

It's Launch Time!

Quote: "When enterprise becomes the bubble on a whirlpool of speculation... (and) when the stock market takes on the attitude of a casino, the job (of capitalism) is likely to be ill-done."
John Maynard Keynes

"Everybody tries to compare this with '99. That was a bubble in technology... but it was a very, very narrow bubble. This bubble is in everything. Every asset on the planet." Investing legend, Stan Druckenmiller.

It's Launch Time - Bubble 3.0

Hopefully, nearly all *Evergreen Virtual Advisor (EVA)* readers are aware that I've been rewriting our 2018 to 2020 "Bubble 3.0" series since last summer. Frankly, it's been a much bigger project than I anticipated but today's the day (finally!) to release the expanded and updated "Bubble 3.0"! Part of the challenge has been maintaining about 70% of my normal Evergreen Gavekal co-chief investment officer functions. But a more significant time consumer has been how much conditions have changed since the original publication in our *EVA*s which were mostly pre-Pandemic.

In countless ways, Covid and the frantic responses to that by global governments and their central banks has been the massive game-changer. Some of that was picked up in my last couple of installments of the old "Bubble 3.0" series. Yet, even since then there have been a multitude of developments that were truly extraordinary. In fact, to use a much-overworked word, I think it's fair to say most of these were unprecedented.

Given the circumstances, perhaps that's to be expected, but I do think it's astounding that American households have become over \$30 trillion richer since the pandemic struck. The contrast with that wealth bonanza and the societal agony America, and the world, has had to deal since the virus went viral is, on its own, utterly stunning. One could even reasonably call this, once again, unprecedented.

Much of "Bubble 3.0" will examine the sustainability of this asset price surge. As I'm sure you are fully aware, currently there is some serious air coming out of this latest speculative frenzy, one that I argue the Fed has done so much to inflate. In some ways, I wish I'd been able to get this book out a few months ago. However, as all *EVA* readers know, I've been issuing a steady stream of warnings in our regular newsletters, as well as in the Positioning Recommendations section (i.e., Likes/Neutrals/Dislikes), particularly with what I've long been referring to as the COPS — Crazy Over-Priced Stocks.

Additionally, the fact that there has been such enormous damage done to this cohort of what I've been warning were absurdly overvalued shares validates the dangers of Fed money-printing run amok. It is my absolute conviction that Fed policies, and those of their overseas peers, have produced the biggest financial bubble in recorded human history. For sure, that is a bold statement; however, I have done my best in this book to make my case for why it is a legitimate contention.

A few logistical items: First, we are launching "Bubble 3.0" through one of the fast-growing financial channels, Substack. It's been surprising — and encouraging — to me how many of

you are already on Substack. For those of you who aren't yet using it, this is your chance! Some of today's hottest writers on economic and social trends have migrated to Substack, with more joining on a regular basis.

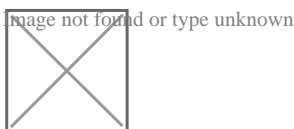
Second, our plan is to continue our regular Friday *EVA* communication, providing a link to our Substack site, such as the one which we're referring to as the 'Feds' Mount Cashmore shown below. Substack is designed to generate relatively short articles; accordingly, we've opted to send out most of "Bubble 3.0" in chapters and, for some of the longer ones, in a series of mini chapters. To avoid stretching this out over a year (and requiring yours truly to do constants updates!), we will be sending out several relatively short installments each week. Every Friday, we'll remind you that you have received communications from Substack during the week. It's important to check your "Spam" folder to make sure these messages are not winding up in there. For the next six weeks, or so, our regular *EVA*s will be focused on "Bubble 3.0" content but we will continue to also run our *Positioning Recommendations* for eligible readers.

Third, for those who want to read the entire book as quickly as possible, we plan to post it in its entirety in a PDF that you can access at our Substack site. We anticipate this will be posted in the next two weeks, if not sooner. We are including a Glossary and an Appendix both to better educate readers and maintain the book's flow, as discussed in the Prologue. The Glossary is currently available while the Appendix will be included with the relevant chapters.

We also will be pulling forward some of the later chapters based on our views of the urgency of the content. For example, Chapter 10 will run next week in several segments. Also, many *EVA* readers have already seen Chapters 5 and 9, but those will be re-run in case they were missed. In my view, Chapter 9 on what I've been referring to as "Greenflation" is one of the more important parts of the book.

Thank you in advance for your interest in this project! It's been a long odyssey and I hope you will come to the conclusion it was a worthwhile undertaking.

All right then...to access "Bubble 3.0", please click on the image below:



(Click here to read prologue to Bubble 3.0 on [Substack](#))