Retirement Lifestyle Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Martin Armstrong
ArmstrongEconomics.com

Date Aired: October 5, 2025

Produced by:

Retirement Lifestyle Advocates
961 Four Mile Road, NW
Grand Rapids, MI 49544

Phone: (866) 921-3613
Email: info@plplanners.com
Website: www.RetirementLifestyleAdvocates.com

Dennis Tubbergen:

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program is returning guest, Mr. Martin Armstrong. You can learn more about Marty's work at ArmstrongEconomics.com. That's ArmstrongEconomics.com. I follow his work regularly and I would encourage you to do the same.

And Marty, welcome back to the program. Thanks for joining us.

Martin Armstrong:

Oh, it's always a pleasure.

Dennis Tubbergen:

So Marty, you're a modest guy, but I'm going to say this because your forecasting over the years has been uncannily accurate. I think it's really unparalleled. Can you share your methodologies with the listeners as to how you are able to forecast with such accuracy? What might lie ahead in the economic markets and the geopolitical sphere?

Martin Armstrong:

Well, I would a hedge fund manager back in the '80s I saw how capital actually moved, it moves like a herd of wild animals and it runs from one market to the next. Everybody was like, oh, Japan, then Southeast Asia. Oh, it's the euro's coming. And so you see it all rush around. And as I mentioned before on your show, if you just read Herbert Hoover's memoirs, 1931, and he explains the same thing, and he is not a trader. He's saying that capital acted like a loose cannon on the deck of a ship in the middle of a tempest. It was just rushing from one currency to the next, that's the way it works. It's like when Greece got into trouble in 2010, immediately the traders went, oh gee, who's next? Oh, Spain.

So the computer model that I developed, basically, people say I was the first one with artificial intelligence 40 years ago. But, I understood how capital moved. So the whole thing was to create something that monitored the entire world and could say, okay, fine, it's shifting this way, et cetera. And then in the mid '80s, we became the largest in the world, mainly because we were doing foreign exchange. And back in the '70s, I just so happened to have had a client who was executive VP of Franklin National Bank, and that was the bank that started, Mastercard, was the first bank that went down in 1974 after the floating exchange rate system began with Bretton Woods in

'71. And he called me and he says, look, you know about this stuff. He says, I think we have a problem, something to do with currency. Would you come take a look at it? And it was a 10% move basically on the Italian lira, but it was enough to take the bank down because nobody knew about hedging or anything back then.

So pretty much after that, any event that took place with currency, I would be called and dragged into when they were forming G5 in '85, '87 crash, '97 Asian currency crisis I was called in by China. So I've had a front row seat to all of this stuff. And in the mid '80s, because we were doing all this currency, we were called in by the Central Bank of Lebanon and they asked if we could create a model on their currency and said, sure, no problem. And somebody found a ledger with all the prices written down back into the mid 19th century, we stuck it in a computer and out came and said, the country is going to fall apart in eight days. I thought there was something wrong with the data, I told the client and very calmly, they said, well, what currency does it recommend? And I said, well, the Swiss Franc. And eight days later the Civil War began. So obviously they saw it coming, they just came to me for the timing.

And then we had a client in Saudi Arabia was one of the biggest shippers. And he even called and said, Iraq's going to start attacking shipping in the Gulf tomorrow. What do you think gold's going to do? And so you tell me a war's going to start tomorrow. He goes, yeah. So by 1998, I had stood up in London at our conference there and said, look, Russia is going to collapse. I give it about 30 days. I turned into the long-term capital management crisis, all that stuff.

It became clear that the model I created, I didn't intend to forecast wars, but what happens is that somebody always has information and when they know something's going to take place, they begin to move the capital. Like The Washington Post did an interview with Zelensky. They found out that he knew when Russia was going to cross the border, and they said, well, why didn't you warn your people? And he actually told The Washington Post. He says, well, it would've cost me $7 billion if I did.

Dennis Tubbergen:

Wow.

Martin Armstrong:

So the accuracy has come from the standpoint that I don't care what market you look at, gold, dollar or whatever, the wild card always comes from the outside because we really are all connected. This is what politicians don't want to hear, that you can't stand up in the middle of depression, oh, vote for me and I'll eliminate unemployment when the rest of the world is going down. We're all in the same boat. But politicians want to be able to run to make it think that they can actually do whatever they say, and that's just not true. So the computer's accuracy is because it's looking at absolutely everything. It's just quite interesting that way.

Dennis Tubbergen:

Well, Marty, fascinating explanation. So the next question in my mind is, when you look at world capital flows presently, what are some of the conclusions that you're coming to?

Martin Armstrong:

Well, it's clearly showing that war is developing primarily in Europe from a capital flow perspective. I would point out in 1896, J.P. Morgan had to lend the U.S. government 100 million in gold to bail it out. We were on the verge of bankruptcy. So if you look at it objectively, it had nothing to do with any domestic politician. We ended up as the financial capital of the world because all the capital fled from Europe and came here. So we became the financial capital after World War I. And you can see that today, for example, you can probably go into eBay and buy bonds that were issued by China and different countries in British pounds before World War I, because London was the financial capital. Today, all these emerging markets issue bonds in dollars because they have to come to New York to sell it. So New York raises all the money for all these countries or whatever. So that's pretty much it.

And when the computer is showing the capital flows are coming this way, and it's linked to these geopolitical things in Europe, it's clear, when they were forming the euro, because we were the top in currency, they came to me and I sat down with them in '98 and said, okay, fine. This is how we created a currency. At the time, Helmut Kohl was the chancellor of Germany, and he knew the German would not vote to join the euro. So he took Germany in unilaterally, and he admitted before he died, he said if he allowed the people to vote, he would've lost seven to three. So his condition was no consolidation of the debt. And I warned him that this is a disaster and that the euro is going to crash, it's going to completely fall apart. And I was told back in '98 that, well, we just have to get the euro in, we'll worry about the debts later.

Now we're at a point where you have UK and France teetering on the edge, even hinting that they may need an IMF bailout. Here's the problem, because you never consolidated the debt, the European banks have a cornucopia of debt from all these different countries. If I'm a hedge fund manager, I can pick up the phone and say, buy me $10 billion U.S. treasuries. I can't do that with Europe. I still have to make the same decision. Do I want Germany? Do I want France? Do I want Italy? Et cetera. So their banking system is highly at risk because let's say France needs an IMF bailout. The traders are going to do what they did to Greece. They're going to say, okay, which banks own the most French debt? And they're going to short those banks. So it turns into a contagion that spreads like a flu or something.

And that's what Herbert Hoover was talking about, that capital acted like a loose cannon on the deck of a ship. I was impressed when he wrote that because that's what a trader would see. So that's really what... Our risk isn't so much here in the United States, our greatest risk is trying to stay out of the war. But in Europe, they promote it, they need it because if they don't get war and they're in trouble already, everything else goes down, pension funds, things of this nature. So you're going to have people storming the parliaments with pitchforks. It'd be the same thing let's say they say, oh, well, we can't pay Social Security, they're going to be storming Washington DC here. It's just human nature.

Dennis Tubbergen:

So Marty, as you're talking, there's some stories floating around out there, one, you're talking about the fact that the capital flows are moving to the United States simply because the capital doesn't want to be in Europe. And then at the same time, we have gold now reaching all-time new record highs and the dollar weakening when you look at the U.S. Dollar Index. So how do you square those things?

Martin Armstrong:

Because basically you have the same sort of thing developing where more of the retail will buy gold, the major institutions, gold is too small of a market, and so they'll buy the blue chip stocks or U.S. real estate. That's why here in the states, they were calling it the everything bubble. Real estate going up, stock market, gold, antique cars, coins, stamps, everything. And I've spoken to realtors here in Florida and he said, people even up to $10 million houses they're just paying cash because they're just trying to get money off the grid, basically what it comes down to.

The dollar, I know you have a lot of people saying, oh, the de-dollarization, that's really misinformation. What's going on is that when Biden took Russia out of the Swift system, that was the most brain-dead decision you could ever make because it sent a red flag to just about everybody else. If you don't do what we tell you to do, we'll take you out. And Blinken even threatened China. That's what created BRICS. They go, oh, okay, so we better figure out and create our own system. It wasn't because the dollar is not backed by gold or all this other nonsense that people say. It's simply geopolitical and you can't blame them.

And then China started selling off U.S. debt and buying gold. Why? Because gold is neutral. If you have these people saying, oh, we're going to be in war with China, whatever, then they have to be an absolute idiots that own our debt. Because you go to war with China, we're not going to pay. They know. You're going to say, oh, okay, fine, you own our debt. Well here's the trillion dollars in interest so you can buy some more missiles to shoot us. The logic doesn't hold up. So that's why China started dumping U.S. debt, et cetera. It had nothing to do with gold or anything else, this was all geopolitical. That's the backdrop to BRICS.

Dennis Tubbergen:

So Marty, do you see the move to countries lining up to, maybe not lining up, but applying to join BRICS, do you see that trend continuing?

Martin Armstrong:

Only if you really get into war, the reason the U.S. is the reserve currency. There's a few reasons for this. One, U.S. consumer is a third of the world economy. So you want to sell your BMWs or your Toyotas, you got to sell it in dollars to Americans. All right? BRICS is nowhere close to that yet, all right? Eventually you're talking a few decades, okay, they can build up. China is trying to build up a consumer based economy, and eventually it will surpass the United States, but not right now.

Then you have Europe, and I would pay attention to this. Europe is trying to push through with their CBDC, as soon as October they're saying, but I think maybe more like January, but Europeans routinely cancel their currency. The Queen died, or they canceled the old currency, mainly because they're very Marxist. Let's say you got 100,000 in cash stashed in a safety deposit box. Oh, we're canceling it. Here's the new one. They forced you to bring it out. Oh, where'd you get this from? Did you pay your taxes? This is the way Europe works. The United States is the only country that has not canceled its currency. All right.

I was on flights internationally when the new $100 bill was coming out and they were running information. The old hundred bills are still valid. We're not canceling them. They had to say that on all the international flights because everybody else does. And that's why 70% of the paper dollars are held outside the country. They're held in China, Russia, everywhere. Why? Because it's a hedge against their own government. All right. You can't hold euros because you can't trust them. 500 euros they're worthless today. Nobody will take them the same thing. Switzerland canceled all its currency. Britain has, I mean, they all do this. Canada canceled all this high denomination currency a couple years ago. They just cancel it. You got to bring it in and where'd you get this? And it's all taxes and Marxism is really what this is about.

So those are really the backdrops behind the dollar and all this rhetoric about de-dollarization, that's very nice. But you have to look at this thing from a practical standpoint too. U.S. has never canceled it. We can't even do the CBDC because the Fed came out and said they can't, Trump said no. But the reason, it's constitutional. To do with CBDC and to be able to look in your account, they need a search warrant. This is why with COVID, they developed a model. The First Amendment says the government cannot censor you. So what did they do? They pick up the phone, tell you YouTube, no problem, Facebook, whatever. That's why you see stablecoins here issued by different banks because the Fed cannot do it.

Talk about war, you can look it up. In 1863 to fund the Civil War, they allowed the banks to issue their own currencies. They had all these banks issuing national currency provided 90% of it was backed by bonds from the government. Stablecoins is the same thing. They're war bonds. Okay, fine. It's exactly the same model again. You can issue these stable coins every bank can if you're backed by U.S. government debt. So it's the same thing. They're war bonds all over again. People think, oh, it's crypto. Really? Okay. Very nice. I mean, the whole crypto thing was always decentralized away from government. I don't think so.

Dennis Tubbergen:

That's a terrific analogy and a great perspective. Marty, I can't believe that whenever I talk to you, the clock is always my enemy because I enjoy our conversation so much. My guest today has been Mr. Martin Armstrong. The website is ArmstrongEconomics.com.

Marty, thank you for being so gracious with your time. Always enjoy our conversations. Love to have you back down the road.

Martin Armstrong:

No problem. Take care of yourself.

Dennis Tubbergen:

Thank you. We will return after these words.