



Harry's Take

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Why I Like Gold as the Best Commodity Long Term

When financial advisors build portfolios, they want diversification among several potential growth sectors to balance out the risk to get higher than average returns at lower-than-average volatility or risks... Investment 101! You don't just want different sectors within stocks like large cap and small cap, and/or US and global. Or in bonds like higher and lower risk. You want to be in real estate and in commodities as well that have different cycles.

Here I am going to focus on the commodity side of portfolio strategy. I like one of these the best by far in this unique time: Gold!

Why gold? It's not just the highest value commodity shy of platinum that's too expensive and less accessible.

Gold has the unique quality of being a highly valuable consumer product, and a long-term investment choice for your portfolio! And I predict India will be the next China in the coming four decades. And whose consumers most love gold for consumption? India!

Do people consume stocks or bonds as consumers? No! They just invest in them, largely after age 50. But they do consume gold/jewelry and real estate. That's why the two investments I have the hardest time talking people out of are gold and real estate when they are overvalued like increasingly now.

Well... real estate is the most overvalued in history, but gold is only to a degree, but not yet longer-term as much yet -- despite being overvalued near term like everything else in the new and unprecedented "everything bubble."

I predict that gold will go down about 60% as much as stocks in the crash of our lifetime when it finally happens, far less than I see for stocks down 86%-94%. But then it will be one of the few investment sectors outside of

emerging market stocks (especially in India and Southeast Asia) that make major new highs in the next, longer-term global boom into a 2050-66 peaking period around the Asian world. I don't expect U.S. stocks or real estate to make such new highs after this bull run peaks... for decades, and likely not in most of our lifetimes.

Because of gold's unique "very high-value commodity" and "safe haven status" in a financial crisis... Gold is **the** commodity I would want in my long-term portfolio to represent that box, precisely while India is the next "big thing" for the next four decades as China was for the last. India has the highest gold consumption as a % of GDP. Gold has done almost as well as stocks in the last honest boom into late 2007, but then only went down 45% at worst for only 7 months in the 2008/09 crash of our lifetimes thus far. Hence, it holds up better in downturns as well... more in the next issue!

For the next global boom from around 2027 into 2050-65 I would choose U.S. tech stocks, India and Southeast Asia stocks, high-yield bonds (due to lower risk in a boom) and gold as my preferred commodity choice! It's simple, highly tangible and easily storable... in summary: "it's more than a commodity!"

I wasn't expecting a gold firm to call me to promote them at this time, but one just did! They probably realized pundits like Peter Schiff were promoting gold shorter term in a "crash." My research favors it longer term due to the rise of gold-loving Indians and emerging countries around the world – both for consumption and for investment!

Harry

Got a question or comment? You can reach us at info@hsdent.com.

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