

## 98,750,067,000,000 Reasons To Buy Gold In 2018

By Mark O'Byrne

- World equity index market capitalization touching distance of \$100 trillion dollars at beginning of December
- Key indicators across global financial markets are looking decidedly bubble-like
- Little indication that we are through the worst of the financial crisis that started in 2007
- Apparent lack of concern regarding the over-heated and overpriced markets
- Since financial crisis gold has climbed nearly 124% in EUR, 190% in GBP and 98% in USD
- Goldcore's latest podcast covers gold's role in 2018 in the land of bubbles



Earlier this week Yahoo! published '2017: The year the financial crisis officially ended'. In it the author points to record-high stocks and cryptocurrency surges as some of the key indicators that the latest financial crisis is tightly wrapped up and now destined for the history books.

Sadly we don't agree. Neither does Bloomberg. At the start of the month two Bloomberg journalists explained why they were 'worried about 2018'. In simple terms – there are so many bubbles on the horizon its not worth stopping to count them.

For both Bloomberg and Goldcore the existence of stock market highs and surging assets that are as yet unproven and untrusted are key signs that we are in bubble territory.

These bubbles exist alongside 'irrational complacency' (see the Yahoo! article for an example of this), especially in the case of central banks. These money printers rarely like to acknowledge the asset bubbles they create. However it is without doubt that the last decade of unconventional monetary policy has amounted to a \$20 trillion monetary stimulus that has pumped up these bubbles.

These bubbles now threaten financial stability. As the Bloomberg article (reproduced below) explains, there are suspiciously few mentions of 'bubble' in the financial media at present suggesting that we're not as prepared for them as we should be.

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## Silver Created The Greatest Transfer Of Wealth In History To-Date

Rory Hall

The past few days I have been reminded of how important silver is to our world and how silver is the one asset the world needs in order to function to a high level. Actually, silver is necessary for our world to function at even the most basic level where power/energy/information is running through wires. Silver makes it possible.

*With all these Western nations, basically, invading, destroying China were about silver. China was importing all the world's silver even though they had no natural mines they owned 25% of the world's silver. England had massive trade deficits with them. When England couldn't balance it back because the Chinese didn't want the*

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### Also Inside This Issue:

- **2007 All Over Again, Part 7: Borrowers Start Scamming Desperate Lenders**  
By: John Rubino
- **The Fed Is Arranging Deck Chairs On The Titanic (The Iceberg Comes In 2018)**  
By: Graham Summers

# Silver Created The Greatest Transfer Of Wealth In History To-Date

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*British finished goods they (Britain) imported opium into there and destroyed China. Which led to the rise of Mao and communism and all this other stuff.*

*~Chris Duane, The Daily Coin*

Sitting down with Chris Duane, Silver Shield Xchange and Mini-Mintage, is always an interesting ride. His passion runs so deep it becomes a challenge to keep his feet on the ground, so why not just let him run?

The illusions of wealth that are the cryptocurrencies are going to begin working their way out of my conversations. I don't trust them, I have documented the dangers they represent as a tool of the banking cabal and a tool of enslavement. The banks are working on their own version that will supersede any and all privately issued cryptocurrencies and the private issued cryptos will be outlawed and taxed into oblivion. This is not a conversation that I wish to participate as it seems to be more productive to discuss how to move our community forward and protect our families and our wealth.

If we look back in history we can see the importance of silver in the monetary world. The two most populace nations in the history of the world were stripped of their silver and forced onto the planation of the Western world fiat currency Ponzi scheme. This enslavement, after more than 150 years, is coming to an end. China and India are rapidly moving back onto solid ground, financially and economically. It is only a matter of time before both of these nations are driving the global economy as they did prior to the opium wars and being completely stripped of their silver. It was silver, not gold, that drove the economy and created massive growth within nations.

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# 98,750,067,000,000 Reasons To Buy Gold In 2018

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This is not something that can be ignored and it is arguably hard to ignore. One could perhaps argue they are blind to bubbles as they are not seeing any indication of inflation in wages. This is true, but financial asset price inflation is clearly there. We are exposed to the risk of several market crashes – in equities, bonds, and credit markets.

Sadly financial tipping points rarely come from the obvious culprits. Often the catalyst is a seemingly innocuous event, one which in scenario planning is barely considered. This is why investors and savers must prepare their portfolios for both the unknown and inevitable.

This is where gold comes in. The safe haven has stood strong and held its own in the face of pumped up asset classes, low interest rates and increased risk. This is largely thanks to its sovereignty in the marketplace.

As we have repeatedly stated gold carries little counterparty risk and serves as a form of financial insurance whilst the walls of both the political and financial system grow increasingly weak.

It is a myth that 2017 is the last we will see of the financial crisis. The trigger to the collapse may well be different to that which took place a decade ago but the signs pointing us there are very similar. Gold's long-term rise and strong performance will not be over for as long as we continue to ignore the hot air we keep pumping into the marketplace.

Even if you believe the claims that the financial crisis is truly over rather than warming up for its next explosion you cannot ignore gold's stellar performance since the crisis first began. Currently it is up nearly 124% in EUR, 190% in GBP and 98% in USD. It has good form both when the chips are down and when everyone thinks they're doing well.

It seems to make sense, therefore, to prepare your portfolio for all eventualities. As we can see from history both long and short-term, allocated, segregated bullion performs well in times of both crisis and positivity. It's a safe haven worth holding onto.

To learn more about gold's role in 2018 and beyond be sure to check out our latest Goldnomics Podcast 'Gold, Stocks, Bonds, Bitcoin in 2018. Everything Bubble Bursts?'

Below we bring you Bloomberg's reasons as to why they're worried about 2018.

*As 2017 enters its final month, here are 12 charts to illustrate what a year it's been in markets. Far be it from us to be party-poopers; but let's just say what we see makes us slightly nervous about 2018.*

*The total value of companies listed on the world's stock markets as of Friday's close was \$98,750,067,000,000 — within touching distance of \$100 trillion for the first time.*

## ***A (Very Big) Round Number***

*World equity index market capitalization is a whisker away from \$100 trillion*

# 2007 All Over Again, Part 7: Borrowers Start Scamming Desperate Lenders

John Rubino

One of the hallmarks of late-stage bubbles is a shift of power from lenders to borrowers. As asset prices soar and interest rates plunge it becomes harder to generate a decent yield on bonds and other fixed income securities, so people with money to lend (like pension funds and bond mutual funds) are forced to accept ever-less-favorable and therefore far-more-risky terms.

Recall the liar loans that were popular towards the end of the 2000s housing bubble and you get the idea. Lenders were so desperate for paper to feed the securitization machine that they literally stopped asking mortgage borrowers to prove that they could cover the interest.

Here we go again, but this time in the market for leveraged buyout loans:

## Yield-Starved Investors Giving In to the Demands of Bond Sellers

(Wall Street Journal) – Demand for leveraged loans is allowing private-equity firms to water down legal safeguards for investors Hellman & Friedman LLC and other investors sought last month to borrow money in the bond market to finance a takeover.

The U.S. private-equity firm offered a yield of about 3%, but few of the protections once considered routine.

Still, the investors bought.

Rampant demand for leveraged loans is allowing private-equity firms to water down legal safeguards for investors.

Many lawyers and bankers increasingly worry that such changes could result in higher losses for investors during the next downturn, as creditors find themselves with less protection.

Terms on loans from Hellman & Friedman's takeover of Denmark's Nets A/S allowed greater flexibility for the borrower to take on more debt, extract cash from the company and even restrict who owns the loans.

That, though, is no longer unusual in the loan market.

In the financing of a previous takeover of Nets in 2014, a separate group of private equity borrowers had to prove that debt at the Danish payments company wasn't rising too quickly. Such a requirement wasn't present this time.

The move to more borrower-friendly terms has come in both the U.S. and Europe. But the most dramatic shift has been in Europe, where the imbalance between loan supply and demand is most acute.

Investors are clamoring for leveraged loans as years of low interest rates and central banks' bond buying have pushed down returns elsewhere.

Trillions of dollars of sovereign debt, primarily in Europe, continue to sport negative yields, meaning investors pay to lend governments money.

# The Fed Is Arranging Deck Chairs On The Titanic (The Iceberg Comes In 2018)

Graham Summers

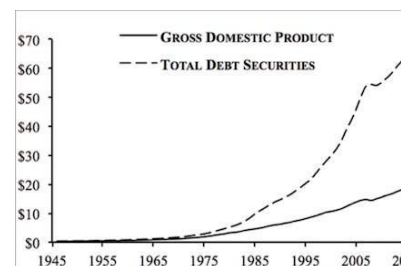
The Fed concludes its final FOMC meeting of the year today.

The entire financial world expects the Fed to raise rates a final time. This will mark the fifth rate hike since December 2015, and the fourth of the last 12 months.

Throughout this time period, the Fed has routinely stated that it is confused as to why inflation is "too low."

Inflation is not too low. The method the Fed uses to measure inflation is intentionally incorrect. As a result, the official inflation numbers reflect whatever the Fed wants, as opposed to reality.

Alan Greenspan devised this entire gimmick back in the 1990s. At that point, the amount of debt in the US financial had already become a systemic issue.



So Greenspan opted to "paper over" this fact via inflation... hoping that by aggressively devaluing the US Dollar he could keep this game going. The only problem as far as the Fed was concerned was that the inflation numbers would reveal the Fed's strategy. So Greenspan started tinkering with how the Fed measured inflation, removing various components (food and energy) and tweaking things so the Fed would no longer measure the cost of maintaining the same quality of life.

# Silver Created The Greatest Transfer Of Wealth In History To-Date

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With the mining industry being stagnate for the past 5-6 years the capital inflows will take another year to begin fueling the fire necessary to see real movement in the mining industry. Add another 4-5 years or longer, to bring enough of these new mines to full production and the supplies of silver and gold could very quickly tighten forcing both metals to begin posting higher benchmarks to meet the demand within limited supply chains.

Will this happen? Only time will tell whether the banking cabal's grip on the precious metals market can be broken. We believe it is already breaking down. We believe the rise of the Eastern nations will continue forcing the hand the Western "developed" nations that have only been able to react to the moves being made by the Eastern "emerging" nations. The Eastern nations are putting all the new technology to work. You can see it in the airports, train stations, roadways and every aspect that touches the lives of the citizens of these nations that have embraced the 21st century. The Western nations are still relying on 1950's airports, train stations, roadways and other technologies that touch the lives of their citizens. Look around and tell me that I'm wrong.

## YT Comment

*I don't care what name you put on it (cryptocurrency/dollar/yuan/etc) and how you spin it. It's still a debt based system. Until you back it up with tangible assets, like silver where people and governments would have to stay within their budgets, because of the silver they hold for true silver-crypto's. Gold would back the silver.*

Silver is a vital element. Stacking physical silver should be a no brainer for anyone that has a basic understanding of what is happening in our world

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# 98,750,067,000,000 Reasons To Buy Gold In 2018

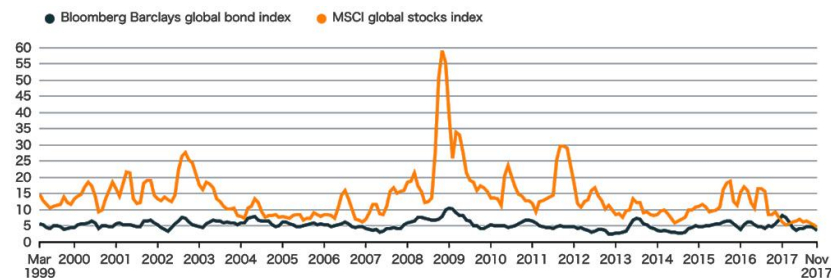
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Source: Bloomberg

*That surge in equity values has been accompanied by a drop in price swings. As our Bloomberg News colleague Wes Goodman pointed out last week, equity market volatility has dropped below that of bonds for the first time ever this year.*

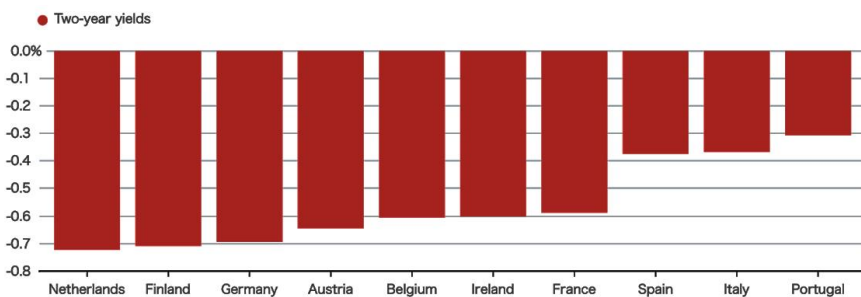
**Comfortably Numb:** 60-day volatility for stocks dropped below that of bonds for the first time this year



Source: Bloomberg

*Pockets of the bond market also look troublesomely bubble-like. Two-year euro zone government bonds have raced below zero this year: most governments can borrow at an even lower cost than the European Central Bank's deposit rate.*

**Below Zero:** Most European government bonds yield less than the -0.40% ECB deposit rate



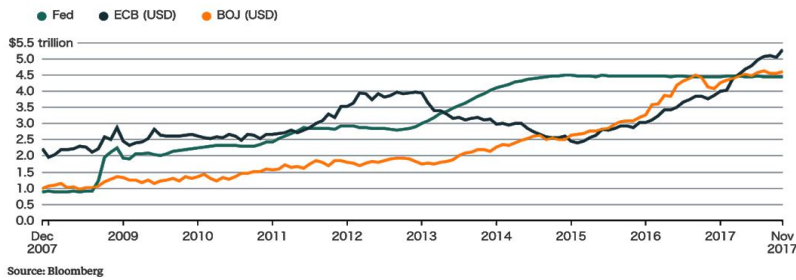
Source: Bloomberg

*Yields are being driven lower as the ECB continues to expand its balance sheet by buying bonds.*

**ECB Takes The Lead:** Central banks all ramped up their balance sheets after the crisis, but the ECB is carrying on

# 98,750,067,000,000 Reasons To Buy Gold In 2018

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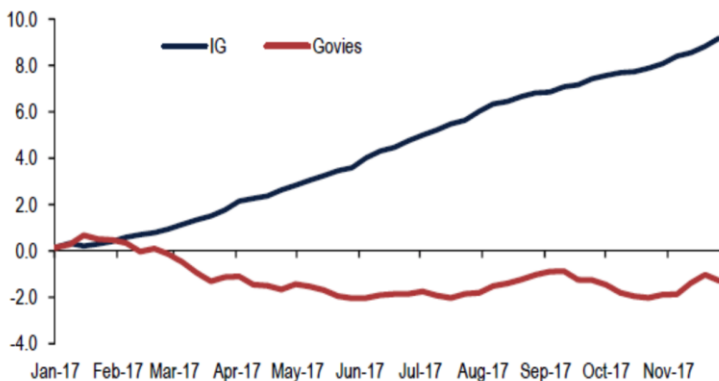
In the U.S. Treasury market, the flattening of the yield curve is worrying some bond investors, including billionaire fund manager Bill Gross.

*Flatter and Flatter.* The U.S. yield curve has flattened steadily over 2017



With government paper offering such meager returns, money has been flowing into corporate bonds. European investment-grade bond funds have taken in cash for 45 consecutive weeks, according to analysts at Bank of America Merrill Lynch. Inflows are poised to set a record for the year.

Chart 1: The reach for quality yield (cumulative weekly % of AUM flows)



Sales of new corporate debt denominated in euros are also setting records this year.

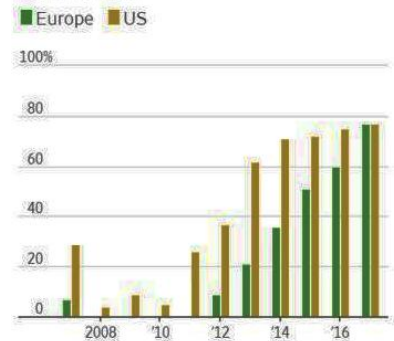
*Corporate Bonanza.* With one month to go, 2017 sales are already 10 percent above the total for 2016

# 2007 All Over Again, Part 7: Borrowers Start Scamming Desperate Lenders

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## Lightening up

The percentage of covenant-lite loans has grown sharply



With “far too much cash trying to find too few homes,” private-equity firms “can be more aggressive and lenders will take it,” said Adam Freeman, a partner at Linklaters LLP.

Some of the year’s largest leveraged buyouts in Europe have either removed covenants and legal protections, or allowed the borrower to control who buys its debt.

That included Bain Capital and Cinven’s takeover of German drugmaker Stada Arzneimittel AG, Lone Star LP’s acquisition of German building materials maker Xella Group, as well as the takeover of Nets A/S.

Analysts say that along with low borrowing costs, the weakening of deal terms has helped boost the appeal of loans to private-equity firms. In Europe, around 88% of the debt funding for leveraged buyouts came from loans this year, according to S&P Global Market Intelligence’s LCD unit, up from 73% in 2015.

# Silver Created The Greatest Transfer Of Wealth In History To-Date

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today. Cryptocurrencies are not tangible and have no value to any economy or monetary system – they, literally, have no value. Replacing one illusion of wealth with another changes nothing and benefits no-one. Silver, tangible wealth with intrinsic value, replaces illusions of wealth with real wealth.

The greatest wealth transfer in history is happening right now and will surpass the wealth transfer created during the opium wars. It is not in the future. As a matter of fact it was noted last year on January 15, 2017 that we learned the World's eight richest people have same wealth as poorest 50%. That's not tomorrow, that's yesterday.

*The world's eight richest billionaires control the same wealth between them as the poorest half of the globe's population, according to a charity warning of an ever-increasing and dangerous concentration of wealth.*

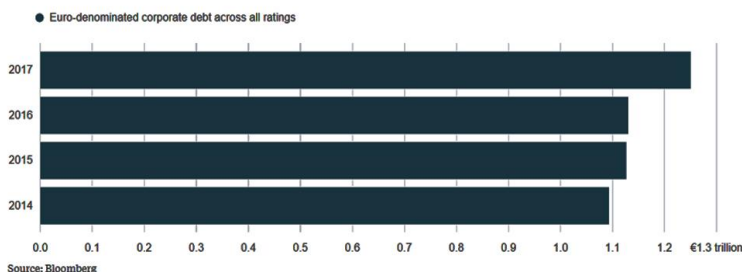
*In a report published to coincide with the start of the week-long World Economic Forum in Davos, Switzerland, Oxfam said it was "beyond grotesque" that a handful of rich men headed by the Microsoft founder Bill Gates are worth \$426bn (£350bn), equivalent to the wealth of 3.6 billion people. Source:*

Protect yourself, realistically, and do it today. The transfer of wealth never sleeps. You do what is best for you and your family. We are stacking a few ounces of silver and little gold when our budget allows. We see this as being one the best, most proven ways to protect our wealth from TriEvil.

Article by:  
Rory Hall  
January 4, 2018  
<http://thedailycoin.org>

# 98,750,067,000,000 Reasons To Buy Gold In 2018

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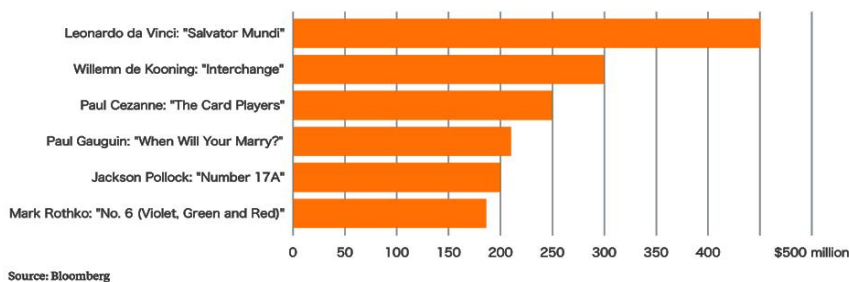
*Spreads on non-investment grade European debt briefly dipped below U.S. 10-year Treasury yields in August. As investors clamor to buy the bonds, their yields are making the moniker "high yield" increasingly unsuitable.*

*Not Such a High-Yielding Market: Non-investment grade European corporate yields fell below 3 percent for the first time in 2017*



*Last month saw the record for the highest price paid for a work of art obliterated by an unidentified buyer who bid \$450.3 million for Leonardo da Vinci's "Salvator Mundi" at a Christie's auction — compared with its pre-sale estimate of \$100 million.*

*Art for Art's Sake?: The unidentified buyer of the da Vinci artwork broke the record [Goldcore note, the buyer is reported to have been Prince Badr bin Abdullah bin Mohammed Al Farhan on behalf of the Abu Dhabi Department of Culture & Tourism]*



*This year's more than 55 percent rise in Amazon.com Inc.'s share price has been particularly good for its founder and CEO Jeff Bezos. He's only the second executive ever to top the magic \$100 billion mark, according to Robert LaFranco, who runs the Bloomberg Billionaires team; Microsoft Corp. founder Bill Gates reached that milestone in 1999.*

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*It's Good to be Jeff Bezos: The net worth of the Amazon founder surpassed \$100 billion last month*



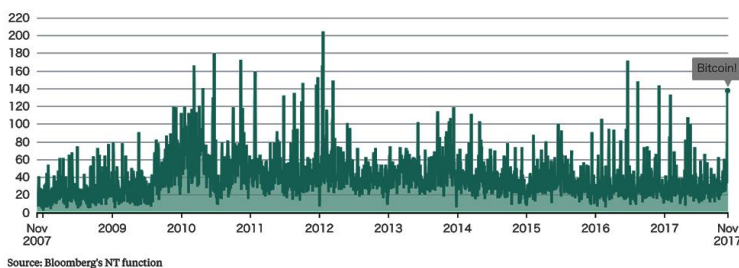
*And then there's the bubbliest market of them all: Bitcoin. The price of the virtual currency recently crossed \$10,000 for the first time.*

*A Tenfold Increase This Year: Bitcoin's seemingly inexorable rise*



*Despite that move, the number of times the term "bubble" has appeared in news articles is still below previous peaks. Still feeling comfortable about 2018?*

*A Bubble in Bubbles: Use of the word "bubble" in stories on the Bloomberg terminal*



This analysis was written by Mark Gilbert and Marcus Ashworth for Bloomberg. It was first published here: <https://www.bloomberg.com/gadfly/articles/2017-12-04/98-750-067-000-000-reasons-to-be-scared-about-2018>

Article by:  
Mark O'Byrne  
December 28, 2017  
[www.goldcore.com](http://www.goldcore.com)

# 2007 All Over Again, Part 7: Borrowers Start Scamming Desperate Lenders

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Meanwhile, 81% of loans in Europe this year have been "covenant-lite," meaning they lack many standard investor protections, up from 21% in 2013, according to LCD.

Among the first changes was the stripping out of so-called financial-maintenance covenants, which are investors' main defense against borrowers taking on too much debt. They require quarterly tests of a company's leverage level, allowing lenders to force the firm into default if it rises too high.

Other borrower-friendly terms include stringent loan-to-own clauses, which limit investors' ability to sell to distressed debt funds. Recent loans have placed restrictions against such firms as Elliot Capital Management, Apollo Global Management and Cerberus Capital Management.

Bankers warn that such provisions, along with so-called white lists that detail which funds can buy the loan, could hurt liquidity if investors can't unload loans in troubled companies to the sort of funds that specialize in taking on this risk.

This is just what happens when central banks push interest rates way down while flooding the market with new currency. Lenders find themselves with too much money to lend and borrowers can, as a result, can write their own tickets. With eventually disastrous results.

When things get tough, as they always do after a long debt binge, the private equity borrowers will suck as much money out of their captive companies as possible, while layering on new debt at unfavorable terms. Then they'll let those companies default and hand off the near-worthless carcasses to creditors.

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# 2007 All Over Again, Part 7: Borrowers Start Scamming Desperate Lenders

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You have to feel sorry (and, yes, a bit of disgust) for the victims of this recurring scam. Pension funds, for instance, are saddled by their political masters with unrealistically high return assumptions of 7% – 8%, which are unattainable in a world where long-term bonds yield next to nothing. So the prospect of even an extra percentage point of yield is tantalizing for pension fund managers whose jobs are on the line if they can't do the impossible.

A personal aside: My first serious finance job was as a junk bond analyst with a high-yield mutual fund, and my days boiled down to reading bond covenants and answering the question, "how can they screw us?" The assumption was that if the borrowers could screw us they would, and we wanted to see it coming. But with bubbles of today's magnitude, seeing it coming isn't much help for either the owners of this increasingly toxic paper or the economy as a whole.

Article by:  
John Rubino  
December 28, 2017  
<https://dollarcollapse.com>

# The Fed Is Arranging Deck Chairs On The Titanic (The Iceberg Comes In 2018)

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Greenspan hoped understating inflation publicly he would give him the cover he needed to pursue an aggressive devaluation of the US Dollar. The flip side of this was that the Fed would begin intentionally creating asset bubbles by maintaining loose monetary policy ad infinitum.



The late '90s was the Tech Bubble. When that burst in the mid-'00s, the Fed created a bubble in housing. When that burst in '08 the Fed created a bubble in US sovereign bonds or Treasuries.

And because these bonds are the bedrock of the US financial system, the "risk-free rate" of return against which ALL risk assets are valued, when the Fed did this it created a bubble in EVERYTHING (hence our coining of the term "The Everything Bubble" and our bestselling book by the same name).

That bubble is now beginning to burst. And ironically it is inflation (which the Fed claims is too low) that will do it. It will take time for this to unfold, but as I recently told clients, we're currently in "late 2007" for the coming crisis. The time to prepare for this is NOW before the carnage hits. On that note, we are putting together an Executive Summary outlining all of these issues as well as what's to come when The Everything Bubble bursts.

It will be available exclusively to our clients. If you'd like to have a copy delivered to your inbox when it's completed, you can join the wait-list here:

Article by:  
Graham Summers  
December 13, 2017  
Phoenix Capital Research

## The Outstanding Public Debt

National Debt:

20,603,819,829,300

The estimated population of the United States is 327,017,694

US citizen's share of this debt is \$63,006.00

The National Debt has continued to increase an average of \$2.39 billion per day

Business, Government, Financial and Unfunded Liabilities Debt exceeds \$100 Trillion

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