Harry's Take

July 28, 2026

Reader Mailbag: Questions and Harry's Answers on TLT, the Markets and Currency

We receive many questions on various topics, including direction of the markets, demographics, and interest rates. From time to time, we gather a series of questions and answers on a few topics and send them to subscribers as part of our reader Mailbag series.

Q: What are your thoughts on a DOW/Nasdaq divergence being a reliable predictor of the Crash of our Lifetime within the next 3 months?

A: Many divergences are forming. This one looks useful because the Nasdaq underperforming the Dow shows that investors are seeing rising risk in the more-leading technology sectors. Such divergences don't always work.

But to me this is another useful warning.

Note in the last tech wreck crash 2000-2002, the Nasdaq was down -78%, the S&P 500 -49%, and the Dow -34%. That shows how being more tech-oriented is far riskier in a tech bubble crash like 2000-02 and just ahead. However, the bubble is more widespread this time, hence the downside differences shouldn't be as wide this time.

Q: I have a significant investment in TLT. Assuming a crash happens and interest rates decline, and history repeats, wouldn't the TLT ETF increase along with the prices of long bonds?

A: Yes, TLT will go up, similar to a 20-year Treasury, or a portfolio split between 30-year and 10-year bonds. The best return will come from buying 30-year T bonds direct. But TLT is the easiest to buy and sell. It also will go down less if inflation bounces back temporarily, so it's easier to hold. I still most recommend investors play the downturn by shorting stocks for the first crash which is the most volatile in the early stages of the crash. I like SQQQ at a 1/3 allocation to be 100% short, as it has the highest volume which is good in fast-moving markets like such a bubble crash. You can put the rest in T-bills and get 4.5% interest. After the first crash of 50%-60% sets in within a few months or so, then you can switch to the less volatile TLT that will explode the most into the worst of the crisis as in mid- to late 2008, and be easier to hold for the rest of the crash scenario likely into late 2028 to early 2029 or so.

Q: What are our thoughts on David Hunter's prediction? I find it hard to believe, but I think this market is the craziest I have ever seen. Looks like he sees the same crash as you, but seems to think we have one more upside explosion?

May 27:

The stock market is in what I believe is a historic, final parabolic leg of a 44 yr secular bull market. I am raising some of my targets as follows: SPX 10,000, Nasdaq Comp 36,000, DJIA 67,000, RUT 4000, QQQ 950, SMH 800, gold $7000 & silver $200. My other targets remain unchanged."

A: Those forecasts are possible in a final blow-off, but I think we are already at or close to a peak. I see two scenarios near term: 1) stocks have already peaked in early June (QQQ) and are about to turn down sharply again, or 2) there could be one more advance into August or September, then the great crash starts. My targets are sooner and not as high: 8,000ish S&P 500 if we make one more new high, which will look less likely if we can break down further in August.

Q: What have you heard regarding the Global Currency Reset?

A: I have heard some references to this, but not concrete predictions of what it means…

Here’s my view: The US Dollar will not remain the reserve currency much longer… maybe a decade only. There will be a major global bust ahead, that I think is most likely from this unprecedented global bubble… We will see the dollar surge as in 2008 as the safe haven once more, but likely for the last time. I see the dollar declining long term after that peak likely around late 2028 or so.

But there is no better substitute as Europe will fade faster than North America in the decades ahead… and Japan never recovers from its extreme aging and stock and bubble peak in late 1989. And the biggest surprise in the crash ahead is that China gets hit the hardest especially in real estate and its banking system. Its autocratic government and currency will be devastated! I think Bitcoin ends up becoming the global standard for money to replace gold and the US dollar of past decades. But Bitcoin, crashes the worst ahead first, as already leading the cash down 52% since its natural 4-year cycle peak in late 2025.To summarize: By 2037 or so, Bitcoin could start looking like the best long-term standard, especially if gold also tanks as I expect and is slower to recover than Bitcoin.

But after an "Everything Bubble" crash where even gold gets trounced… It will increasingly be the best candidate for a neutral, non-country based global standard for money as it leads the next boom again… Only after it has passed the value of all the gold in the world by 2037 or so and at as high as $600k to $1 million, will it then be big enough to take over from gold, and continue to grow more in line with the new digital economy, unlike gold growing at 1% in tons, and still slowing long term.

Globalization has trumped everything else, and emerging countries with 10 times the population of the developed world when population peaks around 10 billion by 2100+, will dominate growth in the coming decades, while China trails from both planned low births and over-stimulation of the greatest real estate bubble in history. Their population has already peaked at around 1.4 billion and will decline towards 780 million in the next 50 years plus… while India’s keeps growing to 1.7 billion plus. And China’s bubble burst will be the worst ahead!

The US will peak demographically by 2037 and fade more rapidly after that, like Japan since 1990 forward. That's when Bitcoin rebounds the strongest and increasingly looks like the future standard. Gold will also rebound

stronger than most commodities as India becomes the next China into the 2050s and 60s, and its rising citizens favor gold for both consumption and investment. It's possible there could be a combined Bitcoin/gold standard in the transition. But Bitcoin is the only objective, global candidate for a long-term standard for money. Gold was that for centuries in a material-based world. In an information-based one, Bitcoin is even more scarce, and far more in tune with the evolution and growth of the new digital economy.

Harry

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