MANWARD letter

Volume 5, January 2021

The Big Prediction Issue: A "Global Money-Printing Orgy" Leads to a True 10X Opportunity

Plus: An Update on Last Year's Big Predictions

Dear Reader,

I want to start the year by sharing my favorite memory of 2020.

It was formed while I was lying in a bed in the emergency room.

My heart was trying to do the two-step inside my chest. But since it's connected to the same brain as my legs... it too can't dance.

For more than 12 hours, it moved to its own beat.

Bippety... bop...

Boop... boop... boop...

Bippety... bop... boop...

It was a heck of a thing. Very scary.

And yet the fondest memory of the year came out of it. It's when, after sitting in the emergency room with me for nearly eight hours, my dear wife finally decided to go home.

The docs needed more tests, and there was no reason for her to stay.

My heart ached as I watched her walk away. Not the heart in my chest, though... the heart in my head. The wet eyes showed it was also the heart on my sleeve.

Lots of things go through a guy's head when he's worried what the fella in the white coat will tell him next.

Plenty of folks have died just to avoid the agony.

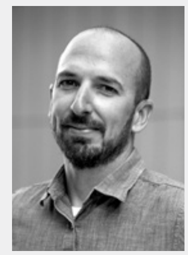
At any instance, the tests could come back. The doc could walk in, head down, and tell me things are failing.

He could reveal how things would never be the same... or that today was the beginning of the end.

As Mrs. Manward walked away, I thought about it all.

The Tough Questions

When we're truly honest with ourselves, we realize that so much of what we do is aimed at exactly that event – waiting for "the news."



Andy Snyder is the founder of Manward Press, the nation's premier source of unfiltered, unorthodox views on money. An American author, investor and serial entrepreneur, Andy cut his teeth at an esteemed financial firm with nearly $100 billion in assets under management.

Known for his outspoken market commentary, Andy's been a keynote speaker and panelist at events all over the world, from four-star ballrooms to Senate hearing rooms.

Today, Andy's dissident thoughts on wealth and investing can be found exclusively in *Manward Digest*, as well as in the pages of *Manward Letter*. He also helms the award-winning investment advisory services *Alpha Money Flow* and *Codebreaker Profits*.

Inside...

Our whole lives – especially for those of us in the financial world – are spent ensuring that we have more tomorrow than we do today.

But what about when the day comes to wrap it all up and tally the score – when we've played the game and the burden of tomorrow is relieved?

Did we do what we wanted to do?

Did we love all we wanted to love?

Are the joys greater than the regrets?

You know the questions.

We've all been there. My experience was certainly not unique.

That's why the good news the doc brought the next day was, dare I tempt fate by admitting it, bittersweet.

I was relieved to know that I was fine... just dehydrated. We always feel good when a doc chuckles and says, "You're not going to die."

But is it good?

When times are tough, we all make a lot of promises to ourselves, those around us and those we pray to.

God gets a lot more cries for help than cries of joy.

I reckon we'd all enjoy ourselves, our loved ones and, yes, even our money, if we flipped that around.

I'd rather not fall in love again on my deathbed.

That's why I'm happy to report I'm healthy... but I refuse to act like I am.

And as we rip our 2020 calendar off the wall and oh so gladly staple a new one in its place, I beg you to see things the same way.

Bittersweet News

I hope you can see the parallels between my story and what the world has recently gone through.

That was a rough year.

Every day, the world collectively asked itself, "What's next?"

We lost lives... freedoms... jobs... independence... security... and lots of folks lost hope.

But let me tell you this. What happens to us in times of panic and crisis is a direct result of the countless decisions we made up to that point.

My doctor didn't tell me I was okay because I was lucky. No, I eat well... exercise often... and take my health very seriously.

Last year, the headlines were rife with comparisons between the rich and the poor.

The haves got more than the have-nots. The upper class put more distance between itself and the lower class.

Well... duh.

The upper class is reaping the benefits of thousands upon thousands of good decisions... one compounds on the other.

The poor, depending on who you ask, either made bad decisions or didn't have the luxury of making good ones.

Either way... it's no spot to be in.

That's why these "big prediction" issues are so important. They make us look back on where we've been. They force us to assess what went right and what went wrong. And, most important, they beg us to make the right decisions for the future.

Yes, many of us are excited to kiss the year that was 2020 on the cheek and whisper goodbye. But as it's walking out the door, we must reflect on whence we came.

If you were not as secure as you wanted to be last year, now's the time to find out why.

If you didn't make as much money as you feel you should have... pay attention.

If you felt like you lost control... were waiting for somebody else to call the shots... or feared losing any more of your freedom... keep reading.

Last year must not go into the history books as a horror.

It must go down as a year of reckoning – the year we woke up to what was wrong.

The Crisis Ahead

As I dive into my big predictions for the year ahead, that's the notion that's on my mind.

In the pages that follow, I explore one of the quietest killers of money around… inflation.

Like a heart attack, it sneaks up with few symptoms. We're fine one minute and clutching our chest the next.

But we all know the real warning signs of heart trouble – obesity, bad diet, lack of exercise, excess drinking, stress – come long before the pain starts.

If we can eliminate these things, we can greatly lower our risk.

It's no different with so many troublesome things in our economy right now.

Borrowing is soaring. Money is being printed at an alarming rate. We've got bailouts… stimulus… and free-money-for-all programs.

The warning signs are everywhere. And yet, as my first essay highlights, they're being ignored.

Many folks (not Manward readers, I hope) will be shocked when inflation scours away the value of their money. The headline writers will have a field day writing about all the pain.

But, once again, we'll turn to the nation and say… well, duh.

The signs were all there.

If 2020 taught us anything, it's that America is no good at managing a crisis.

We dealt with a health crisis last year. It was painful. The nation convulsed.

Now imagine how we'll deal with a monetary crisis.

It won't be pretty.

But one thing is for sure. The good decision makers and the folks who "lived right" won't have much to fret about.

The time to get right isn't in the emergency room.

By then… the doc may bring bad news.

Come along as I show you how to make the right decisions with your money today… and every day in the year ahead.

Be well,

Andy

This Dangerous Money Trend Will Fuel Runaway Inflation

I have a bold prediction.

Within the next 12 months, our political leaders will stand before us and warn that we all must "share the burden."

It will come in the form of a flat tax… a tax that not a single politician will vote for. It will give them the perfect out… the ideal excuse to lie to you and say, "We didn't create this mess, but we all must dig our way out."

It's a scary idea.

For investors, now is the time to prepare.

Tough times have come to this nation and her many levels of government. Across the country, the COVID-19 crisis has shattered budgets.

The Brookings Institution now predicts state and local income tax revenues will fall by an average of 6.6% each year over the next three years. To the surprise of many, the worst of the pain is not due for two more years.

In all, this loss in just one type of tax receipt will lead to a $100 billion burden on small government.

But it gets worse… Sales tax revenues are expected to dip $150 billion between now and 2022. Property taxes are estimated to dip by $45 billion. Highway tolls and other state-related fees are estimated to plunge by $182 billion. And hospitals and colleges are expected to lose another $77 billion in revenue.

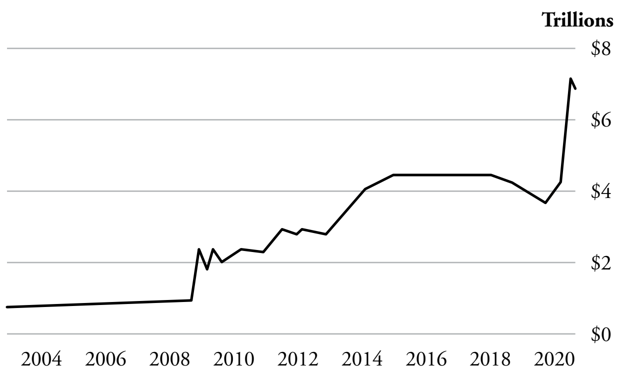
The numbers prove that merely ripping one calendar off the wall and stapling up another won't fix the pain.

Again, most of these numbers are not expected to hit their nadir until at least 2022.

Bailing Out

The federal government recognizes this problem. Its response to the economic crisis is well-documented. It has printed trillions of dollars in new cash and shipped more than $200 billion of it directly to its state and local brethren.

Record-Smashing Money Printing



Source: Board of Governors of the Federal Reserve System

But this next bit you may have missed.

On April 9, the folks in Washington did something else... something that didn't get nearly as much press. The Federal Reserve launched the Municipal Liquidity Facility (MLF). It allowed the Fed to directly lend to local governments. And by "lend," I mean it allowed the Fed to print money and loan it to cities and states at low interest rates the free market would have never allowed.

This lifeline has allowed the dead to keep walking.

Take Illinois, for example. It's in a heck of a fiscal crisis. If the state were treated as any private-sector business, it'd be out of business. So it was no surprise that in late November, Illinois stretched out its hand once more and asked the MLF to lend it another $2 billion (on top of the $1.2 billion the state already borrowed and burned through).

In a bit of political spite, Treasury Secretary Steve Mnuchin has since stepped in to allow the MLF to sunset. But it is widely believed the incoming Biden administration will quickly work to reopen it.

It has no politically digestible choice.

It's either allow the Fed to print more money... or let local governments fend for themselves in the free market, where few investors have the guts to lend to such high-risk borrowers.

That's why the money printing we saw in 2020 will not only continue into 2021 but also ramp up and go well beyond what we've already seen. It solidly moves us to the next chapter of monetary policy in the United States.

In this chapter, the definition of money changes.

"The Trick Is Done"

We've known it would come ever since the 1940s, when economist Abba Lerner published a piece titled "Money as a Creature of the State."

When I reread it recently, a few lines jumped out.

> *The modern state can make anything it chooses generally acceptable as money and thus establish its value quite apart from any connection, even of the most formal kind, with gold or with backing of any kind. It is true that a simple declaration that such and such is money will not do, even if backed by the most convincing constitutional evidence of the state's absolute sovereignty. But if the state is willing to accept the proposed money in payment of taxes and other obligations to itself, the trick is done.*

At the time those lines were written, the world was just three years removed from the powerful Bretton Woods Agreement – a deal that linked the U.S. dollar squarely to gold.

Since then, folks like Lerner and John Maynard Keynes dreamed of times like today – when the nation's currency would be unhinged from anything but its value to the taxman. It took us a mere 80 years to get there.

We went from gold backing every dollar... to a fractional system that allowed that gold to be leveraged to create more money... to ditching gold and letting our creditors decide the value of our currency... to this next step – printing money to pay our bills.

If you're a follower of such things, you know it as modern monetary theory (MMT). These days, it is no longer a theory, though. It's here. It is in practice.

For those unfamiliar with the cockeyed concept, it goes like this. It's quite simple...

Dangerous Ideas

Under MMT, the government creates new money with fiscal policy. That's a key idea. It means when Washington needs a buck... it creates it.

This is vastly different from what the nation practiced for most of our lives, when an unbalanced budget relied on borrowing from citizens and countries abroad to patch the holes.

Now that our national debt is so large that our money's value is meaningless, we're moving on to the next evolution of the movement.

We could all see it coming.

The nation first tested the MMT waters in earnest in 2008, as America plunged into the Great Recession.

The Federal Reserve fired up the printing press and from 2008 to 2014 pumped out some $3.9 trillion that it used to buy debt at prices the free market wouldn't touch.

It wasn't alone...

Central banks across the globe followed in kind. The Bank of England printed $500 billion. The European Central Bank printed more than $2 trillion. And Japan has been funding its economy with some $2.5 trillion in new money.

Again... all of that was before the world shut down to fight a virus and plunged into one of the nastiest economic messes in history. These days, almost all developed countries are printing money to stay afloat.

In just two months in 2020, the United States printed more money than it did in all of the previous 200 years.

It's the same everywhere. One prominent money manager was quoted as saying there's a "global money-printing orgy going on." In all, some $6 trillion was likely printed by countries across the planet in 2020.

The MMT naysayers (including yours truly) will tell you that this money printing is not free. It comes at the cost of all the money printed before it.

When $1 trillion is printed, the value of all other circulating currency must fall by a similar amount.

That means, to be clear, the money in your bank account can buy less today than it could a year ago. If the trend continues, it could buy you much less. (It's a fine time to remind you the dollar lost another 2.5% of its value in November alone.)

But fans of MMT stick their index finger in the air these days and say, "What inflation? Show me the inflation."

Don't Be Deceived

In most cases, they're right. Inflation has been flat. That's a big part of the reason I launched a "deflation leaders" section in our Modern Asset Portfolio late last year. It's where we invest in companies that, as I defined, "are making prices fall across their industry."

But don't get cause and effect confused.

It's the market's great deception. And it is why so many folks are blindly marching into a nasty trap.

I've written many times that the market likes to "give the most pain to the most people." It's why bubbles burst right as everybody is getting into them. It's why home prices soar... until a magazine prints a cover about how prices can never fall. It's why stocks plunge the instant you think getting in is a no-brainer. And it's why stock prices doubled... doubled again... and then did it one more time from 2009 to 2020... when virtually nobody thought they should.

Again, if everybody is saying something... watch out.

And right now, everybody is saying inflation is dead. It's the perfect time to be printing money, they claim.

Just look at the headlines...

In April 2019, Bloomberg ran a headline that asked, "Did Capitalism Kill Inflation?"

In March 2020, *Forbes* ran this story: "Economists Are Dancing on Inflation's Grave: Let's Hope It Stays Dead."

And, lest we forget, *The Economist* published a piece simply titled "The Death of Inflation." Its subhead may soon be laughable: "Central banks in the rich world may have been too successful in subduing price pressures."

That's scary.

Their Big Mistake

Every single one of these pieces misses out on the idea that deflation and falling prices are not the same.

True economic deflation comes when credit is tight and there's not enough money to go around. It forces wages lower, brings the prices of services down and makes your trip to the grocery store cheap.

But none of that is happening in the United States – a land where credit has been loose for more than a decade.

Yes, prices of some things are falling, but the true (and some of the most painful) gauges of inflation are quietly rising.

Wages were up by more than 4% in November. Stocks just hit record highs – up double digits in 2020. Healthcare costs climbed another 5%. Grocery costs soared 11% during the first half of 2020... and are climbing again.

This large disconnect between falling prices and rising inflation is the idea behind the deflation leaders category of our Modern Asset Portfolio.

When I debuted this portion of the portfolio, I wrote, "Efficiency, technology and especially the internet have made it vastly cheaper to sell and market products... and therefore have drastically reduced prices."

But again, it's vital to understand that falling prices (especially when it's related to just a few sectors) is vastly different from deflation – a monetary issue.

In fact, as I've written, these price-slashing companies (many are leading the stock market to record highs) are actually spurring and masking an inflationary trend.

Inflation's Opioid

Take November's Black Friday letdown, for example.

As COVID-19 cases soared, foot traffic to the nation's brick-and-mortar retailers plunged. It was down about 50% year over year. But overall sales were relatively unaffected. That's because folks simply turned to the internet.

The internet is a crazy place. It's the most economically efficient marketplace to ever hit the planet. With just the click of a button, we can instantly scan the world for the best price on a product. Some of the biggest sites do it for us automatically.

It's why, as you know, traditional retailers are failing at a historic clip.

But there's another side to all of this.

The internet has also made businesses much more efficient. Last year's work-from-home boom is only one example. We must also consider how business communications have changed since, say, the iPhone first launched in 2007... how data collection has maximized margins... and how instantaneous connections across the planet have changed global business.

It's truly remarkable.

Let me show you why that's so important...

Fast-Forward... to Now

You've probably heard that the COVID-19 crisis advanced the use of technology by a decade. But I doubt you've heard that it also just slashed 10 years or more off the road to runaway inflation.

I'll show you some numbers, and you'll see what I mean.

In the three decades after World War II, the American economy evolved rapidly. The technologies we created to win the war quickly changed the way we worked. During those decades, labor productivity jumped by an average of 2.5% annually.

But the rapid growth in efficiency didn't stick around too long. From 1973 to 1995, it slowed dramatically... to just 1.4%.

But then, in 1995, it started to soar... jumping to a rabid clip of more than 3% each year.

The data available for 2020 is off the charts – in both directions. Productivity fell 0.9% in the first quarter... surged 10.6% in the second quarter... and then slowed to a 4.6% annual growth rate in the third quarter.

It's the sort of gyration that marks a turnaround.

But here's the thing... If we create a chart that shows inflation rates in comparison with productivity rates, we see that when one wanes, the other waxes.

When productivity is high, inflation dips. When productivity falls, inflation rises.

It makes perfect sense.

When technology allows each worker to get more done in a day... margins rise and prices tend to fall, overcoming any inflationary forces caused by loose monetary policy.

But when the effect of that new technology begins to slow, margins begin to shrink and the veil that masked underlying inflationary pressures is suddenly removed.

This is what so many of the folks in the "inflation is dead" crowd are missing.

Inflation has not risen despite massive amounts of money printing for one simple reason...

The printing coincides with one of the biggest technological advances in modern history.

It was a fluke.

But since the COVID-19 crisis just crunched what was once a decadelong timeline into a mere nine months... that trend is about to end.

That's not good news.

This is where that line from earlier comes in. It's where we must all "share the burden."

When the Drugs Wear Off

You see, America is now straddling two very different paths. One is the traditional path... where inflation would be curbed by the Federal Reserve raising interest rates.

But, as the cliché goes, that ship has sailed. Janet Yellen tried to set off a string of rate increases, but the economy abruptly stopped growing and the stock market was on the brink of imploding.

It's why her successor, Jay Powell, has quite publicly vowed to keep rates lower for longer... even if it means dealing with rising inflation rates.

In other words, we'll all need to share the burden of rising prices because, they'll tell us, it's the only way to get the economy back on track.

But there is another option. This one is even scarier.

I mentioned it earlier... modern monetary theory. It's becoming quite popular in the halls of Congress. Folks like Bernie Sanders and Alexandria Ocasio-Cortez are big fans.

Their theory is simple. Instead of borrowing to pay the bills and stimulate the economy, Uncle Sam just prints all the money he needs.

It's merely one step removed from what's happening these days.

And then, instead of raising interest rates to bust inflation, these MMT fans say Washington should simply raise taxes and pull all that excess money back in. But, per the theory, Washington doesn't spend that tax revenue on roads and bridges... It burns it.

In the clearest of terms, it prints when it needs to stimulate (what it's doing now) and raises taxes when things get too hot (which we're already seeing signs of).

But a deadlocked Congress doesn't have the political will to raise taxes. And even if it does, it will never burn that money as it should. It will spend it all... and then spend some more.

It means our fate is clear.

Inflation is coming.

It's a flat tax that we must all endure. It's a burden on our standard of living that will keep Washington afloat at our expense.

It's inevitable.

Thanks to the time crunch caused by the COVID-19 crisis, it's coming sooner than most folks think.

Remember This...

Cities and states are broke.

Washington is forced to bail them out one trillion-dollar stimulus plan at a time. It's creating pent-up inflation that, until now, has been masked by one of the biggest technological advances of our lives.

But now that we've moved ahead a full decade in nine months, the mask has been lifted and inflation will come roaring back.

Mark my words... By the end of 2021, pundits will once again be pondering the idea of interest rate hikes.

We'll have reached the government's self-imposed limits. But the Fed will make more excuses. It won't pull the trigger. That would destroy what little true economic growth we have.

Instead, the only way Washington will be able to slow runaway inflation is with a "tax and burn" theory. That too won't come. Our leaders like the spending side of modern monetary theory, but they don't have the guts to follow through with the second half.

It's why inflation must rise. It's why we'll all soon be "sharing the burden."

Prices will rise, wages will stagnate, and taxes and fees will dominate the headlines.

It will hurt, but the politicians will allow it. It's for the greater good, they'll lie.

My advice... Own stocks. Own lots of them. They're the best way to ensure your standard of living does not get crushed by the odd times ahead.

Keep reading for the details on one stock that's set to perfectly take advantage of this situation.

THIS MONTH'S STOCK PICK

A 10X Opportunity:

Busting Inflation With a Red-Hot Stock in a Red-Hot Industry

The biotech sector was one of the hottest plays of 2020.

The popular **SPDR S&P Biotech ETF** (XBI) was up by 40% last year.

And, remember, that index is a mix of the best and the worst. Sort out the losers using simple analysis and the gain gets even better.

Just picking some of the fund's top 10 holdings, **Fate Therapeutics** (FATE) was up more than 175%...

More Predictions for 2021

- China's digital currency goes mainstream
- Bitcoin = $40K
- Marijuana is legalized and a Libertarian-leaning Republican casts the deciding vote
- $2 trillion more in stimulus
- A major shake-up with Google, Amazon and/or Facebook
- Inflation becomes the dominant economic headline

Ultragenyx Pharmaceutical (RARE) was up 180%... and **Arcturus Therapeutics** (ARCT) was up well over 700%.

It doesn't surprise me.

In this very same "big prediction" issue last year, I claimed that the sort of personalized medicine many of these companies have developed would be the hot spot in 2020.

Now we have a chance to combine that ultra-hot trend with the even hotter trend I just talked about.

This has the potential to be a flat-out explosive opportunity.

A Balancing Act

In an inflationary environment, as you'd certainly expect me to say, we can throw out the old rules of investing. When the value of money is plunging, things like debt levels and return on equity that form the backbone of fundamental analysis become much less useful in our investment analysis.

A company that did the "right" thing and grew its business with conservative debt loads will get punished by the companies that rapidly expanded their top line with loans that will be smartly paid back with inflated dollars.

It bucks the historical rhetoric on stock analysis, but, then again... so does everything else these days.

That's vital to understand.

When inflation is threatening to run rampant, we don't care so much about debt load. Instead, we want to see how a company is using that debt to spur new business.

We must see growth... growth... growth. That way we can be certain the company can blast right through the strong headwinds coming its way.

Old vs. New

Think of it this way.

If Company A has $100 million in cash and just $10 million in debt, most folks would say it's in a good spot. Historically... it is.

No doubt it can pay off its debt with the cash in hand... but then what? If the company can't find something with a high return on investment to put its cash to use, the value of that stash will fall at the rate of inflation. It could cost it the equivalent of $5 million or even $10 million a year.

How about Company B? Let's say it has the opposite balance sheet – $10 million in cash and $100 million in debt. Yikes, right?

But hold on. With $10 million cash, there's not much for inflation to nibble at. Using the same math, it would lose only $500,000 and up to $1 million in purchasing power.

And, remember, as inflation soars, that $100 million in debt loses its might with each new dollar that's printed.

In this case, we can't make a determination of which business is better until we know their sales growth.

If Company A is seeing sales grow at just 3% or 5% per year, it's in trouble. Factor in inflation... and its proceeds are going backward. All that cash will be worth less and less, and the business will suffer.

That's why companies that can't control their prices – like many of the firms in the nation's food chain, for instance – suffer immensely when inflation roars. They're low-margin, cash-rich businesses that can't flex when the cost of business surges.

A debt-burdened business like Company B makes a much better choice if it's using that debt to fund rapid expansion. As long as sales are expanding faster than the rate of inflation, the cash it brings in will make those debt payments easier and easier to make.

It's why cash-rich companies like **Apple** (AAPL) and **Cisco** (CSCO) are quickly using their cash stockpiles and taking on more debt to buy back slews of their shares. They know it's time to reshape their balance sheets... or inflation will reshape their share prices. Neither company, after all, has a top-line growth rate of more than 5%.

Buying BIG Growth

So what's this mean?

Am I saying we should go out and buy all the high-debt, low-cash companies we can get our hands on?

Do we forget fundamentals and look for a flash in the pan?

Absolutely not. That's a fool's errand... unless you like getting bankruptcy notices from your brokerage.

But if we believe inflation is coming and the Dow will hit 100K because of it, we do need to put a lot more weight into growth and what's funding it.

That's why I want to introduce you to a company with the sort of growth Apple and Cisco haven't seen in decades... annual top-line expansion of 67% last year... 105% the year before... and just as strong expectations for the years ahead.

The company is a leader in the biotech world... its one-of-a-kind products are used by many of the companies leading the biotech market higher... and it has a near-perfectly matched balance sheet for the current environment.

A 10X Opportunity

Most folks have never heard of **10x Genomics** (TXG). After all, it IPO'd just a bit more than a year ago.

But if you were to step into 97 of the top 100 global research institutes today, you'd see the company's products.

Or if you picked up one of the more than 2,000 scientific publications that have reported on data collected via the company's high-tech products... you'd see its potential.

Or if you went to the U.S. Patent Office and scrolled through the more than 950 patents the company has been issued or filed... you'd see where its future is headed.

To be clear, this is a high-growth company that, thanks to a 79% gross margin, is virtually printing its own cash... again, a key idea in our thesis.

But please don't think this is merely a play on rising inflation. It's not.

This is an inflation-proof play that will surge higher as it devours more and more of the market and its products become ubiquitous in the realm of healthcare.

In other words, as the Dow surges toward the 100K milestone, 10x is exactly the sort of company that will make good on its name and ride the wave all the way to the top.

The Kingpin of Personalized Medicine

Put simply, 10x designs and makes gene sequencing technology – a key component of personalized medicine.

It helps to understand the business if we step back and think of the human body as a road map.

Half a century ago, doctors and scientists didn't know all that much about all the lines and symbols on that map. They knew where things went, but they didn't know how or why.

Then we started to figure out how individual genes shape things. About 30 years ago, scientists started an ambitious project to put a label on each of those genes – like street labels on our map. They started to see how things were linked.

Thanks to this data, hundreds of biotech companies are now connecting the dots, moving the lines around, and beating rare and deadly diseases using medicines and therapies that are only possible because we can now read that map.

10x isn't in the medicine business, though. It's in the map business. It's a leader in making the machines and equipment that allow scientists to understand individual cells and the genes that shape them.

For example, I recently listened in as Dr. Leo Chan discussed how 10x technology has helped further vaccine and immune research.

The doctor explained how the company's products can take a small sample of cells, analyze them, put a "barcode" on each of them and then run them all through the library of known genetic information.

The company's software then spits out a usable visualization of the results. In other words, it makes a map.

The end result, in this case, was a sort of "before and after vaccination" look at individual cells.

It's quite fascinating... and mind-blowing for a money guy.

After I researched 10x, its products, the industry and the company's current balance sheet, it was clear this is an ultra-growth stock that we want to own.

It's an ideal high-tech play for an economy that's on the ropes... with inflation looking for a knockout.

Action to Take: Buy shares of **10x Genomics** (Nasdaq: TXG) at the market's price. We will use our standard 25% trailing stop on the play. We will add the position to our Dow 100K Portfolio.

Looking Back on Last Year's Predictions

So how have my other forecasts from last year's "big prediction" issue turned out? Quite good...

As I mentioned, my main prediction for the year aimed at the realm of personalized healthcare.

Although another big health issue dominated the headlines, there's no doubt the biotech space had the year I envisioned. As I said earlier, the sector outpaced the broad market by nearly 4-to-1.

But I made other predictions too. The full list is below.

Some folks will say it's unfair to claim any predictions came true last year, simply because 2020 was the year of the Black Swan. They'll say the logic I used to make these calls went out the window as soon as the nation locked itself up in March.

I disagree. While the situation may have changed, the things that led us to this point did not.

The dollar is a great example. Generations of mishandling have put it on the ropes. All it needed was one event to knock it down.

It's the same with marijuana and Boeing. The writing has been on the wall for a long time. It just takes somebody with the guts and skill to connect all the dots. ■

2020 Predictions Scorecard

✓ Negative Interest Rates Dominate Financial Headlines

Result: I can't say negative rates dominated the headlines, but interest rates fell to record lows. Anybody who cares about the topic knows we spent most of the year dealing with negative real rates. I say we got three-quarters of this one right... if not more.

? The Presidential Election Fight Is a Letdown

Result: I got this one half right... depending on who you ask. In reality, there wasn't much of a fight between the candidates. We had one crazy debate, one calm one and one that was canceled. There were no big surprises and, to the disappointment of the media, no riots or wars after the election.

✓ Value of the Dollar Plummets

Result: Nailed this one. As I write, the greenback is at a 2 1/2-year low... with some of the biggest bets against it in history. Citigroup just said the greenback will fall another 20% in 2021.

✓ Marijuana Legalization Becomes a Surprise Story

Result: Win. One headline last month sums it up: "House Passes Historic Bill to End Federal Marijuana Prohibition." Add that idea to the many more states that legalized or decriminalized marijuana last year and the trend is clear.

? Four-Day Workweek Gains Traction

Result: Inconclusive. There's no doubt the work-from-home trend exploded in 2020, but that was entirely unpredictable. The so-called "return to normal" will determine where this one ultimately goes. As of now, I can't brag about getting it right.

✓ Big Troubles Drag on Boeing

Result: Nailed it.

✓ Ginsburg Steps Down From the Supreme Court

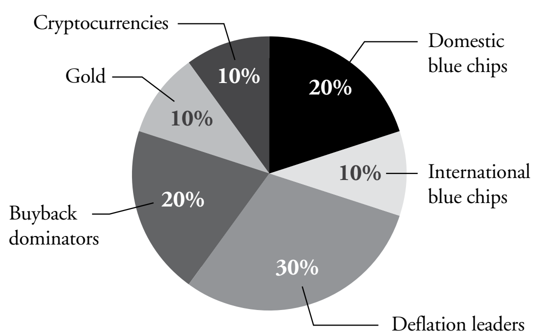
Result: R.I.P.

Modern Asset Portfolio

Negative Real Interest Rates

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains	Category
Alarm.com (Nasdaq: ALRM)	Aug-20	$67.09	$78.23	Buy	$59.96	16.60%	Deflation Leaders
Avalara (NYSE: AVLR)	Nov-20	$146.23	$169.02	Buy	$129.45	15.59%	Deflation Leaders
Scotts Miracle-Gro Co. (NYSE: SMG)	May-20	$122.53	$192.31	Buy	$142.67	58.94%	Buyback Dominators
KBR (NYSE: KBR)	Apr-20	$21.45	$27.97	Buy	$21.77	31.79%	Domestic Blue Chips
Afterpay (ASX: APT)	Dec-20	$95.30	$110.00	Buy	$73.92	15.42%	International Blue Chips
Monero (XMR)	Oct-20	$95.52	$152.74	Buy	$110.23	59.90%	Cryptos
Physical Gold							Gold

MAP Allocation



Interest Rate Monitor

This Month	Last Month
-1.00%	**-0.83%**

10-Year Real Interest Rate

Dow 100K Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
10x Genomics (Nasdaq: TXG)	**Jan-2021**	**New**	**New**	**Buy**	**None**	**New**
CME Group (Nasdaq: CME)	Jun-20	$178.90	$177.55	Buy	None	0.67%
Fiserv (Nasdaq: FISV)	Sep-20	$99.85	$113.63	Buy	None	13.80%
Logitech (Nasdaq: LOGI)	Jul-20	$65.22	$89.39	Buy	None	38.40%

Note: Because this is a long-term portfolio based on the eventual unfolding of volatile, unpredictable events, we will not use trailing stops. Do not put more than 5% of your total portfolio into these positions.

Last Update: 12/14/20. Gains include dividends.

Further Reading

"How Much Is COVID-19 Hurting State and Local Revenues?" The Brookings Institution: https://www.brookings.edu/blog/up-front/2020/09/24/how-much-is-covid-19-hurting-state-and-local-revenues.

"Money as a Creature of the State," *The American Economic Review*: https://esepuba.files.wordpress.com/2009/05/lerner.pdf.

"$9 Trillion and Counting: How Central Banks Are Still Flooding the World With Money," CNN Business: https://money.cnn.com/2016/09/08/news/economy/central-banks-printed-nine-trillion/index.html.

"Why the Worst Financial Crisis in America's History Means It's Now or Never for America's Middle Class." *Manward Letter*: https://manwardpress.com/manward-letter/letter-issues/june-2020.