



MACRO Voices

with hosts Erik Townsend and Patrick Ceresna

Larry McDonald: The Great Migration To Hard Assets

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Erik: Joining me now is Larry McDonald, famously known as the author of [The Bear Traps Report](#). Larry prepared a [slide deck](#) to accompany this week's interview. Registered users will find the download link in your Research Roundup email. If you don't have a Research Roundup email, it means you haven't yet registered at [macrovoices.com](#). Just go to our homepage, [macrovoices.com](#), click the red button above Larry's picture that says, [looking for the downloads](#). Larry, it's great to get you back on the show. Let's dive right into your slide deck. Page 2, you've got Albemarle, I believe that's a Western Australian lithium producer. Why even is lithium on your mind?

Larry: You know, Erik, we love to look, at [The Bear Traps Report](#), we focus on election cycles and some of the best trades, price in really impressive profits before the election or around elections. And in the case of Chile, you have to look at the world. Lithium is in a very good spot now, because you're talking about devastation, what I call "bombed out villages" where there was a left-wing candidate that was perceived to be the winner in Chile, if most of our planet's lithium comes out of Chile, and so SQM and ALB are two of the primary lithium producers. And as you well know, over the last year, what we call hybrids have taken massive, massive expectation market share from electric vehicles relative to where electric vehicles were supposed to be at this point in time. So, at the end of the day, you have a double barrel capitulation, perfect storm for lithium, which what we believe is, is gone through a massive, what we call capitulation cleansing process, where we're coming out of capitulation. And if you look at that chart, when you get a monthly MACD, Erik, a monthly MACD is a wonderful technical signal. It's a sign of what we call, like as I say one more time, the "bombed out village," where massive seller exhaustion, and we can get into the political dynamics.

Erik: And Larry, just to clarify, I look up ALB on my system, I see a Western Australian lithium producer. Sounds like maybe it's a Western Australian company that operates its mine in Chile.

Larry: Exactly, exactly. So SQM equity and ALB equity are the two big mines in Chile that control a large portion of global lithium.

Erik: Larry, I see on page 3, we've got copper coming up. That's also another major export from Chile. But before we dive into these charts, let's start with the big picture. Why Chile? What are you thinking about Chile? And what is it about Chilean politics that has got your attention on these markets?

Larry: Okay, so think about the last four, say, seven years. Argentina, Brazil, Chile, you've had left-leaning governments in these countries, and with the move in Argentina toward Milei, that has been an enormously profitable trade, where you're going from a left wing government to a more capital market friendly government, that's where you can make huge, huge returns in emerging market equities. In the case of Chile, we've had four years of left-leaning governments. We had a primary in the last week or so. And so the left-leaning government, Jara has really, is really now up against two conservatives, Kast and Matthei. And at the end of the day, I think all of our best political consultants we work with, it looks to us this is like an Argentina situation, where the probability of a market friendly candidate, because you've had years and years of left leaning socialists, they're not market friendly. These socialists, what they do in these countries, they go after the copper, they go after the copper, they go after the lithium. They go after companies that produce commodities in these types of countries. And so, if you go from a market unfriendly government to a market friendly government, the returns could be spectacular, and that's what we think is about to happen.

Erik: And you think the Chilean election is basically about to bring in a right-leaning government that's going to reverse these policies, that's going to be good for the Chilean domestic copper industry, and that, in turn, is good for Chilean copper exports and the performance of these companies?

Larry: That's the gist of it. Yes, exactly. You've gone from multiple years of left-leaning governments and now, all of our best information on the ground points to either Kast or Matthei. In either one of those situations, it would be, I think, extremely good news for ALB and SQM.

Erik: Now, we used to kind of tell ourselves that about \$4 was the upper limit on how high copper could go. I'm saying, years ago, we said that's about as far as it could go. Obviously, it's gone farther than that. How much are we in a new realm here? It feels like the era of copper's uses in the economy, as well as the price range that it needs to trade in, might be both changing at the same time.

Larry: Yes, so there's two big things going on. One is the situation in Washington with the 301 investigation in the Trump administration. But the bigger picture, which I want to cover both, but first I'll just take a step back to the macro picture, and that is artificial intelligence, data centers, the US power rebuild. We talk about this in great detail in our book, [How To Listen When Markets Speak](#), and we believe we're coming into an OPEC 1970s like crisis with copper. Because one of the things that I've talked about in the book, is Neil Ferguson. When we sat down, the famous historian, I sat down with him in the book, and he's like, wars are so inflationary, and when you come out of wars, you've got to get through massive amounts of issues. And if you think of like the Ukraine rebuild, think about if you do the math on the structures rebuilding the Ukraine, the structures to rebuild Iran, Gaza-Israel wars are extremely, extremely inflationary. And then when you think about artificial intelligence, and right now, the US power grid is 50 years old in some places, 30 years old in others. And so that's a situation where you've got tremendous incoming demand for copper there. And then there's the Los

Angeles rebuild, just because of the tragedy there with the fires in the fall. And so, if you add it all up, and then the last area is robotics. Robotics, 2 million robots. Just 2 million robots. And we were expecting, literally, if you listen to some estimates across the street, the next 10 years, you could have 50 million robots that are produced, but just 2 million robots would take almost a month of demand, of global production. And so, if you add up everything, and we do this in the book, you just have a tremendously powerful macro picture for copper. And that's why, if you look at some of the charts here, copper is breaking out versus big tech and the NASDAQ.

Erik: I was slightly surprised that you didn't mention the need to rebuild and increase the capacity of most of the electric grids of most countries around the world. Because people talk about electric vehicles, great, but if you want to be able to recharge them all, and everybody's got one, we got to double the capacity electric grids. And there's no plan to do that, those things are not budgeted, planned or accounted for. It seems to me like that's one of the biggest drivers. You didn't mention it. Do we disagree that that's the driver? Or what are you thinking?

Larry: No, no, absolutely. The grid is 50 years old in some places, 30 years old in others. And I should have made that much more clear, and this is something where the power grid, it's like a 90 year old, retired person that you know really has to get into a Ferrari. In other words, all of those data centers, all of that transmission of power and energy has to go and all those electric vehicles, and you could see this breaking down in state of Texas and California, there's a number of places in the United States where the grids, the grid systems, are just breaking down. And so, the whole, it's about a \$2 trillion rebuild in copper and aluminum. By the way, those two are going to be the big beneficiaries.

Erik: Larry, before we leave the topic of copper, we got to touch on President Trump's tariffs. It's been quite a ride on copper because people didn't know what to expect. A lot of people were front running, expecting tariffs on copper. Then it turned out that copper itself was exempted a little bit. Nobody really saw that one coming, and so it was just a whipsaw on the HG futures chart. Give us the background, tell us what we need to understand about the politics of copper, looking forward.

Larry: Well, at [The Bear Traps Report](#), we have a Bloomberg chat with hedge funds, mutual funds and pension funds, that we host a conversation during the day. And what I've noticed is a trend shift, where in the last like month or so, there's a lot of focus from the institutional investors on copper and on tariffs in Washington. And the setup, based on all of our research and talking with the big funds, the setup is really bullish, because once the Trump team gets through with this section 301 investigation, we're talking about a 25% tariff on copper, and US imports about 40% of our copper needs. And so right now, there's a pretty interesting spread between US copper. So, think of US copper and copper, say, in London, or in other parts of the world, US copper is already almost a 10% premium. So, you can tell that these tariffs are being priced in. We think it's going to be a 25% tariff. Some people are front running this. So I want investors, I want everybody listening to us to know that this is no secret that the US is going to have the tariffs and that this is being priced in some respect. But at the end of the day, this is coming, and

I'm seeing really large institutional investors buying companies that are exposed to the US copper, for sure.

Erik: Now, this is the kind of setup where you could expect, potentially a squeeze that pushes prices much higher as people come to terms with the imbalance in supply and demand. Then just as everybody's piling in, it ends up, kind of sell-the-news event? Do we need to be worried about that? Is there a coming event where copper presses up to a high level and blows off and ends up resetting lower?

Larry: You know, copper is in a consolidation, and you can see there in the charts, in especially the long-term chart. The monthly chart is just amazing, because Copper has failed here a few times. If copper does fail here, it will be a great buying opportunity, because the momentum is there. But you're right, in the last month, there are people front running this. And so I think the smart thing to do is, if you want to take a new position, take a 25% position and just be there and look for copper to pull back if it does on the news, and we expect much higher prices right now, \$5.09 on HG, we're talking \$750 to \$900 in the COPXETF, which are the copper miners. We think your downside is 20% to 30%, your upside has been potentially 200% to 250% over the next five years.

Erik: Larry, let's move on to page 6. Natural gas, equities, boy, energy, what a surprise.

Larry: Well in natural gas, once again, the shale region of the United States has been through a lot the last decade, and we're at a point of depletion. This is pretty well known. Our shale regions are running low, historically, if you look back in terms of where we are. So, the probability that natural gas kind of is in the \$7 to \$9 range, with the energy demand from artificial intelligence on natural gas, plus Europe and all the LNG exports, it's an amazing bullish story, and that depletion is coming. And so, the FCG equities, here's an amazing stat. Everyone's in the NVIDIA trade. If you do the math on NVIDIA, it's \$3.7 trillion equity. The top three holdings inside of the FCG ETF, which is natural gas, are only worth about \$250 billion, that's the top three holdings. So, at the end of the day, Erik, we're seeing on this situation, it's a lot like the 1990s, everyone's in the most obvious, crowded trade, \$3.7 trillion for Nvidia. But in order for NVIDIA to get to where the growth estimates are, you're going to need these natural gas names to be up 200% to 300% in our view. And right now, that the amount of capital that's in natural gas equities relative to just NVIDIA, we're talking the top three holdings in the FCG, natural gas ETF, are only worth \$250 billion, and NVIDIA is up at 3.7 trillion. So, at the end of the day, the risk-reward and your upside, you want to be selling stocks like NVIDIA and buying the FCG.

Erik: Let's move on to page 7, where you've got the rig count charts. Rig counts kind of change, because oil drilling technology has changed, so that we now drill more oil wells using pad drilling from a smaller number of rigs. So how should we be interpreting the rig counts? And what are they telling you in this this slide here on page 7?

Larry: Yeah, and this applies to oil and in gas, but at the end of the day, Erik, CFOs across our country in the energy space, they have watched their previous five or six bosses have been

fired over the last 10 years, and one of the reasons for that was what we call overindulgence, and what we call capital expenditures. And we think the same thing is going on right now in the AI space for, say, chips, the path of capital investment is very similar to what happened in the natural gas space about a decade ago. And there's a scene in our book, [How To Listen When Markets Speak](#), we talk about Aubrey McClendon, and at the bottom, bottom line is natural gas, chief financial officers, CEOs, a decade ago, massively, I call it, you know, a CapEx orgy, capital expenditure overdose. And over the last decade, CFOs have been more disciplined. And most importantly, they've learned how, when you get lower natural gas prices or lower oil prices, the ability of these companies to react and take down production, take down rigs in a fast manner that offers much more support than we used to have a decade ago.

Erik: On page 8, you've got the SPR, Strategic Petroleum Reserve, chart. This chart, just every time I see it, I get angry. And I want to emphasize to our listeners, on the left there, it's not like, oh, it's been lower than it is now. There are times in the past that was the initial fill that you're looking at on the left side of the chart, the SPR only started in the late 70s and or mid 70s, and you looking at the initial fill getting it up, took till the end of the 80s to get it fully up to its intended capacity. So, first time we've ever, after it was up to intended capacity, drawn it down to anything remotely close to these levels, and the reports are saying now that it was damaged as a result of those drawdowns to the point where it cannot be refilled until they do a bunch of repair work on it. So how does that fit into the story here?

Larry: Well, to us, now we're going to shift to the bull case for oil services, because it really plays into the SPR Strategic Petroleum Reserve. US production is higher. But the Trump team, when you talk to people on the Hill, you talk to people that are close to Trump, the Trump administration, they want US production, right now, offshore drilling is about 14% of US production. So, it's about 1.7 million barrels a day. And so, if we become more and more and more energy independent, our need for the SPR goes down, and that's what's been happening over the last five years. Everyone knows this, but the Trump team wants to take this to the next level. The Strategic Petroleum Reserve came about after the OPEC crisis in the 70s, and through the 80s and the 90s, the United States was dramatically under invested in this space. The Trump team, when you talk to people on the Hill, they really want energy independence, and guess what? Oh, by the way, they know that shale region is in decline, right? And so, if you think of like two things that are really going to increase, what we call equity prices in oil services. So, the oil service names are like the OIH, Schlumberger SLB, and Weatherford WFRD, these equities are in really incredible shape, because if we go from 14% of US production that's offshore, to 20%, the oil services names have 200%-300% upside and the valuation of stocks like Weatherford is absolutely incredible relative to technology equities.

Erik: Larry, give me a little bit more data. You're saying you love the Weatherford valuation. Why is it such a great deal? Give me the sales pitch.

Larry: Okay, so first of all, one of our favorite value managers in the world, David Einhorn (Greenlight Capital) has been buying the stock in recent years. And we have to ask, why is someone like a Hall of Famer like Einhorn interested in Weatherford? And when you look at the

balance sheet, you're talking about \$3.7 billion equity valuation, \$3.7 billion. Okay, they have almost \$900 million in cash and the debt level is down at \$1.7 billion. So, the balance sheet is much, much stronger, Erik, than we were in previous regimes for energy, that's the first thing. But the free cash flow yield, we think in 2026, they're going to do \$500-\$520 million of free cash flow. And if you take that up against their equity market cap of \$3.7 billion, you're up, and you're like 15%-16% free cash flow yield, Erik. This is of incredible value relative to, right now, the S&P is trading at 22 times earnings, right? This company, Weatherford, has an equity market cap, I'll say it once again, \$3.7 billion, EBITDA of \$1.2-\$1.3 billion next year. So, you're talking about, it's trading at two to three times EBITDA, and with a free cash flow yield of 16%. To us, this could be a five or six bagger on the upside from this incredible valuation.

Erik: And Larry, on page 10, we've got Schlumberger. What's the story there?

Larry: Well, Schlumberger is, I wanted to talk about two different equities, because Schlumberger is a household name. It's really kind of like the Google of this space. So, they're using artificial intelligence in ways to create a better oil services company. I should say, \$47 billion valuation, free cash flow yield of almost 10%, we expect EBITDA next year close to \$9 billion. So, it's a much bigger company. It's a much safer company. It's a Hall of Fame kind of, like I said, it's the Google of the oil services sector. So, I wanted to look at a small cap equity in Weatherford and a large cap in Schlumberger.

Erik: Let's move on to page 11, where you've got jobless claims. What's the story here?

Larry: Okay, so this is where we get into the "big, beautiful deal" and the Trump administration and the Fed. The Fed, if you look at housing, jobless claims, there's some deterioration going on in the United States economy that has the Trump team pretty concerned, and the pressure they're putting on the Fed is, I wouldn't say impressive, but highly unusual, historically. And in the last week, they're coming up with all this—I would say in the last like six weeks—Bessent and Trump are doing a number of things around, trying to force the Fed's hand on rate cuts. And if you look at those claims, we're breaking out. And the institutional clients that we speak to feel that the banks—because we're coming off of this beautiful move up in bank deregulation—Michelle Bowman is a Trump appointee, and so there's this disconnect between where the banks are priced now relative to creeping and encroaching economic risks that you can see through the breakout claims, and the fact that the White House is very, very nervous and they're begging the Fed for rate cuts. They're begging the Fed for rate cuts for a reason. That's because under the surface, they see some things that got them pretty concerned at this point.

Erik: And on page 12, we've got a chart of JP Morgan stock.

Larry: Yeah, so JP Morgan's trading at 2.4 times book, 2.4. It's never traded there before. And what we're seeing, and what our top institutional clients are telling us, is the spread between JP Morgan and the regional banks is two standard deviations greater than the norm, and that's because of all this bank deregulation which favors the large banks. So, with the highest conviction, we think you should be selling the large banks now, your JP Morgan, your Bank of

America or shorting them through something like puts or the FCG ETF. But just to keep it simple, you want to be taking down exposure to the large banks like JP Morgan and, oh by the way, Jamie Dimon now has, he sold, basically, I think, 2 million shares in recent years, which is like almost 25%-30% of its holdings and a lot this year. So, Jamie Dimon, the CEO of JP Morgan, is selling shares aggressively. This is the most aggressive he's been. And so, we want to be taking down exposure to JP Morgan and increasing exposure to the regional banks through the KRE or KBW positions.

Erik: And we've got NASDAQ and Russell on page 13.

Larry: So, one of the things about this legislation that's on the Hill this week, and I really want to get into this, because this has massive macro implications. But there is some potential growth that can come out of this, and we think there's going to be a substantial re-spike, or kind of reignition of inflation, but the growth angle inside, remember legislation that impacts US companies versus international companies is an important trend right now. So, if you think of the S&P 500, or if you think of the NASDAQ, the exposure there to the international sales is very, very high. If you have a piece of legislation through this "big, beautiful deal" that increases US growth expectations over the next couple of years, you're going to see a colossal shift back toward the IWM, which is the Russell 2000 versus the S&P names, the technology or the QQQs. This is a trade that hasn't worked for a while. But as we come into the second year, the Trump administration and into the midterms, and as the growth in tax cuts comes into the economy next year from this legislation, this is where you could see a substantial outperformance in the IWM ETF relative to the QQQs and the S&P.

Erik: And Larry, on page 14, you've got UUP, the dollar up, ETF. I'm thinking about the dollar down ETF myself.

Larry: So, we've been dollar bears. And there's a whole chapter on the dollar in our book [How To Listen When Markets Speak](#), but I want to remind, this is probably the most important part of this chat. So, if you think of bond issuance right now, Erik, there's no new net issuance from the United States government since, we're talking about Treasury sales of bonds, there's been no net new issuance since January. So that means when they raise the debt ceiling, Erik, in the next two three weeks, by August, between August and the end of the year, we calculate they're going to have to sell \$1.7 trillion of treasuries to catch up. And if you think of the US Treasury checking account, which is called the TGA, the Treasury General Account, that is getting drained. Because, right now, there's no net issuance, and as we move toward that debt ceiling over the next 3-4 weeks, and if this bill gets tied up in the House, which we think it will—this is really, right now, it's a big showdown—because there's a House version of the bill and then there's a Senate version of the bill, and they have to be merged. And so, this is where it goes back to the dollar, because at the end of the day, if they don't pass this bill right away, we're going to get too close to the debt ceiling, and that means the refill of the Treasury General Account is going to be even bigger. Erik, we calculate it could be 600 to 700 billion more issuance than last year over the same time frame, from say, August to the end of the year. And what that means is, for everybody listening to us right now, if you have an explosion of

issuance, we're talking 1.5 to 1.6 trillion of issuance, 600 to potentially 700 billion more than last year of issuance, that's going to drive up T bill rates dramatically. And so the Treasury is going to have to sell lots T bills, lots of bonds, lots of notes. Both Bessent and Trump said this week they want to lay off the long end. That's why the longer dated Treasuries are rallying quite a bit over the last couple of weeks, because that started to ooze out. So, they're going to issue a lot of paper on the front end. You know what that's going to do? It's going to make the spread between US Treasuries and the rest of the world, that spread is going to really start to blow out again, and that's going to attract money back to the dollar. So, the dollar had its worst first half, I think, since the 1970s, the probability that we have a counter trend rally in the dollar between now and in November, that's meaningful trade is, I think, very, very high.

What does that mean for gold? So, gold's been strong. Every move down to the 50-days have been a buy. Gold probably has a difficult third quarter. We are coming into a very good seasonal point for gold. If you look at the GLD, the best months are typically right in here, and kind of like summertime. But I think where gold's going to have a problem is, as we get into, really, September, October, where that issuance picked up and the dollar goes through that big counter trend rally. Yeah, gold's going to have a little bit of a problem at that point, but at the end of the day, we have so much debt and Washington is even more irresponsible than ever. They're really smoking in the dynamite shed in Washington that when this bill goes back to the House. Erik, I mean, imagine if you're a fiscal hawk in the House. Erik, the Freedom Caucus, is this 30-ish members, right? They're the most hawkish, the most fiscal austerity fans that we have in Washington. And they've been promising their voting base back home that they're fiscal hawks. Elon Musk just pledged this week to out them if they vote for this. So, this bill is going to come from the Senate back to the House, and there's going to be a big showdown, because remember, the majority of the Republicans in the House is tiny, I think it's less than five. And so, we're going to have a big showdown in the House. We're going to have a big spike in volatility. This bill is going to go back and forth the debt ceiling. We're going to drain that Treasury General Account every day that we don't get this bill passed and on the President's desk, that Treasury General Account, those extraordinary measures, we're going to run out of cash potentially. I don't think we're going to default, but it's going to be high drama. Elon versus Trump and Treasury. The Treasury issuance to catch up, we have to issue 1.5 to 1.7 trillion between August 15 and the end of the year. It's the largest Treasury issuance periods in a six month range that we've ever seen. And it's, like I said, it's going to be potentially 600 billion more than last year. So, the trade setup is absolutely incredible for macro investors the next six months.

Erik: And on the final slide page 15, it looks like you're comparing the Citibank Economic Surprise Index, or CESI, to the US 10Y yield. Why don't we start with what is CESI, explain what it's about, and then what does it have to do with the 10Y yield.

Larry: So the CESI, the Citigroup Economic Surprise Index, it's not perfect. Many institutional accounts that we speak to, talking about its problems, so let's get that out of the gate. But what it does over time is, it looks at where the economic data comes in relative to expectations. And what we found is that we've been recommending in the last month, we've recommended the

TLT to clients because of the sense, bag of tricks. But also, this gets back to those jobless claims of what the Fed's up against. And it's very, very unusual that we've had this kind of massive amount of economic data and a lot of negative misses. That's where we get back to the banks. The banks are pricing in a lot of deregulation, but they're not pricing in any economic risk. And so, when you see the CESI move down like that, that just means that the economic data is missing expectations. It could mean that the expectations bar was just really too high, too optimistic. But to us, this is a reason why the long bond trade is working now, if you think of Ray Dalio, you think of Paul Tudor Jones, if you think of Gundlach, the bearish bond trade has been so well known because this Liz Truss moment that's been out there for so long, everyone knows that we have this huge problem in the third I call it, like September, October, November, and that's where we have that big problem with issuance. But we think, Treasury Secretary Bessent, we think he has a bat phone into Stan Druckenmiller, and remember, they worked together at Soros, so they know about this bear case for bonds. And they have this bag of tricks, whether it's through the supplemental leverage ratio, what they're doing with Wells Fargo, what they're doing with stablecoins, and they're going to try to use stablecoins to buy T-bills, and that whole type of demand. So, they have created this spectacular portfolio of kind of like bag of tricks that's creating this bond rally. At the same time, claims are higher, and the CESI, which is the Citigroup Economic Surprise Index, is a lot lower. This tells me, bonds could rally a little bit more here. I think you want to sell bonds toward the end of August, and then we have this big showdown of issuance, which is going to create a potentially bearish outlook for bonds in that September, October, November, range. It all depends on, it's basically the sense bag of tricks, it's what we call, Erik, and this is the most important phrase of this conversation. It's financial repression. We talk about this in our book. When you try to hold interest rates below the rate of inflation, it's extremely bullish for commodities and hard assets. And at the end of the day, that's Trump's plan, is financial repression. When you have a \$37 trillion debt hole and you've got tons of bonds that have to be sold, they need to massage interest rates below the rate of inflation, stagflation. That's what they're up against. That's their playbook. That's why hard assets, in a lot of the trades that we talked about, platinum and palladium—you can add to gold, silver—the setup for hard assets relative to financial assets, which are just stocks and bonds, just paper certificates, the next 5-10-year trade, and this is all part of our book. That is where you want to be, in hard assets, not financial assets and paper certificates.

Erik: Larry, I'm curious about something that's not in the slide deck. You've been almost as outspoken as I've been about nuclear energy and its importance. I noticed as we went through all the commodities here, you never mentioned uranium. What are your thoughts on nuclear energy, broadly and specifically uranium commodity? What do you think and how come not in the book?

Larry: Thank you for that, Erik, and you and I were out there. You were a lonely wolf. I remember in 2020-21 we started to build a position in Cameco in our trade alerts for clients back then 2020-21 and Cameco is up, I think, 110% in 57 trading days. And so, I think that this high beta risk on move that we've had in equities, I call it, in the end of the first second quarter, which is the middle of the year, we've had a spectacular high beta movement. All that means, in English, is high beta is just stocks that move more than the market. And all the time, the

uranium names are in the high beta space. So, we've had this big risk on and so we actually did a trade alert this week where we're selling down our Cameco position. We love Cameco over the long haul, and we were aggressive buyers in client trade alerts in April and May. And here's a fascinating thing. When the tariffs started to come on the scene, we started to hear a real bear case on uranium in, say, April, in March, as the tariffs were coming in. And then CFOs of companies in the uranium, say, if you're a buyer of uranium, or, say, a power plant, you know you have to move that uranium into enrichment as you move the uranium around the world. This really scared people. And so, you had this spectacular move down in the uranium equities in April and May. And then as the tariff problems went away, or at least Trump and Bessent neutralized that risk, the risk back on has been so spectacular that we're actually reducing uranium and some of the uranium equities relatives, because we made a lot of good purchases for clients in our trade alerts in late March, early April and into May, we hosted a call with the Spratt team, John Ciampaglia, and we hosted a client call. So, I just think that I love the space, but I'm really worried in the next four weeks because of what's happening with the debt ceiling, because of what's happening in Washington, we think the first part of the third quarter, the high beta names are really going to suffer, and so that's where I'm going to be looking to get back in these uranium equities.

Erik: Well, Larry, I sure hope you're right, because I would love to add significantly to my uranium position, and I've been waiting for that dip. And the problem that I have is, I think there's a long line of other guys that are waiting for the exact same thing. Lot of people expecting those gaps below the market on the uranium charts to get filled between now and September, when we have the WNA conference. I still hope that that happens, and I hope you're right, but boy, it seems like there's a lot of people lined up to on the sidelines, ready to buy the next dip.

Larry: Right? And the only thing that makes me feel some comfort around because, you're right, I don't, and all we've done is just cut our position down by 30%. But what's just fascinating is, no matter how bullish the case is for uranium, anytime we go risk off, these names are just for sale. And even the independent power producers, we love the NUKZ ETF, we recommended that three, four times over the last year because it has the uranium names and the independent power producers. These things the Vistras of the world, the Constellations and obviously the Camecos of the world, they just get absolutely hammered in any kind of risk off, which is, and that's why they're high beta. So, I'm just betting that we still are in a high beta situation where, if we go risk off the beginning, toward the middle of the third, I'm saying August, we'll have a good opportunity. But I agree, there's a long line of people that want to get into this trade, especially with our Energy Secretary that's laid out in an incredibly bullish future for the uranium space and the Trump team, and everything they're doing around national security, the whole thing is just more bullish than ever.

Erik: Well, Larry, 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's going on at [The Bear Traps Report](#). I can't imagine anybody not familiar with that publication, but just in case, tell them what it is and also, how to

follow your work. And while we're at it, please tell us about your book, which is called [How To Listen When Markets Speak](#).

Larry: Well, we're really proud, the book has been number one, number five on Amazon, in the financial space. And the book really focuses, there's a whole chapter on the book on nuclear power and hard assets. And so that's, we're really proud of, that [The Bear Traps Report](#) I started off on the retail side of the business in the 90s, and I always felt, as a retail broker, that someone was trying to pull the wool over our eyes, right? And I wanted to bring kind of democratizing information and bring kind of a lens on a buy side conversation out to retail investors. And that's what [The Bear Traps Report](#) is all about. So, we host a conference call every day on the Bloomberg terminal with big hedge funds, mutual funds and pension funds, and we gather the intelligence and then recap that for a broad audience. And so, I'm happy to give a discount to MacroVoices listeners a special rate, because most of our businesses are on the institutional side, and we're happy with that. But I'm at a stage in life where I really want to democratize information. We want to kind of bring that retail investor behind the scenes and take a look at what the big boys are up to.

Erik: And for anyone who wants to take Larry up on that generous offer, you can just email info@thebeartrapsreport.com, tell them you heard it here on MacroVoices, and they'll hook you up. Patrick Ceresna and I will be back as MacroVoices continues right here, at macrovoices.com.