



GOLDSILVER

» Gold & Silver, Inc » Newsletters » The Dow Is Crashing!

The Dow Is Crashing! A Story in Pictures by Mike Maloney

For your convenience, this article is written in three parts. You can skip down the page to any part by clicking these links

[The Dow Is Crashing – Part 2
Call The Cops... We've Been Robbed!](#)

[The Dow Is Crashing – Part 3
Swimming With The Tide](#)

On October 4th 2006, the Dow broke its old high of 11,750 set back on January 14th 2000, and from then on all you heard from the financial press was "Dow sets a new, all time, record high"... at least that's all you heard until the correction on February 27th, 2007.



I just don't get it. How can anyone at this point in time (including the financial press) believe they are actually making gains being invested in general equities? On February 20th, the Dow hit its "brand new, all time, record high" of 12,795, and at the writing of this article hovers at 12,560, 6.9% above its 2000 high.

A 6.9% gain over the entire 7-year period... hasn't anyone heard of inflation? Don't investors know that if their portfolio doesn't outpace inflation they are actually losing ground?

The Dow is actually crashing, but if you have not yet educated yourself on the insidious ravages that inflation can have on your portfolio, you can't see it. This is a blind spot investors must be mindful of, and guard against, if they are to prosper.

Anytime that it looks like everything is going up, stocks, bonds, real estate, commodities, and virtually every kind of investment there is, you have to stop and ask yourself, "why?" The only reason the Dow looks like it is going up is because the Fed has pumped so many more dollars into the currency supply, that all asset classes are rising.

Under these conditions, the only way to see where true value lies is to eliminate the dollar from the equation... you have to measure each asset class, not with the dollar, but against another asset class.

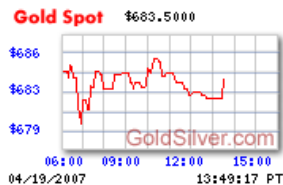
Now here's the story in pictures that proves beyond a shadow of a doubt that the stock markets are crashing. You've heard the saying "one picture is worth a thousand words". Well, one chart is worth a million numbers, because a chart is simply a picture of at least two sets of numbers, in this case, the price of an item and the date that the item was at that price. Later, I use charts that are a picture of three sets of numbers, the date and the price of one item, divided into the price of another item. These "ratio" charts are my favorites because they reveal true value, and the true direction something is headed. I love charts.

So to get a picture of what's going on with stocks, I took the Dow as a proxy for stocks and measured it against everything else I could possibly think of. To do this I took the Dow and divided it into the price of the other asset I am measuring it against. If the Dow is rising faster than the investment I am measuring it with, the chart will be rising. If the investment that I am measuring the Dow with is rising faster than the Dow, then the chart will be falling.

When I say buy or sell the Dow in this article, I'm just talking about value. I know that you can't actually buy or sell a share of the Dow. If you want to do that, you've got to use the Dow ETF (exchange traded fund) known as the Diamonds (stock symbol DIA)... In my opinion however, it's not a very good idea right now.

Here's the Dow Jones Industrial Average the way you're used to seeing it. It appears to have gone up because it is measured in dollars. However, it's up in price only... not value! And now I'll prove it with the following charts.

GOLD



SILVER



INFORMATION

Sign Up for our **FREE Newsletter!**

Spot Price Notifications
Set your own spot price and we will notify you when it has been reached!





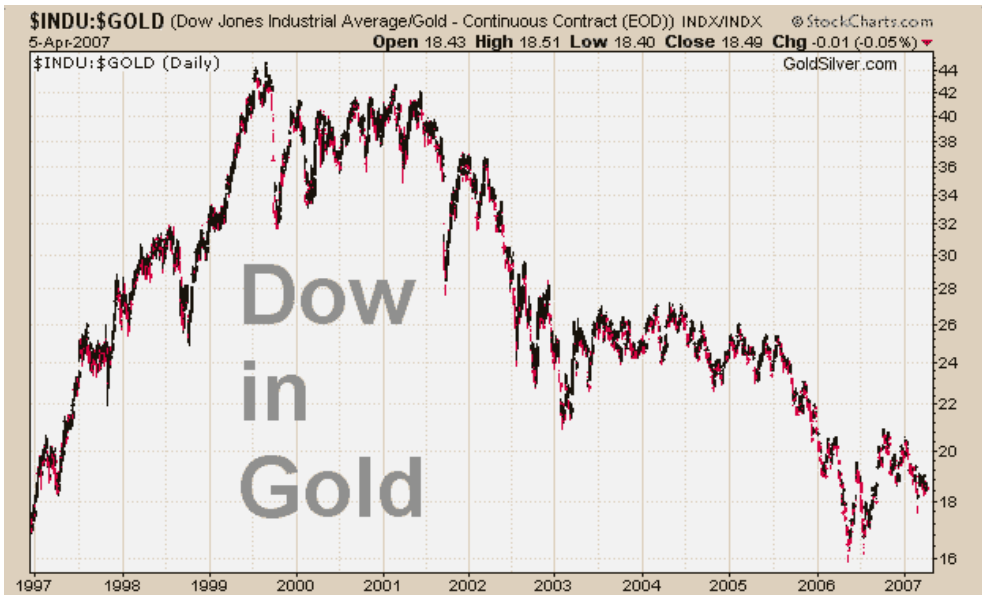
Since January 2002 the dollar has plummeted 31.25%, versus other currencies.



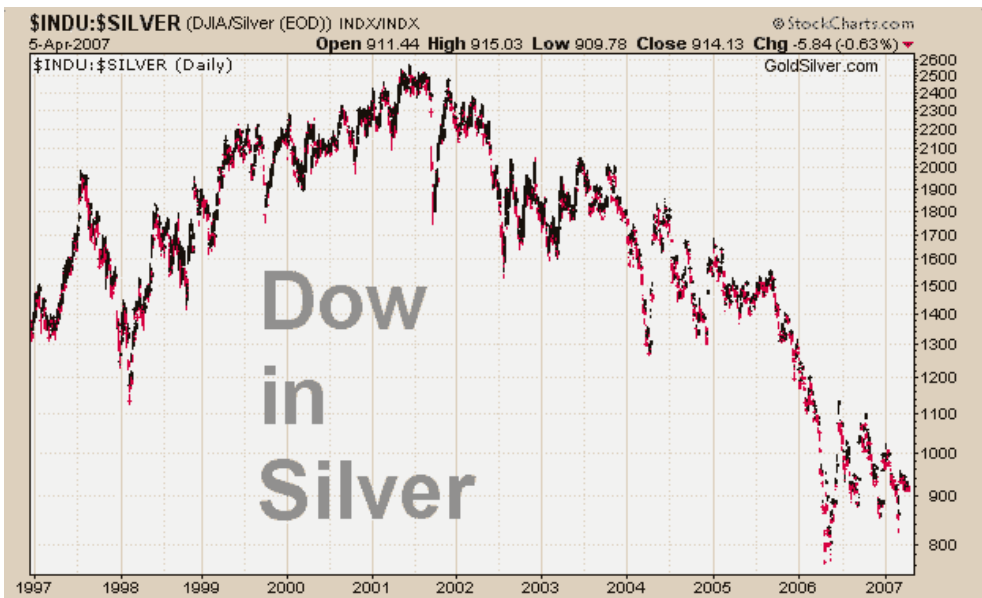
This has caused money (gold) to rise measured in currency (dollars) as more and more investors move out of their currency and into real money.



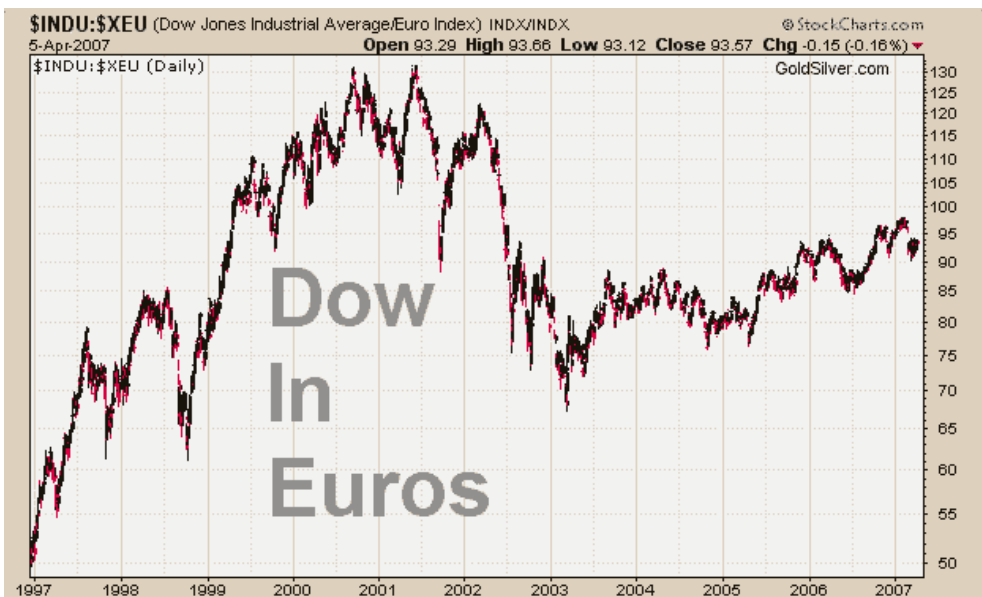
In this chart I measure the Dow with money, not currency. It took almost 45 ounces of gold to buy 1 share of the Dow in 1999. Today it takes less than 19. Another way of saying it, if you sold 1 share of the Dow in 1999 you would have been able to buy 45 ounces of gold. Today if you sold 1 share of the Dow, the proceeds would only buy you 19 ounces of real money. So measured in real money, the Dow has crashed 58%.



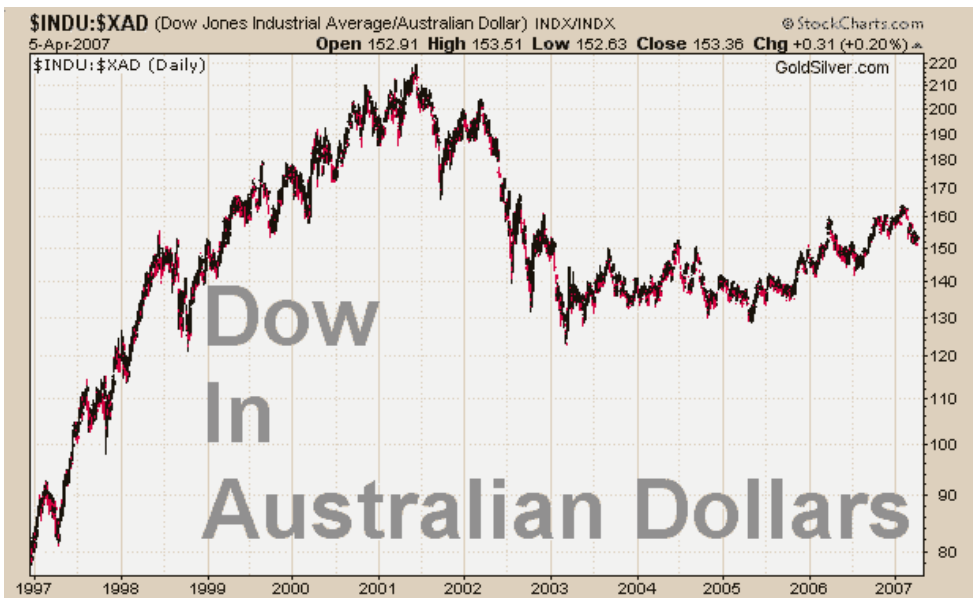
My favorite... the other real money. Measured in silver, the Dow has crashed 65%.



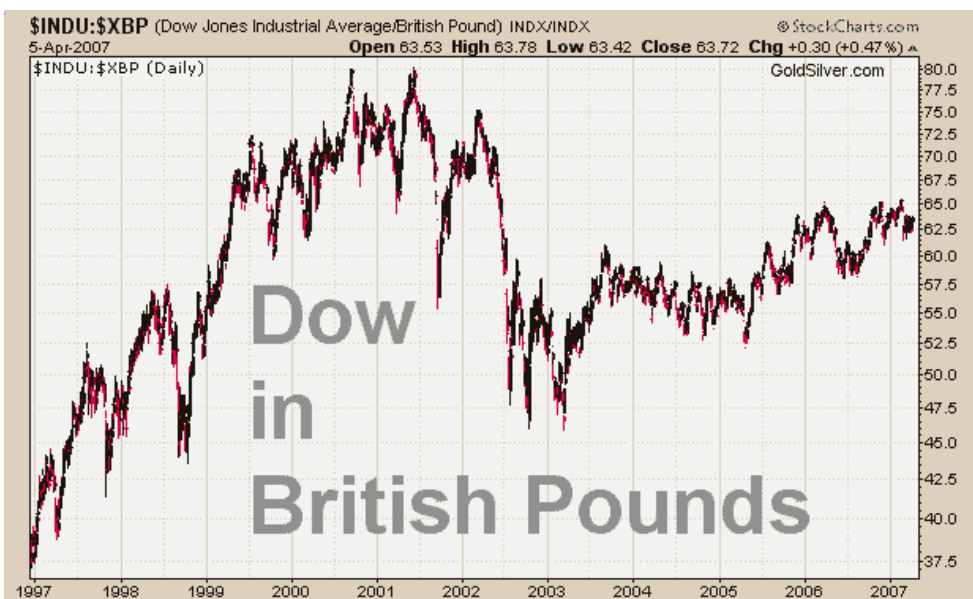
Measured in another currency (fake money) the Dow has crashed 27% against the Euro.



It's crashed 31% if you paid for it with Aussie dollars.



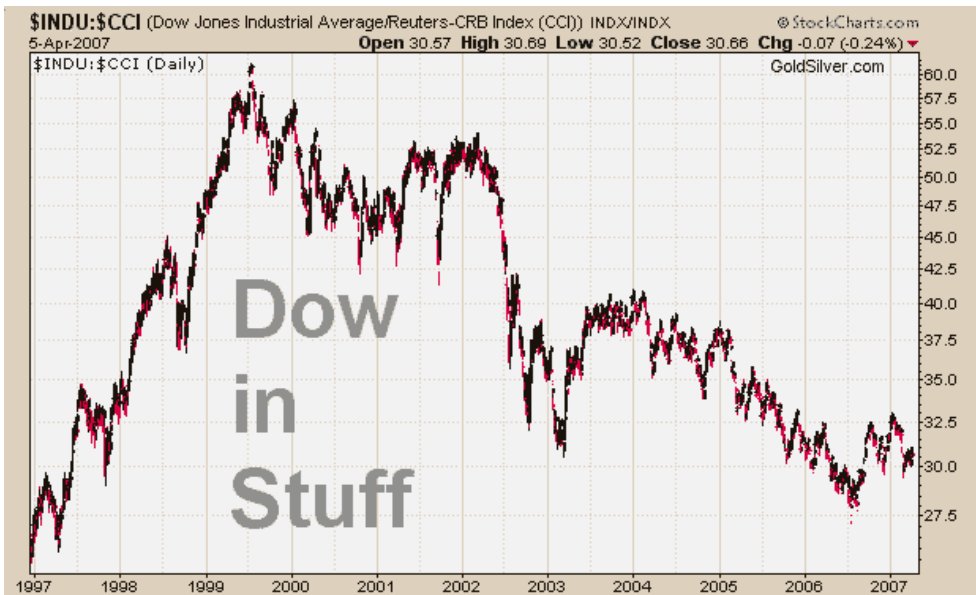
It's down 22.5%, measured by the pound.



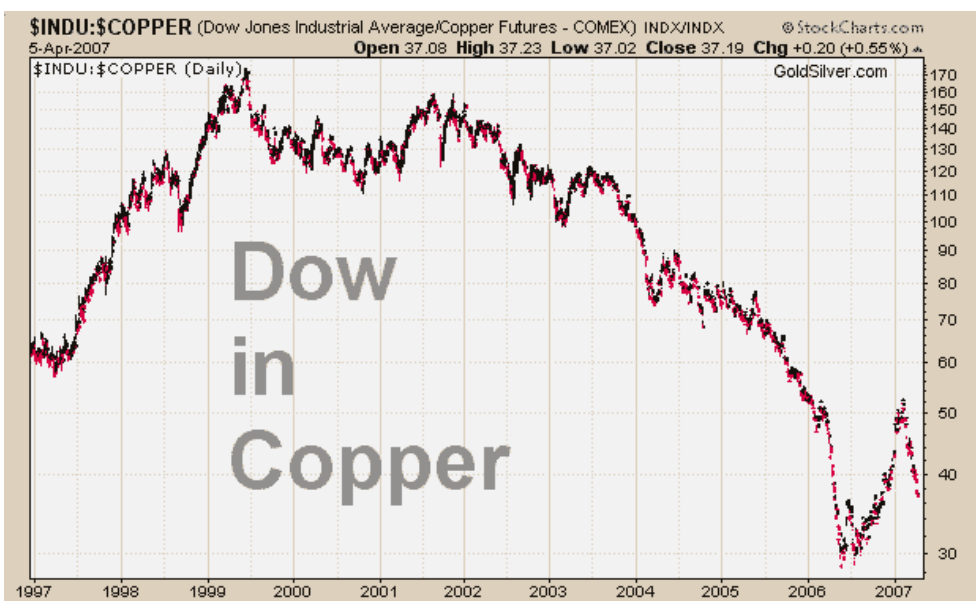
Dow down up in Canada! Measured against the Loonie, or Toonie, it's lost 18%.



I like this chart, because it shows you just how much real stuff (on the average) the Dow will buy you. It's the Dow divided by the Commodities Index. Commodities are the stuff you buy, or the stuff that goes into the stuff you buy. What this chart is saying is that you could buy twice as much stuff if you cashed out of the Dow in 1999 as the same number of shares will buy you today. This chart is also saying; "you can take your Dow and stuff it!"



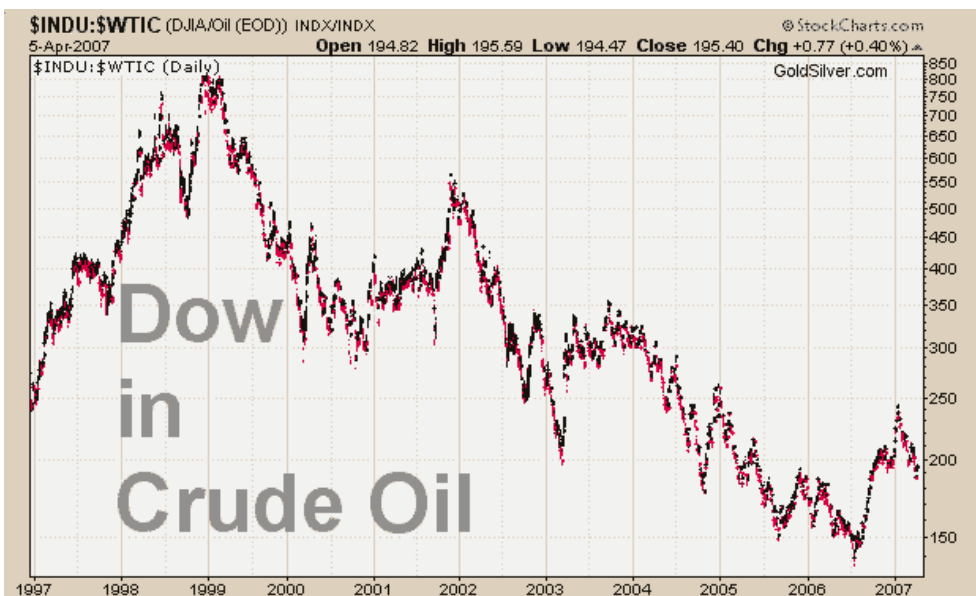
Many analysts refer to copper as Dr. Copper, because it diagnoses the health of the global economy. If the economy is booming a lot of copper gets used in plumbing, wiring, circuit boards and such, causing its price to rise. Measured against copper the Dow has plunged 76.5%.



Here is probably the most important chart in the article. How much oil (our proxy for energy) can you buy with your proceeds from the Dow. If you sold 1 share of the Dow in early 1999 you could buy 800 barrels of oil... today it'll only buy you 200.

As a reminder of rising energy costs, I have included a quote from Adam Hamilton's article, [Lies, Damn Lies, and the CPI](#), June 16, 2000, written just after the Dow put in its "true" all time high. "On May 1, the wholesale price for unleaded gasoline was 81 cents per gallon."

Remember that oil doesn't just go into the gas in your tank... it is the single most useful commodity there is. It's used to make medicines, fertilizers, plastics, the tar on our roads and the tires on your car.

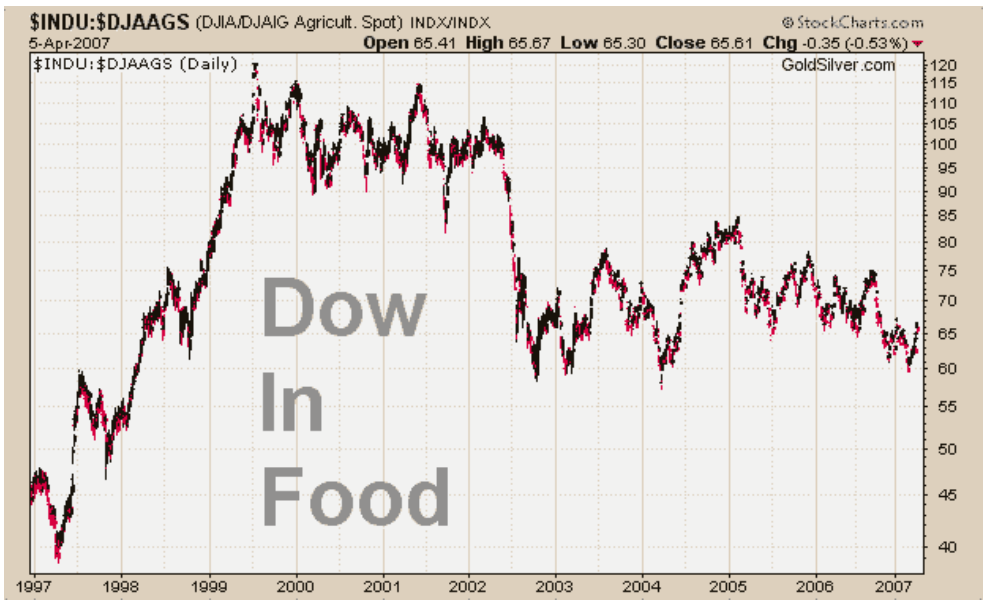


Speaking of cars... along with plastics, cars are made of metals like steel, zinc, copper, and lead. Measured against the Dow Jones Industrial Metals Spot Price Index, the Dow has crashed by 73%. And believe it or not, this is one of the reasons the companies that make cars have crashed. (There's a joke in there somewhere but I just can't seem to fish it out). Just take a look at the stocks of GM and Ford over the same time frame. They've crashed by about the same percentage, because the automakers costs are up, and profits are gone.



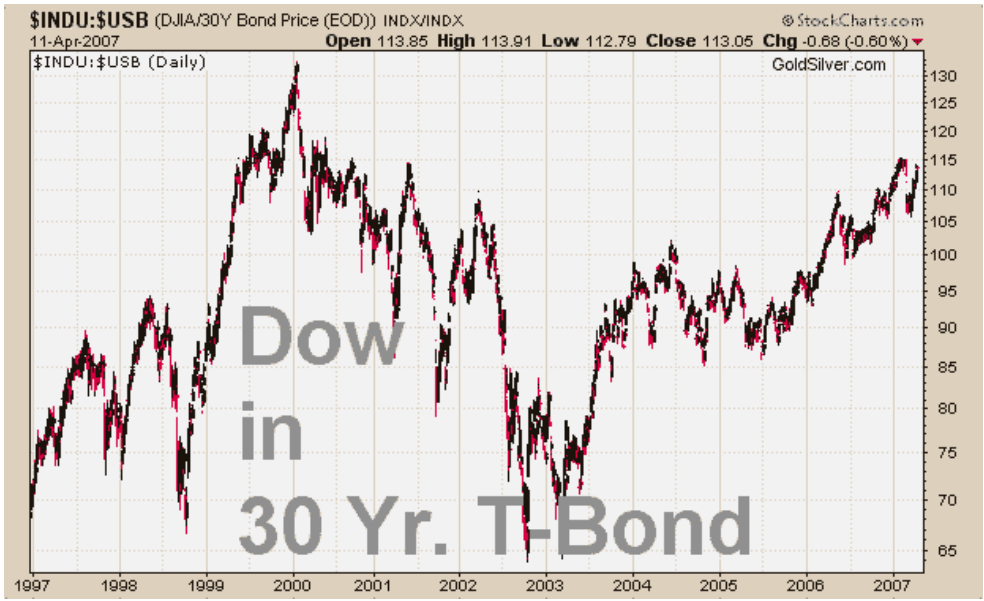
Boy this next chart really puts the Dow in a pickle, because even the lowly pickle has literally outperformed the Dow. This is the Dow divided by the Agricultural Spot Price Index (grains, cotton, timber, vegetables and such), so it's showing how much food, clothing, and lumber you will get with your proceeds from the Dow.

Speaking of lumber, if you sold enough shares of the Dow to buy 2 houses in 1999, today the same number of shares would only buy you 1... at least in my neighborhood.



Now here's a chart that is almost unfathomable, it's the Dow divided by, what is in my opinion, the worst investment you could possibly have in an environment of ever increasing inflation... It's the Dow divided by, what most investors believe to be, the safest (read stodgiest, slowest moving) investment one could possibly buy... the 30-year U.S. Treasury Bill.

Measured against the other investment class that is crashing, the Dow has crashed 13%.



But all of this has been an unfair way to measure stocks vs. everything else... because, by using the Dow I have overstated the value of stocks.

The Dow is currently the best performing major stock index. The situation only gets worse if you use the S&P 500, because it's still down 7% from its 2000 high. By the way, the S&P is a much better proxy for the general economy than the Dow, because it is a measure of 500 of the countries largest companies instead of just 30.



And if we used the Nasdaq to the other items, the charts would literally look twice as bad, because the Nasdaq is more than 50% below its previous high.



**The Dow Is Crashing! – Part 2
Call the Cops... We've Been Robbed!**

Why is this happening? Why does everyone think the Dow is going up, when it is actually going down in value?

According to the Minneapolis Federal Reserve, total inflation from 2000 to 2007, using the Consumer Price Index, is just about 20%. This means the Dow would have to be at 14,100 just to break even. And that's if the CPI wasn't a made-up, hocus-pocus, voodoo fabrication (which it is). Here's why.

In calculating inflation, the Bureau of Labor Statistics (BLS) takes a basket of goods and services and tracks their prices throughout the years. This worked just fine when they would track the actual price of the same items year after year. The problem is they no longer use the actual price, and they no longer track the same items year to year. If the price of an item has gone up so much that it might make whichever administration that is in power look bad, they simply drop that item from the basket of goods (deletion), switch to another item (substitution), or make up their own price (hedonic adjustment). Yes, the BLS has become just another division of the government's "Ministry of Propaganda". Its job is to manipulate the numbers, so as to paint smiley faces all over the economy.

If you're interested in knowing just how much wealth your government is stealing from you through the "inflation tax", there are a few excellent essays by Adam Hamilton of [ZEAL LLC](#) you should read. Links are provided at the bottom of the page. Coincidentally, they were all written just after the Dow had made its 2000 high.

Here is a sample of Adam's work explaining "hedonic indexing, hedonic adjustment, or hedonic regression... they all stand for the same thing... lying.

"The Bureau of Labor Statistics uses a funky statistical technique coined "hedonic regression." Daniel Webster's namesake dictionary defines hedonic as "characterizing or pertaining to pleasure." "Hedonic Calculus" is described as the "appraisal of possible alternative choices in terms of the amount of pleasure to be gained and pain to be avoided in each." Basically, the BLS uses hedonic regression to try and quantify gains of quality in a particular good in order to offset gains in price. For instance, if a computer operated at 50mhz seven years ago, and 1000mhz today, the BLS would claim the price of the computer today reflects much higher quality, so the price must be adjusted downwards dramatically to account for quality.

And how is quality measured? The BLS website (<http://www.bls.gov/>) has many essays that are dozens of pages in length on hedonic theory as applied to different items. A quick keyword search of "hedonic" on the site yielded over seventy documents. I chained myself to a chair, sat on my hands, taped my eyelids up, and forced myself to read several of these lengthy and detailed studies on quality adjustments of the critical US consumer staples of VCRs and camcorders. The studies were carefully documented and explained why actual prices of VCRs and camcorders should not be used in CPI calculations, but downward "quality-adjusted" prices should be used instead. The net result of all the hedonic information I looked at was to understate prices, sometimes dramatically. By using the mathematical equivalent of tea leaves and goat bones, the BLS statisticians have created a surreal new reality where the "true quality adjusted" price of different goods may be "computed."

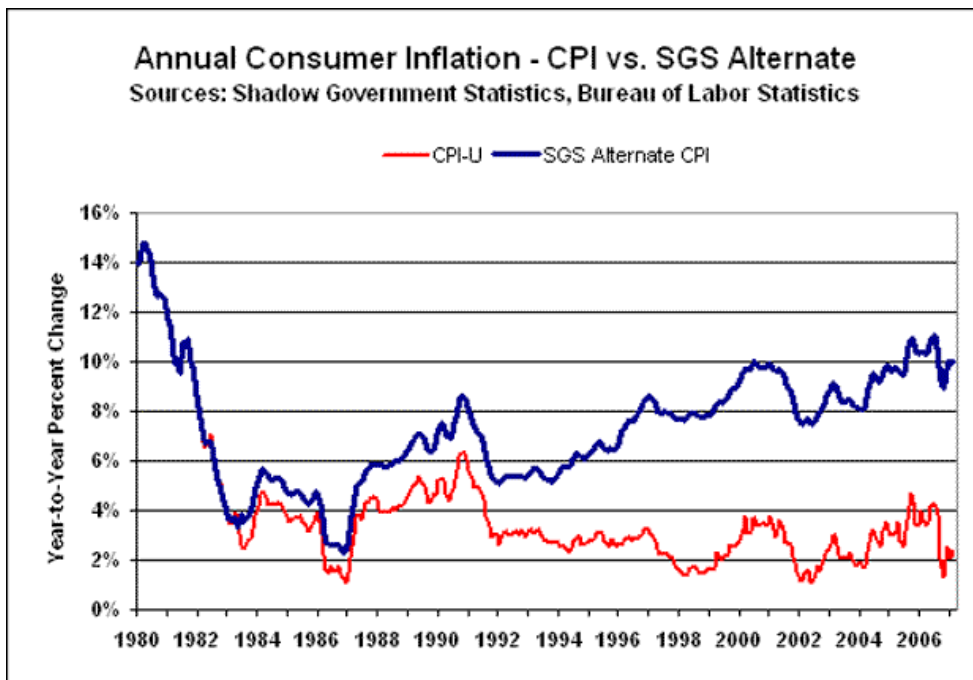
[Lies, Damn Lies, and CPI, Adam Hamilton, June 16, 2000](#)

So, according to the BLS, pretty soon everything will be free.

But there is a hero among us... John Williams of [Shadow Government Statistics](#). John has made it his job to haunt our government and expose some of the financial malfeasance. He has painstakingly reconstructed the CPI data to more closely reflect reality. One look in your wallet, and you know that he's right. I urge you to go to his website and poke around, and if you want to learn how to see through the government's propaganda, you may want to subscribe.

<http://www.shadowstats.com>

Here's John's chart of the CPI with the smiley faces removed.



The true definition of inflation is an expansion of the currency supply (incorrectly referred to as the money supply... currency and money are very different things... but we'll get into those definitions some other time). Rising prices are not inflation, but the symptom of inflation. So, for a better measurement of inflation I took the last known M3 data published by the Fed. I say "last known data" because last year the Fed stopped publishing this data, which it had reported every month since January 1959. Here is a portion of the Fed's announcement.

"On March 23, 2006, the Board of Governors of the Federal Reserve System will cease publication of the M3 monetary aggregate. The Board will also cease publishing the following components: large-denomination time deposits, repurchase agreements (RPs), and Eurodollars. The Board will continue to publish institutional money market mutual funds as a memorandum item in this release." - "M3 does not appear to convey any additional information about economic activity that is not already embodied in M2 and has not played a role in the monetary policy process for many years. Consequently, the Board judged that the costs of collecting the underlying data and publishing M3 outweigh the benefits."

<http://www.federalreserve.gov/releases/h6/discm3.htm>

When the Fed made this announcement, the public was outraged that we would no longer have access to the data on the broadest measure of the currency supply... what could possibly be a more important measurement of the currency supply than measuring how much currency there is? Actually, there is a whole lot more currency than M3, but we'll get to that some other time.

What bothers me is that nobody else was bothered that they ceased disclosing the data on repurchase agreements. I think this is because the public understands M3, but they don't understand repurchase agreements, and/or they don't care. Repurchase agreements are short-term loans that the Fed makes to banks, brokerage houses, and other financial institutions. This is one way the Fed can pump liquidity (currency) into the markets. And by rolling over old loans, while continually making new ones, the Fed can inflate the currency supply as well as the markets. So now the Fed has hidden one of the methods used to inflate (Repurchase Agreements), and they have hidden the measurement that would reveal this inflation, (M3).

Their excuse for not publishing M3 was that it was too costly to compile and publish. But the data on repurchase agreements are numbers in the Fed's check register... they were the ones who made the loans. All they have to do is print a report and post it on the internet. It would cost them virtually nothing, and there is no excuse for discontinuing the disclosure of this data.

Please note, that regarding M3, they do not say they are going to stop collecting the data, they just say that it's costly, and they're not going to publish it any more. When it comes to the Fed, I have discovered that what they don't say is more important than what they do say. My bet is that they still want to know how much currency is out there... they just don't want us, and more importantly, foreign buyers of U.S. Treasuries (like Japan and China) to know.

Because there are several ways to inflate, but they all show up in M3, and if they embarked on a program of increased inflation, Japan and China would no longer buy our Treasuries. If the government can't sell off enough pieces of America (Treasuries) to fund the budget deficit, then they'd have to monetize debt (print the currency) to fund our deficit spending... and that type of inflation would come back immediately, to haunt them as rapidly rising prices. That would make the job (hiding inflation) of the BS, I mean the BLS, (I stole that joke from Adam) just that much harder.

Anyway... back to the story. I took the last known M3 data published by the Fed, \$10.29 trillion dollars as of February, 2006, and calculated the percentage increase from January of 2000 (when the Dow hit its previous peak) which was \$6.51 trillion dollars, a whopping 58% increase. Where did all that currency come from? We borrowed it, of course... much of it from Japan and China.

This 58% increase was achieved by an average annual increase of the currency supply of 7.82% compounded over the six-year period. Now, the United States needs a continuous flow of suckers lining up to buy U.S. Treasuries to fund our budget deficits. If these suckers ever did the math, they'd figure out that if they buy a T-Bill yielding 4.82%, and the Fed inflates at a rate of 7.82%, they are actually losing 3% (paying the U.S. government 3% annually to loan it the currency).

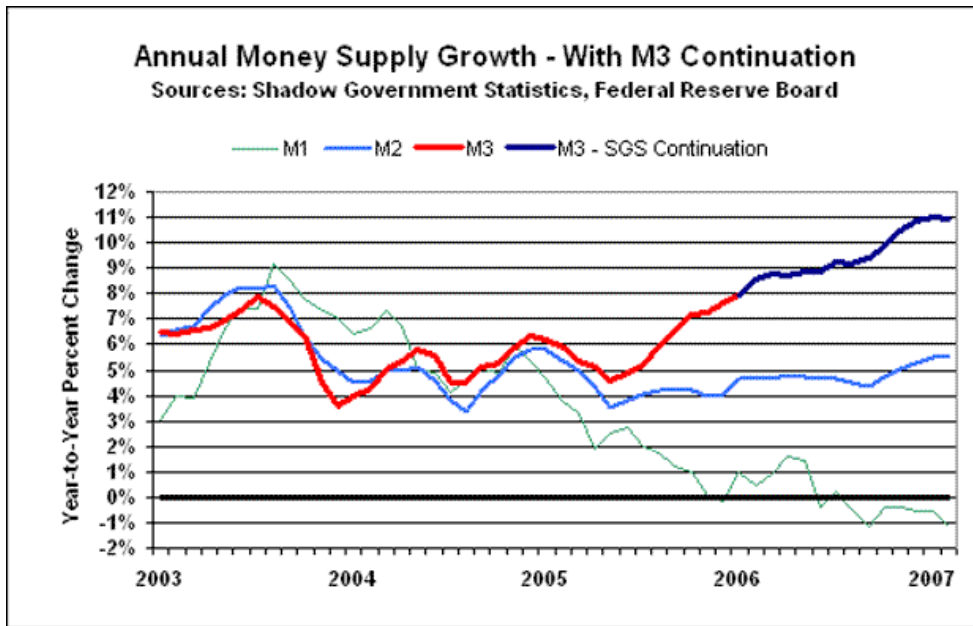
Now, if you use M2 you come up with only a 43% increase over the same period. This, my friends, is why the Fed is now only disclosing M2... so the suckers will keep lining up. We need to keep borrowing or the game will come crashing down.

On March 16th, 2007, Congress passed a bill to increase the ceiling on the national debt from \$8.2 trillion to \$9 trillion. Wait a minute... we already owe \$8.2 trillion? Yep. A baby that is born as a U.S. citizen today, comes into the world owing approximately \$30,000. But hang on... that's only what the baby owes for our reckless deficit spending in the past (debt). What about all the reckless deficit spending promised into the future (liabilities)?

Comptroller General David Walker, (chief auditor of the United States) says that the unfunded (deficit) liabilities now exceed \$50 trillion. So if we add the debt to the liabilities, we end up with every man, woman, and child in the United States owing \$194,000.00... even a newborn baby. "Welcome to the world kid! Here's the bill."

After finding out that our currency supply as of Feb. 2006 was 10.29 trillion, I took the previous rate of growth, 7.82%, and extrapolated it out to today for approximately \$11.09 trillion. Now hold on to your seats because this one's going to hurt... there is now 70% more currency in the currency supply today than when the Dow peaked in 2000. This means that today the Dow would have to be above 20,000 to be in positive territory.

And that's a conservative M3 estimate; because I just extrapolated past rates of inflation out to today. But [John Williams](#) has come to the rescue again, and his numbers show M3 inflating at a rate of about 9% for the first 7 months of 2006, and then rising to 11% by 2007.



However, if we only look at the inflation of the currency supply we are overstating the effect it should have on true values because at the same time the currency supply was inflating, so was the population.

So I did the same calculations for the census data on the U.S. population and found that the population has increased only 1.04% annually. If you take the estimated M3 and divide it into the estimated population, it means that, even though there are 70% more dollars in existence, there are now 58.5% more dollars per person in existence than there were in January 2000. Thus, any investment that has returned less than 58.5% over this time period is under water, and that means that the Dow would be at the break even point if it were at 18,623 today. This is using my numbers however. If John's numbers are correct then these numbers are just a little bit higher, but will get much higher in the future.

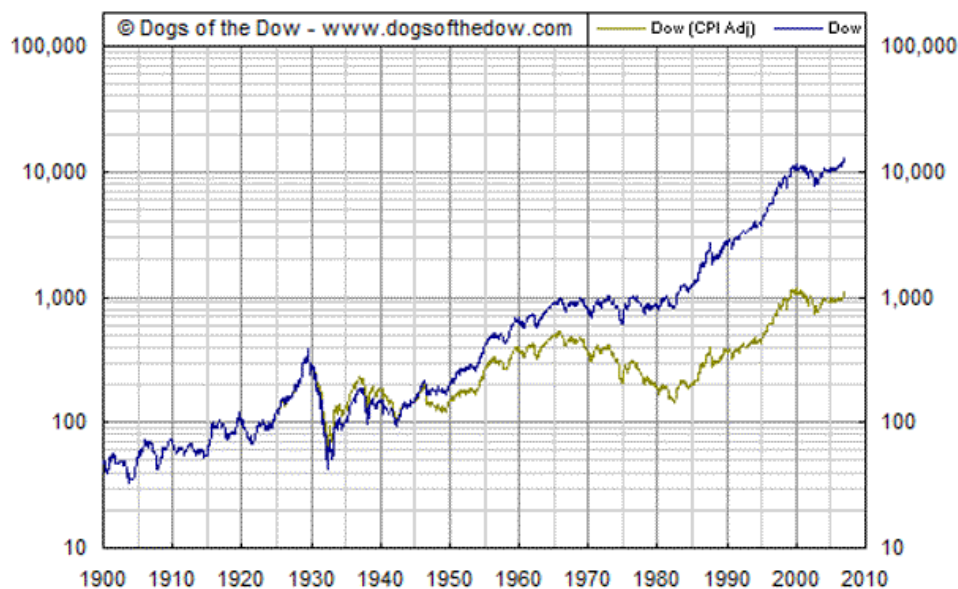
The point of everything I have written up until now is that the dollar is a smokescreen that obscures true value. The reason I took the long way around to get to my point, instead of just saying it in the beginning, is that I wanted you to fully understand the subject.

There are basically two kinds of tax, the kind the masses can see, and the kind they can't. The inflation tax is of the second kind. Whenever a politician promises you more free stuff than the guy he's running against.... Whenever the masses think they're getting something for nothing... Whenever our government does deficit spending... Whenever we borrow the prosperity of tomorrow to spend today... It comes back to haunt us as the inflation tax, insidiously, silently, invisibly, and deceitfully, confiscating our wealth. If I have done my job, by the end of this article, you will be able to see it clearly from now on. This is a great advantage for an investor to have.

Just to drive the point home, here is the Dow from the year 1900 (blue line) showing the 1929 crash and the spectacular bull run from 1932 to today. But wait a minute... What's that other line doing there? It's the Dow deflated by the CPI. You'll notice that, measured in value, the Dow was a breath away from 400 (381.17 actually) in 1929 (where the deflated data begins), and falls to a bottom of 40.22 in 1932. Then it began its bull run to 1966 where it topped at inflation adjusted 550 points, just 29% above its 29 high.

Then something very strange happened... The Dow began a long slow crash that would see it lose 70% of its value over the next 16 years. This was the raging price inflation of the 70s, eating away at investor's profits. It's called "The Invisible Crash" because investors never knew what hit them. The Dow had bumped its head on 1,000 points from 1966 to 1982. But due to inflation, if you had put \$100,000 in the Dow in 1966, by 1982 your \$100,000 was still \$100,000, but it would only buy you \$30,000 worth of 1966 goods and services... a 70% loss in value!

Then the Dow began what the uninformed call "the greatest bull market in history". The Dow ran from 777 in 1982 to 12,795 on February 20, 2007... a more than 1,500% gain... measured in dollars, of course. But, measured in purchasing power, the Dow only exceeded its previous 1966 high by 82%. But that's using the CPI, which we now know to be a lie. Hey, that rhymes.



[Adam Hamilton did an excellent job deflating the Dow in his essay aptly titled "Deflating the Dow", written in 2001.](#)

"In M3 deflated terms, the Dow at 9000, after holding for over FORTY years, would have granted investors a real 1.2% average annual compounded LOSS on capital. At that rate, after holding for four decades, an investor would have seen his or her capital cut by over one third! In for the long-term, eh?"

The bottom line? Inflation MATTERS for ALL investors. Inflation is the single most dangerous macro-factor affecting investments over the long-term in countries with completely fiat currencies. The common Wall Street assertion being parroted by the shameless Wall Street promoters that there is no inflation in the US and that equities do well over time in inflationary environments is flat out wrong. The cheerleaders chanting this mantra on bubblevision are naive at best or intentionally deceptive at worst. Every one of these folks that goes on TV and claims inflation is either irrelevant or dead should be tied down to a chair, their eyelids taped open, and they should be forced to memorize graphs of the CPI, M1, M3, and US equity index performances over the last few decades.

Inflation IS real, it IS bad, it IS ugly, and it WILL chew investors up and spit them out."
– "Investors today with capital at risk in any US market must fully understand and prepare for the ravages of currency inflation."

[Deflating the Dow, Adam Hamilton, March 23, 2001](#)

I think at this point I have proven my point beyond a shadow of a doubt... I think I've presented an air tight case... and I think it's time to pronounce it "case closed"... the general equities markets (a.k.a. stock markets) are crashing, and have been since 1999-2001, depending on how you measure it. Even though the Dow is going up in price, if everything else is going up in price faster than the Dow, then the Dow is crashing in relative terms. In fact, I can't think of anything you can measure the Dow with that doesn't show it crashing... except of course, dollars.

Wait a minute... yes I can... Zimbabwe dollars. According to the International Monetary Fund (IMF) the hyperinflation in Zimbabwe should exceed 5,000% this year. One Zimbabwe dollar used to be worth one U.S. dollar, but now one U.S. dollar fetches \$25,000 Zimbabwe dollars.

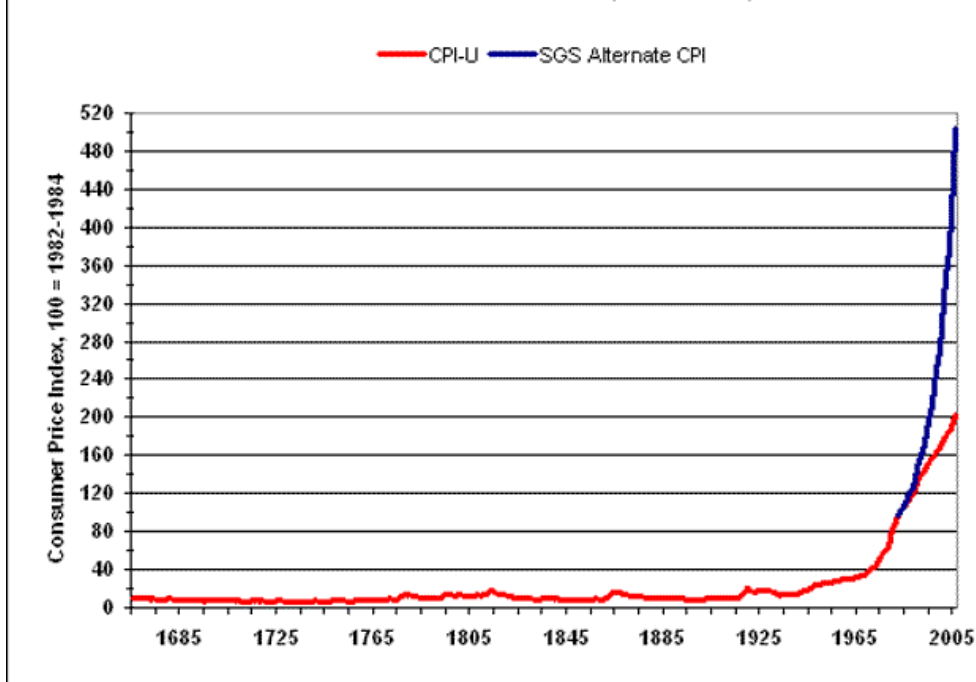
So, if you take U.S.\$1,000 and convert it to Zimbabwe dollars you'll get 25 million of them in what they call "the parallel currency market" (black market). Then, if you take your Z\$25,000,000 and put it in the Dow, by the end of the year you should have at least Z\$1,275,000,000.00. You must agree, that's stellar performance. Then, you can cash out your Z\$1.275 billion and buy a loaf of bread... maybe.

Oh Yah, there is one other class of goods where the Dow will buy you more stuff today than it did seven years ago... consumer electronics made in Asia. So, if the only things you are going to buy with your proceeds are camcorders and plasma screen TVs, then you're ahead. On the other hand, you'd be able to buy 2, 3, or 4 times as many of these do-dads, if you had invested in nearly any tangible asset.

To end my tirade on inflation I give you the following chart, again from John Williams, it is cumulative inflation from the year 1665. As you can see, before 1913, inflationary periods and deflationary periods pretty much netted out to zero, maintaining relative purchasing power for more than 250 years. But with the inception of the Federal Reserve in 1913 there was a change in the character of inflation. With the exception of the Great Depression, there are no longer deflations following the inflationary episodes, thus the purchasing power of the dollar has fallen to just 4% of the pre-1913 dollar. It now takes \$100 to buy the same amount of stuff you'd have gotten for just \$4 in 1913, or for that matter, 1813. Then, with the end of the Bretton Woods system in 1971 and the severing of the dollars last linkage to gold, the inflation genie was unleashed. This is what has allowed our politicians to throw around money and spend like drunken sailors.

Consumer Inflation in the American Colonies/ United States 1665 to 2005, CPI vs. SGS Alternate

Sources: Shadow Government Statistics, Robert Sahr, BLS



The Dow Is Crashing! – Part 3 Swimming With The Tide

So we have seen that there was a previous "invisible crash" in the 1970s. Question: has this happened many times before? Answer: yes and no.

An invisible crash is a product of a fiat currency system and/or rampant credit creation. It requires a rapidly expanding money supply to obscure the fact that an overvalued asset class is correcting and reverting back to fair value or less. It cannot happen on a gold standard with conservative fractional reserve banking practices. Therefore, it didn't happen in the United States until the 1970s and today. But it has happened numerous times throughout history once a country leaves an asset backed currency standard. The stock of the Mississippi Company of John Law's France, and the German stock market during the Weimar hyperinflation come to mind.

Can an investor prosper under these conditions? Is there a way to beat inflation? Absolutely! In fact, an investor can achieve superior results under these conditions. Why? Because anytime you find yourself in a situation where you are the informed investor and the masses don't yet know what's going on, you have the advantage. Once the cycle has changed... once you have confirmation that the conditions have shifted... any investor that does reasonable due-diligence, takes a position early, waits for the masses to wake-up, and hangs on for the ride, has an extremely high probability of achieving extraordinary results.

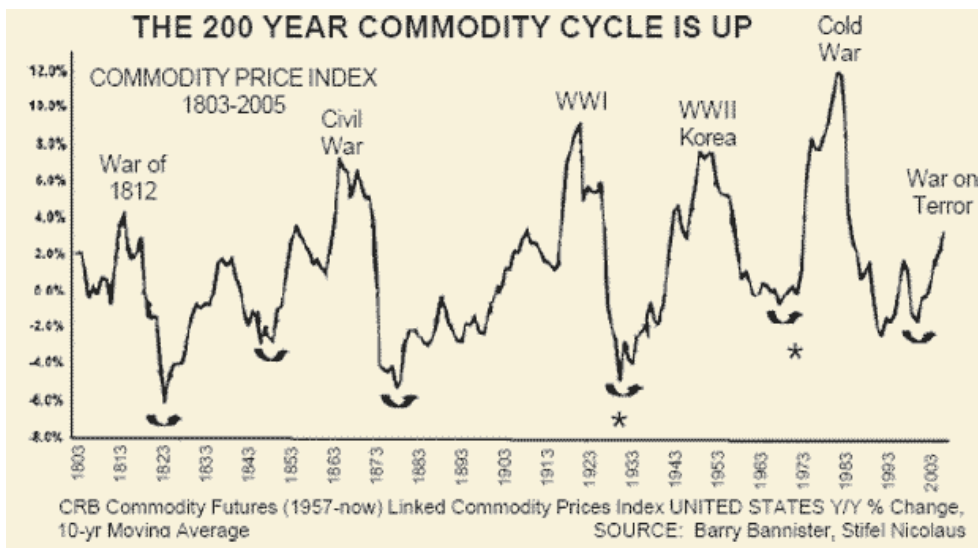
The 70s were part of what is known as a commodities bull. This is a cycle that repeats and repeats, where first equities (paper assets like stocks) outperform commodities for 20 years or so, then the cycle reverses and commodities out perform equities. During a commodities cycle almost all commodities rise in price. Remember that commodities are the stuff you buy or the stuff that goes into the stuff you buy, so all commodities bulls end up being periods of rapidly rising prices. The very act of investing in commodities drives the price of commodities higher, which in turn causes the price of consumer goods to rise. For more information see "[The Commodities Cycle](#)" by Brent Harmes

Other than the bull market for gold that we are currently in, the only other gold bull we can look at and analyze is the 1970s bull. Before that the dollar was backed by gold at a fixed price, so gold did not go up or down against the dollar... it was the dollar.

The gold bull of the 70s was one of the greatest bull markets of all time, and precious metals were its top performer. Precious metals stocks were the gold medalists, taking top honors in total returns, silver won the silver, gold got the bronze medal, and oil came in a distant fourth with other commodities not far behind.

As I said, almost all commodities rise during a commodities bull. However, there comes a time, near the end of a commodities bull, when the public, the masses, the herd, awaken from their collective coma... They finally realize that their \$100 is buying them fewer and fewer bags of groceries, and they look at their neighbor, who told them about gold and silver five years ago, and whose purchasing power is rising while theirs is falling, and they rush toward gold and silver. This is when gold and silver leave all other investments in the dust. It took nine years, from 1971 to 1979, for gold to go from \$35 per ounce to \$200 per ounce... But once the public woke up, it only took three more months to reach \$850. This is why gold and silver were the top performers of the 70s. Gold and silver are money. All other commodities are just commodities. Thus, all commodities are usually good investments during a commodities bull, but gold and silver have been, and should continue to be, spectacular.

There have been 5 commodities bulls in the past 200 years and we have just begun the 6th. They are as natural as the coming of the tides. And while betting against it may be hazardous to your financial health... investing with the tide can bring you great wealth. Hay... that rhymes too.



May all your investments have a silver lining,

Mike Maloney
GoldSilver.com



Disclaimer,

This information, opinions, and financial data are for educational purposes only and are not intended as investment advice. No guarantees are made as to the accuracy of the information provided herein. Situations can change from day to day. Every investor should do their own due-diligence to determine which investments are best for them.

By reading this article, you must assume the responsibility and liability for all decisions that you make on the basis of the information herein contained. GoldSilver.com and Gold & Silver, Inc. make no warranties, expressed or implied, as to the fitness and accuracy of the information provided, and for any purpose or to the results obtained by using the information.

Those making investment decisions based on any of the information presented should do so in the knowledge that they could experience significant losses. In no event shall GoldSilver.com and/or Gold & Silver, Inc. be liable for direct, indirect, or incidental damages resulting from the use of the information.

Related links:

Lies, Damn Lies, and CPI, Adam Hamilton, June 16, 2000
<http://www.zealllc.com/2000/damnlies.htm>

Oiled Down CPI, Adam Hamilton, September 22, 2000
<http://www.zealllc.com/2000/oiled.htm>

Deflating the Dow, Adam Hamilton, March 23, 2001
<http://www.zealllc.com/2001/deflate.htm>

John Williams' Shadow Government Statistics
Analysis Behind and Beyond Government Economic Reporting
<http://www.shadowstats.com/>

Federal Reserve
<http://woodrow.mpls.frb.fed.us/research/data/us/calc/>
<http://www.federalreserve.gov/releases/>
<http://www.federalreserve.gov/releases/h6/>
<http://www.federalreserve.gov/releases/h6/discm3.htm>



Would you like more information like this? Sign up for this free newsletter, your email address will not be sold, shared, traded or otherwise mis-used and you can remove yourself at any time (an unsubscribe link is contained in every one of our mailings).

[Newsletters Archive](#)

[Join our mailing list and be notified of new newsletters](#)

All Prices are shown in U.S. Dollars. Gold & Silver, Inc. cannot ship to delivery addresses outside of the United States.