

# Stock Market May Have Peaked in Terms of Gold; Gerald Celente: Interest Rates Go Up, This Goes Down

Welcome to this week's Market Wrap Podcast, I'm Mike Gleason.

Coming up the one and only Gerald Celente of the *Trends Journal* and one of the top trends forecaster in the world joins me for an explosive interview on the dollar, the growing tensions with North Korea and a wildcard that he sees driving a big run in gold. You will not want to miss an incredible interview with Gerald Celente, coming up after this week's market update.

Well, the invincible U.S. stock market finally came under some selling pressure this week as tensions between the United States and North Korea flared up. Bombastic threats from Kim Jong-un to strike the U.S. military outpost of Guam were met with elevated rhetoric from President Donald Trump and Defense Secretary James Mattis. They warned the North Korean regime that it would be wiped out if it initiated an attack or continued making threats.

As concerned investors sold equities on Thursday, precious metals markets received some significant safe-haven inflows. Gold is up 2.0% this week to bring spot prices to \$ 1,286 an ounce as of this Friday morning recording and pushing toward its high for the year at just under \$ 1,300. Silver shows a weekly gain of 4.8% and now trades at \$ 17.09 per ounce. That's a 7-week high.

The platinum group metals are also on the move, with platinum up 2.0% to \$ 990 an ounce and palladium up 2.2% to \$ 899.

Yesterday's big outperformance in metals has gold bulls eyeing a possible trend change in the Dow to gold ratio. Since mid 2011, blue chip stocks have been trending higher relative to the yellow metal. The Dow-gold ratio has risen from just under 6 to 1 to a high of just under 18 to 1 last month.

That's still far below the secular high in the ratio from 2000. But it's also far above the secular low of 1 to 1 seen in 1980. So, there is plenty of room for a major move in the ratio to commence.

Looking at the Dow and the gold market individually, both seem ripe for major moves. In the case of the Dow, the most remarkable feature of this summer's rally to record highs was vanishing volatility. Day after day prices would inch up in narrow trading ranges.

Extreme lows on the VIX volatility index are unsustainable for very long. And volatility finally came back with a vengeance on Thursday with the Dow dropping 200 points.

In the case of gold, volatility has also been muted in recent months. Even the gold mining stocks, which are notorious for their wild swings, settled

into a narrow sideways trading range. But the precious metals sector now appears poised to break out of its summer doldrums to the upside.

It's too early to call a definitive breakout until gold prices actually close strongly above the \$ 1,300 resistance level. If and when that happens, bulls would be back in the driver's seat.

And it could be just the beginning of a major trend change in the Dow to gold ratio that lasts for years – with gold outperforming the Dow. That's why it's definitely not too late for investors to move some wealth out of the seemingly expensive stock market and into physical precious metals.

As we've seen this week, it's not just gold that stands to benefit when equities go out of favor. The more thinly traded white metals of silver, platinum, and palladium can gain even more dramatically when investors seek hard assets.

Successful investors have to think about which trends are exhausted and which ones may just be getting started. Successful investors don't try to catch exact tops and bottoms, but they do rotate out of old positions and into new ones as opportunities present. They also diversify their holdings to avoid being too heavily concentrated in any one asset.

Successful precious metals investors don't just own one metal in one size. They accumulate multiple bullion products in multiple sizes. You never know when you might find it useful or necessary to sell, trade, or gift a tenth ounce of gold instead of a full ounce, for example.

Money Metals Exchange offers fractional size gold, fractional size silver, and even fractional size platinum and palladium products in addition to plenty of options in the standard one-ounce size. We also offer hefty 10-ounce gold bars and 100-ounce silver bars for serious stackers. And any orders of \$ 1,000 or more include free shipping and insurance.

Well now, without further delay, let's get right to this week's exclusive interview.



**Mike Gleason:** It is my privilege now to welcome in Gerald Celente, publisher of the renowned *Trends Journal*. Mr Celente is a well-known trends forecaster and highly sought-after guest on news programs throughout the world and has been forecasting some of the biggest and most important trends before they happen for more than 30 years now. It's always great to have him on with us.

Mr. Celente, thanks so much for the time today, and we appreciate you joining us.

**Gerald Celente:** Thanks for having me on, Mr. Gleason.

**Mike Gleason:** Well, I want to start out talking about the first half of the year of Donald Trump's presidency. Trump had an ambitious agenda to get the economy going but hasn't been able to push any significant legislation through this Congress. How do you see that playing out from here, and what bearing does all this have on the dollar, Gerald, because the greenback has been taking it on the chin here recently?

**Gerald Celente:** Well, you point out something very significant. Go back to when Trump got elected, and going into the beginning of the year, so from November to the beginning of 2017, the dollar was soaring, and it all of a sudden started reversing. I've been around a long time, and I've never seen anything like this in my life with so much hatred is being sent out by the media, not only against Trump, but the Russians, and any other person or country that they don't like. Of course, I'm no Trump supporter, I'm a political atheist, I didn't vote for either of Trump or Clinton in the last election. And I'm not one of these people that say, "Oh, you have to go out and vote. If you don't vote then you deserve what you get." No, if you vote, you deserve what you get, because I don't support the Bloods and the Crips, and that's what the Democrats and Republicans are to me. They're murderers and thieves, their track records prove it. So what I'm saying about Trump has nothing to do with me being a Trump supporter.

The hatred that the media has been selling, with hating the Russians, no evidence at all that they hacked into the Democratic National Committee, it's our assumption, it's our belief, it's our analysis. Can you imagine going to a court, Mike, and saying that to a judge? (The judge might say) "Show me some evidence." "How dare you ask me to show you evidence, judge? Don't you know who I am? I'm a prostitute for the Cartoon News Network, I'm a prostitute for the New York Times, the toilet paper of record. I'm a prostitute for MSNBC. I'll shove any crap I want down your throat and you repeat it to the American people. I don't need proof, all need are assumptions, and you know how good those are. You might remember that Saddam Hussein had weapons of mass destruction and ties to Al-Qaeda." So what I'm saying is they sell lies, and they sell hatred and dissent in the United States like I've never seen before in my life. Every time somebody got elected that you didn't like, the media would say, "Well you may not have supported that person, but now it's the president of our United States and we have to all work together. "

So now going back to the dollar. The war against Trump is actually the war against the economy in many ways, because when the Trump rally began, and anybody could go back to the facts, when Trump looked like he was going to win on November 8th, in the morning of November 9th, the Dow futures dove by over 800 points, thinking that he was going to win because the markets wanted Hillary. And then it reversed. And it reversed on the belief that his programs, again whether you like them or not, not the issue, only talking about business, were good for business because of tax reform, because of

deregulation – again, whether or not you agree with it isn't the issue, we're talking about business – and with also the rebuilding of the infrastructure. None of that happened. That boosted of the dollar, now we're going into reverse. And, also, the rhetoric keeps heating up. Not only against Russia, but across the globe.

**Mike Gleason:** It has been almost a decade now since the 2008 financial crisis. We've seen evidence since that time that some Wall Street banks have acted like criminal enterprises, and they continue to enjoy the support of politicians in Washington DC. No one has been more vocal on that subject than you. Now we have Donald Trump promising to "drain the swamp," but more evidence of cheating and market rigging have been piling up. You could be forgiven for thinking that a reckoning will soon come, but experience has shown, these characters are basically untouchable. What are your thoughts, Gerald, any of these folks going to go to jail any time soon?

**Gerald Celente:** Well, they're too big to jail, you remember that little freak, Eric Holder. Yeah, you remember him, he was brought in by Obama, the most transparent president he says in his campaigning for the presidency back in 2008. Yeah, so transparent that you could see right through him. He was a guy that promised to bring the banksters to jail. And Eric Holder, where does he go, he goes back to work for one of the white-shoe boy's firms over there on Wall Street, and wants to protect the banksters, and he says they were basically too big to jail.

We saw, what, \$ 150 billion worth of fines, and not one head roll? It's a neo-feudal society, there are different rules for the political nobility and the economic elite. As you point out, yeah, Trump didn't drain the swamp, he just brought in new swamp creatures. Whether it's Mnuchin or all the generals that he brought in. I've never seen a White House filled with so much military brass and a bunch of Wall Street billionaires. So when we're looking at it, no, I don't see any of that change coming.

But again, going back to the dollar and the strength of it, there may be some positives coming out of it. Wilbur Ross who's the Commerce Secretary, this isn't a guy I'd want to do business with, but if this is the guy that's going to defend my interest on the business field, and he's going to renegotiate these lousy trade deals, that's great for America. So, there's a give and a take on it, but right now it's only been a one-way street and that is when you look at the polls, that Trump is down at historic lows, and look at Congress, what, only 10% of the people look up to Congress? And yet people argue that their bunch of crooks is better than your bunch of crooks? So I don't understand what's going on, how people could take orders from these jerks that play politicians.

**Mike Gleason:** Speaking of the 2008 financial crisis, it looks to us like history is likely to repeat, perhaps sooner rather than later. You can make a good argument that a number of markets are now in bubble territory, including stocks and bonds. There is also plenty of irresponsible lending –subprime autos, student loans, and hundreds of billions lent to oil companies which may go broke unless oil gets back up towards \$ 80 per barrel. Markets are certainly due for a big correction. That said, if the VIX is any indication,

traders have never been less worried. What do you think, can the wheel stay on this a while longer?

**Gerald Celente:** Yeah, they can. And that's the one thing that I learned, and you really nailed it before when you were talking about the corruption. They'll rig the system any way they want to make things happen. Look, I would've thought this thing would've collapsed in 2012. I never heard of negative interest rates. You know Mike, I like you, you're a nice guy, I got a 10-year bond for you. Yeah, you buy, and then I'm going to give you negative yields after 10 years because I like you so much. I mean, who could get away with this kind of crap? The central banks, the bank of Japan. And it's the same thing around the world. So people are dying to get anything that's going to show them any kind of return. So that's what's keeping the markets, they'll rig the game anywhere they can.

I got a better one for you. Hey, how about a thing called Quantitative Easing? Isn't that nice? Negative rate interest policy, zero interest rate policy, we'll do anything we can to keep the Ponzi scheme going and the banksters rich. One of our Trends Journal (contributors), Anthony Freda, a great illustrator, did a cover for us, and he had a Jesus Christ with a whip and he's driving the banksters out of the temple, but now they have names in front of them, JP Morgan, Chase, Goldman Sachs, Merrill Lynch, on and on. Nothing's really changed. And that's all it is. I mean, look at the guy, the little boy they elected over there in France – a Rothschild kid, Macron. And it's one after another.

So I mean, they'll rig the game any way they can. Will there be a correction, we're forecasting a 10% correction. And so are others. But again, we don't see a crash, because they're going to do what they can to prop this thing up. I talked about Japan, what do they have, the GDP is, what, 250, that's a GDP ratio. I mean, look at China, 300. So they just keep the Ponzi schemes going. They'll invent anything that they can.

**Mike Gleason:** We definitely want to get your thoughts on North Korea since the mounting tensions there have made big news this week. The prospect of a nuclear exchange is of course what people worry about. We're well-accustomed to bluster and threats from Kim Jong-un and his predecessors, but now Donald Trump has threatened to use America's nuclear arsenal. What is your best guess on how this will play out? Will Trump launch a preemptive attack using conventional weapons? Is this brinkmanship, just a negotiating tactic, what?

**Gerald Celente:** It's not a negotiating tactic. I mean, I've been hearing this North Korea stuff all my life. Read the details of the sanctions that they just put on North Korea. What is it? The UN voted, because they're testing missiles. You know what North Korea's GDP is? It's smaller than West Virginia's. They have a population the size of Texas. You read the quotes coming out on what they're doing and why they're doing it, and it says, "North Korea warns US, rejects talks. The sanction's resolution aims to cut a third, or \$ 1 billion from North Korea annual foreign reserves. And I'm not good at math, but a third, or 1 billion, that's \$ 3 billion is their total foreign revenue. 3 lousy billion dollars. What is Bill Gates worth, 86 billion? Warren Buffet, 76 billion. Bezos, 73 billion. Zuckerberg, 56

billion. Look at the tough talk against the little nobodies. The reason why North Korea has nuclear weapons, and they made this very clear, is because they saw what the United States did to Saddam Hussein and Gaddafi. And they say, "You're not going to do that to us."

What countries has North Korea invaded? Look what they did to Libya, overthrowing Gaddafi. Hey, how about that war they launched against Afghanistan, because they had to find a man by the name of Osama bin Laden that was living over there. Oh, and look at that war in Iraq, yeah, they had to get rid of Saddam Hussein, those North Koreans, they can't stay home. And now they're in Somalia and Sudan, and they just sold \$ 150 billion worth of weapons to Saudi Arabia to slaughter the innocent Yemenis, the poorest nation in the Middle East. Of course I'm talking about the United States.

North Korea and China have been asking the United States and South Korea, "Stop doing these massive military drills on our shores. Stop threatening us constantly." What if we had North Korea up in Canada, China and Russia doing military drills down in the Gulf of Mexico, and Iran off the coast of New York? They'd be bombing the hell out of them from the United States, these people for getting too close to us. Yet the United States aggression against this country ... Do they have a crazy guy running the show? Sure looks it, but hey welcome to America. Look at the freak show that we got going on and have been going on for a long time. So we have no right being there. Honor the Founding Fathers, no foreign entanglements. This is all rhetoric, we're fighting a nobody that's done nothing to us. They have not done anything to the United States. Oh, they may have a missile that could hit Topeka, Kansas by 2025. I got a gun, does that mean I'm going to shoot somebody? If there's 50 cops outside, and somebody shoots in one of them, are the other 49 going to blow your brains out? What threat is North Korea to the United States?

**Mike Gleason:** With all this said, Gerald, what are your thoughts on gold? It has encountered some road bumps, but it is held in there pretty strong, actually, and never fell below \$ 1,200. What trend is in store for the yellow metal in your view?

**Gerald Celente:** Well, it's exactly what you said before. When you're talking about what's going on with a cheap dollar, that's keeping gold up and also the instability. Gold is still the ultimate safe-haven asset. And other countries around the world are buying it because they understand that. We get the diluted message in the United States. You could talk all you want about, for example, or did you see earnings coming in, how great they are? Yeah, when you use the Gaap earnings principles, the generally accepted accounting principles, but when you look at the investment research company and they talk about the other measurements, the return on invested capital measurements instead of seeing over 10% growth over the last two years, you're looking at like a minus 5% (decline). So these numbers are rigged too, when you look at them. The whole thing is being held up on hype and hope.

Then you look at where the gains are coming from, only a few industries. One of them being oil, because oil prices went up a little bit, so the energy sector is going up. But long-term, energy isn't going to keep going up, it's a supply and demand issue. And every time the oil prices go up a little bit

over \$ 50 a barrel, you got more supply coming online, and it keeps the prices in check. So, when you look at the technology, you look at energy, you look at the banking sector, it's only a few sectors that are driving up the financials. And the cheap dollar is keeping the emerging market game alive as well, because they're borrowing money for free. Then they borrow that money ... If the dollar goes up, then you're going to start seeing some real panic, and if interest rates really start going up, the game is over.

Again, this is a Ponzi scheme that's been generated by Quantitative Easing, which means printing tons of cheap money and negative, or zero interest rate policy that allows stock buybacks and merger and acquisition activity. End of story. When interest rates go up, this thing goes down, and it goes down big. But the interest rates have to go up to a percentage much beyond where they are now, they've got to get back into the 3.25% range, as we see it, before you're really going to start feeling the pressure. But even it at 1.5 to 2, you're going to start seeing it really starting to hit.

**Mike Gleason:** Well, as we begin to close here, Gerald, any final thoughts or anything that you want to hit on that we haven't discussed already?

**Gerald Celente:** I think we've hit on it all. The other wildcard to watch also, by the way, is the rhetoric against Iran. That keeps going on and on. Iran has not invaded a country for 250 years. Yeah, but they're in Syria. Well, that's because Assad invited them in, and whether you like him or not, he was elected, and an international forum said it was a fair and free election. But the hatred that the United States has against Iran ... And again, people know nothing about the history of how the United States, the CIA and the MI6 in the UK overthrew the democratically elected government of Mosaddegh in Iran in 1953, because the guy had the nerve to nationalize the oil company, and that's when they brought in the Shah. And the oil companies that were going to be hit by that were Anglo-Iranian Oil, better known as British Petroleum (BP) and Standard Oil better known today as Exxon-Mobil.

So we believe the one to really watch, the wildcard there, that could really be a destabilizing force, driving up oil prices, driving up gold prices and really causing major destabilization not throughout just the Middle East, but through much of the world, is if there's a real war with Iran. And also, keep your eye on Ukraine. That's very unstable, and that could explode yet again at any moment.

**Mike Gleason:** Well, Mr Celente, thanks as always for your time and your analysis today. We love having you on, because you really don't pull any punches, and I know our audience really appreciates that. Now, before we let you go, as we always ask you to do, please let folks know about how they can get their hands on the wonderful information that you put out both online and with the Trends Journal magazine, as well as anything else that's going on there at the Trends Research Institute that folks should know about.

**Gerald Celente:** Well, they can go to [TrendsResearch.com](http://TrendsResearch.com) or [TrendsJournal.com](http://TrendsJournal.com). We not only publish the *Trends Journal*, which is a quarterly, 50-page magazine, no ads, full color and, also, we have a [Trends in the News broadcast](#) each weekday night, and we have a [Trends Monthly](#), [Trend Alerts](#), and

there's a money back guarantee. It's the only place we are going to read and hear history before it happens.

**Mike Gleason:** Well, excellent stuff once again. I hope we can catch up with you later this year as these events begin to unfold, and ultimately, what it will likely mean for precious metals' investors. Thanks again, Mr Celente for being so generous with your time. I hope you enjoy the rest of your summer and have a great weekend.

**Gerald Celente:** Thank you, and thank you for all you do, Mike.

**Mike Gleason:** Well that will do it for this week. Our sincere thanks to Gerald Celente, Publisher of the renowned *Trends Journal*. For more information, the website again is [TrendsResearch.com](http://TrendsResearch.com). Be sure to check that out.

Check back next Friday for our next [Weekly Market Wrap Podcast](#). Until then, this has been Mike Gleason with [Money Metals Exchange](#). Thanks for listening and have a great weekend everybody.

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