Weiss Research's Edelson Institute presents

Supercycle Survival and Profits: "Ask Martin and Sean Anything"

Transcript of Q&A Session (edited for clarity)

This is Martin Weiss, founder of Weiss Research's *Edelson Institute*. And with me today is Sean Brodrick, Lead Editor of *Supercycle Investor*, along with Amber Dakar, our Research Director.

As you know, we've issued some very startling forecasts for the next five years, for 2017 through 2022. Those forecasts are causing quite a stir and prompting an avalanche of questions coming into us, which is why I'm really glad that you're here with us today, for this special live Q&A session. (To review the video recording, click here.)

It is a critical moment in our financial life, in your financial life. You have the dangers confronting you, that we've been talking about. But you also have the opportunity to make up to four separate and different fortunes over the next five years.

That's why we're here today, why we've organized this historic Q&A. Now, to keep things simple, Amber will ask your questions on your behalf, and then Sean and I will do our best to provide our answers.

Amber Dakar: Thank you for having me with you today, Martin. It's just a great opportunity to reach our subscribers, and supply answers to their questions.

We've received quite a few questions beforehand, which is great, because it affords us an opportunity to research answers for those questions, prepare charts, and just organize things in an orderly manner, so we can get through our questions for today.

However, if you do have a question that comes to mind during our chat today, please feel free to submit them, and we will do our best to answer them for you.

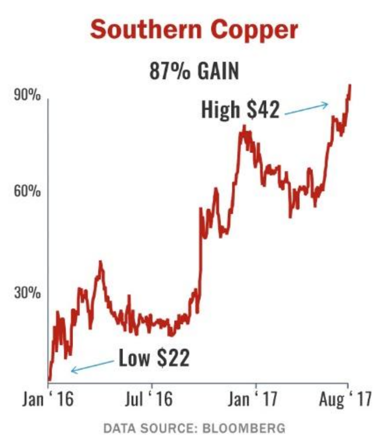
Martin: And also, anytime you want, you can click here and it will take you to our very latest report, which amplifies on a lot of things we're going to be talking about today.

Amber: That's so true. So our first question is actually for Martin and Sean and it's regarding their recent report. The question is,

> **"Martin and Sean, in your report, you write about some stocks involved in industrial metals. One of them is Solitario Zinc, which is up 114% since January of 2016. Another one is Century Aluminum, which is up 566%, and you also mention two stocks that have gone up by over 1,000%. Do you have any more like these on your radar?"**

Martin: We do, and I think Sean will get to them in just a second. I want to stress though, that in selecting these stocks, there are two major factors: One factor is the cycle, the timing that's driving this whole swing in the market. And the second is the fundamentals of each company, and that's what Sean will address right now.

Sean Brodrick: I'd be glad to. One such company would be Southern Copper. On January 19th, 2016, it was trading at $22 per share, but recently it hit a high of $42 per share. That's a gain of 87%.



Now, of course, there's a good reason for that, because copper hit a high of $3.10 per pound in August. Southern Copper is a big copper producer and that was the highest price of copper, by the way, since October, 2014.

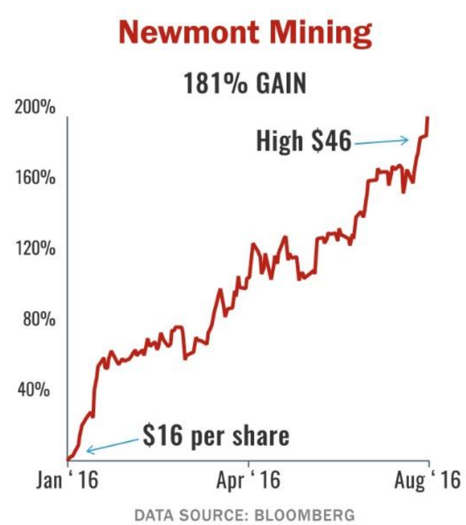
Martin: And as you go through these examples, Sean, I want to stress that you're talking about individual companies, right? But the service is also designed to look at broader investments, ETFs, which is what the Supercycle clearly drives. You have major swings in the markets and sometimes ETFs, which give you a broader diversification, are better for riding those cycles.

Sean: Actually, we just took gains on an ETF and we just put people in another ETF. There are plenty of ETFs that can ride these cycles.

Martin: Which ones were those?

Sean: We took gains on an oil services ETF, and then put them in another oil stock related ETF.

Martin: So oil is doing very well right.



Sean: Yeah, and there are a lot of reasons for that as well, but to get back to the individual stocks, Newmont Mining is probably the best-known mining stock in America. And on January 19th of last year — there's that date again, because that's when metal stocks bottomed — its shares we're selling for 16 bucks and change. Then last month, it hit almost $46 per share.

Martin: From $16 to $46.

Sean: Right, that's a gain of 181%, double the gain on Southern Copper. Now, why did that happen? Well, Newmont cleaned house because it just had some problems. It raised production and it cut costs at the same time. It dropped marginal projects and it opened up a new low-cost mine down in South America. So that impressed investors.

Martin: The fact that the price of gold went up was also helpful, but metals didn't go up nearly as much.

Sean: That's because it's leveraged to the underlying metal. Speaking of leverage, let's talk about Coeur Mining. January 19th, 2016 — $1.73 per share. But look at the move on this one: August 10th of this year — almost $60 a share.

Martin: From just $1 and change to almost $60 and change?

Sean: Yeah, 824%. If you invested $10,000 into the company, that would turn it into $92,400.

Martin: And that's from bottom to peak. Let's say you just caught about half that move.

Sean: Well, if you caught half the move, you'd make about $50,000, actually. Now, again, there were many factors in this. The company had record silver production last year — it produced more than 36 million silver equivalent ounces.

But one thing I think that's not really looked at so closely by the broad market is that 64% of its operations are in the U.S. That means that its geopolitical risk is actually quite low, and that's important.

Martin: In this case, it's mostly silver, right?

Sean: Right.

Martin: So how much did silver go up during that same period?

Sean: In that period, silver went from $14 to $18. That's about a 28% rise. But the shares of the company went up 824%, so almost 29 times more.

Martin: The price of silver went up 28%.

Sean: Yeah.

Martin: And the price of the stock went up 824%?

Sean: 824%, yes.

Martin: The leverage there was how much?

Sean: That stock has individual leverage on each ounce of silver that it actually produces, but it also did a lot of good things that made it much more attractive as well. When you have that kind of leverage, you don't really need to use options or futures or anything.

Martin: That's right, I think you said close to 29 times, right?

Sean: Yeah.

Martin: 29 times leverage.

Sean: Yeah, and so these are the kind of signals that we use in *Supercycle Investor*, because we're riding these big swings in the stocks and in the underlying metals as well.

Martin: Good examples.

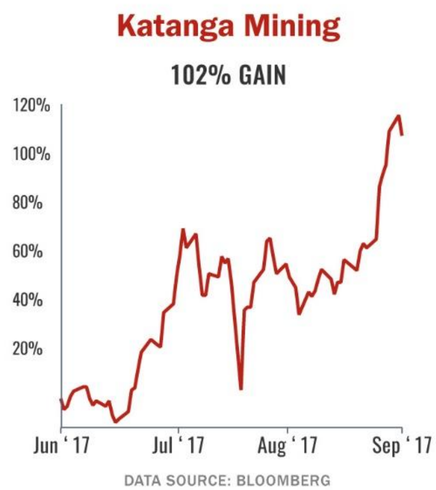
Amber: They're excellent examples. And we do have another question that's come in.

> **"I couldn't help but notice that a big trend you predicted a long time ago is the shift from the combustion engine to electric vehicles. How do I make money from that? Please don't answer this question with vague generalities. I need specific instructions."**

Sean: That would be my prediction. And it has worked out well, hasn't it? Okay, so what you specifically should do is invest in those companies that actually produce energy metals, or else they have a deposit and they're going to produce those metals soon.

Martin: And you've recommended one in *Supercycle Investor*, right?

Sean: Yes.



Martin: Could you give us the name?

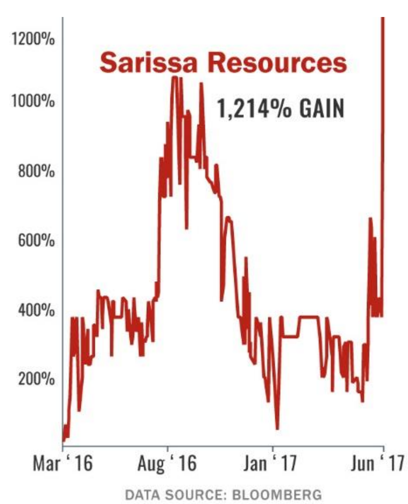
Sean: Katanga Mining. We had a nice ride on that one. Up 100% since June.

Why? Because it’s the only cobalt mine coming online next year. Many people don’t understand this, but in a lithium battery, there are many metals. Lithium is actually one of the smaller ones; and one that’s so, so important is cobalt.

Martin: So lithium batteries are made of cobalt?

Sean: That’s one of the ingredients, yeah. Katanga has the only cobalt mine coming online next year, and so there’s a squeeze going on in that particular metal space right now. That makes this particular company look very attractive.

Martin: Now, but you named other industrial metals companies in the report, right?



Sean: In the report we had Solitario Zinc, that’s up 114%; Century Aluminum, 566%; Silver Bull Resources, which produces other metals along with silver, up 719%; and Starfield Resources, up 1,076%. But saving the best for last, Sarissa Resources, which develops copper and uranium, is up 1,214%.

Martin: I remember when we first started together many, many years ago, uranium was one of your favorites. Is that still true today?

Sean: Actually, not so much anymore. But again, it’s a cyclical thing. When that cycle gets hot again, then we’ll start buying those stocks again. That’s all.

Amber: Good information. We have another question that’s come through:

"I'm intrigued by the idea of foreign capital flooding into U.S. markets. Do you profit from that shorting of foreign markets or buying U.S. markets?"

Martin: Well, actually, you can do both, and that's where ETFs are really helpful, because there are ETFs that help you profit from a rising market, and we'll have plenty of those. Plus there are ETFs that are specialized in helping you profit from falling markets.

Also, ETFs gives you the opportunity to target individual sectors, beyond just swinging with the bigger market indexes, and that's what Sean is really specialized in — focusing on those individual sectors.

Sean: An example would be the energy sector. You can just see money flowing into that, and so much of that comes from overseas too, because people in other countries can see the real potential in the U.S. oil stocks. New technology has just changed the face of what U.S. oil producers can do.

Martin: Any other sectors Sean that you're looking at going forward?

Sean: Well, I like most of the metals, actually. I think they all look good. Some more than others but there's some real potential there. We also have to look at things like U.S. retail.

Many people think, "Oh my God, it's a scary time," but if we have foreign money flowing into the U.S., retail is a thing that'll actually go higher.

And then of course, there are scary things happening all around the world. So the U.S. defense sector looks very, very good right now.

Martin: I've seen a lot of questions, just this morning, for example …

“How can you be recommending stocks with all these scary things happening?”

I know it is counterintuitive, and we do agree with you that there will come a time when U.S stocks are going to be very dangerous. But look at what is actually happening on the ground! I’ve been traveling all over the world. I’ve seen the fear. And with that fear, there’s always an association with the safe haven of the world, the United States.

So it’s going to take a while before the falling assets overseas — before that crisis flows to the United States and brings you falling assets in the United States.

Sean: Because it has to ripple around the world.

Amber: We have another question coming in.

“In one of your online conferences, you said the next five years are going to be a speculator’s dream. What exactly do you mean by that?”

Martin: We’re going to cross the watershed line from quiet markets, where it’s very difficult for speculators to really make big money … and very violent markets, where you have huge, broad swings, both up and down.

For example, you will see things like bond prices collapsing, currencies like the euro and the Japanese yen collapsing. No, that’s not very good for stability, but it’s a dream come true for speculators, who understand what’s going on.

In effect, crisis brings great opportunity, and you need to keep an open mind as to what kind of investments will be best for profiting for that.

Sean: Just to give an example, in Spain, there’s a breakaway a region that just voted for independence. Now, a U.S. investor wouldn’t think much of that, but actually, that rocks the euro.

Martin: It cause for a huge decline the euro because there’s concern that the movement for independence is going to spread to Scotland. It’s going to spread to the Donbass, which is the eastern portion of the Ukraine. It’s going to spread to other countries. We saw it happen in the former Yugoslavia; we could see it happen again in many parts of Europe.

Sean: So it's our job to actually take all this information, put that into our cycles and then prepare our investors to take advantage of what's going on.

Amber: Excellent point. Our next question is,

> **"I'm most impressed by the scope of your cycle analysis, but one question: Could the unprecedented flooding of the world with money by the central banks alter the timing of major economic or market cycles?"**

Sean: It hasn't so far, right? When you look at the scale of things, we have global debts that are close to $300 trillion. And all the money printing over the last eight years? That amounted to maybe $10 trillion.

Martin: $10 trillion is a huge amount of money.

Sean: But if you compare that to global debts, it's just a drop in the bucket. So the chance of it altering that is actually quite low. That's why we're looking at these cycles playing out the way we believe they will.

Amber: Excellent.

> **"I'm a new member of your *Supercycle Investor,* and I love it. I have only one question. I can't seem to find the ticker symbol you gave for a Canadian company on your list."**

Sean: This is another one for me, because I'm the guy who's confusing you. First of all, you probably shouldn't be buying that stock right now.

If you are reading the issues all the way through, you'll see when I say, "You know what? Maybe you should, maybe you shouldn't be buying it." Now, that stock had a big run-up since we bought it in the portfolio.

Martin: I have to correct that, Sean. I think your issues are very clear. It said very specifically in the portfolio, "wait for signal."

Sean: Right, but going forward, I will give the symbol in Canada and I will give the OTC symbol in the U.S. Because you're in charge of your own investing destiny. I can only tell you what I think you should do, but really, you are going to do what you want to do.

Amber: Excellent explanation. Our next question is,

> **"I hope you are going to make a transcript of the session. Normally, I'd attend, but I will be traveling and I don't want to miss the recommendations."**

Martin: We'll do much more than give you a transcript. We'll make the recording available. In fact, if you tuned in late, you're probably already watching a delayed recording.

Number two, we will compile a complete transcript, and number three, to expand on everything we're saying here and give you all the specific details, we've just posted online a brand new report, which you can read just by clicking here.

Amber: Wonderful, thank you Martin, for that. Our next question is, "How accurate have these cycles been in the past, in predicting the timing of a major crises?"

Martin: Nothing is perfect. It never has been, never will be. But looking at the cycles both in real-time as we were using them, and looking even further back in time before we were born, we can see that this cycle analysis has been very, very good in predicting major events. Past crashes — 1929, 1987, 2000 with the tech wreck, 2008 with the debt crisis. It gives you a good, solid forewarning.

Sean: Yeah, but Martin, you don't want to forget the other side either, right? We had the bull market of the late 1980s and 1990s; the great bull market that began in 2003, March of 2009, and then the *zoom* we saw after the 2016 presidential election, which we predicted, by the way.

Martin: Yeah, I guess this is kind of normal for us, right? I always focus on the bear — crashes, panics and depressions — and you're always focusing on the bull markets.

Sean: We're a good match that way.

Martin: A good balance, a good team.

Amber:

"You seem very confident in your forecasts. Why is that?"

Martin: The past forecast accuracy for individual cycles, and now the fact that on top of that, we have a convergence of *multiple* cycles — economic cycles and one *more* major cycle which is unfolding pretty much as we expected. That's the rising cycle of war.

We hope and pray that it will not result in a shooting war. We hope and pray that it will be limited to the same types of things we've had and cyber wars; that it won't be anything larger. But either way, it's pointing to some of the most turbulent times of our financial lives, because it's coming together with these economic cycles that are unfolding over the next five years.

Sean: Let me elaborate on that. We expect four phases over five years, and we're in Phase One right now, which is before the crisis starts. Then in Phase Two, we're going to see it just slam into Japan. Phase Three will be Europe, and then, as these problems go rippling around the world, Phase Four is when it comes home to the United States.

Now, I know that on the face of it, that all sounds really bad. It *is* kind of terrible, but on the flip side, the opportunities for investors are just going to be tremendous.

Martin: And this is the hardest part to grasp: Despite all these problems — and we've seen them already — for the near-term, maybe the next couple years, it's very bullish for most U.S. stocks.

Sean: Exactly.

Amber:

> **"You started talking about the coming convergence of cycles a couple of years ago. What has changed since then?"**

Sean: That's still on track. Very little has changed in our forecasts, and events that we predicted have happened: Brexit. Mass immigration into Europe. The presidential victory by Donald Trump. I was writing about that when few people were. Then, the great stock market rally since November.

Martin: Which is all part of the same cycle.

Sean: It's all part of the same cycle, yes.

Martin: Even the Trump victory itself, and the cycle in the stock market, is all part of that broader, big picture push that's coming from the economic cycles.

But there is one thing that *has* changed: The war cycle. It's rising to a level now, where it's turbocharging that movement of fear money — flight capital — towards the United States.

It's driving all of our markets, our stocks, our real estate, even higher. It's something that we predicted to two years ago, but it's only now that we can really see how it's impacting the markets in real time.

Amber: We have another question coming in.

> **"I want to know when I should add more gold bullion, more gold miners, more other metals like lithium that you recommended."**

Sean: *The Edelson Institute*'s proprietary cycles forecast charts really lay out the path heading forward. They show us every market index stock, ETF, major currency, every commodity, and gold.

Martin: The point is that you can take this cycles program and this cycles analysis and apply it to virtually anything that moves. That helps give Sean a really good sense of timing — not only to buy, but also to get out and take profits. Or to say, "Hey, wait a minute, it's not time to buy yet. Don't rush in."

Sean: … which is what we've been telling subscribers about gold right now. We actually did get an entry opportunity into lithium just this past week. But on gold, our charts say that it's still heading lower for a while. That doesn't mean that you should rush out of gold or anything like that.

Martin: But not to add more at this time.

Sean: But not to add more at this time. The buying opportunity will come, and that's the great thing about waiting, because then you're getting a chance to buy on the cheap.

Martin: So let's see if we can get a chart up here that represents our cycle forecast for gold.

Sean: Sure.

Martin: Okay, in this chart, the black line is gold itself. And the red line is our cycle forecasts for gold. You want to tell us a bit more about that?

Sean: Sure. You can see how the two track along, right? And so —

Martin: So the timing prediction for this has been very good.

Sean: Yes, right, but what it's also telling us is wait to add more. We're looking at a correction into November, maybe early December. But then, in early or mid-December, gold should take off again.

That's why we're not in a hurry to buy, because we already have our good core holdings.

Martin: I see it hit a peak just recently, and now it has started the correction. Did you do anything to take advantage of that peak?

Sean: Oh yeah, well, we took some gains.

Martin: Good for you.

Sean: Not big gains, but you know what? When you have the gains and things are going lower, you just take those gains because that's more money you can stock away — to pick things up when things are cheap.

Martin: One way or another, the point is, don't be in a hurry to add more right now.

Sean: Right, exactly. We use the same system on silver, palladium, oil, industrial metals, and the energy metals that we're all excited about.

Amber: Okay, I have a question.

> **"What are the immediate and direct investment consequences for your forecasts?"**

Martin: I think this subscriber wants to pin us down. So I'm going to pin you down. How about that, Sean? Start from the top: Gold.

Sean: $5,000.

Martin: Silver.

Sean: $125.

Martin: So for silver, it's actually a much bigger rise percentage-wise.

Sean: Yes, when things get moving, silver acts like gold on steroids, and it can just ramp up.

Martin: In both directions.

Sean: Yes, exactly.

Martin: What about the Dow? It's now over 20,000, which we predicted a while back.

Sean: Our cycles tell us it's on the path to 30,000.

Martin: Like I said, it's counterintuitive with all the things happening around the world.

Sean: But as that fear money flows into the U.S., that's probably what's going to happen.

Martin: What about bonds?

Sean: You don't want to own bonds. We see hard times coming for bonds.

Martin: We see it already just in the last few trading days. In Japan, bond prices have fallen pretty sharply, and if we have a chance, I'd like to talk about it some more here as well.

Amber: Our next question is,

> **"I was hoping you'd forecast a correction that is nine years overdue. Some relief for stock prices that are so ridiculous, there are no dividends left and literally nothing to buy at all."**

Martin: I can understand. We've had a nine year bull market. So is there a correction coming and what are you going to do about it?

Sean: We all love corrections for the same reason. I think there are stocks to buy. So one thing is we have access to more information than you do, so maybe we can see some good things out there. And really, the timing is the thing, isn't?

Martin: I think many of our subscribers have access to a tremendous amount of information, perhaps too much. The issue is not access; the issue is selecting the information that's going to be meaningful.

And that's where I think we can help. Overall, we're in agreement that a major decline in markets is ahead. The issue is the *timing*, and that's where the cycles give us an extra edge on most of the market.

Sean: Okay, but we also agree that it'll be in the bond markets, where things really hit, right?

Martin: Exactly! Everyone's always focused on the stock market, but sometimes there are other markets people pay less attention to that are equally important — or even *more* important — in terms of moving the other financial markets. Bonds are a perfect example of that.

Sean: And then we have the rolling debt crisis that you and I have talked about, from Japan to Europe to the U.S. This is going to take time, but it will play out.

Amber: Speaking of Japan, we have a question that states,

> **"Your comments on Japan are at variance with reports that Japan is enjoying its longest unbroken growth streak in a decade. I would be interested in your comments on that."**

Martin: The headline news is that the Japanese economy is improving for the first time in more than two decades, but again, the crisis looming in Japan is not going to be make headlines. The bigger news in Japan is now unfolding in the Japanese bond market, just as we expected. And it's starting before October 31st. It's starting right now.

If you go back in history, you'll see that, years ago, the Bank of Japan cut its short-term interest rates in half, right? With the goal of supporting the bond market. It didn't work.

Then they cut their interest rates to zero, again with the goal of supporting the bond market, and it still didn't work.

Next, they went so far as to cut interest rates below zero, and it still wasn't enough.

Now, the last step in this process for the Bank of Japan has been to target long-term interest rates. So they've forced the rate on the long-term bonds way, way down below, practically down to zero. And it's *still* not working!

Just in the last few days, we've seen those bond prices go down, which is driving their yields back up. You can fool mother nature for a while, but not forever.

Amber:

> **"So if governments have trouble borrowing the money, you know what they do! They print the money, they devalue the currency, they pay us back with cheaper dollars. They default on the sly. Is that what your scenario is all about?"**

Martin: Well, this is where I want to make a major forecast that I promised. All major indebted governments are going to face a fork in the road:

* If they go in one direction, it's going to be just as this person is asking. Will they effectively default on the sly or even default outright?

* The other direction they could go is just to take a hard line in terms of protecting their credit … and let the civil strife, the deflation, the depressions and all those things unfold.

In the past, I would have said that they it's extremely unlikely that a major government would default. But now, my forecast is changing, and I see a high risk that governments could default – either via inflation or outright. If that happens, there's just no limit to what the consequences would be.

Sean: The person who asked this question has caught on that when governments print money, what they're really doing is taking the value of money and … *feeding it through a shredder!*

Because the more you have of something, the less value it has. But what's one thing you can't feed to or shredder? It's gold. So keep that in mind as this whole scenario plays out.

Martin: Plus other alternative investments we recommend.

Amber: Our next question is,

> **"Sad to say, but destabilization periods like what you're describing only lead to one thing: War. History reveals this time and time is true. Human nature does not change.**

What do you think is different this time and how does one protect their wealth?"

Martin: I've recently done a more in-depth study on the cycle of debt and the cycle of war. I hope we can get my PowerPoint up, if we have a chance. I can show you some of that study.

To give you the conclusion before the analysis, what we find is that, in past wars, major governments around the world borrowed large sums of money, only *after* the war got underway. And the sole purpose of those borrowings was to finance the war.

Now they've *already* borrowed huge sums *before* any major war begins. How that impacts the war is a question that we don't need to talk about right now. The key is: What are the economic and investment consequences?

Do we have a moment to go into this, in further depth right now, Amber?

Amber: Yes, go right ahead, Martin.

Martin: Okay, to show you how this is so different from the past, let me take you all the way back to ten after the American Revolution.

At that point, the young nation still has huge war debts close to one-third of our GDP. But then, after a few years, thanks to Alexander Hamilton and others, the debt is paid off. The country prosperous.

The next critical point in time is the Civil War, but you see the same pattern. The government piles up huge debt to finance the war — again, about one-third of GDP. But as soon as the war is over, the debts are paid down and the nation prospers again.

Fast forward to 1917. War bonds are issued in massive sums, and that money helps pay for what's called the Great War.

Sean: World War I, you mean.

Martin: World War I! And for the third time, the nation's debt burden surges to one-third of GDP.

The war ends, and again, most of those debts are paid off. But within just a couple of decades, the Great War spurs an even greater war, World War II.

Now *this time*, they really go wild in borrowing. Half of GDP in debt … three quarters of GDP … ultimately over 100% of GDP. But, as in the three previous postwar periods, peace arrives, the debts are paid down, and the nation prospers again.

Then after World War II, something very strange starts to happen, something that never happened before. Despite the absence of any major war, the government begins to borrow like there's no tomorrow. Fast forward all the way to the present, and what we see is a government debt burden today, in peacetime, that far exceeds all past debt burdens of wartime. Even more than during World War II.

Sean: Plus now we have the actual winds of war blowing, and we already have this massive debt, right?

Martin: Yes, let me say it again: In the past, governments built up the debts after a major war began. This is the first time the government has built up massive debts *before* any major war begins. Governments are *already* accelerating defense spending, which they cannot afford.

Governments are *already* borrowing huge amounts of money to finance that defense spending, which is reaching a breaking point. Another reason why these convergences are so powerful!

Amber: So true and we have a timely question that was just submitted.

> **"You seem to be saying that some major event is going to take place very soon. What exactly is that major event?"**

Sean: What we're looking for is a *convergence of the cycles*, like a shift in the continental plates that are below the earth's surface. That's how we get earthquakes, right?

Martin: Yes, but you don't know exactly where it's going to pop up. But …

Sean: You can see that *pressure* building up there, right? And as you've been saying Martin, the first impact will be in the bond markets, probably the Japanese bond market.

Amber: So another question is,

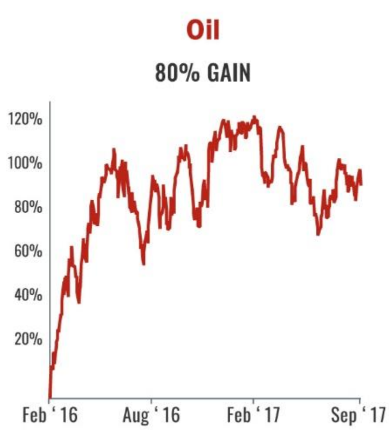
"Debt is an old problem. Big debts have been around for a long time, so why all of a sudden, is it such a big deal right now?"

Martin: That's important. I see the cycles but I also want to see the real-world evidence that supports them. And in this case, it's that governments around the world have gotten not just *one* free pass, but *two* free passes to print money, to borrow, to spend.

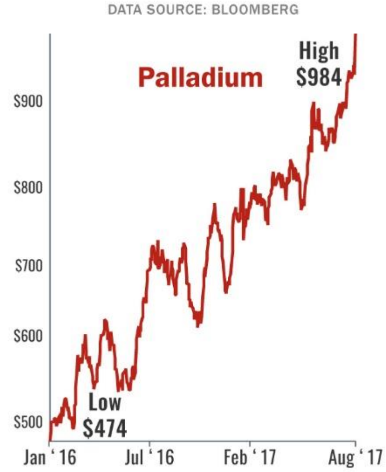
Free pass number one was the peace dividend, the end of the Cold War. Free pass number two was deflation, which was due primarily, to huge new supplies of industrial goods coming from emerging markets. So that gave governments the freedom to print and borrow and spend, but now —

Sean: Now the peace dividend is coming to an end.

Martin: Yes! And what about the deflation free pass?



DATA SOURCE: BLOOMBERG



DATA SOURCE: BLOOMBERG

Sean: Now, we're seeing commodity prices rising. Crude oil is up 80% since it hit bottom. And then look at palladium, it went from $474 an ounce to $984 an ounce.

Martin: That's a rise of $510.

Sean: It's huge, yes.

Amber: And here's a one more question.

"These problems have been building for a long time and they're without precedent. When the panic or crash comes, won't it be too late to prepare or even salvage a great portion of your investments?"

Martin: This question raises a really important dilemma. You want to be safe, right? But you also don't want to miss the opportunity.

Many people have been very safe and missed the opportunity in stocks. On the other side, many will wind up overstaying their positions in stocks, but losing the advantage of safety.

The good thing about the cycles is it gives us a solution to this dilemma. It gives us a much better handle on the timing – so you can have your cake and eat it, so to speak. *Safety* and also the *flexibility* to take advantage of opportunities as they unfold.

And you can do certain things, even ahead of time. You can have more cash than you typically would in your asset mix. You can focus mostly on liquid markets, which give you the flexibility to sell on a moment's notice. You can buy hedges like Sean has recommended for alternative investments, and *will be* recommending with inverse ETFs.

Amber: We have a question here regarding commodities.

> **"Is the rise in prices we've seen limited to just a few commodities, or is it across the board in nearly all commodities?"**

Sean: Prices are rising across the board. It isn't a fast rise yet. In fact, the PCE Index, which is the Fed's favorite indicator, still isn't up to that 2% inflation that they're looking for, but it's still gradually rising. So we don't have rip-roaring inflation yet, but *we have strong signs that deflation is on the way out.*

Just recently the CRB Index, which is a big basket of leading global commodities, hit a bottom around 168. But now, it's rallying, back up to around 186. So that's an 11% rise in just 3 months.

Martin: And if you annualize that, assuming it continues, it would be a 44% rise in a year.

Sean: Right, exactly. We can see signs that deflation is over. Now the next thing to come will be inflation, and it'll have to pick up steam.

Amber: Another question we received is,

"Having a good idea of what the future will bring, thanks to your cycles, is very exciting. But what can they do for me and my family?"

Martin: It goes back to what we said earlier. You want to achieve safety AND you want the opportunity to take advantage of the market rise as long as it continues. Maybe not till the very last day! But at least a good portion of it. And so the cycles analysis helps you avoid the collapses that can destroy your family's wealth.

Sean: And it can also be your chance to really guarantee a rich retirement as well …

Martin: To provide for your children or your grandchildren for years to come, and that's why we created this service, *Supercycle Investor*.

Sean: The sheer number of the profit opportunities are enormous in quantity and size. We just want to take advantage of them and we want you to as well.

Martin: We've taken a lot of questions already, so I think that it's getting close to the time to —

Amber: Martin, if you don't mind, we do have a few more questions that have come through. If we can just get them answered for our subscribers, that would be great.

> **"When your firm makes a recommendation to buy an investment, will it also make a recommendation to sell the same investment later?"**

Martin: Of course! Not only that, but Sean, I'm sure that when you provide a recommendation you give the entry price, the amount, the timing, all the specific details of the trade. And then on the sell side, you do the same thing.

Sean: Exactly. The actual short answer to your question is "yes."

Amber: This is more of a comment, but I would love it if you could answer it as you see fit.

"Many analysts are warning of big trouble ahead for the stock market, and they are seeing a possible crash soon. No one wants to say when that crash will occur, but maybe they don't want to be wrong, as many others are predicting that the stock market will still have President Trump's steam in it, which will continue for this year."

Sean: I'm not sure what that question is, actually.

Martin: The point is that nobody wants to go on the line and name a specific time for when the crash is going to happen.

Admittedly, to pinpoint a crash DAY like Black October or what we saw in '87 or 1929 is very difficult. But we are very specific in terms of when we see these phases unfolding.

We see Phase One ending at the end of October or early November.

We see Phase Two going all the way through most of next year.

We see Phase Three coming very soon thereafter.

And we see Phase Four, when the crisis finally hits the United States, happening in the very early 2020s.

So I think that's as specific as you can get. The second key point I would like to make is that the first place this is going to appear is probably going to be in the bond markets, not in the stock market.

Amber: Great point, Martin. Here's a question that I see in my inbox often.

"What is the difference between E-Wave Trader and Supercycle Investor?"

Martin: Good question. First of all, I want to stress that all of our services have completely distinct and different investment strategies and investment portfolios. At the same time, within The Edelson Institute, all the services share a similar vision about the future. So that's where you'll see the similarities.

Sean: So if you have both services, you get many more picks.

Martin: You get double the diversification. So you have a choice. You can get just one of the services or you can get both. It's up to you.

Amber: Well, thank you for that clarification and here's another question from a subscriber.

"I take Real Wealth Report. Will this not help me to make some money with gold and silver?"

Sean: Well, of course, *Real Wealth* is going to make money in gold and silver. It has a whole bunch of gold and silver picks.

Martin: And it's the same answer to the previous question: If you want more diversification, more active trading, then *Supercycle Investor* gives you that enhanced leverage, enhanced opportunity to move with the markets, compared to a once-a -month publication, which, for good reason, is focusing almost entirely on longer term strategies.

Amber: Okay, one more question here.

"When the foreign markets start to collapse, will not the U.S. market also take a hit? And if so, by how much?"

Martin: It's true that if one market is falling sharply, it's hard to imagine another market, even if it's on the other side of the world, *rising* sharply.

But what happens is that while one is falling, the other is correcting; and while one is stabilizing, the other is zooming. So over a longer period of time, it is indeed possible for one market to be on a downtrend, while the other one is rising.

Sean: It's really about the flow of funds. As money gets scared out of one market, it'll flow around the world; it'll look for some kind of safe harbor.

What should happen if the cycles are right — and we strongly believe they are — then we'll see money flow around from around the world and take safe harbor here in the U.S. And so that leads to outperformance.

Amber: Okay, another question.

> **"The end has been predicted by many and end dates have come and gone. I've read about your cycles and other predictions and yet the United States seems to be purring along. What makes your system any better than others?"**

Martin: It's been right over time, for all those major turning points that we talked about. Has it always been right about the exact timing? Of course not. Has it always been right about every single market and every single up-and-down move? Of course not.

But if you look at the bigger picture, which is what our primary focus is here and in the *Supercycle Investor*, then you'll see that the accuracy is quite astounding.

Amber: Okay, one more question.

> **"What's the minimum dollar amount of portfolio investment needed for the service?"**

Sean: I can tell you that what I'm using for a model portfolio is $30,000, but you don't have to have that much. Or you can have much more than that.

You really have to tailor it to your own investment needs. So when I recommend something, you can know what I have in mind. But how much are you committing to this service? That's the important thing.

Amber: Great point, Sean.

> **"When America is on the cusp of possibly the biggest tax cut and planned infrastructure spending of our time, why are you so bearish on the market? Frankly, it seems that you have grave predictions too early. Is it too early for your great predictions?"**

Martin: I don't think you've understood our predictions and perhaps now you do. The prediction is not for a crash in the U.S. market in the very near term. A major correction? Possibly. A major crash? Not yet. So we're in agreement that the U.S. economy is doing relatively better than most other economies, and it's going to be continued to attract that fear money. A tsunami of flight capital coming to our shores.

Amber: Okay, and we have our last question which is, a great comment/question.

> **"As an investor, I've never used options and I'm curious as to what percentage of Supercycle Investor portfolio will comprise of options."**

Sean: We aren't using options right now. I might in the future. There might be something so good that I just offer it as an extra special bonus, so that people can make money one way or if they want to use options, they can do that too.

Martin: I'm glad you raised that because that's another difference between *E-Wave Trader* and *Supercycle Investor.*

E-Wave Trader does use more options, but in *Supercycle Investor* we use more small cap stocks, which actually afford similar leverage to options.

Now, unfortunately that is about all the time we have. I want to thank you for participating today, for taking your valuable time to join us and remember, we've just posted a brand-new report to our website.

So please take advantage of it. You can read it now free of charge, just by clicking here.

I think that's very important. We want you to have complete information before you decide what's right for you and your money. So read the report, weigh the facts and then decide.

But bear in mind, that when major cycles are about to converge, as they are right now, they don't give you all the time in the world. They're not going to wait around for us or for anyone.

This is Martin with Sean Brodrick and Amber, for the *Edelson Institute*. Thanks again for watching. Good luck and God bless!

Sean: Thank you.