



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Dr. Charles Nenner
Charles Nenner Research Center

Date Aired: September 11, 2022

Produced by:

Retirement Lifestyle Advocates
961 Four Mile Road, NW
Grand Rapids, MI 49544

Phone: (866) 921-3613

Email: info@plplanners.com

Website: www.RetirementLifestyleAdvocates.com

Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me on today's program once again is returning guest, Dr. Charles Nenner. Dr. Nenner's website is charlesnenner.com. He is a terrific market analyst. I always get terrific feedback when he is on the program and Dr. Nenner, welcome back.

Dr. Charles Nenner:

Thank you. After this introduction, I'm interested myself in what I'm going to say.

Dennis Tubbergen:

Well, let's start, Dr. Nenner, with a bit about your background. We've got a lot of new listeners so I think your background and then professionally what you've done and how it led to what you do now is just fascinating.

Dr. Charles Nenner:

Yeah, so first of all, I'm a medical doctor and I did research on occurring situations in psychiatry when people become psychotic, for instance. And we wanted to know if it happens all over the world at the same time, which it did. And if there was a strict period every so many years, every so many months and that was also true. And then I saw program, CNBC, about financial markets and didn't make too much sense. I said, "Let me take a look into it because maybe also in my financial markets things are predictable." And in the mid '80s I started developing a neural network, one of the first ones, that predicts when things happen and how they happen. Which means if there's a stock IBM you want to buy, then we can calculate when the low is and what the price of the low is, and when the day of the high is and when a price of the high is.

Now, this is if you don't believe that things move at random because if you move at random, there's nothing to predict. You then know every day is a new day. So, I've been doing this and then I have been doing all the market timing for Goldman Sachs for many years. And then when the prop trading was made difficult by Obama because he thought after the crash 2007-2008, it was a bit too difficult. Then I started my own firm and my own firm does forecasting in things like European markets, equity markets, US markets, crude oil, natural gas. What do we have? All the currencies, the Yen, Australian Dollar, British Pound. Bitcoin is a big part of it, everybody wants to know Bitcoin. And by the way, the cryptocurrencies are the easiest thing because they're not interrupted by any fundamental news. So, cycles work perfectly because there's nothing else to look into.

And that's what I've been doing. And on this market, we had a big cycle top last year, so we have been totally out of the market. And we have been already one and a half year out of the bond market. It was very hard to convince people they we're out of the bond market because there had been a bull market for maybe 40 years and people didn't realize that also bonds could go down in an interest could go up. So, there's a lot going on at the moment and we try to stay on top.

Dennis Tubbergen:

Well, I for one, do follow Dr. Nenner's research and he has a terrific track record. So that said, Charles, can you tell me a bit about what your forecast is for US stock market indices moving ahead?

Dr. Charles Nenner:

Yeah, so a lot of people don't know really history of financial markets. So, we are getting closer to a tradable low in October period and I am telling people this is normal in the bear market. You get a lot of bounces of 15%, 16%, 17% but it doesn't mean the bear market is over; so if you don't know how to trade, don't get lured into it because it's going lower. And we are going to have a low in the bond market finally in a couple of weeks. And finally, we're going to have an interesting low that they're waiting for in gold and silver so there's a lot to do in October/November period.

Dennis Tubbergen:

Well, Dr. Nenner, when you look at what's happened so far this year; I mean the metals are down, stock market's down, bonds are down. Historically speaking, those asset classes don't always tend to be correlated as closely as they've been this year. What's behind that in your view?

Dr. Charles Nenner:

Well, as I always say, I'm a medical doctor. I taught myself fundamentals but people at Goldman Sachs were always better fundamentals and I was better at market timing. And I concentrate on what happens and when it happens. To give you an example, most people know about the Black Swan Theory, the writer wrote that there's going to be a crisis, but we don't know exactly what's going to create the crisis. And for years I said, "Let's not concentrate on why the crisis happens, let's just concentrate on when the crisis happens." And later we can show why it happens so I'm only concentrating on what happens. And I don't even know if the correlations that they make are correct or not. I don't know what they say about inflation because we have the inflation going up.

I don't want to worry for the next 30 years and one time it is going to be crude oil, and one time it's going to be Ukraine, and one time it's going to be Biden, and the one time it's going to be something else. That's the same thing as a market that goes up; the stock market one time it's this excuse and then it's that excuse. And I just found from '94 something that I kept, and if you want to let me read it then it explains what I think about fundamental analysis. You have a sec-

Dennis Tubbergen:

Yeah, please. Please, I think the listeners would love to hear that.

Dr. Charles Nenner:

Okay, there's a guy sitting reading the newspapers and that is from Barron's. And it says, "An increase in intended rates by the Federal Reserve Board today sent the stock market down." "But then the hope that this would lead to unsustainable..." What is it? Growth? "Economic growth moved the market back up until the realization that higher interest rates could still halt the recovery. And it moved down again before it ultimately rose on expectations that the sluggish economy would cost the Federal Reserve Board to lower interest rates." So, that's the nonsense that people write. During the day there's five/six different interpretations. And the interesting thing is based on the cycle, which are psychological cycles, you can predict what the interpretation is. Let me give you one last example; let's say you and I buy IBM at 100 and IBM goes to 150 and IBM comes out with a great number.

And so, people buy IBM and the Wall Street Journal will say... of course people buy IBM because they're doing great. And what if the cycles are down, then IBM is to go down. So, the same number comes out, the same quarterly result is great and now IBM goes down and what does the Wall Street Journal write? People took profit because they don't think IBM can do better next year. So, this is important to know that the fact is not so important; the interpretation of the fact is more important. So, if people say, "How do you know what's going to happen?" Most of the time we don't know, but we know what the interpretation is of what's going to happen.

Dennis Tubbergen:

So, Charles, before we get off the topic of stocks, do you have an ultimate forecast for stocks? Do you see the bear market continuing a lot lower?

Dr. Charles Nenner:

Yes, a lot lower. I think we can go at least to 50,000. I think we're in for a very bad situation. I don't want to be too negative, but it gets close to the thirties. Everything lines up; the social unrest, and the upcoming over of a major war and all kinds of reasons why it looks like the thirties, and I think the people not ready for a major situation. For now, a lot of money is left on the table by people who did not sell the bounce. There's still people who did sell the stocks. People are trying to buy every bounce without knowing any market timing and they're in very bad shape.

Dennis Tubbergen:

So, you made a comment earlier in this segment that I'd like to get you to expand on, please. You said something about inflation continuing and I thought you said for another two or three years. Is that your forecast?

Dr. Charles Nenner:

No, no, no. I said interest rates going high in inflation for the next 30 years.

Dennis Tubbergen:

30 years?

Dr. Charles Nenner:

Yes, I sent all my clients before it started is a 30-35 year cycle of inflation interest rates. And as you know, in the mid '80s, inflation came down and the cycle was down and people didn't understand why is the inflation continuing to be low. So, once they got used to it, the cycle bottomed and now it's shooting up again and it's just having a smaller pull back but inflation's going to be high for a long time and interest rates are going to be higher long-term. For a long-term period, it's going to back where was in the '80s, like 16%, 17%, 18% interest rates.

Dennis Tubbergen:

So, when you say inflation's going to be high for a long time, and you're talking decades, does inflation continue at these levels or do you see a hyper-inflationary situation emerging?

Dr. Charles Nenner:

Well, it goes with the cycles. Right now, you will see it's going to be a little bit stable and a bit lower for the next couple of months and then the next year is going to pick up again. And things goes in waves but if you look backwards say 20 years older from now, then you see that inflation was just going up and up and up.

Dennis Tubbergen:

Well, I'm chatting today Dr. Charles Nenner, the website is charlesnenner.com. I would encourage you to check it out. And Dr. Nenner, you also offer any listener 30 days of your service for free. Would you like to do a brief commercial here as we reach the end of this segment?

Dr. Charles Nenner:

Should I do commercial? I don't like to do commercials but I can tell you one thing you can check our track records. We up 160% this year and this to just investing, not trading options or whatever. So not hedging, whatever. So, being up 160% is pretty good when everybody's losing a lot of money and we always have very good years. And I don't really like to do it, I like the people just to look at my research because it's a theory that I want to bring out in the world. That's more important to me because we can get the much better world of people understand how this work functions really instead of listening to so called experts who have an interpretation why things move the way they move.

Dennis Tubbergen:

Well, my guest today, again, is Dr. Charles Nenner. The website is charlesnenner.com. I'll continue my conversation with Dr. Nenner when RLA Radio returns. Stay with us.

I'm Dennis Tubbergen and you are listening to RLA Radio. My guest on today's program is Dr. Charles Nenner, he is the founder of the Charles Nenner Research Center. You can learn more about his work at charlesnenner.com. And Dr. Nenner, as we come into the second segment, for those listeners who are maybe just joining us, you have forecast the stocks are going to go a lot lower and we're going to have inflation for a long time. We're going to also have rising interest rates for a long time. Looking at this from a fundamental perspective, there's a lot of talk about the Fed pivoting. In other words, the Fed reversing course because of a weakening economy. Sounds like your cycle research would disagree with that assessment.

Dr. Charles Nenner:

Well, like I said, we're having a tradable low in a couple of weeks, which is definitely going to cover the shorts and go long. But that's just the tradable low in the long-term. Like I said, for the next 30 years, the cycle is up. And once you start... I'm sitting in Amsterdam, and they already start here, the government's saying we'll have to have the people give them extra bonuses. And when they give extra bonuses, that makes more inflation. So, once they start demanding higher salaries and whatever, then inflation just... It's systematic, you can't stop it anymore. So, in a couple of weeks we're going

to see some lower interest rates. Why? Well, maybe recession fears, or maybe it's going to be a war that people are going to run into, the US bonds. We don't know. Like I said, I don't deal with why. But longer term we're going to see much higher interest rates than much higher inflation.

Dennis Tubbergen:

So, when you take a look and we look at inflation, one of the sectors that's really been adversely affected by inflation for a number of reasons is the energy sector. What's your forecast for oil, natural gas and so on in light of everything going on worldwide?

Dr. Charles Nenner:

Well, we have a downside target on crude oil. It's now 85.5. We went short at I think 116-117, the target is 84. It's going to be kind of stable. A lot is going to happen in the beginning of next year. As you know or maybe don't know, I also have war cycles; they predict when wars come out, so they predicted this war. And that's kind of stable but the second half of next year is going to be an explosive situation in the war situation so have to take it in consideration. And longer term the crudes go much higher.

Dennis Tubbergen:

You have the same forecast for natural gas?

Dr. Charles Nenner:

Yes, it's the same for natural gas. It's up for the next couple of years, even. I think until 2026.

Dennis Tubbergen:

So, Dr. Nenner, let's talk a little bit about precious metals because again, looking at things from a fundamental perspective, we have the highest inflation we've had in 40 years. That inflation is affecting people worldwide and yet metals don't seem to be reacting, at least from a fundamental perspective, the way a lot of people would expect them to. What's your forecast? And let's start with gold if we could, please.

Dr. Charles Nenner:

I also find it amazing that they're not reacting, but this cycle is down until the 3rd week of November, so we're not going to have a rally before the 3rd week of November. We still have a downside target of 1646, we can reach that on the December gold and the bull market should continue later in this year.

Dennis Tubbergen:

So, do you have an upside target for gold?

Dr. Charles Nenner:

Yeah, I have a target of 2500 over time.

Dennis Tubbergen:

And do you see that by next year sometime?

Dr. Charles Nenner:

That's hard to say here. The cycles are also up for many years so what I write is if we get to 2500 we can go much higher, but the long-term cycle is up until 2027. We just have to wait until the cycle's bottom and that will take until late November and then the whole thing starts going up.

Dennis Tubbergen:

And talk now, if you would please, about silver. Is that going to be correlated with gold and how will silver perform relative to gold?

Dr. Charles Nenner:

Well, silver has the same cycle. It's a good question. How is it going to perform? I'm not sure. I have to look at the gold: silver ratio. And since we're not long anyway, we short and silver in gold so I didn't look at it yet because I can almost not keep up with everything that's going. As you know we also do the grains, we do lumber, there's so much going on so I don't really know what the gold:silver ratio is going to do. But usually, people are getting very tired of trying to hit a bottom in gold and silver. And once the bottom is there, it's usually the insiders who buy. And then only halfway the small investors come and they move silver up faster than gold. So, I think the first move is going to be in gold for a while and then silver will follow and then outperform gold.

Dennis Tubbergen:

Well, Dr. Nenner, let's just examine a bit your forecast for the grains; corn, soybeans, wheat, you also mentioned lumber. In keeping with your forecast that inflation will be here long-term, are you bullish on all those commodities as well?

Dr. Charles Nenner:

Yes. Yes, we're bullish. Soon the cycles are turning up again and then the bull market will continue. And then don't forget the also live cattle didn't do

much, but if the grains and the food for cattle goes up, then with the also live cattle goes up very strongly so we're not out of the woods yet.

Dennis Tubbergen:

So, let's talk about how currencies perform. Again, if you're forecasting a bull market in commodities gold and silver, that would seem to mean that you're maybe bearish on the Dollar and Euro. And can you explore that a bit for the listeners?

Dr. Charles Nenner:

Yeah, for a long time we're bullish and we continue to bullish on the Dollar. And we have a upside price target on the Dollar index of 113. When we speak now, it's about 109.5 so the cycle is still up. So, at 113 probably going to take profits. And then probably there's going to be low in the Euro and some weakness in the Dollar. This whole situation in United States, reminds of the other empires that went under and I don't think the Dollar's going to have the same role anymore in the next 10 years. I think other currencies will take over. The same happened to... As you might not know because it happened in 1600-1700s with the Dutch Guilders, and then it happens with the British Pound; and this also going to happen with the Dollar. When the big expansion in an economy is over, then you have to see what is the next currency that's going to be the major currency that everybody trusts.

Dennis Tubbergen:

So, do you see a currency other than the Dollar now and which one maybe emerging as a reserve currency alternative?

Dr. Charles Nenner:

Well, I hear that China together with the BRICS countries is preparing something. I only hear that from my clients, I haven't seen anything, so I think something is cooking, something is coming up. Nobody knows anymore what to think of the United States. Things go down so fast so soon; they're not going to trust the Dollar anymore. And of course, if the Dollar goes down, then inflation's going to take another hike up and we're in for a very bad situation.

Dennis Tubbergen:

So, that would certainly... When you mentioned the war cycle too, Charles, it just seems to me that as economic turmoil intensifies, that historically speaking, often we see the war drums start beating. So, that would fit in line with your war cycle as well.

Dr. Charles Nenner:

Yeah, because years ago I already explained that... I don't know which, I think Fox or so I said, "Listen, these war cycles are coming up." And I think we going to have a major, major problem with Iran because we are already in a crisis when North Korea is going to threaten to do something. But North Koreans are not afraid to die. But Iranians don't mind taking the whole world with them and I don't know how this is going to end. I know it's going to end; it's not going to end very well because nobody's paying attention what's going on. And I'm politically neutral; I'm a Dutch citizen, I'm from Amsterdam but I have no clue who's in charge in the United States. You see the president just reading from a piece of paper and I don't know who writes the piece of paper, so we are bit worried in Europe. Who's actually in charge of the biggest military power in the world?

Dennis Tubbergen:

So, let's finish this segment by talking about US government bonds. Certainly, US government bonds have had a pretty tough year and it sounds like you see that continuing?

Dr. Charles Nenner:

Longer term like again, again and probably if people now sign up for 30 days, they will be in time for us to see when the bottom is and have a nice bounce. But like I said, there's a 30-year cycle and the cycle just started to go up so for the next 30 years, you can expect much higher interest rates.

Dennis Tubbergen:

So, what does that do to this \$31 trillion in official debt that the United States is carrying? Doesn't that put the Federal Reserve in a position that they're going to have to create more currency just to try to keep this thing afloat?

Dr. Charles Nenner:

Well, if they continue to put more currency, nobody trusts the Dollar anymore. It's like it did the maximum since Greenspan was there. I think they knew what was coming and every Fed President says, "Not in my lifetime. I just try to postpone, to postpone, to postpone." At a certain moment, there's nothing more you can do. Usually, what happens in this situation is that if you have a country that's doing very well, people get a bit lazy, and they want everything for free. So, now you have to spend money. Now you have to take away loans for the students, you have to give extra checks, you have to do... I don't know what you do, so you have to come up with the money, but you don't earn that money anymore. So, in the end it's

going to collapse and that's what's going to happen. The whole thing is going to collapse.

And I'm very worried that I don't hear any other voices that say exactly what can happen. It's like people are afraid to say the truth these days, that's not going to end well. So, this whole economy is going to collapse. You cannot keep printing money and having such a big deficit when the GDP is going to be negative. I don't know what they're thinking, what they're doing. Again, it sounds like I'm political. I'm not, I'm just saying that sit and looks at the facts. But I don't hear two sides of the table, I only hear one side saying everything is going to be okay. And all the experts that want to say something are being put away behind doors and say, "Okay, I'm not going to say anything anymore." I have the same thing and now I put up my neck is about global warming because the cycles in global warming; I have cycles of last 800 years.

So, the global warming almost comes to an end, but nobody wants to hear that. So, I don't want to get in trouble not saying it, but they will be surprised because the cycle was up and up and up and it's stopping, and soon we're going to have global cooling. Which is interesting for my clients who have farms, and they deal in grains and cattle because they prepare themselves for global cooling. But you can't say that because it's not acceptable. So, a lot of things we know, but we're not allowed to say it and that's the end of a society usually.

Dennis Tubbergen:

Well, we're going to have to leave it there. My guest today has been Dr. Charles Nenner. His website is charlesnenner.com. You can go check out his service for free for 30 days. And Dr. Nenner, thank you for joining us on today's program. Love to have you back down the road.

Dr. Charles Nenner:

Okay, we'll keep in touch.

Dennis Tubbergen:

All right, we will return after these words.