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Know when to hold-em!
Know when to fold-em!
Know where to set stops!
Know when to run!
Never count your portfolio
Until the sells are done..

Monthly subscription US\$19.99

I have warned about the crypto bubble a number of times in the past year. Last May I compared crypto to gold and said Bitcoin is Fools Gold. On September 24,2021, I warned that crypto currencies are going lower and said sell. I missed the top in Bitcoin by just 2 weeks. Not long ago on February 24th, I warned again and said crypto coin investors should have had a wake up call. I said "Crypto has simply been a part of the speculative wave that is now ending with rising inflation and tighter fiscal policy. Crypto is not a proven inflation hedge, in fact it has not been around long enough to be proven as anything but trading speculation."

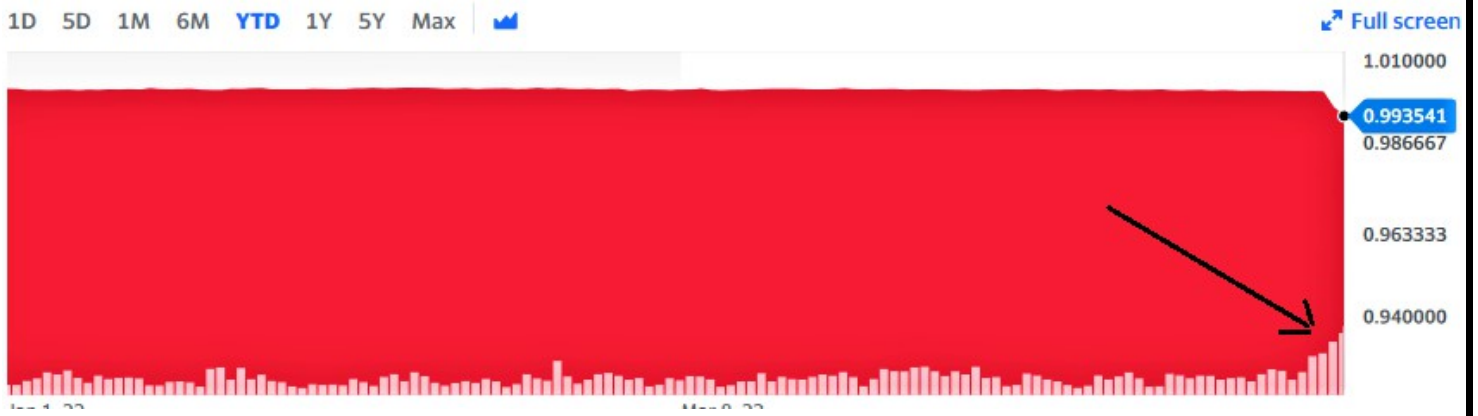
I warned again, 2 days ago. Seldom investors listen to negative warnings. They don't want to believe their investments will collapse. Now that they have been hit over the head, some will listen and I am warning again, the collapse in crypto currencies has a long way to go. There are over 7,000 of them and over 6,800 will go to zero and disappear.

The market leader, Bitcoin is going under \$10,000



There are a few crypto currencies pegged to the US\$ like 'Tether USD' that are holding up better. These seem silly to me. Crypto is suppose to be an alternative to paper dollars, a way to get outside the system. Why would investors own Tether USD, you might as well just hold US\$ and you would at least earn 1% to 3% interest. Even if they are pegged, will they stand up to high volume of selling. I doubt it as Tether USD has already proven. There is no track record that these things will perform in times of trouble.

First is a 6 month chart of Tether USD to show a modest increase in volume.



This 2<sup>nd</sup> chart is a 1 month chart to show the dip to \$0.96 on that extra volume. At what price do investors panic and bail out with losses?

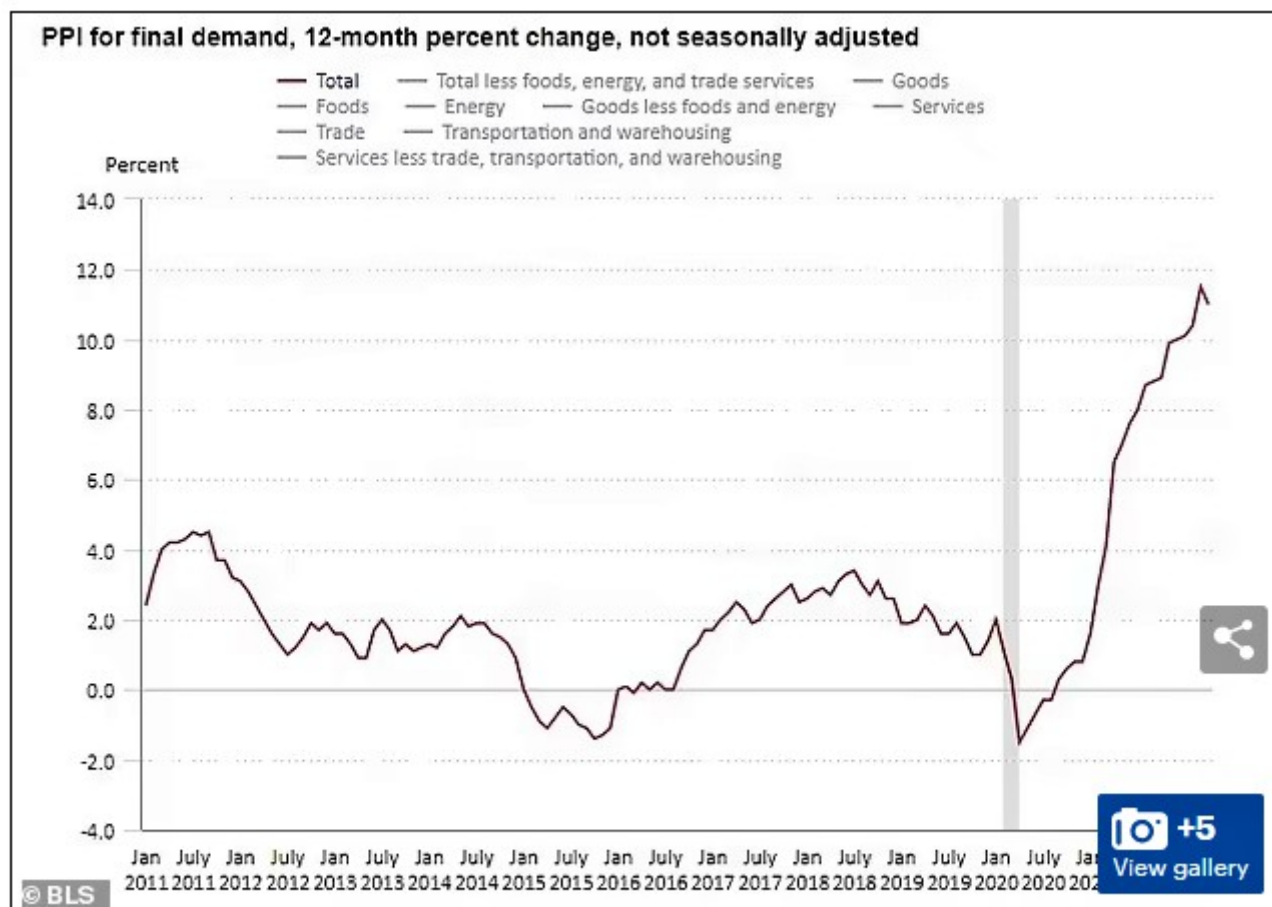


Terra's native token LUNA plunged to pennies on the dollar after a price of almost \$120 not long ago



Crypto has always been a speculative bubble, priced on the greater fool theory. Investors will hang on and hope it recovers, but it will not. Simply because the Fed is not going to print a pile of money and lower interest rates anytime in the foreseeable future. A lot of newsletters jumped on the crypto band wagon, simply because they wanted to reach the millions of crypto investors. I doubt I would be very popular in that circle, but I would rather be real and right, than popular.

We could easily go through a decade or more of stagflation like the 1970s. This week, Ontario carpenters went on strike, demanding higher wages. This has not happened for over 35 years. Can anyone say 'wage inflation'. The PPI number came out today and it is sort of a lead indicator for the CPI. More inflation to come.



**Wholesale inflation in the US soared 11% in April from a year earlier, a slight decrease from March but still near record highs**

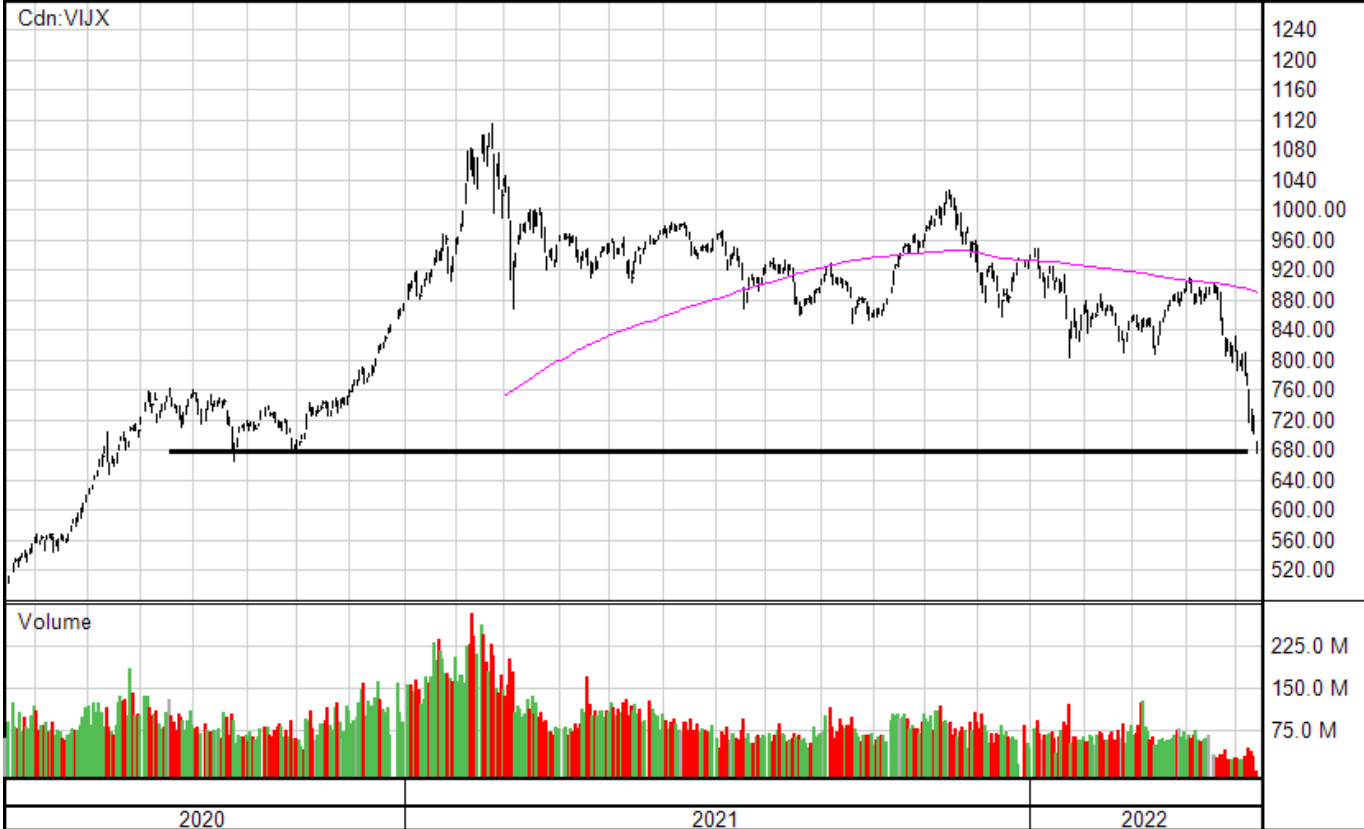
It has been difficult to pick a bottom in this market, even if it is short term and trade able. Yesterday started good and then the market seemed to focus more on the point that inflation came in higher than expected, even though energy prices declined. We will probably have a market rally when nobody expects it. The best indication of a bottom right now, might be a crash or a one day 5% to 10% plunge as a wash out.

**Yesterday and today, Apple joined Microsoft.**

**I wish I had better news, but it will come. I doubt many investors will want to hold stocks over the weekend. Maybe Friday will mark a bottom before a rally?**

There is basically no bids on the junior stocks. The TSXV index is at support around 680. If this does not hold, we are probably headed to 500.

Historic Chart for Cdn:VIJX by Stockwatch.com 604.687.1500 - (c) 2022  
 Thu May 12 2022 Op=691.81 Hi=691.81 Lo=676.20 Cl=676.60 Vol=8,590,142 Year hi=1,113.64 lo=492.76



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