12 Steps to Survive and Prosper in the Winter Season
We live in times of unprecedented scientific advances and expanded predictability. Yet most economists, politicians, businessmen and investors fail to recognize the most powerful insight in modern times: Our economy, stocks, bonds, real estate and commodities have clear — predictable — seasons.

They miss this point because most of them focus on symptoms, not causes. They spend too much time analyzing government policies — policies that are largely reactions to the very cycles the politicians themselves fail to notice.

This is unfortunate.

Missing this fact costs them financially. They are blinded to the opportunities these economic “seasons” present and so they lose countless chances to profit. They even fall victim to losses they could otherwise have avoided.

Just look at what happened to investors when stock markets topped long term in 1929, 1968 and 2007. They piled into overheated markets and were crushed when everything fell off a cliff. They didn’t see the Generational Spending Wave cycle peaking (about every 39 years historically). They paid dearly for it.

Commodities topped in 1920, 1949-51 and 1980. Again, investors snapped up precious metals and the like when they were already overpriced. Then they lost their money as these commodities predictably deflated. They ended up holding metals worth far less than what they paid for them. The most recent cycle peaked between mid-2008 and early 2011.

When you see the cycles — 39 years for the spending wave and 30 years for the commodities cycle — it looks almost impossible to miss. Right?

The problem is that most investors don’t get to see the macro picture. They tend to focus on shorter-term cycles that may be nothing more than steps in the broader cycle. Because that’s just what they know. But, knowing the patterns and cycles that markets, economies, stocks and commodities follow gives you an advantage over everyone else.

So which economic cycles do you need to be aware of so you can profit from the opportunities ahead and protect against the coming disasters…

**The Most Powerful Cycle of All:**
**The 80-Year New Economy Cycle**

The 80-year New Economy cycle has four seasons:

- **Spring:** the Maturity BOOM of the new technology cycle
- **Summer:** the Inflationary Bust in which the new “killer apps” emerge
- **Fall:** the Growth BOOM that sees those killer apps first move mainstream
- **Winter:** the Deflationary or Shakeout Bust that sets the stage for the next revolution

Since the early ’40s, we’ve experienced three of these New Economic seasons. During the Spring of
1942 to 1968, stocks and the economy surged upward with very mild inflation. They then crashed during the summer of ‘69 to ‘82 with extremely high inflation rates. Once they reached bottom, they turned back up and investors enjoyed a massive fall season bubble boom with falling inflation between 1983 and 2007.

Stocks first peaked in late 2007 and crashed into 2009. That was the beginning of this economic winter season that is likely to last into around 2022, when the new economic spring comes around again. Only unprecedented levels of stimulus have artificially revived the economy and sent stocks surging to new highs. This recovery and stock rebound will not last as demographic trends only get worse in the years to come, especially between now and 2020-2022.

These seasons have occurred time and again since economies began. The booms tend to last for 26 years and the busts unfold for about 14 years in modern times (give or take a few years on either side of the turn).

This economic winter season is one of off-and-on deflation and depression. We’ve already seen some changes, but we’re in for the radical, wealth-making, life-changing events just ahead, after nearly eight years of desperate stimulus to prevent it… and it looks like those efforts are about to fail by the best indicators we have developed over the last 25 years.

Just like the winter season kills off the weak and challenges the strong to find new ways to survive — clears the deck for the coming spring — so too will this inevitable economic winter prepare us for the next great boom. But be prepared. What lies ahead is NOT easy. And that’s exactly as it should be. The reality is, humanity only grows when it faces its harshest challenges, like the Great Depression and World War II.

So here are the 12 steps you should take over the next decade and beyond...

**Step #1:** Prepare to sell stocks when we give the signal. July 2017 currently looks like the first potential topping point. Be sure to watch your email and to read all your issues of *Boom & Bust* because we’ll send you alerts and recommendations when the time comes to run for the exits.

**Step #2:** The DOW has already passed 21,000, and looks to be heading towards 23,000. Bet on the U.S. dollar rising against the other major global currencies as it did in the last financial crisis of 2008. The ETF UUP is one way to play this trend as would many dollar bull funds.

**Step #3:** Allocate a percentage of your portfolio to 30-year Treasury bonds if yields rise to 3.6% or higher. The next financial meltdown will bring deflation and that means falling yields and rising bond values to you. You also get to lock in higher yields for predictable income and won’t have to rely on dividend stocks that will get crucified in value.

**Step #4:** Sell any remaining gold and silver holdings on any gold rallies. We first recommended selling gold and silver in late April of 2011, right near the top. We recommended selling again when gold rose back to $1,373. It has retreated again since then. Sell on any short-term rallies ahead. $650-$700 is the next stop.

Going forward, after the crash...

**Step #5:** Look to invest in Asian stocks focused on India and Southeast Asia after the next global crash.

Note: You must time your entry into these markets carefully. Be sure to read your *5 Day Forecasts* and
your monthly *Boom & Bust* newsletter because that’s where you’ll find details about when and how to profit from this step.

**Step #6:** Look to add healthcare stocks to your portfolio, especially biotech, medical devices and pharmaceuticals and health and wellness companies as well as cruise ships and nursing homes by early 2020.

Note: My study of the Great Depression showed that even counter cyclical and non-cyclical sectors saw P/E ratios go down, even if earnings didn’t as much. These would be investments I would recommend buying after the next crash by early 2020 forward.

And here are some steps to protect your assets...

**Step #7:** On the real estate front, if you want to retire and buy a house in Southern Florida, the Caribbean, Arizona, Idaho, Vermont, or British Columbia, wait until early 2020/early 2023. If you’re financing a home, use adjustable rates mortgages that lock in for three years and then refinance to lock in at very low 30-year fixed rates from early 2020 forward.

**Step #8:** If you want to buy a car this year, don’t. Rather lease one for the next two to three years. Buying now will only result in significant depreciation. Instead, let the bank take the risk of falling car prices!

**Step #9:** Maximize your 401(k) and matching contributions because surviving this economic winter season is about accumulation of cash that can be redeployed in the next crash and minimizing taxes.

**Step #10:** Buy fixed index annuities. They’re important tools for deferring taxes during your earning years, minimizing taxes during your retirement years, passing down assets to your children, and offering some protection against downside risk.

**Step #11:** Use Roth IRAs where possible, skew investments toward tax-free items and minimize your real estate foot-print to avoid property tax.

And finally, starting around 2023, the Spring Maturity Boom Season will see a broad-based global boom...

**Step #12:** Invest in Asian, Latin American, Middle Eastern, African, U.S. stocks, and commodities, including gold and silver. But be warned: Avoid the likes of China, Japan, South Korea and southern and central Europe as their demographic trends will make them laggards.

Bottom line: Now is the time to take the steps you need to prepare for the future. Then keep reading your weekly *5 Day Forecasts* and monthly issues of *Boom & Bust* to ensure your protection and prosperity.