As an economic forecaster for more than three decades, I’m constantly asked to give speeches and presentations all over the world. I’ve spoken in the U.S., Australia, South Korea, Dubai, India, Canada, U.K., Saint Kitts, and countless other places. In each country people want to know about the state of the economy, the stock market and what’s going to happen to real estate. Their concerns vary from location to location.

But there’s one question at the top of everyone’s mind: gold. Every stop I make, whether I’m there to speak, listen or vacation, a dozen or more people will rush up to me to ask: should I own gold? What’s going to happen to gold? Will gold save me from what lies ahead?

People ask because they want confirmation that gold will be the buy of the century, just like all of those gold bugs and “experts” keep promising. They’re told that gold’s going to $5,000 an ounce because of the unprecedented levels of debt and money printing around the world. Hyperinflation is just a newly minted dollar away, they hear everywhere they turn. Stock up on emergency rations. Buy gold.

There’s just one problem with that: those gold bugs and “experts” have been and will continue to be dead wrong. Gold isn’t the savior they make it out to be. In fact, fall for their half-truths and B.S. and gold could well become the anchor that holds you down.
Yes, the insane levels of debt around the world, the something for nothing quantitative easing programs governments insist on perpetrating, and the ongoing economic weakness from China to Alaska are deeply concerning. People should be worried. They should be scared as hell. But not for any hyperinflation or the end of America. Rather, there’s something much worse ahead… and gold is exactly the wrong thing to buy for now.

Look, I don’t say this to scare you. I’m no fear monger or doomsayer (many of my previously accurate forecasts were bullish). And believe me I take no pleasure in issuing warnings like this one. It’s no fun standing up and screaming into the stampede that everyone’s going the wrong way.

For one, my warnings fall mostly on deaf ears. For example, I called the height of the U.S. real estate bubble peak in late 2005. Those who heard called me every bad name under the sun. As for most others, they just tuned me out. Only the few who had been following my research were able to sidestep the catastrophe.

For another, it’s exhausting being called all manner of names, most inappropriate to print here. But you know what? I face each bad name and heated challenge without hesitation because I know I’m right. My decades of research provide all the evidence I need to know that my forecasts are on the money, it’s just a matter of when they will hit in the short term now that governments continue to feverishly keep a bubble economy going.

And my research is telling me that today we’re headed for the burst of the largest debt and asset bubble in our history. Worse than the Tulip Bubble in the 1630s. As bad or worse than the Great Depression. Certainly, worse than anything you’ve seen in your lifetime.

That’s because this bubble is being pumped up by our own government. The bubble tried to burst naturally in 2008, but Hank Paulson, Secretary of the Treasury at the time, begged Congress to step in and stop it from happening. And they did.

Wall Street was bailed out to the tune of almost a trillion dollars with money we didn’t have, but instead we borrowed or printed. Since then the government has printed $4 trillion to keep the banks and financial institutions from collapsing like they did in the 1930s. Globally, this figure is approaching $14 trillion!

Other countries are also printing money like it’s crack cocaine. This has led to the biggest global debt and financial asset bubble in modern history.

And this debt and financial asset bubble will burst… and soon. I forecast sometime between early 2018 and early 2020. Our country is finally being forced to face its fiscal and economic idiocy. And when this government stimulus finally fails, deflation will rear up and squash gold bugs’ inflation expectations in short order.

Since deflation is such a rare occurrence in our country, you may not be familiar with the term. Simply put: it’s when consumer prices fall and the value of financial assets decline. Like magic, wealth is largely wiped out. Now you see it, now you don’t. The supply of money decreases, which leads to a full-scale depression
and the elimination and restructuring of a lot of debt.

What’s important to understand, and what I’m going to show you in the following pages, is that it’s this deflationary environment that’s gold’s Achilles’ heel. During more typical inflationary times, you often see a weak dollar and a stronger outlook for gold – especially in the 1970s. But in deflationary times, the price of gold weakens and the dollar gets stronger. (In Chapter 3 I explain how deflation winds its destructive path through the economy and your personal wealth and financial security.)

That’s why you need to get out of gold – and stay out of gold – right now. Mark my words: we’ll see deflation in the years ahead and gold will continue to melt down… going to at least near $700 an ounce, but most likely to around $450 where the bubble first started to accelerate in 2005… then it could be the buy of a lifetime! And we could see prices as high as $5,000 in the next great commodity boom – when most gold bugs will be dead!

As I said earlier, I don’t make this forecast lightly. But I’ve spent more than 30 years studying the economic, demographic and spending trends that lead to major changes in the economy and markets. To further fine-tune my forecasts, I analyze and track four key historical cycles that are projectable years and decades into the future. They’re still the major driving forces in the economies of developed worlds today.

That’s actually where my passion lies: in finding the most fundamental and relevant cycles that I can use to forecast the future. What sets me apart from other economists who study cycles is that I analyze the convergence of these forces. This deeper analysis of how cycles work together often reveals major market moves years in advance. It helps me see ahead of the curve while the rest of the world plods along in La-La land.

For decades, my firm, Dent Research, has been making the calls well in advance of the change actually occurring. As a result, our readers are significantly wealthier today. For example, here are a few of my spot-on accurate calls of MAJOR markets based on my intensive research and predictive charts:
Today, ALL of my key long-term cycles – the 39-year Generational Spending Wave, the 35-year Geopolitical Cycle, the 45-Innovation Cycle and the 8- to 13-year Boom/Bust Cycle - are pointing down from early 2018 into early 2020. When they converge downward like this, it’s a certainty that deflation and rough times are the order of the day. These cycles have only shown this happening twice in the last century. The first time was in the 1930s, and we’ve all see photographs of the food lines and unemployment lines. The second was the crisis of the early-to-mid 1970s (which was inflationary).

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DENT’S PREDICTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Major Collapse of Japan in the 1990s</td>
<td>Forecasted in 1988-1989</td>
</tr>
<tr>
<td>The HUGE stock market boom from 1992 to 2000</td>
<td>Forecasted in 1989 and again in late 1992</td>
</tr>
<tr>
<td>Called the top of the tech boom and recommended a SELL on tech stocks before the bust,</td>
<td>Forecasted in early 2000</td>
</tr>
<tr>
<td>Run up of the DOW in late 2002 into late 2007</td>
<td>Issued a strong BUY in 10/02 (right at the bottom of the bear market)</td>
</tr>
<tr>
<td>Crash of U.S. Housing Market starting in early 2006</td>
<td>Forecasted in late 2005</td>
</tr>
<tr>
<td>Called the top of the Stock Market in late 2007</td>
<td>Forecasted all the way back in 1988</td>
</tr>
<tr>
<td>Plunge in gold prices beginning in September 2011</td>
<td>Forecasted in April 2011</td>
</tr>
</tbody>
</table>
The predictive cycles are very clear on this point. We’re moving through an economic bust that could wipe out the wealth of most Americans. No one will be spared. And as we move through this period, we will once again experience a rare, but devastating, long-term period of deflation.

Gold will not skyrocket as the gold bugs predict. It hasn’t thus far, despite the unprecedented money printing program in operation globally. Instead, all prices will suffer: stocks, real estate, commodities… and yes, gold.

When the next wave of deflation strikes between 2018 and 2023, gold will fall further. I’m talking between $650 and $750 into 2018-2019, and then possibly as low as $400 – 450 between early 2020 and 2023 at the latest (I will cover this in Chapter 2 ahead).

Remember, this is a forecast of the future of gold. Right now, gold is experiencing a very modest bear market bounce back towards $1,400 after crashing severely into late 2015. But these limp bounces tend to lead to further falls and lower lows. With deflation on the horizon, gold prices will melt down.

Unfortunately, I’m encountering the same resistance to this forecast as I have to all my previous, successful ones. I’ve even been publically challenged by leading gold bugs, Porter Stansberry of Stansberry Research and Jeff Clark of Casey Research.

In 2012, Porter bet me a dollar on live radio that gold would be higher by the end of this decade. He believes that inflation – if not hyperinflation – will be the result of this debt bubble burst and so gold will skyrocket. I respect the guy, but he’s just wrong!

The thing is, when this debt bubble does burst, it’s not going to flood the world with trillions of dollars, like inflationists and gold bugs believe. Rather, it’s going to vanish in the blink of an eye like bad drapes in a fire. When that happens, we’ll have fewer dollars in the system and prices will tank.

Besides, even after over 8 years of quantitative easing, and trillions of new dollars, U.S. inflation is barely 2%. When this debt bubble bursts, that 2% is going to look like Christmas.
That dollar Porter has bet me will be the easiest one I will ever make.

Jeff Clark has also called me out on my gold forecast. He’s publically called my gold predictions “resoundingly wrong.” He doesn’t believe gold will go down even if we do face deflation. He thinks that any deflation will only lead to higher inflation and gold will still go up. What?! That doesn’t even make sense.

In the pages ahead, you’ll discover all the facts, charts, research and in-depth analysis that leads me to believe gold is a goner. I take apart Porter’s and Jeff’s pro-gold arguments line by line and show you the evidence of gold’s coming meltdown.

I urge you to continue reading The Next Great Gold Bust all the way to the end. I don’t want you to find yourself in the same position as this poor couple, Linda and Keith, who sent me this anxious email…

“Wish we had been listening to you 3 years ago when we bought gold bullion coins - more at the top price. We’ve been waiting for it to go back up to a higher price, so we would not lose so much money when we sell it. But, we don’t want to wait too long to see if it goes down even more. We know you have said that you think there will be a little rally before it drops even lower. We are wondering if we should sell 50% of it now and take our loss – and wait to see if we get a temporary bump up on the price to sell the rest. We would really appreciate hearing your thoughts on this. We are baby boomers, and are just trying to preserve our money.”

Such a pity! So close to retirement and their future security is in danger because of gold!

Sadly, it’s a story you’ll hear over and over again in the months ahead. It may be that you’re even in this position yourself. In the past decade or so, people have flocked to gold – and will continue to do so – thinking they’re doing the right thing to protect their wealth.

They believe this because of the twin deceptive myths of... “gold is safe,” and “gold will protect you in a crisis.” They believe it thanks to people like Stansberry and Clark. But no matter how much the gold bugs write about the glories of gold, history just doesn’t prove this out.

The truth is that, yes, gold is an inflation hedge – and the best there is – but not as much of a crisis hedge as most people presume. What happened in the global financial crisis of late 2008 is the most recent proof of this: gold and silver went running for mommy! I will cover this more in Chapter 3.

That’s why I’ve written this book. I want to combat this misinformation. I want to tell as many people as I can, like Linda and Keith and anyone concerned or confused about gold, what they need to know and what they need to do. It’s time to debunk possibly the most dangerous wealth-stealing gold myths once and for all.
If you’re a baby boomer, a retiree, or an investor that’s currently holding gold or thinking about buying gold, and you wish to preserve and grow your wealth in the years to come, you must read *The Next Great Gold Bust* today!

What you’ll learn about gold in these pages will help you sidestep the coming market collapse with your wealth intact… and live a comfortable retirement without money or market worries. Don’t be the “dumb money.” Read on and elevate yourself to “smart money” status. You won’t look back.

**INTRODUCTION: THE EMOTION OF GOLD**

Too many investors make decisions based on impulse, greed, fear or hype. Too often they rely on B.S., emotional stories or feelings when buying stocks, and especially gold. There’s an irrational attachment to gold that makes them do stupid things like dismissing detailed analysis or proven historical precedence.

That’s why most investors stay at the table too long. They hold out for just that little bit more… just that extra several percent. Dumb, dumb, dumb!

When markets turn and bubbles burst, they don’t deflate gently. They crash to the ground like a flaming elephant dropped from an airplane. And by the time those emotional investors realize what’s happening, they’ve lost their shirts. We already saw the first dramatic phase of this for gold between September 2011 and December 2015.

Today, millions of people are misreading the gold tealeaves. They’re listening to the wrong advice. They think they’re protecting their wealth when they’re actually holding a grenade with the pin pulled.

Even worse, these poor, emotional guys believe it’s a good idea to buy even more gold (or gold stocks and ETFs) when they see the prices falling. What they should be doing is unloading their gold to minimize their losses on this bounce into early 2018! My forecast is that it will take gold up to a range between $1,373 and $1,428. That could be your last chance to sell after seeing it drop from $1,934 to $1,050.

Irrational love for any investment is a one-way ticket to the poor house.

And for many, there’s nothing more emotional than investing in gold. To them, it’s the one true, eternal and reliable investment against suffering and chaos. It’s a lucky charm to hold on to when they’re afraid of the future. It’s a bulwark against economic catastrophe, ruin and chaos. How crazy is that?

I know why they’re so blinded by the glow of gold. For centuries, the metal has had an allure and a mystique which is found in almost every culture. For instance, the great Greek poet Homer called gold the “glory of the immortals.” The Incas named it “the tears of the Sun.” The ancient Egyptians mined for gold and created elaborate treasure maps to their gold mines.

Since gold was first discovered, it’s been associated with gods, immortals, kings, rulers, beauty and wealth. It was fashioned into plates, cups, vases, jewelry, shrines and idols, and used to reveal one’s power and superiority. Since the beginning of time, people have hoarded gold, worshipped gold, and eventually turned
it into money.

The first to do so was King Croesus of Lydia. He made gold coins around 560 B.C., which replaced the barter system and eventually lead to the adoption of a monetary standard. Croesus amassed a fortune in gold and today we still use the old phrase “rich as Croesus” to describe very wealthy people. Then in 225 B.C., the Romans took their gold coins to every corner of the earth.

Thanks to gold, we now had a global economy.

Later, the New World was plundered for its staggering wealth of gold. The West was settled in a rush for the

yellow metal in the mid-1800s.

Then, in 1933, at the height of the Depression, the U.S. Government confiscated all privately held gold, paying just $20.67 an ounce (private ownership wasn’t restored until 1974.) In 1944, the price of gold was set at a standard $35 an ounce and remained there until President Nixon removed the dollar from the gold standard in 1971.

Since then, gold has taken investors on a wild ride as the price fluctuates in an emotional, irrational market based more on investors’ fears than common sense or actual value.

People love gold because it’s a hard asset. You can hold it in your hand (I say you should throw it at someone you don’t like). You feel the weight of it. The smoothness. You can admire the beauty of it. But nowadays, that’s about all you can do with that physical gold.

Gold produces absolutely nothing for you. You get no income stream from it, like you would from real estate, or bonds. It just sits there looking pretty, but it doesn’t earn you a dime. Besides, if you own any gold, it’s actually costing you because you most likely pay to store it.

The only way you’re going to profit from owning gold is if someone tomorrow wants to pay more for your gold than you paid for it today. And that’s not happening much these days.

Actually, since 1971, when Nixon unhitched gold and the dollar, I’ve noticed a peculiar emotional buying pattern in relation to the metal. It goes something like this…

People rush to buy gold when they’re scared a crisis is coming. The price climbs as more dumb money rushes in when they see the prices move. As gold gets more expensive, people begin to believe it can never go down
Nixon announces the end of the gold standard (which is the stupidest idea ever!) and they fool themselves into believing that gold really is the safe haven they’ve been promised.

But then, as price bubbles always do, the air starts to come out of the gold bubble. Gold prices decline. Fear sets in. Then panic. People sell their gold at a loss just to get rid of it. What happened to that safety net? There never was one!

This gold cycle - anxiety to joy to fear to panic to reality - is repeated over and over again. Just look at history. You’d think people would learn!

Yet, if we look all the way back to the late 1700s, gold proves to be a non-appreciating asset when you adjust for inflation and the cost of living. Real estate is similar, except that you can rent real estate out for income. There’s none of that with gold. In fact, it may actually be the worst investment in history! I will cover this in Chapter 2.

Look, I’m not like Warren Buffet. He truly hates gold. He calls it an “unproductive asset… neither of much use nor procreative.” He’s right about that, but I do believe there is a place for gold.

It could be a good investment, just not today… or for the next few years while we experience the heavy hand of deflation and the commodity cycle completes its downward journey. Right now, investing in gold is simply not the way to go for serious investors concerned about their wealth and financial security. I mean seriously! Why would anyone want to buy an asset that’s going to end up crashing as much as 64% to 75%? It’s just insane.

But then it gets much worse again…

One of the craziest notions is to think of gold as if it were money. Yet so many people do. It hasn’t even backed the U.S. dollar since the early 1970s when we went off the gold standard. And gold is not a currency. When was the last time you took a brick of gold, a gold coin or your gold watch down to the corner store to buy groceries?

Yet gold bugs insist that the dollar’s days are numbered and that when the dollar does collapse, gold will be the only safe currency. Don’t hold your breath. Nobody transacts using gold anymore! Business around the world is conducted in dollars, not gold. Commodities are priced in dollars, not gold. Practically everything is priced in dollars, not gold.

When have you ever seen a price tag read: ¼ of an ounce of gold!?

The truth is digital or cryptocurrencies are more likely to replace currencies like the dollar than gold. There just isn’t enough of it to support the modern economy that no longer revolves around commodities as it did up through the 1800s.

It’s just never going to happen.

I understand that there’s plenty of skepticism over the strength of the dollar. It’s one of the hottest economic topics today and rightly so. After all, the U.S. dollar is the yardstick against which all other currencies are measured.

When it comes to the buck, everyone seems to have an opinion – from cable pundits to world leaders. These days, an increasing number of people from different countries with different points of view are dollar haters. A few leaders are vowing to break the dollar’s global stronghold on reserves and trade. Well good luck with that! Their attack on the greenback is nothing more than the roar of paper tigers, for reasons I outline in Chapter 6.

As far back as December 2014, I have stated unequivocally that the dollar will remain solid, regardless of how the Fed and politicians handle the debt crisis. In 2015, the dollar strengthened significantly, just like I said it would (while all the haters said it would fall.) The dollar index has been up as much as 47% since the great recession began in January of 2008. What is the “dollar crash” that gold bugs keep talking about? At its worst in late 2017 it was still up 30%.

In fact, in the coming economic collapse, you’ll want to hang on to dollar bills, not gold. (I explain the reasons for the rise of the dollar in Chapter 6.) I know many analysts disagree with me on this, but I’ve been dead right about forecasting the rise of the U.S. dollar since early 2008! They certainly can’t say the same.

And if these gold fanatics can’t have gold for a currency, then they drool over the next highly improbable scenario. Gold bugs believe that if the U.S. government would just return to the gold standard then all of our money and debt troubles would clear up. The U.S. would never face another financial crisis ever again.
Now I know this is a popular belief among the Ron Paul, Jeff Clark crowd. But this scenario is not going to happen. Why?

Because gold is no longer a viable standard on which to base an economy.

For one thing, there’s not enough of it. You can fit the world’s total physical gold stock into an Olympic-sized swimming pool. That simply isn’t enough hard gold to back all of our printed currency.

Secondly, the supply of gold is not growing as fast as higher-value-added goods and services that now drive our economy, such as health care, education, financial services, even houses and cars.

And finally, until alchemists can figure out how to turn lead in to gold, you won’t be seeing a huge surge in the supply of the precious metal any time soon. We only mine about 2,860 tons of gold per year. That’s a measly 1.5% increase in the gold supply every year compared to average 5% global growth. That’s nowhere near enough on which to base an entire global economy, especially one increasingly fueled by younger, higher growth, emerging countries.

Bottom line: gold is not a stable store of value. Its value fluctuates just like any other publically traded commodity because that’s exactly what it is: a commodity! Plus, gold has proven to be more volatile than stocks in the last decade.

For instance, if you’d bought gold in September 2011, you’d have had a front-row seat to just how unstable gold has been. You’d have lost 40% of your gold wealth in 27 months. In broader terms, gold went up 7.7 times between 2001 and 2011 – that’s a bubble! If that had been in a high inflation period like the 1970s, that could have made sense, but inflation rates only fell in that bubble period.

So why would we peg our dollar to such a volatile commodity? The answer is: we won’t!

In the chapters ahead, I’ll explain precisely why I forecast gold will plummet to around $700 an ounce in 2018 or early 2020 at the latest… and could possibly hit rock bottom as low as $400 - $450 by early 2020 at the earliest and early 2023 at the latest!

Don’t believe me? Does gold reaching $2,000, $5,000, even $9,000 an ounce in the next several years as gold bugs forecast sound any more possible? It might sound like more fun, but it’s never going to happen.

My forecast on gold is backed by facts and charts, research and in-depth analysis, all of which I’m going to show you in the following pages. And while I’m not a gold hater like Warren Buffet, I’m also not emotionally-attached to gold like Jeff Clark and Porter Stansbury. I’m clear-headed and rational about the future of gold.

And you can bet on this right now: gold will continue to melt down over the next few years. By the time this bubble has deflated, it will have likely lost 75% or more of its value! Will you have suffered in the process, or will you follow my advice and steer clear of this train wreck?
What I see so many other experts writing about gold has me very worried. So many good people are following this misguided advice and they’re going to end up suffering for it.

I’m especially concerned when I regularly see gold-bug predictions from well-known forecasters like these:

<table>
<thead>
<tr>
<th>Thomson Reuters</th>
<th>$1,250/oz.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goldman Sachs</td>
<td>$1,200/oz.</td>
</tr>
<tr>
<td>Bank of America/Merrill Lynch</td>
<td>$1,356/oz.</td>
</tr>
<tr>
<td>Larry Edelson, Real Wealth Report</td>
<td>$2,300/oz.</td>
</tr>
<tr>
<td>John Henderson, Seeking Alpha</td>
<td>$3,000/oz.</td>
</tr>
<tr>
<td>Bob Lenzer, Forbes columnist</td>
<td>$5,000/oz.</td>
</tr>
<tr>
<td>James Turk, GoldMoney</td>
<td>$8,000/oz.</td>
</tr>
<tr>
<td>Suki Cooper, Barclays analyst</td>
<td>$1,205/oz.</td>
</tr>
<tr>
<td>Dennis Van Ek, Mercer analyst</td>
<td>$9,000/oz.</td>
</tr>
<tr>
<td>David Wilson, Citibank analyst</td>
<td>$1,250/oz.</td>
</tr>
<tr>
<td>Certified Gold Exchange</td>
<td>$1,486/oz.</td>
</tr>
</tbody>
</table>

In looking at numbers like these, you may be lulled into a false sense of security. Some don’t seem so bad, right? Gold at $1,300 an ounce? That’s about where it is as I write this. But the drop from there to $700 an ounce is 44%. Down to the most likely forecast of $700, that is 44% more on the downside. And from $1,300 to the worst-case low of $400, that would be down 69%. From that perspective, these experts’ forecasts are just downright dangerous. Recall, I think it’s going up to between $1,373 and $1,428 first. That means a bigger drop from there.

So why are they so confident about their forecasts if they’re so wrong?

Still others are predicting a blow-out surge in gold. They’re expecting prices to rise two times, three times, four times… even increase a staggering 7.5 times!

But it’s just not going to happen. The economic forces swirling around us will see a collapse in all prices, including gold. Gold bubbled in line with all commodities into 2008 – 2011, just more! We’re about to witness a deflationary era brought on by the greatest asset and debt bubble burst in human history.

This crisis will devastate our markets and our economy. Few will survive. It doesn’t matter how rich you are, you won’t escape. In fact, the richer you are the harder you’re going to fall unless you listen to us. It doesn’t matter how careful you’ve been in your investment choices, you won’t escape unless you have a major shift in your thinking. Just one poor
investment decision in the critical years ahead – such as investing in gold – could see your wealth shrivel up and disappear as you head into your retirement years.

I know I’m going against the grain when it comes to predicting the direction of gold over the next 12 to 18 months, and beyond into 2023. But I don’t give a damn about the grain. I’m concerned about you and your wealth as you age. There are very few “safe havens” for you to run to now, and the ones that are there are NOT the ones you’re being told about. In fact, the advice you’re getting from the experts about the safest places to store your wealth are the very worst places to be putting it.

And gold tops that list!

The problem is, they see the same coming economic collapse I do, but they’re looking to the wrong thing for safety.

Since 2008, massive global QE of $14 trillion and growing has substituted for banks refusing to lend money. This lack of lending has fed a final, enormous, speculative bubble in financial assets that’s on the verge of bursting.

Wall Street has become a casino of leveraged investing driven by the Fed’s zero interest rate policies. Even the 10-Year Treasury bond has been pushed down by quantitative easing to as low as a zero return when adjusted for three-year average inflation rates. Look at the chart below. Money is basically free short-term and long-term and money will always be abused and mal-invested when this is the case.

![10-Year Treasury Bonds at Zero](chart.png)

After all this time of interfering in the free markets with damaging monetary policies, our government is fresh out of ammo to hold back the economic carnage about to hit America.

Interest rates are already at ZERO! So where can they go? Printing trillions to buy up our debt hasn’t worked to stimulate the economy. Almost 100 million people are still out of work in America or working part-time because they can’t find full-time jobs. And bailouts and stimulus spending hasn’t worked to jumpstart the GDP growth rate. All that QE can claim success for is fueling a speculator’s stock market bubble!
There’s nothing more the government can do to hold off this massive bubble burst. A Day of Reckoning is at hand. And when that happens the burst will be catastrophic – perhaps the greatest wealth reduction we will see in our lifetimes.

Everyone’s wealth is at risk – not just here in America, but all over the world. More than $100 trillion in wealth will be wiped out of the $300 trillion, and rising, global financial assets today in this unprecedented bubble economy, including loans and debt. Like I said, it’ll be like magic. Now you see it. Now you don’t.

I expect the stock bubble to burst most dramatically likely starting in early 2018, and then finally bottom somewhere between early 2020 and late 2022 between 3,800 and 5,500 on the Dow – that’s from over 23,000 in early 2018.

The fundamental forces of declining demographics and rising debt ratios make this all but inevitable.

On this very important issue of the coming financial collapse, gold lovers and I agree. We all agree that something very bad economically is coming our way… and we must prepare today so we can survive and thrive through the difficult days ahead.

But here’s where I part company with the gold bugs. We differ on one critical and fundamental point.

And that is: will owning gold protect your wealth in the coming catastrophe? They say yes. I say: “Hell no!”

As I said earlier, gold lovers get very emotional about their reasons for investing in gold. They have a moralistic ideology that countries who print money on a large scale should be punished with runaway
inflation.

Their logic goes: money printing is a sin and they should be punished by the Almighty.

I totally understand where they're coming from. And believe me, punishment for past monetary sins is definitely coming. But it won't be the hellfire inflation they warn of. Instead, it will be destructive deflation that will shrivel our wealth and cause our savings to waste away. And deflation historically is much worse for the economy... just look at the Great Depression versus the inflationary crisis in the 1970s.

![Deflation & Inflation Alternate in Financial Crises](image)

But the gold preachers in their “gold will save you” sermons forget one fundamental, proven historical outcome. Deflation always follows major debt and financial bubbles, not inflation. Always. And gold prices collapse in a deflationary period, along with all the other prices (except when governments expropriate it or fix the price, and even then it does not appreciate). For all their fire and brimstone preaching, the world has never seen hyperinflation on a global scale – just in isolated countries, typically banana republics. (More on that in Chapter 5).

![Massive Deleveraging Follows Every Debt Bubble](image)

If you listen to the gold preachers and bet on their salvation message of inflation and skyrocketing gold prices as the result of the bubble burst, you’d be right about the crisis, but dead wrong about the outcome. And if you buy gold as a result, that could cost you dearly. As history clearly shows, deflation is on the way.
What You Need to Know

Gold bugs are forecasting gold prices of $3,000, $5,000, even $9,000. They're wrong. The economic forces headed our way will result in a collapse in gold prices to as low as $450.

The government has run out of ammunition to prevent the looming debt bubble burst. No one is safe.

More money printing will not lead to a surge in inflation or gold prices, and governments will have less credibility for upping QE after the first massive round fails.

CHAPTER TWO:
HOW GOLD REACTS WHEN THERE'S NO INFLATION

Gold bugs love to explain how gold is an inflation hedge. It's true that since President Nixon got rid of the gold standard in 1971 there has been a direct correlation between gold and inflation rates.
And I agree with the gold enthusiasts on this one point: during inflationary times the price of gold does clearly tend to rise. Just a look back at history shows this trend clearly, and I’ll talk more about it in Chapter 3. But that is the only major factor that gold correlates with. Inflation hedges – like gold – are only useful when you actually have inflation! And to paraphrase that old Wendy’s commercial: “Where’s the inflation???”

Since 2008 we’ve been cranking up the printing presses, running them day and night, pumping $14 trillion extra dollars into the economy globally. And we’ve used all of this extra money to bail out and stimulate everything in sight.

Yet, even with all those extra trillions floating around, inflation is running a paltry 0% to 2% in most developed countries. Normal inflation rates run between 2% to 4%. That would be before 2008 and the Fed and central banks around the world began their incessant interference with printing money and forcibly keeping interest rates low by buying their own bonds. Is that cheating or what?

Now I admit, returning to “normal” inflation will feel like a huge jolt to the wallet… but that won’t happen anytime soon. The economic winter season we’re in now, with its characteristic bouts of deflation, will linger into the early 2020s. Only after then will inflation return to its more normal levels of 2% to 3%.

So today we’re still a long way from seeing sustained inflation, let alone the gold bug’s dreaded hyper-inflation. As such, gold prices aren’t about to soar. Quite the opposite.

Besides, gold is a commodity and it generally goes up and down with the commodity sector, which has peaked almost like a clock every 30 years: 1920, 1949 – 1951, 1980 and recently between mid-2008 and early 2011. Gold, silver and commodities all peaked in 1980 and crashed in the years to follow.
The current commodity cycle points down into around 2020 - 2023 before turning up longer term again. More on that in Chapter 4.

That’s why gold bubbled up in 2008 - 2011, along with most commodities – and more so due to unprecedented money printing which was naturally feared to create inflation. In the cycle before that we had the commodities bubble boom and the highly inflationary 1970s.

But, when the actual financial crisis hit in the second half of 2008, gold didn’t protect investors. It fell 33% between March and October! It went crying for mommy… along with many investors shocked by the collapse. Silver was down 50%.

Gold then surged to dramatic new highs in September 2011. But let’s remember what was happening between 2009 and 2011. Stimulus spending. Bailouts. Money-printing galore! The central banks went nuts printing money to save the financial institutions they believed were too big to fail. The concern for inflation and hyperinflation, even though unwarranted, was enough to push gold prices up.

Yet, it’s been six years of unprecedented money-printing and still NO substantial inflation. And so, gold has taken us on a roller coaster heading south. The reality set in in early 2013 when Japan tripled its money printing and inflation continued to fall.

After reaching a high of $1,934 in early September 2011 (based on the expectation of inflation), gold steadily declined over the next few months. As you can see by the chart, gold took us through some hills and valleys, but it never reclaimed its former high. Instead, it fell to a low of $1,790 in early January 2013 and down to $1,183 by June of that same year, down 39% from its all-time high.
And then gold just collapsed to $1,197 in December 2013 – a 38% wipeout from its high. That was a bad time to be in gold.

Fortunately, we had told our readers to get out of gold and silver on April 25, 2011 right before gold’s peak and the day of the top of silver. In my opinion, it’s better to miss out on a few extra dollars in profit then to lose almost half your wealth.

Now, gold finally gets it. Gold prices and inflation no longer march hand in hand.

And here’s an inescapable fact you can see by the chart above. Regardless of the surges and bounces in gold, the overall trend for gold during the past four years has been down. I don’t expect that to change.

That’s because if inflation is gold’s elixir, then deflation is its poison. Gold melts in a deflationary crisis.
And deflation is coming! Even gold senses that.

As a result of these deflationary forces, you most likely won’t see a return to normal inflation for five to eight years – and those rates will be lower than in our last great boom as demographic growth will be slower. After the bursting of the money and debt bubble, deflation will remain a bigger threat to your wealth in the years ahead than inflation. And any gold you own will be more an anchor that a buoy.

Remember, dollars can be destroyed just as quickly as they can be printed. I estimate close to $100 trillion dollars in paper assets will just vanish in the aftershocks of the financial collapse – bringing on severe and prolonged deflation.

With $100 trillion just gone, less dollars are chasing after the same goods… and that’s the classic definition of deflation.

So, exactly what will deflation do to the economy… and your portfolio?

**What You Need to Know**

- Gold prices are built on the expectation of consumer price inflation - not the actual inflation itself.

- There is NO inflation crisis. Inflation - even after nine years of money-printing - is running at 0% to 2%. Normal inflation is 2% to 4%. It even got as high as 16% in 1980.

- The overall trend for gold for the past four years has been down. This trend will continue for the next five to eight years, bottoming as low as $400-$700 an ounce.
CHAPTER 3: WHY DEFLATION DEFEATS THE GOLD HYPE

So, just what is deflation? The classic definition is a “contraction” in the economy and in financial assets, the money supply, credit and debit.

And let’s face it… no one likes to “contract.” No one likes to have to live with less than you had the year before.

Predictably, it’s human nature to avoid unpleasantness. But that doesn’t mean we can… or we will… be able to avoid the coming deflationary crisis for much longer.

That’s because the nature of things is for bubbles to burst. Governments can’t keep bubbles going forever… no matter how hard they try.

Now I know you may be thinking – deflation means falling prices. Sounds like a consumer’s paradise, doesn’t it? Everything costs less! And the truth is deflation is a good thing long-term, but it’s a bitter pill to swallow when it first hits. Just look back at the Great Depression. Nothing fun about the soup lines, but look at the incredible global boom that followed for many decades.

So why is deflation a bad thing at first?

To answer that, we need to take a closer look at what happens in a deflationary economy over time. And since the economy really comes down to millions of people making countless buying and selling decisions every day, the question becomes: what will ordinary people do if prices across every sector sharply decline year after year?

For example, if house prices fall, what does that mean for your mortgage? I think we saw the answer to that
question up close when the real estate bubble burst in 2006 and countless home owners found themselves suddenly underwater with their mortgages. Foreclosures surged. Real estate investors lost their shirts and people walked away from houses they could no longer afford.

In a deflationary economy, interest rates fall. Saving money becomes less attractive. But if you have debt, deflation makes it easier to pay back that debt in more valuable dollars. It means less money being put into the economy to buy and sell things. Prices fall further to entice people to buy. But people wait to buy, anticipating even lower prices later.

With falling prices, companies lose profits. Wages decline. Layoffs increase. When more people are out of work, there’s less who can afford to buy anything and prices continue to crumble. As people earn less, their standard of living starts to fall. Stock prices start falling and ordinary people start selling stocks so fast the market simply collapses.

As you can see, a deflationary economy can quickly turn into a consumer’s nightmare. We’re starting to see it already. Wage growth remains weak, if not stagnant. Soon wages will start falling as deflation settles in after the debt bubble bursts.

And it will burst. That’s because the natural course of events after a huge run up in debt and credit like the one the U.S. government has engaged in over the last nine years (close to $10 trillion) is for bubbles to burst.

But the good that comes out of a bust of this magnitude is a reduction in debts. Credit is paid down or written off. Prices fall to a more manageable level. But this contraction takes time and it hurts! That’s why it’s so important for you to make smart, informed decisions now to minimize the pain and protect as much of your wealth that you can. One of those decisions is: should gold be in your portfolio?

I know others say yes. They see inflation after the bubble burst. But that has never happened. It’s always been deflation. And because of the deflationary impact following the coming money bubble burst, gold prices will tumble – just like they did in the 2008 market meltdown.

During that sharp, sudden downturn, we experienced the only brief deflationary period since gold was decoupled from the dollar in 1971. As a result, gold dropped by 33% between March and October 2008 – just when the greatest financial crisis of our lifetime was at its worst!
No doubt you remember the fear and chaos of that time. Instead of gold being an oasis of calm and increasing profits while all else was floundering, the precious metal took a beating and cried uncle.

Bottom line: gold as a crisis hedge is more myth than truth. It will NOT save you through the difficult years of deflation that lie ahead. The truth is that it’s an inflation hedge, not a general crisis hedge. Look at the chart since 1970 on gold’s incredible correlation with inflation rates.

Then there’s this… a fact that will shock even the most ardent gold bugs. Adjusted for inflation, gold has been a non-appreciating asset since the late 1700s – is that long enough to convince you that gold may truly be the worst investment, except as a hedge against inflation as in the 1970s?
Those holding gold as an “insurance” against bad times in 2008 had their asses handed to them. Most likely, they lost MORE than those of us who weren’t holding gold. And if you’re holding gold now, with this new and more devastating crisis looming, you will have your ass handed to you as well.

With no inflation on the horizon, gold is not your safe harbor.

Deflation will soon suck all the air out of gold prices. So, sell any gold you may have NOW, especially on any temporary bounces. Take what profits you can and minimize your losses.

What You Need to Know

- With deflation, the economy contracts. It doesn't expand.
- Deflation always follows a major debt and asset bubble and burst - always.
- Falling prices leads to lost profits, a decline in wages, a rise in layoff and a Great Depression. No one can afford to buy anything.
- The prices of almost all financial assets, including commodities and gold, fall. Only high quality bonds appreciate.

CHAPTER 4:
HOW THE COMMODITY CYCLE AFFECTS
Gold bugs believe gold is a great long-term investment, the most valuable commodity and store of value. Besides the evidence I’ve already shared with you, there’s a serious flaw in their reasoning. That is: gold is an ordinary commodity, not much different than oil, corn and pork bellies. Actually, it’s possibly less valuable than those commodities because it’s not very consumer-friendly. About 51% of all gold is used in jewelry and 12% is used to manufacture technology hardware. Besides that, it has NO use!

For investors, gold produces capital gains profits only when sold. It doesn’t generate any income like dividend-paying stocks or bonds. You can’t rent gold out for income like you can with real estate. If you do have gold, it costs money to store.

So, the only way you make money with gold is if tomorrow’s buyer is willing to pay more for it than you did today.

And adjusted for inflation, the price of gold has had no real returns – even back to the late 1700s, as I showed in the last Chapter. In fact, gold really isn’t all that shiny. The price of the yellow metal, when adjusted for inflation, has stayed largely flat for the last 225 years.

Gold is simply not a common or useful commodity for the vast majority of us to own.

What’s more, commodities – including gold – follow a very clear 30-year cycle. Over the last century, there were clear and major peaks in commodity prices in 1920, 1949 to 1951, 1980, and 2008 to 2011. Now that’s an incredibly regular pattern.

As you can see from the chart, the commodities cycle points down into around 2020, and possibly as late as 2023.

Then it will start climbing back up on its way to its next peak in 2038/40. I see that peak as being $2,200 minimum and could be $4,000 - $5,000.

When gold bugs predict $5,000 gold prices, they could be right! But only close to 2040, when you and they are dead! That will be the peak of the next 30-Year Commodity Cycle. And yes, it could be the strongest ever when emerging countries dominate demographic growth. But it’s a long way off.
That sort of historical pattern is a true herald of the decline of gold over the next three to five years. And you don’t want to be buying gold while it’s in the middle of a steep down cycle like this…. don’t believe the “bear market” rally in 2016 and 2017.

I have been saying since 2008 that gold will be one of the last bubbles to burst. Gold prices will keep falling when deflation becomes the more obvious trend, proving the gold fanatics wrong.

So, sell any gold you own NOW… and don’t even think about buying gold until it hits $700 or lower. Then gold and other commodities will begin another rise to new all-time highs, likely much higher between 2038 and 2040.

That’s because during this time frame we’ll see the next inflation and commodity cycle accelerate upward again, driven by emerging countries who are much more commodity intensive than the wealthier, but aging developed countries.

Gold may even see something like $5,000 one day like the gold bugs forecast, but only after seeing at least $700 to $740 by 2019 or early 2020 at the latest. In fact, gold is more likely to follow predictable commodity patterns and sink to its pre-bubble lows between $400 and $450 by 2020 to 2023, when the 30-year Commodity Cycle is likely to bottom.

### What You Need to Know

- Gold follows a predictable 30-year Commodity Cycle and we’re in the down part of the cycle for the next few to several years or so.

- Gold won’t hit major new highs again until 2038 to 2040 at the peak of the next commodity cycle. Then it could hit $2,500 to $5,000. Not before.

- Adjusted for inflation, gold's price has not increased much in 225 years, making it the worst long-term investment there is. It has no income-producing capacity like real estate, which also doesn't appreciate adjusted for inflation.

### CHAPTER 5:

**WHY GOLD MELTS IN A DEFLATIONARY MARKET OR ECONOMIC CRISIS**

Historically, the bursting of debt and financial asset bubbles always leads to deflation, not inflation. Since the
global financial meltdown of 2008 and 2009, governments around the world have been endlessly printing unprecedented amounts of money to keep the financial bubble afloat. This unprecedented money printing has been required to simply offset deflation and hold off another Great Depression – and above all, keep the banks and financial institutions from melting down.

Who wants to be president or prime minister or Fed chairman when the world goes to economic hell in a handbasket? Like Herbert Hoover who became President in early 1929 to see the worst economic collapse in U.S. history. Like Trump, he was a successful businessman that was thought to bring more growth from that perspective.

Politicians and central bankers are desperate to stop a financial collapse… prevent the widespread deleveraging of debt and wealth… and hold off the worst Great Depression we will ever see in our lifetimes.

Gold bugs naively assume that when the next global meltdown occurs – and it will – governments will simply rev up the printing presses again! As a result, hyperinflation will occur and – bam! - the price of gold will skyrocket.

That’s their cause and effect and the reason d’etre behind their predictions of an astronomical – and I would say ludicrous – surge in gold prices.

First, that is ignoring the obvious fact that gold has declined since late 2011 despite the greatest money printing globally in all of modern history.

Second, the truth is… hyperinflation has NEVER happened on a global scale. It has only reared its ugly head in isolated countries like Zimbabwe or Germany after WWI. After the war, Germany was bankrupt and the Allies decided to further punish the country by adding huge reparations. So, to pay off their debts, the Germans printed huge amounts of money when the fundamental trend was already inflationary (unlike today).

That’s not what’s happening today! Even if the governments do start printing money again, they won’t come close to the numbers needed to save the world from financial collapse and to offset the deleveraging of such massive debt and financial asset bubbles.

Today, the world owns over $300 ($294 in this chart) trillion dollars in financial assets globally, including loans. I predict that when the global meltdown finally occurs – within the next four to five years – something like $122 trillion will be wiped out – simply disappear!

Something similar happened in the 1930s after the stock market crash of 1929. As you may know from history, this was a catastrophic bursting of a money bubble that deleveraged debt and financial assets
worldwide.

All other crises we’ve faced since then have been inflationary, such as wars and oil embargoes. That’s when gold is a great hedge!

But today, we’re standing on an enormous asset-bubble cliff and we’re about to go over the edge. This fall will lead us to a worldwide deflationary crisis – and it will happen very soon!

Are governments really going to print more than a $120 trillion in a short period of time after printing a mere $14 trillion in the past eight years? There’s no way. They’ll lose all credibility with their constituents, especially after ramping up QE to such an unsustainable level proved how ineffective that step is.

So… will our debt-ridden global economy ever be able to face the stark reality of deleveraging and deflation?

My answer is NO!

But ready or not, it will strike because that’s the natural course of things, and during a deflationary period, all prices – including gold – fall. And governments will be helpless to do anything about it.

I believe this deflationary spiral already started for gold back in September 2011, and for most other commodities in mid-2008.

As you can see by the chart I presented earlier, regardless of the surges and bounces in gold, there’s no escaping the fact that gold’s overall trend for over five years now has been down.

During the last major and rapid deflationary period in the early 80s, gold lost 66% of its value, dropping from a peak of $850 in January 1980 to a low of $284 just five years later, with almost all of that coming by mid-1982 in just less than 2.5 years.

A 66% drop in today’s gold prices from its all-time peak would set gold at $658, a likely target between early 2020 and early 2023 – likely on the earlier side of that range!

In light of these historical patterns, I predict that once the stock bubble bursts – sometime in early to mid-2018 – that gold will slide to around $700 by late 2018 or 2019… and either move sideways or decline even further to as low as $400 - $450 by 2020/23.

That’s a crushing and wealth-destroying potential 54% to 70% decline in gold over the next few years from where prices stand today. That’s potentially as bad as the entire gold plummet of the early 1980s.
Can your portfolio afford to take that kind of hit? Mine sure can’t.

But world governments have run out of ammunition to hold back the deflationary floodwaters. They can do no more. The QE Dam is about to burst and a huge wall of misery is about to come crashing down on us.

And gold will NOT save you when deflation hits. It will not keep you afloat because gold prices will be crashing too. Gold prices don’t increase in a deflationary crisis. The time to get out of gold is NOW. And if you’re thinking of buying gold, DON’T! You will only lose money.

A question I get asked at nearly every appearance, media interview or conference is: how much time is left to find a safe haven before the crisis hits?

My answer is not much. You need to act fast.

And recall in Chapter 1, I showed a megaphone pattern of higher highs and lower lows that suggests the next low near 5,500 after a Dow approaching 25,000 in early 2018 with a 76% crash by early 2020 or so, and possibly as much as 83% before demographic trends turn up again in 2023 or 2024 forward.

The stock markets appear to be in their final blow-off, irrational rally since Trump got elected. An apparently crazy man with the impulse control of a grease fire is supposed to get us back to 4% growth with some artificial tax cuts (that doesn’t change the overall shrinking pie) and cuts in regulations? And with his own republican party split in ideology?

That’s why you can’t afford to skip the next chapter. I share with you the investing strategies to take hold of today so you can thrive in the coming gold bust!

### What You Need to Know

- Governments will not have the credibility to rev up the printing presses to replace the $120 trillion lost in deleveraging of debt and financial assets.

- When the money bubble bursts, gold will decline between 64% and 79% from its top in 2011 by 2020/2023 and as much as 69% from its recent levels.

- The stock market looks likely to peak by late 2017 and then crash even
Gold bugs, like Porter Stansberry and Jeff Clark, have challenged me to a bet. They believe that whatever crisis is coming – inflationary or deflationary – gold will soar. They clearly favor the inflationary scenario. I don’t. And I’ve shown you why with charts, historical facts, cycles, analysis and more. All of it proving why I believe that gold will decline to $700 or so by 2019 or early 2020, and then possibly plummet to as low as $400 by early 2020 or early 2023 at the latest.

We all agree on the crisis that’s coming… but we fundamentally differ on how to play it.

Porter, Jeff and other gold bugs are buying gold. I’m urging my readers to NOT buy gold and to sell what they have now – before they lose any more money.

How you prepare for the crisis in the months ahead is vital in determining how you will survive and thrive in the years ahead.

As I’ve already mentioned… after the financial and debt bubble bursts, inflation won’t be a threat. Deflation will. And just to recap, classic deflation is defined as fewer dollars chasing after the same goods.

Dollar doomsayers such as Ron Paul, Jeff Clark, Porter Stansberry and others believe the dollar’s days are numbered because of hyper-inflation. And when the dollar finally collapses, gold will be the only safe “currency” to own.

Well, that simply isn’t going to happen. As I’ve explained in prior chapters, inflation is not a threat. And gold will never replace the dollar because gold is NOT a currency. Nobody buys anything with gold and there is simply nowhere near enough or consistent production levels to back modern day global currencies.

Then there’s the fact that most things globally are priced and transacted in dollars. You may not like the dollar, but for all of its faults, the dollar is still largely the only game in town.

And the simple question to ask Ron Paul, Jeff Clark, etc. is this: if not the dollar, then what currency would people use? Currencies trade relative to each other, and the U.S. dollar has simply been the best house in a bad neighborhood.

The euro? It’s an absolute disaster right now. And with demographic trends pointing sharply downward in Europe, there’s little chance the euro will improve anytime this decade. Germany has the worst demographic trends of any country in Europe and it’s supposed to be the region’s strong man.
What about the yen? No! Not enough yen, even with the Bank of Japan printing at three times the level the Fed did in QE3, relative to the size of its economy.

The Swiss franc? Nope. There’s even fewer of them than the yen.

The yuan? Not a chance. Sure, the Chinese are pushing hard to dethrone the dollar. But to actually threaten the dollar, the Chinese government would have to allow the yuan to float freely in the market… and that will never happen as it would kill their massive export machine that is already breaking down. Besides, who trusts the Chinese government? Its most affluent citizens are fleeing the country like wildfire.

The truth is… these countries export a much larger portion of their economy than we do. Becoming the reserve economy would raise their currency and kill their exports. And they’re not going to do that.

Perhaps one day the U.S. might lose its reserve currency status, or we become part of a basket of currencies, or the cryptocurrencies get to enough scale and stability. But if it does, it’s a decade away – at least! Who’s going to abandon the one currency that has risen consistently since the financial crisis started in January 2008? And changing every global transaction from dollars to another currency is too complicated a procedure to happen overnight.

The threat of the dollar losing its reserve status is no way imminent and nothing to worry about. So, the gold
bug’s theory that the dollar’s days are numbered and gold will replace it as the only safe currency just doesn’t hold up under scrutiny.

Not only are the dollar’s days NOT numbered, but when the coming financial crash does hit, the dollar will only gain in strength – at least into the next major crisis into 2018 or beyond.

That’s because when we finally experience global deleveraging of wealth and deflation, suddenly there will be fewer dollars in the world. It’s the biggest part of that $100 - $122 trillion that will disappear like magic! And fewer dollars means that each dollar you own is worth more.

While I forecast gold to decrease 47% by late 2019, my forecast for the dollar is that it will strengthen in the next couple of years. I’m targeting an over 25% increase by early 2020!

The gold bugs and I do agree that there’s a currency crisis. A fallout from the debt and money bubble burst is inevitable. But again we differ on what you should do about it. And that’s pretty important.

They say the dollar will tank. I say the dollar will only rise – it’s the euro and yen and other major currencies that will decline – but none of those are “going to zero” as they forecast. And here’s what my research is showing me.

Yes, the Fed did print nearly $4 trillion in QE. But the Fed’s QE is finished for now. Meanwhile, the European Central Bank (ECB) has printed more like $5 trillion, and now looks to be considering tapering as the U.S. did in 2014.

That’s why the dollar has skyrocketed over 40% in value versus the euro since the last crisis set in in 2008, and even more so since we tapered off our QE and the Europeans cranked up theirs.

Japan has created more like $3 trillion, but that is the equivalent of near $10 trillion in QE since 1997 (when adjusted for their much smaller economy.) But since 2013, it’s gone into serious overdrive with their money printing, creating new yen far beyond anything the U.S. or Europe has done so far. Is it any wonder that the yen has fallen 34% since at worst since 2012?
Overall, when most nations are all printing money together, currencies don’t devalue to zero. Instead, they appreciate or depreciate against each other. In fact, since the economic crisis began in 2008, the U.S. dollar index versus a basket of six major trading partners has increased 42% at its highest.

Does that strong upward movement indicate a dollar in decline? I don’t think so. Hence, why do the gold bugs keep insisting: “the dollar is crashing.”

Which leads, of course, to the next two vital questions that you need answered: where does the U.S. dollar go from here? And what do you do with your own funds?

To answer those questions, let’s go a little deeper into the history of the dollar and its changing value.

Even though the dollar index has increased 42% at best since 2008, it had first suffered a 58% decline against other currencies from 1985 through early 2008.

The reason for this massive hit to the dollar is because we created $42 trillion in private debt and $15 trillion in government (and foreign) debt into the peak of the debt bubble in 2008.

Although the Fed has printed huge amounts of money since the financial crisis of 2008, this is not historically typical. In fact, before 2008 there had been only $800 billion in created money and currency.

Understand that there are only two ways to create money:

1. The central bank prints it up through currency or digitally. This is known as Quantitative Easing.
2. Banks loan money against deposits that aren’t really theirs and at a 10% reserve ratio.

Many people think that issuing bonds, whether corporate or government, creates money. But that isn’t true. Investors buy these bonds with money from savings or by selling other investments, so the money or wealth in circulation is not changed.

The debt bubble that first peaked in 2008 was the result of new money being created by aggressive bank borrowing and lending at the private or public level, along with massive bond issuances. The government stepping in to print trillions after 2008 has only been a desperate emergency measure to keep that debt and financial asset bubble from bursting and wiping out this created paper wealth.

The dollar devalued 58% from 1985 to early 2008 because of the massive amounts of private debt creation and dollar-denominated debt overseas, especially in emerging countries.

Since then, the U.S. has led this expanding debt bubble globally by printing trillions and artificially keeping interest rates low.
As of 2015, there was $69.2 trillion in U.S. dollar debt worldwide. Compare that amount to the $49.6 trillion in euro-dominated debt and the $25.1 trillion in yen-denominated debt.

This chart shows how the dollar has dominated foreign debt since 2005. It has grown from 40% of foreign debt to 55%. Meanwhile, euro-based foreign debt has fallen from 35% to 25%. And Japanese debt fell from 8% to 3%.

So, when the over-bloated debt bubble bursts (sometime before 2017), more U.S. dollars will be destroyed through debt failure than any other leading currency – 40% more than the euro and 176% more than the yen.

And when this happens, the simple money principle of Supply and Demand takes over. The more a currency is destroyed by debt deleveraging, the fewer dollars remain. That’s a lack of supply. Fewer dollars are chasing the same goods (again the classic definition of deflation).

Fewer dollars in circulation simply means the remaining dollars become more valuable versus other currencies.

This is a huge miscalculation by the gold bugs regarding the fallout of the coming crisis. They see inflation while it’s deflation that will rule.

And they see a falling dollar against other currencies, while the dollar will only rise, at least well into 2018. After that I am more neutral on the dollar.

I’ve been forecasting for years, especially since the euro was at $1.60, that the dollar would approach parity with the euro – maybe even go below. In fact, I believe it could go as low as 85 cents in the next few years. That means a further 30% devaluation of the euro and near 50% from its top.

Who in their right minds would propose that such a falling currency become the new reserve?

The dollar has already appreciated against the euro and most major currencies since the crisis began in early 2008. Based on my research, I forecast it will appreciate even more when the looming financial crisis forces massive restructuring of debt around the world.

Since the U.S. dollar is the biggest denomination of global debt, the debt bubble burst and resultant deleveraging of this debt is the hidden secret to restoring the value of the U.S. dollar and rebalancing the economy. That’s a paradox that few economists or people get – but it’s an obvious one to us.

What a relief this lowering of debt levels will be to families and businesses. A lot of hastily-created money will simply disappear. I’m estimating close to $120 trillion in financial assets, including debt, will just vanish.
globally.

Sadly, the Fed is actively preventing this deleveraging and economic rebalance the country so desperately needs. By printing money, the government is giving the central banks free handouts to keep them from restructuring and writing down debt that could relieve struggling families and get our economy moving again.

The financial crisis I have been warning about for years will deleverage debt and destroy dollars, which will make every dollar in your pocket even more valuable. It’s the only way to restore the dollar, yet the government is fighting this at every turn.

As I said earlier: who wants to be in charge when the bubble bursts and everything goes to hell in a handbasket?

With something like $120 trillion set to vanish, household net worth will get hit especially hard – even more than in the last crisis, when all bubbles from stocks to bonds to real estate to commodities to gold finally burst in a massive explosion.

The question for you is: where do you want to be standing when everyone else’s wealth is evaporating in a wave of deflation?

In the gold camp? Or the dollar camp?

This one critical decision could easily determine your financial security and well-being for decades.

When the bubble bursts, gold will continue its meltdown through 2020, perhaps as far out as 2023. And I will be happily collecting on my gold bets with Porter and Jeff.

Remember, you can be right about the crisis, but wrong about the steps to take. And with the upcoming debt bubble burst soon to be upon us, it’s critical that you make the right decisions regarding your money and investments.

After reading How to Survive (and Thrive) During... The Next Gold Bust you’re one step closer to making your wise investing decisions. For example, now you understand why you should stay away from gold. Sell it if you own any and start turning towards the dollar and investments that get all or most of their revenue in dollars.

And to help you, as promised I have a three bonus reports that I would like to send you for free Safe Havens for The Gold Bust, Gold Dead or Alive? and 10 Stocks to Dump Now. Click here to start reading these immediately...
Afterward

I know it’s easy to fall in love with gold. It glitters. It’s pretty. It signifies wealth and power. It offers the fairytale promise of being that knight in shining armor that will come to your rescue in times of trouble.

But right now, and for the next five to seven years, gold will enter a dark period, losing its luster and shine… falling to around $700 an ounce by 2019 or beyond. And then falling further to as low as $400 - $450 by 2020 - 2023. Imagine a flaming elephant falling from the Empire State building. That’s what’s in store for gold.

A devastating 64% to 79% decline in the price of gold from its late 2011 top is highly likely in the next few years. Gold is not the place you want to be right now. I don’t see it being a plausible investment until early 2020 or, at the latest, early 2023 and beyond.

Today, your best move is to get into the dollar until this crisis starts to unfold. So please allow me to make a suggestion.

- If you’re concerned about the uncertainty and upheaval coming in the markets and economy over the next decade…
- If you understand the analysis and forecasts you’ve just read in The Next Great Gold Bust…
- If you want to continue receiving our clear-eyed investing research, projections and recommendations…
- If you want to preserve and protect your hard-earned wealth as deflation ravages the economy…
- If you want to live the next few years calmly and confident that you and your family will survive and thrive the gold bust…

If you’ve liked my book, The Next Great Gold Bust, then you’ll be happy to know you won’t miss a single issue of Boom & Bust in the critical months and years ahead as deflation sweeps the world, and markets crash in every country. In addition to showing you the best ways to take advantage of the strengthening dollar, we’ll show you more pockets of profit opportunities you can find to grow your wealth in the difficult years ahead.

You’re going to need us to help you keep your wealth intact and find the rare safe havens and profit potential in a post-crisis deflationary world.

But if you do nothing else after reading The Next Great Gold Bust, please heed my advice about gold. If you own any, sell it NOW. If you don’t own gold, STAY AWAY. Do not start buying gold until at least early 2020 and perhaps as late as early 2023.

Thank you for reading my book.

To your continued prosperity,

Harry Dent,
founder, Dent Research

What people are saying about Harry Dent and the remarkably accurate forecasts from Dent
Right on Gold!
When I first subscribed to Dent Research I had a ton of people on my left saying gold was going to the moon and Dent on my right saying it was going into the dirt. Truth is, gold was going sideways for a long time. At that point I didn’t know who or what to believe. So I waited to see. It appears that you are right - all the while the gold pundits are still saying this is the best time ever to buy... so I have decided if I need to pay closer attention to my right hand than my left. Kris H.

No Longer Investing in Gold!
“I am quite pleased with your research and advice. I have previously invested in gold… until I starting listening to your webcast and read your books – I have now stopped investing [in gold].” J. Perry

This is Now!
“I note that you have been right on with gold prices, and gold stocks. I had a long and profitable association with gold stocks, but that was then, and this is now. Thanks. J. Wilson.

Truth Spoken Here
“I just listened to your interview with Chris Waltzek on Goldseek Radio. You make more sense to me than any other economist I'm aware of. And, because you are a voice of truth and common sense, you have to carry the burden of ridicule and attack as sort of a modern day Galileo. Yet, I think your beliefs will be vindicated in the coming years. Alfred Bell

Switching Out of Gold
“I recently reread a Boom & Bust monthly newsletter and suddenly realized I should completely adhere to your advice. Even after recently moving most of my portfolio in heavy favor of commodities (including gold), I guess I’m going to switch.” R.A. Volk

Preserve and Grow My Wealth
“I have serious concerns about the future and my investments. I’m about to retire, and have serious doubts about my family's financial security in the years to come. I've prepared hard and long for my family and believe Mr. Dent has the right ideas to enable me to not only preserve what I've accumulated but also make it grow!” Hugh S.

Steered Us through the Storm
“Over the many years you have been in business, my respect for your company has strengthened. You have not run away from any major change in the world’s economic direction, but stood there like a real captain and steered us through the storm, while many commentators and analysts have simply abandoned ship.” Darby M.

Harry’s Spot On
“I've only been a subscriber for a few months, but you guys have been spot on. I was originally one in the inflation camp and now deflation looks to be more of a threat, as Harry has been saying for a while.” Todd B.

A Million Dollars Richer
“If we had followed Harry’s advice 3 years ago, we would have been nearly a million dollars better off.” Kate M.