



Harry's Take

March 10, 2026

The US Dollar Is NOT Crashing... and Will Explode in the Great Crash Ahead

The one thing I keep hearing, especially from forecasters like me that see a major financial crisis brewing... “The dollar is crashing!” The simple, but ignorant logic is: We’re printing more and more dollars (which is true), so they will be devalued! But this has not and will not be true!!! The dollar and key currencies trade relative to each other. They don’t have a fundamental value derived from earnings growth like stocks or real estate, or growing demand and/or scarcity as a commodity like gold, or whatever. The real truth is the U.S. economy has fared better than most of its developed world competitors from Japan to Germany to Canada. Our exports are a smaller percent of our GDP, and hence, affect us less, and they have remained strong as well. This chart shows the Dollar Index vs. the key currencies we trade with. First clear observation: It has been basically flat since 1986, and it has been clearly up since 2008. It clearly has NOT been crashing thus far.

US Dollar Index NOT Crashing!!! Polynomial Trendline Up Since 2008



Source: Investing.com

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But the biggest surprise, as in 2008 will come when we do face the next inevitable financial crisis from the final bubble burst of our lifetimes when many gold bugs predict the dollar will really crash... likely between now and late 2028 or early 2029 at the latest. The truth of past financial crises like 2007-09: The dollar will rise as the safe haven currency, only to be topped by its own long-term Treasury bonds that are the best single safe-haven security based in US dollars... not Gold! This is what happened in the greatest financial crisis since the Great Depression between late 2007 and mid-2009. Stocks crashed from October 2007 to March 2009. Gold held up in the early stages, but then crashed minor, around 35% from early into late 2008. The real safe haven were the US Treasury bonds with TLT (ETF with 10- and 30-year Treasury bonds) that exploded up 20% in the second half of 2008, up 30% from their lows just prior to the recession. It was the only major financial asset to not crash when even gold did, and actually rise during the worst of the crisis... That's the safe haven!

Gold presently is peaking late in the boom cycle, just as it did a few months after stocks in December of 2007. It could see one more brief rally, before it starts its crash back towards its 2015 lows, down as much as 80% this time. Yes, gold and silver finally joined the Everything Bubble full force since COVID, and is another sign of an imminent top - the last investment sector to join. It will even more so NOT be the safe haven after bubbling so extremely, like everything else. Our \$2T federal deficit in a boom could quickly go to a \$4T deficit, and that may set back the Treasury bonds a bit at first. But in the

crisis... My bet is the Treasury bonds will surge much more than last time, and as much as double in value in the “Crash of Our Lifetimes!” We’ll see, but if such a crash is imminent when everything has bubbled, there are only two safe places to be: cash or US Treasury bonds. And the T bonds are the only major asset that stands “to thrive, not just survive” ... but only in the crisis! I will be advising selling those safe-haven bonds a little before stocks look like they are bottoming in late 2028 or so.

Harry

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