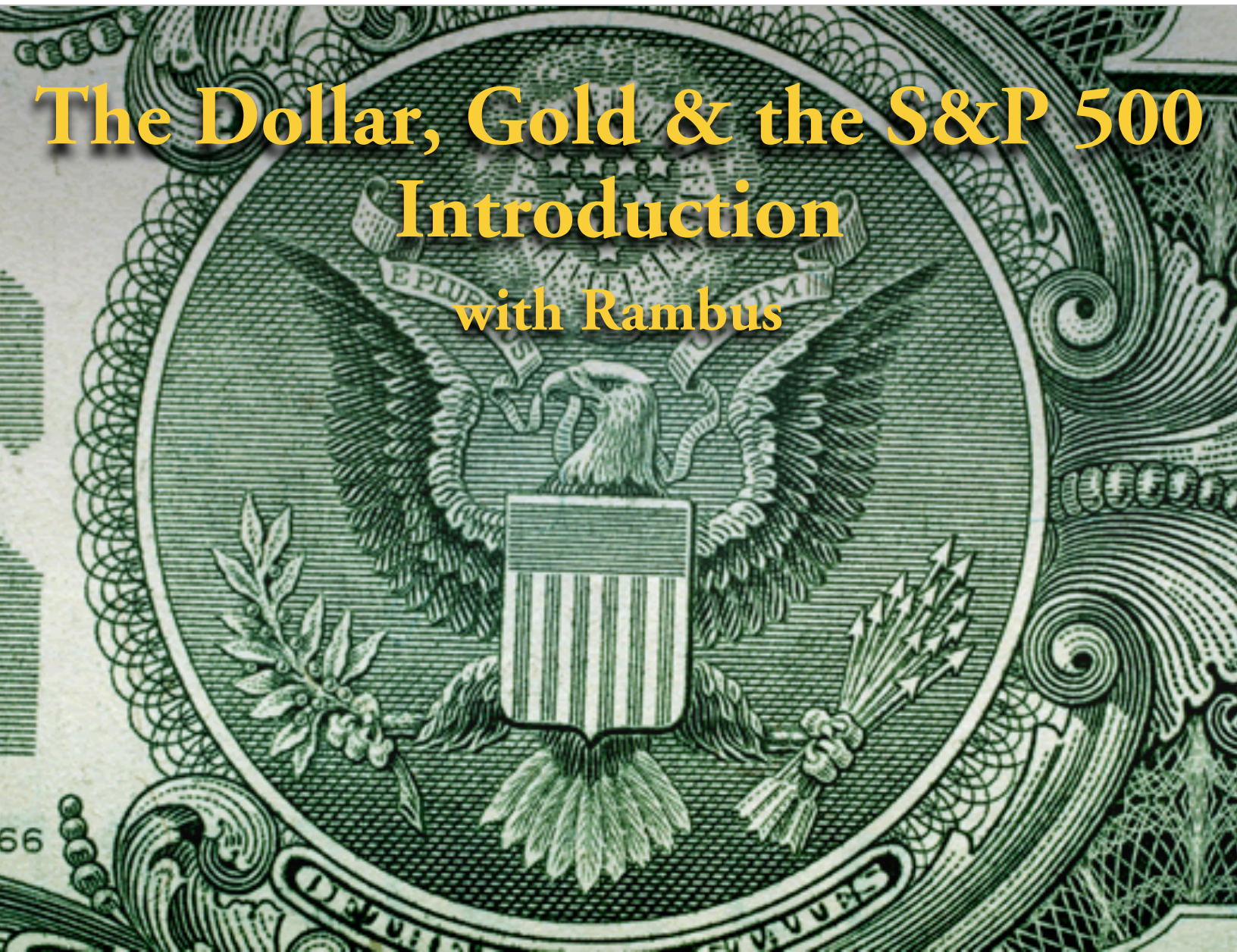




The Solari Report

OCTOBER 15, 2015

The Dollar, Gold & the S&P 500
Introduction
with Rambus





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Introduction

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Good evening. Welcome to The Solari Report. Today is October 15, 2015. I'm Catherine Austin Fitts, and I'm delighted you could join me to discuss three of the most important markets and price indicators on planet Earth today. Those are the US dollar, gold, and the S&P 500.

I invited Rambus of Rambus Chartology to join me on The Solari Report in September. Rambus is his handle, not his real name. I had wanted to do the interview coming out of the August correction and into the intense fall period that we're in. Right after Rambus agreed to join me, his site was badly hacked. Frankly I consider that a confirmation of the value of his work.

Rambus' market insight is something that major media does not want you to have. The quality of his work and the discussion of the community on his website forum makes it that much harder for major media to profit on disinformation. Math and mathematical analysis, particularly about money and financial flows, continues to be – in my opinion – one of the most powerful tools we have to protect ourselves from disinformation from psychological warfare and from entrainment technology.

Rambus wanted to do the interview in written format. Of course that makes sense given how important the charts are in the discussion. We've published the interview with a link in your Subscriber Resources. You'll find it right below this audio, but I wanted to record an introduction to his written interview to tell you how important I think his work is and how important what he has to say in this interview is to you.

There are two primary forms of security analysis. The first is technical analysis, which is a methodology for forecasting the direction of financial asset prices through the analysis of market data, primarily price and volume. Rambus



focuses entirely on technical analysis. The other form is fundamental analysis, which is a methodology for forecasting the direction of financial asset prices through the valuation of the related economy, market company, or its products and services by essentially looking at bottom-up cash flows.

Fundamental analysis includes inner-market analysis for the study of the relationships between markets, something you'll see Rambus use his technical analysis to do quite often. So inner-market analysis looks at the relationship between stocks, bonds, and commodities markets.

Another theory in addition to technical analysis and fundamental analysis is that technical analysis and fundamental analysis are not a good use of our time. Just throw all the money into the index funds; the future can't be predicted or informed by this kind of analysis.

I believe that both technical and fundamental analysis is very much worth our time, not just for the purposes of investing, but for the purposes of investing our time on understanding the world around us and helping us sort-of map reality. So I use this kind of analysis – both technical and fundamental analysis – not just for purposes of investing but for understanding my world.

When it comes to investing, if history has shown us anything it is that some active managers do consistently outperform the index funds. That's a much longer discussion which we ought to have at some point on The Solari Report. But even despite that, I doubt I will ever use broad index funds. It's not just turning over my money; I'm not going to turn over my money to the financial establishment to let them direct where it goes, including into some things I really don't want it going into.

So I'm not one to believe that throwing all your money into index funds is really going to do you any good. I find both technical analysis and fundamental analysis very useful and complimentary of each other as it becomes harder and harder to get reliable data about what's going on. We live in a world rife with material omissions. As those material omissions become more and more painful I find it increasingly important to use technical analysis to simply track the reality of what price and volume are doing in markets. Price matters. I just want to underscore that again. Price matters.



Rambus is my preferred source for technical analysis, and I want to go through the reasons why. First of all, I'm always attracted to people of extraordinary integrity, and I've had the opportunity to meet him and his wife and his partners who developed the website and the community that he runs at Rambus Chartology.

Rambus has a gift for technical analysis. Part of it is his passion and he has the ability to concentrate and really screen out all the noise. He spends not an ounce of time on any fundamental analysis. He does his charts, he focuses on what the markets have been doing and saying, and there is an extraordinary integrity that he brings to that as well as his interaction with other people. He loves to teach and he loves to encourage other people how to do their own charting, and he encourages a very free and open discussion. So everything about him and the people around him in his operation has a very extraordinary integrity about it. He's somebody who likes to live free, and he likes to encourage and help others live free as well. It's a very delightful quality to see.

Second of all, his technical analysis, I used to always find technical analysis offensive because so many of the people doing it were looking for a mechanical way of looking at the world and a strictly mathematical way of looking at the world that seems somehow dead to me. Rambus very much makes mapping prices and mapping markets to be mapping a living system; he sees through the numbers into the people and the humans. He makes technical analysis come alive as a living system and sees markets as alive, whether it's the human retail investors or institutional investors or programming the AI systems or running the central banks that are intervening. He really approaches things as though they're alive, which I think they are.

Third, he focuses on the really deep, important indicators. I think in a world as complex as the one we're in, you have to look at all the complexity. But the way to handle the complexity is to look at what's really important. Historically the majority of good investment performance comes from getting the big turns right, and the big allocations – how much you have in cash, how much you

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have in commodities, how much you have in fixed income, how much you have in equities. So if you get the big, deep trends right, that is a major contributor to performance. I think there are no more important indicators than the US dollar, gold, and the S&P of deep trends, and Rambus keeps a close eye on all of them. I value that.

I value the deep look at the most important things very much. As I said, I use it to map both price and market activity in an objective way. I don't feel that technical analysis can inform as much what you buy and why you buy it as opposed to when you buy it, although I do think it's good at calling the big turns and trends. But it helps me keep my mind open because you can fall into the trap of thinking the world is going to go a certain way and then you get surprised when it goes in a very different way. We've seen that a lot over the last 20 years.

I find that following Rambus helps me look at the twists and turns in the market. It's all about reading probabilities in a world where politics and central intervention can cause things to move in very unexpected ways. It helps me keep my mind open, as I said before.

As you read this interview, I want you to consider several possibilities. The first is the US dollar is losing market share around the world. However the evolution away from the dollar's reserve currency is going to take a long time, and we face a wide range of possible scenarios where the dollar could break down or it could go much higher. We need to be open to the full range of what could happen, including – as I said – the possibility of a much higher dollar over the intermediate term.

The thought of this angers many people. I've watched for more than a decade as the community that's grown up around predicting the demise of the dollar, particularly in the short run, they're very angry at the fact that a group of people have the ability to print with impunity and kill with impunity, and there's a desire for the dollar to collapse in the hopes that taking away the tools to print with impunity, including printing money to pay the assassins to kill with impunity, will somehow stop the pain.

I disagree that a breakdown will necessarily lead to an improvement, but put



aside that discussion. Even if it were true, there's a vast difference between wanting it to be so as a result of being offended at the perversion, the hubris, and the criminality that the ability to print with impunity has engendered and it being so in fact. So it's very important to move beyond the emotional and focus on the reality because reality is what we need to navigate.

I think one of the powers of Rambus' technical analysis is that it helps you get out of that emotion and into the discipline of watching the reality of price and the possibilities of what historical prices say about what is possible going forward. As it's true with the US dollar, it's also true with gold. Again, I know a lot of people who've held on to the view that the price of gold is going to go to the moon. Whether that's true or not, we face a wide number of scenarios, including the fact that gold could take another big leg down before a bull market reasserts – if it's ever going to reassert.

Again, we need to be open to a wide number of possibilities, but I find for tracking the price of gold there is nobody more valuable to me than Rambus.

Finally, the US stock market. Again, very big scenarios of which way the equity markets could go. If geopolitical tensions continue to rise, we could see the markets really break down. If they don't and we manage that properly, we can watch the US stock market and global equity markets go much, much higher. I've talked before about the possibility of a crash-up scenario, and I think Rambus' charting in this interview of the S&P really informs the issues. The reality is the central banks continue to organize to stem the tide, pulling towards deflation. That absolutely could lead to a crash-up in the equity markets.

So ladies and gentlemen, dollar, gold, S&P – these markets are mapping the flows of global investment and the struggle at the heart of the global geopolitics as G7 leads the rebalancing of the planetary economy while trying to stay in control of the tsunami of ambition and desire that they've unleashed, and which frankly is ultimately and fundamentally out of control.

So you're in for a real treat this week. Click on the link in your Subscriber Resource section below to read the insight that Rambus and his charts give you about the deepest, most important, and most powerful financial flows on the



planet today.

DISCLAIMER

Nothing on The Solari Report should be taken as individual investment advice. Anyone seeking investment advice for his or her personal financial situation is advised to seek out a qualified advisor or advisors and provide as much information as possible to the advisor in order that such advisor can take into account all relevant circumstances, objectives, and risks before rendering an opinion as to the appropriate investment strategy.