# The Solari Report

October 26, 2017

# 3rd Quarter Wrap Up Equity Overview & Rambus Chartology

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**C. Austin Fitts:** Good evening and welcome to The Solari Report. Today is October 26, 2017, and I am Catherine Austin Fitts presenting the 3rd Quarter Equity Overview. It's the 3rd part of the 3rd Quarter Wrap Up, and I'm pleased that you could join me this evening.

I've been, on what I would call, an 'excellent people trip'. I've been associating with some very excellent people. I started by flying to Washington and spent several days in there. I was there to meet Dr. Mark Skidmore, who is absolutely fantastic. If you haven't listened to my interview with him or read his report about the missing money, I recommend it.

I also had the opportunity to have breakfast with Congressman Kucinich and I'm a great fan of his. He was one of the people, in addition to Congresswoman McKinney, who made an effort to bring transparency to the missing money problem. I had an opportunity to talk with him when I was at the Nexus conference. We were on a panel together.

Washington is truly rolling in dough and the national security state keeps sucking up more money. As you look around and watch what is happening, you think, "Can you imagine what is going to happen if the spigot ever gets shut off?"

Then I went to New York and took a trip from New York to see Bill Binney in Baltimore. He briefed me on the four lawsuits that are underway across the country to try to enforce the Constitution vis-à-vis the NSA. I've asked the attorneys who wrote the special Solari Report on Bitcoin taxes if they would follow up with a special report on those four lawsuits. I'm hoping to bring that to you before the end of the year.

I'm still in New York, and I've had an incredible time. I had the opportunity to see one subscriber, and there are many more I would have liked to see, but I didn't have time on this trip. I had meetings with several business colleagues, so that has been very productive.

I had a chance to see Helen Chaitman, the attorney that wrote the book, *JP Madoff*, who is one of the lead attorneys representing Madoff victims, and I received a deep dive briefing on more corruption and what is happening in the banking system. One of the greatest blessings now is very brilliant, capable, and ethical attorneys – attorneys that really believe in the law, and certainly, Helen qualifies. It's always inspiring to be around her.

Then I had an opportunity today to help launch Helen and me with Lyn Ulbricht, who is Ross Ulbricht's mother and running the website www.freeross.org. I recommend it in 'Let's go to the movies' that everyone watches the documentary about that situation. I believe the name is *Deep Web*. It's about the Silk Road website and prosecution. It was very chilling for me to watch it because basically, the playbook that they used to frame Ross Ulbricht is the one that they tried to use to frame me. Watching it brings back memories of what it's like to be in the crosshairs of a malicious prosecution where you have to obey the law, and they don't.

I had the opportunity to go to *Tales of Hoffman* at the Metropolitan Opera and it was absolutely sublime. Tomorrow night, I will be heading back to see *La Boheme*, so this has been an opera week.

The feeling that you get from listening to excellent singers, being with excellent freedom fighters, and excellent people has been a very inspiring trip.

Equity Overview. There are two links in your subscriber links. One is to the web presentation for the 3rd Quarter Wrap Up. Of course, I'll be referring to the Financial Markets Section. We also have an update on the space companies in that section, which I will talk about.

The second link is to Rambus' Chartology. If you love to look at charts as much as I do, it's absolutely sublime. Rambus outdoes himself every quarter, but he really outdid himself this quarter.

I told him that he was the Vivaldi or Mozart of technical analysis – he could take his pick.

I started the financial markets' section on the web presentation with a quote from a very, very good article called *Sheep Logic* by Ben Hunt, and I want to read it to you. I will read the full text:

> Active central bank narrative construction in the service of their policy goals is a permanent change in our market dynamics. The introduction of such a powerful new weapon in the Fed's policy arsenal can no more be removed than mustard gas or tanks could be removed from national arsenals after World War I. Market prices may be mean-reverting, but innovation in the service of social control never is.

What do the Missionaries get out of this? What's our equivalent of wool and mutton? It's low volatility. It's the transformation of capital markets into a political utility – which is just about the greatest gift that status quo political interests can imagine. When Donald Trump and Steve Mnuchin talk about the stock market being their 'report card', they're just saying out loud what every other Administration has known for years.

Forget about markets, our entire political system relies on stocks going up. If stocks don't go up, our public pension funds and social insurance programs are busted, driving our current levels of wealth inequality from ridiculously unbalanced to Louis XVI unbalanced. If stocks don't go up, we don't have new collateral for our new debt, and if we can't keep borrowing and borrowing to fuel today's consumption with tomorrow's growth, well, that's no fun, now is it?

The flip side to all this, of course, is that so long as stocks do go up, nothing big is ever going to change. You say you want a revolution? You're a 'Make America Great Again' guy and you want someone to drain the Swamp? You're a Bernie Bro and you want the rich to "pay their fair share"? Well, good luck with any of that so long as stocks go up. It's a very stable political equilibrium we have today, full of Sturm und Drang to provide a bit of amusement and distraction, but very stable for the Haves.

So with that very compelling insight about the relationship between the Fed printing financial methadone and stocks going steadily up, despite all the news that is fit and unfit to print, there we have it.

I'm going to go through the web presentation now, so you may want to click over to that and follow along as I do this.

The US Dollar Index was down at the end of the 3rd quarter. It started to turn up since, but it was down 9 ¾. It has held within that channel; it did not break the 92 line.

The 92 line is a very important technical line if you look at Rambus' US Dollar charts. He has a complete currency section. He shows that channel between 92 and 104, and we've had a brief inflexion above the 104 and a brief drop below 92 during 2017, but it hasn't broken the line.

Tax reform, I think, is going to be very supportive of a rising dollar, and it also means that the possibility of a bear trap globally in places that have borrowed significant amounts of dollars. Whether it's the change in corporate repatriation or the change in the state tax or various changes in tax rates, I think you are going to see a giant sucking sound of money out of different places around the world and into the United States. So it's a strong dollar and a potentially big swing on many markets.

Fixed income has gotten a much better performance this year than I expected. The bond aggregate was up 3.12% as of the end of September. Junk is up 6.32%. The long-term Treasury is up 6.75%, and the intermediate Treasury is up 2.85%. It's a very respectable performance given the concerns about interest rates and credit quality.

I'm not particularly concerned about interest rates rising significantly. I don't think it's going to happen, but certainly, the Fed backed off on several occasions from bumping it. We'll see what they do at the next meeting.

Bonds have held reasonably well, but given all the credit issues in the fixed income markets, the debt growth model is over. We don't expect much of a performance moving forward. If we get into a real spiral down, then that could change. It could be reasonably good for bonds. I would not say that it is a certainty that we are in a bad market for bonds in all cases.

For equities, the S&P at the end of the 3rd quarter was up 13.99%. Large caps were in the lead at 14.26%. Medium caps were up 11.98%, and small caps were up 10.52%. So the small caps are lagging.

Defense was one of the strongest sectors, up 27.8%. That reflects massive US budget increases with the Administration asking for a big increase, and McCain and the Senate significantly increasing that.

Industrials have been a very strong sector, in part reflecting the 'insourcing' proposed.

Home construction is up 33%, although we see a real bifurcation between markets in places, which are strong for Global 3.0 versus 2.0.

I continue to believe that space is going to be one of the real star performers. We'll talk about that later. Of course, I think much of what we're watching is channeling quantitative easing inflation into the equity markets and hard assets.

The reality is that a lot of money has to get out of the fixed income market and is looking for a place to go.

Germany and the European ETF VGK are both up 24% at the end of the 3rd quarter.

China is doing better than anybody. You've got small caps up 32.25% and large caps up 27.44. The India ETF PIN is up 24.18%. So India is also doing well and basically even with Europe.

As I've been saying for years, the US market has shot way ahead of Europe in the emerging markets, and they are catching up again. A strong dollar could reverse that. If we get money pouring back in, you could see more money moving into the US equity markets.

Oil is still struggling in the doghouse at the end of the 3rd quarter at 15.01% down. Gold was up 10.92%, and the silver ETF is up 4.17%. That is an absolutely remarkable performance, given the giant sucking sound of money out of precious metals into Bitcoin and cryptocurrencies.

To give you an extent of the sucking sound, on December 31st we ended at $950, and now the price topped $6,000. It's backed off to about $5,950.

When we did the first Bitcoin Solari Report in May of 2017, the total market capitalization for the entire cryptocurrency market was $35 billion, which was approximately 1/3 of the market capitalization of Starbucks.

From the five days after we recorded the Bitcoin conversation to when we published the commentary, the cryptocurrency market went from $30 to $35 billion – which in percentage terms is over 10%. It was pretty remarkable.

If it was $30-35 billion then, today the cryptocurrency market is $173 billion, of which Bitcoin is $100 billion. That is a major growth, and we are still two months away from the end of the year.

The price has gone up more than five times from $950 to $5,960.

To give you a sense of the cryptocurrency market, it is $173 billion. All outstanding gold is $8 trillion, and – of course – silver is more.

So Bitcoin is still tiny compared with the gold market, but if you look at the returns that it's getting, we're seeing many signals from across the market that money is shifting out of precious metals into Bitcoin. Clearly incremental money that would be going into gold is going into Bitcoin.

I believe this is a wonderful thing for the central banks because they are buyers, and much of the smart money is buying. This keeps a lot of the stupid money rolling with the 'let's invest the cryptocurrency pump' and away from gold. In one sense, that argument is this is a smart time to buy gold.

The Baltic Dry Index is good news for the global market; it's up 45%. I thought that was interesting. It was more than I would have expected.

Let me turn and make a few comments on what is ahead in the Rambus piece. As I said, this is a remarkable piece from Rambus and I strongly recommend it.

I've had one wonderful subscriber adamantly insist that I provide information about how to use technical analysis. If you look at what it takes to help you understand technical analysis, I would strongly recommend you get a copy of *Technical Analysis for Dummies*, which is part of the *For Dummies* series. It has a very good introduction to technical analysis. There is a great introduction with Stockcharts, which is one of the websites that I use to make the charts that we publish weekly at The Solari Report.

One great way to understand it is to look at the definitions, all on Wikipedia, which I think are very good, or on Investopedia. So there is a good deal of great information to help you understand what the different technical indicators are on a chart, whether it's the moving averages or the RSI. I think a chart gives a way of compressing a tremendous amount of information into an easy-read graphic format. I can see the history of the prices; I can see the patterns of the prices; I can see volume and momentum, and compare it to what I know is happening in the fundamentals and the comparisons.

One thing that Rambus is doing more and more is talking about how rigged the markets are and the extent to which the manipulations are happening. He sees it, too, which is not the usual conversation that you get from technical people who do technical analysis. Rambus adds commentary, which I think is very helpful to follow along.

I would suggest that if you want a technical analysis, go to Investopedia and Wikipedia and read the definitions, and get a copy of one of the *For Dummies* books on technical analysis. It will give you a good introduction, and certainly a much better one than I feel comfortable doing.

The US Dollar Index is a very important chart. It's one that I watch the closest. At this point, the dollar is very dependent on military, and that includes space. As I said, tax reform will be strong for the dollar, but it could put countries around the world that have very heavy dollar borrowings, in a bear trap. I've talked about that the last two years. It hasn't happened, but if you look at the charts, Rambus shows you why the dollar is stronger than you might think. He underscores the importance of this 92-104 channel that we've been trading back and forth in.

I always recommend to people that if you want to understand the challenges with the dollar, read the article that *The Economist* had. They did a big spread on the dollar a few years ago called 'Dangerous, but Dominant'. The reality is that if you look at how the financial markets work globally, the dollar is very dominant in terms of liquidity and trading within the financial system globally.

The market share is dropping, but with the debt growth model you have many countries around the world that have borrowed tremendous amounts of money in dollars. That means that they owe dollars, and that creates a demand for dollars.

The dollar has a lot of strength behind it, particularly if the military continues to be successful. This is why the incident with the ramming of the Navy ship was so dangerous and of great concern to Dr. Farrell and me. We talked about it in News Trends & Stories. This puts a great deal of weight on Secretary of Defense Mattis and Chief of Staff Kelly, but with a military background, and Tillerson at the State Department. Congress is now authorizing large military increases to restore the military. The standard line military could use plenty of rejuvenating if you want performance. Trying to rebuild a performance-oriented organization is more than a big challenge. Much of that money has essentially gone to prop up the stock market and buy a contractor. So let's see if that continues to happen.

The industrials reflect that push to both rebuild the military and rebuild industrial capacity in the US and not be dependent on Asia or outsourcing, which creates a lot of political risks. All of this places a heavy dependence on space because, whether you're trying to be a unipolar empire, or you're trying to be successful as 'Fortress America' in a multipolar world, you need high performance in space. That means satellites and, unfortunately, I'm assuming from everything that we're watching, it means space weaponry.

Notice that last week, we placed on the website very big space exercises – the US leading 25 countries in 25 space exercises. It was very interesting and you take a look at it.

Washington is on a pork treadmill, and it's a major job to change to performance. That is one of the real killers on the dollar. The more that you depend on pork, the more the productivity and the performance go down. Getting out of that trap is going to be a problem.

The Annual Wrap Up will be on pension funds, but the 1st Quarter Wrap Up will be on the Space-Based Economy because I work on it every week. I focus more and more on how important space is going to be in a whole variety of ways, and I think it's very important we all understand that and see that.

The debt growth model, as I said, is over. That means interest rates are now nuclear weapons in the hands of bankers. You currently have governments over a barrel with tremendous amounts of debt, and combine that with the related derivatives, and all you need is a tiny bump in interest rates, basically, to hiccup the world. It's a major ball and chain that the bankers now have on everybody.

Here is the question: What is going to keep equities rolling? I keep talking about the great Fortune 500 chart. I've tried to get permission from *Fortune* to publish it but, unfortunately, I haven't received it yet.

I showed it in my presentation, so you can see it in the Nexus presentation. There is a video that we posted on the blog, and it's also on YouTube. It shows, that from 1955 to 1995, Fortune 500 revenues tracked along with the GNP. Suddenly, they exploded and grew much faster than the GNP. I think that reflects several things; one of which is globalization, and the other is the extraordinary explosion of government debt and missing money from the US government.

Starting last year, if you looked at the end of 2016, the explosion of revenues had been so great that from 1955 to the end of 2016, the Fortune 500 revenues had grown more than double during the entire period compared to what the GNP had done. So you hear this giant sucking sound centralizing revenues into the stock market. Then you start to see it fall, and there is a seesawing between 2016 and 2017. Part of the problem, as we've discussed earlier, is that multinationals are experiencing far more local competition around the world, and they are fighting falling margins globally. Part of that is the desire to pull back and earn more in their markets, but, of course, that keeps going back to government money.

One of my concerns on the missing money is that that money was part of propping it up. It's one of the reasons I think Congress was so generous with the defense appropriation and is trying to plug that gap. In fact, the pressure is great for tax reform for this reason. You're trying to balance off that seesaw.

We saw this week a budget passed that would allow tax reform with a simple majority to pass. If you have to go to a quorum, then you have real political problems getting it done.

I think that one of the reasons that such an effort was made to get Obamacare taken care of was to make the budget go, and to go in a way that you could then get tax reform. We did, indeed, see Treasury Secretary Mnuchin stating earlier this month that if we don't get tax reform, equities could correct.

Let's turn to equities. Rambus does a remarkable job – both in the 'Equity' section, and when he returns to equities in the 'Precious Metals' section in his latest update. So if you are interested in equities only, look at both the Equities section and the Precious Metals section, as well.

He makes the bold case very well, and his charts clearly support it. He's been saying this for years, and taking plenty of heat from the goldbugs, accordingly.

I wanted to read you two excerpts from Rambus because I think they are very important to understand:

> Our charts have chronicled the market indices relentlessly powering higher. It's a runaway freight train – unstoppable. One prominent newsletter writer from a contrarian newsletter group has even published a guide on how to play what he calls the 'melt-up market'. I often hear people wonder, "What can possibly stop this market? It acts impervious to any threat or bad news."
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> Let's take a look at some measures of vertical extension which the markets have now reached.

Frank Barbara recently published a few market duration statistics that are simply mind boggling. The Dow Jones Industrial Average has been around for 120 years and we have accurate statistics over that time frame. We are now in the longest interval without a 5% correction in history by a long shot. We have gone 360 days since a 5% correction. This is off the charts, since the second longest interval in the last 120 years comes in at 265 days back in 1964. The number three and number four longest were 229 and 220.

The S&P 500 has similar statistics, however it has not been tracked as long as the DOW. Similarly, the DOW's 100-day moving average has been in an upward configuration for 333 days. There have been only two other times in history where it has even exceeded 250. It typically takes 18 trading days to turn the moving averages down. So as a minimum, 350 seems in the bag.

Today's extreme vertical run is simply extraordinary. Since world markets are driven by a sea of liquidity due to quantitative easing programs it has characteristics of an engineered outcome.

This is Rambus talking about rigging and it's great:

> It reminds me of what happens when the US Forest service does not allow any fires to burn. It prevents them for extended periods, but ultimately results in a conflagration later on.
>
> After the dotcom bubble burst Fed emergency measures resulted in the housing bubble, and after the 2008 financial crisis.

The housing bubble was engineered starting in 1994. So they were working on it for a while.

> Emergency money printing, QE, has led us to where we are today – the 'everything bubble'. This is not a rant against Fed policies; I am simply chronicling the reality of markets today in an attempt to develop a strategy going forward.
>
> The two previous bubbles, although large, were essentially side-show bubbles. However, today's bubble is a money bubble which goes to the heart of money and credit. Once it deflates, the Fed may not be able to reflate it since they will not be able to increase non-productive credit. It is with this knowledge that we will review the dynamics of the post-bubble contraction and develop a strategy going forward.

Market commentators constantly say, "You can't fight the Fed." The question is: What is the Fed's plan when this bubble bursts?

It's interesting. One thing that is soaking up a great deal of liquidity without turning on inflation of hard assets or real things is cryptocurrencies and Bitcoins, which is why I think they have been allowed to run. You see the President of the ECB, Mario Draghi, saying, "It's too early to regulate them," which means, "Let's just let them run and soak up as much as they possibly can."

There is more in Rambus' description, and I would encourage you to read it. The reality is that the market is high, but it has capacity to go higher. It's seriously overbought right now. The big question is: Will we get tax reform? That could basically create the floor that it needs to go even higher.

I do think there is a very serious system-wide commitment to engineering a 'crash up' scenario with equities rising higher as opposed to debt breaking down and crashing down.

I always liken the planet to a house where the mortgage is now worth more than the house. You have two solutions: You can mark down the mortgage, or you can do something that causes the equity to go up, and that is the 'crash up' scenario. Part of it is simply channeling all of the quantitative easing, and it's one of the reasons I think that control technology is so important. It's another reason that I wanted to discuss our theme, Control 101, which we will present next week.

The bottom line is that tax reform is going to send it higher. That is what I believe.

We've added updated space company lists to the Financial Markets section. It's revised slightly from the 2nd Quarter Wrap Up. I continue to add and fine-tune those lists.

The Annual Wrap Up will be on pension funds, but the 1st Quarter in 2018 will be on the space-based economy.

Morgan Stanley has a new report out on space, estimating that the space industry – which is worth approximately $350 billion today – will grow into an economy worth more than $1.1 trillion by 2040. So they are projecting a 300% increase. Actually, I believe the covert side of the space economy is much greater than that $350 billion. So if the truth was known, the actual number is larger, and I think that the growth will also be larger, but 300% is pretty significant on its own.

One of the challenges of being in the equity markets now is that we are watching a bifurcation where Global 3.0 is shooting up and Global 2.0 is dropping down. So you have to be very careful about exactly who you're in, and whether or not they are going to be successful as we go through this change.

Another example that happened this week, and I talked considerably about this using Amazon as an example when Harry Blazer and I discussed the Amazon-Whole Foods deal, is that we saw the grocery stocks trade down on the announcement of the Amazon deal with Whole Foods more than Amazon went up.

So there was a net drop in market capitalization across the board. Of course, the risk is we would get that kind of deflation as the technology and competition reduces the margins across industries.

It's interesting. If you review the Treasury report on financial regulation, it was very focused on the shrinking float of the number of companies in the US markets and the importance of getting growth there. I think part of that is they appreciate the deflation that is at work here.

Here is the big challenge: No matter how much we try to crash up the markets with government money, including covert government money or organized crime or lower taxes, the challenge is at the Department of Justice. We really are developing a significant breakdown in the rule of law in this country, including malicious prosecution.

We had a great Solari Report earlier this year with Howard Root, founder and CEO of a publicly-traded company, and he sold his company. He said, "I just can't lead a company with this kind of legal enforcement occurring."

A recent survey from Chapman University showed that the number one concern of the American people (79%) is government official corruption. You can't have a healthy and innovative financial market and an economy without the rule of law.

The Chinese entrepreneurs are dealing with the same issue.

We keep seeing and hearing news on the Uranium One deal between the Clinton Foundation and the Russians, which is now front headlines on both the independent media and the corporate media. I was reminded today that the Bundy Ranch, which happened to be sitting on some of the deposits that were important for the Uranium One deal, of how much is being reveled that is going to exacerbate people's anger about the corruption.

Let's discuss what this all means to your portfolio strategy.

The **US Dollar**. Watch the inflection points. I'm assuming it's going to trade in the channel, but if we do get tax reform, in theory we could break to the upside. I don't expect it, but it's possible. Of course, the danger is that the dollar is too over-dependent on military. Even Secretary of Defense Mattis has warned that is a problem, and it's not healthy.

The other thing is that we have Israel and the Neocons hanging around, who would be happy to destroy the US for their own purposes. They are a huge taxation on the system and a real problem.

Moving onto **Precious Metals.** Make sure that you have your core position. If you look at the possibilities for a stronger dollar, which will be bad for precious metals, I'm still not recommending precious metals as an investment, but I think that it is a very attractive time, especially if you get a strong dollar and a lower price, to make sure that you've accumulated your core.

The one exception is that Bitcoin has the premiums much lower on coins and physical precious metals. In that sense, it makes it an attractive time to accumulate, particularly if you're working with dealers where you accumulate a little at a time. I assure you that, whether the price is up or down, the central banks will keep buying.

As they see opportunities to buy, you should also. I think that you definitely want to hold your core. The 4th quarter doesn't appear it's going to be attractive for precious metals, particularly if we get tax reform.

**Equities.** We are clearly in a bull market. Now, the market is very overbought. It's hard to imagine that you would want to buy at this time. The real divide is the 3.0 growth versus the 2.0 people who are not going to be making it. Be very careful about that bifurcation.

If you don't want to run the risk of a correction, which we will have eventually, the way to handle that is hedging. I would much rather be hedged and stay in the market than leave the market because I was concerned about drops. Hedging is the way that you deal with that, not exiting.

I think that there are many good companies in the market who are involved in the corruption and are trying to perform in a system despite the fact that it is corrupt. Every asset class has the same problem, in terms of dealing with aspects of the total system – which are corrupt.

Equities markets are in a bull. If I were you, I would have an allocation in equities that is focused on where the growth is going to be in 3.0, and if you are worried about connections, then use hedged equity.

**US Real Estate.** The same bifurcation is happening between the 2.0 and 3.0 areas, and you're seeing a big difference in market prices. In the high cost states, you want to watch out for what the impact is going to be on state and local deduction outcome, or if they do anything with respect to the mortgage interest deduction.

The one thing that you don't want to do – and this relates to both real estate and equities – is get squeezed out by not participating in the crash up.

**Bitcoin** is hard to predict. This has nothing to do with economics or finance; it's pure politics. If you don't understand Bitcoin, then I strongly recommend that you listen to the interview that I did with Harry Blazer called *Bitcoin: The Op* where we delve into this in great detail. If you want me to make a political call on this, I think that the prices and market size have a significant amount of room to grow. At the same time, I am staying out. I think that the fraud and risks of buying it currently are not something that I want to be bothered with.

If ETFs become available, the risk levels will go down because you're depending on someone else to be a trustworthy custodian. So that could solve most of the legal or tax problems. I still think that there are major risks with helping finance the ultimate control system and prototype and innovate the ultimate control system. I'm going to stay away, for reasons of karma.

The best investment continues to be in your health. Disintermediate all of the corporations from your life. If there is anything that you can do to reduce your overhead on a permanent basis, whether it's investing in a well, investing in your energy capacity, getting intermediaries out of your life and out of your assets is always a great investment. Obviously anything that you can do to invest in your business and your financial and intellectual independence is great. All of those things radically reduce your risk in this environment.

The 4th quarter story that is going to be the big issue – both domestically and globally – is the US tax reform. It has very big implications for domestic markets, and it has very big implications for global markets. The Republicans are still working on exactly what they want to do, but that is going to be front and center because, with the budget passing this week, you now have a situation where it only takes 51 votes to make it happen in the Senate. I believe that they clearly have the votes in the House. So there are big implications globally and big implications domestically.

Paul Ryan, House Speaker, has said that the Republicans' plan to have tax reform done by November 28th, which is very aggressive; I give an 80% possibility of passing. Chances are increasing that there are going to be multiple efforts underway to organize Republicans in support of an Administrative agenda, so it's definitely possible.

The dollar and the economy are really too fragile to book any more opposition. All of the squabbling since November 2016 has been very expensive globally to the American brand, and very expensive in trying to get anything done. If you look at a variety of different things that are happening politically –

whether it's a tax on Hollywood, a tax on Silicon Valley, or to a lesser extent, a tax on Wall Street – I think the message is the factions that want to return resources and rebuild in the United States are on the move, and they are on the move forcefully because they can't book more childish politics. The message to the body of politics – whether in the House or in the Senate or a variety of different political interests around the country – is that it is time to put your 'big boy' pants on, and if you won't, we will force you to.

Think of this as a 'behind the scenes' deep state response to what it takes to keep the dollar dominant. It's going to make the 4th quarter very interesting.

We're will be covering tax reform and regulatory reform if they try to get it in concert on Money & Markets throughout November. It's a very short time period. Today is October 26th, so we literally have 32 days between now and when Paul Ryan is going to try to get this passed. It's will make for interesting times.

Ladies and gentlemen, thank you for joining me for the 3rd Quarter Equity Overview. I will be giving the last part of the 3rd Quarter Wrap Up next week, Control 101. It's a very important and interesting discussion. I hope you will take the time to join me. The control systems are not only how we manipulate the financial markets or the financial system because the financial system is only one piece of the control systems. The layering on of controls are growing every day.

It's extremely important, in my opinion, if you want to have a free and inspired life, you must have a good map of the control systems and know how to navigate the world without them catching you up, tripping you up, and wasting your time and your money.

With that, I look forward to talking to you next week with Control 101. In the meantime, I wish you prosperity and good hunting.

## MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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