

INFORMATION LINE



Perspective

By Rich Checkan

Last month, as we published this newsletter, we were just a couple days after the U.S. Presidential Election. For weeks afterward, ballots were still being counted... and contested. The United States – and the world – stood by and watched and waited.

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And the winner is...

We still don't know officially. Unofficially, most believe Joe Biden will be our next President. In the days, weeks, and months ahead, we will be sharing our thoughts on what that means to your precious metals and to your portfolio.

If you recall, last month, I suggested that no matter who became the next president, gold would do just fine. After all, both candidates have a history of spending much to much money that doesn't exist until printed. They just spend it on different things.

So, I laid out the case for gold appreciation going forward due to...

- *Uncertainty and volatility*
- *Stimulus and U.S. dollar debasement*
- *Artificially low interest rates*
- *Sentiment and trends*

Post-election, gold rallied. Then, it gave back all the gains later in the week. And, it continued to trade in range.

No surprises here.

In fact, the only real surprise was the announcement that Pfizer had a 90% success rate in Covid-19 vaccine trials. That gave a much-needed boost to the ailing stock market... for a while. It also triggered a Thanksgiving week rout in gold and silver. Both recouped their losses within the past two weeks.

Short-term, gold performed as predicted. Long-term, I fully expect it to perform as predicted for all the reasons I laid out last month.

Enough Election Talk!

I don't know about you, but I've heard and seen enough. One way or the other, let's move on.

Instead, let's take a look back at 2020, and see which markets were the big winners...

1. **Bitcoin... UP 164.7%**
2. **NASDAQ... UP 39.5%**
3. **Silver... UP 38.6%**
4. **Gold... UP 23.5%**
5. **Palladium... UP 22.5%**

As a precious metals owner and dealer, I'm pretty happy having precious metals account for 60% of the top five. I'm especially pleased, since we are just getting started in the early stages of a bull market.

Of course, the entire Top 5 benefited from two factors this past year... the ongoing pandemic and the falling U.S. dollar. Millennials (and others) flew to the perceived safety of their "gold" A.K.A. Bitcoin. Despite the potential for volatility, it has rewarded them well.

Hopefully, they are astute enough to take some money off the table periodically so they can protect a portion of their gains in real gold.

The NASDAQ had a two-fold benefit from the pandemic and the government mandated shutdowns that followed... and are still in place today. Technology companies are involved in the race to find a cure. But, the sector also provided the necessary platforms for virtual, business, learning, and societal interaction. And, a weaker dollar makes all share prices look more attractive than they really are.

Precious Metals

I've said this before, but it bears repeating. The bull market in precious metals started long before Covid-19 appeared on the scene.

We hit our bottom in December 2015. We consolidated for the eventual breakout for the next couple years. Gold broke out with a vengeance in May of 2019.

Covid-19 was simply a case of kerosene being liberally applied to an already raging fire. It accelerated the time needed for gold to reach a new all-time high of \$2,075 per ounce earlier this year, but it did not cause the bull market. It simply sped it up for a while.

And, since gold is a strong leader, silver, palladium, and platinum followed gold higher.

One important point of note this past year is how well those buying precious metals via Perth Mint did as the markets reeled due to Covid-19 government protocols and shutdowns. Those buying fabricated coins and bars saw a huge increase in premiums as a result of the difficulty in meeting increased demand because of lower output at the mints. Further, once fabricated, it was extremely difficult to move the metals around the world as air traffic came to a standstill.

Yet, those of you who bought gold, silver, and platinum at Perth Mint in unallocated form did not

see any increase at all in their 2.25% premiums. If you ever hear about coin and bar shortages going forward, think Perth Mint.

But to me, the biggest driver of precious metal success is the weakening U.S. dollar. A nearly 6% loss in a year does not seem like much, but anything below 95 on the USD Index suggests weakness. At the beginning of this year, the USD Index traded at 102.9. Today, it is struggling to reach up to 91.

That's significant for the world's reserve currency. Make no mistake.

What's Next?

*That's a good question, and I plan on tackling that next month as we bring in 2021 with final year-end figures and a forecast for precious metals in the new year. I'll be sharing with you my predictions for what I expect to see from gold and silver in the new year. I will also identify the key factors to focus upon to **Keep What's Yours!***

Who knows? By then, we might even have officially declared a winner in our presidential election. Let's hope!

Until then, all of us at Asset Strategies International wish you and yours a very Merry Christmas and a Happy, Healthy, Safe, and Prosperous New Year.

—Rich Checkan

"As the Publisher of The Oxford Club financial group for over 28 years, I've learned to be very selective in who I recommend to our Members. When it comes to buying precious metals and offering services for offshore diversification and protection of assets, there's only a few groups I would trust.

Asset Strategies International is one of the select firms I recommend without hesitation. I've worked with them for decades. ASI is a family-led business that offers the perfect complement of hard asset services and expertise for our Members, with the utmost professionalism and responsiveness."

Julia Guth// CEO & Executive Publisher, Oxford Club

Editor's Note: Eryka Gemma is a public speaker, content creator, and strategic business advisor who has helped hundreds of people safely navigate the cryptocurrency ecosystem for their first time. If you are interested in participating in this new and growing asset class, email infoasi@assetstrategies.com, and we would be more than happy to make the introduction.



Feature The Perfect Storm for Bitcoin

By Eryka Gemma

The 2020 has been a year of unprecedented chaos. On the surface, we see massive lockdowns, unemployment, fear of death and riots which have shaken the globe. Our attention is captivated by the news cycle of fear; however, many are not aware of what's happening behind the scenes to our money. To figure out what's occurring, look no further than the Federal Reserve. The Fed is in charge of the nation's monetary policy. These unelected officials dictate how much purchasing power your dollar has.

While we were fearfully distracted, the Fed implemented a new policy for banks' reserve requirements. Beforehand, banks were required to hold 10% of your deposits in cash, an already miniscule requirement. As of March 26, 2020 - that reserve requirement has been reduced to zero, ZERO!!!!

What does this mean? It means that if you wanted to withdraw cash, there is no guarantee that the bank can provide it. Make no mistake, our money is already digital and cash will be obsolete.



As a young girl, I distinctly remember hearing the news report on Greece's economic collapse. There was an image of a line of people wrapped around the building while the reporter shared that \$35/day was the maximum withdrawal. This scenario has become ever more possible in the United States.

Also in March, the Fed announced it will purchase corporate bonds which fit their ratings. To date, the Fed has purchased ownership in companies like Microsoft, Home Depot, Visa, Apple and Goldman Sachs. As corporations become owned by the state, we only move closer to becoming a communist nation.

From March to today, trillions have been printed in a time where the Congressional Budget Office projects GDP to drop by \$3.7 trillion in 2020 and \$2.1 trillion in 2021. It is clear the Federal Reserve has a money printing problem and is a dedicated subscriber to John Maynard Keynes. It took over 200 years to go from zero national debt to \$22 trillion, It took seven months to add about \$5 trillion to the balance sheet.

The effects of the Fed's money printing problem will not be immediately felt but take note in your personal life as food prices rise and portion sizes shrink. Generations to come will be paying for the massive fiscal spending and bond-buying spree by central banks, or the system will reset as the number of trillions becomes meaningless. For an entity that is in charge of the nations monetary policy, their antics hardly get any coverage on the news.

How do we escape this looming threat of inflation? How do we prepare ourselves for a government who might shut us out of the financial system for dissenting from the mainstream narrative? For many, the answer has long been precious metals. But now in our advanced technological age - there is another solution in Bitcoin.



Bitcoin is digital gold. It is sound monetary principles written into software code that can be verified by anyone who cares to audit it. Like gold, it is not issued by governments and cannot

be arbitrarily printed. As a purely online, math based, digital currency its transactions are uncensorable by governments, circumventing capital controls, an inherent trait of the system.

Bitcoin is censorship resistant and cannot be confiscated. There is no back door to access your funds, meaning you can move (or flee) freely with your wealth intact - a virtual possibility that is physically impossible with gold or cash.

Bitcoin is the separation of money and state. Its censorship resistant nature means that nobody can shut you out of participating. Imagine what confidence this provides for innocent humans living in sanctioned countries. Imagine what assurance this provides for liberty-minded individuals who challenge the mainstream narrative and have been censored by the financial system because of it.

The ability to send uncensorable transactions and store your wealth by just remembering your key passphrase is already a huge value proposition. When you include the current economic environment and understand that all other vehicles are denominated in depreciating fiat, we see why bitcoin is the best performing asset class of 2020 growing 175% in the past year.

In November, Citibank projected that bitcoin will be \$318,000 by the end of 2021. Giants like Fidelity have been mining bitcoin since 2013 and recently published a Bitcoin Investment Thesis, referencing a model that predicts bitcoin to hit 1 million dollars. Why? Because Bitcoin is an option. People will pay for the option to peacefully exit from a failing financial system with just a few clicks.

We must understand that while bitcoin is the original cryptocurrency, there are about 7000 other players in the market, many being looked at by the state. In March Microsoft filed a patent WO/2020/060606. This patent outlines a body sensory device that rewards the wearer in cryptocurrency based on the sensed body activity of the user. Patent 060606 will not be rewarding users in bitcoin but another competing currency. Congress has had many talks of a Central Bank Digital Currency being used to distribute relief funds to citizens and Facebook's Mark Zuckerberg was called to testify before congress for his cryptocurrency Libra.

While there are multiple other competing currencies, Bitcoin is the only one that is actually decentralized.



This weighs heavily on its value proposition because no one single entity, government or individual can unilaterally affect the price or production. Its blockchain has been unhackable for nearly 12 years and the security of the network only gets stronger and stronger. It is important to note that (like gold) the currency with the best economics will win.

This year, we have seen our first amendment rights stripped away as “peaceful assembly” is threatened by a virus with a 99.7% survival rate. The social media technocrats are censoring conservative views, ensuring that the information spread fits their false narrative. The purchasing power of our dollar is quickly diminishing, and few are even aware. Our safety is being threatened as rioters feel justified in robbing others of their belongings.

For me and my fellow bitcoiners, the only beacon of hope is our peaceful exit plan, fool proof from each of the situations mentioned above. The government can move in at any moment however they can’t censor, devalue or steal your bitcoin.

Why fight the beast when you can starve it?

"Michael, Rich and the team are not only my own personal go-to provider for gold and other precious metals, they are wonderful colleagues, friends and experts for discussion and insight into what's happening in the global markets."

Doug Casey // Founder, Casey Research



Hard Stuff

Bitcoin Vs. Gold Live Debate

By Mikkel Thorup

While in Las Vegas last month, I hosted a debate and the topic was Bitcoin vs Gold. I had 7 questions and both sides got their chance to defend their beliefs.

We had 4 panelists, 2 for Bitcoin and 2 for Gold.

Team Bitcoin: Eryka Gemma and Paul Rosenberg

Team Gold: Rich Checkan and Kirk Chisholm

I was the moderator, and thank goodness I was there...we almost had bloodshed...whew!

Here are the topics discussed. Each side had roughly 2 minutes to defend their side and then our esteemed audience voted!

Round 1: Cross Border Transactions

Round 2: Privacy & Practical Issues

Round 3: Intrinsic Value

Round 4: Longevity

Round 5: Counterfeit

Round 6: Liquidity

and the final round: Education

I gotta tell you, this was a tough room! The audience voted, and the winner was.....



Make sure to listen to the entire episode to find out who the winner was. This debate was just a ton of fun and light-hearted and everyone had a great time!

"If there's anything you need in terms of handling your bullion - buying, storage, certificates, etc. - The staff at ASI are the folks you want to do business with. That's the truth."

Porter Stansberry // Stansberry & Associates



The Inside Story Debt, Taxes, and What to Do About It

By Rich Checkan

As we head for the finish line in the year 2020, the number one concern on everyone's mind is the pandemic. We are all hopeful for a cure and a return to the way things were before Covid-19 arrived on the scene.

After the coronavirus, what's the second most common concern?

Given the conversations I have had recently – via telephone, through email, or mask-to-

mask at a recent conference – taxes are on people’s minds big time. And they should be.

If you do nothing else before December 31st, I strongly suggest employing this strategy.

Out-of-Control Debt

In 2012, we hosted a conference in Rockville, MD in conjunction with Asset Strategies International’s 30th anniversary. Our keynote speaker, Porter Stansberry, stated without equivocation that the U.S. debt could not and would not ever be paid back.

That was long before...

- The pandemic
- The government shutdowns in response to the pandemic
- The \$3 trillion in stimulus
- The loss of over 20 million jobs

At this point, I don’t believe Porter is looking to retract his comments. I agreed with him then. I agree with him even more now.

As a nation, we have more debt than income in our lifestyles. And, since that has been our problem for decades at this point, we cannot conceivably balance our books. For the debt to be repaid, we would have to drastically change our lifestyles.

We would have to give up many of the luxuries and conveniences which make us comfortable and say goodbye to the things to which we believe we are entitled. We have to live within our means as a nation—governments, corporations, and individual citizens – all of us at every level.

Austerity was not received well in Greece or Marie Antoinette-era France. It will not be received well here either. It makes for cranky citizens. And, as a rule, cranky citizens don’t vote for the politicians who instituted the changes that made them cranky.

What’s a politician to do?



As we have seen for decades, the only politically expedient solution is to expand the money supply, inflate the currency, decimate your purchasing power, and kick the can further down the road. Austerity is political suicide, so, the politicians will always opt for a slow, steady weakening of the currency versus cutting programs and benefits valued by their voter base.

Let's let our kids and grandkids deal with cleaning up after the empire declines. We won't be the first empire to have gone through this – see Greece, Rome, France and England. And, as long as fiat money exists, we won't be the last. World history is littered with failed paper money experiments.

Paying the Bill

Assuming we ever get to officially declare a winner to the recent presidential election, most people anticipate a Biden/Harris victory at this point. So, it makes sense to look at Biden's plan to pay the bill.

Even with a Republican-controlled Senate (although this is not yet decided), many believe the following tax policies could be in the cards...

- An increase in capital gains tax rates from 21% to 28%
- A rollback in estate tax exemptions from \$11.58 million per person to \$3.5 million per person
- A near doubling of capital gains tax rates for \$1 million or more in capital gains, from 20% to 39.6%
- An increase in payroll taxes to 12.4% for those earning \$400,000 or more per year

Let's face it. Governments were broke before the pandemic. They are bleeding badly now, and, with the reduction in earnings to tax (over 20 million unemployed), they plan to tax those with income even more.

Since I joined ASI 25 years ago, precious metals have been subject to a flat 28% collectibles tax. But in this environment, anything could change.



What Will Happen?

Let's concentrate on the tax side of this equation. Here is where I see the potential for you to take some action... consider acting before the end of 2020.

Basically, whatever form future tax policies take on, it is safe to say only one of three things can happen with taxes:

1. Taxes can go down.
2. Taxes can stay the same.

3. Taxes can go up.

I don't believe I am alone when I say there is no chance on earth taxes will go down. That means, taxes will either stay the same or increase.

I also believe there is only a slightly better chance taxes will stay the same. Realistically, it is all but ordained that taxes will increase. So, staying the same becomes our best-case scenario.

If you fully expected taxes would increase (and probably significantly), and the best-case scenario was taxes would remain exactly as they are, is there any downside to realizing gains right now?

We don't believe so. And, this is the basis of a strategy that appears to be in full effect right now all across the nation.

What to Do About It

We normally see position-squaring in the form of selling off losing assets to offset gains and minimize taxes. But this year, people are taking their profits. If they have to pay tax on gains, they want to do it right now...not 22 days from now. At that point, it is potentially too late.

Many of you started buying precious metals at the very beginning of the last bull market nineteen years ago. Back then, gold was under \$300 per ounce. Today, gold stands just under \$1,900 per ounce. Silver was well below \$5 per ounce. Today, the poor man's gold is right about \$25 per ounce.

Do you think it is prudent to hold your precious metals (and your \$1,600 per ounce profit in gold and your \$20 per ounce profit in silver) to be sold at some point in the future at whatever the tax rate is at that time?

Or, should you...

- sell your precious metals now
- capture your gain
- pay your taxes at the current rates
- repurchase your precious metals at the new, current, higher basis price

We believe this strategy is something for you to strongly consider... and soon.

If the assumption that taxes will not go down is correct, there is absolutely no downside to this strategy. If taxes remain the same, taking this step now will yield the same tax obligation as if you waited and sold everything later.

However, if taxes do increase, the savings in taxes by capturing the bulk of your gains at a lower tax rate and paying taxes at a higher rate for ONLY the gains going forward could be immense. And, in the end, isn't that what this is all about... desperately trying to **Keep What's Yours?**

We believe the protection afforded your portfolio by gold, silver, platinum and palladium is vastly more important now than at any time in recent memory. Do not sell off your precious metals and simply walk away.

You will be exposing yourself at a time when protection is paramount.



We believe the combination of low interest rates for the foreseeable future combined with an overwhelming desire by the Fed to print more money will lead to significantly higher prices for real assets like precious metals. So, my one word of caution here is not to abandon this strategy mid-stream.

As Glen O. Kirsch used to say, “You wouldn’t let your health insurance coverage lapse simply because you were healthy... would you?”

If you do nothing else before December 31st, I strongly suggest employing this strategy.

Contact us today. Then, sit back with your eggnog and watch the drama unfold in Washington, DC with the peace of mind that comes with knowing you have protected your wealth.

Call our Preferred Client Representatives today at **800-831-0007**, or [email us](#) to get the ball rolling. Whether you hold your precious metals directly, in storage, through [ASI Precious Metals Direct](#), or through the [Perth Mint Certificate Program](#), you can take action on this recommendation.

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ASI is a family-led business that offers the perfect complement of hard asset services and expertise for our Members, with the utmost professionalism and responsiveness.”

—Julia Guth // CEO & Executive Publisher, The Oxford Club

PRECIOUS METALS			
	Year Ago	Current	
Gold	\$1,461.20/oz.	\$1,850.11/oz.	▲
Silver	\$16.60/oz.	\$24.22/oz.	▲
Platinum	\$895.24/oz.	\$1,030.46/oz.	▲
Palladium	\$1,885.32/oz.	\$2,328.63/oz.	▲

FOREIGN CURRENCY			
	Year Ago	Current	
British Pound	\$1.3134	\$1.3349	▲
Euro	\$1.1055	\$1.2112	▲
Japanese Yen	\$0.00921	\$0.00961	▲
Swiss Franc	\$1.0090	\$1.1237	▲

**Prices are as of 11:00 AM EST on 12-09-2020*

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