

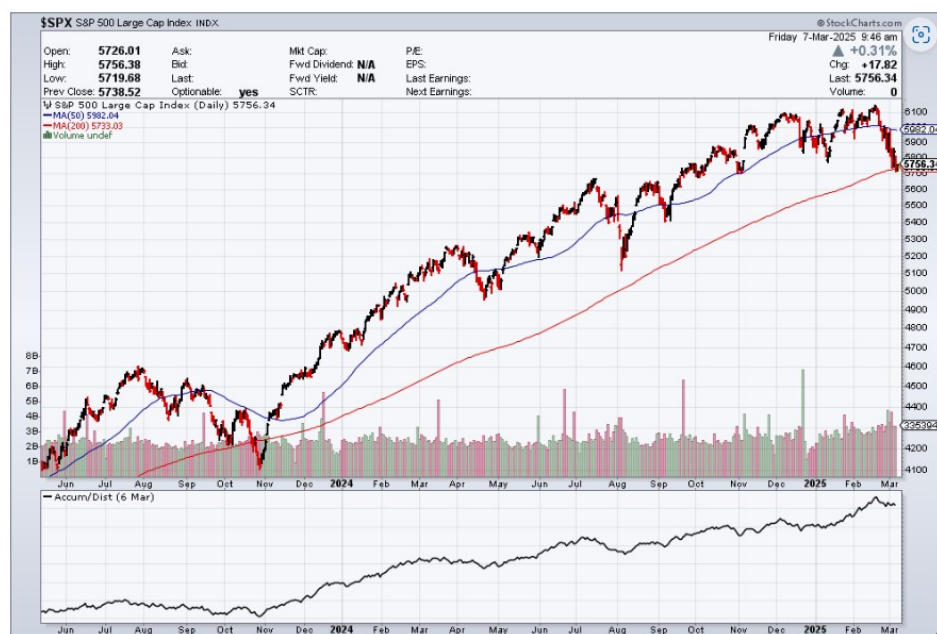
**To:** Valued Clients  
**From:** Mike Sullivan  
**Date:** March 7, 2025  
**Re:** Fiat, Folly & Fraud



Only rarely does a society sit through an upheaval and a full paradigm shift.

Perhaps we are in one now.

The American public is bearing witness to large scale disruption, all of it fostered by the fiat money frenzy we have written about ad-nauseum for years. Here is the S&P 500:



For the first time since Halloween 2023, the S&P 500 has retraced to its 200 day moving average. Today it threatens to drop beneath it, pending Chairman Powell's scheduled babble-session. Why?

There are a lot of reasons, but begin with Yellen's QRA debt-based, fiat-money festival she launched on that date. A relentless exercise in new debt generation financed a boondoggle that plowed money into the war machine, the immigration machine, political activism and war. Marriott does not care if the dollars on its revenue line are stolen from the future. Neither apparently do most investors. Note the accumulation line beneath the main chart.

Yellen's \$800B per quarter conveniently covered the \$1 Trillion in new debt generated every 100 days. The removal of the debt ceiling cleared the path. When Yellen exited stage left, incoming Treasury Secretary Scott Bessent was greeted with a January 31<sup>st</sup> decision of whether to a) continue pace, b) reduce pace, c) kill it altogether.

Bessent opted to continue it for two quarters: until July 31<sup>st</sup>. Then he will no longer report.

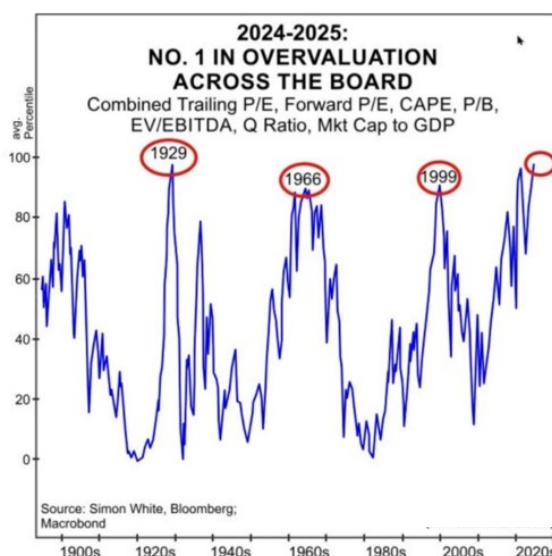
Pending Powell today, the market is positioned for a face-ripping rally (technically). Should it occur, we expect it to be short-lived. Trump has alluded to expecting a rough patch with the disruptive changes underway. Bessent has framed '6-12 months from now' will be 'Trump's economy'. In other words, from now until Fall will be attributed to Biden/Yellen.

The DOGE exercise has ripped back the curtain on US A I D, clearly a slush fund for the intelligence entities to fund activism, unrest, and both political and societal change. NGOs (non-governmental organizations) sprung up out of nowhere, received billions, and got busy instigating activities while their founders and participants piled much of that money into their vaults, and into stocks. Nefarious US A I D activity was world-wide, not just domestic.

Regardless of which fictional political team one prefers, look closely at those screaming into the camera. Behind every bit of anger, shaming, and hysteria shopped, ask yourself how much the speaker has personally benefited, and what they need to remain hidden.

Aside from NGO data, the personal net worth of our supposedly elected officials dwarfs their annual income capacity. As with every society, corruption is profitable. Again, to both sides of the pretend aisle. For market and national integrity, every one should be audited.

Nonetheless, Wall Street is happy to game markets, and investors are happy to chase them, no matter how stretched the fundamental and technical backdrops become. Here is a recent valuation measure that places this most recent 'chase' above 1929:



The rejection of support for the Ukraine war (money laundering exercise) quickly prompted gold to empty from the European continent and London vaults, and find its way to the U. S. at record pace. Capital always knows what is to come before the masses, and it always flees war zones. We take that for what it is, movement of gold. Whether it will prove to be a 'tell', or a false alarm, only time will tell. But the scramble by European globalists to crank out their own peace plan (of soldiers and planes) and a 500 Billion funding of Euros suggests that the war machine has moved from the US to a new host.

NATO has violated every agreement that exists over the past few decades and is insistent on camping on Russia's border. The non-stop narrative is that Putin is Hitler of course, but the overthrow of Ukraine began in 2014 at the hands of the U.S., not Putin. And, it is Zelensky that cannot account for \$158 Billion of Yellen's debt-dollars, not Putin. Hello, DC.

We are long past the point where we believe anything that emanates from mainstream news. And we are grateful the rest of the world is catching up.

But it is investments that speak to us. While Trump and his team are preparing expectations for us to measure them twelve months from now, gold and stocks are telling us that caution remains the prudent path.

Call us if we can help you think through your strategy and allocations.