(The following is the sole opinion and perspective of the author. It is not financial advice, not politically driven but rather commentary and presents a not so humble opinion) Inflation has always been the greatest enemy to the wealth of individuals and nations. It is lesson 1 in WHAT you never do in economics. It is lesson 1 in WHY you must invest your "savings". For the NOT first time in history, we've seen governments print in order to guarantee demand. CNBC, Bloomberg and the likes will continue using the term "unprecedent times" all the time, to describe something that we've always seen, and based on the new context, will tell us this is the first time we've seen it. Ray Dalio can pretend that history always repeats itself, and Nassim Taleb and Burton Malkiel will remind him that no one has ever been successful with predicting the future by using the past as a crystal ball. The greatest evidence to the last truth is the fact that we have no history professors in the Forbes top 100 list, or on any list of theirs. If everyone is wrong, everyone also must be right. Therefore, in the words of humanity's great heroes from the third Matrix film "somethings never change" (Morpheus) "and somethings do" (Niobe), we will take a look at what changed, and what has not. Inflation has always come as a result of excessive creation of currency. The U.S in the words of my economist uncle (and we shall return to the concept of an economist uncle later on), has never purchased its own debt. The U.S, the catalyst for global capitalism and free markets has ceased to be capitalist. When he asked me rhetorically "who in history has ever purchased their own debt?!", I replied (to his astonishment) Israel, this resulted in the destruction of its own currency in the 1980s and was the grounds for the establishment of the NEW Israeli Shekel as its currency.

Here is where history repeats itself. A country devalues its own currency, importing becomes expensive, essentials become expensive, people liquidate assets to buy essentials, businesses downsize their workforce in order to afford materials, unemployment rises, governments remember too late to try to create jobs and raise productivity because producing is hard and printing is easy, this raises the price for commodities. Eventually they decide to destroy their own currency or declare bankruptcy.

What's new? Over the last century economies have become democratic. The public can shift their wealth into "Essentials", all the products that a modern economy cannot live without. Food and groceries (Supermarkets and agriculture), commodities (Iron, Copper), and semiconductors. Yes folks, semiconductors is the new addition to the list. If you do not have semiconductors under the label of "commodities" in your portfolio and still listing it as "Tech" you are managing finance for the 20th century. If you have oil in this field, you are managing finance for the 20th century. Adapt or die. If you don't own Iron and copper producers, and essential 21st century product manufacturers, you will die due to inflation. In an inflationary environment the only client you can count on is the government, because they are the only ones that you can trust to be able to afford the rising prices. The infrastructure bill they are talking about is the right bill, and it might even be too small, but it's at the wrong time. It should have been passed over a year ago. In order to guarantee demand they gave money to the people, some people didn't need the money, and some people got more money than previously earned. The government was successful at maintaining demand, but they forgot the most important component of an economy, you have to have the supply first. Lack of producers (whether they are quarantining or don't want to rejoin the workforce) leads to lack of production, which in basic mathematics means you've enhanced demand by reducing supplies. Everyone has more money than they previously had, but they have less products to buy.

Jeremy Siegel is late to the party, just like more or less everybody else. All the economists playing politicians claimed at first that we need to take care of the less fortunate by giving them a fish instead of teaching them fishing, are now worried about inflation. They forgot the economics classes they took in their first years of school and sided with the politics when it suited them. They all had savings well invested in the markets, and all stood to get wealthier. Now, when prices will rise in a speed that the poor will not be able to afford, because the stimulus will be over, they basically screwed the little guy again. Now, they are looking at the tsunami heading their way and they are pretending that they sounded warnings.

There were only 2 loud voices. While everyone was busy having a ball, Larry Summers was waving flags and doing whatever he could to prevent what was happening. The man grew up with two Nobel laureates in economics as uncles, each a titan in his own right, and 2 parents that were economists too. The man knew more economics than most professors know by the time he was 22, and is one of the economists with the most practical (and not only theoretical) experience. And he was right, he is probably still correct with claiming that the Fed will eventually hit the breaks, they will do it too late and too aggressively, because that's what always happens.

The other voice, is the same man from over a decade ago, who's only sin has always been being the first to be right, to be smarter than everyone else, and to be unapologetic and uncharismatic. He is an MD, an economist and probably the greatest investor of our time. He is only 49 years old, and is only getting started. Over the last year, many became investors for the first time, many men in their 20s and 30s decided that they know enough about finance to start a YouTube channel. I want to see 20 years of experience before I'll take your financial advice (that's why DO NOT LISTEN TO ME, but look at other more established voices, like Summers, El-Erian, Gundlach and more). You might have a lucky break, but let's see you be the first to predict a couple financial crises. Let's see you be the first to the bull market and the first to the bear. He is the only one over the last 2 decades that has played the markets like a chess grandmaster competing against toddlers. This is ladies and gentlemen, Michael Burry. He was the first to the housing crisis, he was first to short the markets due to covid, he even made a killing on Gamestop. Michael Burry had relentlessly tweeted about inflation until he was forced by the SEC to take down his twitter page. This is the sad story of our times. You have one man who is a genius, a proven track record and is not charismatic enough to move markets, while another (who I shall not name) tweets just as much as Donald Trump, moves markets like a DJ in the club, and is celebrated like there is no end to the party. This is a sad day to economics, free speech and to us, because Michael Burry is right, again, and we're not allowed to hear the man speak.

So what the hell am I going do about out this? (remember don't listen to me, I know nothing) I am going to listen to these guys:

"hold commodities" (Dalio) or we should rename these to essentials. Make sure they are suited for this century and not for the 20th. "Don't sell" (Buffet) if you don't trust the companies you own to deal with inflation, you're in the wrong business because "you should be comfortable with leaving your money where it is for at least a decade" (Bill Ackman) and every decade sees a market that is bear. And sit on your cash ready to buy because it is your ammunition. If "inflation eats up your purchasing power" by even 10% this year, but the market crashes (and when it does, it's usually a hell of a lot more than 10) it will be time to go shopping, because the best time to shop for businesses is "when the streets are bloody" (Baron Rothschild) and everybody else is crying and running.