



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Dr. Charles Nenner
Charles Nenner Research Center

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Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program is returning guest Dr. Charles Nenner. Dr. Nenner has to be one of the premier market analysts in the industry today. He uses cycles research. You can learn more about his work at CharlesNenner.com that is spelled N-E-N-N-E-R, CharlesNenner.com, and you can actually get a 30-day free trial to check out his work, no credit card needed. Again, the website, CharlesNenner.com. And Dr. Nenner, always a pleasure to catch up with you, get your perspective. Welcome back to the program.

Dr. Charles Nenner:

Hi, it's great to be back.

Dennis Tubbergen:

So, Charles, just for our listeners that may not be familiar with what it is that you do, could you give a little bit of background about your work and how you arrived at where you are today professionally?

Dr. Charles Nenner:

Okay, so I was trained as a medical doctor in Amsterdam, and I joined a group in psychiatry that was trying to figure out if people became psychotic in certain periods all over the world, which they did. And that's the first way I found out about cycles that every so many months, every so many years, they turned out to be more psychotic. And then there was a vacation in New York, and I watched CNBC and I said, the market goes up, the market goes down and didn't make much sense. So, I started looking. That was in the early eighties, at hundred years of faulty journals because there were no good computers at the time. I did everything by hand, and I found out that markets don't move at random. A couple of years later I turned it into what then was called a neural network. Today you will call it artificial intelligence.

Make a story short, I ended up being managing director at Goldman Sachs for many years doing all the market timing for the own investments of Goldman Sachs. And after the crash of 2007 when Obama thought in his innocence that it will be too dangerous to take these huge positions, we had to close down a lot of funds and partners left and we started our own firm. They left doing their own hedge funds and I'm the only one who continued. So I have this firm that uses the, now we would call it artificial intelligence, that can tell about most assets we do U.S. bonds, all the currencies, the S&Ps, the European market, gold, silver, crude oil, natural gas, exactly when there is a market low, when there's a market top and how high a move can go and how low a move can go.

For newcomers, it sounds strange because they think it's connected to the news, and we have been proven that it isn't. The computer can calculate if a move starts going up, how high it goes, how many weeks or months it takes in order to reach the top. And we've been doing this now, what is it, almost 20 years, supporting a lot of hedge funds and banks and institutions and also individual investors.

Dennis Tubbergen:

So, Dr. Nenner, it's interesting that this started out as psychiatric research and it's got applicability to market. So, when we talk about cycles, are cycles universally applicable to just about any area of life in your research?

Dr. Charles Nenner:

Yes. The cycles in climate, the cycles in the earthquakes, the cycles in traffic. We have clients that are very big in fashion, and they want to know what the fashion's going to be the next two years because they let it be manufactured in Hong Kong. So, we look at the cycles of the last hundred years. Like for men, if it's double-breasted or single breasted or what the pants looks like, we do cycles for record companies. They bring out new songs. It's important to bring it out in winter or in summer or in spring. It's important if a man sings it and a woman sings it. There's a lot of research going on in all these products that the average consumer has no idea about it. On top of that, the big firms that I don't want to mention by name have to know when to sign a contract to buy their beef because they sell hamburgers.

We have people who are in the business of selling oranges. So, they have to sign a contract and have to know if they sell now the oranges for the next two years, next week or three months because the difference could be 10 to 50%. So, there's a lot of research going into this. Now, if you believe that things move at random, then actually you cannot prove anything, and you don't know what you're doing because it's all a gamble. So, there's a whole of research in financial markets and all the big players use that research and they're convinced that things don't move at random.

The problem with the small investor is that he listens to all the anchors on television who have no clue about anything, and he gets just totally thrown off that there is such a science and he listens to whole day to the stories and the stories are always putting him in the wrong foot. For instance, when we have a low end gold, you don't hear anything about gold, but when gold is up already 90% out of the hundred percent it's going up, then suddenly they pick up all gold is in the bull market and then it's almost over and then the

small investor starts buying gold and then it crashes and then he wonders why he loses money and it's always the other way around.

Dennis Tubbergen:

Well, if you're just tuning in, my guest today is Dr. Charles Nenner. His website is CharlesNenner.com. You can get a 30-day free trial of his work and no credit card is required. Again, the website CharlesNenner.com.

So, Dr. Nenner, you just gave gold as an example. You were on the program about five months ago and you suggested that there was more downside in the cycle, but then your cycles pointed to an uptrend, an upcycle in gold. And sitting now here we are five months later; you were spot on. So, what do you see for gold moving ahead?

Dr. Charles Nenner:

Well, we sold gold to about a hundred dollars higher than it is now, I think in the high 2400s because the cycle topped. If you go to the website, you can see exactly how it topped and we could test the highs one more time, but for the moment we've seen the high and now it's a problem because now everybody talks about the gold and now every time it moves up again, the small investors going to buy. But now the cycle topped a little bit and now we should just stand aside waiting for the next cycle low, which is going to be a while away.

Dennis Tubbergen:

So, Dr. Nenner the big headline this past week was that the U.S. economy contracted and inflation as measured by PCE heated up. Do your cycles track where you think inflation is going in the future? And if so, what do they tell you?

Dr. Charles Nenner:

Yeah, well we started an inflation cycle of 30 years. There's a very clear cycle of 30 years. We published it also. There's been a very clear cycle for the last two 50 years of interest rates. So, when the interest rates were like 1% or less on the 10-year, and I was at the early 2000, we warned people don't buy any bonds. I know we have seen lower bonds for the last 40 years, but it's not going to continue. And it has led to catastrophe because people have been in bond funds, so they cannot even get the money back and we're going to have higher bond yields until the middle of the century at least, and we expect them to test the highs of the mid-seventies, which was like 16, 17, 18%.

Of course, it goes in ups and downs. So, first of all, we have seen a very nice up moves in the stock market. Because the cycle bottomed last week, we expect to see one more up move. You've seen a nice up move in the metals and now in a week or two weeks we expect to see a nice up move in bonds. So right now, interest rates are not going higher, but longer term they go much higher. You asked me about inflation. Yeah, inflation is going much higher. I think the next low in inflation is going to be in the summer and then inflation should move higher. So, we have what's called stagflation. The economy is going to drop that, and the inflation is going higher.

Dennis Tubbergen:

Well, it certainly seems like stagflation is the outcome that we're headed for and your cycle seemed to confirm that. I want to go back and just revisit what you said. You suggested that bond yields could go as high as we saw them in the seventies and that was mid to upper teens, and you suggested that could happen over the next 20 years. The cycle could be that long. Did I understand that correctly?

Dr. Charles Nenner:

That's correct.

Dennis Tubbergen:

So, if you're an investor now and you are in a 401k, you're in an IRA, you have your retirement money that you're investing, what advice are you giving your subscribers to the extent you're comfortable sharing that?

Dr. Charles Nenner:

Well, if you watch our research, then you have one more chance to get out of the stock market because we're going up one more time. I would say you have one more chance to get out of the bond market when the move starts in a week or two weeks, you have big losses. So, it's hard to say to get out of it because it's very difficult. I think the bonds since we sold them are done 50% or so. So, what are you going to do? You have to be a little bit more active, otherwise things are not going to end well. The dollar is losing a lot of its purchasing power. In the end, gold is going much higher. The problem with gold is if you're a long-term investor, and that's why I say I've seen this problem when I'm on TV, it goes like this, if gold is like 2,400 and I say long term we go much higher, then people say I'm there in for the long term.

But then if it goes to 2300, I'm in there for the long term. Once it's 2100, they don't sleep anymore, and they sell out just before they go up again. So, you really have to watch these things. Like I said, if you want to know how the experts and hedge funds are doing and approaching this, please look at my website. It's not going to cost you anything for 30 days and see, at least have an idea how you can approach the markets. That's all I can do. You

have to be more active, otherwise you're going to be in bad shape. I mean right now in Florida, I see 80, 85 years old packing my stuff when I go to the supermarket and I say, what's going on over you? I thought I had enough retirement but with these private prices, I have to go back to work and soon a lot of older people have to go back to work because what they thought that they have is not enough to survive.

Dennis Tubbergen:

Well, my guest today is Dr. Charles Nenner. His website is CharlesNenner.com. You can check out his work for free for 30 days, no credit card needed. I'd encourage you to check it out. I'll continue my conversation with Dr. Nenner when RLA radio returns, stay with us.

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. I have the pleasure of chatting once again today with returning guest Dr. Charles Nenner. His website is CharlesNenner.com and Dr. Nenner's research, his research that I follow regularly. He is a very bright guy. He tracks markets and a lot of other things from the perspective of cycles. You can check out his work on his website free for 30 days. Again, the website CharlesNenner.com.

So, let's shift gears just a little bit. I know that from you being on in the past that you track a lot of different cycles. Another one being war cycles, and when you take a look at what's going on around the world, geopolitical tensions are rising. What do your war cycles tell you about where we're headed?

Dr. Charles Nenner:

Well, my war cycle started in the Mandarin Empire about 3000 years ago. Of course we have in the markets, we have yearly cycles, quarterly cycles, monthly cycles, and the long serve cycles they turned up. And for your readers, it's maybe or your listeners, it's interesting to look, for instance, at the hundred-year cycle. Every second decade of a new era, there is a major cycle load that will say we had the first world war in 1918 that continued the second world war. We had the Napoleon war a hundred years before we had the Habsburg. Most of the wars were then in Europe. And if you go back Google around the change of the century, you always see the hundred-year cycle. So, I said in the second decade of this century, wars are starting again. More cycles are going up. So, we're in big trouble and we are going into major wars over here.

Now the interesting thing is people will say, there's nothing we can do about it. Well, the problem with cycles is there's not much you can do about it, so

what can you do? So, my example is after the winter comes the summer and then comes the winter, it doesn't change. The only thing is when you know it, you can buy a winter coat. So, I have people who are very involved in this and they look where they're going to and what they can do about it. But this is going to be a huge situation over here and I don't know how much people can be involved in taking care of what to do, but we're going to be in a big, big situation with the war cycle.

Dennis Tubbergen:

That is certainly concerning. Let me shift gears a minute and go back to something we talked about in the first segment if I could. You mentioned that you think stocks probably have one more move up before we see a down cycle. So, if you could for our listeners, describe what you think that looks like, particularly when the down cycle starts, when might that start and how low do you think stocks go?

Dr. Charles Nenner:

Well, I don't want to take sleep away from your listeners. The cycles that crossed the top in 1929 are going to be topping again. I have to look on a website exactly when it is. I don't want to give it away. So that's a major, major problem. Now we all know that we have a big problem over here. We're going to have a major war. We are going to have a major deficit crisis. We're going to have a major terrorist attack within the United States caused by people in terrorists coming in through the border over here so we can figure out why this is going to happen. Probably things happen that we cannot think about. We could not think about the virus situation before and everything will come together and we're going to major, major depression coming. It's all explained on my website. So, this is not something that, oh, we're going to have some corrections. It's going to have a life and death situation to stay afloat for people who have some investments.

Dennis Tubbergen:

So, Dr. Nenner, when you say major depression, are you forecasting that we will see something along the lines of the deflationary depression we saw in the 1930s? Is that what you're suggesting?

Dr. Charles Nenner:

Yeah, that's what I'm suggesting. And probably even worse.

Dennis Tubbergen:

Well, when does this start and how long do you think it lasts?

Dr. Charles Nenner:

Well, how long it lasts. I have to work on that and when it starts, I don't want to give it away yet. I don't want people to be too, but if they look at my website, we show exactly how we calculate it and slowly, slowly they can get used to the idea. I don't want to throw these things out without people looking at the underlying research and losing their sleep at night.

Dennis Tubbergen:

So, before we go back and visit one more market, you made another rather concerning statement and that is that you believe there are more terrorist attacks coming. How do you arrive at that conclusion?

Dr. Charles Nenner:

I have a lot of contacts, as you know is most of the time I live in Israel, and I hear a lot of things. And if you have a lot, let's say you got a lot of people from Iran coming in, you have a lot of Chinese coming in now. Chinese cannot leave you China without the Communist party allowing you to leave. You can't leave over there. So how did it get over here? And be honest, if you will be a country that doesn't like United States, won't you take advantage of the fact that you can send your people already into the United States, look what's going on in the universities.

You think that by coincidence that these people are calling for the end of the United States? I mean it's just happening. We're just watching it from day to day and nobody wakes up. Who are these people? These people are not Americans, and we continue to bring them in. And if I were to be Russian or Chinese or North Korea or Iran, I would say, well, I don't know if we need them now, but let's bring them in. Let's put them in key positions and we wake them up the sleeper cells whenever we need them.

Dennis Tubbergen:

So Dr. Nenner, let's go back to the whole idea of your forecast of a depression. How does someone survive what's coming politically, economically and investing markets? You mentioned that you have to be active. Is that your solution?

Dr. Charles Nenner:

Well, it depends. For small investors it's difficult. Big investors buy gold. There are companies that you transfer money to. They buy physical gold, they put it in the safe because something's going to happen to the dollar. They're going to make it a digital dollar. Sorry, once it's a digital dollar, you have a big problem because let's say you want to fly to Spain on vacation and by the end of the day you want to fly, I don't know, somewhere else. They might say this is not good for the climate. We don't allow you to buy

another ticket because they see it, the digital dollar. So, you can't even do whatever you want. There's a lot going on. We saw from the situation with the virus that they know how to control everything and once the dollar becomes a digital dollar, your freedom is totally gone.

So that's a lot of big investors know exactly what to do. A lot of my big investors, they 400,000 to \$200,000, they get a visa to one of the islands in the Caribbean. Just if the war starts over here, they have somewhere to go. Again, for the small investor, it's an impossible situation. Mr. Zuckerberg has a whole underground situation where he is going into if the war starts. Like I said, the average investor that still has some money is preparing himself. I have people in the Midwest that calculate exactly if there's a nuclear war on the East coast, which way the wind is blowing and where they should go. So, there's a lot going on. And again, I don't want to worry the small investor because he's stuck, he cannot do much. But a big part of the investment public is preparing themselves. Now the other thing that there was the preparing themselves for the big crash in the housing market, again, you would ask me how they're preparing.

Well, like we did in 2006, we work at two stocks. One is Lennar and one is Toll Brothers. And we just bought some out of the money, long-term out of the money puts on those stocks. And for instance, I gave you an example, Lennar, I don't remember where it was. It was \$100 and it went to \$2, and we load it up on long-term puts and people made much more money that they lost on their home. So, there are ways to hedge the loss on your home because people don't want to sell their home for emotional reasons. But that all, you have to watch our research and then we try to keep you safe as you can.

Dennis Tubbergen:

So, Dr. projecting that stocks will go low, you're projecting that real estate goes lower. Based on your research, are we in really this everything bubble where this deflationary depression that you're forecasting is just going to wipe out the value of nearly every asset?

Dr. Charles Nenner:

Let me give you one more example. If you go to a broker, sorry, you go to a broker, you say, I like to invest in stocks. This is a good time. So, the broker will tell you, stocks go up on average 8, 9% a year. You probably heard that.

Dennis Tubbergen:

Right. Right.

Dr. Charles Nenner:

That's based on the fact that if you draw a line on an angle of 9% from 1900, it goes up on the average 9%. The problem is we are about 90% above that line. So that means if you want to go back to that line, you have to go down 90% and then you're back on the average of 9%. So to tell somebody it goes up 9% on average is totally nonsense. Now, there's another thing that people can Google. It's called the Buffett Indicator. The Buffett Indicator looks at the value of the stock market compared to the GDP. And you see that is so high that it has been like this, I think two times in history and every time it collapses.

So, you have an objective idea if the market is expensive or not. But I'm sure that most investors or people who follow you don't even know what the Buffett Indicator is. So, first of all, you have to know if the market is expensive or not. Don't only look at the price earnings, which are already expensive. Look at these indicators and that's why in the next rally, all the big guys are selling out to the small guys that listen to the media says, oh, here, go again. The bull market continues, says it's a lost time that it goes up and you better sell into it.

Dennis Tubbergen:

Well, the clock says Dr. Nenner, we're going to have to leave it there. There's so much more to talk about. We'll have to have you back down the road. My guest today has been Dr. Charles Nenner. His website is CharlesNenner.com. You can get a 30-day free trial to check out his work. No credit card needed. Again, the website CharlesNenner.com. Dr. Nenner, always appreciate your perspective, always appreciate reviewing your research. Thank you for joining us today, and love to have you back down the road.

Dr. Charles Nenner:

I'm sorry that I had to be a bit negative, but some things have to be said.

Dennis Tubbergen:

Well, I certainly appreciate you sharing your research and I know the listeners do as well. We'll return after these words.