

Abstract:

The current economic landscape presents a unique interplay between past, present, and future dynamics, with implications for monetary policy, business cycles, technology, and investment strategies. Key points include the evolving roles of the Federal Reserve, the global liquidity outlook for 2024, the trajectory of the business cycle, the Fed's approach to managing the economy, the emergence of a significant technology wave, the evolving significance of Bitcoin and Ether, indicators for inflation, and investment preferences. We stand at the beginning of a reflation cycle that lasts until the end of 2025.

Analysis of Current Economic and Investment Landscape.

Key Points:

1. The Federal Reserve's approach is rooted in past economic conditions, while the business cycle reflects present realities, and capital markets anticipate the future.
 2. Anticipate an increase in global liquidity in 2024 despite media speculation, as global central bankers focus on reflating economies.
- In an options / EFT driven world, Macro can easily be distilled into the following: Is the market anticipating a reflation episode? Between now and 2025 the answer is yes!!**
3. The Purchasing Managers' Index (PMI), a proxy for the business cycle, is currently below 50 but is expected to improve later in 2024.
 4. A soft landing is anticipated for the US economy. Hard Landing in Canada. Prefer USA over Canada.
 5. The Fed's rate cuts are aimed at managing the business cycle rather than combating inflation.

6. An unprecedented technology wave is underway, surpassing the magnitude of the 1990s.
7. Bitcoin and Ether serve as proxies for macroeconomic trends and the global liquidity cycle. This has not changed.
8. Following the S-curve adoption theory, Bitcoin is poised for mainstream societal adoption, akin to the internet in the early 2000s.
9. The Producers Price Index leads indicators for inflation, with inflation near the targets of the Federal Reserve and the Bank of Canada, signaling a period of strong disinflation.
10. Inflation is defined as the year-over-year change in prices, and attention should not be diverted to discussions about the level of prices or the change in relative prices.
11. The NASDAQ 100 is expected to outperform the S&P 500. There is no risk on period where the S&P 500 has outperformed the NASDAQ 100.
12. Several companies outperformed the indices in 2023, not limited to the "Magnificent 7." Ignore the MSM.
13. In the high-risk investment category, a preference for Bitcoin over small-cap stocks is my preferred allocation.

Conclusion:

The landscape presents a complex interplay of economic, technological, and investment dynamics, requiring a nuanced understanding of historical, current, and future trends. Consideration of these dynamics is crucial for informed decision-making in monetary policy, investment, and economic analysis. **Keeping it simple: we are at the beginning of a reflation cycle that lasts until the end of 2025. Risk on.**

My Top 10 picks: symbols are below.

- 1) NVDA
- 2) VRT
- 3) ANET
- 4) "Bitcoin"
- 5) DHI
- 6) JPM
- 7) BX
- 8) COIN
- 9) PHM
- 10) LLY

Extra: Buy Japan and India for those that need global exposure.

Things to look for:

- Monitor global liquidity trends and central bank policies.
- ignore the noise from the MSM and the Sell Side. Yes, we will have a correction this year as we always do — it's normal natural and healthy.
- Stay informed about the trajectory of the business cycle and potential implications for investment strategies.
- Stay abreast of technological developments and their potential impact on investment opportunities.
- Consider the evolving role of cryptocurrencies and their implications for investment portfolios.
- Keep a watchful eye on inflation indicators and their potential impact on economic and investment outlooks. A growth scare and deflation scare as was the case in the late 1940's would not surprise.

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