



MACRO Voices

with hosts Erik Townsend and Patrick Ceresna

David Rosenberg: Navigating Choppy Waters

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Erik: Joining me now is [Rosenberg Research](#) founder, David Rosenberg. Rosie, great to have you back on the show. It's been quite a while. Let's dive right into the obvious. You know, everybody's talking about this market. You and I have had our reservations for the last couple of years, but it keeps charging higher and higher. It seems like nothing wants to stop it. What do you think?

David: I think that what we always have to do, is try and assess what the market is telling us in terms of its view of the economy and earnings and interest rates, so on and so forth, and what your own view is, and that's how you can map out whether or not you want to be long or short or anything in between. So, what is the market telling us? The market is telling us that once we get to this July 9 deadline on the reciprocal tariffs, we're going to be met with yet another reprieve from President Trump and, or that we will see a flurry of deals coming to the fore, which haven't happened yet, but the market's telling you that it expects that the tariff file is going to be in the rear view mirror if it's not already in the rear view mirror. When it comes to the geopolitics, the market is clearly telling you that the fear that there would be either a blockade of the Strait of Hormuz, or that the IDF was somehow going to take out some of Iran's oil export terminals, that didn't happen even when the US went after the nuclear facilities energy, which, of course, is their economic lifeblood, was left untouched. So, you removed that worry. And everybody believes that this war between Israel and Iran, just like the tariff file, is in the rearview mirror. And of course, how this relates, most importantly, on this point of the geopolitics, is ultimately what it means for oil prices. So, oil prices coming back down is viewed as basically a tax cut for the US economy and for the global economy. So that part we can easily explain. There's this prevailing view that with Donald Trump's popularity on the rise, now that he can claim a win from that dramatic strike in Iran last Saturday, that now that he has the political tailwinds, that he's going to have a much easier time getting his "big, beautiful budget bill" through Congress. So, all these uncertainties in the market's mind have been put to bed, that no tariff, war between Israel and Iran is now contained, and the road towards, call it fiscal stimulus, if you want, is intact. Fiscal deficits themselves be damned, but that the budget bill is viewed very positively by the marketplace. So that's what we have on our hands. And all the while, the market believes that we're not going to have a recession, and the market believes that even without the recession, inflation is going to fall sufficiently to pave the way for the Fed to cut interest rates. So, this is not a cup-half-full narrative from the stock market. This is a case of the cup-being-entirely-full, and that's where we are today. I have a different view than the markets, and we'll see how it plays out, but that is the signal from the market pricing as we sit here today.

Erik: David, I should mention, for the sake of giving our listeners some context, that we recorded this interview on Tuesday afternoon. This has been such a busy news week that things will probably change by midday on Thursday, 48 hours from now, when our listeners actually hear this interview, I'm curious. I agree with you that in this moment that we're speaking, it seems like everybody's acting as though President Trump just solved the whole thing. He declared that there's a cease fire, and everybody has agreed to it. It really feels to me like I'm not sure that everybody really agreed to it, and that it's not really going to last that long. What do you think? And are we headed for more geopolitical difficulty that could reverse that perception and get it or back around to, oh, the President was overconfident. He thought he had this all under control, and actually it all blew up in his face.

David: Well, I tend to agree with you. And the one thing I could tell you is that a leopard does not change his spots overnight. And we're not dealing about a war, like the Russia-Ukraine war is over territory, it's over land. You could talk about the '67 war and the '73 war. Those wars were over land. This is a war between ideologies. This is radical Islamic fundamentalism against the biggest infidel on the earth, which is the Jewish state, Israel. So, this is a different kettle of fish altogether. You're dealing with fanaticism. It's not about economic idealism like it was between the US and Russia during the Cold War. This is something totally different. So, for anyone to believe that the ceasefire means that the war is over, especially with Israel having cleared out the air waves through over Iran, which you would have thought was unthinkable, but that path was blazed several months ago, but it was really quite spectacular. Donald Trump now expects Israel to lay off, even though Israel isn't targeting civilians, they're targeting military installations. Little bit one sided, but the point is that I don't believe that this war is behind us. I don't believe that we will see regime change, because I don't even know what that means when there's no real opposition. For all we know, the Revolutionary Guard would be the ones to step in, and I'm not so sure that would be any better situation than the Ayatollah and then we'd, of course, there's no evidence the Americans managed to dramatically impair Iran's nuclear capacity in the near term. Nobody knows where that 60% enriched uranium has gone. It's missing, and it's obviously hidden. And the question would be, how much time and how much effort would it take to get that to 90%? So, I agree with you, this this story is not over. But you know, the stock market's funny. Everybody tells me that they're a long-term investor. I invest over the long term. I hear that all the time, and yet the same people tell me that, I notice that they're on their phone every 15 minutes looking at their portfolio. So, the stock market used to be a long duration asset, but it's turned into a bit of a casino and a get-rich-quick scheme. It's not the same stock market that I grew up with in the 1980s even Gordon Gekko, who said greed is good in the 1987 Wall Street classic, it's a different market today. And time horizons have been shortened dramatically. And I think that basically, technology and social media have played a role in that, but I'd say that the markets have taken on a very, very short-term view. An answer to your question, I know that was a long answer, is that I agree with you that this war is not over. The ceasefire, we had few ceasefires in the war in Gaza, didn't mean that there was the end to the war. But I think that the markets, just as we're seeing, they get whipsawed like crazy. It is a massively headline driven stock market. You know, when I grew up in the market back in the 1980s, Bob Farrell, the legend, would always say, the markets make the news, the

news does not make the markets. And I think if you're asking today, you'd say, in today's market, it's all about the news.

Erik: That seems really, really important to me. Because, one of the things we used to say back in the day is, either the news is going to shake the markets up and down, but at the end of the year, at the end of the month, what's really going to count is the fundamentals. So, if you stay tied to the fundamentals, you're going to do okay. Are you saying that's not true anymore?

David: I'm not going to say the fundamentals don't matter at all. Maybe not as much as they used to. It's basically in the math. What is the S&P 500 at any moment in time is the product of two numbers, earnings and the multiple that investors are willing to slap on those earnings. What is the multiple? And the move in the multiple, base point for basis point is far more powerful on valuations than any shift in earnings growth. Earnings growth and earnings growth provisions move glacially, but the multiple moves like Bitcoin. So, the multiple is the heartbeat, the pulse of confidence that investors have over the earnings outlook. So, there's the earnings, the earnings outlook, then there is the confidence level, the confidence interval around those earnings, and the multiple at 22, you can't believe it's going to get much higher than that when the risk-free rate is over 4%. So, you see what's happened here is we have an equity risk premium when you compare the earnings yield, the inverse of the PE multiple in the stock market, and compare that to the yield you get, say, in the 10Y treasury note. Normally, you would get compensated. Normally, the equity risk premium is, call it 300 basis points. You're getting paid that as compensation on the earnings yield over the bond yield to justify the risk of taking on capital risk in the equity market, when the equity risk premium is zero, like it is now, the stock market is telling you that the S&P 500 is a riskless asset. That's what it means when the ERP is zero. The market is telling you that it is treating stocks as a riskless asset. When you get the same yield in the S&P as you get in the treasury market, a very rare occurrence, it's been with us now for the past year, at least, still with us today. And that's what keeps me, I wouldn't say totally on the sidelines, but whatever my comfort level is in the equity market, it's lower than it normally is, because I do respect valuations, not just absolute, but relative to what I can get risk free in the bond market. When the ERP is zero, like I said,—and I think the listeners would be well advised to know—what the stock market is telling you at this moment of time, that the stock market is being viewed as, being in the same risk bucket as risk-free treasuries. So, I would just posit that whenever the earnings yield in the stock market and the yield you can get in the risk free, now, when I say risk in the bond market, there's always there's inflation risk, there's duration risk, there's cyclical risk, but there's no capital risk.

Erik: Could it be that there is suddenly new capital risk in the treasury market?

David: I don't believe that.

Erik: So, you don't think the market's discounting a weaker credit of the US government.

David: It may well be. But, you know, and the US did get drowned, downgraded by all three agencies, so technically, no longer AAA. But is the US going to default? Will it restructure? I

mean, you hear all sorts of horror stories about that, and I have for years, but I don't think that's going to happen unless the United States somehow believes that the reserve currency status is this too much of a burden on Middle America and on Main Street. And if the United States is willing to forego these massive fiscal deficits, which are largely funded by foreign investors, so how would you ever bring them back to the table to fund the deficits that help keep US living standards intact, if you dared pull a default? So that does not keep me up at night. What keeps me up at night is, at some point, there will be a rude awakening. There will be a classic to invoke, Bob Farrell once again in his *10 Market Rules to Remember*, which is the 10 commandments to investing. And rule number one is, how markets revert to the mean over time, and the equity risk premium historically is a mean reverting series. How will that mean revert? How will we get from zero to, say, 200-300 basis points, either bond yields have to come way down, or the stock market has to come way down. Pick your poison.

Erik: And what do you anticipate is likely to happen?

David: Well, I think there'll be a combination of the two. If I was really bullish on the stock market, I'd be all in, but it's always shades of gray, I probably have the same equity participation now that I had back in the summer of '07. So, it's pretty low, but it's not zero, because I don't believe in zero and I don't believe in 100. I don't believe in black and white. I believe there's always shades of gray, but I like to invest when there are tailwinds behind me, and the 22 multiple benchmarked against a 4%, plus risk free interest rate is just not arithmetic that is compelling. My money is on the bond market, and the bond market is unloved, and it is under owned, and it's actually rather maligned. If you go to the cocktail party and you talk to anybody about your exposure to treasuries, they'll run away from you like you're a skunk who wants to talk about the bond market. So, I'm a contrarian by nature. I like the bond market right now. I've liked it ever since the long bond got to 5%, yet again, which back to 2007, has proven to have been a ceiling. And when the 10Y note got to 4.5%, I started loading up the gun for the Treasury mark. So, I also differ in the stock market among respect which I mentioned, which is that I do believe we're heading into a recession. People say to me, well, you thought so in 2022 and 2023, and that much is true. But I don't cry over spilt milk. And what happened in that period of Fed raising interest rates aggressively and inverting the yield curve was, it didn't really hit the economy, because everybody had locked in already at the interest rate lows back in 2020 and 2021. And so, a lot of people, especially homeowners, were sheltered like they'd never been before, from the rate increases. But now, these people are starting to roll over. Now you're starting to see people refinance in the mortgage market. Refinancings have gone up a lot in the past year, and you're starting to see how this is playing out in the supply of houses coming out of the market. I mean, the year on year, growth in new supply in the resale market is 25 percentage points higher than the demand is right now. And that's why, for example, we saw today, the Case Shiller numbers, you're negative two months in a row. That hasn't happened in several years.

You're starting to see cracks in all the home price series. We know what residential rents have been doing that only recently started to show up in a cooling off in the CPI data. But house prices are starting to crack, and they weren't cracking when the Fed raised rates, home prices

just kept on going up back in that period, so we didn't have a negative wealth effect on spending. And the labor market was hot, was hot as hell. The labor market is completely different today. You look at the job openings, you look at the hirings, and now you're looking at the claims data are starting to hook up. It's a different labor market now than it was back then, lots of things are different. And like I said, I am not a once-burned-twice-shy, sort of a guy. I learned from my mistakes, and I move on. But I do not say, well, this did not happen three years ago, therefore it's not going to happen. The tea leaves are right in front of me, and in fact, I have more conviction in the recession call now than I did three years ago. And in fact, there's some measures suggesting that the economy is already in a recession. And let me just tell you that we do receive monthly GDP data. And GDP in the United States, real GDP when you look at the monthly data, which can sometimes get lost in the quarterly averages, real GDP is running slightly negative on a 3-month and 6-month basis. April over April of last year, real GDP is 1.3%. And I remember in the day when I started in the mid 1980s, you got down to a one handle on real GDP on a 12-month trend basis. People would be asking me, are we heading in a recession? We're down to 1.3 today. And people say to me, well, it still has a plus sign in front of it, doesn't it? So that's the brain of today's market, vis-à-vis what happened back when I started the business. The market doesn't see it, real GDP is slightly positive year on year, but the 3-month and 6-month trends are showing that, that 1.3 is actually subsiding and the economy is actually contracting. The economy is actually contracting right now. But you see, then you have Jay Powell telling everybody that the economy is solid, and I guess that the world will listen to Jay Powell over David Rosenberg. And when you have the central bank Chairman saying things are solid, well, the economy is solid. Economy is solid. Inflation is going to melt away. Fed's going to cut rates, no tariff war, no Mideast war, "big, beautiful bill," all the stimulus, and you're off to the races. And that just comes down to why investors, and it's not an earning story. Earnings estimates are not going up. What's been going up is the market multiple. What's been going up is the conviction level that we're going to get solid earnings. So, it's been a multiple driven market.

You asked me for about the fundamentals? No, this has actually been very much a momentum and sentiment-based rally. I'm talking about the rally that we've had over the course of the past three or four months. It has not been fundamentally based. Earnings estimates are going down, not up, and it's been the news flow taking out, I guess you could say, taking out the tail risk in the market, the tail risk of a widening Mideast war, the tail risk of a global trade war. So, these tail risks have been taken out. But to some extent, I even scoff at that argument, because it's not as if you know, at the market lows in April after Liberation day, the Ford multiple got down to 18! 18! Yeah, and that's what we call a bargain. Seriously, you know, I started the business in the 80s. I remember in 1982 the trough multiple that actually paved the way for a 20-year bull market. The market multiple troughed at 8, and today it was 18, and now we're up to 22. So even at 18, I was there thinking, is this really, I mean, it seemed horrible at the time. I mean, the market's down 20%, some other stocks are down. Sectors are down closer to 30%, but that was coming off those February highs, which were, I would say, exuberant highs. We go down, and the bottom in the market is an 18 multiple. Well, that is a new world altogether, but we never even got to stupid, cheap levels. We got to an 18 multiple, which is even higher than the historical average. But those are the cards that were dealt. But you see, I am naturally risk

averse. It doesn't mean I don't take risks, but the risks have to be calculated, and I like to invest when I have tailwinds, and I don't see the tailwinds right now. And I think, there's a lot of speculation that's priced into the market right now, speculation on what's happened in the Mideast, speculation as to what's going to happen or not happen in the trade war, speculation on what happens with this "big, beautiful bill," what happens in the future, given that nobody is willing, not even the hardcore Republicans are willing, to tackle the deficit. So, the markets have taken on, I think, maybe just too much of a rose color view as to what's going to be happening. I'm not buying this market. There are parts of the market I like, but I will not buy this market with a 22 multiple, unless bond yields go back to where they were in 2021. Because that's the only way the math makes sense.

Erik: Let's talk about what you do like, which is the bond market. Seems to me like, the enemy of the bond market is inflation. It seems to me that if you believe that President Trump is just bluffing for the sake of negotiation with all of these tariffs, okay, I see that. But if it turns out that these tariffs really happen, and long term, we really do have a tariff centric economy, it seems to me like that's very inflationary, isn't it?

David: The classic economic answer is that, it depends, depends on a lot of things. And I mean, the tariffs are already here. We already got the 10% baseline tariffs. They were like 2.5% before all of this nonsense began. So, the tariffs are already here, and yet, you know, we're going to get a print later this week on the core PCE deflator, the consensus 0.1, it'll be the third month in a row of 0.1. We had some tame CPI, PPI data, not just for one month, but for a couple of months. The Fed, of course, is on the sidelines like a deer in the headlights, because it wants to make sure that this is going to be sustained. By the time they cut rates again, it'll be too late to save the economy. But they're more interested in preserving their credibility, which they think they lost three years ago. So, on the good side, I remember that what is being tariffed is 40% of the CPI. It's goods. And then the question becomes, who pays it? I mean, the imports come in, and then the importer pays the duty to the government, and then it's a matter of how much gets passed on to, say, the retailer or the auto dealer, and then what do they end up passing on to the final consumer? And it comes down to where you are in the business cycle, like, for example, when we had all those supply shocks happening around COVID, those supply shocks fed into wages, because the labor market was heating up dramatically. And of course, the government, through very large scale and extended jobless benefits, were paying people not to work. People were actually making more money staying on the couch than going back to their old job, which forced employers to dramatically raise their wages to attract people back into the workforce. That's why it wasn't transitory. It lasted 18 months because the initial rounds of shocks from the ongoing impairment of global supply chains. And of course, we had the demand impact from all the fiscal stimulus and the reopening of the economy, but it fed into wages, so we had a wage price spiral. It wasn't like the 1970s that it lasted a decade, but it lasted 18 months. Now, if you're looking at the broad contours of the labor market right now, job openings are going down, not up. Hirings are going down, not up. Jobless claims are going up, not down. It's a completely different labor market. You see, then the quit rate, the voluntary quit rate, I call it the take this job and shove it index, the job-hopping index. The job-hopping index

was surging. Companies couldn't hang on to their labor, so they had to keep on paying up more for labor back in 2022 and 2023. That's not happening now.

So as a business person, you got to think about, what is inflation? What is inflation? Is inflation the prices that you want to charge your customers, or is inflation the prices that your customers are able and willing to pay? Now, in that period in 2021, 2022 and 2023, don't forget that the household sector was flush with \$2 trillion of excess pandemic savings from the deep pockets of Uncle Sam. So, everybody turned price insensitive. They didn't care. You didn't feel it. And plus, you can get a job by snapping your fingers. Well, you can't do that anymore, and those \$2 trillion of savings are gone. It all got spent. So, I think you're going to find, and you see it in the data, something called consumer resistance to any price increases, companies will either have to cut costs elsewhere, raise their productivity ratios, or they're going to have to eat it in their margins. So, when I say that it depends, well, it depends on who is going to bear the brunt of the tariffs? That's the big question. But you see, when I'm looking at the broad contours of the labor market, which goes beyond focusing on monthly headline non-farm payrolls, or even the unemployment rate, these are limited statistics. There is slack emerging in the labor market that goes unreported and is unappreciated, but is going to forestall the ability for anybody to demand higher wages from their bosses. That's not going to happen. So this, whatever price increase we do get from the tariffs, are going to hit the wall in the labor market, and all they will do is create the conditions for negative real work based incomes. And then, with that, a contraction in real consumer spending, which is about 70% of GDP, and just reinforce the declining trend and growth that we're seeing right now that I discussed earlier.

So, the other part of the story is, of course, the 60% I didn't talk about. Which are services. Services aren't being tariffed, and you're seeing restaurants, hotels, airlines, recreation services are all on a significant disinflationary trend right now, that inflation trend line in the consumer cyclical service area, that inflation trend line got broken quite a while ago. And then, of course, like I said before, you have rents and you have house prices and they're going down. So, even if you get some pass through, on the goods side, the 60% call the service aside, you can't ignore that. And in fact, that was the principal story in that very tame CPR report that we just got a little while ago. But I fall into the camp that: A) Inflation is a lagging indicator. B) Whatever we get on tariffs, most likely will be a one-off, maybe a two-off, or three-off series of increases. Those increases will get snuffed out by a loosening labor market, and because these tariffs will be damaging, target demand will end up next year with inflation lower than would otherwise have been the case without the tariffs. You might end up with a higher price level, but inflation is not about the level, it's about the rate of change. And I think that'll be the big surprise going into next year, is how far inflation goes down, especially now that the service sector is playing ball. And you're right, that is one of the principal reasons why I am bullish on treasuries. I think that will go from 4.5%, and I think we'll be going down to 3%. And in fact, we don't even have to go down to 3% to know this, to know the math. You see, the reason why people are scared of bonds is the horrible experience and memory what happened in 2021, when the 10Y note was like 0.5% and all you needed was a six basis point increase in the yield to generate a negative return. Imagine that it was a historic period of time. You had no coupon protection, and it only took a minuscule rise in yields to generate a negative return. And that's when everybody was saying, for the next

couple of years, 60/40 asset mix is a relic of the past, which I never believed. It was just a circumstance of what we were in coming out of the pandemic, fears that we were going to have the Spanish flu, and who knew that we're going to have Pfizer Monday? You know, in early November of that very same year, in 2020, everybody was saying it was going to take five years to get a vaccine. So, we came out of it pretty quickly, and then we were left with gobs of excess fiscal, military stimulus. That much is true. But you see, the tables are turned, because, we were, not too long ago, at 4.5% on the 10Y note. Well, what does it take if you're at 4.5% on the 10Y note, what does it take to generate a negative return in your bond portfolio? Would be, you'd have to go up 70 basis points. Okay, you'd have to go to 5.2% to lose money in the bond market. You'd have to break above the cycle highs we had in October of 2023, when the Fed was still in tightening mode, which we know it's not there any longer. But if we were to go down 70 basis points from where we are today, you'd make a 10% total return in the 10Y treasury note. So go up 70 basis points earn zero total return. Go down 70, earn 10 basis points to 10%. Most people in the equity market don't understand bond math and the power of convexity. So, I like that risk reward trade off. I like that risk reward trade off in treasuries more than I like the trade off between 4% plus risk free rates and a 4% plus earnings yield.

Erik: David, has the US dollar entered a new secular downtrend? And if so, what does that mean to your bond market outlook?

David: There's been many, many instances in the past where bond yields and the dollar go down together. It could well be that the bond market and the stock market see what I see, because they're going down in tandem now. The US dollar, buy more, but they're going down in tandem, because they probably, the bond market and the dollar market probably has my economic view. And as my view, that the Fed will have more to do than what's priced in. Is the US dollar in a fundamental bear market? I'm not going to go that far, but it certainly is in a classic, steep correction phase. Really, the best hedge is probably gold, but I've liked gold for a bunch of different reasons, beyond just the hedge against the dollar. Gold has just got some other very great hedges, and like bonds, is a source of stability and a diversifier and a balance in the portfolio. But am I positive on the dollar right now? The answer is no, do what I say, it's going into a huge bear market. And I doubt that's going to happen, but it doesn't mean this correction is over with. But I do think that people are looking at anomalies. It is an anomaly. You think, boy, if the stock market's right, we're going to have booming growth. If you believe in the stock market story right now and the valuations, you have to believe we're going to be accelerating this economy to over 3% real growth. I just told you the run rate is 1%, and the near-term trends are slightly negative. But I think that's what the dollar market and the bond market are telling you, that is at odds with the stock market's telling you right now. So, who's your money with? The dollar and bonds, or the S&P 500? That's because at some point there will be the convergence. My money is on what the dollar is saying and what the bond market is saying, and if they are right, the S&P 500 is not going to be sitting above 6000 for a whole lot longer.

Erik: Let's go a little deeper on precious metals. Since you brought that up, it seems to me, what makes this precious metals rally a little different from prior ones is, we've seen so much

strength in gold, but not in silver, in platinum. You know, that echo effect wasn't there this time around. A lot of people thought that might be because it was central banks buying the gold, as opposed to retail and commercial interests. Seems like just in the last few weeks, that's changing all the sudden, silver wants to catch up again. Should we read any meaning into that? What's going on?

David: No, we wrote about that. They say that beer is the poor man's champagne, and silver is the poor man's gold. So, you can buy one at what, \$37 an ounce, and heading up to \$4,000 an ounce? So silver is a good alternative for people that don't have big pockets. Not everybody can go out and buy a few bars of gold. So silver is a good proxy. Has a high correlation. Silver has a high correlation with gold. I think it got to a point for anybody who drew the chart, and I wrote about this, the silver to gold ratio. Really, you were talking about a couple of standard deviation events here. So, silver's just playing catch up. Gold's got more alluring properties, and there's nothing cyclical about it. But silver goes into a lot of industrial uses, so it's more vulnerable to a slowing economy or a recession, but it is correlated with gold. It has quality characteristics. The reality is, like you said, though it's more of a catch-up trade, and you can't ignore what the central banks are doing. Central banks are continuing to buy record amounts of gold in their reserves. They're diversifying at an unprecedented rate. And there was just a survey done by the World Gold Council saying that for the coming year, a record share of the world's central banks are going to be adding to their gold reserves. So, this is no longer just a case of Brazil, Russia, India and China. This is broadening out into the developed world. Who knows where this can lead us? That's a very powerful flow of fund event, as we know with QE how significant the central banks can be. But you remember, throughout the 1990s, the central banks of the world were dumping gold and were investing in treasury bills and in bonds and in yield, bearing securities and dumping their gold. Gold went into a 10-year fundamental bear market in the 1990s which didn't end until the Washington agreement in 1999 when the moratorium was placed on Central Bank gold sales, that was the low in gold at around 250-260 an ounce. Think of what it's done since then, the price of gold has gone up eleven-fold since the Washington agreement. The S&P 500, which is all you ever read about or hear about, is up five-fold, and gold is up eleven-fold. And so, I imagine that the day that the world central banks say, okay, we have actually diversified enough in the gold reserves, then you could say, well, we've just removed a very important prop from underneath this gold rally. But that has been the principal source of demand. The central banks, if the World Gold Council is correct in its survey, it's not going to be ending this year. Keep an eye on it. You know, we've done a lot of work on gold and really mapping out more how this bull market ranks against other bull markets, the pattern of behavior, and we think it could get to \$6,000 an ounce at the peak. So, it's pressed the pause button for the past couple of months, still up something like 30% for the year at least, but the bull market in gold is intact. That is a buy-and-hold. And if you're looking for something that trades at a steep discount to the gold price, the gold mining stocks and they've been a great place to be, especially in Canada. So that's a really been a core part of our model portfolio, has really been what I refer to as the bond bullion barbell, the bond bullion barbell, and it continues to work very well.

Erik: Final question, let's touch on energy markets before we close. Obviously, we've got a lot of geopolitical tension. Once it blows over, are these oil prices high prices or low prices?

David: Probably, will end up trading in a range. I guess, because of my economic view and how that translates into oil demand, I'm more bearish than bullish. And of course, we'll get the flare up. So, all the energy bulls got very excited in the last week or two because it was happening in the Middle East. So, you can always say, well, this is a great geopolitical hedge, oil. However, I don't really like to invest around geopolitical events. I tend to find that doesn't work well for too long. I think that, you know, Donald Trump embarks on that trip to the Gulf states last month, and he did come away with a jet from Qatar, but probably made the case that he wants more supply. And the one thing we know, especially about Saudi Arabia and Kuwait, is they have a lot of available supply. I don't think that Donald Trump's going to be successful with "drill baby drill," but he probably will be successful in getting more oil into the market from OPEC+ at a time when the global economy is going to be cooling off. So, I find it difficult to be bullish on oil. And in fact, the energy stocks, which we used to really like a lot a few years ago, they're right near the bottom of our ranking scale on the equity sectors. There's better areas to hide in the stock market than energy.

Erik: Well, David, I can't thank you enough for another terrific interview. But before I let you go, please tell us a little bit more about what you do at [Rosenberg Research](#). For years and years and years, your *Breakfast with Dave* newsletter was famous in the industry, but you were kind of circling through a bunch of different research jobs for firms that were maybe controlling too much, putting a little bit of that perma-bull pressure on you. You broke free. What are you doing at [Rosenberg Research](#), and how can people find out about all the exciting services you're offering?

David: Thanks. Thanks for the question.

Erik: And more importantly, how do we get a freebie out of this deal?

David: Well, I'll put it this way. Anybody who is listening to this podcast will get an automatic one month free trial of everything I do. So, I still do the *Breakfast with Dave* daily publication, that's the flagship, but we also do every month, we do a special report in depth. We did one on gold. We did one on airspace defense. We did one on demographics. We just completed a very big one on the AI revolution, always with the view towards how do you invest around this, what do you want to own and what do you want to avoid? And we have our monthly Strategizer publication, which I used to do at Merrill Lynch Canada, and then I recreated it when I started [Rosenberg Research](#) over five years ago. And that's our go-to guide for how to invest your money across all the asset classes and all the sectors. And it's global in nature. And so, that right now, I would say rivals *Breakfast of Dave* as the most popular publication that I produce. Something else that has really been value-add I believe that I didn't used to do was, I have an information hotline for all of my clients. That there's an information hotline you could send me, questions, queries, criticisms, whatever you want. And I'll get back to you the same day, I spend 20% of my day just responding to the information, Hotmail, and it keeps me sharp, and it's a

great way to interact with my clients. Because you know what? In this business, you can't control the markets, but you can control client service. And for people that want to kick our tires, you can either just Google [Rosenberg Research](#), and that'll take you to the website. You can go to information@rosenbergresearch.com and it'll take you just fill out your name and one of our my client service people will get in touch with you. And for anybody who wants to reach me, I'm not going to give out my phone number because that's maybe a little too personal, but you can also reach me at my email address, which is drosenberg@rosenbergresearch.com.

Erik: And again, the URL for anyone who wants to cash in that offer of a free one month trial of all of Rosenberg Research's services, it's at rosenbergresearch.com. Patrick Ceresna and I will be back as macro voices continues, right here at macrovoices.com.