainly the last great bull market for many reading this. There is no alternative (TINA) and fear of missing out (FOMO) are no joke.

Mortgage-Backed Securities and the Housing Market

In 2020, the Fed started buying mortgage-backed securities. This is something they hadn't done since 2014.

This is benefitting the housing market big time, as home prices are soaring. How so? By once again becoming the buyer of first and last resort, the Fed is crowding everyone else out, allowing big money institutions such as BlackRock, Goldman Sachs and Berkshire Hathaway to piggyback on the Federal Reserve.

So, we have a long-term trend here of a new bull market, not just in equities, but in housing as well. This will probably last a decade. Imagine the housing market doubling in 10 years. That means you'd double your money, right? Not so fast. If you had put only 20 percent down, you'd actually be 10xing your money. And, as you'll see later, you can do the same thing with stocks. That's why a tripling of the Dow is so exciting.

The Five Factors at Play

Now that we understand the history behind this bull market, we'll take a close look at the five factors at play. Through financial engineering, the Fed gives American businesses the ability to expand their earnings, further flooding the market with money. Millennials, meanwhile, are using the lessons they learned from the Great Recession of 2008 to invest in the stock market.

We also have the precedent of the Nasdaq soaring 575 percent from 1995 to 2000. Factor in the PSYOP, and there's no doubt the Dow will rise to the sky, giving you the once-in-a-lifetime opportunity to invest in the right stocks.

Part 2:

The Five Megatrends That Could Melt the Market Up

CHAPTER 3

Financial Engineering by the Masters of the Universe

As a young broker, my mentor Ted Parsons and his fellow grizzled investing buddies would excitedly wait all week for the latest readouts on money supply.

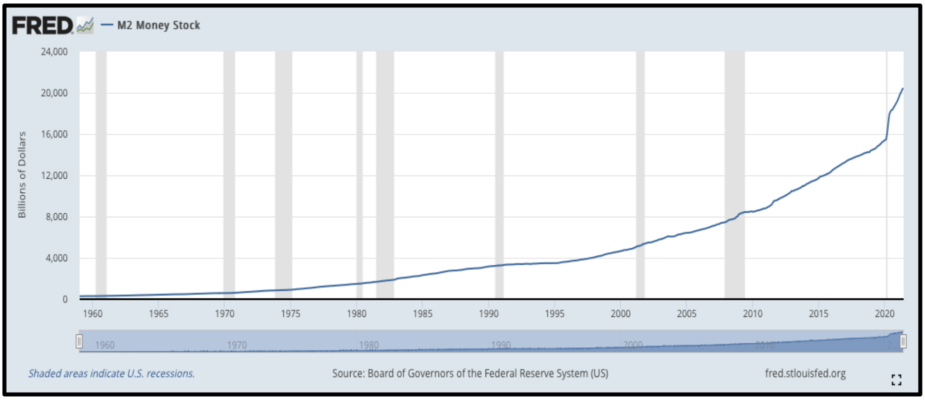
Mostly they looked at the growth of M2 money supply—the money supply that includes cash, checking deposits, and easily convertible near money. (M1 includes just cash and checking deposits.)

Anytime we had money supply growing in excess of percent, they had "high confidence" that the bull market run would continue unabated.

Ted and his buddies would be shocked to see the money supply charts today.

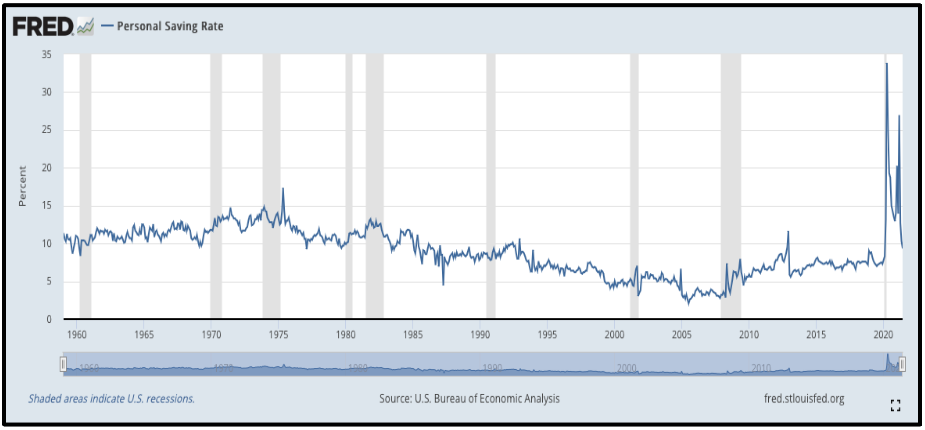
Money in the Bank

In the US, money supply has grown by an astounding $20 trillion. That's up a massive 27 percent from 2020-2021.



And it's not just the US. In Europe, money supply has grown by a whopping $34 trillion, up 10 percent, from 2020-2021. In total, in just under a year, money supply growth in the US, Eurozone and China has totaled an unreal $71 trillion—up 15 percent on average. And unlike the 2008 housing and financial crash, the stimulus that's flooding the economy was actually flowing into the bank accounts of retail investors.

Today, John Q. Public has *real* money in the bank—pent up savings that they can't wait to spend and invest.



Retail investors became flush with cash and started coming back into the stock market. As I already mentioned, they're going to drive the Dow Jones to 100,000 or more by 2030. And if that sounds crazy, you should know it's *not* unprecedented. The Nasdaq soared 575 percent from 1995 to 2000, which we'll discuss more in detail later in this book.

If a new 575 percent bullish move were to happen, it would take the Nasdaq to 39,500 by 2030. Based on the same calculations, a 575 percent move higher would also bring the Dow to 104,000 by 2030.

Since the onset of coronavirus insanity, the Federal Reserve has stepped up to provide unprecedented levels of liquidity. By April 2020, just two months after lockdowns began, the Federal Reserve had already pumped more than $2.3 trillion into the economy. That number alone exceeds the amount of stimulus we were told was pumped into the system during the 2008 financial crisis.

This is only a rough example of the extreme levels of liquidity the Federal Reserve has pumped into the system.

Because the Federal Reserve has many tools to inject liquidity into the system including QE, reverse repos, and other secretive avenues that we don't find out about until years later (similar to 2008-09), it has become increasingly complicated to track the exact level of new liquidity. We now know that the amount of stimulus pumped into the US economy during the 2008 financial crisis far exceeds what the Federal Reserve told us at the time.

History is important, because it predicts the future of the financial markets. We now know for a fact the Federal Reserve, under Ben Bernanke, attempted to secretly pump loans into Wall Street's mega-banks, thanks to an amendment attached to the 2010 Dodd-Frank Financial Reform Legislation by none other than Senator Bernie Sanders.

According to the Levy Economics Institute, the cumulative total of the Fed's stimulus from 2007 to 2010 was closer to $29 trillion. And this money didn't just go to American companies and banks. Trillions of dollars were sent to Wall Street trading houses, foreign banks, and even hedge funds who were shorting the US market.

The Fed did nearly everything in its power to prevent this from becoming public knowledge. Mark Pittman of Bloomberg News filed a Freedom of Information Act (FOIA) request for details of the Fed's primary lending programs, and the Fed refused this request until Bloomberg News filed a lawsuit on his behalf.

The Federal Reserve lost that court battle, but the fight did not end there, as the Fed still refused to release the data. The case made it all the way to the US Supreme Court, where their appeal finally failed. The Fed was forced to release information about the trillions of dollars they had given to global banks, and allegedly all of this was done without the awareness of any elected officials.

Remarkably, but unsurprisingly, the Fed is once again hiding their bailout programs from the public. In 2021, just two years after the Fed's emergency, $9 trillion repo loan program began, the Fed is still refusing to release the names and recipients of these loans.

We likely will not know the full extent of the Fed's efforts for years or decades to come, and that is if we actually ever get to find out. Fortunately, we don't need the answers to these questions in order to make money off of them. All we need to know is that the Plunge Protection Team (PPT) I mentioned in Chapter 2 is real, and unless they want to see the American markets and economy collapse, they have the power to keep the party going.

Alan Greenspan, among others, has all but admitted the existence of the PPT, and it's now common knowledge that the PPT resides in real life at 33 Liberty Street, the current home of the Federal Reserve Bank of New York in downtown Manhattan. Now, thanks to current Federal Reserve Chair Jerome Powell, we know the Fed simply digitally prints currency.

The Fed has access to unlimited amounts of newly printed US dollars. So, there is literally nothing that they cannot do in their overinflated and delusional sense of right and wrong. As of this writing, the Fed has never been audited. This situation is nothing short of a criminal conflict of interest.

Now that the Fed has unleashed the monetary policies, there is no putting the genie back in the bottle. For those who think the Fed will begin to normalize and take a tighter monetary policy stance going forward, I would encourage you to look at this chart from the last 40 years of bond yields. It does not matter which particular bond you pick– interest rates have declined for 40 years and our public debt has only grown larger.

The takeaway here is that we are all riding a wave. Paddle out and catch the right stocks by 2030, because the surf may suck us under again thanks to the Fed's ongoing attempts to financially engineer the economy.

The next step in the coming years will likely be that the US Federal Reserve will begin "officially" buying US stocks. They are already buying corporate debt ETFs, so we already aren't too far off, and when they do finally announce that they have begun buying US stocks, the market will continue to scream higher.

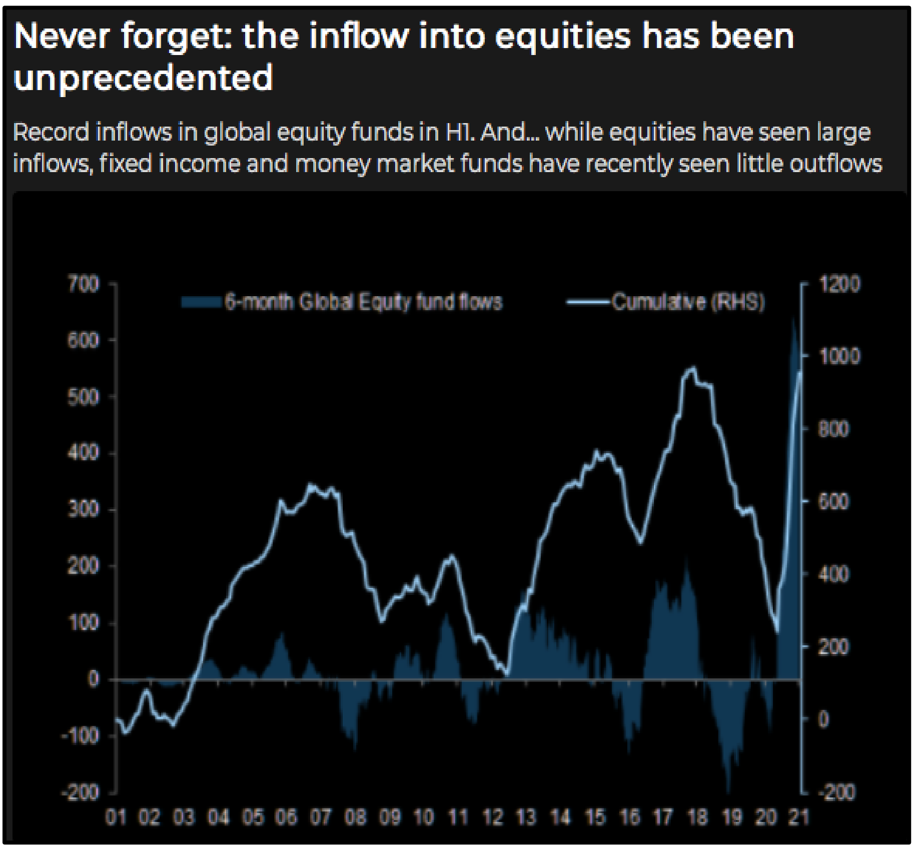
Financial engineering is now being forced into stocks, real estate, cryptocurrency, meme stocks, and more.

And it's just getting started. This is exactly how a market melt-up kicks in and it is exactly why we see the Dow Jones hitting 100K-plus and the Nasdaq hitting 30K-plus by 2030.

Interest rates are plunging—but this is not a reason to be concerned about economic growth here in the US or abroad.

This is certainly not a reason to be concerned about US or global stock markets. Both the Fed and ECB were buying right at $120 billion each month in debt securities. They were literally screaming at us "rates will keep falling, falling, falling."

Two primary factors move the markets: liquidity and corporate earnings. Everything about this combo points to a melt-up environment. In addition to $30.5 trillion in combined fiscal and monetary stimulus and soaring corporate earnings, the chart below makes clear that what's driving markets higher globally are these massive inflows into equities, nearing the highest levels on record back to 2001. With the public and Central Banks falling back in love with stocks, this bull market is definitely here.



This excess liquidity is a clear sign of the massive move higher in stocks that awaits—and, as you'll read in the next chapter, we have surging corporate earnings to back it up. As Evercore and Ed Hyman have been pounding the table, the markets do not peak until earnings peak. Their target for a peak in S&P 500 earnings matches ours.

At some point there will be a price to pay for these insane levels of stimulus but we continue to believe that now is the time to be aggressively positioned. A solid strategy is to reinvest most of your profits back into new positions while taking 20% of your profits each year and purchasing physical gold and silver.

For example, at the end of the Weimar Republic in Germany, a single ounce of gold was enough to purchase an entire city block of prime downtown real estate.

We'll cover this strategy more going forward, but here's a cliff-notes version. We cannot recommend this enough: the monthly purchase of "physical" gold and silver.

We cannot recommend this enough: the monthly purchase of "physical" gold and silver.

How Debt Comes into Play

Any normal, functioning human being might think that un-payable, record debt totals would be destructive to both the US and global economy. However, the US's $29 trillion debt, combined with a $9 trillion Fed balance sheet, are actually serving as primary catalysts for higher stock prices. This is part of our ongoing PSYOP of a stock market melt-up. Currency inflation is driving up the prices of everything we purchase day to day, and is also forcing stock prices higher.

This works until it does not—but it's really working now and we believe it will continue to for the next several years. But man, oh man, is everyone squawking about inflation and interest rates today! "Inflation is running hot" or "When will the Fed start tightening monetary policy, tapering QE, and raising rates?"

Yet, the elephant in the room (federal debt) rarely gets mentioned. The real question is, how can the Fed ever significantly raise rates aggressively when those higher rates would make our debt burden unsustainable?

And, as we have been reporting to our clients for some time, it's our forecast that the Fed will *not* raise rates aggressively in an election year (midterms 2022). Did you know that the Fed raised rates 17 straight times under George W Bush from 2004 to 2006? In case you were curious about the actual reason for the housing crash, economic implosion, and Great Recession, there you have it.

Then, under Obama's entire eight years, the Fed raised rates a whole *one* time. In just Trump's first two years, the Fed raised rates *eight* times. Sports fans…where do you put the odds that the Fed will raise rates aggressively under Biden? I still put those odds at low, even as the Fed has just hiked the Fed funds rate to 1.75%. The permanent ruling class, which includes the Federal Reserve, rarely takes any action that would harm their besties in the Democrat party.

Why It's Impossible for Governments to Default on Their Debt

First, the plain and simple of it. Our debt—personal and corporate debt—doesn't work like government debt. As we publish this book, the US has a debt to GDP ratio of 123 percent. That's relative to 55 percent in 2000, and 37 percent in 1980.

Why is a high debt to GDP a problem? It's not, as long as central banks can keep interest rates extremely low. This is the quadrillion dollar conundrum for our central bank financial engineers. But folks, if you've bought into the permabears' argument that the US financial system must implode because of our rising debt to GDP, you ain't seen nothing until you compare the US to Japan and China (and several EU countries, which are being fully backstopped by the ECB).

Unlike your personal debt and my personal debt, governmental debt has a quick solution. Governments can simply print fresh money to satisfy their debt obligations. So, it is impossible that they can default on their debt. Of course, governments around the world can still cause hyperinflation 24 hours a day, seven days a week, 365 days per year by printing money and bankrupting their citizenry.

But debt defaults of money printers actually exist in name only, meaning the US will never—certainly not in the lifetime of anyone reading this—default on either our principal or interest payments. This is another reason that we recommend putting 20 percent of your annual stock market profits into physical gold, silver and bitcoin … Unlimited currency printing comes with a steep, inflation driven price.

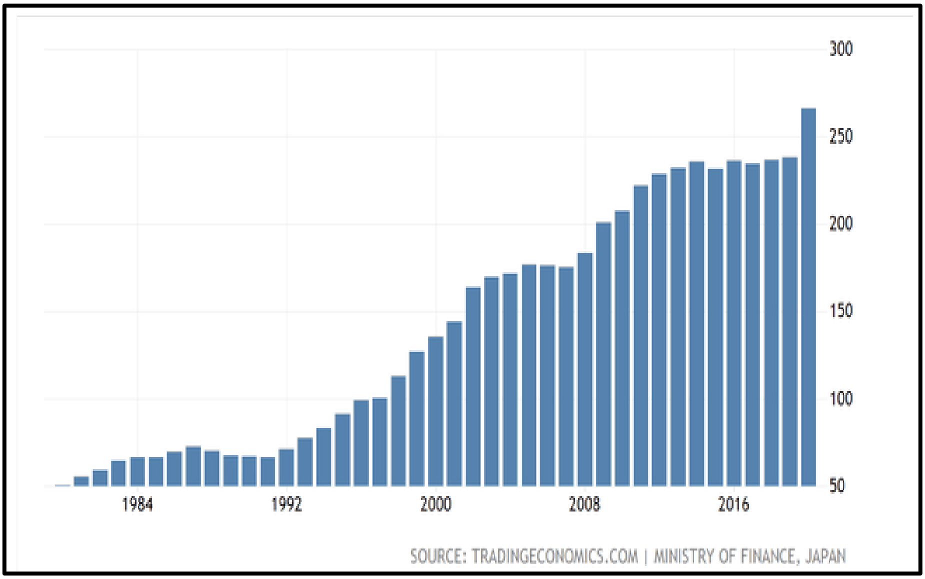
Let's Look at Japan for Context

Japan, one of the world's most developed economies, has the highest debt-to-GDP of any nation. China's debt-to-GDP may well be higher but their "official" accounting and reporting disclosures cannot be trusted, which is the primary reason Chinese equities were accepted into the MSCI global equity index only in the last few years—and with only a tiny amount of emerging market representation.

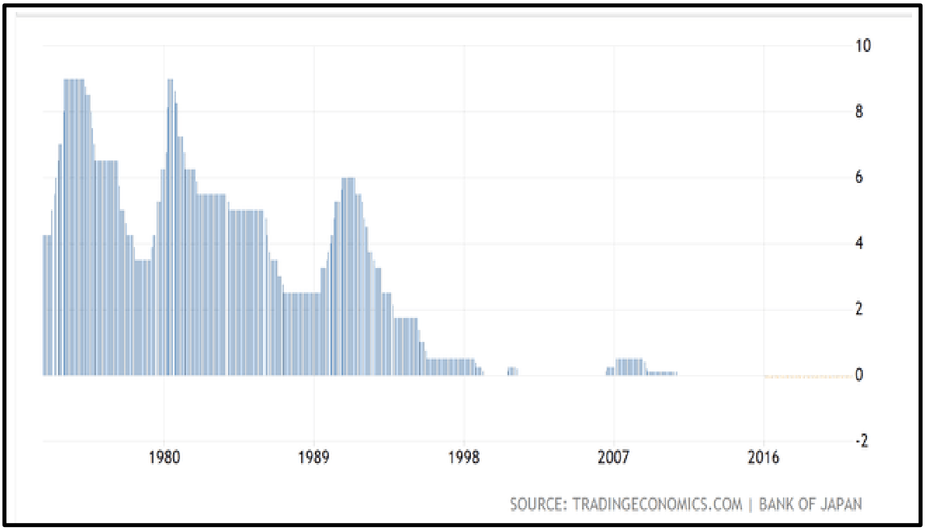
(Note: I highly recommend watching *The China Hustle*. It's available on multiple streaming services at the time of writing. You're guaranteed to be shocked at the Chinese shell game pretending to be US publicly traded companies. Buyer beware!)

Japan's Debt-to-GDP

US debt-to-GDP sits at 125 percent, while Japan's towers at more than 250 percent! Exactly how has Japan maintained such a giant debt load without imploding the country's economy? Japan has done so through financial engineering, and tons of it. Where did you think our Federal Reserve got their ideas from?



Japan Debt to GDP Ratio



Japan Benchmark Rate

Japan's Benchmark Rate

Japan has been successful at maintaining its monstrous debt load because of a multi-decade-long, ultra-easy monetary environment, which kicked off in 2001 with its first official foray into QE. Like the US in 2008, Japan's financial crisis occurred in the early 1990s, as the US decided to take Japan on and show them who actually had the world's most powerful economy.

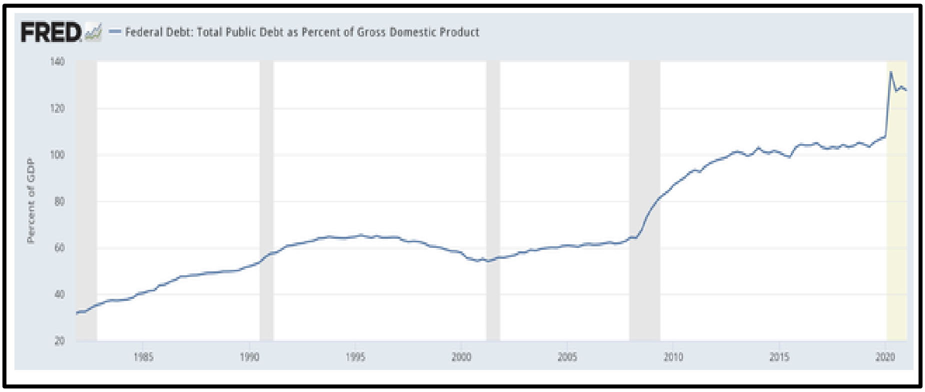
At the time, Japan was buying up many of the US's exclusive financial assets and real estate including the famed Pebble Beach Golf Course in California. Parents were teaching their kids Japanese, and US employers were adopting Japanese management practices. Everyone was turning Japanese.

We see that the country's debt-to-GDP ratio began to climb sharply after this time. Incidentally, Japan's benchmark rate (equivalent to our Fed funds rate) fell to less than one percent and has remained below one percent for decades. We saw a brief attempt to take rates higher around the market top in 2007, but ultimately the Bank of Japan forced rates into negative territory in a desperate attempt to grow the economy.

Tyler and I are most concerned that one morning, we'll wake up to imploding Japanese government bonds. This would cause US equity futures to be limited down 10 percent. It would also create a global financial system beyond the help of every central bank on the planet. Japan, in our view, is our most significant (potential) black swan event.

Even today, Japanese government bonds trade by appointment only, as the Bank of Japan dominates both sides of trading, as the buyer and seller of last resort. Again… sound familiar?

US Debt-to-GDP



If we look at US debt-to-GDP, the image is similar to Japan, but only by direction at this point. The US is where Japan was in the early 2000s, when Japan was implementing QE and direct monetization of its own government debt, relative to its debt to GDP. Like Japan, we can expect US debt-to-GDP to continue to increase. Sharply and quickly. Think fiat currency, debt, and QE—to infinity and beyond!

And this is what so many PhD economists continue to get wrong. As fiat money printing continues to pick up speed, currency inflation *must* drive asset prices higher, just as the US dollar will continue to be crushed in value. Equities and real estate—and most especially physical gold and silver; gold and silver mining companies; and bitcoin—remain as our last best hope to outperform rampant currency inflation. As in, destruction of the US dollar.

Folks, when you hear financial experts refer to cash as "trash," this is what they're talking about. Leaving cash in your bank or under your mattress will be among the biggest blunders you can make between now and 2030.

> **Fun fact: Did you know that the Fed employs more than 1,000 economists on their payroll in one form or another? If you've ever wondered why you've never heard an economist on TV speaking ill of the Fed, now you know.**

The Coming Melt-Up: How to Prevent a Disaster

Just look at Japan. Their answer, right or wrong, has been ultra-easy monetary policy. First and foremost, Japan has adopted low and now negative interest rates. The BOJ took their rates negative after 0 percent was not enough to service their debt and produce growth. In our view, the US is headed in the same direction.

As we discuss frequently in this book, the financial engineering during the last 40 years has produced nothing but lower interest rates. We're big believers in repeating patterns (the basis for technical analysis), and lower rates for four decades meets our definition of a repeating pattern.

In addition, some three years ago, just as Wall Street gurus and talking heads were calling for interest rates to scream higher, and just as the 10-year treasury note (T-Note) was breaking past 3.25 percent, we at the VRA made one of our patented and contrarian macro forecasts.

In October of 2018, 90 percent of PhD economists predicted that interest rates in both the US and globally would spike higher. But we (rather loudly) predicted that interest rates in both the US and globally would begin to fall sharply, ultimately breaking one percent.

At the time we had no way of knowing that coronavirus would become a global pandemic in early 2020, taking the US 10-year to 0.50 percent, and making our prediction spot on. But we didn't need a pandemic to get our forecast right.

Our bottom line was simple. With negative rates in Europe and Japan, we believed it was a physical impossibility that rates in the US could remain some 325 basis points higher. It was straightforward: Supply and demand would force US rates lower.

Why would the global central banks (and the major money center banks they control) continue to park trillions in excess reserves in low-to-negative interest-rate bond vehicles? We saw that they could simply move their funds across an ocean into the US and receive rather ridiculously higher interest rates. At the same time, they could own the safety and security of the world's strongest debt markets.

We're simple Texans. Simple, to us, beats complex pretty much 100 percent of the time. Much lower rates in the US was a simple and logical outcome that made a good deal of sense to us. And it still does. Again, our forecast is for negative rates in the US, at some point between now and 2030.

We know of no one else making this prediction, so we are admittedly on a big limb, without a net. The Herriages meet The Flying Wallendas. But that 40-year repeating pattern of lower rates, combined with still negative rates in Japan and Germany and our ongoing and deeply repeating pattern of central bank financial engineering, smells like "negative rates in the USA" to us.

Our Repeating-Pattern Bottom Line: Why Stocks Must Melt-up

Because of remarkably high debt obligations, combined with the Fed's financial engineering, the US will remain in an ultra-low interest rate environment. Yes, inflation is running hot, with Consumer Price Index (CPI) readings now breaking 8.5% and the Producer Price Index (PPI) hit an astronomical 11%. However, as everyone reading this knows, inflation is actually 15-20% PLUS, rivaling inflation levels of the late 1970s.

Question: Have you ever really trusted our CPI readings? Hasn't "actual inflation" always been five percent-plus? Other inflation readings, such as the PPI and wage growth are also signaling inflationary growth ahead. And while yes, the Fed is supposed to increase interest rates to combat inflation, this will be a difficult task given current dynamics.

First, the economic environment is still relatively fragile, with CV insanity and destruction of our global middle class, so any attempt at higher interest rates could derail this economic recovery. Moreover, with $30 trillion-plus in US federal debt, along with multi-trillion-dollar deficits, an increase in rates would notably increase debt servicing payments. In turn, this would lead to a black swan event of a crisis of confidence.

The Fed has no choice but to follow in the footsteps of the Bank of Japan. Ultra-easy monetary policy (again, we forecast even negative rates, potentially) for an extended period, along with QE Infinity, will remove pressure of debt servicing payments and spur economic growth. In this environment, asset prices will continue to *dramatically appreciate*. TINA is very, very real.

There has been no better time since the 1995-2000 dot-com melt-up to own risk-on assets. Stocks, commodities, real estate, and bitcoin will continue to outperform negative (real) rates yielding inflation-adjusted bonds. And put this away in the perspective file: Did you know that during the dot-com melt-up, the 10-year T-Notes "average yield" was five percent? Now that they are at just 3 percent yields as we write this book, there truly is no alternative to stocks (and other risk-on assets).

And remember this as much as anything I've written here; cash is trash—it's being inflated away into nothingness. Thanks again, Fed. Regardless, we must be long and strong in equities. The financial engineering of our masters of the universe demands it. This is how a global stock market melts up.

CHAPTER 4

Corporate Earnings Expansion on Steroids

As we discussed in Chapter 2, all this extra money in the economy has to go somewhere, right?

This stimulus and Q has helped fuel an economic recovery (and inflation) the likes we've never seen in our lifetimes.

And that spending and stimulus will continue to show up in corporate earnings, in a *big* way. In fact, again, as I write, I expect S&P earnings to hit $230/share by year end, which would place the P/E multiple at just 17, with solid growth also expected in 2023. Once again, should Republicans retake the House and Senate, gridlock will rule DC. History tells us that the markets do exceptionally well when DC is stuck in neutral.

Profit from Profit Margins

As CNBC's Bob Pisani explained in 2021, "Other than consistent earnings growth, nothing is more important for fundamental investors than profit margins—the percentage of sales that turn into profits."

The cost of raw materials, CNBC continues, and of higher wages, has many investors afraid of significantly eroding margins. “So far, with a few exceptions, the fear has not been justified,” writes Pisani. “While margins for the S&P 500 have typically been at the nine percent to 11 percent range for the past five years, the first quarter saw margins at 13.0 percent, a historic record. Second quarter to date is seeing margins at 12.8 percent, according to S&P Global.”

Margins are holding up so well because pricing power is offsetting the higher prices reported by companies.

Plus, Pisani reports, operating leverage is providing additional earnings growth. “Last year, companies dramatically cut costs by reducing travel, cutting down on real estate expenditures, and cutting jobs,” he writes. “As revenues have started to improve, more of those additional revenues go to the bottom line, an effect known as operating leverage.”

Reap the Years of Gains

Yes, at some point, there will be a price to pay for these increased levels of stimulus. You might even say we’re entering a period of hyperinflation now. But that’s not going to pull down the markets anytime soon, especially with the fact that we’ve just experienced 3 bear markets in the last 4 years.

Take Germany, which I mentioned briefly in the last chapter. In the lead up to Weimar, Germany’s hyperinflationary implosion, the shock to the economy was largely unfelt for “years.” The melt-down there, featuring annual inflation of 10 million percent, occurred only in the final year.

There are years of gains to be had before we have to pay the price for all this stimulus. And if you're concerned about it at all, a solid strategy is to reinvest half of your profits back into new positions. Take the other half and buy gold and silver. Remember, at the end of the Weimar Republic, a single ounce of gold was enough to purchase prime downtown real estate!

The US Housing Boom: The Single Most Important Element to Corporate Earnings Expansion

Our once in a lifetime housing boom will continue, taking corporate earnings and the stock market with it.

But first, let's review these six tenets we strictly adhere to. You've read about and will read more about these tenets throughout this book, because they drive all of our success—and will drive yours, too.

1) **"Don't fight the tape, don't fight the Fed." The Fed could have hardly been more accommodating over the last decade plus, and while they are threatening to take away their QE and replace it with QT and rapidly rising rates, I find this to be just more empty jawboning from a Fed that is stuck; fully committed to their Dr. Frankenstein creation of financial engineering. Full on (medium to long term) buy signals here from the Fed. And**

the "rising tape", coming out of 3 bear markets in 4 years, I believe demands that we be bullish and aggressively invested.

2) "The trend is your friend." When the major averages continue to bounce from bull market to bear market status, we want to be long. Everything happens faster now, including our bear markets that are quickly reversing back into bull markets. We like repeating patterns and this new pattern of "rip the bandaid off quickly" bear markets looks to be real. Conversely, in a confirmed bear market, we want to raise cash and invest primarily from the short side. Today, if you're not long, you're wrong.

3) "There is no more bullish sign than an overbought market/stock that continues to rise." Overbought markets that continue to rise, using sector rotations to work off exuberance, are highly bullish.

4) "It's not a stock market... it's a market of stocks." This is one of the best investing lessons my mentor Ted Parsons taught me. There's always an opportunity to make money, by focusing on both fundamental and technical research and good old-fashioned stock picking. This rule is at the heart of our approach.

5) Major bull markets, especially those led by liquidity and corporate earnings, do not end until the public is wildly in love with stocks and aggressively buying every dip. Major bull markets do not end

until the public believes that "the market cannot go lower," which means until that time, the path of least resistance remains higher. Today, investor sentiment is closer to "extreme fear" than to "extreme greed".

6) **We are medium-long-term investors who believe in position building (monthly dollar cost averaging) in our top growth stocks and 10-Baggers. This is how we crush Mr. Market and build life changing long-term capital gains.**

Now, it's time that we add a seventh tenet: *There is nothing more important to the growth of an economy* (US or otherwise) *than the strength of its residential housing market.*

We Can Learn an Important Lesson from Japan

Here, we add one more important reference to Japan as direct evidence. In the early 1990s, Japan's attempt to become the most powerful global economy was in full gear. Just as they started biting off more than they could chew, something started happening to their housing market. At this point in time, Japan's real estate bull market (residential and commercial) was the envy of the world.

At its zenith, a single block of real estate surrounding the Empire Palace was worth more than all California real estate combined. Everyone wanted what Japan had—their secret sauce. And just like that, real estate prices in Japan peaked and started declining. And it happened quickly. The Japanese real estate market would go into a deep bear market that saw it decline for 19 straight years. Once thought to be invincible, owning Japanese real estate became a significant liability.

Nothing is more important than housing. Housing serves as a country's most important leading economic indicator. Housing is, in fact, our number one leading advance economic indicator. So, when investment experts saw real Japanese estate prices in decline, they knew the stock market would soon follow. And just like that, a historic stock market crash was underway.

As Japan's bear market in real estate began to take hold, the Nikkei 225 (Japan's Dow Jones) fell into a deep and excruciatingly painful bear market as well. The Nikkei 225 would go on to lose a massive 77 percent of its value, from its peak in 1990 to its crash lows of 2009. It was a 19-year bear market in real estate that brought on a 19-year bear market in stocks (which brought on Japan's QE and ongoing financial engineering, the godfather to the same in the US and EU).

I repeat, as a primary discounting mechanism and leading economic indicator, nothing is more important than housing. Today, our freight train of a housing market is driving economic growth, which in turn will continue to power corporate earnings.

Beginning in mid-late 2006, on stages all over the world, I shared the story of the bull market top in Japanese real estate followed by the 19-year bear markets in Japanese real estate and stocks. Repeatedly, I gave advance warnings that based on my research, the same real estate and financial risks looked to be headed to US shores. Surprise, surprise—the Federal Reserve was behind it all.

From 2004 to 2006, the Fed raised interest rates 17 straight times. *Seventeen straight times.* So, when you hear some investing guru say that homeowners were the reason for the 2007 to 2010 housing crisis, remind them that the Fed's 17 straight rate hikes served as both the fuel and match that lit that fire.

But investors have long memories. How can we ever forget the housing crash of 2008 (which actually began in 2007)? We regularly get the same question. It's an important one. "Kip, US housing prices are rising at their fastest pace since 2006, maybe ever. Can this possibly continue?"

My answer is short and precise: "Absolutely." In fact, we're just getting started.

But first, let's look at where we are today.

The number of Americans buying new homes just hit a 15-year high. The National Association of Realtors (NAR) data shows home prices are rising at the fastest pace since 2006.

The CEO of Pulte Homes (PHM) recently said, “We are experiencing the strongest housing market of my 30 years.”

But investor sentiment remains nervous. As lifelong contrarians, we love the fact that the public is nervous about buying a home. There is rarely a better buy signal than pessimistic investors. The 2008 housing crash was, without question, one of the most financially disruptive events of the century. Housing is fundamental to our economic and cultural way of life, and the crash burned an entire generation of Americans.

As we’ll cover in our chapter on the power and importance of the millennial generation, it’s this age group that may have been most impacted by the implosion in housing. Many millennials grew up watching their parents either lose their homes or argue over the dinner table about financial hardships as a result of the housing melt-down. So, at first, millennials wanted nothing to do with housing. But all that’s changing now (thanks in large part to bitcoin and other cryptocurrencies, which we’ll get to next).

Today, when you check the housing market’s “pulse,” you’ll see this boom is nothing like the 2008 bubble. And according to the *Wall Street Journal* and *Forbes*, it has to do with one key metric most folks are ignoring today.

Housing Is Still Very Affordable for Most Americans

Housing affordability is an important driver of home prices. The National Association of Realtors Affordability Index takes three key metrics; home prices, mortgage rates, and wages, and boils them down into a single number.

This number tells us if the average American can afford a home. When this affordability number drops too low, it means the average American can't afford to buy. That often warns us about an impending housing bust.

Affordability has dipped from generational highs in the past few years, but it's still well above the 30-year average. In fact, the index hit 173 in June of 2021, which is one of the "most affordable" readings since records began to be kept in 1971 (although it has recently contracted as the Fed battles inflation).

Forbes says this is key, because every housing bust in the past 50 years happened when affordability was below 120. We're nowhere near that level today. This tells us the risk of a "bust" is much, much lower than the permabears and talking heads would have you believe. Put another way: There's no evidence folks should be worried about a housing blowup. In fact, now is a great time to buy a home.

With mortgage rates still near record lows, the average American's monthly payment is less than what it was in 2005 to 2007.

Remember, there's still a massive housing shortage in America right now. And the solution to America's housing woes is simple: Home builders have to build more houses. And after years of sitting on their hands, builders are finally getting back to work.

Let's remember the significance of this fact, based on our approach to beating Mr. Market, and as it relates to both the US economy and corporate earnings.

Housing Drives Everything!

This is a major reason we see the current expansion in corporate earnings continuing through “at least” 2026. Should housing turn down our views will change, but we see this as unlikely. The significance of the coronavirus insanity stock market lows of March 2020, combined with the washout in the US economy, served to jump start our present and ongoing economic expansion, driven by unprecedented liquidity and surging corporate earnings. A booming housing market powers them both.

Again, new home starts just shot up to their highest level since June 2006. The number of building permits granted surged to their highest level since March 2007.

And here’s the evidence from our other leading economic indicator: The stock market is sending massive buy signals for housing. The Homebuilders ETF (XHB) debuted as a publicly traded ETF in May 2006. It basically nailed the top of the housing market. Homebuilder stocks cratered more than 80 percent over the next three years.

But look what’s happening now, post coronavirus insanity. Homebuilders are on fire, conclusively breaking out above their former ceiling, after 14 years of being stuck in no man’s land.

The bottom line: We believe this breakout marks not only the birth of a new housing boom, but also a resurgent US economy and a defining, massive long-term expansion in US corporate earnings.

Here's an excerpt from our VRA Letter on June 21, 2022. The strength of the housing market equates to the long term strength of the economy. Period.

VRA Leading Economic Indicator "Housing" Still Strong, Powering the US Economy 06.21.22

Over the weekend, via the Mortgage Bankers Association, Realtor.com, CNBC and Black Knight (mortgage tech data provider) we learned that housing, the most important leading economic indicator for the VRA Investing System, should continue to power the US economy.

As quickly as mortgage rates are rising, the once red-hot housing market is cooling off. Home prices are still historically high, but there is concern now that they will ease up as well.

All of this has people asking: Is today's housing market in the same predicament that it was over a decade ago, when the 2007-08 crash caused the Great Recession?

The short answer is: NO, not by a long shot!

1) For the 53.5 million first lien home mortgages in America today, the average borrower FICO credit score is a record high 751. It was 699 in 2010, two years after the financial sector's meltdown. Lenders have been much more strict about lending, much of that reflected in credit quality.

2) Home prices have soared, as well, due to pandemic-fueled demand over the past two years. That gives today's

homeowners record amounts of home equity. So-called tappable equity, which is the amount of cash a borrower can take out of their home while still leaving 20% equity on paper, hit a record high of $11 trillion collectively this year, according to Black Knight, a mortgage technology and data provider. That's a 34% increase from a year ago.

3) At the same time, leverage, which is how much debt the homeowner has against the home's value, has fallen dramatically.

Total mortgage debt in the United States is now less than 43% of current home values, the lowest on record. Negative equity, which is when a borrower owes more on the loan than the home is worth, is virtually nonexistent. Compare that to the more than 1 in 4 borrowers who were under water in 2011. Just 2.5% of borrowers have less than 10% equity in their homes. All of this provides a huge cushion should home prices actually fall.

4) There are currently 2.5 million adjustable-rate mortgages, or ARMs, outstanding today, or about 8% of active mortgages. That is the lowest volume on record. In 2007, just before the housing market crash, there were 13.1 million ARMs, representing 36% of all mortgages.

5) Mortgage delinquencies are now at a record low, with just under 3% of mortgages past due. Even with the sharp jump in delinquencies during the first year of the pandemic, there are fewer past-due mortgages than there were before the pandemic.

"The mortgage market is on very historically strong footing," said Andy Walden, vice president of enterprise research at Black Knight.

"Mortgage credit availability is well below where it was just before the pandemic", according to the Mortgage Bankers Association, suggesting still-tight standards.

The biggest problem in the housing market now is home affordability, which is at a record low in at least 44 major markets, according to Black Knight. While inventory is starting to rise, it is still about half of pre-pandemic levels.

"Rising inventory will eventually cool home price growth, but the double-digit pace has shown remarkable sticking power so far," said Danielle Hale, chief economist at Realtor.com. "As higher housing costs begin to max out some buyers' budgets, those who remain in the market can look forward to relatively less competitive conditions later in the year."

VRA Bottom Line: until and unless the US housing market cracks, the US economy will remain on firm footing. Combined with our second most important leading economic indicator (transportation), which continues very near all time high levels in the US, the foundational strength of the US economy remains intact. If we have a recession it is unlikely until late 2023 (at the earliest). As a reminder, by the time economists pronounce that an official recession has begun we are already out of it, with stock prices on average 15-20% higher.

Corporate Earnings Just Did What?!

As the US housing market led the way out of coronavirus insanity and the five-week, 39 percent collapse in the S&P 500 that ended on March 23, 2020, the US economy saw its biggest quarterly plunge in activity ever.

Gross domestic product (GDP) from April to June (Q2) 2020 plunged 32.9 percent on an annualized basis. It was the worst drop ever. The report "just highlights how deep and dark the hole is that the economy cratered into in Q2," said Mark Zandi, Chief Economist at Moody's Analytics. "It's a very deep and dark hole and we're coming out of it, but it's going to take a long time to get out."

Led by unprecedented fiscal and monetary stimulus (more than $9 trillion to date) and a soaring housing market, "get out of it" we did. The US economy recovered all of its lost output from 2020 by the 2nd quarter of 2021, on pace to be the best year for GDP growth since the early 1980s.

As amazing as Q1 2021 was, with a 52 percent year-over-year increase in S&P 500 earnings per share (EPS), Q2 2021 was beyond extraordinary. It had the best year over beats we've seen in the modern era, featuring EPS growth of 91 percent vs. Q2 2020. Stunning, really.

The question now becomes: How do we get a stock market melt-up like the one we envision? This is one that takes the Dow Jones to 100,000, the S&P 500 to 12,500 and the Nasdaq to 40,000. It's based on any semblance of earnings per share and P/E multiple reality.

Admittedly, we're talking about a major melt-up by 2030. The bubble of all bubbles. Like Tulipmania and the dot-com melt-up, bubbles rarely make sense as you're experiencing them. This brings to mind the famous Wall Street quote from legendary economist John Maynard Keynes: "The market can stay irrational longer than you can stay solvent." Irrational markets describe a melt-up bubble perfectly. In other words, a whole lot has to go right for a bubble melt-up to take place, which is exactly what we're writing about in *The Big Bribe.*

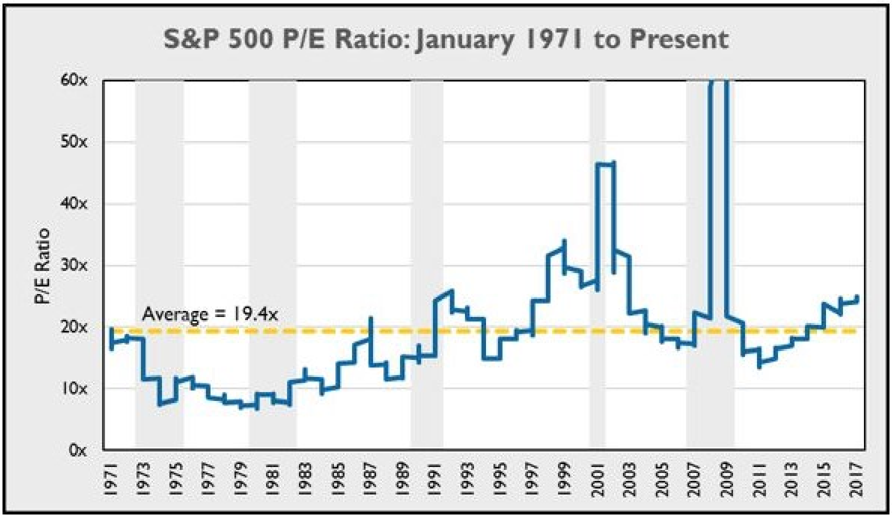
Here's where surging corporate earnings help make our bubble scenario even more likely. During the dot-com melt-up from 1995 to 2000, the P/E multiple on Nasdaq topped 50 and remained over 50 for extended periods. These were all-time highs on steroids.

Let's track what might need to happen for the same kind of "irrational" earnings on the S&P 500 that would send the S&P 500 to 12,500 and the Dow Jones to 100,000.

(Note: We're using EPS estimates for the S&P 500 instead of the Dow Jones, as S&P 500 earnings are more commonly followed).

As I write, our estimates for S&P 500 (SPX) are $230 per share. Today, with SPX at 4150, this would give us a P/E multiple of 18 at year end 2022. This is only slightly elevated and not close to outrageous (don't worry, we'll get to outrageous soon enough).

What's the highest year end P/E multiple for SPX and Nasdaq, you ask?



In mid 2001, as the bubble peaked, the P/E multiple for the S&P 500 hit 46. But that's nothing compared to Nasdaq, which saw the P/E multiple hit 175 at its peak in 2001.

Again, investing bubbles take on a life of their own. In the infamous words of Gordon Gekko from the *Wall Street* movie, "…greed, for lack of a better word, is good."

Again, as I write, we expect the year-end 2022 earnings for the S&P 500 to reach $230 per share, which would place the P/E multiple at just over 18. If earnings grow over the next eight years by 8-10 percent per year, by the end of 2029 S&P 500 earnings will have reached the neighborhood of $457/share. This would equal a P/E multiple of 27 if the S&P 500 hits our target. Highly elevated, yes, but still a good deal lower than the SPX P/E multiple of 46 from 2001.

And folks, in addition to our mega melt-up trends outlined throughout *The Big Bribe*, surging corporate earnings will help take the Dow Jones to 100,000, the S&P 500 to 12,500 and Nasdaq to 40,000.

This is not the time to be a permabear. Never short a financially engineered bull market—that irrationality might just completely erase your solvency.

CHAPTER 5

Millennials, Misunderstood and Omniscient, Forcing Markets Higher

Demographics can tell us so much about our future. There are more than 72 million millennials in the US, according to the Pew Research Center.[1] And nearly 18 million millennials with $100,000 or more in the bank. That's a minimum of $1.8 trillion sitting in savings accounts!

Now, these millennials are finally ready to pump that money into the stock market. This is why millennials have become one of the most important economic phenomena of the near future.

Something game-changing is happening here. Millennial retail investors are now leading the charge into Wall Street. According to Accenture, they're expected to spend $1.4 trillion this year alone. And that's just a drop in the bucket.

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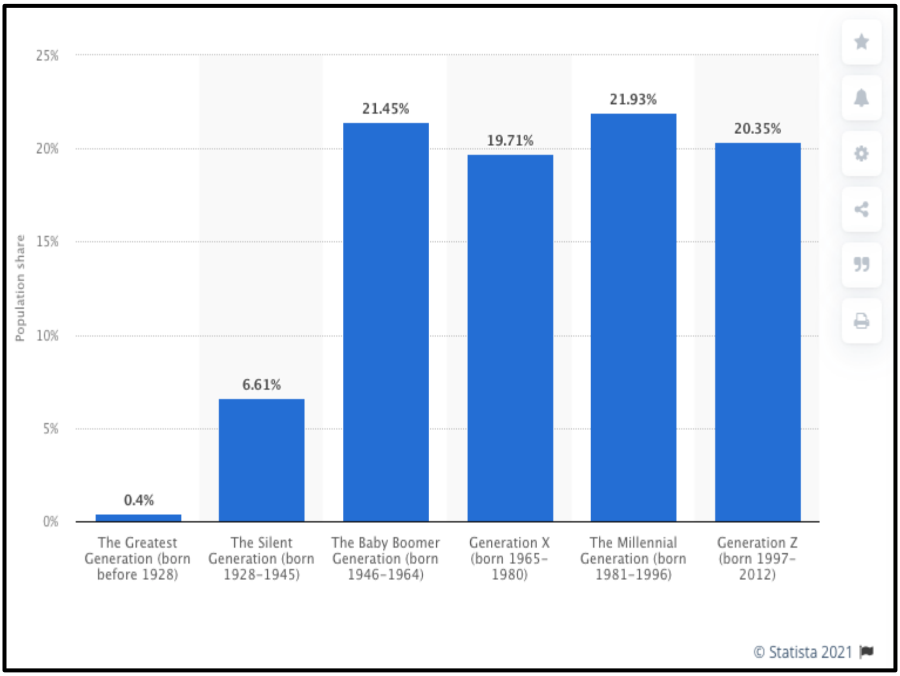
[1] Fry, Richard. "Millennials Overtake Baby Boomers as America's Largest Generation." *Pew Research Center*, Pew Research Center, 28 May 2021, www.pewresearch.org/fact-tank/2020/04/28/millennials-overtake-baby-boomers-as-americas-largest-generation/.

Millennials are about to take over the US economy as they are in the process of inheriting *more than $70 trillion*. And yes, counter to what the MSM might have us believe, they know what to do with it.



The Real World of Millennials

As a 23-year-old baby boomer in the mid-80's, I remember coming out of a dark environment that felt like America's best days were behind us. Jimmy Carter was president. We had just come out of the oil embargo and the Iran hostage crisis, and were being told to conserve energy and "expect less" as we grew older.

It wasn't a depression, but it felt like one.

Then, Ronald Reagan became president. He told Berlin to tear down their walls then spent the Soviet empire into nothingness. America became the world's only superpower. The stock market began to soar, the economy followed, and just like that, our dark days were over.

Baby boomers went on to spend and invest America into global superiority. We even took down Japan as an afterthought.

In 1985, fresh out of college, I started my career as a financial advisor and never had a doubt; the wind was at our back. Nothing and no one could stop us. Animal spirits had returned (just as they did with Trump in 2016). Reagan changed everything.

Then, Cindy and I raised two millennials. We made sure we were the "cool parents" in the neighborhood with the pool, outdoor kitchen, game room, viewing room, etc. Why did we do that? Because we were actually, to some degree, helicopter parents. We wanted our boys at home and we wanted their closest friends at our home as well. There was probably very little about me that was cool. We were just observing and as a result, we really got to know these great kids.

The lessons I learned from these millennials were rather remarkable. Thanks to the mainstream media, I kept hearing how lazy millennials were. How much they depended on their parents for everything, and what a drain they would be on the economy, going forward.

But I saw nothing of the sort. In fact, I saw the complete opposite from our sons' friends. I saw a generation that was super-smart, born into the technology matrix, and FAR better informed than my generation was. There was never a doubt in my mind that they would be successful.

Millennials are also deeply cynical of big government and big business. They grew up watching their parents' finances destroyed from arguably the worst 20-year period in American history. Millennials saw their parents fight about money, which brought arguments about everything else, followed by divorce and dysfunctional families. They grew up in a stressful time and became determined to lessen their own stress.

The millennial generation had their now Carter-esque, sun-is-setting in America vibe. As the US economy imploded, during the onset of the 2008 financial crisis, millennials grew up wondering what happened to their families finances. Tens of millions of homes were lost. They wondered what happened to their parents' investment accounts as the markets crumbled. Vanished college funds forced them to take on trillions in student loan debt.

The last thing millennials wanted, coming out of college and then getting their jobs, was to invest in the markets or to buy a home. They did their own research, made their own decisions, and scoffed at those who slighted them. Millennials learned to be patient. Not to buy into the BS. They went on letting the world think they're lazy and living in their parents' basements, as they crafted their lives to be led in the manner that they chose.

Millennials didn't have Reagan, but they had Trump. And while they may have had issues with Trump, they got his financial expertise and his New York celebrity cool. More than anything, they bought into Trump's animal spirit and his "anything is possible… just go for it" attitude.

Then, something interesting happened for millennials. The birth of the crypto currency—the birth of bitcoin. Even if they didn't own it, Millennials watched as people they knew, friends their own age, bought and traded bitcoin and made "real money" from it. It taught them that their parents' financial distress needn't be their own.

Then bitcoin prosperity led millennials to real estate and home ownership.

Now, bitcoin and real estate have led millennials to their real endgame; the stock market. Using technology, they taught themselves how to both save and invest their money.

Millennials have become the most important economic phenomenon of the next 50 years.

Millennials are *the* drivers of our biggest economic and investing trends. By and large, they are now debt-free. They are prepared for what the future has to hold. This has profound implications. Where they lead, we either follow or get left in their dust.

Millennials, after coming back into investing for crypto, are now moving into stocks. This will be a powerful, long-term phenomenon.

Millennials Know How to Side-Hustle

I've learned that whatever you were going into coronavirus, you became more aware of it during the lockdown. If you had health issues or if you had some anxiety issues or mental health issues, they all became amplified. But I've also heard many millennial entrepreneurs say, "you know what? Last year sucked, but it was also pretty good, actually." They'd been forced indoors, and forced to focus on their work.

"Millennials are more motivated than any other generation in our country today," says Chris Tuff, author of *The Millennial Whisperer* and *Save Your Asks*. "They're focused on making an impact, and they're focused on making a profit. Anyone who doubts their power and continues to judge millennials with stale stereotypes is in for a big surprise as they invest in this bull market."

As I mentioned, my son, Tyler, is a millennial, and offers his perspective here.

The First-Person Millennial Perspective

Tyler Herriage here. The millennial mega-trend is real. As a millennial, I've been able to watch it in real time. While I may be guilty of some generational biases, from my point of view our generation may have gotten a bad reputation not fully deserved.

What many have missed about millennials and future generations is that we were born into the internet and consumed with technology. We are digital natives. It's a second language for most and maybe even a primary language for many.

Answers to questions–money, relationships, business, household repairs, or even life– have been at our fingertips. We have some built in advantages that prior generations simply did not have and may not be able to fully appreciate.

If you think (as the advance history books were written) that we're lazy, living in our parents' basements with no savings and no future, then think again. You're listening to the wrong people and those people have horrible data.

The Digital Economy

As the millennial generation, now aged 21 to 41, enter their prime parenting years, their spending patterns are changing dramatically. While many spent their money on experiences during their 20s, they are now shifting their spending to start families.

Their desire to own a home is on the rise, as renting a home with kids becomes less and less appealing. This ties in exactly with what we're seeing as the housing market, our primary leading economic indicator, is breaking out to significant all-time highs. Millennials are the difference maker.

Living in the age of "work from home" has required a different attitude towards spending, and there will be many public companies that will benefit from the home ownership trend by millennials.

As the millennial generation now makes up the largest percentage of the US population and is in the process of inheriting more than $70 trillion dollars, waves of millennials are flush with cash and ready to spend it. Their spending styles are changing, a trend we must be prepared to take advantage of.

For example, instead of spending money on a gym membership, many have opted for the workout-from-home lifestyle that companies such as Peloton have offered.

If they are going to be working and living in the same place, they want nicer furniture, which they can easily order with companies like Wayfair.

We have also seen a massive shift in the way millennials look for entertainment. Instead of going to the movies they have multiple streaming services. The shift towards a more DIY attitude has also made a major impact on companies like Home Depot.

The Millennial Experience with Finances

After growing up and experiencing the dot-coms turning into the dot-bombs (2000), followed shortly thereafter by 9/11 and the seemingly endless wars in Iraq and Afghanistan, and then experiencing the housing and financial crash, millennials harbor a deep distrust of government institutions, large corporations, and the stock market as a whole.

My generation has known nothing other than an increasingly hostile political environment and consistently rising prices on everything from tuition costs to car prices to medical expenses to home prices and more.

We saw families being torn apart over difficulties to make ends meet. We watched as our families' homes became liabilities and their investment accounts withered away during the Great Recession.

Growing up, for as long as I can remember, my family spoke about these issues at the dinner table. No topic was off limits, whether it was politics, economics, social issues, or the stock market, we always had open and honest conversations.

It is the reason why we have stayed so close as a family. I would also credit these conversations for my love of research and ability to analyze situations.

Just before the beginning of the financial crises, in 2007, I remember my dad explaining to us what was happening and what was coming. At age 15, I had a hard time understanding exactly what was coming. But, over the next few years, I found out as I watched friends and family members lose their jobs, their homes, or end their marriages due to the financial and emotional stress.

What millennials experienced growing up motivated us to be smart with money. Many in my generation felt that investing was only gambling, so they saved cash instead.

It has also had the effect of inspiring millennials to become entrepreneurs and start their own businesses and side hustles—little to none of which has to do with the new glamorization of entrepreneurship that you see now on shows such as "Shark Tank."

Instead, millennials want to go into business because of their own desire to fulfill a purpose and give back, while at the same time gaining financial freedom and control over their future.

I got my first taste of this when I became a personal trainer during college. I have always had a passion for taking care of my body, and I quickly learned people were willing to pay me to learn the things I was researching on my own.

I was also able to make my own schedule and choose who I wanted to work with. The experience taught me that starting my own business wasn't some lofty goal, but rather something within all of our reach.

Two years later, I started my first company, Bottle Freaks, with a few friends at college. Ultimately, we dissolved the company, but the lessons I learned and the relationships I made have proven invaluable for my career.

It gave me the opportunity to meet many other great millennial entrepreneurs who started and now run very successful companies. Many of these same people have now become thought leaders in their fields.

What surprised me the most, though, was how many of my friends either wanted to be a part of our company or were inspired to start a business of their own. For those who didn't start their own companies, many still opted out of the traditional corporate worker-bee lifestyle and chose to go work for start-ups or small businesses.

This speaks volumes to the work ethic of my generation. While most of us were being called lazy or entitled, we were dreaming up ideas to prove the skeptics wrong.

Millennials were arguably one of the first generations to truly capitalize on the capabilities of the digital economy. I am not just talking about the large online software or social media companies like Shopify, Robinhood, or Facebook (all millennial founders). I am also talking about those who have learned how to turn their hobbies and interests into profit-making machines.

A friend of mine has always loved clothing, and now makes his entire living finding retro clothes and selling them online.

Another is a musician who has made his money streaming his music and selling his merchandise online, no record label or tours required. Another friend who I went to high school with now converts cargo vans into travel vans.

These are just a couple of examples.

There are many more, from real estate and sports memorabilia to marketing services like website design and copywriting—the list goes on and on. Some of these things are certainly possible outside of the digital economy, but millennials' matrix-like knowledge of the online marketplace has given them the opportunity to scale their businesses much faster and easier.

The most interesting transition has been the same millennials who didn't trust the stock market are now finding themselves in a very successful position because of investing.

The new money from millennials is continuing to find its way into the stock market serves as one of our mega-trend themes for "The Big Bribe." As the stock market continues to melt-up higher over the next several years, this massive amount of "digital economy money" will continue to find its way into the stock market.

As you've read, there are currently more than 72 million millennials, who now make up the largest percentage of the population. Let's say they invest $25K into the stock market (on average, a conservative estimate)—that is an additional $1.8 trillion in additional liquidity for the market.

Millennials Are Changing the Way the World Thinks about Investing

When we got the first computer in our house, I was very excited to see what it could do. For me, at the time, it was mostly about computer games. But I remember my dad showing me his trading system.

At night he would talk to me about what he was doing, showing me watch lists and charts, teaching me about how trading in the stock market functioned, how to spot uptrends and down trends, and the basis of technical analysis.

That led to me setting up my first trading account as a teenager and buying my first stocks. As I got into college, I learned that some of my friends were doing the same. Not only because their parents and finance professors recommended it, but also because they wanted to learn.

The turn for millennials and investing really began as bitcoin started becoming popular. My dad and I made our first investment in bitcoin in 2014 at roughly $600 a bitcoin. As the price rose and alt-coins became popular as well, you could feel the excitement building. Friends who had never invested before were calling me asking how to buy cryptocurrencies.

Those who missed out on the original move in cryptocurrencies didn't give up there. Millennials watched as their friends were making money and learned that it was possible to make money in the stock market.

Slowly but surely, they began to show an interest. We will look back and credit cryptocurrencies as the starter pistol reason for this melt-up bull market, as an exciting investment opportunity—it changed everything.

When Robinhood was founded in 2013 and introduced commission-free trading, it made it easier than ever for those who were already showing an interest in trading to open an account—even if they were only going to be putting in $50 to $100 dollars to "play with."

Robinhood and apps like it played a major role in the rise of the millennial investor. The apps made investing simple, instead of giving traders bulky interfaces with hundreds of data points and options to buy and sell stocks, they made it as simple as possible, do you want to bet for or against the company.

Today Robinhood is publicly traded with a market cap of $45 billion, another company made massively successful by millennials.

The layout of these apps does feel more like a game than actual investing, but it also provides an easy-to-understand entry into how the stock market works for someone who is new. It allows new investors to participate in the market while they learn more about how to invest according to their style.

Of course, the road to being a successful investor and trader is paved with many failures and successes. Those have been somewhat amplified, given the wide-reaching access to the stock market that these services provide. This has led many old-school investors to look down on what has been called the "gamification" of investing which these apps provide.

The SEC has tried to crack down on these services, saying they need to protect investors from themselves. This is a very pessimistic and flawed view of what these services have actually done. You can't stop everyone from making bad decisions in the market—it's the only way we learn.

It also reminds us of the bitcoin warnings that we've heard during the last eight years. It's much ado about nothing at this point, and really only served to keep people fearful of jumping in on the cryptocurrency boom.

We see it in a much more positive light—the simplicity of these apps has also offered an introduction to the stock market that many otherwise may never have had the ability to learn.

Previously, those who were interested in investing had few options on where they could go to learn how to get involved in the market, whether it was lack of access to trading systems or high fees that would not make sense for smaller accounts.

That has all changed—now you can do it anywhere from your cell phone, and many millennials have taken advantage of this trend.

It may start out as a "game" on an app, but the real-world lessons will give millennials and future generations a leg-up on the older generations who may not have started investing until later in their careers. The real benefit of these apps will begin to manifest themselves over time as investing is increasingly becoming mobile. That type of accessibility to the markets will only create smarter investors.

Digital Natives Bring a New Power of Research to the Market

We are digital natives.

Problems and tasks that used to either cost hundreds of dollars to hire a professional, or hours of time to learn, can now be found on search engines or YouTube in minutes. What used to be taught over the course of a semester at a university can now be learned in days or weeks with online classes. You can also learn many of these things online for free.

In fact, many skills needed today to be successful in your career are not even taught in universities. This is because in the time it takes for a textbook to be written, a new product can be released that totally changes the way we look at particular problems.

The number of self-taught professionals in many industries continues to grow. There are also more self-taught investors than ever before, and the way millennial investors learned to invest was very different than previous generations. Just as we were born into a world of technology, we were also born in a world with growth stocks and high P/E ratios.

While previous generations told us to buy value names and avoid companies with high P/E multiples, we noticed that best performing stocks were consistently the ones they were telling us not to buy.

All that most of my generation has seen is that the stocks with the best returns also have the highest P/E multiples or no P/E at all because they don't even have earnings. So, we ask, why do previous generations keep telling us to buy these value names when the tech names continue to be the winners?

You can say it is a fad, and you would have been right for a time during the dot-com bust, but most of what we have seen for the past 30 years is high P/E, growth, momentum and technology stocks outperforming.

Take Amazon, for example, one of the world's best performing stocks since its IPO in 1997. It didn't have its first profitable quarter until 2001 and, even then, the profit margin was small. So-called "experts" told Jeff Bezos and his investors this would blow up in their face.

By 2013, things weren't looking much better as Amazon's trailing 12-month P/E ratio got as high as 550. Just eight years later, Amazon now makes as much profit in a quarter as it did in its first 14 year combined.

Rapid technological advances have changed the way we value companies. Not to say these older metrics no longer matter, but my generation is buying price action over the earnings. We are willing to look past years of negative cash flow in order to find companies with sexy stories and unique products that could mean the potential for innovation and massive future gains.

Online groups of traders and investors have used online mediums to share stock picks since the start of the internet.

The difference now is the sheer size of these groups. Reddit's most famous group, r/wallstreetbets, grew from roughly one million members at the start of 2021 to more than 12 million as of writing this book. Reddit just announced an additional round of funding that values the company at $10 billion.

Wall Street truly has fresh competition in the way of in-depth research and due-diligence, and that is a very good thing. Reddit wouldn't be where it is today if it were not for millennials.

This is another reason why we have made millennials one of our five mega-trends. This process will only continue to grow, and the impact of the moves they are making will only increase as they are on their way to inheriting $70 trillion. Millennials have already become the largest segment of the population, and we are on our way to becoming the largest age group of investors.

We're also impervious to the "permabear" thinking that all this must implode soon. As I mentioned earlier, millennials already harbor a deep-distrust for governments and corporations. Unstoppable social programs and continuously increasing national debt have simply become a fact of life.

So, when millennials hear about low-bond yields and negative rates, it means almost nothing to us. The only real impact we have seen is that the interest rates on loans we may want to take out continue to fall.

It makes sense that previous generations have been worried about falling bond yields when they used to be able to get seven percent or more on a 10-year bond yield or even higher from a CD. We have never known what that was like; all we have known is TINA (There Is No Alternative) to stocks or cryptocurrencies. For that reason, the millennial generation simply doesn't want anything to do with bonds anymore, not when they have seen the returns possible from stocks and cryptocurrencies.

Added to the downside of bonds as an investment is that, in 2022, they've just had their worst stretch in history, as Team Biden's 40 year highs in inflation drove yields from the 1.3% level to more than 3%.

We are big believers here in the rise of cryptocurrencies. Cryptos are still in their infancy, and while many of the more bizarre and useless cryptos will fade away into nothingness, their features and utilities are still just being learned by those outside of the financial industry.

We would compare this period in cryptocurrencies to the early adoption of the internet, when "economists" such as the NY Times Nobel Prize winning economist Paul Krugman predicted that "the internet's usefulness would be no more than the fax machine". Yes, Krugman actually wrote those words.

Take NFTs (non-fungible tokens).

While most people see crappy pixelated artwork or digital images being sold for hundreds of thousands of dollars, they scratch their head and wonder who would buy these things. However, their usefulness is worth far more than the images themselves.

For example, in February of 2021 a DJ, 3LAU, sold the first ever tokenized album, bringing in over $11 million in a record-setting sale of NFTs. The artist later announced to the owners of these NFTs that they would now also own a portion of the rights to his music. The investors would then be entitled to future cash flow as well.

Imagine the possibilities for this kind of technology. It allows anyone to "invest" all the way down to the individual level. Think about it like a baseball card. You follow a baseball player as they become a pro, and you decide to buy their rookie card. Then they go on to become a hall-of-famer, and you can sell that card for significantly more than you bought it for years earlier.

Now, with a digital version of that same card, an NFT, you could potentially purchase a portion of the rights to future cash flows from an endorsement deal and you still have the ability to trade or sell that digital card.

These are just a couple of examples. You could apply this concept to just about anything. Entrepreneur Gary Vaynerchuk has done so with tickets for his yearly event, VeeCon. Owning one of his NFTs gives you access to multiple years of his event. Also, depending on which NTF you want to purchase, you get different levels of access at these events, such as group meetings or access to the speakers.

Millennials and future generations will need to keep exploring these unique avenues toward making money. To quote the Star Wars spin-off *The Mandalorian*, “this is the way” for millennials to make money in the age of financial engineering. From side hustles and investing to entrepreneurship, we must continue to be creative and open-minded in order to become wealthy in the digital age.

CHAPTER 6

A Melt-up Not Seen Since the Dot-Com Boom of 1995-2000

Investor sentiment follows very powerful and very predictable cycles. People are beginning to fall back in love with stocks, but it's still very early in the game, as 3 bear markets in 4 years makes clear. They're starting to say, "hey, I'm making money" as animal spirits begin to return.

And more and more retail investors are coming back into the market, excited about investing in stocks and in other places like real estate and crypto currencies.

My first forecast of *The Big Bribe*: US stock markets will not have their final peak until the investing public is euphoric about stocks. A final peak will not take place until the public starts believing that stocks "cannot go lower."

Like the dot-com boom, we'll start seeing employees from all walks of life quit their jobs and start day trading. Your Uber and Lyft drivers will regularly give you their hot stock tips, and you'll listen intently. Investors will aggressively take out home equity loans and lines of credit to invest in stocks and margin accounts will become the norm.

This is "that" bull market. And we're nowhere near these levels of euphoria today (but it is beginning).

Most importantly, technological innovation is in the process of coming full circle, from the possibilities of the dot-com era to the realities of near term and surreal technological advancement, artificial intelligence, space travel and biomedical transformation that lies directly ahead. The Fourth Industrial Revolution has begun.

And the Research Backs This Up

I realize that for some readers, my predictions seem Pollyanna-ish. You might have questions such as:

"What are you talking about, Kip?"

"Look at all the problems we have, how in the world are the Dow Jones and the Nasdaq going to nearly triple from here?"

"How are we going to have a potential meltdown in the economy and a booming stock market? How is that supposed to happen?"

"Are you serious?"

But please understand. This is not pie in the sky. This is feasible. Our research points to a stock market like the roaring 20s and the dot-com melt-up of 1995 to 2000. Also, every day through our work, we prepare our clients for what might come next.

Our strategy includes taking 20 percent of our profits from the stock market (each year) and plowing those profits back into hard assets (real estate, physical gold, silver, and yes, bitcoin). Hard assets that soar during times of inflation. So, we're preparing for what we think might come next, which yes, could ultimately be the "greatest depression."

Contrarian Investing

In life and the markets, many like to go with the crowd. That's where they're most comfortable. They haven't learned quite yet that their comfort zone might actually be their failure zone. People like to live like the Joneses—buy what they buy and make the same decisions they make. They tend to invest in the same stocks and ETFs that others invest in, often aggressively right at market tops, not bothering to check whether specific investments are a good idea for them or not. This "passive investing" tends to make investors lazy.

A major reason that we decided to write this book is for this very reason. Negative investor sentiment is most everywhere we look. Meanwhile, we continue to see significant contrarian and structural reasons to be bullish on US stocks. These reasons include unprecedented liquidity, surging corporate earnings, and rising levels of inflation that will continue to force prices higher.

> **"If you can identify a delusional popular belief, you can find what lies behind it; the contrarian truth."**
>
> **– *Peter Thiel***

What's Wrong with Conforming and Investing With the Crowd?

I wish my mentors, both of them true legends, were alive to answer that question (RIP, Ted Parsons and Michael Metz). I believe they would have said something like this: "If everyone's telling you to go left, go right. If everyone on Wall Street is bullish, get ready for a major sell-off. But if everyone's bearish, there's blood in the streets and you must buy and buy aggressively."

I have two remarkable contrarian investment experiences to share with you from my time with Ted and Mike.

But first, exactly what is contrarian investing?

Contrarian investing is an investment approach where investors not only stop following the crowd but also move actively against it. That means selling when others are buying and buying or holding on when others are selling. Contrarians purposefully act against the majority opinion by making investment decisions that either oppose the primary market trends or act against the majority viewpoints.

Again, if everyone is telling you to go left, you must seriously consider going right. That's where the serious profits lie.

The core belief behind contrarian investing is that market direction is subject to herd mentality, resulting in markets being periodically under and over-owned. A contrarian investor believes that investors as a group tend to get overly optimistic or pessimistic, driving markets up or down to a point where prices can no longer be justified with the fundamentals and technicals.

A contrarian investor makes the most of these opportunities in the securities markets, and a sheeple-like public is almost always willing to give their hard-earned money to someone else.

We call it a wealth transference—from the dumb money to the smart money.

How Does Contrarian Investing Work?

Contrarian strategy involves identifying the prevailing market sentiments and going against them. Just to be clear, this does not mean going against the market, or the majority, all the time. Rather, it's about identifying existing market conditions compared to the extremes of sentiment. When investor sentiment leans too heavily in one direction, a contrarian investor takes the opposite side.

For instance, at the end of the dot-com melt-up (2000), investors were euphorically excited about Internet companies and bought everything that had anything to do with the Internet.

This resulted in many tech stocks going up more than 1,000 percent in value. In fact, in 1999, more than 500 IPOs went up more than 100 percent on their first day of trading, with more than 150 soaring more than 200 percent on day one. And all of it ended with the dot-com crash that began in 2000, as the NASDAQ went on to lose 75 percent of its value. Those who moved "with the crowd"—with the majority—lost enormous sums of money.

This is where I'll share the story about my mentor Mike Metz, the Director of Research at Oppenheimer, where I worked as a money manager and venture capitalist. It was mid-1999, and Mike asked me if I had read *Extraordinary Popular Delusions and the Madness of Crowds* by Charles Mackay. I told Mike I'd read it earlier in my career and he hinted it might be a good time to give it another read. Once I'd re-read the chapters on the South Sea Bubble and Tulipmania, it hit me like a ton of bricks. In Mike's own subtle and highbrow way, he was giving me the strongest of possible hints that our dot-com melt-up might soon turn into a dot-com disaster.

Just four months after Mike's advice to re-read *Extraordinary Popular Delusions*, I began planning my retirement from Wall Street. I was just 38. Shortly thereafter, the dot-com crash became a reality. My decision to listen to Mike's contrarian wisdom wound up saving my clients tens of millions in losses they would have realized had they remained in tech stocks.

What Are Some of the Characteristics of a Contrarian Investor?

Two of the chief characteristics of a contrarian investor are buying cheap stocks and using sentiment to their advantage.

First, let's address the purchase of cheap stocks. A major part of contrarian investing involves buying stocks that are trading below their intrinsic value. When a contrarian investor sees that the market has over-priced certain stocks, we then look for undervalued stocks.

Bear in mind that some stocks are overpriced because investors, too optimistic, sold off certain other stocks to find the money to invest in these stocks—which are now overpriced.

Once contrarians buy the undervalued stocks, they wait for the broader market sentiment to change. Undervalued stocks return to their fair value, generating profits for the contrarians.

A contrarian investor also understands the importance of the biases of investors. For example, studies in behavioral science indicate that investors tend to overestimate trends in an attempt to predict the future: The poor performing stock will continue to perform poorly, and a strongly performing stock will remain strong.

In fact, David Dreman, a contrarian investor and author of *Contrarian Investment Strategies: The Next Generation*, has mentioned that "we humans tend to be both overly optimistic and overly confident." Contrarians also understand that exaggerated optimism and pessimism drives prices to extremes.

Contrarian Investing, Kip and Tyler Herriage-Style

One of the major components and screens of our investing approach is Investor Sentiment, which we use to track via our favorite sentiment surveys; our momentum oscillators; and specific fundamental and technical analysis. Among our top sentiment surveys are the AAII Investor Sentiment Survey, which I've voted in since the late 1980's, and the Fear & Greed Index, which gauges seven different sentiment indicators (among many others).

When sentiment surveys reach extreme overbought or extreme oversold, these are high probability indicators that a significant move in the markets—in the opposite direction—is about to take place.

We also know to look for the obvious signs of extremes in investor sentiment via Wall Street's financial talking heads. When the gurus on TV are all lined up on one side of the markets, long or short, we begin placing our investments for a move in the opposite direction.

There are even a few market sages who are wrong so often that when they announce a major move is about to take place, we profit from investments in the exact opposite direction. (As tempting as it is to name names, we'll take the high road for *The Big Bribe*.)

Investing in a Bear Market or Stock Market Crash

Another trait of contrarian investors is they are ready to invest, either at the end of a bear market or following a short-term flash crash.

I'll share my contrarian investment experience with my first mentor, Ted Parsons. It took place during the Black Monday crash on October 19, 1987. I'd been a stockbroker for only two short years when I came into work that Monday morning.

The markets opened sharply lower that Monday morning over concerns of support for the US dollar, ultimately crashing 22.6 percent by the close, making it the highest one-day percentage drop in history.

But Ted remained calm and cool throughout the day. Turns out he'd already taken advantage of frothy investor sentiment and liquidated many of his clients' equity holdings earlier in the year. As we watched brokers turn in sell order after sell order, most marked as market orders, Ted told me to be patient—the blood bath wasn't over just yet.

"It's not a stock market, it's a market of stocks."

– Ted Parsons, circa 1986

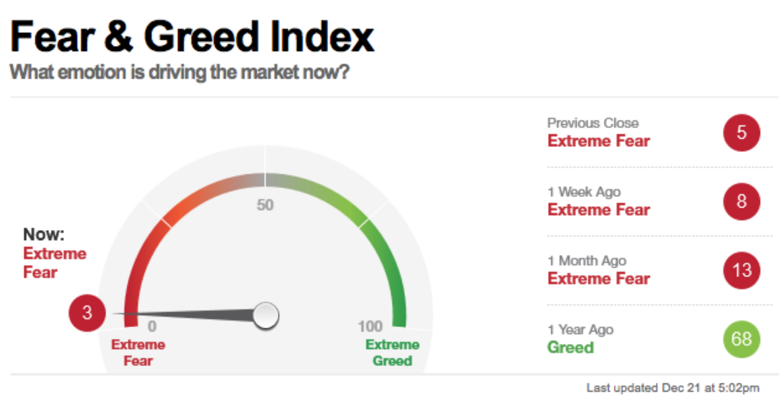
Then, just 30 minutes to the close, Ted began entering buy orders for his favorite blue chip stocks. All were market buy orders, just the opposite of the rest of the office that was entering market sell orders. Ted knew exactly what he was doing. Being a 40-year veteran investor and consummate contrarian investor had everything to do with that.

This was pre-Warren Buffett and his now age-old wisdom that "you should buy when others are fearful and you should sell when others are greedy."

Bottom line; when the dust settled it had taken three days to get fill prices back from those Monday orders, as the exchanges were overwhelmed with unprecedented volume. In stock after stock, Ted wound up buying exactly at the lows. Ted later rewarded himself with a new sailboat—his lifelong dream sailboat—and he invited Cindy and me on the maiden voyage into the Houston ship channel and on to Galveston Bay.

As Ted explained to me: Being a true contrarian is not for everyone. But if you can remain disciplined and keep your head when everyone around you is losing theirs, massive profits await in the markets.

Real fear/panic is in the air. Here's our latest proof...new all time low in Fear & Greed Index of 3.



Selling in the face of fear and panic is rarely a smart money move. This is a bear market in search of bad news. This is ridiculously overdone.

Here at the VRA, in December of 2018, we had an opportunity to put into practice Mr. Buffett's sage advice of *buying when everyone else is fearful* along with what I personally witnessed Ted do on Black Monday.

Thanks to the Fed's eight straight rate hikes inside of Trump's first two years in office (the Fed despised #45), punctuated by their final rate hike in December (aka the record-setting Christmas massacre), the markets went into hard core melt-down mode. They collapsed 15 percent in the month of December alone.

As real panic set in following Christmas eve's huge move lower, the Fear & Greed Index (below) fell all the way to *three*, a reading of extreme fear that had never been seen before in this time-tested sentiment survey.

As much of a gut-punch as it felt like, Tyler and I knew we had to act—and we did— adding to several positions in our portfolio in that final insane week of 2018. It's never easy buying when those around you are losing their minds and the talking heads on financial MSM are acting like crazy-eyed fear mongers. But that's exactly when we *must* act aggressively. There are no better buying opportunities than mass hysteria and propagandists-led panicked meltdowns.

If you can remain disciplined and keep your head when everyone around you is losing theirs, massive profits await in the markets.

Becoming a smart money contrarian, most certainly as the PSYOP that is the Big Bribe evolves around us, is a requirement for crushing Mr. Market in the years to come. It's hard to blame investors for having one foot out of the door, especially in light of the fact that we've just lived through the worst 20 years in American history. But it's the smart money contrarian who knows the signs to look for.

These are the signs that will wind up transferring significant wealth into their accounts from the sheeple who panic-sell with each five percent pullback. Remember folks, TINA and FOMO are very real. Based on our work, they're here to stay until the Dow Jones hits 100,000.

Why Booms Are Bigger Than Ever

In *The Creature from Jekyll Island*, G. Edward Griffin takes a deep dive into the creation of the Federal reserve system, which began with a secret meeting in 1910 off the coast of Georgia. This excerpt helps explain the financial cycles.

The forces of the free market are amazingly flexible. Like the black market, they manage to exert themselves in unexpected ways in spite of political decree. That had been the case throughout most of American history. Prior to the creation of the Federal Reserve, banking had been coddled and hobbled by government. Banks were chartered by government, protected by government, and regulated by government. They had been forced to serve the political agendas of those in power. Consequently, the landscape was strewn with the tombstones of dead banks which had taken to their graves the life savings of their hapless depositors. But these were mostly regional tragedies that were offset by growth and prosperity in other areas. Even within the communities most severely affected, recovery was swift.

Now that the cartel had firm control over the nation's money supply, the pattern began to change. The corrective forces of the free market were more firmly straight-jacketed than ever. All banks in the entire country were in lock step with each other. What happened in one region is what happened in all regions. Banks were not allowed to die, so there could be no adjustments after their demise. Their illness was sustained and carried like a deadly virus to the others.

The expansion of the money supply in the 1930s clearly shows that effect. It was not a steady advance but a series of convulsions. Each cycle was at a higher level than the previous one. That is because the busts that followed the booms were not allowed to play themselves out. The monetary scientists now had so many mechanisms at their command they were able to initiate new expansions to cancel out the downward adjustments. It was like prescribing increasing doses of narcotics to postpone the awareness of advancing disease.

Today, we're still taking those narcotics. And if we don't take action on this up-cycle of the economy, we'll be left as high and dry as a creature on the white-sand beaches of Jekyll Island.

How 1990s Failures Are Profitable Today

Many companies with similar business models to their 1990s dot-bomb counterparts are now viable today thanks to a few factors including:

- 20 years of technological development
- Lower digital costs
- Mass adoption of the Internet
- The shift toward shopping online
- Improved transportation logistics

All have all brought down the price of shipping goods.

Here are a few examples of companies that failed in the 1990s and have become profitable today because of the above factors.

Remember Pets.com? The online pet supply company raised $121 million from investors before liquidating just 268 days after their IPO. The company lost money on every sale. However, for all the factors I mentioned earlier, companies like Chewy have been able to successfully fulfill what Pets.com promised.

How about Broadcast.com? This was founded by famed investor and entrepreneur Mark Cuban to let people listen to radio broadcasts over the Internet. In 1999, Yahoo! spent $5.7 billion on the company, which no longer exists. But now there are several companies, including Spotify and iHeartRadio that have managed to successfully provide similar services.

Kozmo and Webvan were two dot-com busts that specialized in delivering groceries. Wired called Kozmo "the frothiest disaster of the first dotcom bubble." For both of these companies, the technology to build an online delivery tool and the infrastructure to execute orders simply was not there in the 1990s. Thanks to the advent of mobile phones, apps, and the gig-economy, several companies have now been able to take advantage of this same business model—Doordash, Instacart, Favor, and UberEats, just to name a few.

Flooz was another famous dotcom era company that was just ahead of its time. The company provided a voucher-like alternative to cash specifically for online purchases. The company collapsed in 2001 after allegations that it was being exploited by Russian criminals. The founders of this company must hate to realize they were just a few years early on the digital currency trend that bitcoin and other cryptocurrencies have capitalized on in recent years.

These are just a few examples of companies with great ideas in the dot.com era that were just ahead of their time. Now we live in an era where their visions can actually come to life.

Why We See a Much More Positive Outcome until 2030

A few analysts are beginning to join us in comparing the current boom in tech and growth stocks to the action of the dot-com bubble in the late 90s that saw the Nasdaq soar 575 percent from 1995-2000.

But far more Wall Street "gurus" see a similar fate—ultimately a market crash akin to the dot-bomb—when our new bull market bubble reaches its peak. Is a crash actually in the cards this time?

We fully acknowledge that the risks are ever present. After all, we write and speak about these risks often to our subscribers, podcast and radio/TV listeners and viewers. But we see a much different and far more positive outcome, at least until 2030.

Let's take a detailed look at the driving forces of the dot-com bubble, what caused the crash that followed, and why it is unlikely to repeat until our Big Bribe melt-up bull market has reached its zenith (when the Dow Jones hits 100,000).

What Was the Dot-Com Bubble?

The dot-com bubble, aka the 'Information technology bubble' was the result of speculative investment, primarily in internet technology companies. It spanned from 1995 to 2000, when the market ultimately crashed. When I say "the market crashed," I'm referring primarily to the Nasdaq, which lost 75 percent of its value.

This era is referred to as dot-com because so many of these start-ups and IPO's had a ".com" at the end of their website.

Internet technology was essentially brand new at the time. Investors believed that information technology brought a new era of development, and any company that provided IT and telecom services would become highly profitable in a matter of years.

One of the companies that I helped take public in late 1998 was an oil and gas company whose board seriously considered adding .com to the end of their company name in the hopes of seeing their share price explode higher. I was brought in to address this idea with the Board of Directors and after I expressed what an absolutely horrible idea it was, the .com plan vanished in a matter of minutes.

Within two years of its development, the Internet sector had grown more than 1,000 percent—a huge 10 times inside of 24 months. In just that short period of time, IT made up more than six percent of the entire market capitalization of the S&P 500 and more than 30 percent of Nasdaq. In terms of traded volume, IT companies represented more than 20 percent of all publicly traded shares.

Hopes and expectations were grounded in reality, albeit premature, as ultimately 90 percent of these new tech high-fliers would fail and go out of business. As we have seen in the last 20 years, several internet companies have become the largest companies in the world, in terms of revenue and earnings. Today, businesses including Apple, Google, Amazon, and Facebook—the list is long—bring in hundreds of billions of dollars in revenue each year.

But investors had high expectations for most every new business (this reminds us of so many of the SPACs going public prematurely today) and invested heavily in companies that didn't have the infrastructure or well-thought-out business models.

Biggest Winners and Losers

Netscape was the first well-known company in the IT sector that went public. The company developed a web browser which was quite popular in the early days of the Internet. The company went public on August 9, 1995, at $28 per share and shot up right after opening, closing at $58 for the day after reaching a high of $75. In the next few months, the share price reached as high as $174, undergoing a two-for-one split.

And just like that, the dot-com melt-up was born.

One of the earliest search engines, created in 1994 by Stanford University graduates, was called Excite. The search engine IPO took place in 1996 with 2 million shares offered at $14 per share. Interestingly, Excite had an opportunity to purchase Google at the time for just $750,000.

But the CEO deemed the asking price from Google too high and turned the offer down. Excite was ultimately purchased by @Home for $7.2 billion in 1999. Then, like so many to follow, the company went bankrupt in 2001. Boom to bust in less than seven years.

How Our New Bull Market Is Different from the Dot-Com Crash

The current bull market—our new melt-up bull market directly ahead—differs from the dot-com bubble for in four important ways:

1) Tech companies have learned from the mistakes of the past. In the late 90s, IT was a new and emerging field, and businesses were experimenting with how to build a stable business model. Today's businesses have already had ample experience in creating massive revenue streams and capturing market share.

2) Tech businesses from the dot-com era made heavy investments in assets which created liquidity problems. Many businesses were actually profitable. But they could not generate enough cash to pay short term expenses, which in most cases were foolhardy and poorly thought out. Modern tech companies have strong cash flows, reliable earnings and steady growth.

3) The stock prices of tech companies are far more realistic based on earnings and P/E multiples compared to companies from the dot-com era. Look at the book value of companies such as Amazon, Alphabet, Microsoft, Facebook and Apple. They are actually in line with their actual assets and income streams, which suggests they are closer to reality and not high due to rampant speculation.

4) The Fed's interest rate policy also played a role in the dot-com crash. The 10-year yield averaged more than five percent from 1995 to 2000. This gave investors an alternative to tech stocks as they could get a decent return from bonds. Today, the rate is less than 3% percent and I expect it to lose ground from here (we actually believe that US rates could turn negative, like Japan and Germany today). This incentivizes investment in both growth and value stocks. Our ongoing era of TINA and FOMO are paving the way for significant levels of P/E multiple expansion throughout not just tech stocks but also across multiple sectors and industries, another key melt-up element of The Big Bribe melt-up.

The dot-com crash largely occurred due to unrealistic expectations about what technology stocks could achieve over the very short term. The current bull market in the tech sector (and elsewhere) is based on actual results and benefits that companies are delivering for their customers right now.

This market melt-up is built on a stable foundation and a working infrastructure which has proven itself to work, with 20 years of research and crazy levels of innovation to back it up. Smart-money investors have already figured this out.

This is exactly how bull markets melt-up. And there's one more major factor at play. We now live in an era more controlled by the masters of the universe than ever, which brings us to the next chapter. You'll discover some of the more uncomfortable reasons we're in an unstoppable bull market—but getting comfortable with the uncomfortable will also bring you big profits.

CHAPTER 7

The Big Governmental Bribe to Inflate the Stock Market

You've learned about four of the five megatrends behind the Dow Jones hitting 100,000 by 2030. The Fed is ramping up financial engineering, with soaring money flows, assisting the public with gobs of money in the bank for the first time in years (the big bribe incarnate). Corporations are reaching higher and higher heights with their earnings. Millennials are pumping money into the market. And the American public has rekindled its relationship with stocks, allowing the economy to follow a familiar cycle that we last saw from 1995 to 2000.

All of these megatrends work together, like a series of gears. But there's one giant gear spinning them all: the big governmental bribe.

Yes, as I write, the government is bribing us with all this liquidity to make us forget about a stolen election. The government is bribing us to make us forget about coronavirus insanity. The government is bribing us to make us forget about all the constitutional rights we lost as individuals both in the US and globally. And, as I write, the government is bribing us to make us ignore the long-term impacts of more stolen elections—in this case, Democrats winning again in 2022 and 2024—which looks highly unlikely as I write this book, but it absolutely applies to our modern day "Uniparty", where most elected officials actually belong to a single party, the Uniparty, for their own private benefit.

Election cycles cause governments to manipulate a whole bunch of things in order to stay in or regain control of Congress. For example, at the time of this writing, the Democratic and Republican parties are preparing for the 2022 midterm elections. Democrats are getting slaughtered right now, and midterms are typically very hard for the party that was just elected to win, anyway.

This is historically the case and happens every election cycle. After Bill Clinton was elected, Democrats lost 54 seats, giving the Republican party a majority. During Barack Obama's presidency, the Democratic Party got crushed. The same thing happened to George Bush.

So, the powers that be are enabling the flood of money into the markets, the corporate earnings expansions, and the bullish stock market. All of these forces combine to push the Dow closer to 100,000. This happens every election cycle.

By understanding this bribe, you'll be better positioned than ever to capitalize on it.

Joe Biden as Bill Clinton

We know from personal feedback and Social Media feeds everywhere that it's really hard for many to be bullish with the "pretender" Joe Biden sitting in the White House. Trust me, it's not been easy for us either. But our job is to look through the noise and find the next mega-trends. That's what we've worked on lately with the melt-up effects from the millennial generation. We may have another melt-up mega-trend with Biden as president, post the 2022 midterms. Yes, we think Biden could eventually be known as the stock market melt-up president.

The comparisons are intriguing. Clinton won as a liberal. But he never governed as a liberal. He was tough on crime. He aggressively cut spending. And he worked really well with Republicans.

Then, in the 1994 midterms, as I wrote, the Dems lost both the House and Senate. If you've been reading the tea leaves, it looks *highly likely* that Biden will lose both the House and Senate this year. Again, a parallel to Bill Clinton is building.

For Clinton's last six years, he had no real power, or so people thought. But he got a ton done. He employed something he coded as "triangulation" to pit both sides against each other.

Clinton ran a budget credit, and no one has done that since. He had a five percent GDP, and his presidency still marks the best stock market returns of *all* presidents, with the S&P 500 averaging 26.2 percent per year. Boom!

Who wouldn't take that with Biden?

As I write this book, both the voting rights act and the removal of the filibuster have just failed in the Senate,as has the vast majority of Team Bidens "Build Back Better" campaign slogan. Biden didn't go to bat for either, because he's never really been a far-left liberal. He's an old white guy who actually loves real estate, low taxes, and capitalism—and yes, lots and lots of police.

This means that our midterm elections will not be federalized (a.k.a. Fully rigged) and that nothing will pass in the senate without at least 60 votes (a.k.a. no far-left laws will get passed).

Biden does not have Clinton's brain power or instincts. But this show in DC is being run by our "planners." By Team Biden and the Uniparty. You could also call them the deep state or shadow government, but whatever you call them, they put him in office and they're running the show.

Biden as puppet president—it might just lead to a booming stock market and economy, assuming the midterms force Biden to correct path from his ongoing "intentional destruction" of America.

Coronavirus Insanity

In addition to increasing authoritarian government power and controls, what if CV insanity was in fact part of a plan to insert trillions of dollars back into the global economy, filling the hole left behind, in part, from illicit and lost liquidity?

What's clear to us is that the speed and certainty with which US and global governments acted in unison to support the global economy looks very much to have been "in lockstep" as if preordained and pre-planned. Again, a plandemic. Following the money, the signs are all there. The reactions to date in global financial markets are most certainly all there. A global reset, under the cover of coronavirus?

Of course, the government caused the real CV crises by shutting down the country, along with millions of small businesses, and bringing the economy to its knees. And it happened under President Trump, no less. You can almost guarantee that many of the same people who supported Trump would have been protesting lockdowns from day one under a president like Barack Obama, Bill Clinton, George Bush (and especially under Hillary Clinton, had she won in 2016). Interesting timing!

We've all been brainwashed with the propaganda about this virus.

We're not alone in this thinking. About one in four Americans said they believe the pandemic was "definitely" or "probably" created intentionally, according to a Pew Research Center survey from June 2021.

The brainwashing and the propaganda worked, not only in the US but also around the world. Look at Canada. The entire country was locked down and seemed completely at peace with it. Half of Australia was in lockdown because they had 18 cases of the Delta variant. New Zealand locked down their entire country again after a single case of the Delta Variant was found. This was the insanity that took place all over the world in 2020 and 2021.

This is the new normal, right? Because we've been bribed. We've been bribed by free money, extended unemployment benefits, and so much more.

As we saw it, five Democratic governors forced the elderly who had coronavirus back into their nursing homes and assisted living communities. This caused mass homicide. Then there was the mass manipulation of data surrounding coronavirus, pertaining to who died "with" or "from" it. Even the CDC admitted that their case totals were widely exaggerated. If it weren't for such actions, coronavirus might well have become known as another tough flu season.

Outrageously-stupendous mistakes took the lives of so many of the most vulnerable among us. We had little to no protection in mass transit systems. The government forced sick family members to remain locked down in their own homes. This resulted in near-immediate, deadly infections and deaths from among their own family members.

The coronavirus pandemic provided further evidence that we are, indeed, a country in lockstep.

In 2010, the Rockefeller Foundation released a report, "Scenarios for the Future of Technology and International Development," outlining four possible scenarios for 2025.

Why technology? "Technology was chosen as a focal point of this project because of its potentially transformative role—both in positive and negative way—in addressing a wide range of development challenges, from climate change, healthcare and agriculture to housing, transportation, and education,"[2] write the authors.

[2]https://www.nommeraadio.ee/meedia/pdf/RRS/Rockefellerpercent20Foundation.pdf

"Yet while there is little doubt that technology will continue to be a driver of change across the developing world in the future, the precise trajectory along which technological innovation will travel is highly uncertain. For example, will critical technological advances come from the developed world, or will innovators and their innovations be more geographically dispersed? Or, how might the global economic and political environment affect the pace of technology development?"

The focal question of the report was, "how might technology affect barriers to building resilience and equitable growth in the developing world over the next 10 to 25 years."

The Rockefeller Foundation and Global Business Network identified four possible scenarios:

1. Lock Step: A world of tighter top-down government control and more authoritarian leadership, with limited innovation, and growing citizen pushback
2. Clever Together: A world in which highly coordinated and successful strategies emerge for addressing both urgent and entrenched worldwide issues
3. Hack Attack: An economically unstable and shock-prone world in which governments weaken, criminals thrive, and dangerous innovations emerge
4. Smart Scramble: An economically depressed world in which individuals and communities develop localized, makeshift solution to a growing set of problems

As I write this book in 2022, the "Lock Step" scenario is clearly the one unfolding, and in interestingly prescient ways.

Forecasting to the future, the authors write: "The pandemic that the world had been anticipating for years finally hit. Unlike 2009's H1N1, this new influenza strain—originating from wild geese—was extremely virulent and deadly.

Even the most pandemic-prepared nations were quickly overwhelmed when the virus streaked around the world, infecting nearly 20 percent of the global population and killing a million in just seven months, the majority of them healthy adults. The pandemic also had a deadly effect on economies: International mobility of both people and goods screeched to a halt, debilitating industries like tourism and breaking global supply chains. Even locally, normally bustling shops and office buildings sat empty for months, devoid of both employees and customers."

While the "Lock Step" scenario predicted that strong technology regulations would stifle innovation—which is not the case today—it made a case for a pandemic-induced reaction impacting the US economy.

"Especially in the developing world, acting in one's national self-interest often meant seeking practical alliances that fit with those interests—whether it was gaining access to needed resources or banding together in order to achieve economic growth," write the authors. "By 2025, people seemed to be growing weary of so much top-down control and letting leaders and authorities make choices for them."

That's why I've written this book. Because by 2025 and 2030, you have the power to make those choices. You can make smart choices in the stock market to protect yourself and your family from further overreactions to completely manageable crises.

The Loss of Constitutional Rights

I completely whiffed on coronavirus, not believing for a second that this might be the next step in the planners' long-term playbook. For four years, I was a major Trump advocate/believer. I was blinded by that lockstep Trump-supporting belief system.

As I write, the worst of the coronavirus economic pandemic may be behind us. I believe that to be the case. But left with us are the lasting and increased levels of government control… the very authoritarian takeovers of our freedoms we are witnessing today.

My first real experience down this rabbit hole began after 9/11. I've never claimed to have the answers. I only know that the official story is impossible to believe. It is not believable. But when we follow the money and the events of history, they paint a crystal-clear picture of the end game.

Yes, I am a 9/11 Truther. The events and aftermath of 9/11 forever changed the United States of America, and the world, and not in a good way. Today, I am more certain than ever that the only conspiracy theory here is the "official" story, as presented in the now massively debunked 9/11 Commission report.

And yes, 9/11 has had huge, almost surreal, impacts on the global economy/investment markets. But most importantly, I don't like "shadow" institutions—particularly those that lie and perpetrate false flag operations.

I encourage everyone to spend just 10 minutes at AE911Truth.org. Find out what more than 3000 architects and engineers—you know, scientists—believe about 9/11. I've yet to send a single person to this site that then came back and told me they still believe the official story.

The events of 9/11 produced a country moving in complete lockstep. We hated the terrorists responsible. Overwhelmingly and universally. Of course we would. Why wouldn't we? You'd have to be a heartless, country hating dolt not to.

Our lockstep need for revenge led us to fall for the lies about weapons of mass destruction in Iraq, which of course moved the need for revenge from the battlefields of Afghanistan to the takeover of Iraq. Mission accomplished.

As I write, Afghanistan has just fallen to the Taliban. This is a sad and dark day for Americans. Even darker for the families and friends of the fallen that gave their lives in battle there. A stark culmination to the worst 20 years in American history.

The other major victory for the planners from 9/11 was passage of the Patriot Act. The Patriot Act was written long before 9/11 and then enacted just weeks after, allowing unfettered government access to our most private communications.

And by "our communications," this of course means *everyone*'s private communications, including elected officials, future elected officials, key business leaders, etc. Anyone who might be deemed a future and necessary controllable asset. Again, mission accomplished. The events of 9/11 made it all possible.

Then came the events of the Great Recession. The implosion of our most important assets—our homes and our finances—enabled the exact groups that planned and brought on the housing and market crash to take over the US and global financial system.

And these groups garnered increasing levels of control of the population. Led by the “vampire squid” Goldman Sachs (thank you, Matt Taibbi), Wall Street and our biggest global banks, which answer only to the central bank cabal, now have unbridled ownership of the financial world. Control. They even received a $700 billion bailout in the process. Again, mission accomplished.

Then came Trump, the coronavirus, and the resulting authoritarian takeovers of our constitutional rights. Close your businesses. Lose your businesses. Stay in your homes. No church services. Forced and intentional economic destruction. If Barack Obama had been president during this coronavirus crisis, we would have seen civil war in America. Americans, loaded to the gills with an independent mindset and gun ownership to fully back it up, would not have allowed even a smidgeon of this loss of constitutional rights.

Had Barack Obama been president, lockdown orders would have almost certainly been ignored, over most of the country, certainly across primarily red states. Mass protests would have occurred, early and often. Law enforcement, in juxtaposition to their supportive lockdown goose-step arresting actions of today, would have overwhelmingly refused to support the theft of our constitutional rights as Americans.

Instead, we faced a dystopian reality under my guy, Number 45. Lockdowns, fully and willingly compliant (by the vast majority). Law enforcement dutifully playing along, arresting preachers for daring to have church services (while allowing services in Mosques). Willingly closing our businesses, without barely putting up a fight. Standing peacefully by, as loyal members of the Trump base.

Trump's army of martyrs marched in lockstep to insolvency as we sat properly and fully controlled in our sanitized, Netflixed "Tiger King" coma-homes. In our once economically powerful country, 26 million people become the newly unemployed and bankrupt, waiting hours in food bank lines to feed their kids.

Consider this; had Hillary Clinton won in 2016, how likely would it have been for the plandemic to play out, as it did so successfully under Trump? Would red states have gone along with lockdowns and forced business closures? Would republicans across the country have lined up excitedly to take the 'Hillary jab" as they did in droves with the "Trump jab"?

The best way to make Americans forget their loss of constitutional rights, a rigged election and the many lies of coronavirus insanity? 24/7 MSM, State-sponsored propaganda, totalitarian in your face threats and then flood the economy with money. Money may not buy happiness, but it does appear to buy forgetfulness. As Americans, we must work to keep/regain our constitutional rights, live and invest wisely, and surround ourselves with country-loving Patriots. Because caving to big government authoritarians is little more than a fast track to serfdom. Giving away our God-given and constitutional rights over a flu with a 99.9% survival rate? We must do better, going forward…or we'll deserve far less than we even have today.

Manipulation of More Election Cycles

For any readers who might consider my ideas far-fetched, consider this. During the 2020 election, Joe Biden and Kamala Harris promised $2,000 stimulus checks, essentially, if they were elected. As I watched interviews, it sure sounded like a bribe to me.

And judging from what we've seen so far, bribing is likely to be a factor in the 2022 midterms and well into the future. The big bribe is now part of the political scene. It's a roadmap, and it's how politicians plan their campaigns-no matter who is president or which party controls Congress.

"Everybody gets a new washer and dryer."

"We're going to get a new car in your driveway."

This may sound like I'm making a joke of it. Or perhaps it sounds like something straight off the "Oprah" show. But I'm not kidding. We have this brave new world of the political spectrum where officials can openly just say, "Hey, we're going to send you money." This is now happening. It is for real, and it is a whole new area for the political realm.

Who wouldn't want the benefits of these little bribes that help comprise the Big Bribe? How awesome would it be if everybody could just get money every month for doing nothing?

A rigged and stolen election. The big lies of coronavirus insanity. The theft of our constitutional rights. Bribing voters to manipulate more elections. These are all components of the Big Bribe.

And they set the stage to make more money than you've ever made in your life by becoming aware of this megatrend so you can ride the market into the sunset. As we've discussed, the Big Bribe is helping to spin the other gears of financial engineering, corporate earnings expansion, millennials investing in stocks, and a melt-up like 1995 to 2000.

They all work together, and very few have the expertise and insight to see how we can benefit and bring bazookas of money into our bank accounts by 2030 when the Dow hits $100,000. A $2,000 check? Promises of appliances, cars, and more? These will all seem paltry compared to the 10-Baggers you're about to land. If I'm right, the worst is behind us, and in the next several years we'll be witness to a US economy and stock markets that will have bottomed and zoomed higher. This, I believe, is the smart money play.

Intentional Destruction and the Birth of Modern Day Inflation

We have one (highly) negative and potentially destructive scenario that I am hesitant to mention in the Big Bribe, but it is one that we've covered in some detail with our clients and VRA Subscribers over the last couple of years, following the birth of CV insanity.

****The following is from one of our VRA Letters in early 2022.**

– As to the markets and US/global economy we have one problem that supersedes all others, that is, after we take into account the ongoing, intentional destruction of Team Biden and the Communist-World Economic Forum types, who continue to do everything in their power to destroy the upside potential for mankind and the US/global economy.

Outside of communists attempting to take down the last major democracy and free market capitalist system on the planet…America…the biggest problem for our investment markets and economy is "inflation". <u>You'll hear almost no one in the MSM talk about this, but inflation of the sort that's lodged into the system today, and growing, doesn't just go away.</u> Admittedly, this issue caught me a bit flat footed. For the last 2-3 decades inflation has been vastly under-counted. How many years, prior to CV insanity, were we forced to listen to the Fed's masters of the universe tell us that "inflation is running at 2%….the CPI is 2%".

Did you ever buy into the nonsense that inflation was just 2%? I doubt you did….I know I didn't. Honest accounting would have confirmed what we already knew…that for the last decade (at minimum) the real inflation rate has been 6-8-10% per year. Even today, when they tell us that inflation is 8-9% (CPI), does that jive with what you're seeing? Because most everything that I buy today costs at least 20-30% more than it did just a year ago. And that's what caught me flat-footed….I fully expected their data-rigging game to kick back in, with reports that inflation was back to its magical (not believable) 2% level.

But folks, this time IS different. Inflation was so out off control our govt data keepers were forced to report on it, if only just slightly more honestly.

What many/most are getting wrong about this soaring inflation is that it won't just go away. Fed chair Paul Volcker killed 15% inflation in it tracks because he was serious about killing it and he took the Fed funds rate to 20% in 1981 to do it.

> ***To kill high levels of stubborn inflation, rates should surpass the level of inflation itself. That's what Volcker knew***

Does anyone see J Powell taking the Fed funds rate to 10%? It's just .25-.50% today.

The Fed would (permanently) destroy the worlds financial system if they hiked rates to just 5%. Everything would systemically melt down. The Fed is trapped…and they know it. **And while you know I'm not a permabear (nor permabull) I see high levels of stagflation that, should they persist, could easily push us into recession.**

Again, after the risks from intentional destruction, inflation is our biggest concern (also caused by Team Biden and his Cloward-Piven communist pals). The problem here is that the Feds financial engineering has made our entire system dependent on even more QE…certainly post financial crisis…in order to keep a recession from turning into a depression. **But if inflation is still running hot when the recession begins, what exactly can the Fed do? More QE/stimulus will only cause inflation to soar further.** The Fed is on an absolute tightrope. You can hear the desperation in their voice as they threaten the markets time and again with 8-10-12 rate hikes over the rest of 2022. They know they can't do whats actually needed….jacking rates to 10%…so jawboning becomes a primary weapon. And, an incredibly weak one…because no one believes it. **The best solution I know, because folks its time we start having this conversation even more seriously, is to own real/hard assets; Real estate, housing, gold, silver, miners, oil, nat gas,**

energy stocks, and yes, bitcoin & guns/ammo. Its time to start mentally preparing for extended high levels of inflation & a slowing economy, which brings on many more risks, such as the global risks from a shortage of USD that could sink emerging markets.

And all of this is happening just as WW3 may be breaking out. More on this in future updates…just remember that WW2 was how we actually escaped the Great Depression–

Why I Remain So Optimistic

By the time you read this, the "power" of the Biden-Harris presidency may be a thing of the past, certainly if the 2022 midterms swing as overwhelmingly to the Republicans as it looks like they will today. But whether it's this threat or another, I know we're at our best when our backs are against the wall.

America is the best country on planet earth. Not a close second. I never bet against America and I never bet against Americans. Selling America short is a losing proposition. Period. Optimists become wildly successful and enjoy the ride along the way. Pessimists become permabears and watch bull market after bull market pass them by.

Because of my confidence in Patriots successfully taking back this country, we must remain aggressively invested. And you've been reading, the reasons to be bullish are many: This is a new bull market. Record levels of global liquidity. Corporate earnings. Healthy personal and corporate balance sheets. Innovation. Inflation. Millennials. GDP growth.

Massive numbers of technical and momentum indicators on long-term buy signals, here and abroad.

But as I've explained in this chapter, we also have my top bullish outlier: We're living through a PSYOP. This is part of a plan. Who's going to be concerned about the truths behind the coronavirus, or a stolen election, or the massive onslaught against our constitutional rights, when our most comfortable and well-off citizens are making bank in the stock market, housing, real estate and cryptos?

Things tend to look pretty okay if you're living well. It's just human nature. So why not do one better than live well? Now is the time to take advantage of these five megatrends—and the long-term trends we'll discuss in the next part of this book.

Part 3:

How to Be One of the Winners

CHAPTER 8

Take Advantage of Long-Term Trends

Thanks to the five megatrends we've discussed in the past five chapters, *anyone* can take advantage of both the current megatrends and the long-term trends to make serious money. In this chapter, I'll share some of my insights on digital currency, inflation, and precious metals to show you how to protect your investments well beyond when the Dow hits 100,000 by 2030.

But first, let's talk specifically about the investing style that we use, as first taught to me by my mentors more than 35 years ago, which ensures that you are on the right side of not only the stock market but individual stocks and most all investable assets as well.

I'm referring to an investment methodology called "trend following."

Trend following is a simple yet incredibly powerful investment approach that focuses only on the *primary price trend* of an investment. This is with a goal to participate in a major move higher (or lower, if short selling), capturing 80 to 90 percent of the available profits from the total trend move.

There are two keys to the trend following style; simplicity and the use of discipline!

When it comes to social interaction, the term "trend following" might be regarded with a negative connotation, especially when it's coupled with "herd mentality." It implies that individuals are not capable of original thought (in certain situations) and simply take the easy way out, i.e., following a trend. But as it applies to investing, Trend following is absolutely a game-changing strategy.

How Trend Following Works

In investing, the concept of trend following is in stark contrast to some of the most prevalent investment approaches, especially in-depth fundamental and/or technical analysis. Fundamental analysis of choosing stocks (and many other investment assets) involves looking into the micro and macro factors that drive the value of a stock up and down. (This includes the economy, company financials, sector trends, etc.).

Technical analysis, on the other hand, is all about the statistical analysis of trading data, assessing patterns, and identifying momentums.

Both approaches rely upon a deep and thorough analysis of factors that aim to "beat the market" and identify amazing opportunities well before they are known to the Wall Street crowd.

We use both fundamental and technical analysis, with 70 percent of our screens tied to fundamentals and 30 percent of our screens tied to technicals.

But that's *not* what you do when you follow our Trend Following approach to investing.

Trend following is not about outsmarting the market. It's about following the market and taking advantage of the opportunities as they present themselves. After all, no one is smarter than the market. No one! Trend followers first identify the primary trend (bullish or bearish, bull market or bear market). In its most basic form, the trend following approach works like this: An investor will buy when a primary uptrend is set and will exit a position when a primary downtrend is fully identified.

> **"Trend followers generate phenomenal returns because their decisions are ultimately based on one piece of core information: price."**
>
> **– *Michael Covel, author of Trend Following***

In the following chart of the Dow Jones Industrial Average (2004 to August 13, 2021) the blue arrows identify when a trend following investor enters and exits their positions in the market. They buy "late," when the markets are already starting to move up (crossing above the 200-day moving average) and it's clear that the momentum is positive and the market is moving upward.

Then, when the primary trend of the Dow Jones is reversing lower, an investor would sell "late", i.e., not right when the Dow Jones starts slumping, but when a new primary downtrend is clearly identified. In this case, it's when the Dow Jones crosses back through its 200-day moving average, on the way lower still.

Investors who applied our trend following style of investing would have beaten the broad markets by a considerable margin, while sidestepping some of the worst sell-offs in US investing history.

What specifically is our trend following style? As outlined in the Dow Jones chart above, we stay long in the market when the primary trend is bullish, meaning that the price is above the 200-day moving average. Then, we stay out of the market (or incredibly nimble) when the primary trend is bearish, meaning that the price is below the 200-day moving average (with the exception of acting earlier on the buy side, where we use our proprietary market timing signals).

Trend following, especially as we practice it, provides a disciplined and high probability market beating model over the long run.

Why Trend Following Will Work for You

Trend following doesn't require you to study, track, and understand complex trading models and algorithms heavy with metrics and analysis techniques. It revolves around one fundamental value: price action.

It doesn't rely on predicting, based on market conditions, the performance of different companies and commodities. It's not about buying oil low during the pandemic because the demand has slumped, or tracking how different governments are approaching marijuana legalization to find the perfect opportunity to buy into the relevant companies.

Trend following is about understanding that no matter the macro- and micro-elements, there are only three ways the "price" of an asset can go: up, down, or stay unchanged. In this approach, it doesn't matter how it happened (what factors drove the price up or down) but that it happened and you're taking advantage of it.

As a trend following investor, you will primarily be concerned with price because that's the data you need to make an investment. Some trend followers (like us) use the 200-day moving average as the indicator of a primary uptrend, while others use different moving averages and parameters.

Regardless, if you see the price going up according to your objectives, you've now determined that it's a buy. And when you see the investment breaking down (either through your preset stop losses or via use of the 200-day moving average, etc.) you sell and take profits.

That's it. And the beauty of trend following is that it can be applied equally to broad markets, individual stocks, stock options, ETF's, crypto currencies, futures, and more.

True trend following investors don't look into factors fueling the growth or conditions that led to the drop, they simply follow the price action and profit by capturing the middle of the upward trend (80 to 90 percent of the total profit) instead of trying to predict the exact top and bottom of the trend.

One exception to our trend following approach should be mentioned here as well. Because we've had 3 bear markets in the last 4 years–unprecedented–we have made some modifications to our VRA Investing System, which enable us to take shorter term positions and taking advantage of extremes in investor sentiment and our VRA Momentum Oscillator and moving average buy signals.

In addition, through our Parabolic Options Program Memberships (each lasts 4 months) we have complete flexibility to engage in both the long and short side, whether in bull or bear markets.

Reactive Investing

Trend following is also called reactive investing, as opposed to the proactive investing approach that relies upon market predictions. It's reactive because you enter or exit a position after the trend is already set and it's easily identifiable. The reactive nature of investing also takes the guesswork, uncertainty, and emotionalism out of the process.

What many investors like about trend following is that it's realistic and collides head-on with several naiveties and misconceptions about investing. This includes thinking that it's not for everyone or that it requires too much time, active participation, and deciphering some hidden code that lets you in on the secrets of price movements.

Trend following helps investors get over the delusion that there is a way to predict the market successfully.

No one is smarter than Mr. Market. Period. And if you lack humility as an investor, Mr. Market will rather quickly teach you how to be humble. The only arrogant investor is a new investor.

There are simply too many variables and too many equations to predict how the market moves. And then there is the human element—the wild card that's nearly impossible to predict. So instead of guessing and forecasting, which ultimately leads to more failing instances than successes, investing based on the market's current movement and dynamics gives you a much better probability of short, medium, and long-term success.

Trend Following for All Assets

If you invest in individual stocks (and rely upon fundamental analysis), you understand that there are significant differences even within the same asset pool.

You can't judge the valuation of a tech stock vs. a mining stock, or the financial strength of an insurance company vs. a manufacturing company, by the same cash flow models or price to earnings multiples.

And the situation is radically different for other assets like crypto, precious metals, commodities, etc. Every asset has different metrics and different statistical norms. But they all have one thing in common: price. Your profit and loss are determined by the price you buy at and the price you sell it.

And, if you look at different assets and investments through the lens of "price," you won't have any trouble spotting the patterns. By applying the same trend following principles and practices, you can invest in almost all assets successfully (and profitably).

Repeating patterns are an investor's best friend. They are the very basis of technical analysis. Once you begin applying trend following basics, and buying and selling based on whether or not your stock or ETF is above or below your price gauge, you'll then be ready to employ moving averages, momentum oscillators, and trend lines to empower you even further as a trend-following investor.

Good Practices for Trend Following

Trend following can be the ideal primary investment strategy, and you can make it significantly more potent by adopting some good practices.

The simplest guidelines are:

- Let your winners run as long as they can.
- Cut your losses.

In practicality, the two can actually run counter to each other. When you focus on your winners, you want to ignore temporary dips as much as you can. But if you predict the downward trend solely from the price movement, cutting your losses can be a bit challenging. Still, with the right trading strategy (refined over time), you can learn to use the two guidelines in tandem.

In trend following, the magnitude of correctness is more important than the frequency. If you trade assets in a given time period, six of them pay off, and you make 40 percent profit with each (on average), they might still be enough to offset your losses by a significant margin. But if you make four winning trades with 80 percent returns on average (assuming the overall losses are the same), the overall gains will be better.

The losses in trend following are usually low because you exit your positions based on your strategy and pre-set risk thresholds, not on guesswork and forecasts. Other good practices include:

- Discipline and emotional detachment. You can maximize your profits with the trend-following strategy if you make all your investment decisions based on your strategy and don't allow emotions to cloud your judgment.

- Accept the fact that losses are a part of the game. If you are too fearful to make the investment or indecisive about exits, even a game-changing strategy like trend following can't help you.
- Once you refine your system and strategy, don't deviate and don't discriminate. Don't play favorites with your investment assets.
- Too many small trades might not accumulate to larger gains, seek the middle but also take a relatively long-term view of your investments.
- Manage risk smartly. Find your balance between prudence and the "dare-devil" approach, and remember that in an investment, risk is a crucial element for success.
- Patience is an important virtue, common in most successful investors and traders. As a trend-following investor, don't get impatient when you hear news and speculations about the assets in your portfolio unless you see it reflected in the price. And don't take action until your system triggers you to.

As you might have noticed, the premise of trend following is significantly simpler compared to fundamental and technical analysis. But you may find relatively few people following this approach.

Many traders believe that its simplicity doesn't fit well with the sophistication and complexity of the stock market. They forget that a trader's primary job is not to unravel or even understand the stock market—it's to make money. And if you can do it with a relatively simple strategy like trend following, more power to you. The second reason is that the emotional fortitude and discipline this strategy requires are not very commonplace among risk hungry day traders.

Despite being a reactive strategy, trend following is all about action. Guesswork and predictions often keep you researching more than trading and investing. When you find the right trade, make a buy. When you identify a downward trend, exit the position without a second thought. Work on your system and trust it. Just as my mentors began teaching me some 36 years ago.

Dive into Digital Currency

Here's the bottom line: The Fed is shifting us away from cash to a sovereign digital currency, and it will probably be fully in place by the time the Dow soars to 100,000 in 2030.

And here's why. Roughly 20 percent of the world economy is driven by the black market and the gray market.

The gray market is the unofficial market for financial securities. This typically happens when new securities are traded before official trading begins, or when a suspended stock trades off the market. This is all unofficial, but not illegal. For example, ByteDance, the Chinese company that created TikTok, was valued at a whopping $400 billion in April 2020.

World leaders want the black and gray markets to go away. For the US, this means legalizing marijuana and gambling in many states, and decriminalizing all drugs in states such as Oregon. All of this is being legitimized and brought into our new economy.

"Skate to where the puck is going, not where it has been."

– Wayne Gretzky

Fight Inflation with Precious Metals

I'm constantly urging our VRA members to buy gold and silver. Why? One word: inflation.

In order to understand why it's important to purchase precious metals, it's helpful to take a look at the long-term trends of inflation, past, present, and future.

Here's Why More Americans Now Need Two Salaries Instead of One

Because of the spending induced by coronavirus insanity, we have begun to see real inflation rear its ugly head. The Federal Reserve has the luxury of viewing inflation from a 30,000-foot view, but for the majority of Americans living paycheck-to-paycheck, inflation is making it harder and harder to just "get by."

In July 2021, Fed Chief Jerome Powell addressed spikes in inflation in testimony to the U.S. House of Representatives Financial Services Committee. "The high inflation readings are for a small group of goods and services directly tied to the reopening," Powell said.

As Reuters reported at the time, this was: "language that indicated he saw no need to rush the shift towards post-pandemic policy. The Fed at this point expects to continue its bond buying until there is 'substantial further progress' on jobs, with interest rates pinned near zero likely until at least 2023."

As I write, the Fed has repeatedly been calling inflation "transitory." I'll return to that point in a moment. But the bottom line here is that Powell and the Fed continue to pull off sneak Fed-speak tricks. Technically, they may be right, but it's not great for the American people.

This type of inflation is nothing new, but the real scam is not just the level of inflation, but also how the "economists" of the mainstream world calculate the inflation they tell you that you are seeing.

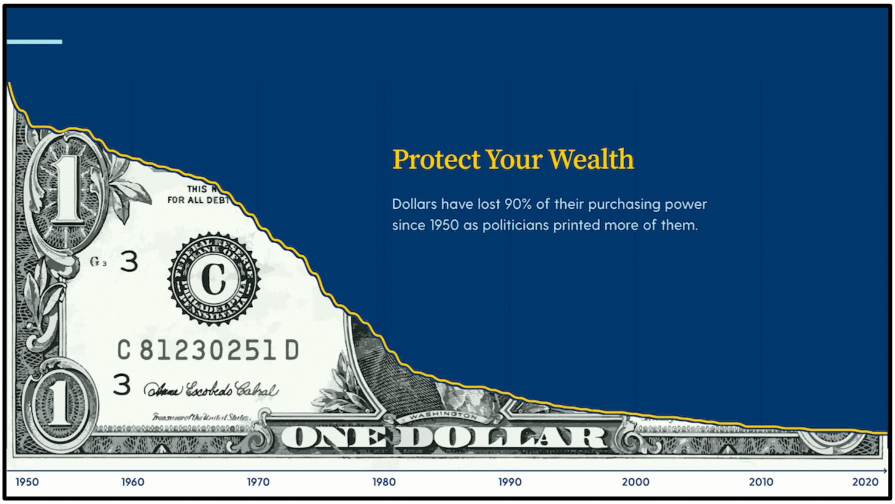
Home prices, rent prices, and medical care costs have also been increasing-despite wage growth for U.S. workers staying roughly the same. Today's real average wage has the same purchasing power as it did about 40 years ago, and the majority of wage gains have mostly gone to the highest-paid tier of workers. Since 2000, weekly wages have risen 4.3 percent for the lowest quarter of workers, while real wages for the top tenth of earners has risen 15.7 percent.

With statistics like the ones I've just shared, it should come as no surprise that the cost of living is now so high for most Americans that families now need two salaries to pay what it used to only take one salary.

US Dollar Devaluation Since 1913

To devalue a currency, like the dollar, means that the value of the currency decreases. In the case of the dollar, this is dollar devaluation. The value of a currency is also referred to as our purchasing power. The more a currency is devalued, the less you can buy with it because the purchasing power decreases.

The graph below shows the purchasing power of the US dollar since 1913 when the Federal Reserve was created and took over the US banking system. As you can see, the dollar has lost more than 97 percent of its value since 1913. If you had a $100 bill in 1913, it would be worth $3 in today's purchasing power. At the same time, if you had invested that $100 bill into gold, you would have an investment worth $9700. This is the rigged system of fiat money printing, as practiced by Powell and his central bank sisters around the globe.



How Does the Federal Reserve Devalue the Dollar?

By printing more money.

Printing more money causes monetary inflation. That means there are more dollars in circulation. But just because there is more paper money floating around, that doesn't mean value has been created.

All you really get is price inflation. Here's an extreme example: Let's say the Federal Reserve just gave everyone $1 million. Wouldn't that be great if everyone in America became a millionaire overnight? But no, nothing would change—except the prices of most everything would increase. This is exactly what we're seeing today, with the spigots wide open on the backs of $8 trillion in new funny money inside of 16 months.

The Next Best (Or Worst) Thing to Money Growing on Trees

The funny money economy we live in continues to leave everyday Americans behind. If you watched the Federal Reserve announcements since the onset of coronavirus insanity you know that the idea of Modern Monetary Theory (MMT) has quickly forced its way into the US financial system.

MMT says it is fine for the government to print as much fiat currency as it wants and deficits (for the most part) do not matter. Some advocates of MMT would also make the distinction that these essentially endless loans only apply to governments (public debt), and that the private sector should not have access to similar "loans" in the form of bailouts.

The problem with MMT seems to be an obvious one without an obvious solution. The government is already terribly inefficient with money.

Their first solution to any problem is to throw money at it. This leads to a slew of bad actors, from elected officials to unelected bureaucrats, special interest groups, and large corrupt corporations. They all use this money to line their pockets and the pockets of their friends without any concern of the consequences for the everyday working American.

Plus, once these types of hand-out programs begin, they are nearly impossible to stop.

Now, MMTers will still agree that a never-ending supply of money handled poorly will lead to inflation, which they believe governments can then step up and tax more in order to take money back out of an overheating system. So rather than taxing the individual in order to build infrastructure and fund social programs, for example, taxes will be used as a tool to decrease the supply of money.

We are now beginning to watch MMT's reality play out in real time.

So far, the stock market has loved it. Obviously, we believe the equity markets will continue to love it. But with millions of Americans unemployed, it would be irresponsible not to ask the question: *Who does this practice really benefit*?

It's not those who are at the bottom of the economic scale. Those at the top add massive amounts to their wealth. The middle class gets the crumbs through the benefit of their retirement portfolios. And those at the bottom get left behind. This all adds to the very real problem of wealth inequality.

And as I shared earlier in this book, as of mid-2022, central banks and governments all over the world have added no less than $30 trillion dollars in combined monetary and fiscal stimulus in response to the crises caused by government-induced coronavirus lockdowns.

To their credit, they likely stopped the global economy from falling into a deep depression. But when you look at the numbers, you have to wonder, could they have done it with a lot less money had they spent the stimulus more efficiently?

As we also discussed, in 2020, for the first time since 2014, the Federal Reserve began buying mortgage-backed securities (MBS). The Fed began buying $40 billion in MBS every month in order to support and take a vested interest in the success of the housing market. This meant essentially buying bonds from distressed lenders, giving them low interest rate loans whether they needed the money or not. Companies used this money to offload bad investments and free up more cash.

At the same time, the Fed began buying corporate bonds for the first time in its history, which we reviewed in Chapter 3. This allowed for the largest corporations to take out low-interest rate loans, even if they weren't interested in them before. If a company met the required criteria, the Fed essentially forced the company to sell bonds to the Federal Reserve.

The idea was to backstop corporations so they wouldn't have to lay off workers. But they wanted—corporate buybacks, executive salary increases, and beyond. Very little of this money actually found its way to the everyday worker, but a lot of this stimulus money did find its way into the stock market.

The program has expired now, but the money has already made its way into the system.

By the time it was all said and done, the Fed purchased in the range of $750 billion in corporate bonds. The fact of the matter is that the economy is now fully dependent on the Fed. Because of these cash injections, the US economy can no longer function properly without constant quantitative easing. The world economy, too, has become addicted to easy money policies.

> **"What is the Federal Reserve System, which is a cartel? What's the purpose of a cartel? The purpose of all cartels, the only purpose is to advance the interests of the members of the cartel. Period. It has no other reason to exist. Now, if you say, well, the mandate for the Fed was to prevent inflation or improve jobs, hogwash. That was maybe that's what they said they were doing. But that's not what cartels do. Cartels are prepared to destroy the purchasing power of the dollar and to destroy jobs if it furthers the position or the advantage of the members of the cartel.**
>
> **No, if the cartel says, hey, it's in our best interest to have high employment and to have a stable dollar, then they might actually do things to do that. But the reason for doing it is not because it**

> **helps the American people, it's because it helps the cartel. We have to keep that in mind because all of the things they tell us about, well, we're trying to, you know, dampen inflation. Inflation is running very high or we need to stimulate the economy. People need money. They don't care about people at all. It's just they have to say certain things so that people won't be outside the door with pitchforks, which they probably would be if they understood what was really going on. So, there's a lot of lying that goes on."**
>
> ***– Ed Griffin, Silver Bullion TV***

On a Long Enough Timeline, Everything is Transitory

"Transitory" inflation? Give me a break. The word "transitory" represents a heaping pile of gaslighting and lies. It's nothing more than a massive red herring, as the Consumer Price Index (CPI) has never reported inflation accurately. As actual human beings, we, of course, know this, as we've been forced to pay rapidly rising costs for healthcare, housing, rent, education, elder care, rising taxes, and hidden taxes—year after year.

So, give us a break when you want to talk about inflation being "transitory."

This is part of the Big Bribe. Why does everything cost more? Why do they lie to us about the truths of inflation?

Because they'll never admit the truth. Inflation has been destroying our way of life since the Fed was created in 1913.

As we look out on the world and see negative interest rates in Japan and Europe, what is to make us think we will break that cycle? If we are already headed in the direction of Japan, why wouldn't we be next?

Bond yields have already adjusted to this brave new world. Just look at US bonds—we have now had 40 years of declining bond yields with no end in sight. If you're into repeating patterns and probability investing, you'd almost certainly put your money on the 10-year yield falling back below one percent (again) before ever seeing 4 percent.

Now, while you can clearly see inflation in the employment cost index, CPI, Producer Price Index, and other indicators, we do agree with the Fed that inflation will be transitory to some extent (at least by the metrics they use to measure inflation).

A large portion of the higher than usual inflation was caused not only by massive money printing, but also by supply constraints because of coronavirus insanity. Of course, it was not due to the virus itself, but the hysteric reaction to the virus from world governments and global corporations.

As the fear of the virus began spreading in early 2020, businesses cut their capital spending and inventories due to the expectation that they could be dealing with a protracted recession or even a depression.

Now as the world economy continues to come back online, these same companies are now working overtime to find ways to fill the void in their supply chains.

We are not out of the woods yet. Inflation metrics are clearly in an uptrend and that could continue for some time, although not in the way you may expect. Over the long-term, inflation will stabilize—albeit at higher prices.

Lyn Alden is a great economist who has studied inflation exhaustively. In one article, she looks at data from 150 years of data across multiple countries.

Here's how she explains what the Fed is leaving out when they say inflation is transitory:

There's a big difference between inflation that is only transitory in rate of change terms, and inflation that is truly transitory in absolute terms.

Inflation that is truly transitory in absolute terms would mean that a lot of prices go up due to a temporary supply shock of some sort, and then come back down when the supply shock is over.

On the other hand, inflation that is only transitory in rate of change terms would mean that a broad set of prices jump quickly and then stop going up quickly, but never actually come back down. Instead, they go through a permanent stepwise increase in price levels and reach a new equilibrium at a higher level.

Examining the year-over-year consumer price index change (price inflation) in the 1940s, Alden notes how each inflationary spike was transitory. But looking at the absolute level of the CPI, she writes: "After each inflationary spike, prices remained at that permanently higher plateau. In other words, inflation was transitory in rate of change terms, but not absolute terms."

Meanwhile, in an interview on CNBC's "Halftime Report," Wharton finance professor Jeremy Siegel reiterated his inflation outlook that in three to four years, product prices will cumulatively be 20 percent higher than pre-pandemic levels.

"That's still nothing like the '70s and no double-digit, no hyperinflation, but it is going to be something that is a lot more," Siegel told CNBC. Even so, he contended, "you don't want to be in cash, and you don't want to be in bonds, and you don't want to be in money assets."

"Stocks are real assets," he added. "There's going to be bumps along the way—what I call taper tremors—but 'there ain't no alternative' reigns more now than it ever did before."[3]

As of this writing, lumber prices have already fallen 55 percent to where they started the year, but they are still nearly 40 percent above where they were before the coronavirus insanity. It is similar to gold finding a new base above $1,000 after the financial crises.

We believe prices of other assets and commodities seeing inflation will pull back as well, but much like gold and lumber, they will pull new support levels above their previous highs. For copper, we see that number being above $4/lb.

[3] Kevin Stank. "Wharton's Jeremy Siegel Says Owning 'Real Assets' like Stocks Is Best Defense against Inflation." CNBC, CNBC, 16 Aug. 2021, www.cnbc.com/2021/08/16/whartons-siegel-says-real-assets-like-stocks-the-best-defense-against-inflation.html?__source=sharebar%7Ctwitter&par=sharebar.

"The price of shares sometimes rose 10 or 20 percent in the course of a few hours, and many persons in the humbler walks of life, who had risen poor in the morning, went to bed in affluence."

– JB, San Francisco Charles Mackay, Extraordinary Popular Delusions and the Madness of Crowds

Consider the Impact of a Fiat Currency System and Massive Debt

A well-documented but barely publicized global financial metamorphosis has been in play for a long time that forever changed the world as we know it. As a result, many of the things we've always taken for granted will no longer remain the same. For the first time in global history, a fiat currency system has been in place, in every country on the planet, since 1971.

Simply put, every financial system in the world is now based on currencies that have nothing of intrinsic value backing them. In 1971, with the help of President Richard M. Nixon, the US was the last major industrialized nation to go off what was known as "the gold standard" where a country's basic unit of currency–the dollar, in our case–is equal to (and exchangeable for) a specific amount of gold.

The "paper currency" system may have seemed to work for a while, but the financial implosion that started in 2008 sparked a systemic financial meltdown: rampant inflation, stagflation, hyperinflation, skyrocketing interest rates, and a depression-like global economic reset.

In the years ahead, we'll all look back and see that when global governments shanghaied the world's economies, it was the beginning of the end for capitalism and a true free market system. Slowly and insidiously, we've all gotten used to the idea of inflation over the years. It's like boiling a frog. Throw one into a pot of hot water and he'll jump right out—but if you raise the temperature slowly, the frog won't notice until it's too late.

You and I are the frogs. In the beginning, the water feels fine; all looks good as the economy appears to recover. The stock market rises, green shoots seem to emerge, and consumer confidence starts to rebound a little. Before this is over, we'll be cursing the government, the Fed, and every politician who voted for trillion in taxpayer-funded bailouts and stimulus programs that resulted in the final destruction of our fiat currency.

In total, the US has more than $100 trillion in debt when you take all the real figures into account, namely entitlement programs like social (in)security, Medicare and Medicaid, and our current $20 trillion government debt.

That's $100,000,000,000,000, my friends. Like all debt, ours has interest attached to it that has to be paid, and obviously, the principal will eventually have to be repaid as well. Not long from now, when the world (China, Japan, the Middle East, etc.) officially recognizes that we'll never be able to repay this ridiculous and historically unprecedented level of debt, interest rates must begin to rise. Can you feel the water getting hotter now?

Buy Gold, Silver, and Other Commodities That Resist Inflation

Unlike paper money dollars, which can be printed out of thin air, gold does not lose value. In fact, gold doesn't really go up or down. Again, $100 invested in gold in 1913 would be worth $9,700 today. When gold goes up, it really means the dollar is going down. And when gold goes down, it's actually the dollar getting stronger (increasing its purchasing power).

So, by keeping a portion of your savings in gold, you offset the losses of your dollar being devalued. When you buy gold, silver, or other commodities that resist inflation, it's called a hedge against inflation.

> **"Kip, I wanted to take out time to say thank you for making the complicated simple and applicable for a 33-year-old. When I first heard you speak on 'possible gains' I was truly skeptical, but your words had truth and integrity. Thank you for spreading your decades of experience."**
>
> **– SG, *Toronto***

I first recommended gold at just below $400 per ounce in 2003. Since then, gold and silver have risen as much as 500 percent. Key mining stocks, where the real money has being made (leverage is always highest in equities, versus the commodity itself) saw our portfolio gains of anywhere from 300 percent to 1500 percent in those two years. Now you're beginning to understand why.

We already knew that the Chinese have been buying precious metals aggressively for a couple of years, but now they've increased their buying to record levels and are allowing the Chinese populace to do so as well. That's well over a billion people who can now buy precious metals.

I now see gold as a momentum trade, and gold will soon become the must-hold currency globally. It won't be long before you'll see gold start to spike several hundred dollars an ounce in a single day. And that, my friends, will signal the beginning of the end of our paper currency system. A currency backed by nothing and copied all over the world.

Gold and silver are the only real currencies on the planet, and when the Federal Reserve is forced to kick the printing presses into high gear to fund our massive budget and interest payment shortfalls, new highs for precious metals will shock the population.

> **"Years from now, children currently under the age of four will be shocked to learn that their parents once earned, saved, and invested with paper money. By the time they are old enough to know what money is, the entire paper money system will have collapsed. Historians will wonder how we could have all fallen for such a major con."**
>
> **– *Porter Stansberry***

What's important to remember is that the US and other global governments have thrown trillions upon trillions in funny money into the global financial system. With interest rates being held at artificially low levels, all of this fiat currency has to go somewhere. Can you guess where it's going? Into the most liquid investments around—government bonds and blue-chip stocks.

As the fiat currency scam enters its final era, I urge you to use the time you have left to make sure your choices are the right ones for yourself, for your family, and for those you care deeply about.

In this chapter, I've shared the long-term trends of digital currency, inflation, and precious metals. These long-term trends, combined with the five megatrends of corporate earning expansion, financial engineering, millennial investment, a melt-up (like the previous one from 1995 to 2000), and the Big Bribe help dictate how to adjust your mindset for this bull market. Read more in the next chapter.

CHAPTER 9

Adjust Your Mindset for the Melt-Up

Megatrends. Long-term trends. You already have the real secret to making money off them: your mindset. So, before we discuss our investment suggestions, let's spend some time preparing our mindsets to handle this surge—because it's a big one.

In 2011, I released the first edition of my book *CrashProof Prosperity: Becoming Wealthy in the Age of Risk*. In 2017, I released the second edition, *CrashProof Prosperity: Becoming Wealthy in the Age of Trump*.

My words went to print when the stock and real estate markets were imploding and we were looking at a dark financial future—not the bright light of the Dow hitting 100,000-plus by 2030.

Still, the material in the book on the universal law of abundance applies to our attitude toward riding the winners on the way up to the best possible prosperity for yourselves. So, I'm dedicating this chapter to applying a mindset of abundance for the melt-up ahead.

With a mindset of abundance, real people just like you are achieving the kind of financial success that places them in the top one percent worldwide. Their financial concerns are a thing of the past, forever, but the mental, physical, and spiritual skills that enabled them to do this won't be found in stock charts, economic theories, or banking histories.

Why Every Choice We Make Matters So Much

I've discussed how everything is connected earlier in this book, and I'll discuss it again. The only way the investing business ever made sense to me is by looking at everything through a microscope and staying focused on the connections. The longer I've been investing, the more I see how everything is connected—from spirituality surrounding the way the universe works to your mindset.

Every successful millionaire, or multi-billionaire (Jeff Bezos is now nearing 200 billion dollars in net worth), or trillionaire in the future: They all share one thing in common. They're really positive people. They're positive about what they think about, and they're positive about making it happen, once again proving that what you think about, you bring about.

They haven't agreed on what it is or what to call it yet, but the folks in the lab coats on the fringes of science now know that there's an invisible energy field that connects everything in the universe. Every object you think of as real—you, me, this book, everyone you know, your possessions, and even the space you occupy right now—is part of it.

For the better part of two decades, I've made reading *Manifest Your Destiny*, by Dr. Wayne Dyer (RIP), as part of my daily ritual. You've seen references and thought processes of Dr. Dyer throughout *The Big Bribe*. He believed with every fiber of his DNA, with references to the greatest success stories throughout time, that whether you think you can, or you think you can't, you're right.

> **"You create your thoughts; your thoughts create your intentions; your intentions create your reality."**
>
> ***– Dr. Wayne Dyer***

Now, here's the really interesting part. High-energy physics experiments have proven beyond any doubt that it's possible to influence the behavior of the subatomic waves and particles that make up everything *simply by observing them.*

If that doesn't blow your mind, try this one on for size. Living cells taken from human lab volunteers showed measurable electrical responses to things the cell donors were doing, even when the test subjects and the cell samples were not located in the same room—*and even before the test subject had actually performed the intended action.*

If the world we know and everything in it responds to the same underlying vibration (of which our own thoughts and intentions are an inseparable part), you can begin to see why every choice we make matters.

At the subatomic level, the universe really doesn't make any meaningful distinction between an object in your hand, one that's light years away, or one that doesn't even exist yet in the physical world.

If that's true (and the preponderance of scientific evidence says it is), then the relevance of this concept to the global economic conditions we're all facing today begins to become clear.

When you boil it down to its essence, money is simply another form of energy—a representation of intrinsic value that can't be destroyed. It only changes form and direction. What you and I call "the economy" is really nothing more than a model of all the transactions between people exchanging something they value for something they need or want.

Since the dawn of civilization, different mediums of exchange have come and gone, from simple barter to precious metals to paper currency—and now to bitcoin and NFT's—but the true essence of "money" never really goes away. It just changes hands, follows value, and flows in new directions. The key for us, as investors, is to make sure the "flows" come our way—and that our hard-earned money remains in our possession.

The Universal Law of Abundance

Even in a bull market, things that used to be simple have now become more complicated. What's worked for most of us for our entire lives (if not for generations) isn't working anymore.

As we've seen in the previous chapters, folks find themselves struggling harder and harder to hold on to comforts they once took for granted. They may have trouble putting it into words, but more and more folks are voicing a vague, foreboding sense that the system is broken for the average person.

Most people don't respond to change all that well even in the best of times. And now many are being forced to change in big new ways that make them even more uncomfortable.

Those who understand what true abundance is all about know that moments of great discomfort often mean that great opportunity is nearby—for the few who recognize the signs and act on them.

The vast majority of people attach a false sense of security to feeling comfortable. The primitive parts of our brains are biologically wired to retreat in times of trouble, even though we no longer face any of the real physical threats that were part of everyday life for our ancestors.

When they did manage to outrun that saber-toothed tiger, they didn't just cower in their caves (or a therapist's office) waiting for the next predator to wander by. They shook it off and went right back to the business of living. In modern times, the ones who consistently survive and thrive no matter what may be happening around them have trained themselves to overcome that "retreat" programming and *act* in the face of fear.

Stop Clinging to Your Comfort Zone

Your comfort zone is your failure zone. To get anywhere worth going in life, you must learn to reach beyond it to what I call your "achievement zone." Today, the majority are so overwhelmed and paralyzed by fear that they're unable to see or respond to the opportunities for positive change that are literally all around them. Confusion and fear keep us trapped in our comfort zones indefinitely while incredible opportunities pass us by.

I've heard two versions of this story and I'm not sure which one's true. Either way, it's a powerful illustration of the confusion and complacency that keep people trapped in a perpetual state of lack.

The lighter version involves lab monkeys who reach into a specially designed jar for treats, only to find that the opening is barely big enough for their empty hands to pass through. Most will sit there indefinitely with a fistful of goodies they can't enjoy, unable to pull their little hands out yet—unwilling to let go of the perceived reward.

The darker version describes non-lethal cages of a similar design that are baited by South American hunters or poachers. The monkeys stubbornly cling to the bait, totally unaware that certain captivity or death is creeping up behind them.

I can't imagine a more vivid and horrifying illustration of the price each of us pays for clinging to our comfort zones.

Folks, I'm going to say this as plainly and honestly as I can—there's no need for us to live this way any longer. Years from now, when people look back on the once-in-a-lifetime economic environment we're in today, new paradigm adopters will realize that they made significant changes for the better.

It's an inescapable fact that major lifestyle changes are going to happen. The only question is whether folks will make them by their own free will or by force. Wouldn't you rather belong to the former group?

My hope is that everyone reading this book will take advantage of this economic environment, as perilous as it might appear on the surface, and break free from the insidious trap of the comfort zone.

Only when you make the decision to leap into the achievement zone will you begin to enjoy life to the fullest possible extent. But how do you do that?

That's what this chapter is all about. A growing number of entrepreneurs (we're all entrepreneurs today) approach every opportunity with this mindset, and I want you to learn how to do it, too. Real people just like you (with no greater internal or external advantages than you already possess right now) are achieving the kind of financial success that places them in the top one percent worldwide.

Their financial concerns are a thing of the past—forever—but the mental, physical, and spiritual skills that enabled them to do this won't be found in stock charts, economic theories, or banking histories.

I could easily fill another whole book with these ideas, but to make the point in a way that will enable you to start acting on it today, I'll summarize a few secrets I've learned from some of my most successful friends and business associates.

These are more than just theories or good ideas, they're the time-tested habits that countless self-made millionaires have used throughout the centuries to create not just massive generational wealth, but true and lasting abundance in every area of their lives.

Each of the individuals I'm referring to here has faced adversities as real as any you may have encountered, and their insights will help you achieve prosperity as you define it and on your own terms—just like they did.

Adopt the Most Important Success Habits

Have you ever wondered why some people are so successful and others are not? Stop and look around. We all know people in our community or old classmates from high school that have gone on to hit it big.

So, what makes them different from others? What do they possess that we don't? What does it truly take to be an entrepreneur and develop that mindset of success? And is it something we're born with or can anyone acquire it?

As I considered these questions for myself over the years, it made me wonder how and where I first became addicted to the idea of one day having my own business.

In the beginning, it was a struggle. But I realized it would take a lot more than a great work ethic to get ahead in business. I began to follow the teachings of many successful people that I respected and admired, such as visionary Napoleon Hill.

To summarize what I learned from these kinds of role models, I'll cover what I think are the most important success habits and ways of thinking used by the world's most successful entrepreneurs. I'll also tell you how you can learn to make them a part of your own life.

The very first step is to take an honest look at how you really feel about yourself. Not what you think you're supposed to feel, but your honest core belief about who you really are. Do you see yourself as someone who deserves to acquire all the happiness as well as material and/or spiritual possessions waiting for you?

If you don't feel good about who you are or feel comfortable in your own skin, then this is the first place to start.

Remember this: it's going to be pretty much impossible for you to achieve any kind of lasting wealth if you don't truly believe that you deserve to have it. Be honest with yourself as you analyze you. The only one you're cheating here is yourself and nobody else. So, where do we start building (or re-building) this kind of belief system?

With these six steps:

1. Read and listen to powerful positive self-improvement information and cut negativity out of your life completely.
2. Have a regular routine each day for exercise both mental and physical.
3. Develop healthy eating habits and treat your body with care and respect.

4. Clearly visualize what you want to attract or accomplish in your life each day.
5. Surround yourself with people who have the qualities you want to have.
6. Start and finish each day by giving thanks for all that you have.

Immerse Yourself in Positive Self-Improvement and Cut Out Negativity

Immersing yourself in powerful positive self-improvement information is the quickest way to get from where you are to where you want to be. Your mind is the most complex computer in existence. If you constantly have good information going in, then good things will pour out.

When I say cut negativity out of your life, I don't just mean avoiding negative people or gossip (although that's important too). I mean, turn off the TV, especially if it means watching the news and mainstream media (MSM). When it comes to the financial MSM, if you're able to take most of what you see with a big grain of salt, then watching these channels to stay informed of breaking news and for a bit of educational info is okay.

What I can assure you of is this: Those who are in the investment industry know to believe little of what they see and hear on financial MSM, most certainly when it comes to money managers and hedge fund hawkers who are often doing just the opposite of what they're telling you to do.

Learn something new each day instead of being brain-dead in front of the tube. Read something uplifting each morning before starting your day and each night before lights out. Keep doing it until the success thoughts and habits of an entrepreneur are ingrained in your daily life.

Maintain a Routine for Your Body and Mind

A regular workout is essential for peak performance both mentally and physically. Make sure you have a daily exercise routine for your body and stick to it. It doesn't matter what it is, as long as it gets you moving every day, even if it's only for ten or fifteen minutes when you first start out. Proper rest is also an important part of total fitness. You'll be amazed how this can energize you.

Develop Healthy Eating Habits

Good eating habits are for overall physical and mental health. If you're not getting the nutrients your body needs for peak performance, then how can you expect to operate at full mental and physical capacity? Speaking of mental capacity, I learned early in my entrepreneurial career that what you think about, you bring about.

Visualize What You Want

Clearly visualizing what you want to attract or accomplish in your life keeps you focused on what's truly important each day. The minute you make an important decision in your life, especially one that involves positive change, you can bet that someone will try to talk you out of it—events are going to get in your way.

Without a clear picture of what you want, why you want it and where you're going, there's no way your commitment can withstand all the distractions and temptations that bombard us day and night. So, take time every day to close your eyes and visualize what you want in life. It works!

Surround Yourself with People Who Live the Way You Want to Live

What about your personal and professional relationships? Experts say that in a very short time, your life (not to mention your bank account) will be a reflection of the five people you spend the most time with. Surround yourself with people who are living the way you want to live.

Successful people don't surround themselves with folks who lead mediocre lives—they hang out with positive people who inspire and motivate them. They choose mentors they can learn from—not the negative folks with a lifetime membership in the "ain't it awful" club. Which kind of person are you?

Successful people have problems just like the rest of us. What sets them apart is that they've developed a habit of focusing on the solutions instead. All their energy is directed toward success. Yours can be, too, if you spend your time with the people who make it a habit to think this way.

"What you think about, you bring about."

– Dr. Wayne Dyer

Practice Gratitude

I mentioned gratitude as number six on my list of success habits. But in reality, gratitude comes first. If you truly want to achieve lasting success in life, make it an unbreakable habit to start and finish each day by giving thanks for all that you have. I believe in the power of the universe and I've seen from firsthand experience that the universe responds to gratitude.

I know that if I put good things out, good things will show up in my life. I make it a point each day to give thanks for all I have been given – especially my family, my friends and my business associates, from whom I get so much love and support. I'm thankful for my home, my health, and the food, possessions, and experiences I'm so blessed to enjoy.

So, whether it's in meditation, a list, a journal, or just conversation with a trusted friend, make sure to give thanks each day in whatever fashion you choose. I promise you the results will be powerful.

Be Proactive, Not Reactive

Your life will change dramatically when you too become a true entrepreneur. True entrepreneurs (again—in today's world—that's you, me, and everyone you know) understand that their best investment opportunity is likely right in their own backyard.

Although most self-made millionaires share this same simple list of success habits, every success story is different. Everyone begins from where they are and some may have to work harder than others to develop the mindset, the skills and work habits to be a successful entrepreneur.

I don't remember saying it would be easy, but what I can guarantee you is that it will be worth it. I've learned that most people, most of the time, are reactive—not proactive—when it comes to life.

Many of us are not particularly good at taking charge of our own futures: our health, our relationships, our career, our finances, our destiny—in short, our lives. We tend to spend our lives reacting to events, situations, and circumstances rather than creating and shaping them.

Do these examples sound familiar? We get sick (and scared), so we make a decision to start an exercise program or eat better to "get healthy" (reactive). Our partner leaves us (we get scared), so we decide to be a better partner and do anything to make it work (reactive).

Living a life based on reactive decisions, made out of fear and limited options, is never going to be the path to your best life. But that's what many of us do.

Reactive people wait until they are sick and then decide to do something about it. Proactive people understand that great health is a lifelong process and they choose to live their lives keeping their bodies healthy.

Sometimes reactive people get lucky and they get the opportunity to turn their lives around. Most of the time it's too late and they've already done permanent damage with no ability to heal the body.

This Applies to Your Health, Too

By improving the health of your body, you can prevent all sorts of illnesses and diseases. Healthy people rarely suffer from colds, flu, or even cancer. If you don't have your health today, then you can count on spending a large portion of your wealth (and your time) taking care of it later in life.

Spending your money and time going to doctors throughout the week will not be the way many people envision spending their retirement years. This will be the harsh reality for reactive people.

Many of us are blind to what's going on around us. We take advice from sick-looking doctors, we take nutrition advice from fat people, and we blindly take prescription drugs because a pharmaceutical sales rep says we need it.

Wake up! If your doctor doesn't look healthy, run. If your doctor gives prescription medications make sure you know the side effects. People who don't practice what they preach have absolutely no place telling you what to do when it comes to your health and well-being. Can you imagine going to a dentist with no teeth?

Great health is your true wealth, but it's not a given. It's a balance of physical activity, great food, and emotional mastery. I've learned to care very much about (and for) my health because of what it provides: great energy, less sick time, enhanced performance, clearer thinking, increased enthusiasm, feelings of well-being, and better looks. Who said there's anything wrong with looking good?

Proactive Nutrition: Quit the Junk

If you want to start eating better, here's an easy rule of thumb to remember: anything fluorescent green, pink, purple, blue, or any outrageously-bright color is not real food!

Think chemicals—so much of what ails us today (allergies, heartburn, constipation, acne, low energy, cancer, obesity, diabetes, and heart attacks) is directly related to how we're taking care of our bodies and what we're putting in our mouths. Read labels on the food you're eating. If you don't know what it is or what's in it, don't eat it. Learn about ingredients so you can make better choices about what you feed your body.

Here's another myth you need to get over if you want to be healthy. Fast food is not food. It may be cheap, tasty, and convenient, but fast food is loaded with saturated fat and calories and it's low in fiber and nutrients.

Thanks in large part to fast food, half of America's adults and a quarter of its children are obese. That's double the rate of a generation ago! Even some popular chicken nuggets, which many people consider a healthier alternative, are flavored with beef extract and contain twice as much fat, ounce for ounce, as a hamburger.

The immediate effects of high fat or sugary snacks can be totally misleading. They might give you a quick burst of energy and may reduce tension. But these effects can start to run in reverse very rapidly. Why? Fast food and junk food are usually the most processed foods, where the nutrients are refined to the point that they're either absorbed immediately or not at all, leaving no long-term substance for the body to feed on.

Researchers agree that it can be addictive to eat that sort of lipid-laden diet. Besides the poor nutrient content, fast food often contains many additives and preservatives that can negatively affect mood. Food colorings, preservatives like benzoates, and flavorings like monosodium glutamate (also known as MSG) can cause anxiety.

Studies have also shown that the omega six fatty acids often found in these foods can compete with omega 3 fatty acids and an imbalance between the two can lead to obesity and depression. Americans already don't get enough omega 3 fatty acids in their diets, meaning consuming too many fast-food items can automatically put you at greater risk for mood disorders.

To better understand your eating habits (because most of us are in denial), the best method I've found is to keep a food diary. Stop what you're doing right now and go out and get a small pad of paper that fits into your pocket. Now for one entire week write down everything you put in your mouth. Everything.

This is by far the best way to understand how much real food you're putting in your mouth. If you're like the average, obedient American consumer, after keeping a daily food log for one week, you'll be shocked to see just how much junk food you're really eating. Junk food is addictive and we must get over those addictions to live a healthy life.

According to scientists at Scripps Research Institute in Jupiter, Florida, junk food alters the brain's chemistry by releasing dopamine that would normally be released when having sex, snorting cocaine, or eating a rich dessert. In 2010, Florida researchers gave a group of rats unlimited access to a calorie-laden diet of bacon, pound cake, candy bars, and other junk food.

Predictably, the rats quickly gained lots of weight. As they plumped up, however, eating became such a compulsion that they kept chowing down—even when they knew they would receive an unpleasant electric shock to their feet if they did so.

The most startling part of the was that when they took the junk food away from the obese rats and replaced it with healthier food, the obese rats went on something of a hunger strike.

For two weeks, they refused to eat anything at all. "They went into voluntary starvation," said study author Paul Kenny, an associate professor at Scripps. The junk-food-addicted rats learned that the easiest way to experience pleasure was to eat high-calorie, high-fat food. This phenomenon isn't exclusive to rats. Humans get just as addicted to junk food as they do to alcohol or drugs.

Here's a little tip for all the men reading this book. Junk food does not discriminate and every artery in the body can clog when you eat it. Yes, every artery. Erectile dysfunction (ED) may be the first sign of cardiovascular troubles, experts say. Scientists have discovered that erectile dysfunction may serve as an early warning sign for health problems like angina, heart disease, and stroke.

It makes sense, doesn't it? If you turn on your kitchen faucet and you don't get any flow, either the faucet is broken or the pipes are clogged. So, are you eating to live, or living to eat?

Take Responsibility for Your Health and Well-Being

What is your own responsibility with regard to your health and well-being? Do you think that cancer or heart disease just randomly happens to people? Or are you taking responsibility for your well-being and paying attention to the ways in which you may have abused your body simply through habit?

If you're ready to step up and start taking more responsibility for your health, here are some practical things you can start doing right now.

1. Define healthy for yourself. What does healthy really mean to you?
2. Take an honest look in the mirror and ask yourself if you're living a healthy life.
3. Don't leave everything in the hands of your doctors. They can only do so much.
4. Start that food journal today and fill it in faithfully for an entire week.

With regard to doctors, my best advice is to be a bad patient. Yes, a *bad* one. I'm not saying you have to be rude or mean—just be more invested in your own health care. Do your homework. Dig for information. Get second opinions.

Ask lots of questions, even if it annoys the doctors. Understand what is happening to *you*. Remember that doctors have been trained to care for sick people, not healthy ones. It's easier to let your doctor take care of you but it's certainly not safer. Individuals who take charge of their own health and well-being are the people who live longer, more productive, and more abundant lives.

> **"When diet is wrong, medicine is of no use. When diet is correct, medicine is of no need."**
>
> **– *Ayurvedic proverb***

This is the kind of vibrant, abundant wellness I wish for you and for everyone you care about. If you'll make this commitment to yourself and really stick to it with no excuses, you'll discover as I did that your health truly is your wealth.

Become Relentless

There's no better way to bring the thoughts in this chapter together than with the practical wisdom of my great friend of 20 years, Wayne Allyn Root, author of *The Power of Relentless* and countless other bestsellers.

Wayne is one of America's last trustworthy media voices and one of our best political hopes for the future. In a personal message he created especially for this book, Wayne shares what can happen in your life when you stand up and decide to be relentless.

> Relentless is what separates the men from the boys. Relentless is that special ingredient that allows a "nobody" to become a "somebody." Relentless empowers anyone with a big enough heart to overcome insurmountable odds; to smash through barriers; to break glass ceilings; to surmount adversity, challenge and fear; to make the impossible POSSIBLE.
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> When I speak across the globe on the topic of success, my presentations are always called "RELENTLESS." There are many factors integral to achieving success – but none are more important than simply being relentless. Never giving up. Never giving in. Never accepting the word impossible. As Winston Churchill (one of my heroes) once said in the darkest hours of World War II, "Never, never, never, ever give up or give in." If you are relentless, ANYTHING is possible.
>
> I'm often asked, "How do you stay positive in the face of failure, challenge, adversity, even tragedy? How do you keep the faith in the face of long or impossible odds? It's one thing to say 'be relentless,' but how do

you keep the faith, when no one else sees what you see, Wayne?" The answer is simple: Get Passionate. Take action. And, BELIEVE! I'm a huge sports fan. One of the great things about sports is that every year people achieve things that no one ever expected, or believed possible...

... A fact of life is that timing is not important . . . it's everything! Things change in a hurry when the right man (or woman) meets his or her destiny. Mountains can be moved when the pieces of the puzzle fall together, in the right situation, at the right time, in the right place. Suddenly the impossible, becomes possible. It happens virtually every year in sports. That's why our country loves sports – because of the magical, miraculous moments. But before you can move mountains or pull off miracles, first you've got to believe in yourself – and then you've got to be relentless in pursuing your goal...

... Relentless is in my genes. Let me tell you a remarkable, magical, extraordinary story that literally defines relentless – the story of the last hours of my mother, Stella Root's life. My mother and father died of cancer 28 days apart in 1992, the hardest year of my life. I spoke at my father's funeral in New York and returned to my home in California only to get a call a few days later from my sister telling me that our mom had gone into a tailspin after the funeral. Twenty-eight days later she was gone. But it was the remarkable last hours of Stella Root's life that I will remember and cherish forever.

"Wayne, I'm sorry to tell you this, but your mom is gone. Her brain no longer has activity, so we're disconnecting life support. Please don't rush home. She's gone. You've had enough tragedy in your family for one month. You have a new baby on the way that depends on you. So be careful, take care of yourself, breathe deep, and don't rush. Doctor's orders. Got it?"

Those were the words I heard from my mother's physician on the last day of her life. Then he handed the phone to my sister, who whispered because she was afraid the doctor would hear what she had to say and she'd sound foolish, "Wayne . . . rush home. Because you and I both know that mom won't die until you get here. Rush home!"

I caught the red eye flight that night out of Los Angeles to New York. The flight left late. It taxied on the runway forever. I ordered a car to pick me up at JFK airport to rush me to the hospital in Westchester County. But the car was caught in traffic and arrived late. Everything that could go wrong did. By the time I walked into my mother's hospital room it had been 12 hours since I got that terrible phone call; 12 hours since life support had been disconnected; 12 hours since that doctor said, "Don't rush home, your mom is gone."

Yet when I raced through the door to her room, I heard the most beautiful sound I'd ever heard. Beep . . . beep . . . beep. It was her heart monitor beeping. Despite being disconnected from life support, her heart was still beating. My sister had sat by her bedside all night saying, "Mom, hang on, Wayne is on the way. Don't die, Wayne is on the way." Medical science may have determined that her brain was dead, but that beeping 93 heart monitor told another story. She'd lived through the night on sheer willpower. Some might call it a miracle. I simply call it relentless.

I hugged my mom and grabbed her hand. I kissed her cheek. I couldn't stop crying. I said, "Mom, I love you. Thank you for waiting for me. I know how hard that was. But I made it . . . and you made it. I'll always remember what you did for me. You showed those doctors. I love you . . . but you've fought cancer for six long years...now it's time to go. You deserve a rest. Heaven is waiting. You can go. I give you permission to let go." And within seconds, her heart monitor went beep . . . beep (fainter) . . . beeeeeep . . . flatline. She was gone.

Medical science may have considered her brain dead, but somehow, some way, my mother had understood what was being said. She heard my sister's pleas to hang on all night long. If her brain was dead, how did she know to hang on all night long . . . and into the next morning? How did she know that her son Wayne was on the way? If her brain was dead, how did she hear me say that it was time to let go? Why did her heart monitor stop within seconds of my giving her permission to let go?

My mother may not have had any brainpower left, but she had willpower. She certainly had heart. And that's the most important thing in the world – no matter what your goal. All success, all progress, all the miracles in this world are based on heart, on spirit, on will, on being relentless.

My mother was relentless. She beat cancer for six long years, coming back from dead a dozen times. She beat the odds because she had a huge heart. She had spirit and relentless willpower. In those last hours of her life, she refused to lose faith, to give up, to give in – even though medical science had written her off. To the medical experts, she was brain dead.

Stella Root defined relentless her whole life. She wasn't going to die without saying good-bye to her only son, her baby boy Wayne. Stella Root proved that heart is what matters in life. Heart is more important than the diagnosis of experts, or doctors, or scientists, or science itself. Hard facts don't matter when heart is involved. Heart is what makes miracles happen. Heart makes the "impossible" possible…

… Being smart is a good thing. Being educated is a good thing. Brainpower in a political leader is a good thing. But they are not the most important things. Willpower trumps brainpower.

Heart is the intangible that's impossible to replace. Heart is the game-changer. Heart is that special ingredient that brings it all together to win Super Bowl and World Series titles, championship boxing matches – and, yes, to win national political elections. Heart is what determines champions. Heart is the thing that separates life's winners from losers. Heart, as the younger generation might say, is the bomb…

… What's your goal? Do others tell you it's impossible? Do you believe? Now's the time to dig down deep. Relentless will get you across the finish line – no matter how long the odds.

That's Wayne's outlook on life, and that's what living in the new paradigm achievement zone will do for you. I want you to start living there too.

There's far more to understanding what true abundance is all about than the deceptive company line you've been fed by politicians, pop culture, and the "perps" on Wall Street.

Anyone who desires to build real lasting wealth has to discover for themselves that prosperity involves far more than just the amount of money you may have at any particular time in your life.

Embrace Risk

People have been conditioned to look at risk as a negative. But the truly wealthy have learned to embrace risk during tough times, not by being reckless, but by being independent thinkers.

The 90 percent who don't get this are still attempting to live a safe life by following the old broken paradigm. Get a good job, live below your means, be a saver, and never risk money on investments.

Saving money is a losing proposition that guarantees a life of need and want, especially when the "money" we're saving is being printed into oblivion.

Remember that fiat currency is losing value each and every year as inflation eats away at our purchasing power. This is why inflation is called the "silent tax." Folks, now more than ever, cash is trash.

By taking informed action that others may consider risky, it's possible to put yourself in the top 10 percent of the world's financial elite. Remember what we established earlier? Your comfort zone is your *failure* zone. Recall what Gandhi said: "First they ignore you. Then they ridicule you. Then they fight you. Then you win."

Kindergarteners are taught to raise a hand before speaking, to act with the group, and to accept the majority view as the correct (and safe) one. Individual thinking is discouraged, and most decide it's safer to adopt the "go along to get along" mindset.

Those who have the temerity to think outside the box and share those views with others get labeled as eccentric and kooky, if not radical and dangerous.

That's what many thought of Gandhi as he taught the people of India to resist tyranny through nonviolent civil disobedience. Though the "majority" believed it was impossible, Gandhi made independence for India a reality by thinking independently.

Is it crazy to link the accomplishments of one of the most principled leaders of all time to the concept of wealth creation?

Or, is this the exact way we should approach our own "impossible" dreams? What's dangerous is to seek the acceptance of others instead of thinking independently and then committing to action that supports your true purpose. When you break free from "group think" you'll develop the inner confidence you need to reach new heights.

Your independent thinking will likely be ignored and ridiculed at first. When people get uncomfortable and begin to fight you, you'll know that you've won.

My experiences on Wall Street taught me that the majority is usually wrong. It's the contrarians throughout history that have created the vast majority of personal success by helping others get what they want.

Lemmings don't do too well when they go over that cliff together. It's *your* life. Why live it to win somebody else's approval (or make somebody else rich)?

The Secret to My Own Success

When people ask me about the secret to my own success, I love to talk about the values we've covered in this chapter. But I especially enjoy talking about the wealth-building magic of being an entrepreneur (that's you). There's a special satisfaction in knowing that you're free to achieve success as *you* define it and do it on your own terms.

While the experience isn't for everyone, many of us are just born with entrepreneurial instincts and I don't know of a better way to build massive wealth. Entrepreneurs are willing to think independently, take informed risks and enjoy the rewards that come from living close to the edge. When you're an entrepreneur, adrenaline is your friend! Even failure can be enjoyable, especially when you can look in the rearview mirror and realize how much you've learned from it.

As you've figured out from the personal history I've shared so far, I didn't come from a country club family. When I began my Wall Street career, fitting in didn't come naturally to me.

After a few years, though, I discovered that I not only belonged but also that I brought a work ethic to the table that enabled me to surpass the successes of most of my peers—even those who were born into great wealth.

Looking back on the experience, I wouldn't change a thing. In fact, I'm convinced that being born into money can actually be a disadvantage. I would never have learned how much fun it could be to become a self-made multimillionaire. Here's the best news of all: You don't have to just take my word for it. You can do it too and find out for yourself!

CHAPTER 10

Take Advantage of the Next 20 Years

You've learned the megatrends. You've learned to adjust your mindset and set goals. By now, you have enough confidence to be part of something spectacular: a multiyear bull run, the likes of which the world has never seen.

A 100,000-plus Dow Jones by 2030 might sound hard to believe. Some may even still be skeptical. But I have a long history of proving the skeptics wrong.

This chapter provides more evidence. And if you still need convincing that you—no matter your investing history, math skills, monetary status, or time on your hands—can ride this wave all the way to the bank, I begin this chapter on the fundamentals of successful goal-setting.

The Secret to Building Massive Wealth in Your Own Life

One of the most fulfilling parts of my work is the privilege of meeting investors, business people, and entrepreneurs who have become subscribers to my newsletters all over the world. When we're one-on-one, I often ask them point blank if they're really serious about building great wealth.

It's a rhetorical question, but the answers always fascinate me and lead me back to Napoleon Hill's all-time best-selling classic *Think and Grow Rich*. Besides being one of the most compelling success stories you'll ever read, it also happens to contain *the* secret to building massive wealth in your own life.

Hill's book was the result of painstaking research and interviews involving over 500 of the world's most successful men and women in an effort to discover the exact method they used to achieve their goals.

Included among these super achievers were Thomas Edison, Henry Ford, Theodore Roosevelt, Charles Schwab, Alexander Graham Bell, John D. Rockefeller, and many other names you'd recognize.

What Hill discovered—incredibly, really—was that each of these self-made titans of business shared one identical secret to amassing untold wealth and success in each of their lives.

In the introduction of the book, Hill mentions a hidden secret which reveals the exact "how to" methodology of thought and action to achieve the goals you desire—goals that reach far beyond the idea of mere financial success. To quote Hill, "Throughout this philosophy will be found the suggestion that thought, backed by strong desire, has a tendency to transmute itself into its physical equivalent."

Because I've seen this exact process work its magic in my own life (countless times), and in the lives of so many close friends and business associates, I get goosebumps every time I think about this phrase.

The truth is that it's not only possible to transmute thoughts into their physical equivalent, but when done in concert with a white-hot burning desire, it's almost impossible not to see these miracles take place in your life.

Like any truly great teacher, Napoleon Hill didn't directly state what the hidden secret is in his book, but he did leave several clues for us in the introduction to help each reader discover the secret for themselves. I'm not going to spoil the secret for you either— the journey itself is too important and too much fun. What I will do, however, is give you my all-time favorite Napoleon Hill quote: "Whatever the mind can conceive and believe it can achieve."

Remember this—whether you think you can or you can't, you are right! Without stating specifically what the secret is, I will say this: Within each of us lie the basic building blocks, tools, and above all else, the potential to become incredibly wealthy.

Hill's book should be required reading in every high school and university the world over. If you don't already own it, I encourage you to buy it today and visit the Napoleon Hill Foundation website at naphill.org where you can find out more about Hill's life story and sign up for free newsletters and daily emails. This one book has helped to create more millionaires than all other business books combined!

The unique idea about the acquisition of money is that it doesn't favor one person over another. Think about this statement for a moment.

Money is just one more manifestation of the universal energy field. It's nothing more than an esoteric commodity that flows freely to anyone that demands it. The operative word in that sentence is demands, because specificity is what gives goals their power.

The sad reality is that most people go about setting goals in a way that guarantees that they'll never achieve them. The majority focus on their past, constantly dwelling either on what they didn't do or on what they did wrong. Then they go about trying to correct those "mistakes" the next time around.

By concentrating on the negatives in your life, you virtually ensure you'll repeat those same mistakes time and time again. What if you were to focus instead on what you actually want out of life? The clearer and more specific you are about your vision, the more likely it is to become a reality in your life and the sooner it's likely to happen.

Think about it this way: Your emotions and your thoughts act as a magnet to your reality. I grew up in a family that always struggled with money, but the love and support was always there. I was blessed to have two grandmothers that were both saints. As their first-born grandson, they doted over me and made me feel like I could accomplish anything, just as my mother did.

It's for these reasons that I always felt wealthy even though we had little financial wealth. This was my first introduction to the real definition of wealth. I'm convinced that love is the most important thing we can teach (and give) to our children.

From love we gain the confidence and courage we need to tackle any challenge that comes our way in life. Cindy and I were both incredibly fortunate to have been raised in an environment of unconditional love, and it's the kind of environment we strive to create in our own home. Does your definition of wealth come with an expectation that life is going to be problem-free? If so, you're in for another wake-up call.

Wealthy people encounter obstacles in life just like everyone else does. What sets the truly successful folks apart from the ones who barely get by is how they respond to life's setbacks.

My mother showed me, by example, that you can't always control the events in your life but you can always control your response to them—you always have a choice. Napoleon Hill repeats this idea several times in *Think and Grow Rich*, saying that every adversity carries within it the seed of an equal or greater benefit.

Successful people train themselves to recognize and act on these opportunities, even when the events that bring them look and feel like defeats at first. Are you watching for the opportunities that come your way disguised as problems?

I love what I do and each day is an exciting learning experience. The "up" times are always great, but everything I've really learned in life in a deep, internal way seems to have come from my tough times—the valleys versus the peaks.

Have you ever wondered why so many important deals get made on the golf course? Sure, the camaraderie is great and the amenities are nice, but there's a lot more to it than competition or prestige.

You can learn a lot about someone's character by the way they respond when they're having a bad game. Life is like that too. Some people fold under pressure. Others focus. You have a choice today—which kind of person do you want to be?

More Proof of My Approach

Here are just a few examples of how I've helped people pick the right stocks, based on my recommendations:

- JB Oxford at $3, and it soared to $22 in just six months. Imagine growing your money by more than seven times in just half a year.
- Dynegy at 50 cents, and it shot up to $5.50 just a year later. An 11X return.
- Ivanhoe Mines, which went from $1.75 to $23 in just 10 months. This turned every $1000 invested into $13,142 in under a year.
- Ultra Petroleum rose 20,000 percent in nine years ($0.15/share to $200/share). It was the number one stock on the planet for a decade. A $10,000 investment turned into more than $11 million.

I've also recommended my followers to buy gold at $375/oz and silver at $4.75/oz right before a massive bull market began, bringing gains of 500 percent-plus.

In the early 2000s, I recommended "Chinese Miracle" equities, and gains of more than 350 percent followed.

In late 2006 and early 2007, I began aggressively warning investors about the coming collapse in real estate and the stock market. And I advised them with the exact steps to take. We know what happened next.

When Facebook went public, I warned readers that it was overvalued and I showed them how to use simple options strategies and short selling to make money anyway. Subscribers who followed my recommendations made more than 500 percent.

In 2017 we recommended the purchase of bitcoin, then trading at $2,000.

We understand how Wall Street connects with D.C., how Wall Street connects with Main Street, how Wall Street connects with geopolitics, and what's happening globally. These can be very complicated relationships.

But when you have invested decades of your life in developing relationships, learning who to trust, and gathering the key ingredients of becoming a smart money contrarian, that experience ultimately pays off. This is why I do what I do—it gives me an opportunity to create success in others and to be of service.

Most financial publishers and most Wall Street money managers have lost a connection that they once had with their clients, not just because they can't make them money, but because for them it's become *primarily* about the money.

Pattern Recognition

It's time that I put this in writing. This is a working research theory I've had for some time but only shared with family, close friends, and a few long-time clients.

As you have seen in this book, I've dedicated much of my life's work to not only researching markets, investing, and economics, but also to researching the extracurricular events of our "planners." I follow our shadow-ruling overlords belonging to the cartels that rule the world.

I explore the actions of the elite of the elites who are, in their eyes, channeling and fulfilling their long-term objectives via a mainstream media they control. I track down the combined teamwork of the world's three most powerful cartels: banking/financial, media/propaganda, and the military industrial complex. They are near unstoppable in power and control.

My work in pattern recognition, as a lifelong contrarian, plus my long-term relationships and friendships with my mentors and visionaries such as G. Edward Griffin (author of *The Creature from Jekyll Island*, which I discussed in Chapter 6), helped foster my early curiosity and research. Also fueling my passion for pattern recognition is the fact that, like you, I don't appreciate being lied to—or being controlled.

Importantly, as it applies to making money in the markets, having an understanding and comprehension of our planners' playbook helps us to not only make sense of their playbook, but to profit from it as well. This work helped me get clients out of the markets in late 1999 (four months before the beginning of dot-bomb) and first recommending precious metals and miners in 2003.

Then, I shared early warnings and preparation for the housing and financial collapse of 2007; the eventual bottom in March 2009; and the 11-year bull market that followed. I also delivered the early 2016 forecast that Trump would win and the Trump Economic Miracle would follow.

The Great Mechanical Bull

We went bullish on the markets in 2010. Once I figured out the power of quantitative easing—TINA, There is No Alternative—we went long-term bullish, and we've remained long-term bullish since then. When I wrote the second edition of *CrashProof Prosperity*, I was predicting the megatrends you've been reading about in the book.

I predicted that there would be a decade-long bull market, and here we are. Now, we're filling in the gaps with all this new money that's coming into the system.

The bottom line?

First, we are trend-following, smart-money contrarians with an investing process and system that works. Staying disciplined is the key and, folks, that's a constant battle for even the most grizzled and veteran investors. My biggest mistakes as an investor and financial publisher almost always come when I stray from our disciplined approach to beating Mr. Market.

Second, we pick winners. From the use of ETFs to our hand-picked growth stocks, our game plan is to be on the right side of big moves. I continue to expect each of our 10-Baggers to give us 10x profits. Our 10-Baggers are debt-free, with highly sexy products, opportunities, and management teams who are experienced and committed to success.

Third, our primary goal is ferreting out the best ideas for our subscribers and making them money. Marketing success comes from taking care of your customers. We have one currency, and that's our reputation—our commitment to research, due diligence and reporting the truth. We have never and will never accept money for recommending a stock. We're far, far from perfect but we'll never stop trying.

Technology, Innovation, and Mindset: Why the Next 20 Years Will Be as Great as the Last 20 Years Were Horrible

As you've already read in The Big Bribe, the last two decades have been the worst 20 years in our history. Americans have had only fleeting glimpses that our dark days were coming to an end.

To return to a point I made earlier, 9/11 started it all. In my view, America will not fully heal as a nation until the truths surrounding 9/11 are resolved. September 11th led to nonexistent WMD's and the pointless wars that followed in Iraq and Afghanistan.

These two wars killed more than 7,000 US soldiers and injured another 150,000, with 22 veterans committing suicide each day (on average, since 2003). Not to mention the more than 500,000 innocent civilians killed in both countries and the $7 trillion that US taxpayers have paid to fund these forever wars. The collapse of the housing and financial markets followed, triggering our great recession.

Next came eight years of Barack Obama and the destruction of US healthcare, followed of course by the China virus and rigged presidential election of 2020.

Look as much as you want: The last 20 years have been our worst ever.

But it's always darkest before dawn, and I just happen to be the definition of the eternal optimist. I believe America (and the world) can look forward to two decades of prosperity and growth that will dispel the negativity and loss of the last 20 years. I think we're due.

Reasons for My Optimism

The US—and, in fact, the whole world—may well be experiencing the birth of a powerful multi-pronged recovery from coronavirus insanity. We're certainly seeing it economically.

The S&P 500, which includes the 500 most important US companies, just soared 100 percent in the last 12 months. M2 money supply growth, industrial production, and corporate earnings all reaching record highs.

But there are other specific reasons to be hopeful about the next two decades as well.

Innovation

When it comes to innovation in the fields of technology, healthcare, agriculture, and space exploration, the US leads the way. Innovation in industrial manufacturing hit a stagnant phase from 2005 to 2018, and more and more businesses looked abroad as they exported jobs and destroyed US manufacturing.

But Trump changed that, almost as if he had that magic wand that Obama said didn't exist. You probably know my views by now. I am a lifelong independent—I voted for Carter and Obama's first term. But Joe Biden appears to be on a dark road to being in well over his head. "Team Biden" is running the country, and after what's just occurred with his handling of the economy, 40 year highs in inflation, the surrender of Afghanistan and US involvement in the Russia-Ukraine war (Ukraine is likely the most corrupt country on the planet..this could easily lead to WW3), serious questions about Biden are on most everyone's mind. Intentional destruction, right out of the communists playbook.

But Trump's "America First" policy put us on the road to independence and began leveraging the innovations and technologies that the US is pioneering today, along with our economic pace of growth.

We are on the cusp of the fourth industrial revolution. With each stride in the field of artificial intelligence and machine learning, we are getting closer to smarter, self-sufficient industries poised to thrive, despite the ever-present skilled-labor gap.

Potential For Stunning US And Global Economic Prosperity

The world is recovering, and even though not all economies are recovering at the same pace, most of the US's top trading partners (that along with the US make up threefourths of total global trade), are also forging ahead towards record levels of economic prosperity.

Globally, confidence is returning as people are making major purchase decisions, following the US consumer spending blowing past pre-pandemic levels. And when consumers are comfortable buying and putting their money in the market, the economies, both local and global, start to boom. This is why one of our top mega trends, the rise of the Millennial generation, comes with such enormous possibilities.

The US stock market saw one of the greatest bull markets ever between the Great Recession and the 2020 pandemic-driven market crash (a record 11-year bull market). Now, following 3 bear markets in 4 years, it's ripe for an even more potent melt-up bull market.

A rising tide lifts all boats, and with the US stock market serving as the planet's best discounting mechanism, we believe the signals being sent are crystal clear (and Tyler and I are always more comfortable as optimistic contrarians).

Advancements in Biotech and Healthcare

We spend much of our free time researching futuristic possibilities and emerging trends. To be completely honest with you, Tyler and I are both sci-fi geeks.

Thanks to the adoption of innovative practices in almost all disciplines, including biotech and healthcare, the future of transformative change in our everyday lives seems quite bright, with crucial strides expected in the field of agriculture, where biotech will be the engine behind more resilient crops (non-GMO) with a focus on feeding the world.

Healthcare is expected to become more accessible, affordable, and potent, thanks to advances in medicine, diagnostic technologies (powered by AI), and surgical procedures. AI-based diagnostics tools are already minimizing human errors, and nano-tech is revolutionizing surgeries and procedures. Robotic exoskeletons promise to offer a significantly better quality of life to people with disabilities.

Transformative Technological Breakthroughs With the Potential to Change the World

It's mind-blowing to think that humanity sent the first person to space only 64 years ago, and we are just a few years away from sending the first humans to Mars to try and populate a planet 33.9 million miles away (the least distance).

Yes, Elon Musk is one of our heroes (and yes, I've owned Tesla since it was $42 per share). There are breakthroughs, including the ones in space travel, that can change the world in unprecedented and unpredictable ways. Consider:

- Google, along with physicists from paired universities, have claimed to have created a genuine time crystal with the help of Google's quantum computer. If it's true, it may bring us closer to a true perpetual-motion machine (currently theoretical), which has the potential to transform space travel radically.
- We are getting closer to a future with no diseases, thanks to the advancements in genetics and stem cells.

CRISPR, a gene-editing tool, is already actively used to find a viable cure to cancer and hereditary diseases like muscular dystrophy and Huntington's. The stem cell is expected to cure type one diabetes, Parkinson's, hereditary blindness, and more. Stem cell technologies are also expected to achieve breakthroughs in organ transplants. Top futurists are on record as saying all illnesses may be wiped off of the face of the earth in 20 years. *Just, wow!*

- Harnessing gravity might sound like science fiction, but viable theories (until they are refuted) are already emerging regarding ways to harness energy through a black hole's gravitational pull. If you saw the movie "Interstellar," with Matthew McConaughey and directed by the remarkable Chris Nolan (my personal favorite) then you understand the reference to gravitational pulls and black holes is more than just fiction. This is a major step ahead of antimatter annihilation reactions for producing energy and is currently strictly in the theoretical phase. But if we learn how to harness the power of energy and use it to develop anti-gravity devices (purely theoretical as of now), the concept of using any fuel or energy source for transportation would become obsolete. In fact, we already use the earth's gravity for keeping satellites in orbit without any energy source. Energy never disappears, it only changes forms and hands—and everything is energy.

These and several other transformative technologies and breakthroughs could forever change the course of humanity's future.

A Futurist View of America In 20 Years

Futurists are excitedly hopeful about our prospects in the next decade. By 2030, many are expecting a complete digital transformation for most public and private services and advancements such as block-chain based "everything." It's also expected that newer generations, especially millennials and Gen Z, will dominate the workforce in the next two decades, making revolutionary conscious decisions in both their personal and professional lives.

As I mentioned earlier, Cindy (my amazing wife of 33 years) and I raised two millennials. We made sure that the Herriage house was the fun house, which helped to ensure they and their friends were always nearby. Their millennial friends were and are the sharpest young men and women I've ever met. And as we've covered in *The Big Bribe*, millennials have gotten a badly undeserved wrap. Instead, I believe they will lead America back to the greatness we once displayed.

We're finding several startling predictions about America in the next 20 years as well. By 2040, more than 20 percent of the population will be above 65, and immigrants will make a significant portion of the population, filling in the age gap.

More than 87 percent of the population is predicted to live in urban areas, which will drastically reshape the population density. But life expectancy (thanks to better healthcare and transformative biotech) is expected to grow by at least five years compared to today.

How Should Investors Plan For The Next Two Decades?

"Buy a little bit of everything." At least that's what the long-term bullish investing legend Ed Yardeni says. He predicts that the S&P 500, which is currently near 4100, will go to 5,000 by the end of next year (2023, making him less bullish than us, but still a major bull). He believes that the US economy is heading toward nirvana, the last transcendent stage. And he has very pragmatic reasons for this bullish optimism.

The role of technology in improving productivity through innovation, despite the lack of workforce, an issue that peaked in 2020, will become the answer to the country's woes of a dwindling workforce.

More people are retiring—at least in certain fields and disciplines—than those joining the workforce, and only technology (and possibly immigration) can fill this gap.

And once it gains momentum, he believes that the production activity will double in the next few years.

His advice to investors is to buy a little bit of everything because while almost everything appears more expensive, thanks to the recovery momentum, the high future earnings will keep propelling most assets to new heights.

This advice coincidentally overlaps with the good practice of diversification. If you buy a little bit of everything—from volatile asset classes such crypto to hard, stable assets such as real estate and safe-haven assets like gold and silver—your chances of profiting immensely remain high.

Focus On the Game-Changing Variables: Technology, Innovation, and Mindset

The promising future of the US and the world's economy is tightly tied to technology. At their peak, the big-five tech companies (Apple, Amazon, Alphabet, Facebook, and Microsoft) made up about 17 percent of the entire S&P-500. They still command a hefty share of the market, and tech is only going to grow from here.

But not all tech companies are equally promising. Their volatility, which offers great growth prospects, also packs a decent amount of risk. As Peter Lynch, one of my personal investing heroes, is famous for saying, "always invest in what you know."

For the US, the next 20 years may well make up for the mess of the last 20 years. I believe they will. The US and global economy look poised for a significant and exciting run. If we're just 20 percent right about the innovations and sci-fi possibilities for our future, we might even be able to make the dot-com melt-up pale in comparison. Again, aren't we due? You're damned straight we're due.

What we think about, we bring about.

Conclusion

I invite you to become a member of the Vertical Research Advisory (VRA) which you can read more about at BigBribeBook.com/Start. I've been writing my VRA newsletter since 2003, and we've been crushing Wall Street ever since. We've beaten the markets 16 out of the last 19 years.

The key continued outperformance during the next five years will be our VRA 10-baggers, and the use of our VRA Investing System's 12-screen set-up time short-term peaks and valleys, the use of leveraged ETFs, and tech blue chips.

By using the VRA investing system, you can spot the companies that Wall Street hasn't noticed—the ones that are growing and the ones that are set to take advantage of these five megatrends.

We're aligned with you. There's no plug (indirect or direct) for something that is not being sold by us.

We've been teaching people how to fish for more than 30 years. We have 1,000's of subscribers from more than 50 countries following our VRA Letters. So, if you want to land the big one and triple or even 10x your money by 2030, now is the time to come fishing with us.

VRA Investing System: 36 Years in Development

In my Wall Street days, from 1985 to 1999, I put my clients in five stocks that produced gains of 1,000 percent. My best was Ultra Petroleum, which rose 20,000 percent in nine years ($0.15/share to $200/share). It was the number one stock on the planet for a decade.

After my first few years on Wall Street, though, it really hit me right between the eyes. Fostered by a series of enlightening conversations with my first mentor (Ted Parsons, whom I mentioned earlier in this book), I discovered that Wall Street's primary objective was not to make my clients money. The primary objective of Wall Street was to make the firm money, as research worked hand in glove with investment banking, where the serious money was (and is) made for brokerage firms and their elite clients.

Once this reality set in, I had two choices: quit and find another profession, or find a way to actually make money for my clients. The VRA Investing System was born out of that decision.

The VRA System was built to uncover the best investments (at the best time) and to remove emotion from my investing. It was built to have us out of the markets in times of turmoil and in the market when the bull wants to run.

"Kip, I want to thank you for putting your heart and soul into the VRA. I look forward to every day the VRA is delivered in my inbox and sometimes multiple times per day. The education and information is priceless."

– LH, Tennessee

Like right now.

The VRA System combines fundamentals, technicals, and investor sentiment—the three most important elements of investing (in any and all asset classes). We use broad market positions, employing leveraged ETFs for maximum returns. We combine this with our ability to ferret out world class, small to mid-cap "growth stock, story stocks."

We rarely recommend more than 15 investments at any one time. If you want to own 30, or 40, or 50 stocks, buy an index fund. While technically it would appear that we are as aggressive as they come, it is a "controlled aggression;" we know the companies we recommend. We know their management teams and their business model, and we know how to pick winners. Period.

I also put my own money in the stocks that I recommend. Anything else would be Wall Street-like hypocrisy. Still, my investment style is not for everyone. I would never recommend placing all of your investment dollars into VRA Portfolio buy recommendations (recs). However, for your "risk capital," those funds that you put aside to make your retirement account everything that it could and should be, the VRA has been designed to get the job done.

We encourage you to resist the temptation to go "all in" on just one or two VRA buy recs. We only recommend approximately 15 stocks at a time for a reason.

Diversification is a hallmark of successful investors, and reduces the risk of becoming emotional about our positions. "Loading up" can also lead to large daily and weekly swings in your portfolio—the kinds of swings that can lead to oversized losses. Emotional investors tend to "buy high and sell low," or just the inverse of what we're looking to accomplish.

For our broad market positions in leveraged ETFs, the VRA-System employs "brand following" methodology. It's not about calling market tops and bottoms (although the VRA has caught *numerous* significant market-turning points during our 15 years). Instead, we want you to capture that middle 80 percent of the move. That's our sweet spot. That's where the most reliable and predictable profits reside. This makes the VRA System most important. It's the major predictor as to whether a stock, sector, or market is in a bull or bear market. It's been my primary trend go-to for 30-plus years.

Top Returns from the Beginning of the VRA

2003: I founded the VRA. My first stock buy rec was a company called Protein Design Labs (PDL). Approximately 14 months later, PDLI was acquired, giving my clients profits of 400 percent.

2003: We recommended that VRA subscribers buy gold at $375 per ounce and silver at $4.75 per oz. Then, a massive bull market began with gains of 500 percent-plus. It was the most explosive precious metal markets that have occurred in conjunction with equity bull markets.

2004: We recommended "Chinese Miracle" equities, and gains of more than 350 percent followed.

2006-2007: We began aggressively warning investors about the coming collapse in real estate and the stock market, along with the exact steps to take. You know what happened next.

2008-2009: VRA Subscribers made more than 500 percent in less than six months as we made insane profits from the wild swings in the market.

2010-2011: VRA Subscribers made more than 1300 percent on my buy rec of Ivanhoe Mines in less than 10 months!

2012: Through short sales and put options, VRA subscribers made more than 1,000 percent when First Solar collapsed in price from $137 to $14.

2013: As Facebook imploded following the IPO, subscribers made over 500 percent using simple and powerful options strategies.

2014: Locked in gains of more than 1000 percent using stocks, ETFs, and options.

If you can remain disciplined and keep your head when everyone around you is losing theirs, massive profits await in the markets.

My Experience as the Dow Crashed 22.6 Percent

October 19, 1987. I was two years into my career as a stockbroker (financial advisor would become our handle years later). As the day began, I had no idea that in just a few hours, October 19, 1987 would hold the dubious record as the largest stock market collapse in US history: 508 Dow Jones points vanished. It was an incredible collapse of 22.8 percent, a record to this day. This might help to put things in perspective: A similar 22.8 percent drop today would mean losses in the Dow of more than 6,300 points.

Because my still young book of business consisted mostly of tax-free municipal bond clients, with limited exposure to stocks. I had a unique perspective on the insanity I was about to witness. It would last the entire week.

Within a single day, I watched concerned looks transform into an environment of wild-eyed panic—even the most senior and experienced brokers. What these grizzled Wall Street veterans didn't realize at the time was that their frenzied panic selling would become the worst mistakes of their entire careers—mistakes that would cause many of their clients to lose everything.

Back then, and long before we had the ability to enter our orders directly via personal computers, brokers hand-wrote their clients' orders on triplicate paper tickets (red tickets for sell orders and green tickets for buy orders). We kept one copy and the remaining copies went to operations via two byzantine tube delivery systems that were placed on each end of the trading floor.

Even then, we found this system odd and antiquated. Once the suction contraptions delivered the ticket to operations employees, our orders were phoned to floor traders and market makers, depending on the exchange the stock traded on. Even on slow days it took 10 to 15 minutes to find out your order execution price—you can probably guess where this story is going.

Now, imagine this. As the Dow dropped that morning—100 points, then 200 points, then 300 points—incredibly to us, lines began to form at the tubes. Picture your local carnival and their most popular ride—maybe 10 to 15 people deep—but much more nervous. None of us had seen anything remotely like this before, so naturally, our eyes went right to the tickets that each broker placed in the tube—were they red or were they green?

They were all red—everybody just wanted *out*. As I would discover later, instead of being entered as "limit orders," which would have guaranteed order fills at a set price or better, almost all of the sell tickets had been entered as "market orders" – in other words, clients and their brokers were saying, "Just get me out of these stocks at any price!"

Of course, this is exactly how people react in a panic—it was true in 1987 and is true today—and in just about all cases, it leads to massive mistakes.

Once 4 p.m. Eastern finally arrived, the markets had closed and there was a broad sense of relief—everyone felt that the worst had to be over—but what they had no way of knowing at the time was that the *really* bad news was still to come.

As Monday's trading came to a close, clients began calling their brokers to find out their order execution prices. They knew the damage was going to be bad, but hey, at least they got out of the market—or so they thought.

The problem?

As they were about to learn over the coming days, on the vast majority of orders, they wouldn't receive their execution prices until much, much later. Some trickled in on Wednesday, but the bulk of all order pricing was not completed until that Thursday or Friday. Order processing that normally took less than 15 minutes turned into 72 to 96 hours.

After four to five days of maximum anxiety, the fill prices started coming in. It was a bloodbath. Because the vast majority of the orders were placed as "market orders," when the order results came back clients learned that they were actually filled right at the lows of the week!

By the time they learned about the sell prices they received, many of those same stocks had already recovered more than 50 percent of their losses. An already brutal week became an investor's worst nightmare.

Several of the 20 to 40-year brokers I worked with had their careers with their clients ruined. It was an unforgettable experience. US stock exchanges nearly imploded due to massive trading volumes and record levels of market volatility. If you think that 2008 to 2009 was scary, October 19, 1987 was much worse. As is now known, this was the closest our investment markets have ever come to breaking.

However, I would put 2020's 37 percent, four-week coronavirus insanity collapse in the same league as October 1987.

The primary takeaway from my October 19, 1987 experience? My mentor, Ted Parsons, was a rock that week. He had me sit in his office with him as we watched the day unfold. Ted was the ultimate contrarian and hadn't had big exposure to the stock market for some time. He had his clients heavy in muni bonds.

But late on that bloody Monday afternoon, Ted started to put in buy orders. As others lost their heads around him, Ted was buying at what would turn out to be rock bottom prices. Ted's clients, and Ted, made a fortune that week. So much so that Ted, who loved sailing, bought his dream sailboat roughly a month later. With cash. Cindy and I were on that maiden voyage.

The VRA Investing System was born out of much of what took place on that Black Monday and the weeks that followed (the Dow Jones actually closed higher for the year). While it's not always possible to prepare for a black swan event, portfolio diversification and ownership of physical precious metals serves mightily to insulate from short term insanity.

When everyone's losing their heads around us, it's the smart money contrarian who wins out.

How the VRA System Works

The VRA System has twelve proprietary screens. Today, as I write, seven screens remain in bullish mode with five screens in bearish mode.

Seventy percent of the screens are fundamental and 30 percent of the screens are technical.

Here's the breakdown of our 12 screens.

VRA INVESTING SYSTEM
12 FUNDAMENTAL & TECHNICAL SCREENS

FUNDAMENTAL SCREENS (70%)

1) US GDP & TAX RECEIPTS
2) US HOUSING MARKET
3) FEDERAL RESERVE POLICY: (accommodative or restrictive? Don't fight the FED)
4) CORPORATE REVENUE & EARNINGS GROWTH
5) VALUATIONS: P/E MULTIPLES
6) SENTIMENT (consumer and investment)
7) MARKET INTERNALS (advance/decline, up/down volume, 52 week highs/lows, put/call ratio, TRIN)
8) SHARE REPURCHASES, MERGER & ACQUISITIONS AND INSIDER BUYING/SELLING

TECHNICAL SCREENS (30%)

1) MOVING AVERAGES: Don't Fight the Tape (8/21/50/100/200)
2) MACD, RSI, MFI, STOCHASTICS
3) VOLUME ANALYSIS
4) MARKET LEADERSHIP (sector analysis) & BEHAVIOR (smart money open/close

This is how the VRA System works—in bull markets or bear markets. Sure, it's *much* more fun making money in a bull market as we watch the US economy rock and roll and US stock prices soar. This, of course, is the market we are in today. Making money in a bear market means we're forced to be pessimists. And who wants to be pessimistic?

I've been a glass-half-full guy my whole life. It's highly likely that 80 percent of those reading this book identify the same way, but it's not our job to tell the market what to do based on our emotions. Our job is to make money and to beat the markets sizably in doing so.

We are quite likely the most unique investment advisory you'll find, as our objective is simple: Make money for our clients, year after year. The VRA has outperformed the S&P 500 in 16 out of 19 years. We believe we are extremely well positioned currently, with approximately 60 percent of the VRA Portfolio in value and 40 percent in growth.

The trend is your friend. When the major averages are in confirmed bull market status (according to the VRA System) we want to be long. Conversely, in a confirmed bear market, you want to invest primarily from the short side (or very nimble on the long side). Today, if you're not long, you're wrong.

Perhaps you've heard, "There is no more bullish sign than an overbought market or stock that continues to soar." This is exactly what we're seeing today. Overbought markets that continue to rise, using sector relations to work off exuberance, are highly bullish.

Or you may have also heard, "It's not a stock market, it's a market of stocks." This is one of the best investing lessons my mentors taught me. There's always an opportunity to make money by focusing on both VRA fundamental and technical research and good old-fashioned stock pricing. This rule is at the heart of the VRA system.

Major bull markets, especially those led by liquidity and corporate earnings, do not end until the public is wildly in love with stocks and aggressively buying every dip. Until the public believes that "the market cannot go lower," the path of least resistance remains higher.

We are medium-long-term investors who believe in position building (monthly dollar cost average) in our top growth stocks and VRA 10 Baggers. This is how we crash Mr. Market and build long-term capital gains.

Frequently Asked Questions

As you'll see on our website, BigBribeBook.com/Start, these are some frequently asked questions. We share the answers here, too.

What brokerage firms do you recommend?

While VRA has no relationship (or conflicts of interest) with any of the following, we do recommend using discount and deep discount online brokers such as Charles Schwab, E*Trade and Ameritrade. We do not recommend using full-service brokers such as Merrill Lynch, Morgan Stanley, Edward Jones, etc. Their built-in conflicts of interest with their investment banking divisions may prevent them from providing truly independent advice and recommendations.

What reference material or books do you recommend to learn more about investing and fundamentals?

Here they are, not in any particular order:

- *Rich Dad's Guide to Investing (What the Rich Invest In, That the Poor and Middle Class Do Not!)* by Robert Kiyosaki
- *One Up on Wall Street* by Peter Lynch
- *Extraordinary Delusions and the Madness of Crowds* by Charles Mackay
- *Safe Strategies for Financial Freedom*, by Van K. Tharp, D.R. Barton, and Dr. Steve Sjuggerud
- *Intelligent Investor: The Definitive Book on Value Investing* by Benjamin Graham.
- *Empire of Debt, The Rise of an Epic Financial Crisis* by Bill Boner and Addison Wiggin
- *The Creature from Jekyll Island* by G. Edward Griffin
- *Take on Wall Street (What Wall Street and Corporate America Don't Want You to Know*) by Arthur Levitt (Former Chairman of the Securities and Exchange Commission (SEC)
- *The Big Investment Lie (What Your Financial Advisor Doesn't Want You to Know*) by Michael Edesess
- *The Essays of Warren Buffett: Lessons for Corporate America* by Warren E. Buffett and Lawrence A. Cunningham
- *CrashProof Prosperity: Becoming Wealthy In The Age of Risk* by Kip Herriage
- *CrashProof Prosperity: Becoming Wealthy In The Age of Trump* by Kip Herriage

Which of the VRA buy list items do you recommend that I buy first?

Proper diversification is very important. It is highly recommended that you do not place more than 10 percent of your investing capital into any one investment position. And this is not limited to the VRA, but applies to all of your investments. When you receive the VRA Buy List, spread your investing capital relatively equally across all the "buy" recommendations. Some recommendations may be on Hold or Sell when you first join, so do not invest in those.

How can I track my investments?

- Stock charting: StockCharts.com, BigCharts.com.
- Use your brokers web site to review your open positions and cash transactions. You will also typically find quotes and research there as well.
- Investing.com and Yahoo Finance are also excellent websites for quotes and research.
- For Canadian stocks you can go directly to the Toronto Stock Exchange at tsx.com.
- For precious metals, see kitco.com.
- Use Quicken or MS Money PC software programs to track all your finances including investments.
- VRA Letters are sent daily. You will receive at least one update each day, by the market open.

How much do you recommend I put into VRA securities?

The answer varies according to each individual's risk/reward tolerance level, however the answer is "not more than you can afford to lose." Investing in individual stocks is far riskier than a bank investment, a mutual fund, index fund, or exchange traded fund. This is why we place so much emphasis on both diversifying and on long-term investing.

Can I use my IRA within the VRA?

Yes, absolutely. We are not aware of any brokerage firm that is unable to use your IRA funds to buy/sell publicly traded securities. And the VRA only deals with publicly traded securities. Please also note that you do *not* need a "Self-Directed IRA" to do this; only a regular IRA is necessary.

If your IRA account is with a bank or full-service brokerage firm (with associated high commissions), you might consider transferring your IRA to one of our recommended brokerage firms. And you have every right to transfer and establish your IRA account at any financial firm of your choosing. Usually, it involves completing a simple transfer form provided to you by the firm that will be receiving your IRA account.

About the Author

Kip Herriage is the Founder and Publisher of the Vertical Research Advisory, LLC Investment & Economic Newsletter. For 15 years he was a money manager and venture capitalist for major Wall Street firms (Oppenheimer and Raymond James), where he managed money for the elite and the companies they owned, helping to take seven companies public and raising several hundred million dollars.

In 2003, Kip founded the VRA, consistently beating Wall Street and earning the nickname "The Nostradamus of Investing" for his accurate economic forecasts, stock-picking prowess, market-beating returns and uncanny, spot-on contrarian calls.

Kip's proprietary VRA Investing System, developed during his 36 years in the business and consisting of 12 proprietary screens (eight fundamental, four technical) serves as the basis for their decision making process, investments and asset allocation strategy.

In 2017, Kip's oldest son (Tyler Herriage) joined the VRA as Vice President of Business Development and now Partner. Kip and Tyler are proud to have researched and written *The Big Bribe* and to have worked together to provide daily, premium market-beating research for their valued subscribers and followers around the world.