

Three months ago, when I wrote an economic article the ten-year bond rate was at 1.48%. Today it closed at 2.84%. I predicted that it would be close to 5% by the end of the year. I stick by that prediction.

Why I believe what I do?

In the course of modern finance, the United States experienced major bubbles caused by the same mechanism. Greed. These bubbles rang from two sigma moves for major and three sigma moves for super bubbles. Super bubbles happen about every hundred years. Major bubble occurs every thirty-five years.

The question one must ask is, "What kind of bubble will the next one be?"

In my opinion it will be a Super-Duper Bubble. A Tsunami Bubble that will crush through every sector and asset class in one powerful cascading event leaving devastation behind. In its wake the great market reset of 2023, all markets will truly find their intrinsic value for the first time in over fourteen years. The papering over of market flaws of 2008 finally come to an end.

Why will it collapse?

National debt payment would take five years of federal revenues to satisfy. Rising interest rates to curb long-term inflation in the economy will increase debt service. Finally, easy money and the consolidation of wealth in so few hands mean no one exists to buy the over-priced assets. All these factors lead to one inevitable conclusion. An economic Tsunami.

As rates increase the debt service cost increases which in turn causes more of the federal revenues to stop supporting government programs as they will be needed to pay debt holders. As the budget becomes squeezed additional means of taxation will draw further wealth out of the system. Increased taxation in the face of rising consumer needs due to purchasing power erosion forces wage pressure in the economy. The diminished pool of qualified workers and tight labor market places further pressure on an already strained economy.

The end result is a downward spiral because labor realizes their intrinsic wealth eroded by the explosion in the money supply left their savings almost worthless. How did this happen?

Was it President Biden or maybe President Trump? No. Was it President Obama or President Bush? No. Was it President Clinton, Alan Greenspan, Larry Summers and Timothy Geithner? Yes, it was. They chose to ignore the warning of a little-known Brooksley Born, Esq., the 7th chair of CFTC, who vehemently warned of the dangers of repealing Glass Steagall Act of 1933. An act put in to stop banks from over-leveraging the system in search of revenue caused the great market collapse of 1929.

The administration quickly ushered a brilliant woman who was 100% right out of Washington on a rail. Leaving us with the talking airheads who could not hold her water. Stanford's gain was the nation's loss. Less than a decade later what she warned of happened in 2008-2009. Yes, it happened in 2008-2009 you just didn't know it. ([\(76\) Brooksley Born on Frontline - YouTube](#))

When and how you save yourself in my next article.