FROM THE #1 BESTSELLING AUTHOR OF *GOLD IS A BETTER WAY*

THE GREAT DEVALUATION

ADAM BARATTA

How to Embrace, Prepare, and Profit from the Coming Global Monetary Reset

WILEY

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey.
Published simultaneously in Canada.

Library of Congress Cataloging-in-Publication Data

Names: Baratta, Adam, author.
Title: The great devaluation : how to embrace, prepare, and profit from the coming global monetary reset / Adam Baratta.
Description: First Edition. | Hoboken : Wiley, 2020. | Includes index.
Identifiers: LCCN 2020024336 (print) | LCCN 2020024337 (ebook) | ISBN 9781119691464 (hardback) | ISBN 9781119691471 (adobe pdf) | ISBN 9781119691488 (epub)
Subjects: LCSH: Currency question. | Fiscal policy. | Monetary policy.
Classification: LCC HG255 .B3557 2020 (print) | LCC HG255 (ebook) | DDC 332.4/142—dc23
LC record available at https://lccn.loc.gov/2020024336
LC ebook record available at https://lccn.loc.gov/2020024337

Cover Design: Ray Griggs
Cover Images: © Costello77/Adobe Stock Photo, © wirat/Adobe Stock Photo
Author Photo: Ray Griggs

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

SPECIAL THANKS

To Kirill and Josh, the very best business partners one could ever hope for. Thank you for being great at what you do and allowing me the opportunity to keep telling this story.

To my brother Andy, the true writer of the family, thank you for your keen insight and for challenging me. This book is far better because of your input.

To Chelsey, the glue of our firm and the rock I can always lean on.

To Uncle John—our debates have helped me immensely. Thank you for your consistent encouragement and generosity.

YOU CAN'T PRINT GOLD

Mom, your hand is forever on my shoulder. I continue to aspire to the illustration of your grace.

For Charlotte, you are the music to my words and the perfect melody to hum along with in life. — ABCB4VR

To Giabella, our beautiful gift from God. Mommy and Daddy's love for you is more eternal than gold.

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Introduction: One Minute to Midnight

Had you told me 10 years ago that I would become a financial author and one of the leading voices in the world on the subject of gold and the global economy, I would have said you were absolutely crazy. Ten years ago, my life looked entirely different than it does today. Back then, my life was consumed with pursuits in the entertainment industry. I had spent the first 20 years after college making my way up the ranks in Hollywood—from "actor," to "writer," to "director," and eventually to "producer." I am a storyteller at heart. It is what I am most passionate about.

But seven years ago I came across a story that caused me to leave the entertainment business altogether. The more I learned about this story, the more I realized it was a story that very few people knew, that no one else was telling, and everyone needed to hear. It's one I have become so passionate about that I have made it my life's mission to share it with as many people around the world as I can. Candidly, I was initially unsure that I was the right person to share this story, but have since come to view it as my obligation to share the enlightenment I have obtained with as many people around the world as I know need it. I have written books and newsletters, produced award-winning videos, helmed multiple documentaries and webinars, and even created animations and children's stories. I have given talks around the world, and my presentations have been subscribed to by tens of thousands of people.

So what is this story I've been telling? Told in its simplest form, it is the title of my first book, *Gold Is A Better Way—and Other Secrets Wall Street Doesn't Want You to Know*. The purpose of that book was to challenge the way people viewed investing. It explains how the Wall Street model is broken and why gold is among the most misunderstood assets in the world. It became a national bestseller.

I believe *Gold Is A Better Way* resonated for a few main reasons, the first of which is that I am not an insider writing about markets in a boring way, but rather, looking at and telling the story from a fresh perspective. The second is that I was right. *Gold Is A Better Way* was published on August 14, 2018. Since that time, the price of gold has risen from $1192 to $1498 today, an increase of 25 percent. The Dow Jones in the same span is down 25 percent. This spread is just the beginning and will widen significantly in the coming decade. I predict that gold will outperform equities *eight* to *one* over the next decade. It's why I have put every investment dollar I have into physical gold.

What makes me so sure? I believe that mankind is on the verge of making the same mistakes we did 90 years ago. Mark Twain famously said, "History may not repeat itself, but it sure does rhyme." The Great Depression that happened in the 1930s must have seemed impossible to comprehend to those in the peak of the roaring 1920s. But what happened then is an excellent roadmap for what's coming next. The order will come similarly; first we will have a stock market collapse, followed by recession, followed by global depression, all of which will end in a monetary reset. This book is about how that will transpire and why mankind will continue to keep making the same mistakes in the future. *The Great Devaluation* was chosen as a title for this very reason, to remind people, and to forewarn the risks.

You should know from the outset that this book is unlike any other you will find on investing, gold, and the global economy. It is intentionally designed that way. I am a storyteller. That is my unique talent. My goal is to tell you this story in ways that will make sense, that will allow you a real understanding and to do so in a compelling way. This way you will receive the maximum benefit and can take actions that will improve your wealth. I will try not to use the complicated language found in most books of this kind. Rather, I will use pictures and imagery, children's stories, and easy-to-understand analogies, all in an effort to simplify the story. I will provide a new lens from which to view the world that will finally allow you to see things clearly.

I believe this story will amaze you, and once you hear it you'll be even more amazed that you've never heard it before. It features heroes and villains and danger and risk. It's the story of power, who controls it, and the tremendous efforts being made to keep it. Like every great story, this one has a beginning, a middle, and an end. While everyone is impacted by this story, very few people are aware that it's even taking place. That's why it's a story I am compelled to tell.

This is the story of the world economy, the US dollar, the Federal Reserve, and their arch-nemesis, gold.

From the beginning, the story was *designed* to be confusing. The Federal Reserve was created by powerful men who invented new words and ideas that regular people couldn't understand. In fact, the more confusing the terms were, the less questions that were asked. Over time, as the story has unfolded the terms have become more and more confusing, the rules ever changing, and the citizens more confused than ever.

Why the importance for complexity? Because the stakes were too high and the reality was too obvious. The Federal Reserve is an institution that was initially designed to enrich a few wealthy bankers and titans of industry. These were the Rockefellers, the Vanderbilts, the Carnegies, and the Morgans. It was imperative that their true motives for the institution forever remain a secret. In order for the scheme to work, it had to *appear* that it was created for the benefit of the people. So long as these men could keep their true motives private, they could amass tremendous wealth and power, more than the greatest monarchs of history, all while claiming to be the benefactors of the people.

How did it all work? The creation of the Federal Reserve allowed the central bank to legally seize the money of the citizens. It's design allowed for the expansion of the money supply and for the funneling of the real money of gold from the masses to the few.

These men got away with it, at least for a while. That is, until greed and corruption became too much and they caused a debt crisis that led to a global economic collapse known as the Great Depression. By then, the institution was too powerful to be dissolved. It was too integral to the monetary system. Rather than become extinct after it failed, it was then taken over by the government and the politicians. Over the last 90 years, control of the institution of the Federal Reserve has been passed back and forth between the bankers and politicians. Control by the politicians has allowed for the expansion of tremendous unpayable debts. Control by the bankers has allowed for massive financial asset bubbles that enrich the investor class. Over time, bankers and governments have been complicit. Today we have both—asset bubbles and unpayable debts.

While it's still alive, neither side will ever admit the true nature of the institution. This is why as the story of the dollar has unfolded, the words used to define the rules have become even more complicated—*quantitative easing*, *federal funds rate*, *real interest rates*, *overnight repo operations*, *swap lines, foreign currency exchanges*, *inflation, deflation,* and now *negative interest rates and yield curve control*. The terms and ideas are so confusing that most people don't even try to understand. Those that do are insiders who continue to benefit from the obfuscation.

It's been said that power corrupts and absolute power corrupts absolutely. The power wielded by controlling the US dollar has been too much for either side to maintain. Each time they've abused their power, each time causing a massive debt crisis. Each crisis permits the wrestling of power from the other side. We are at that crisis stage once again, only this time the Federal Reserve will not continue on. *The Great Devaluation* will be its end.

The Great Depression of the 1930s occurred on the heels of the roaring twenties at a time when inequality had created a polarized world. The debt crisis that caused the Depression looks in many ways identical to what we are witnessing today. I believe we have come full circle from where we were 90 years ago. We have seen this movie before. My purpose is now to share with you the similarities so that we may be aware of the risks and evaluate the best way to prepare.

I recently flew to Canada, where I was invited to give a 20-minute presentation at the Vancouver Resource Investment Conference. The annual event was held on January 20, 2020, and was attended by over 10,000 people. The attendees came from all over the world to learn the most up-to-date information about precious metals, mining, and the world economy.

My talk that weekend was on the fragility of the monetary system and how the global economy is in the midst of an unprecedented debt crisis, one that could be knocked out by the most unpredictable of catalysts.

I argued that these events happen roughly every 90 years or so and that when they do, mankind endures an event so big it changes the entirety of human perspective moving forward. I argued that the world was on the verge of such an event, and due to the weakness of the global economy, the event would lead to a reset of the entire monetary system. I titled the presentation *The Black Swan*.

The presentation I gave was intended to highlight how the exponential growth of the world's debt was akin to an unseen deadly virus. I had prepared a video sequence that showed a virus growing in a glass. The question I posed to the audience was, if we began an experiment at 11 pm with one deadly bacteria inside a glass, that doubled every minute so that by midnight the glass would be completely full, what time would it be when the glass was half full?

The point of the exercise was to highlight why mankind continues to make the same mistakes over and over again. The reason is that we are not very good at recognizing exponential growth as it is occurring. To prove the concept, most people guess the glass would be half full at 11:30 pm. The correct answer is that the glass doesn't become half full until one minute to midnight. Of course, by then, it's too late to stop.

I believed the demonstration was a good way to describe the problem with the United States national debt that had been growing exponentially over the past 20 years. Trump is on pace to double the debt of Obama, who doubled the debt of Bush, who doubled the debt of Clinton. The exponential growth of our debt has caused an asymptote. When that occurs, the curve then shoots straight up in a 90-degree angle toward infinity. My conclusion was that our national debt has become an uncontrollable deadly virus that was already growing too rapidly to contain. Little did I know as I wrapped the presentation that an *actual* deadly virus called COVID-19 was spreading exponentially across the globe. As I was giving my talk, mankind was in the midst of underestimating the deadly coronavirus, a real-world black swan.

It is incredible to consider, but the economic tsunami caused by the coronavirus pandemic is *not* the crash *the Great Devaluation* predicts. Think of it, rather, as the "check engine" light on the dashboard of the world economy. I could not have asked for a more timely (or terrible) warning to confirm the importance of the message of this book. As everyone now knows all too well, our economy is not the "best ever" and it is not in any sense "strong." It is a house of cards constructed on out-of-control debt and fiscal trickery. The COVID-19 virus, of course, was unpredictable. I did not predict the crisis. I predicted the *response*.

In that presentation I highlighted how economic shocks are inevitable and can come from out of nowhere. The conclusion of the *Black Swan* presentation was that the next economic shock would cause a serious recession that would force the Federal Reserve to expand its balance sheet $20 trillion and that the national debt of our country would soon hit $50 trillion. I predicted that this all would all occur by the year 2027. This presentation has since gone viral across the internet.

Thus far our government's response to this crisis, lowering rates to zero percent and an immediate $6 trillion bailout, is further evidence of the accuracy of that prediction. We can be certain there are trillions and trillions more stimulus to come. It's the only thing they can think of to do. It may well get the economic engine of the world to last a few more miles down the road, but as we all know, you can only ignore that check engine light for so long before it dies altogether.

There used to be two things in life that were guarantees: death and taxes. I believe we can now add a third guarantee to that list. Government debt is going to continue to explode higher globally. The only solution moving forward is to *print more money*. It is for this reason I am compelled to continue the story. *The Great Devaluation* picks up the story where *Gold Is A Better Way* left off. This story, however, is so much bigger than simply recommending investors to buy gold. The story of *The Great Devaluation* is a story about the state of today's polarized world, why we are all so angry, who has caused that anger, and the inevitable next steps facing the world.

The former movie producer in me wants to summarize the story in the most impactful and efficient way. In the entertainment business, this description is called a *logline* and is a brief summary (one to two sentences) of what the movie, TV show, or, in this case, book is about that hooks the reader in and describes the central conflict of the story. For example, the pitch for the movie *Speed* starring Sandra Bullock and Keanu Reeves was "*Die Hard* on a bus." Following this formula, I would say the story you are about to read in *The Great Devaluation* is "The movie *Groundhog Day* meets the Great Depression."

The Great Depression in the 1930s that ultimately led to that global monetary reset lasted more than a decade and witnessed the largest transfer of wealth the world has ever seen. *The Great Devaluation* coming in the 2020s could be even more painful and will witness an even larger transfer of wealth. This book highlights the similarities, explains why a massive devaluation of currencies is inevitable, and offers a solution that would allow for the necessary restructuring to transpire without another world war.

I am an outsider who became an insider. I've dedicated the last seven year of my life to learning insiders language so I could interpret it all for you. I doubt that this book will ever be taught at Harvard Business School, but it should. The good news is, you do not need a degree from an Ivy League school to position yourself for tremendous wealth in the coming decade. You simply need to remember history.

George Santanaya famously said, "Those who cannot remember the past are condemned to repeat it." Anyone wanting to predict the future need only understand and remember the past. *The Great Devaluation* therefore seeks to remind investors of the mistakes of the past, not in an effort to alarm, but rather, to offer a tremendous advantage in preparation for what's coming in the future and the inevitable global monetary reset. That time has come, we are now only one minute to midnight.

Author's Note:

***Today is Mother's Day, May 10, 2020.* The final draft of *The Great Devaluation* was submitted 11 weeks ago on February 14, 2020. Due to the size and speed of the economic shock presented by the coronavirus, I have been permitted by the publisher to add a new Chapter 1 and an addendum to the chapters in Parts One and Two, called "28 Trading Days Later (More or Less)." These addendums will highlight the most up-to-date data points and offer a rare opportunity for the reader to weigh the logic and predictions made within each chapter.**

***The Great Devaluation* is a prophecy unfolding in real time. While the impact of the Covid-19 coronavirus has only just begun and remains unknown at this moment, I believe it will turn out to be the *ultimate* black swan and will change everything about our future. As a writer, I'm challenged by the speed of change. As a forward thinker, I'm blown away by the early accuracy of the predictions. This rare combination allows the reader a clearer window into the future that should add deeper insight to the evaluation.**

PART I

The System is Broken

1 Parasite

On Tuesday, March 3, 2020, the world's financial markets watched in stunned silence as Federal Reserve Chairman Jerome Powell announced an emergency interest rate cut of 50 basis points to the Federal Funds overnight interbank lending rate. At the time the Fed Funds rate was at 1.75 percent and Dow Jones was trading at 26,703 points.

> "My colleagues and I took this action to help the US economy keep strong in the face of new risks to the economic outlook. The fundamentals of the US economy remain strong."
>
> —*Jerome Powell*

Within minutes, the Dow Jones would sink over 1000 points. Powell's emergency move would ignite the most volatile few weeks in stock market history, causing the market whipsaw in 1000-point swings up and down in the coming days. As the week ended, what had been the highest flying stock market in history was monkey-hammered down over 10 percent and the rate on the "risk-free" 10-year Treasury had fallen to its lowest yield in history at nearly 0.3 percent. Unfortunately, this was just the beginning of a very long month.

President Trump, who for the first three years of his presidency had ridden the equity boom for all it was worth and had pinned his entire re-election campaign to the success of the economy in general and the height of the stock market specifically, seemed aloof to the situation. Weeks before, in February, he had enjoyed his highest ratings while in office as the stock market had boomed to all-time highs. On the night before the Fed's emergency announcement, Trump touted the American economy as the strongest economy in history and tweeted the following.

> "This is an incredible time for our nation—we are in the midst of the Great American Comeback! Jobs are booming, incomes are soaring, poverty is plummeting, confidence is surging, and we have completely rebuilt the awesome power of the U.S Military. PROMISES MADE, PROMISES KEPT!"
>
> *Actual tweet, March 2nd*

What did the Federal Reserve know that the president didn't seem to? An outbreak of a virus in China called Covid-19 had spread in pandemic fashion globally. While the virus had originated and expanded quickly in China, causing government leaders to shut down much of their country and disrupting the global supply chain, it was initially viewed by most of the rest of the world as remote and temporary. That perception soon changed as the coronavirus spread across Europe, Japan, South Korea, and the United States.

The Fed understood the severity of the moment. This was less because of the medical science and more because they quickly realized the virus could be the catalyst they'd long feared. The coronavirus could be the black swan that could expose the entire global economy for what it was—a house of cards built on a mountain of debt, one that could collapse at any moment.

The immediate problem for the Fed was that the smart money was very aware of the economy's underlying weaknesses. For over a decade, the Fed had pumped liquidity into the system through a series of interest rate cuts and balance sheet expansions. Wall Street had taken full advantage. For over 10 years, CEOs and corporate executives had ridden the free-money elevator to the very top by taking on massive leverage and through stock buyback programs. The effect was a stock market that had risen to nosebleed valuations, completely untethered to underlying economic conditions. Stock prices had risen nearly 30 percent in the prior year while corporate earnings growth had turned negative for seven consecutive quarters. The annual chart displaying the trend lines between equities and earnings represented an "alligator jaw" that could collapse shut at any moment. The Federal Reserve hoped that the emergency cut announcement would signal calm to the market. The opposite occurred. On the announcement, Wall Street insiders, who had been looking for an excuse to exit, fled in unison.

This was definitely new territory. Over the course of the previous decade, the stock market had always reacted positively to additional Federal Reserve liquidity. What had often been bad news for the economy had been good news for Wall Street. The money changers realized that the worse the real numbers were, the more free candy the Fed would give away. The more "easy money," the bigger the sugar high and the higher the equity markets would rise. Anyone doubting that truth needed only look at the balance sheet of the central bank. Since 2009 anytime the Fed expanded their balance sheet, stocks soared higher. Any time their balance sheet contracted, stocks dropped precipitously. During this time, the phrase "Don't fight the Fed," once a Wall Street insider secret, became the popular investment strategy for Main Street investors.

This time, however, was different. Immediately after their emergency cut, the economy began seizing. Anyone expecting markets to soar on the lower interest rate news was made violently aware that the game was over. The rate cut didn't help to soothe the market. Instead, the paper markets dropped like a rock. The Fed's next regular meeting wasn't scheduled for another two weeks, which meant that markets would likely have to wait for more sugar. Those who believed the underlying economy was strong were surprised by the speed of the selloff. Those aware of the massive debt bubble underlying the economy turned immediately bearish. They understood that markets could drop much, much further.

The term *liquidity* as it relates to the paper investment markets means that assets have both buyers and sellers on either side of a transaction. When there are more buyers than sellers, asset values rise; when there are more sellers than buyers, asset values drop. When *everyone* is selling and *no one* is buying, it's called a *liquidity crisis*. As markets cratered in the days after the Fed's emergency rate cut, liquidity in the credit markets completely dried up. The spreads between the *bid* and the *ask* on paper assets widened massively. The lack of liquidity meant greater volatility. The VIX, an index that measures volatility and had hovered at a price of $15 for much of the past five years, rose to $82. This violent move wiped out multiple hedge funds who had been shorting volatility and using massive leverage. Within days, stocks dropped over 20 percent, their fastest fall into a bear market in history. The move ended an 11-year bull run, the longest running bull market in history. Markets that had been roaring just weeks earlier plummeted. Further emergency actions would be necessary, and sooner than the Fed's next scheduled meeting.

Adding literal fuel to the fire of the liquidity crisis was what was simultaneously happening in the oil markets. A game of chicken had broken out between former OPEC partners Russia and Saudi Arabia in the form of a price war. Rather than agree to oil cuts, a standard policy tool of the oil cartel during a demand shock, the Saudi's decided to increase production and flood the world oil markets with supply. In one week, oil prices dropped 50 percent from $44 to $22 per barrel. The Saudi's upped their daily production from 10 million barrels a day to nearly 13 million. This increase in supply was happening as the world's travel industry was shutting down. The combination equated to a terrible shock in both supply and demand. The oil collapse put additional pressure on the world's equity markets. Conspiracy theorists wondered if the price war in oil wasn't an indirect attack on the United States by Russian President Vladimir Putin.

Whatever the underlying reality in oil, it was clear that the Federal Reserve would need to step in with far more aggressive action. A second emergency press conference would take place on Sunday, March 15, and was intentionally presented *before* the premarket opened. In a live conference call, a jittery Jerome Powell announced that the Federal Reserve had officially cut interest rates to zero percent. In addition, he announced that the Fed had taken several other measures to ensure that the credit markets would continue to function. Powell continued to insist that these actions were being taken to "keep" the economy strong.

The actions contradicted the rhetoric of a strong and well-functioning economy. Over the course of several press conferences and additional Fed statements after their first emergency action on March 3, the central bank offered a bazooka of liquidity. In addition to pushing rates down to zero, the Fed also announced the restarting of 2008 crisis-era policy asset purchases. It offered US dollar swap lines and eased banking rules to encourage lending. It announced longer-term Treasury purchases and repurchase operations amounting to more than $1 trillion to address what was deemed "highly unusual disruptions in the Treasury financing markets associated with the coronavirus outbreak." The moves did nothing to help the market. In fact, they further ushered in the collapse, as investors wondered what the Fed was seeing that they weren't.

The extreme actions were signaling a much deeper problem to Wall Street. The following day, the stock market endured its largest one-day drop since the 1987 Black Monday collapse, falling 12 percent in one trading session.

By March 23, the Dow Jones had fallen 37 percent from its highs just six weeks earlier. According to Bloomberg, the collapse would wipe out $26 trillion from the equity markets from their February highs, nearly triple the wealth lost during the housing crisis in 2008. Despite assurances from the administration and the talking heads on TV, investors sold first and asked questions later. As investors fled the markets, the plumbing of the entire system got clogged.

The stock market exchanges have "shut-off" switches designed to stop the bleeding in a selloff. The action is called *limit down,* and anytime the market drops 7 percent or more during regular trading, or 5 percent in the after-hours market, trading is halted for 15 minutes. This collapse protection mechanism was added after Black Monday in 1987 when stocks dropped 27 percent in one day. They were put in place to eliminate mass hysteria selling. Since being introduced, the markets had only gone "limit down" in active trading twice in 33 years. In the two weeks following the Fed's first emergency cut, stocks would be sold so aggressively the market was turned off a record five different times in both regular and overnight trading sessions. The carnage was so deep that even safe havens like gold were sold as investors raced for the exits and liquidated anything with a bid.

The epic collapse would mark the fastest bear market in US stock market history. Unfortunately, news from the rest of the global economy was just as bad. Italy and France, who had already been suffering through economic recessions, both went into country-wide lockdown in an effort to stem the curve of the virus. Stock markets around the world collapsed in unison.

Central bankers from Australia, to Japan, to the European Union all held emergency press conferences and all slashed what had been record low rates even lower and into negative territory. They universally promised to unleash every "tool" at their disposal to fend off the economic collapse. They begged for fiscal support from governments in the form of tax cuts and stimulus packages.

On Tuesday, March 17, President Donald Trump, along with his Treasury Secretary Steve Mnuchin, announced plans for over $1 trillion in fiscal stimulus. The Treasury made it clear they were also prepared to pull out all of the stops. Their press conferences called for measures that were by far the most extreme ideas ever considered, especially by a Republican administration. In two weeks since touting "the best economy in American history," the president of the United States was proposing that the Treasury write checks to every adult American citizen for $1000 and delay the tax deadline indefinitely. In two weeks, the country went from capitalism to socialism. The act alone if approved meant that the Treasury would need to spend $1 trillion in the form of direct payments. They would also be short the $400 billion they had been budgeted to collect in April, the biggest month of the year for tax collection. By Sunday, March 22, the proposed stimulus package had risen from $1 trillion to a total of $4 trillion in emergency liquidity. Of course any fiscal stimulus would need the approval of Congress.

On Sunday night, March 22, Minneapolis Federal Reserve Governor Neil Kaskari was interviewed on prime time on the longest-running show in television, *60 Minutes*. In an orchestrated interview, Kashkari sent a message to the markets. The Fed would print as much new money as was necessary and wouldn't stop. It was as close to a hammer and nail as you'll ever hear from a central banker. The message was clear. The Federal Reserve was going to do everything in its power to weaken the dollar. By Tuesday, the price of gold surged over $200 per ounce, it's largest two-day move in history.

The actions of the Federal Reserve and other central banks around the globe, coupled with the promises of fiscal relief from the US government, represented an historic onslaught of never-before-seen monetary and fiscal stimulus. These stimulus packages would be unleashed everywhere around the globe. *The Great Devaluation* had officially begun.

While these actions were shocking to most investors in the world, some were prepared. I was among them. These were events that I had been predicting for over two years. I not only expected what was coming, I had also game planned what was coming next. These events occurred as I submitting the final manuscript for *The Great Devaluation* to the publisher. While I wasn't certain what was going to happen in the short term, I felt confident that the road ahead was going to be a long and painful depression that would witness the largest transfer of wealth in human history. The Great Devaluation coming in the 2020s could prove to be more painful than the Great Depression of the 1930s.

The main question that no one seemed to be asking was, "Where was all of this money going to come from? Governments around the world were all broke. Over the previous 20 years, global debt had risen sevenfold. No country in the world was solvent. Even Germany, which had since the days of the Weimar Republic been stoic defenders of sound money, caved. Germany announced it would issue over $400 billion in new debt, amounting to 10 percent of its entire GDP. Making matters all the more real, on Sunday March, 22, German Chancellor Angela Merkel announced she was undergoing a 14-day self-quarantine due to concerns she had contracted the virus.

The combination of the oil shock and coronavirus presented a black swan. A *black swan* is an event so big it changes the entirety of mankind's perspective. These events are characterized by their extreme rarity. They cause catastrophic damage to the economy and cannot be predicted by any standard forecasting tool. A black swan event by definition is unpredictable.

The coronavirus was a medical black swan that was spreading globally. The virus attacked the human respiratory system and was highly contagious. Early reports were that the mortality rate was nearly 3 percent. For the young and the strong, the virus wasn't deadly. This reality only further enhanced the true danger for those most at risk. Signs for most people often went unnoticed. Many who contracted the virus showed no symptoms whatsoever. Those who did often were unaware until as many as 14 days after contracting the virus. This fact made the virus much harder to contain, since individuals carrying and transmitting the virus often were unaware that they were even infected.

Early on, the president called the virus a "hoax from the left." He argued the virus was a political football being used by Democrats to make the administration look bad. Even after the emergency cut from the central bank Trump seemed disconnected to the gravity of the situation. He continued to tell the country that the pandemic was "under control." While the governors of New York, California, Illinois, Ohio, and Pennsylvania had all ordered statewide lockdowns, Trump refused to admit the nation needed to be shut down. His dismissive tone in the early stages only further enhanced the chaos that was to come. Trump and his chosen scientists held press conferences nearly every day. While his top scientist Anthony Fauci warned of the true danger, Trump insisted it would all quickly blow over and that there was little for most Americans to worry about. He seemed far more concerned about the stock market than the impending health crisis. By St. Patrick's Day the president had changed his tune. There was no denying the reality of the health crisis. People were dying.

In the course of just two weeks, the Federal Reserve would unleash an alphabet soup of monetary stimulus. On Tuesday, March 17, the Fed relaunched CPFF, a Commercial Paper Funding Facility offering liquidity to businesses and households, and PDCF, which supports primary dealers stuck with large inventories of commercial paper. On Wednesday, the Fed established MMLF, the Money Market Mutual Fund Liquidity facility, an emergency liquidity program to back the money markets. On Thursday the Fed opened up USD liquidity swap lines with a wide set of central banks. The Federal Reserve had taken on the responsibility of lender of last resort to unthinkable levels. What few people would understand is that these extreme measures became necessary because of the actions taken over decades by the central banks of the world. The central banks were the arsonists and were being called on to put out the fire of their own making.

By March 22, just six weeks after the highest stock market of all time, central banks and governments around the globe had added an additional $3 trillion in liquidity and were proposing another estimated $7 trillion in the coming weeks.

The coronavirus, it turned out, was also an *economic* black swan. The term *underlying conditions* refers to structural issues beneath a surface that impact the foundation. These two words quickly became a part of the world's vernacular. Medically, they referred to the dangers that the virus imposed on weaker individuals suffering from health conditions. While the virus was sometimes unpleasant for the strong, it was proving deadly for those with high blood pressure, diabetes, heart disease, cancer, asthma, and other chronic illnesses.