



Retirement *Lifestyle*
Advocates

RADIO PROGRAM

Expert Interview Series

Guest Expert: Karl Denninger
Market-Ticker.com

Date Aired: May 18, 2026

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:

This is RLA Radio. I'm your host, Dennis Tubbergen. Glad you decided to listen in or watch today. Hey, joining me in the second segment of today's program is returning guest Mr. Karl Denninger. Karl is the proprietor of market-ticker.org. Karl is a very diligent researcher all around bright guy. I'm going to get his take on Fed policy moving ahead and how it might affect you as well as the health of the US economy and what you might think about doing with your money. That's coming up in segment two of today's program. Well, many of you probably saw what the recently elected mayor of New York City did this past week. Mr. Mamdani recently publicly announced his attention intentions rather to make wealthy New Yorkers and wealthy New York City property owners tax targets. No beating around the bush for the good mayor. He just came out and said, "We are going to tax you.

" Now, as a result, many of these wealthy and affluent folks are leaving New York. This is the case all across the country. I reported here just a couple weeks ago on the program that the IRS published the migration data and high tax states like Illinois and California and New York are losing population while states like Florida and Texas are gaining population. This trend is continuing and accelerating and as if they're not learning, we have those who are elected in positions of power in high tax jurisdictions that are just going back to that same well, adding taxes. Now, that's what the mayor of New York, Mr. Mamdani is talking about doing. Well, as it relates to New York, Citadel CEO, Ken Griffin, has already made the move to Miami with his business and also personally. Now, the mayor of New York recently doubled down on his plans to tax the wealthy and even publicly called out Griffin when the mayor stood in front of Griffin's New York City penthouse condo valued at just under \$240 million and proposed a tax on luxury real estate owned by non-residents of New York City.

Of course, that now describes Mr. Griffin. Now, Griffin said he watched the mayor's video three times and said he found the video to be "creepy and weird." Griffin relocated his business from Chicago to Miami recently and has personally also made the move to Florida. Now, Griffin had a couple more things to say about the New York mayor's actions and I'm quoting, "Looking at what Mamdani did to me and more broadly is doing to the city of New York is triggering the trauma that I went through in Chicago. When we went to Miami and revised our building plan to make it a bigger office building, what the mayor of New York has made clear to my partners and principally my New York partners is that we need to double down on our bet in Miami. Now on the heels of Griffin leaving New York, another high profile financial firm is also starting to pack their bags.

Apollo, a private equity firm, announced that the company would be establishing a second headquarters in either Florida or Texas and it's certainly no coincidence that neither of those states have a personal income tax. So I expect that this will likely continue as a trend and it will accelerate. Now, as another interesting story that there's really a lesson here and the story's all about what the president of Argentina did to cut housing costs. Javier Malai took office in 2024 and when he did monthly rent for an apartment in Buenos Aires, Argentina, the capital averaged 90% of income. Fast forward to the present just a little over two years later and rent now costs an average of 30% income, 90% to 30%. That is a very big decline in rents. Now, you may think that this is a master stroke of new policy. Maybe it was orchestrated by a brilliant group of politicians who put out a proposal to mandate lower rents, but that's not what happened.

In fact, what happened is actually the polar opposite of that. Regulations were slashed and landlords and tenants were allowed to negotiate without government interference. Shortly after taking office, Malai eliminated rent controls, he made lease agreements simpler and even put landlord protections in place. That's exactly opposite of the policies imposed by many self-proclaimed socialist politicians who put extreme tenant right protections in place and cap rents to the point that landlords simply quit renting. Now, Malai's reforms allowed landlords and tenants to determine their own lease terms without government interference. Landlords could set the rental terms and ask for rent payments in any form they desired. They could say, "Give me the rent in dollars, gold coins, or Bitcoin." Once the oppressive government regulations were set aside, landlords got back in the game. Rental listings tripled as more than 200,000 vacant rental units were put back on the market.

Now, when you compare this to some big city rental policies in the United States, like the aforementioned city of New York, the city of New York is looking to triple rent controls to include one third of all housing. In the city of Los Angeles, rent controls now affect 75% of all housing. Minneapolis and St. Paul recently imposed new rent control regulations and when they did, building permits fell by 80%. It's no coincidence that New York City has 50,000 vacant apartments because landlords have decided it's not worth the trouble or the risk to rent them out. This, even though there are more than 160,000 families looking for housing. Similar problems exist in other large cities that have pursued similar policies. San Francisco is another. When I wrote my book *Economic Consequences* more than 15 years ago, I included a chapter about seemingly well-intentioned government policies that create unintended consequences.

This is just one more example. I'll be back after these words with my special guest, Mr. Karl Denninger.

Hey, Dennis Tubbergen, your host of RLA Radio. I'd like to invite you to get for the very first time a complimentary copy of my bestselling book released in January. The book is titled Portfolio Playbook: Investing Strategies for the Current Economy. To get your copy of the book, all you need to do is visit the website, RequestYourBook.com, RequestYourBook.com, and I'll be very glad to send you a complimentary copy.

Portfolio playbook reveals why traditional investing strategies, especially the 60 / 40 portfolio I believe have the potential to fail in today's debt-driven boom and bust economy. And I give you a clear common sense roadmap for you to consider to use to protect and grow your wealth in what I believe could be turbulent years lying ahead. So to get your copy of the portfolio playbook, which contains investing strategies for the current economy, all you need to do is visit the website, RequestYourBook.com The website again is RequestYourBook.com and I'll be glad to send you a complimentary copy.

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program, Mr. Karl Denninger. I am recording today's interview as I am traveling, as you can see from the background. So whether you're listening or you are viewing the program on YouTube, welcome. And Karl, welcome back to the program. Thank you for joining us.

Karl Denninger:

Thank you for having me on.

Dennis Tubbergen:

So Karl, inflation seems to be heating up again. I don't think we've seen the effect of the higher oil prices as a result, largely of what's going on in Iran, work its way through the supply chain. How bad does it get in your view?

Karl Denninger:

Very. People need to remember that 1974 we had an Arab oil embargo. I was old enough to remember the effects of that as I was growing up at the time. I was not an adult, but I was old enough to remember all of it. What most people apparently think is that that was a multi-year embargo. It was not. It was over in five months. The economic impacts actually extended into Reagan's first term and why he got pounded in the 1982 midterms. So it cost Jimmy Carter his job, which everybody knows. But Jimmy Carter was

not president when the Arab Oil embargo happened. Okay. That was part of the Nixon Ford era. Jimmy Carter was elected. He ended up with the fallout from it, most of it. He lost his job because of the impacts. And then Reagan lost a huge number of seats in the midterms because things didn't really start to turn around until the middle of the 1980s.

That was eight years later.

Dennis Tubbergen:

And Karl, just if I can jump in, I read a piece that at that point in time, the world oil supply was cut by 7%. Right now, it's been cut by 13%. That's double the number. Does that mean the impact is twice as bad? What's your take?

Karl Denninger:

Well, it depends on where you are. At the time, America was much more dependent upon foreign imports than it is today. Now, that's not to say we have no dependency because we do. Our gross production versus our net consumption is considerably better today than it was then, but it's not a surplus in real terms. And an awful lot of that is hidden. For example, in California, they don't allow, even though they have a huge amount of oil available offshore, they're not allowing anybody to bring it in and actually refine it. They've driven the refiners out. They've been making that up with Persian Gulf imports along with refined product imports from Asia. Those are now cut off. And additionally, because of California's laws, California, you cannot sell, for example, gasoline refined in Texas and California because the blends that they use in California are custom and theirs.

Now that is something that we should have never allowed under the interstate commerce clause. That's absolutely verboten, but carb got exemptions from a lot of those laws years and years ago back when there was a huge smog problem because we didn't have catalytic converters and things like this. 99% of that problem, at least from a standpoint of automobiles, went away with the cat. It was a 1980s thing. And yet here we are 40 years later with these outsized abilities and influence within one state, which Congress has just never gotten rid of. But this impact goes far beyond gasoline and fuel oil. Fuel oil, of course, is diesel, which moves everything that goes to the stores.

It also, however, involves many industrial chemicals and other products that without them, modern life collapses. For example, helium comes off natural gas production. It is a once and done thing. Once it gets into the

atmosphere, it's actually light enough that it goes out through the stratosphere and is gone. So if you don't contain it within wherever you use it, forget about it. You need more supply. Without it, you have no MRIs, for one thing, because you need the liquid form of it to cool the coils. But in addition, modern semiconductor manufacturing at the small nanometer scale that we have in all of our phones and our computers and memory chips and all of this, it's impossible without it. So we're not going to end up with a situation where there's none, but with a constrained supply, of course, what you're going to see is high prices.

And the other one that's immediately obvious that nobody thinks about a sulfuric acid, which is a primary precursor in all manner of industrial production of all sorts of things. A lot of that comes out of the Persian Gulf. And then you also have urea, which is the primary input into fertilizer. In addition, it is the component necessary to make DEF, diesel exhaust fluid, which is required by all modern diesels for emissions purposes.

And it's just a smattering of things. There's a bunch more. The idea that this is all of a sudden going to go away. I mean, the market right now is essentially ignoring the fact that the last tanker from the Persian Gulf before the Iran conflict just unloaded in the last couple of days at Long Beach in California. So that interruption in flow just got here and yet you have the stock market acting like there's absolutely nothing wrong. I have no clue where this kind of insanity is coming from, but it is. And then the lopsided contribution, if you look at the SOX over the last couple of months, it looks exactly like late 1999, early 2000.

Dennis Tubbergen:

100%.

Karl Denninger:

And the problem with that is that then that impact was only in the tech sector with places like pets.com and nonsense of that kind. Here it's everywhere that uses anything IT based. So just as an example, the literal \$100 set of memory sticks that I put in my computer about a year and a half ago, if I wanted to buy them today, they're 499. The same product, not a similar product, the identical product from the same manufacturer. The disks that I bought in November of last year to upgrade my backup volumes here, they were 380, I think about 380 a piece. They're \$700 a piece today. That's almost a double. That hits every single desktop in corporate America. It hits every process control computer that's used to run a refinery or a factory. It's going to hit every single automobile. These price increases as a result of this

AI nonsense, none of which, by the way, anybody has shown can make a profit.

Dennis Tubbergen:

Right, exactly.

Karl Denninger:

I mean, that's the big problem is that if this was some revolution where everyone was going to make money, you might be able to say, "Okay, this all evens out in the end." I mean, the dislocation is here today, but down the road the revenue's there, the margins are there, it's all good. No.

Dennis Tubbergen:

Well, and Karl, you bring up the stock market and you said it reminds you of 1999, 2000. I couldn't agree more. When you look at some of the dotcom companies that had never made a profit, this is like Deja Vu all over again to quote Yogi Berra. We've got OpenAI, we've got a couple other companies never made a profit going public and they're talking like a \$3 trillion market cap on companies have never made money. This is Lunacy.

Karl Denninger:

The problem with it here is that where the push side of this comes is exactly what happened in the late '90s and the early 2000s with companies like Lucent. Lucent absolutely made profits. They made essentially all of the 5E switches that went into the telephone network. They were the supplier in that industry

And their demand from those dot com companies for that equipment went to the moon during the late 1990s and early part of 2000. As a result, their prices went up. Duh. Then all those dot com companies blew up. Well, Lucent blew up. How many people remember that? Lucent actually blew up. Lucent wasn't some, I don't make any money firm. You have all these memory firms, you have all these disk storage firms, you have all of this kind of stuff. And one of the reasons that this is so damaging is that it is extraordinary in terms of the cost push impact into every business in America. If you run a bar, you have to have a point of sale terminal at your check stand. The cost of that machine just doubled. Now that means inflation, right? Because that has to come out the other end in consumer prices.

Have you seen any or all of that yet? No, but you will. And if you are a person that has a particularly demanding kind of skill, let's say you do video editing or CAD cam or that kind of thing, you're talking about the cost of your workstation that used to be four or \$5,000 and now 15.

It's insane. I look at what I have on my desk right now. I could literally sell that computer that's on my desk that's two years old for more than I paid for it, by quite a lot, probably double what I paid for it. And that's because I do do video editing and things like ... I do these kinds of podcasts and things like that, so I have that kind of equipment in there. Would I buy it today at these prices? Not a snowball's chance in hell. I'd never make the money back.

Dennis Tubbergen:

How does this impact Fed policy moving ahead? I mean, we've got this political pressure on this new Fed chair to pursue easy money policies, inflation's heating up. This is just going to be a big issue. We're going to have what, hyperinflation or we're going to have a deflationary crash. Is there another outcome?

Karl Denninger:

No, but you can't have the hyperinflation because if you get hyperinflation, all the money that you have in the world is worth nothing. You're more worried about being eaten as you go to the mailbox. I mean,

The problem with that is you may say, "Well, I can outrun that in the market." Well, first off, no, you can't without taking leverage because you can only invest some percentage of your income. Okay? You can't invest all of it. And yet your costs go up on all of your operating expenses within your household or your business. It's the same kind of thing as people saying, "Well, I'll exercise and therefore I don't have to care about what I put in my mouth." You cannot outrun your fork. You burn a hundred calories of food running a mile, but you can put a hundred calories down your mouth with one bite. So it is impossible to outrun your fork. And likewise, for the average person, the median earner in America, the median person in America or the median business, it is impossible to run inflation, outrun inflation in the markets.

You can't do it. Now, can Jeff Bezos do it? Sure. Can Bill Gates do it? Yeah. Can Larry Ellison do it? Yes. They are the ones that also get the phone call and tell them to take the leverage off before it blows up in everyone's face. If you try to do it, you're going to have to be in levered instruments. You will

not get that phone call and you will be the one that gets it to shoot. You look at what's happened in the last few months with this, "Well, the Iran war is over and an hour beforehand somebody goes and buys \$100 million worth of puts essentially short on the oil futures and it turns into \$300 million an hour later. You are not going to get that phone call. Could you outrun the inflation if you got the phone call?" Of course. But you're not going to get that phone call, but somebody got it because they put those trades on and they didn't go to jail.

Dennis Tubbergen:

So Karl, how do you see this playing out economically? You've got the average person out there that maybe aspires to a comfortable, stress-free retirement, they've got money in a 401k or an IRA. They see what's going on in the market. They think everything's good. What would you tell them?

Karl Denninger:

Get out of it now. You've already got the gains book them. Okay. If it's not in a tax advantaged account, you got to pay the taxes. Life's tough. You made the money. If it's in a tax advantage account, you are going to pay the taxes. The question is when are you going to pay them? Are you going to pay them now or you're going to pay them later? If you don't cash it in now, no, you're not paying the taxes now, but you'll pay the taxes later. I just had this discussion with somebody who had substantial capital gains from a gift trust that they inherited, but the gift trust was set up 10 years ago. So say the basis is way down there. And he's like, "But I'm going to have to write this huge check to the IRS." Yeah, you're going to have to write this huge check to the IRS.

If you don't cash it for another 10 years, you're still going to have to write the huge check to the IRS. All you're doing is changing when you write the check. You're not changing if you write it. You can't evade that if you have the gain, you have to pay the tax. You're already well into the long-term capital gains timeframe. Pay the taxes. That way, if the market crashes, you still got the money. Well,

Dennis Tubbergen:

And then the other variable there is what will future tax rates look like? We don't know what the next couple election cycles are going to look like.

Karl Denninger:

You don't have any idea, but the idea that the government will be able to maintain tax rates where they are or lower when we're running an 8% fiscal deficit with 4% long-term interest rates is ludicrous. That is not going to happen. Not 20 years out, maybe five years, but not 20 years out. It can't because you've got an exponential growth and interest expense. That somehow has to be covered. And people say, "Well, don't inflate out of it. " No, they won't when you can't buy the food to eat on with what you have available to you. If they try to do that, they get a civil war. That's how governments fail. I don't see that scenario. Yeah. Okay. They'd love to pull something like that. I just don't see how they can get away with it.

Dennis Tubbergen:

So Karl, when you look at what's going on in the bond market right now, the US government is financing over 80% of its debt, six months or less. Interest rates are going up. I mean, you say five years or 20 years. Aren't we closer to the shorter end of that timeframe before we have a financing issue and the Fed has to get involved?

Karl Denninger:

Well, I think so. Yeah. But precisely when, I don't know. And the Fed really doesn't have anywhere to go with this because if they monetize it, if they essentially take it on their balance sheet, that's just more inflationary pressure upward on prices. And when you've got the situation that we have now, which they try to tell us that, okay, there was a big spike last month because of the Iran thing and the CPI report was horrible and they're, "Oh, that's transitory, whatever." Okay. If it comes down, it's still compounded on the prior base. The only way that you solve this from a standpoint of people in general is for prices to go down, which means deflation. And it's the same problem in the medical and the educational fields that you can't fix this by just slowing down the rate of acceleration. The issue now is affordability.

People cannot pay and you've got this in the housing market. It's locked up right now for that reason. And yet forced sales always happen. Somebody gets a divorce, someone dies, whatever have you. When that occurs, that sets the new price and it's the same in any other commodity. It doesn't matter what it is. So this is an inevitable cycle and it would be ... I mean, look, the government has run this game now for the last 15, 20 years. Many people in the market have never known anything else. And if you've got these gains, you just have to remember that what you see on a piece of paper or on a brokerage statement is not money because it can disappear.

You can have a 15% down day and then another one the next day. One of the hardest things in the world is to say, "I'm happy with what I got." Well, okay, if you're not, now are you really any different than the guy who's playing Blackjack?

He starts with \$100. He's all of a sudden got a thousand in front of him. I'm going to make it five. Every casino on the planet counts on you doing that. And the odds are overwhelming that if you do it, you're going to leave with none.

Dennis Tubbergen:

Well, Karl, the clock says we're going to have to leave it there. My guest today has been Mr. Karl Denninger. His website is market-ticker.org. Karl is, I think, the most prolific commentator on just about anything economic, political. I'd encourage you to check it out again, market-ticker.org. Karl, you're always so generous with your time. Thank you for joining us today. I'd love to have you back down the road.

Karl Denninger:

Anytime.

Dennis Tubbergen:

We will return after these words.

Hey, Dennis Tubbergen, your host of RLA Radio. I'd like to invite you to get for the very first time a complimentary copy of my bestselling book released in January. The book is titled *Portfolio Playbook: Investing Strategies for the Current Economy* to get your copy of the book. All you need to do is visit the website, RequestYourBook.com, RequestYourBook.com, and I'll be very glad to send you a complimentary copy.

Portfolio playbook reveals why traditional investing strategies, especially the 60 / 40 portfolio I believe have the potential to fail in today's debt-driven boom and bust economy. And I give you a clear common sense roadmap for you to consider to use to protect and grow your wealth in what I believe could be turbulent years lying ahead. So to get your copy of the portfolio playbook, which contains investing strategies for the current economy, all you need to do is visit the website, RequestYourBook.com.

The website again is RequestYourBook.com and I'll be glad to send you a complimentary copy.

Welcome back to RLA Radio. I'm Dennis Tubbergen and thanks again to my special guest, Mr. Karl Denninger for joining me on today's program. Maybe some of you saw the comments made by Warren Buffett, who is the former CEO of Berkshire Hathaway, now the chair. Certainly a very highly respected investor, maybe the most highly respected investor in the world, arguably. Well, during a recent meeting with Berkshire Hathaway shareholders, the Oracle of Omaha, as he's known, openly stated that he's worried about the US dollars eroding value. Here's what Mr. Buffett had to say. "We wouldn't want to be owning anything that we thought was in a currency that was really going to hell, and that's the big thing we worry about with the United States currency." Buffett added that fiscal policy is really what scares him in the US. Evidently, Mr. Buffett is concerned that more than two decades of persistent and increasing government deficit spending may be close to reaching a tipping point.

The US dollar index, which measures the purchasing power of the US dollar against the purchasing power of the currencies of the six major trading partners of the US is down already year to date 8%. That's why I advocate as do many of my guests looking at holding things in your portfolio, items in your portfolio, assets in your portfolio that can't be printed.

That's my program for this week. Hope you got something you can use. I'll be back again next week.