



## Bed, Bath and Beyond!

~ We're all glad to see the back of 2018 ~

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### To my friends, family and NuLegacy shareholders/stakeholders:

Hi Folks,

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**Here's wishing you all a belated Merry Christmas and a very Happy and Prosperous New Year in 2019!**

Once every five or ten years one is blessed by getting a little clarity as to what's going on in the markets... preferably at 'sea/tidal' changes... so I've been busy preparing a half dozen Eblasts (and a couple forthcoming news releases) for the New Year... that's what you do when the kids are all grown up.... and TV is full crappy propoganda disguised as news programs... 😊... so I'm going to share the first of these with you today.

**Best Bed for 2019:** The **BANG** stocks (in case you are not yet familiar with this term it is an acronym for four of the largest most senior gold stocks - **B** for Barrick, **A** for Anglo-Ashanti, **N** for Newmont and a **G** for Goldcorp) have gained an average of 35+% this past three months since October, albeit off of some extremely depressed ten year lows... or as Mark Twain would have said, "the news of their demise has been greatly exaggerated!"

In relative terms the BANG stocks have outperformed the more recognizable FANG stocks (as you likely know is an acronym for four of the highest-performing technology stocks of the last decade - Facebook, Amazon, Netflix, and Google) by nearly 150% in this past quarter as the FANGs are down ~37% on average; with the BANGs up ~35% they are pointing the way forward and have a long way to go in 2019 and beyond... just to get back to their 10-year highs!

More about how gold stocks are counter-cyclical to 'old fashioned' bear markets in a later edition – **old fashioned bear markets** being the ones that start with a mini-crash... and then after a modest recovery they gradually "go down and down and down"... 30, 40 or 50+%, like Chinese water torture that drives people insane... as opposed to the "all in one" crashes like 2008, which are more like American water boarding, that scares the hell out of you... because you think you're going to drown... but you know it's going to relent as soon as you spit out a few lies or half-truths... or the Fed starts QE to infinity.

**Anyone not take a “Bath” in 2018?** If there is anyone out there that isn't glad to see the back of 2018 – please email me; it likely means you were out of the market all year (or amazingly left by end-Sept or first six days of trading in Oct), or were into an asset I'm not familiar with:

- While the **Dow Jones**<sup>1</sup>, which was up ~315% in the last decade is down only 19% now, giving back all its 2018 gains in the last three months of the year,
- the **FANG** stock bubble which expanded an incredible average of 2,000% during the last decade (excluding Netflix which was up an incredible ~11,000%) has already given back an average of 35% of those gains (i.e. within spitting distance to half of the ten years of gains!!!) in the last three months since Oct 2018 – now if that ain't a mini-crash what is?!?!

It would take an average gain of 55% just to recover the last three months of losses... and if we are in an 'old-fashioned' bear market as I believe, these 'trillion dollar' babies will lose another 20% to 30+%...

Facebook, which was up ~1,200% in the decade, is down ~45% already... now up only 700% during the last decade. When it's down another 20 to 35% and it'll be known as Faceplant... but don't worry, it'll still be up ~450% for the decade... though its likely to be another decade or two before these bubble highs are seen again.

Apple which was up from \$12 to \$233 (up 2,000%) is down 37% in last three months... still up 1,200% in last decade... but fading fast; Vitaliy Katsenelson called that [one beautifully](#).

The much-vaunted Google was up only 163% from \$490 to \$1,291 at its ten year high in Oct 2018, is already off 23% to \$800.

***Relative performance – the BANG stocks have outperformed the FANG stocks by ~150% in Q4-2018 ... with much more to come.***

Of course, nothing goes straight down (or up) so its likely time for the FANGs to take a break/catch a bounce... as I was drafting this Wednesday last week... unbeknownst to me the Dow recovered a 1,000 points... that should induce all the otherwise panicky people to hold on... which could be a good time/period during which to accumulate some more BANG stocks on sideways action or possibly weakness... before the FANGs and the DOW, which has completed a double top continue grinding lower over the next twelve to twenty-four months.

**Anyone not take a “Bath” in 2018 continued:**

- The **Bitcoin** bubble burst earlier in the year and continues to lead in showing what the future of many of these financial bubble charts will look like... after they've deflated. View these charts in [regular scale](#) (hit the 'All' button) not exponential scale... then one really get an appreciation for the wealth creation and destruction that occurs when bubbles are blown... and then burst.
- **Cannabis:** My long-time seer and high school chum... Bob Hoye of Institutional Investors fame called this burst to the day... three weeks ahead of the time; that day being the day they were legal in Canada... reminds one of the old Red Rose tea commercial, 'Only in Canada you say, pity!' The pity of it is that losses weren't confined to just Canadian cannabis stocks.
- **Real Estate, oil & gas;** are all heading down, down, down into a burning ring of losses.

**Beyond:** In this volatile world, other than in respect of my family, friends and NuLegacy Gold I spend little time looking beyond a year... it's too opaque... and depressing.

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<sup>1</sup> The Dow Jones Index is a price weighted index...so it never seems to go down as much as your stocks...the effect seems to be to lull people into complacency...“well the Dow may go down another 15-20%...but my stocks are already fully discounting the bear market by being down 25%...alas...as the Dow goes down another 15% their stocks can go down another 30%”.

The general markets are destined to roll over during the next twenty-four months; when the Fed then panics and starts to fill the punch bowl again (stops/pauses raising interest rates and shrinking its balance sheet) the rising tide will raise all the ships in the harbor... and you'll get the biggest '**bang**' for your buck out of your commodity stocks... particularly **the gold stocks!**

Cheers,

*Albert*

Albert J. Matter

Your excited Chairman, Director

NuLegacy Gold Corporation | NUG:TSXV | NULGF:OTCQX

C: 604.512.7003 | [www.nulegacygold.com](http://www.nulegacygold.com)

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BANG STOCKS:

<https://moneymorning.com/2016/03/15/the-bang-stocks-are-the-next-group-of-profit-doublers/>

Break out in gold?

<https://www.kitco.com/commentaries/2018-12-18/Watching-For-A-Breakout-In-Gold.html>