Daniel Lacalle: The bond market gets it. Global Stocks get it. The S&P 500 has been slow to get the memo.

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Erik: Joining me now is Professor Daniel Lacalle, professor of global economics and both Chief Economist and Fund Manager for Tressis.

Professor Lacalle, the last time that we had you on the program (I encourage our listeners to go back and listen to that interview), I think you anticipated and correctly predicted a lot of the things that are happening today.

But, clearly, we need to start with this trade war/currency war, potentially.

That do you make of this situation? Is President Trump just showing us a few of those *Art of the Deal* negotiating tactics? Or is he serious about starting what could become a very serious and ongoing currency war with China?

Prof Lacalle: Hi. Thank you very much for having me on the show.

Well, the first thing I would say is that President Trump is definitely using a negotiation tactic. And it's clearly a negotiation tactic with a very clear objective as well.

When President Trump started the so-called trade war, all the tariffs etc., the idea was that China in the last, basically, 8 to 10 years has been increasing dramatically its presence in the global economy. Yet, at the same time, it hasn't opened the economy as much as it should have.

So, therefore, all of the different claims at the World Trade Organization that the United States made against China, etc, were not working. The objective behind the tariffs was obviously to get China to understand that their positioning was a position of weakness.

And that this was a negotiation between the largest supplier, China, with the largest customer, the United States. And, as in business, the customer is the one who dictates the terms, not the supplier.

In that sense, tariffs were sort of implemented as a weapon to get China to accelerate the opening of its economy. Unfortunately, what we have seen is that, as in previous occasions – as we saw as well with George W. Bush and tariffs on aluminum, as we saw with President Obama and the tariffs on solar panels – is that tariffs tend to be used as an excuse for increasing

protectionism, not as a way of improving the economy for the country that suffers those tariffs.

And, unfortunately, what we have seen is that the position of China has been of nice words. They say that they are open to negotiations, that they're open to dialogue etc., at the same time arriving nowhere. And, in the meantime – and this is critical – implementing further and more aggressive capital controls in the domestic economy.

And I think it was this increase in capital controls and the increased intervention in the financial system that triggered the next and final wave of more aggressive messages from the United States, because it showed as a red flag of what was actually really behind China's intentions, which was not to open the economy – let alone to reach an agreement – but to protect itself as much as possible and actually implement a currency war.

Erik: Professor Lacalle, it sounds like you and I are in very strong agreement that President Trump's intention here was not to start a currency war but rather to use a negotiating tactic to try to assert his position of power in a negotiation designed to result in some kind of deal.

But some people have opined that perhaps President Trump has started a fire that he won't be able to put out. That what this could result in is other central banks around the world saying, okay, it looks like game on for competitive devaluation. And potentially everybody jumps into easing mode and you get into a situation that you can't get back out of.

Is there a risk of that?

Prof Lacalle: There is a risk. However, I think that it's a moderate risk right now. The reason being the following: I think that what we have seen, from the latest devaluation of the yuan but also from the previous ones that we saw in 2016 also in 2018, is that the impact on the global economy and on global financial assets is much larger than what the central planners anticipated.

And, also, from the experience of previous misnamed competitive devaluations, we also know that policy makers are pretty aware that competitive devaluations have very little positive effect on the economy. Rather, what they tend to do is to create a sense of concern for consumers, for investors. So decisions of consumption and investments tend to be stopped or postponed because of those competitive devaluation.

In fact, a competitive devaluation, first, is not competitive. It doesn't improve competitiveness.

But second, and more importantly, it is the equivalent of a salary cut and a wage cut in the economy.

So as the global economy, and particularly the central banks, are more aggressive in terms of monetary policy (and economies are mostly service oriented), they know that what we are already seeing, which is a recession in manufacturing, could trigger a recession in the service

industry if you just destroy the purchasing power of currencies via artificial depreciation.

Erik: Let's move on to financial markets then. Something that I've been feeling – and I think it very much echoes some of the sentiment that you described in the interview that we did with you several months ago – as I look at the various different markets, it seems like the bond market is telling me we've got a problem here.

We're looking at collapsing bond yields, maybe a strong recession signal, potentially. Gold breaking out potentially is the signal of trouble in the economy.

But, until this trade issue came up, it seemed like the stock market was just immune to almost every other signal. As soon as the trade issue hit the radar screen, stocks took a nosedive. But already they're starting to recover.

So does this mean that, if you're correct and President Trump is just using a negotiating tactic here, that eventually stocks continue moving back to new all-time highs? Or does the stock market take a cue from the bond market at some point?

Prof Lacalle: I completely agree that something does not compute. Or it is impossible that the message that we receive from the bond market is the same one that we receive from the equity market, which is the opposite.

So the bond market – more than $15 trillion of negative yields of bonds is telling us of a very high risk of disinflation, not deflation, and a very high risk of stagnation, very, very clearly.

The equity market is telling us there is going to be QE no matter what. And, as such, it seems that the equity market is discounting that, yes, the macro data is poor. Yes, earnings revisions are negative. And the earnings season was not anything to write home about.

However, none of that matters, because there will be a very significant – and it needs to be very, very significant – round of quantitative easing ahead of us. So it's basically a pre-emptive call on easing.

Now, that's very dangerous from two perspectives.

The first one is, obviously, there are people out there that say, hey, what the bond market is telling us is wrong and growth will resume. The tariff situation will be resolved.

And there is a great opportunity here because we're going see PMIs bouncing back and we're going to see earnings and growth expectations improving. (Remember that that was, actually, behind the idea to buy into the dip in December.)

That, as from June, we would start seeing a strengthening of the global macroeconomic figures and also of the earnings profile of most sectors. Those two things haven't happened.

But it's also very dangerous to believe that central banks are going to take such an aggressive stance simply to maintain the trend of asset valuations. Because central banks absolutely do care about asset prices.

However, they don't necessarily react in a way in which investors would expect in terms of timing. They tend to react – as we have seen for example in the United States, etc. – they tend to react more according to what they see that other central banks are going to do rather than what asset prices are doing, the way that asset prices are fluctuating.

I think that the market has used the latest headlines on trade wars as an excuse to sell off an already very expensive market. And, obviously, what happens in that environment is that the marginal buyer is more scarce, because it is more difficult to find somebody who is going to find value even after a correction.

The problem here is, okay, what we are discounting in terms of monetary policy is already a very significant easing from the European Central Bank. I think that that was widely discounted after Ms. Lagarde's appointment and the latest conference from Mr. Draghi.

What are we discounting as well? That the PBOC will continue to ease and support its financial sector via an increase of money supply. And that the Federal Reserve will continue to cut rates, maybe even unwind quantitative tightening.

That is already in the market. So what we are really betting – if we go into the more cyclical, the higher beta part of the equity market – if we buy into that, what we are actually buying into is something that is very, very difficult because if a $20 trillion QE stimulus in total that we have seen was not enough, you cannot expect central banks to go out and say, oh, it's going to be $40 trillion now.

It's going to be very, very difficult to please an equity market that is already investing aggressively into the most cyclical part of the economy when the signals on that cyclical part of the economy have nothing to do with the trade wars, have everything to do with the excess of demand side policies.

So the reason why PMIs are weakening, the reason why copper is weakening, the reason why oil prices (despite massive supply intervention) are not rising as much as OPEC would like, etc, all of that is telling you that there is too much overcapacity in the economy, too much slack. That is *because* – not as a *consequence* of lack of stimuli.

Erik: I'd like to expand this discussion of what monetary policy is being discounted and perhaps how that discounting may be mispriced, in my opinion.

It seems to me that, although modern monetary theory (MMT) is not a new idea, what is new is the way it's been politicized. Suddenly we have presidential candidates talking about how it's

going to be possible to give away free college tuition and forgive student loans. And MMT is going to make that all happen.

So, suddenly, there is a social component where it used to be just economists and market geeks who were interested in monetary policy. It's being politicized.

And it makes me wonder whether we're headed toward an environment where politicians try to assert more control over the Fed. And certainly one of the things that has been suggested – a question that came up – is will Jay Powell be the last Chairman of the Federal Reserve if President Trump actually gets serious about what so far have been seemingly idle threats about trying to abolish the Fed?

Are these things that we should be worrying about? Or are these things that are going to affect where monetary policy really goes in the coming months and years?

Prof Lacalle: I think we should be very worried. I think we should be very worried because there is this feeling among politicians that there is no wrong that they can do in terms of monetary policy.

QE embedded a view among politicians that you can print as much money as you want and nothing is going to happen and that the economy grows, there is no inflation, unemployment is low, everything is great. However, that was not enough, so why don't we do three times more and printing Argentina-style because we can.

This is the mistake.

And the mistake is to think that bad effects or that the negative implications of quantitative easing will be offset or improved by more of the same. And there is a very important factor here, in that monetary policy and the Federal Reserve's monetary policy has always been driven by one factor more important than inflation or unemployment.

The #1 factor is global demand for US dollars.

The reason why the Federal Reserve can undertake the policies that it undertakes is because it is the world reserve currency. And because commodities are paid in dollars. And because we all use dollars when we travel to exotic places, etc. That's fine.

Now, being the world reserve currency is not something that is granted, let alone something that lasts forever.

Therefore, if the government in the United States doesn't have as a pillar of its policy that the US dollar remains the world reserve currency, it can unleash all of the negatives that modern monetary theory when applied in countries – as we have seen in Venezuela or in Argentina or in any country in which they decided that they could print all the money that they want and

nothing will happen, and it does – is very, very dangerous.

So I think that there needs to be a process of education that starts from telling people that the mistakes of printing money and lowering rates are not solved by printing more money and destroying the price and the quantity of money.

That is very simple.

And it's very complicated because it's very easy to believe that 2+2 equals 22, if you are a politician. But it's not true.

And the problem of modern monetary theory is that it only works on paper. The people say, oh, you print all the money that you want and there is excessive inflation, you tax away the excess money. Isn't that beautiful? Nobody thought about it in the past.

But it doesn't work like that.

Money creation is not neutral. Money creation disproportionately benefits the first recipient of money, be it the financial system in the case of quantitative easing (asset prices go up, etc.), be it government.

And the last recipients of money are always the most negatively affected, those are salaries and savings. And those are the ones that are going to be obliterated.

So that's what people need to understand is that expansionary monetary policy, the way that it is presented, is not something that has a social component. It is actually the most antisocial policy that one can undertake.

What everybody understands, that quantitative easing disproportionately helped the 1% richest part of the population, needs to be translated to what modern monetary theory is, which is to disproportionately benefit the 0.000001% of the population that is actually in government and doesn't suffer from inflationary pressures.

Erik: Professor Lacalle, you have just given an extremely credible and, in my opinion, explanation of why 2+2 doesn't really equal 22 and why MMT doesn't really have the promise that a lot of people would like to believe.

But if I put myself in the shoes of the average millennial who is not expert in financial markets, Professor Lacalle just said a whole lot of confusing stuff I didn't understand. And Bernie Sanders told me that I can have my college tuition for free and my past student loans forgiven, thanks to something that some other PhD said would work. I like that better.

So let's assume that the political process leads us down a path that you and I strongly agree is not prudent and doesn't make sense. But I have the sense you probably also agree with me that

there is a very good chance that we're going to go down that path anyway because if you tell people they can get free stuff and it doesn't cost anything, they're going to take the free stuff.

And the politicians that are selling that message are going to be empowered to override cooler heads like yours and mine in the monetary policy process.

What are the consequences? What does it mean for markets and for the world if all of your very well-spoken cautions are ignored and instead we just go and monetize in order to give away free stuff?

Prof Lacalle: What I would say to that millennial is a very simple question: What do you prefer to work for? A strong or a weak currency? Very simple question.

And the answer, obviously, is a strong currency. No one will tell you *I want to work for a weak currency*. Because they know that their salary purchasing power falls and they know that their savings are destroyed.

So that's the first part.

The second part is, what do you do as a millennial, as somebody who earns a wage, as somebody who is going to start making a living, if you receive a salary in a currency that you are completely sure that the government will continue to depreciate as much as it can in order to sustain all those allegedly free services that are paid with newly created money?

What do you do with your salary? You go out and you buy anything that will maintain the purchasing power of your salary. You will buy gold, you will buy, I don't know, cryptocurrencies. You will buy anything. Anything except keeping that currency that is burning in your hands or in your pocket.

You would do what the very intelligent Argentine citizens, who are trapped in the monetary monster that Argentina is, do – which is to escape as quickly as possible from a government that is going to destroy the purchasing power of your salary with the excuse of an alleged social policy.

And what happens then, is that everybody does what you would do. Of course they do, because they're not stupid.

And if everybody does what you do, the government prints a lot more money that what is demanded.

Not only is the demand of that currency actually diminishing while the government prints more in order to continuously to finance these allegedly free services. What ends up happening is the inflationary process and the destruction of the real economy is extremely evident.

The first thing is – the one thing that you don't do with your salary is invest. Why don't you invest for the future? The reason why you don't invest for the future is because you know that the returns of your investment if you succeed will be absolutely absorbed by the government in its monetary destruction.

The second reason is because you have absolutely no clue about the future in something that already has a tremendous level of uncertainty, which is investment.

That is why, in countries like Argentina, in countries like Venezuela, when they start that process it becomes a downward spiral. Because the first people that are undertaking capital flights out of the country are their own citizens.

The second is that real investment collapses because there is no way that anybody is going to undertake really long-term investments into the economy.

The third thing that happens is that those services that were supposed to be given for free actually don't appear, because their currency becomes more and more worthless.

And by becoming more worthless, the government does not even get close to offering those kinds of goods and services.

What the millennial should understand is that there is no public sector without a thriving private sector. Our millennial needs to understand that, needs to repeat that every day until it sinks in. There is no public sector without a thriving private sector.

If the public sector continuously erodes and crowds out the private sector, it ends up destroying not just the private sector but also the public goods and services that it promises to deliver.

Erik: Well, we've just done a very thorough job of describing the backstory that might explain some of this disparity between the message we're getting from the bond market and the message we're getting from the stock market.

But let's move on now and talk about the bond market and the stock market. What are your outlooks for both?

Let's start with stocks. Given all of these conflicting signals, what happens next?

Prof Lacalle: I think that what will likely happen next is that we will see a relief bounce from three factors.

One, that China's devaluation, as we saw in the three previous ones, that China's devaluation is sort of absorbed by the market and it doesn't get any more aggressive because China needs to maintain, on the one side, an artificially high currency and, on the other side, an artificially weak currency.

In one side, to avoid capital flight and to maintain the purchasing power of salaries and wages. And on the other side, to try to export more.

So it's a very delicate balance that they try to manage.

So the first one is going to be relief post-devaluation.

The second one, in my opinion, is that, because we have seen such an aggressive and quick slump in PMIs and in the macro data – much more aggressive than I actually expected – in the first half of the year, the signs of stabilization will be seen as positives, very likely. You will see, suddenly –

We saw today with Germany, oh my gosh, factory orders are up 2%. Still down on the year. That doesn't matter. But it's like sudden relief.

The third, obviously, is here comes the ECB. The European Central Bank is going to come up with very aggressive messages, like it did in 2009, of stimulus plans, infrastructure, helping through monetary policy, fiscal policy. The European Commission might start to put through ideas about a very large stimulus plan like the ones that we have seen in the past.

So we are likely to see a little bit of, let's say, tailwind coming from relief. And I'm sure that we will hear some mild messages coming from the United States and from China about the trade war.

What we need to do is to take those with a pinch of salt. And what we need to do is to take those with a pinch of salt because we have seen all of this in the past and we kind of fall into the same trap again.

We have already seen the Juncker plan. We have already seen the growth plan for Europe. We have already seen the massive QE from the ECB. We have already seen the ongoing messages about it's coming, it's coming, the "Peter and the Wolf" message about the trade dispute.

So we need to take that bounce and reduce exposure to cyclicals. We need to reduce exposure to cyclicals, absolutely.

Bond markets: When every single central bank in the world is telling you that they will do anything and whatever it takes so that governments finance themselves cheaply, even at negative rates, that happens and it happens big time.

And we think we cannot see any more of negative rates. Oh my god, we can. Oh my god, we can.

We were talking before about what academics say. Now, we are seeing so many papers out

there saying how to make negative rates work this time – a paper by the IMF that I recommend everybody to read and not to take very seriously etc., etc.

We are reading so much about the great idea about negative rates that it will be implemented further, because there is no government in the Eurozone and there is absolutely no contender to the government or in government in Japan that is questioning negative rates.

So we will likely see that getting worse before it – worse in terms of negative rates. But as a bond holder, as an investor in bonds, obviously the dichotomy is going to exacerbate as we have seen in the last six months, I believe.

Erik: Now, just a few months ago, a lot of people were still saying, look, that 1.34 (I believe) was the low print on the US 10-year has to be – has to be – the final end to the bond bull market. It's all over, it's going in that direction.

Well, we're back to within what, 30 basis points as we're speaking today, of that?

So are we headed to new lows in yield, new highs in bond prices on the US Treasury?

Prof Lacalle: I think we're going to new lows on yield. And the reason is that as all of these things that we have been talking about so far unravel, there is a message that is floating in all of these policies all the time, which is, buy dollar assets.

Which is what central banks are going to be doing if the European Central Bank enters into massive printing. Because the collateral for many of the banks that are going to be in the Eurozone defending themselves against negative rates is dollar assets, it's Treasuries. That's why China has been reducing its holdings of Treasuries and yields are falling.

So it's very, very likely that if we go from financial repression to outright QQE Japanese style, then it is very, very likely as well that yields in the US are challenged beyond our expectations.

Erik: As crazy as this whole notion of negative yielding bonds seems, I'm able to reconcile it. It's crazy. But if you think about it and you sort of say, okay, so it's really the banking system is not using sovereign bonds as an investment that they're expecting to make money from.

They're really using it as a liquidity tool when their balance sheet, the Basel III Accord have some implications, there's reasons for banks to be holding these negative yielding assets. It seems crazy to us, but I can justify it. Or at least I can explain it if I struggle.

The thing that I cannot understand – and you're a professor of global economics, so please enlighten me – how is it possible in Europe that we now have a couple of dozen negative-yielding junk bond issues.

And, just to refresh our listeners' memories, what a junk bond is is when a ratings agency who

is expert in these matters looks at the creditworthiness of a borrower and says, you know, this is not a very good risk. This is a really risky investment. These are not the right people to loan money to.

Why would someone loan them money? And you can't say it's just because of balance sheet requirements of central banks and so forth. Junk bonds are not reserve assets.

This has to be a bid that is coming from a free-willed private sector investor somewhere who thinks it's a good idea to bid the price of junk bonds up to a level that it has a negative yield.

How does that reconcile with rational expectations theory? It doesn't seem rational at all to me that someone would buy that bond.

Prof Lacalle: I don't think it is rational. I completely agree; I can understand the logic. But it's, again, a very, very dangerous bet.

This is the bet, in my opinion. Okay, so if I buy the high-quality assets, they are too expensive and the yield is already too low and negative. So if I want to search for yield I need to find something that gives me a little bit of yield but at the same time is extremely risky.

Why am I going into buying something that is extremely risky and at the same time has a negative yield?

Because my bet (maybe conscious or unconsciously) is when the governments and the central bank in the Eurozone have one single policy – that is we will take zombification of the economy no problem whatsoever, nobody is worried about that. We will take zombification of the economy but we will not let anybody fall. I want to go into the riskiest asset.

That is the problem. You see, the flawed logic is that, while governments and central banks are willing to do whatever it takes so that any process of change of economic cycle doesn't come back with the logic of any economic cycle, which is creative destruction – some businesses fail, others thrive, etc.

When you are taking the first part of the equation out, which is nothing can fail, then you want to move into the riskiest assets because those are the ones that rise in price the most while the yield is negative in any case. It's a very, very dangerous bet.

It's like basically saying, because I have almost a safe bet in the fact that if I buy a sovereign bond it will be repurchased by the central bank and therefore I may not make any money but I'm sort of maintaining the value of my assets, I'm going to go not three but four steps further as an investor.

And I'm going to go for the riskiest asset because, if I and the rest of the wave make that asset systemic, then it has to be bailed out. You see? It's a process.

This is the collateral damage of quantitative easing, is that quantitative easing and expansionary monetary policies lead, consciously or unconsciously, investors to take a view that it is best to take more risk because, in one way or another, that extreme risk will be rewarded with some form of bailout. It can be an indirect or a direct bailout.

Now, think about it. If the ECB is going to make a massive QE, that has to give a message to the market that it is going to be bigger, bolder, and more aggressive than the previous one, we're talking how much? Five trillion? Six trillion euros?

So that investor is thinking, my bonds of this company that cannot pay its interest expense with operating profits, and it's barely at the edge of bankruptcy, these are gold dust.

Because if the ECB says 5 trillion, where is it going to get it from? It's not going to get it from blue chip investment grade issuances. It doesn't even get it from financing all the deficits of the peripheral economies, because that's already happening.

So where is it going to get it from? You see? It's a massive bet on an indirect bailout of the zombification of the economy.

Erik: Let's move on.

As we talk about all of these bailouts and things that surely have to end badly someday, let's talk about gold, which – despite the strength of the US dollar that I thought was going to be a headwind for gold – we've seen a breakout above a very important technical level at $1,350 to $1,377 which has held for five years now.

Not only did we break above that level, but we moved about $200, almost, above the $1,350 initial breakout zone in a couple of months. What is this telling us?

And at the same time, we're not seeing the dollar dump here. We're seeing the dollar very much hold its own. And for a while the dollar was breaking out until President Trump started talking about trade wars. The dollar was breaking out at the same time that gold was breaking out.

So what's going on? What does this change in correlation between the dollar and gold mean? And is this the beginning of a really, really big move up in gold?

Prof Lacalle: Well, on one side, gold, the fundamentals of gold have improved quite a lot. Central bank buying of gold is at all-time highs. So on one side the supply-demand scenario is pretty good. And that sort of maintains a minimum price.

The second one is that, if people start talking of currency wars, they start to think immediately, What is the reserve of value here that I can look for?

Now, the reason why gold and the dollar were rising at the same time as bitcoin and while copper was coming not down but sort of doing nothing, was because what ended up happening, which was a devaluation of the yuan, was already quite predicted by many Chinese citizens.

And if you think about what has been going on in terms of gold buying, and in terms of dollar asset buying, a lot of it has come from Chinese banks and Chinese citizens.

So I think that's why there was this correlation. It was basically a negative yuan, positive any reserve of value option.

Now what can we expect for the future?

If we enter – Let's start from my premise – I don't think it is easy, even politically beneficial, to enter a currency war. So if we don't enter a currency war, then it is quite possible that gold, which is an inflation hedge as well, gold gets a correction. But then continues its slow way up that is more driven by monetary insanity than anything else.

But remember that gold tends to get sold off when markets perceive, oh, there is not going to be an inflation burst, there is not going to be a currency war. So that could happen.

There could be a correction because of that effect that I was talking about before, the relief that things are not getting worse than what the market has already discounted.

But I think that if we enter a currency war – and again we cannot do anything else but guess – but if we enter a currency war and central banks not only start increasing money supply but actively targeting the currency then, obviously, gold is going to rise significantly.

So where we need to pay attention is not to the messages, the messages are going to be the same as always. Central banks will absolutely deny any intention to manipulate the currency. Absolutely they will.

What we need to do is to pay attention to the actions. And if the actions can be directly related to an active decision to influence the currency – not an indirect one – QE is an indirect hope that the currency will weaken as a secondary effect. That is not what I'm talking about.

What I'm talking about is actively selling reserves etc. So that's what we need to pay attention to, because that is what will probably kick the price of gold above its resistance level.

Erik: Let's move on to emerging markets. You told us in the last interview that they still had a long way to go before finding a bottom. What's your current outlook?

Prof Lacalle: I believe that what we are going to see in the next 12 to 18 months is the effect

of all the dollar-denominated maturities are coming to be repaid. So there is pressure to buy dollars.

And there is pressure, as well, to refinance in an environment in which you have more risk attached to growth expectations than what we had last year in which there was a sort of expectation that things would bounce into the second half.

So I would be very cautious about emerging markets. Particularly because in many cases – as we're seeing with India, as we're seeing with Argentina, as we're seeing with Turkey – in many cases, they don't have tools to defend the currency. And the currency itself is the only sort of valve that allows them to try to at least disguise the effects of the imbalances that they have built in foreign currency in the last eight years.

Erik: Well I can't thank you enough for a fantastic interview, Professor Lacalle. Before I let you go, please tell our listeners – I believe you write a blog. And, for our accredited investors, you also manage a fund for Tressis. Please tell us how they can contact you to get more information.

Prof Lacalle: Thank you so much.

If you want to follow me, the blog is dlacalle.com. We have it in Spanish and in English, so it's impossible to avoid getting my opinions. Also on Twitter @dlacalle_IA and on LinkedIn – it's not difficult to find me.

I'm also the author of three books: *Life in the Financial Markets*, *Escape from the Central Bank Trap*, *The Energy World Is Flat*. And I'm proud to say that I will be publishing a new one in March 2020. It's called *Freedom or Equality – The Key to Prosperity Through Social Capitalism*.

The fund is called Adriza Global and you can find more information on the website of Tressis.

Erik: Well thank you so much for another fantastic interview. We look forward to getting you back on the show sometime around when that next book comes out.

Patrick Ceresna and I will be back as MacroVoices continues, right here at macrovoices.com.