Larry McDonald: How To Listen When Markets Speak

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Erik: Joining me now is Larry McDonald, publisher of The Bear Traps Report and author of a brand new book, which is titled: *How to Listen When Markets Speak*. Folks, as you can tell, I'm suffering some laryngitis, as we're recording this interview, please bear with me. Larry, in the last two minutes before we went on the air, gold took out the 2300 round number, we're at 2301 as we speak, what's really surprising to me is, there's been a very strong inverse correlation between gold and the dollar. And, of course, gold is always competing with interest rates. So usually, as interest rates go up, gold goes down. We're seeing a change in correlations. What's going on here?

Larry: Well, I think the beast is in the market Erik. And first of all, you losing your voice is like, you know, Ted Williams losing the bat in the batting, but you've done such a marvelous job over the years, leading this incredible program of MacroVoices, thank you for everything, and all your leadership and the whole team. But I would say that with gold, the beast in the market inside knows the gig is up. Politically, the Fed, can't really hike. If they hike, if they were to hike, because of inflation expectations, then it's going to blow up the regional banks. And essentially, the beast of the market knows that the Fed really can't do much. And so normally, the last couple of years, if interest rates went up, gold was lower. And now over the last couple of weeks, especially today and yesterday, gold is moving higher with rates. And it's almost like we were going back to the 1970s dynamic, where there's a stagflation probability that's rising, and Washington is really in trouble with that 80 billion a month of interest now, and that it's going to go up to maybe from 80 billion a month to potentially annually 1.4 trillion of annual interest costs over the next year, if the Fed hikes or keeps rates here. So the beast in the market knows that the Fed politically is dealing with a troubled Washington, really a spoiled brat. And I think that's what gold is telling us.

Erik: We're also seeing oil catching a bid. Now, early in this Gaza conflict, I was very outspoken in saying I thought that the Gaza conflict was really going to push a risk in the oil market much higher. A lot of people who are more experienced than me in the oil market said, no, not in this case, it's not going to happen. Is that what's now starting to happen, or is it something else that's causing oil to catch a bid suddenly?

Larry: Well, you see, that gets back to the old stagflation problem, because if the economy, you know, the Fed is potentially cutting rates for a reason, right, we're slowing down with a whole bunch of reasons why the Fed wants to cut rates politically. But if oil rips here, say $20 in the amount of commercial real estate on the bank balance sheets is substantial. It's very interest rate sensitive. So we're also seeing a relationship between interest rates, oil, and the banks. And that's picking up with intensity. And so, we run a Bloomberg chat with, our clients are typically hedge funds, mutual funds and pension funds. In the last like, three weeks or two weeks, a lot of clients are talking about this interest rate sensitivity with regional banks. So, the higher oil goes, say, oil goes up $20 because of a geopolitical event, which is happening, we've already had one this week, we're up a couple of dollars, but we're at a threatening level. If oil were to rip higher, that puts substantial pressure on the banks because of all that commercial real estate exposure. Oil up puts pressure on rates, all of a sudden, it potentially brings hikes into the picture, but the Fed can't hike at this point in the cycle. And that's really putting a lot of pressure on the Super Regional Banks. Some of these Super Regionals, Erik, are underperforming the S&P by like 40% to 50% over the last, say, since a year ago, January. And that's something you only see in a financial crisis.

Erik: You mentioned that there were several reasons that the Fed was unable to cut rates or wanting to cut rates but maybe having more difficulty than they expected. Let's go a little deeper on that. What do you see on the horizon in terms of inflation, which I agree with Jim Bianco is view that we may have already bottomed on inflation? Is that part of this and what is tying the Fed's hands here?

Larry: Yes, the global economy is in a better spot. So, if you look at Japanese equities, and if you look at Italian equities or French equities, those markets have been near all-time highs in the last couple of months. The European banks on the RSI week, daily level is the most overbought in 10 years by a big factor. So there's something going on there on the global side. So, in other words, we're getting a surprise on the global economy. China had a better data this week on the manufacturing side. So we're getting a surprise, their surprised demand. oil markets are very tight, seasonally going to summer driving season coming in. Essentially, we're getting this upward pressure on commodity prices, very stagflationary, the US economy and the bottom 60% of Americans are really hurt. You can look at data from pet care, look at data from McDonald's, you got Dave and Busters tonight missed. So the bottom 60% of Americans, you know, the New York Fed has told us many times, Erik, many times that the bottom, say, 30%-40% of Americans only have $400 in their checking account, the New York Fed has lectured us on that over and over again. So it's like two economies, one economy is in trouble, whereas the top 20% are doing just fine. But politically in an election year with that bottom 60% in that much pain, with interest rates and all of those additional costs of oil, it's very difficult for the Fed, the political pressure to cut rates into that environment is extremely high. And that sets up a real, what we talked about in our book, *How to Listen When Markets Speak*, we're talking about a colossal migration of capital. And this is one of the most incredible opportunities in markets in our lifetimes.

Erik: The S&P 500 has finally traded below its 13 day moving average, just on Tuesday, for the first time. and just looking at my chart here, it looks like in several weeks. Is this finally the beginning of correction lower or is this just noise?

Larry: Well think about this, Erik, so in 2024, you've got oil and gas equities up 16%. Copper equities are up 15% gold is up 10%, right? Uranium equities up about 9%, the S&P is up 9%. And the super wonder kid, you know, big tech is up 8%. So essentially, oil and gas in 2024 is doubling the performance of the NASDAQ 100. I mean, that is just mind blowing if you just think about listening to the media. So this trade is where capital is starting to move into other asset classes away from that crowded trade.

Erik: Larry, The Magnificent Seven stocks, of course, have been the story for years and years, it seems that story finally winding down. Is that what we're seeing here? And if so, where is that capital going to go if that trend is ending?

Larry: Well, we're hearing, Erik, from professional investors we talk to, the biggest stat is that think of Nvidia, $2.3 trillion valuation worth as much, almost as much, as the entire energy sector. But as a percentage of the S&P, Nvidia up to almost 5%, is about 5% of the S&P, whereas the energy sector is about 3% of the S&P. So in other words, you've got the crowding of these ideas. If you look at the NASDAQ 100, close to 22 trillion in the NASDAQ 100 in the first quarter, 22 trillion in the Nasdaq 100, say 10 years ago, the NASDAQ 100 and the energy sector were about the same size right? Today, the NASDAQ 100 is 18 trillion larger. And this is just one of the most crowded trades of all time. The AI, Artificial Intelligence dynamic is sucked in a lot of hot money. But it reminds me of the 90s. In the 90s, we created convertbond.com, we were fortunate enough, was the trade of my lifetime. We sold it to Morgan Stanley. In the 90s. Erik, what everybody was focused on was the loosens, the global crossings, the Cisco's, the JD’s, as unit phases. And so when a revolutionary, game changing technology comes on the scene, people focus their eyes and minds on these showcase trades, these high profile trades. And at the end of the day, what happened in the 90s, I think is about to happen now where, it's those second, third level trades, like after the 90s, we had match.com and we had Meta. We had Google and all these companies that harnessed the incredible power of the internet, it is just like artificial intelligence today. Natural gas is probably going to be one of the most powerful winners here. Energy, just energy sources and just the power grid alone, you're talking about copper, we're talking about a 50 year old power grid in the United States. 50 years old in some spots, 30 years old in others. You're talking about, we need to supply the energy source for artificial intelligence, in 2022, it’s about 460 terawatt hours, 460 terawatt hours. But if you believe Nvidia and all these great salespeople that are telling us about the potential of artificial intelligence, it could be in, say, 2026, 2027, 2028, upwards of 2000 terawatt hours, which is equivalent of the amount of demand of electricity and power of Germany, and France. And so, we have a world where we've suppressed the supply of energy and natural gas, because of all these things, ESG, and all these regulations, we're suppressing the supply, and the demand is about to explode. And so, there's this incredible distance, this incredible spread between supply and demand that's looking out, say, 18 to 24 months, we're talking about a major energy crisis that's coming upon us.

Erik: Well, you and I agree very much on that. But I have to admit that what I've gotten wrong several times in my career is the timing of that energy crisis. When do you think we get to the,

the rubber meets the road point, where we see that divergence between supply and demand, that just forces prices much higher, regardless of policy decisions?

Larry: Think of the COVID world and in emerging markets and emerging market economies, we've taken 5 million jobs out of the United States over the last 20 years. We've moved them into India, Bangladesh, China, all these emerging market countries, we've decimated the rust belt, which has had a major impact on elections. The Biden team wants to restore jobs, so does the Trump administration, but a lot of these jobs have been pushed around the world, in what we could see very clearly as the energy demand, whether it be mopeds coming from India in this fourth quarter, there's a billion people in India that don't have air conditioning. So when you raise the standard of living of people around the world dramatically, because we did this globalist march, right? So we're raising that standard of living among consumers, young consumers in emerging market countries in that consumption. And that's why you've seen, the India stock market has literally been one of the most best performing stock markets in the world. And so we're definitely having this demand surge from around the world, and from a developing market countries, from Northern Africa, from African countries, from emerging markets, even from Europe. But the supply, because of all the regulatory overhang in the United States supply, of say natural gas, LNG, we can't get it fast enough to market and there's just that, I think it's very certain that that spread is developing. And then you know, if you look at it from a trader perspective, if you look at the curve in terms of backwardation, we've gotten to a backwardation, with the front month on the oil contracts is more expensive than the outer. So there's a lot of evidence that the seasonality with oil and gas, and all of that, you know, short term trading at a one year view, I think is extremely bullish. And so I know it's very hard to get the timing right. But looking at it, 1,2,3 years, 4years, I think we have really outstanding trade in natural gas, oil, and uranium. And in all these metals that are supposed to really complete our power grid, our power grid is a $2 trillion hole, essentially, we're at a $2 trillion hole to improve the power grid, to make that power grid capable of handling all the electric vehicles, all that artificial intelligence. And at the same time, if you think about metals, I mean, for the love of God, we're going to have, one of the things that institutional investors are talking to our team about every day is the Ukraine rebuild. And that's going to be tough to really time. But that's something that like 2, 3 years from now, we're going to be trying to rebuild Ukraine, all that demand for the copper, aluminum. At the same time, we have this artificial intelligence revolution with electric vehicles, and in countries like India that are growing, if their energy consumption at three to four times the developed world, there's just no question that we have this energy crisis of coming upon us.

Erik: Well, every one of the themes that we've been discussing with several of our guests is the shift from a unipolar world to a multipolar world. It really feels to me, like this conflict with Ukraine is not ending. I think that the conflict, the real conflict is between the United States, Russia and China, and that Ukraine has mostly been a proxy in that and regardless of how the Ukraine thing works out, I think we're just getting started in this shift. What would that mean for markets? How does it change the landscape in terms of how portfolios have to be designed? What are the consequences, and I guess I should start with, do you agree that we're moving on very much toward a multipolar world? And this is a big trend that doesn't end with Ukraine conflict?

Larry: Absolutely. And it's a huge part of our book, *How to Listen When Markets Speak*, around that transition. And if you think about the whole world and think about the investment community, and you think about asset classes and passive investing, everybody is essentially in a 2010 to 2020 portfolio. Everybody is long same stocks. Everybody is long, really a disinflationary portfolio, a unipolar world portfolio, and that's the type of world we were in for a long period of time. A unipolar world is a world where supply chains are working brilliantly where there's one major power, the world is less global conflicts, but a multipolar world is like a 1960s and 1980 world where there are more global conflicts.

But today, Erik, today, it's like literally watching the Terminator. We have drone attacks that are, in the last month, that are taking out ships in the Suez Canal, they're taking out refineries in Russia. I mean, for the love of God, if Putin and all these advanced technology can't protect the Russian refineries, and that's one of the reasons why we've had this big move up in oil in recent days, weeks. Because of this multipolar world, the strikes on these refineries, if they can't protect those assets, if one attack on the Saudi oil fields gets through, then we're in a real 1970s, 1980s problem. Because the market is tight enough, we've got global demand, we're under invested. The biggest point we make in the book, the most important point for our listeners comes down to this one part of the book. So, if you think about 2010 to 2014, and the investments in oil and gas, and metals, everything we needed for the world to supply all that energy, and all those key commodities, that investment play from 2010 to 2014. If you move it forward to today, we're essentially in a $3 trillion hole, a $3 trillion hole. And at the same time, the global population from 2014 to 2024, is up almost a billion people, 1 billion. So we're massively under invested in, what we call a multipolar world, with all kinds of potential problems in the Middle East that have been developing through this whole year. And so every time there's any kind of attack, the market is tight enough that it creates this real stress, in terms of higher oil prices, that puts stress on the banks, that put stress on the US consumer in an election year. The one thing we've been hearing, Erik, from institutional clients in the last month, is if Putin wants to influence the US election, the easiest weapon in the world for him to use is, take down oil production with the Saudis. And that's what, if you look behind the scenes, a lot of the data, there's no question that he's doing that. And so when you come into a seasonal period, with the summer driving season in the United States, lots of demand, typically very bullish period for oil. And if Putin does cut back production, remember, Russia produces like 9 to 10 million barrels a day, in some years, maybe 11 million barrels a day, so it's a major global producer. In an election year, this is the big wildcard, if Putin wants to influence that US election, all he has to do is join the Saudis and cut back production even more. And then we have a real big election wildcard in November 2024.

Erik: You said earlier that if one, just one attack on a Saudi oil field got through, that could really change the game. Do you perceive a risk of an attack on Saudi oil fields? And if so, from whom?

Larry: Well, that's why I said the Terminator. Because we're in a period where, if you create enough drones with a better technology, and if you have that better technology, you can get through the counter forces, you know, those Patriot missiles or the missile defense systems. It's really an incredible battle. Now, granted, when you talk to institutional investors, they'll tell you that the Saudi oil fields have much greater protection than, say, those refineries in Russia or parts of the Suez Canal. So there's reasons why there have been attacks on the canal in multiple spots, multiple ships, and multiple refineries in Russia. Those areas are not as well protected. But it's really like a scene out of the Terminator where Arnold Schwarzenegger and James Cameron, you know, what an incredible movie, where those technologies and all it takes is one to get through. It's still not a high probability, but if you just think about the last couple of months, we've gone from a problem in Israel, a tragedy, then now, obviously, the entire developed world can't protect one of the major canals in the world, that's the last multipolar situation, then we've gone to refineries being struck in Russia by, I guess, Ukrainian drones. It's just escalating to the point where it's like, where does this go next? And it's very clear to us that it's a multipolar world for a lot of tension in, the strike this week with Israel, on that embassy in the Middle East, the Iranian embassy, that's clearly another escalation. So it looks like we're just going to have another path forward and more escalation until there's a solution, that's going to put more pressure on oil, more pressure on rates, more pressure on the regional banks, and more pressure on the US consumer in election year.

Erik: Larry, I always enjoy our conversations, because like myself, you're a big picture thinker. And you're really seeing all of the different facets of this. But let's try to take this whole conversation now and bring it back to the trades that we can actually put on in a portfolio. We've talked about a number of subjects in this interview already, from artificial intelligence, to the energy transition, the metals that are going to be needed for that, to what's going on with energy. Obviously, you want to be buying commodities in backwardation wherever you can, I agree with you, that there's probably a lot of upside for natural gas. But that's a tough commodity to be on the long side of. So do you trade that through the equities? Let's just take all of this and try to frame it in terms of where the trades are.

Larry: Well, what we've been looking at is, okay, value stocks that can benefit from the rebuild of the power grid in the United States, or all this, like I said before, earlier in the interview, artificial intelligence. The best trade is probably in the natural gas space companies that are going to benefit from this incredible explosion in demand for electricity and energy, over the next couple of years. And then we’ve talked about, everybody knows the LNG export trade, which Europe wants to replace Russia. So there's a lot of incredible demand there that hasn't worked out because these LNG facilities haven't come online fast enough. And there's been warm winter in Europe. So the bottom line is, you've got a trade here in natural gas companies that is powered by, both this explosion in artificial intelligence and data centres. And then this explosion in LNG demand that's coming from Europe that's massively politically driven. So if you look at Antero resources, here's some amazing stats. Antero, it's a $9 billion market cap company, we think they're going to do 1 billion of free cash flow in 2025. So it's an 11% free cash flow yield, 11%, free cash flow yield, and Antero has been buying back. And this is the fascinating part, these companies producing cash, they've been buying back $1 billion of stock in over the last year or so, a little bit more. So they've bought back 10% and 15% of the outstanding shares. You know, one thing about this commodity cycle, these balance sheets are much less levered than in the cycles past, they have only $4 billion of debt, versus equity market cap of $9 billion. So you look at a stock like that, and you talk about, if you really believe Nvidia, and you really believe in this whole LNG export, the name and all these data centres and all this demand, you're talking about natural gas prices that are going to be most likely in the $6 to $8 range, relative to below to now, and I'm talking the next 2, 3 years, in companies like Antero, that are on the pace to produce 11% free cash flow yield. I just see like a tremendous, like your risk-reward you potentially have, with some of these stocks, you get 5 to 10 baggers on the upside and, you do have some downside 20% to 30%, if things don't work out. But the upside, you're talking about 5,10, 20 baggers with some of these names in the natural gas space.

Erik: Larry, you mentioned the power grid. Let's go a little deeper on that.

Larry: Well, I mean, if you believe the analysts on Wall Street, and analysts love to upgrade stocks on the highs, I mean, the analysts were crickets a year ago in the first quarter. They barely mentioned this artificial intelligence dynamic in last January, February, and everybody was downgrading a lot of these stocks. But you know, now that the analysts are putting up very incredibly rosy projections for companies like Nvidia and data centre demand and artificial intelligence, and if you think about all of that electricity demand over next couple of years coming on an ageing power grid that's 30 years old in some spots, 50 years old, in others. And then you think about the projections on electric vehicles, all of those vehicles coming on, in hybrids and alike, but a lot of stress on the power grid, companies like Generac that make backup generators in states like Texas, those are solutions for hiccups along the way. And so whenever you see these big secular cycle trades, the media makes it look like we're going to be have a straight doorstep, to this, you know, new nirvana. But there's a lot of times there's tremendous hiccups along the way. And you got to think, okay, the power grid is one, if the power grid breaks down, as it did in Texas in recent years, you know, your Generacs of the world are going to benefit. And then the metals themselves like copper, you've got political crisis in Panama over the last year, that has been suppressing copper supply. Same thing in Chile and Peru, Panama, Chile and Peru are tremendous copper producers, the supply of copper relative to demand has been kind of under arrest. And so copper itself as a commodity, I talked to an institutional investor this week, a billionaire, great client of ours, and he's like, Larry, I just want to own the commodity. I just want to own copper. And you can do that a lot of different ways, a lot of different instruments, but if copper gets too expensive over the next, say, 3 to 5 years, aluminum is an incredible commodity. Alcoa, today reached about 60% off of the lows. In the fourth quarter, the street was aggressively downgrading. Alcoa, of course, has got one of the best, obviously, aluminum producers in the world. So aluminum is a very potential solution to expensive copper prices. If you look at the build out of the power grid, and like I said, that's a $2 trillion problem, but the only way you're going to get all those electric vehicles and all of that artificial intelligence, those data centres up and running, is through the second and third level trades in aluminum, and copper and things like Generac.

Erik: Larry, in this global multipolar world that we're talking about, China is obviously one of the most important players. Let's start with your outlook on how US-China relations go. But then what are the consequences of that in markets?

Larry: Well, what's interesting, Erik, is that in the first quarter, there was this big move toward ownership of equities in Japan, equities in India. And a lot of the momentum players were short China, and long India and Japan in the second quarter. Today, we had President Biden had a phone call with President Xi, and there's no question that the pressure on China now, from what I hear from all of our top consultants, China equities are the most under owned, that they've been in a decade, in terms of the global position in portfolio structure. And so, China has been through this, obviously, these lockdowns over the last two, three years, they've had the property crisis. And so if you're China, you want to try to increase incentives on equity ownership, because they had a property credit crisis. Think about the United States, when we had the property crisis in 2008, what did the Fed do? They kind of emphasized or kind of steered people toward taking down real estate exposure and increasing equity exposure. That's what the big central planners do. And that's what we think they're going to do with China. And then if you think of like, ownership of equities, and how cheap these companies are, at one point, and within the last year, could fit 14 baba’s in apple. And so when you talk to professional investors, that for decades, that have been managing portfolios around China, I talked to a really interesting guy last week, and he said, you know, they used to go to Europe, they used to be in the conference rooms, and they would run out of coffee, they would run out of bagels, they would run out of muffins, because, you know, there’s standing room only. They said, you know, over the last six months when he goes on the same trips, there's nobody in the room. And so ,after this whole threat around, all the threats from Russia, with the war in the Ukraine and all that, everybody took down their exposure to Russian equities because of the tragedy there. And the next level of divesting came into China and everybody has divested from China. Not everybody, but there aren't many people that own these equities. They're extremely cheap. It's still a $14 billion economy. And most of all, if once the Fed starts easing, once the Fed starts easing, then China can ease in a more forceful manner. China can't do it without the Fed because if China starts to ease without the Fed, it weakens the Chinese yuan, the currency, that creates all kinds of problems internationally. And so, if the Fed over the next year, in 12 months, starts to ease, starts to cut rates, that's going to be extremely bullish for China.

Erik: The US is extremely dependent on China, for everything from pharmaceuticals, we get a lot of our drugs from China, we depend on a lot of things like tech items and so forth that are manufactured in China. And I think there's a lot of complacency in the marketplace. And the assumption that, you know, the Chinese need the income from exports to the United States, they would never dare to cut us off from those critical things that we need, even in a really tense, geopolitical conflict because they can't afford to. I'm not so persuaded of that, Larry. Now, if that turned out that that view was wrong, and China really was inclined to embargo some exports of things like rare earths and cobalt, what could that mean to you? Well, first of all, do you think it's a plausible scenario? And if so, what would it mean for markets? And how much turmoil would it create for the US economy if they were to strategically cut us off from a few things, in order to push a point in a geopolitical negotiation?

Larry: Yeah, so this is a big part of our book, *How to Listen When Markets Speak*, where we talk about, geopolitically, in a dangerous position that the United States is in, because when you're a dictatorship, whether it be Russia or China, they've been able to think about hard assets versus financial assets. The US is essentially long, lots of financial assets, lots of stocks, paper securities, and lots of bonds. And a lot of that wealth is in paper assets, financial assets. Whereas if you look at the last 5 years, 10 years, and 15 years, if you look at Russia, these countries have been loading up and backing up the truck on all kinds of hard assets, whether it be rare earths cobalt. So think about this, one of the stuff in the book is, China controls 75% of cobalt. I mean, think of the iPhones, think of everything, and lithium and everything you need for cobalt, and they control about 82% of rare earths. And so if you think of rare earths, we need them for wind farms, we need them for car batteries and electrical energy. So we have this incredible sales pitch from all of Wall Street and all of Washington, around the Green Revolution, and windmills and solar panels. But when you look behind the scenes, the emperor has no clothes, in terms of those key strategic metals that will be needed to supply all of our green metal and produce that green metal to get us to that promised land, to that carbon neutral 2050. A lot of those strategic metals and key metals are controlled by Russia, China, especially China. If you think about, okay, if the world flips, as a kind of one of the lines from the book, but if the world flips, from fossil fuels to solar, let's just say, we say we want to flip tomorrow or the next five years, from fossil fuels to solar, you wouldn't need a solar field as big as France. That's about 150 million acres, and more plastic than there is on the planet. I mean, miles and miles of cables, until the amount of materials and strategic metals and rare earths to get us to that promised metal and that promised land of carbon neutral 2050 is just mind blowing, and nobody's doing the math. And so, I think you want to look at companies like MPWD materials or companies like Hecla mining in the silver space, and MP materials in the rare earths, companies that produce metals that are in what we call geographically safer communities, or they have less jurisdictional risk, as my friend Adrian Day, the famous metals, analysts always says that less jurisdictional risk. And so that's companies that own lots of assets in Canada, in the United States, where those assets are more secure. And those investments in those areas, I think will start to develop a premium in the coming years.

Erik: Larry, you've mentioned several topics that are covered in your new book, which is titled *How to Listen When Markets Speak*. It's currently number one on Amazon in the finance category, and it is available for shipment now, it's not just a pre order. So, the book just hit the streets last week, tell us a little bit more about it. Why this particular title? What is the theme of the book? And beyond what you've already said about some of the trades, what can people expect to learn when they read it?

Larry: You know, words that I live by, go back to Zig Ziglar. I mean, this goes back to coming out of high school and college. But I really believe that you can get everything in life that you want. If you just help enough other people get what they want. You can get everything in life that you want. If you help enough other people get what they want. And so when my first book came out, it was about the Lehman crisis. It was a New York Times bestseller. We did 140 speeches at 16 countries. And I met, the best part is, I met a lot of great investors. I had meetings with

Charlie Munger in Omaha, and have been with David Tepper in his office, the famous investor, Appaloosa, David Einhorn, and so all of those people and many others are in this book. Mark Cuban has been incredibly valuable mentor of mine, I just have so much gratitude. So what we've done is, we've built up a group of institutional clients and advisors at The Bear Traps Report, in that that's our company. And then we've kind of like, let's get back, let's democratize the information. So let's take everything we've learned over the last 10 years from the institutional investors about how Wall Street really works behind the scenes. And let's democratize that information. Let's bring that information to the smaller investors. And that's what *How to Listen When Markets Speak* is all about.

Erik: Well, Larry, I can't thank you enough for a terrific interview. But before I let you go, please tell our listeners where they can follow your work and how they can contact you.

Larry: Well, I think the two best areas are, our website is thebeartrapsreport.com, we work with family offices, financial advisors of high net worth individuals, hedge funds, and mutual funds and pension funds. And on Twitter, I'm at @Convertbond. And over the years, I'm really proud of the relationship we built with the Twitter and the X community. And those are two great spots to catch up with us, and we really appreciate all the support for the book.

Erik: Patrick Ceresna, Nick Galarnyk, and hopefully my voice, will be back as MacroVoices continues, right here at macrovoices.com.