The Great Financial Distortion Wall Street Doesn't Want You to Know

Episode 59: Featuring Wall Street Insider, Best-Selling Author, Nomi Prins. Hosted by Addison Wiggin.

Addison: There's been a longstanding distortion in the markets, and we've been well aware of it in our daily lives. But over the past couple of months, it seems like some things are coming to fruition in a way that a lot of people aren't expecting. We've got war, we've got inflation, we've got food shortages. Who would've thought of that? We've got an impending recession, we've got weakening earnings, we've got massive inflation. We've got a lot of things that we read about in history books, but now they're all happening at once. Today with me on The Wiggin Sessions, I have Nomi Prins, a good friend of mine who is the author of **Collusion: How the Central Banks Rig the World**. Nomi was a former banker at Goldman Sachs and is joining us here today to talk about the inner workings between the Fed, the banks, and what's happening in the general economy and the financial markets. So welcome Nomi, it's good to see you again.

Nomi: Thanks Addison, great to see you too.

Addison: Let's get started. Can you just give me a perspective of what's happening from the banker's side? We've been doing a lot of work on covering the Federal Reserve, but what happens when we have rising interest rates in an inflationary environment? How do bankers start thinking about that?

Nomi: That's a really good question. And first of all, bankers know one thing, and that's that even with rates rising, there's still an abundant supply of historically cheap money at their disposal to either leverage or to invest in different parts of the marketplace. And one of the things that we've seen because of real inflation, and particularly inflation with respect to food and to fuel prices, is that money has been going into those areas.

Nomi: Now at first, that was a sort of hedge to supply chain disruptions. If food can't get from A to B or if it's becoming more expensive to transport from A to B or the supply is less than it should be to meet demand or it's more expensive to produce, then there's a way to hedge that by getting involved in food companies, in food ETFs. The same thing with fuel, the same thing in alternative fuels.

And that's where Wall Street is really focusing its money. One thing that I've been looking at with respect to the Wall Street banks like Goldman Sachs, like my former employer, is that they are really accelerating their production of reports on new energy. Why? Because old energy's really, really expensive. And so there's been this pivot of communication as well as investment going into areas, for example, in new energy. So all of what's happening is a massive shift which has been a result of the distortion between real markets and the real economy, which is now being examined and utilized by Wall Street, by private equity, by hedge funds, by the larger institutions looking forward at where money's going to wind up and putting the money now where it's going to accumulate the best, the fastest for the financial players.

Addison: You used the word distortion. I know that you have a historical chart that shows that the markets have been distorted since 1971 since Bretton Woods fell apart. Can you just walk me through that? In what way are you using distortion? It seems like the financial markets are accumulating wealth while the general economy sort of lingers on.

Nomi: Yeah, that's exactly right. So I look at distortion, which is that chasm, that massive gap between how money is inflating the financial markets versus how we're all experiencing our real economies. And the primary initial point for that was in 1971 when we basically dismantled Bretton Woods and got off of the gold standard. And why is that the first step in distortion, it was kind of the baby step? That's because at that time, the Fed was effectively allowed to potentially create money without it being moored or sort of anchored to something physical such as gold reserves, as was the world. So all of a sudden there was an ability, if not necessarily a total use of that ability, to do that, to create more money without a cap when and if deemed needed by the Fed.

And that was the very, very first baby step. But what happened then in the financial crisis of 2008, of which we're all aware, is that Wall Street went crazy. The Fed dropped rates to zero and accumulated a $4.5 trillion book of assets through this wonky thing called QE or quantitative easing. But what happened after that? Well, as we started going towards the pandemic, one of the things that occurred was the Fed said, "All right, we're going to tighten." What did that mean to the Fed? Not that much. They raised rates a little bit over the end of that period before the pandemic. They also reduced the size of their book from $4.5 trillion to $3.7 trillion, right before they jumped it right back up to $4.1 trillion. So it was still at around $4 trillion going into the pandemic, at which point they more than doubled it to $9 trillion.

Nomi: So these steps in between took what was already a distorted manner of looking at money being created and flowing into markets versus the real economy, and created what I call permanent distortion, which is something that's never, ever going to be undone. Because right now, even if the Fed's raising rates, even if the Fed reduces the size of its book, that genie is out, that money is out. And what happens is money, capital always wants to go to the place where it can reproduce itself the quickest, that's just the reality of money. And that place has been the financial markets, different parts of them. We've seen what's happened in the stock market, it's given back a little since then, and we've seen what's happened in some of the other financial markets like housing and so forth. This is an example of distortion, of money going towards places merely to reproduce as opposed to determining real value or real transparency or real comparison of the fundamentals of any company or any sector or any part of any kind of asset class.

Addison: So as a banker, I know you're watching what the Fed's doing, but are you counting on the fact that they're going to effectively continually bail out the banks in order to perpetuate the, I feel like I'm being conspiracy theorist when I say it, but shell game that's going on. There's easy money going into the banks, and then the banks are able to choose what they want to do with it and everyone else is left waiting to find out what the banks are going to do.

Nomi: Well, it's interesting, and I'm kind of glad you used the word conspiracy because as you know, I'm the anti conspiracy theorist. I look at hard data, I look at facts, I dig into history, I go to the source. And so it's not that. It's basically about following the money in reality. And yes, what's happened is it's bigger than the Wall Street banks. It's any of the financial institutions. For example, anyone from Goldman Sachs in the Wall Street traditional investment bank community to a BlackRock that owns more assets, actually, than the Federal Reserve, both of which own a ton of assets collectively, which are almost the size of the entire US economy. So you have all of this money that's either other people's money chasing what financial institutions are already chasing in terms of the markets up and everything else.

You have these financial institutions borrowing against it, leveraging it, betting or speculating or investing, whatever you call it depending on the timeframe, where they want it to go, and then you have this outside accumulation, the value of all these financial assets, which is until recently what we've been seeing. But even with what we've been seeing recently with this massive choppiness that's happened in the markets because markets just don't like uncertainty, Wall Street doesn't even like uncertainty. It can play uncertainty better than the average person, but it doesn't really like it. Wall Street likes cheap money, financial players like cheap money. Why? Because it's just easier to play with other people's money, whether that is your depositors, whether that is the people that you're holding assets for, whether that is money that you've borrowed. Whatever it looks like, it's just easier to leverage something that's cheap than something that's expensive.

Nomi: That's just the math of it. And so right now, what Wall Street knows is that this cheapness of money, even if we see these rate hikes or some of them come to fruition, I don't think they're going to be as bad as the forecasts or the higher forecasts indicate. But even if some of that comes to fruition and even if the Fed or other central banks reduce their books by basically a sliver, and it would take four years for the Fed reducing the books by letting its bonds roll off as it's indicated to even get to where it was at before the pandemic. So again, Wall Street knows there's money there. Wall Street knows that at the end of the day, even when the Fed gets really wrong because the Fed gets a lot of things really wrong on a regular and historical basis. There will be an availability of money that is cheap enough to allow the financial system to continue to chug along as it has, again, even with these choppy periods in between. And that's at the heart of what I call this distortion, that distortion that's been baked in, is that money has ceased to really go after things of value. Money is going after things that it can multiply itself, sort of like a virus. It's like these financial assets are to some extent, a host for money and a host for cheap money in particular. And that's what we're seeing. That's what's getting distorted, is this money basically replicating itself, occasionally taking a step back and regrouping and then finding another better sector or asset class to accumulate in.

And sometimes that aligns with the real economy and that's where, as investors, we can also find opportunities like in the field of new energy and some of the infrastructure, real building that's going on and the raw materials that are involved in that, the commodities that are involved in that. Those are all areas that have value at this point in time in this distortion cycle. But at the end of the day, money is still historically cheap and abundant, and that's going to ultimately drive the markets more quickly than it's going to drive the real economy.

Addison: So as a banker, I know you're watching what the Fed's doing, but are you counting on the fact that they're going to effectively continually bail out the banks in order to perpetuate the, I feel like I'm being conspiracy theorist when I say it, but shell game that's going on. There's easy money going into the banks, and then the banks are able to choose what they want to do with it and everyone else is left waiting to find out what the banks are going to do.

How Will Your Portfolio Fare During The Great Financial Market Distortion?

Addison: So when we see headlines about a bear market impending and maybe recession in the economy, people are reacting to drops in the market, which are pretty common. You're calling it a choppy period. How would you perceive that if you're on the banking side? So, and the question is really, should we be afraid that there is an impending recession in the economy?

Addison: Should people be afraid? I've just talked to a lot of people from all walks of life and some people who are like, oh, I'm trying to change jobs, or I'm trying to get a new job, or I'm trying to retire.

There's a lot of different concerns when the market does get choppy because people have money in the market, and they're trying to understand how those cycles work. And then the headlines kind of take away with the story. Each narrative builds on itself for a while. So right now we're in a bear market and impending recession narrative. How would you respond to that if you knew that there was sort of this endless supply of relatively cheap. I'm going to say relatively cheap, because it does get more expensive, but it also gets cheaper if things get really bad?

Nomi: Well, that's right in the second part, what you said, "It's really important there," because it is getting a little bit more expensive. That's absolutely true. And that does mean the cost of debt, the cost of borrowing does get a little bit higher. That's also absolutely true. And there is a point at which if money is too expensive to come by, it does slow down, the trickle of that money, particularly, into the overall real economy. And it also makes it harder for real people to take out real mortgages or to borrow and get loans for real cars or things that they might need in their real lives. It makes the cost of medical treatment more expensive, a school more expensive, of food, as we know, a fuel, as we know anyway, has been inflationary in terms of prices recently.

So all of this stuff bears on the real person in the overall economy. And so this fear of recession is not necessarily unfounded. And a recession basically means we've got a couple periods of a declining growth economy, right? So we're not growing, we're going backwards or staying close to the same. And that can definitely happen because people can't afford to buy things at the prices that they're at. So there's less money being put into the economy. They can't borrow, again, real people, not financial institutions, they find ways, but real people can't borrow to the extent that they might need to to start small businesses or keep small businesses going or to buy real homes or to pay for real college tuition. So all of that is really, truly coming to bear in terms of an economy slowing down.

And I do see that happening. Again, I do see areas of the economy that will provide jobs that do provide a sort of upward path as well. But overall, this is where people are concerned. And then when you compound that with the markets, which are very, very choppy and negative, and I call it. They're almost brooding about the fact that money won't be as cheap as it's been for so long, because that's what I see as the real reason that these markets have been negative this year and that they are as choppy as they are on any given day. They're deciding what the Fed's going to say, what it just said. What's it going to say tomorrow? I mean, there's a lot of uncertainty there, as well as of course, geopolitically, the war in Ukraine, inflation, prices being higher and higher everywhere else.

Nomi: So there is a lot of worry baked into the volatility of the market right now. And in terms of how that goes away, I think, at some point the Fed is going to basically go back to its comfort zone, which is, you know what, we raised rates 50 basis points. We raised by 25 before that. Maybe we do another 50 basis points in total this year, or maybe 75, but not more than that, but we dialed down our sort of talk about what we're going to do from that perspective. And that will, I believe, start to calm the overall markets and that could calm sort of the worries that seep into the overall economy. But again, we do have these real things going on. The Fed can't create fuel. It can't create food. And there are real supply chains and other issues that are basically continuing to push these sorts of areas upward, regardless of what the Fed does or doesn't do.

Addison: One of the mainstream narratives that comes out of all of this is that we're in a 40-year inflationary spike, and that's what's forcing Jerome Powell to lead the troops to raise rates. How does that narrative change? Everyone tries to parse the minutes when they come out? How does the wording change that makes people believe that the Fed has made good decisions on interest rate policy moving forward? I've seen many charts that say, "Oh, we got to get to 8%," or that's what Volker did in the early eighties. Well, what's the thinking behind that? How do they change that mindset? They can't just keep printing money at a very cheap level. It just doesn't seem possible to me.

Nomi: Well, we've talked about this for years. I think even before they doubled the size of their book going into the pandemic, we've spoken about how they can continue to print money and how they can contain it in such a cheap way.

Addison: They find a way.

Nomi: And so this was like four and a half trillion dollars ago. So I mean, can they? Yeah, they absolutely can. What's happening right now is that somewhere between Jerome Powell not noticing that prices were going up, to begin with in the real economy, calling it transitory, et cetera, and a lot of political pressure on the Fed to do something about them, even though, again, the Fed can't. In this scenario, the Fed cannot reduce the price of food. It cannot create an overabundance of wheat when there is a supply shortage, or it's expensive for it to be transported because there's a war going on in Ukraine.

There's things the Fed can't do. But at the same time, the Fed is stuck in this sort of identity vortex where they're supposed to be fighting inflation. They were way late. And what the inflation was really in, before it became as high as it is in food and fuel, was in money. And when money was being inflated, which is what they were doing, they didn't seem to notice. That's the thing they were supposed to be noticing. And that's the thing they keep on ignoring.

Nomi: So my assumption is, that given that the Fed tends to be late and sort of focused on the wrong things when it talks about its messaging, is that it will have to, and whether this is the right thing to do or not, but what it will have to do is take the gas off of the rate hike talk, and what will be the reason, what reason will they give, Addison? What they're going to say is some of the things we've been talking about. And they're going to down-talk inflation, or just sort of ignore it a little bit. And they're going to talk about economic figures that are slowing down, like the latest GDP forecast that was a bit lower than expectations.

Like what's going to happen throughout the rest of the world, Europe, et cetera. There are countries across the world that are already witnessing real slowdowns in their economic growth. And how does that translate into the United States? Well, if they're buying and selling less things on trade, we're buying and selling less things through them, things slow down and et cetera. So I see some of that slow down creeping in, maybe not the next meeting, but creeping in to sort of Feds speak at some point, if they need a reason, to not be as aggressive as they forecast and get anywhere near those Volker times. Because those times when rates were 6, 7, 8% on average rate. Those times we got as far as 20%, at one point on sort of Fed funds rates for a little bit there, we were in a very different environment.

Yes, we had inflation on fuel and on other areas of the economy and, yes, things were tight, but it was also before the Fed discovered it, sort of Fed superpower of being able to just create money whenever it felt like as much as it felt like. So, I think it was kind of, it just didn't know about that part yet. We weren't sitting on a $9 trillion Fed book, or again, even if it goes down by a trillion here, we weren't in that sort of space. And so it's a little bit different just from that standpoint. And I think, ultimately, the markets, Wall Street, kind of knows that and we'll see that. And right now we're just in this period of sort of figuring out when that changes, when that messaging changes and that's where all this mega uncertainty is, net of the fact that we do have real inflation and we do, because of that, face a slowing down economy?

Addison: I like your phrase, identity vortex.

The Future "Winners" and "Losers" During The Great Financial Distortion

Addison: I like that because it feels like each Fed chairman kind of goes through their phase. And we did some work with Christopher Leonard a couple of weeks ago where he was talking about how Powell had inherited the Greenspan-Bernanke-Yellen Fed and then he's trying to define it on his own terms right now.

Addison: Whether he's doing it or not that remains to be seen but that seems like part of it, is that he is going to get serious about raising money? But what it seems to be that you're saying is that the banks are just waiting for the time when they can have some certainty about what the Fed rate is actually going to be. There's a lot of talk about raising rates over the next two, or three years and even some dramatic rate hikes just to address the inflation issue in the broader economy. But what happens ... Like what's the language that they put out that's like the signal that Wall Street gets and does that then translate into more stabilization in the market itself?

Nomi: Yeah. And I think just watching what the Fed does, whether that is Bernanke, or whether that's Yellen, or whether that's now Powell, I always say, and tell people are concerned about this, that ultimately everything's a question of timing yes and time yes but at the end of the day you have to watch what the Fed actually does and sort of ignore what it says. Now it's a big game to wonder what it's going to say. I mean, I've been playing that game for decades from when I worked at Lehman Brothers and we'd stand there waiting for news from the Fed, and now there's 24/7 so many multiple channels and spots where there's debate over what it said today, and what it's going to say tomorrow, and all that. That's not going to go away. But there is a sort of noise element to that where you have to step away.

Like one of the things, for example, that was happening into the last Fed meeting, when they announced on May 4th the rate hike, was that their book of assets actually had grown. Not that it hadn't shrunk, it had actually grown from the last Fed meeting in the middle of March when they raised rates 25 basis points to when they raised rates 50 basis points and announced that they were going to let bonds start to roll off in June, accelerate their roll off in August, and so forth. So I'm not saying that won't happen I'm just saying that like while they're so focused on all of this not only were they not allowing bonds to roll off they were actively purchasing some new ones, not a lot, but the point is that the direction of the size of their book went up and not down. So a lot of times you just kind of have to watch what they're actually doing versus what they're saying.

And I think, as you mentioned, that's what's going on right now because the markets are so distorted from the real economy and where real people are making money, and spending money, and the real cost to them of everything they need and everything they use to live their lives. There is this period of uncertainty that will ultimately abate. And it will abate, I think, when ... and I don't know when that exact date is but the fact is if we see, for example, another GDP number that priced a little bit lower than the last one. If we continue to see those sorts of figures come in from Europe, from Eastern Europe, from South America and so forth, even with high inflation which will also continue because of the real conditions under which mostly food and fuel are finding themselves, we will see some dialing back.

Nomi: Because ultimately what the Fed doesn't really want to do in this particular incarnation of their role is tank the economy. What they need is an out, to be able to do as little as they need to do. At this point there is worry, and concern, and angst over what that's going to look like and when but I think ultimately we get there and I don't necessarily think it's going to take years of Fed raising rates to get to that point where they're like, "You know what? Maybe we don't want to ... Maybe we don't feel like it right now."

But I think at those points or with that language that's where the market's going to kind of calm down. And I also think within this period though there are areas in the market, and there are sectors in the real economy, that will continue to see a flow of funds anyway and that continue to have what I call distortion sectors that will continue to have an upside for investors. And also that, of course, Wall Street will be trying to find as well but where there's opportunity.

Addison: Yeah, that's one of my questions. In this game that the Fed plays, and the banks play, who are the winners and losers? And if you're an individual investor, like a lot of our viewers and a lot of your readers, how do you judge which sectors are going to be getting beneficiary treatment or moving in the right direction based on the signals they get from the Fed or from the banks?

Nomi: Yes. I mean, what I've been saying is to look at the sectors that are effectively accumulating growth and money anyway even with this choppy market. And those tend to be, right now, sectors for example is new energy. What that means is any company that's involved, whether it's from the commodities' standpoint, that's a necessary commodity for driving energy transition from older fuel to electrification and other types of fuel. Things like the electric vehicles, the infrastructure that binds all that together. And why? Because these are areas where there's multiple flows of funds going that will be long-term flows of funds. And that includes government allocation. And of course, we know government's not always the most efficient allocator or doer of a lot of things but there is a lot of money that's flowing into certain elements of that new energy infrastructure combination space and the individual spaces.

Then there's Wall Street money. So many companies throughout Wall Street, including and I think led by Goldman Sachs, are, as I mentioned in the beginning, writing these reports and talking about all the trillions of dollars that are ultimately going to go into certain areas of this new energy and infrastructure economy that are part of the economy. That's the second part of money. Then you've got the asset managers, like the BlackRocks and those sorts of companies, creating ETFs to go and follow that money. And all these are connected to metals, commodities, and raw materials that are involved in the creation, the production, and the expansion of these areas. So it's like where there are areas that aren't just sort of fads but actually have multiple places and multiple sort of strategies of money coming into them, like those two, is where I think there is value.

Nomi: And I think that also requires taking a little bit of a step back from all the chaos in the market. And it's painful to see your 401K being red. No one likes to see that statement. But to take a little peek over that, you know not sort of cashout when things are all chaotic. stay a course for what's already in there and some of the investments that people already have but look sort of behind that horizon to these areas to which money is flowing, progress is going, and which are really going to be transformational.

The Great Financial Distortion: Where $130 Trillion Is Flowing Behind Closed Doors

Addison: I have been writing off and on, I haven't done enough work on it myself to speak positively about it, but more critical of the idea that Mark Carney at the Edinburgh conference back in November had raised $130 trillion of private money from climate initiatives in like a week's time. So there's a ton of money sitting out there waiting to move into these transformational energies that you're talking about.

I understand, too, that you've put together a report yourself to try to organize your thinking on how people can get invested in where the money is going to flow, as opposed to worrying about things like the daily market fluctuation. While we're talking the market has just gone down to a headline level, people are worried about bear markets. And then also the impending recession in the economy, but that money is out there and it is going somewhere.
It seems like you're more focused on what is happening rather than worrying about what won't happen?

Nomi: I think ultimately what is happening, where money is flowing, is just a more positive place to look. But, again, it's also lining up a lot of different elements because money's coming out of the market, and every sector. Obviously it's been very negative recently. I think a lot of that's because of a lot of competing and uncertain narratives, as well as real events and real conditions all kind of happening at the same time. That just requires a cashout and a recalibration of markets, and going down as a result. It is going somewhere and that is true. There are absolutely names and there's absolutely sectors, and materials, that for the most part, not every day during this particular choppy negative period, but more often than not, are trending upwards. And the reason for that is because the money that's coming out of the places that need more certainty to keep that money in them is going elsewhere.

Nomi: I'm focused on where else it's going. And also just the fact that, for example, in new energy, because we've had this confluence of events that have pushed up oil and gas prices so high, and because this is so real for so many people. It's something where if there is an alternative and that alternative is now getting more money from multiple different areas, and it's going up as a result, well that's, to me, a forward looking trend as well as an actuality at the same time.

This money is not just going, I believe, to some of the new energy sectors and components that create them for a minute. I think this is a real evolution that we're seeing. And so there is a long term aspect to it. So yes, whether it's Mark Carney or whether it's Jeff Bezos and Bill Gates getting together and exploring minerals in Greenland, which they're doing together. You have to look at where money's going tomorrow. Because ultimately, we're investing for tomorrow.

Addison: Yeah. I'm actually going to Greenland this August

Nomi: Wow. Nice.

Addison: It's kind of a lark in a way. But now I'm even more keenly interested. But it seems like that's the thing, they're looking at cobalt reserves on an island off the coast of Greenland. So that'll be interesting. But I understand too, that you put together a portfolio that people could follow if they're interested in understanding how these trends are playing out.

Nomi: That's right. And I do have that in my ***Distortion Report***, which I know you're aware of. And if people want to follow the exact portfolio, we also provide regular recommendations along these lines, along lines of the market's distortions. We take that as a given. We can't change that. But what we look at is five main sectors of which right now we're very focused on new energy and infrastructure, but we also look across three other sectors as well to basically look at how those sectors blend with each other.
So our portfolio is what I call a blended distortion portfolio, because we're following the money, we're investing in companies that are solid for now and have future strategies and that sort of jive with where money is going to be flowing. And so that's how we look at our recommendations and Distortion Report. And then every month we also talk about what we're seeing, but also why we're seeing money going into certain areas or certain companies. And we follow that going forward.

Addison: Part of what I like about the theme of your Distortion Report, is that you're following the money, which is not always congruent with the headlines. For example, I would just take cryptos. A lot of ink is spilled over the price of Bitcoin. It goes up, it goes down. It actually went up and down with the retail sector in this past swing. But that's all speculative money in my point of view. It's not long term money like what you are talking about coming from different areas. There's a lot of people just looking for short term gains, and then they reap the reward of short term losses as well.

Nomi: No, that's right. And there'll always be some of that. And it's important. And we do look at where more speculative money's going and where it's coming from. Particularly when it's repositioning. Because again, that's where ultimately we see values and that repositioning of capital, wherever it's coming from. And that has to do with what's going on right now, as well as our view of the fact that we're dealing with a distorted market and certain sectors are going to be distortion sectors that benefit from that capital flow.

So we do that. It's not just looking at one area. It's not just looking at what's the hot thing right now. But it's looking at how everything blends together in terms of going forward. And that's allowed us, particularly when things have been so choppy, to navigate the choppier of those waters by continuing to look ahead at how it's all coming together.

And there are companies, for example, in the tech sector that have been completely bashed up, no matter who recommended them and what's going on inside of them that have been beaten down alongside the market. But we see in the ones that we like examples of that blend or connection to other distortion sectors. So over the long haul, even when we choose names in certain sectors, and we might not at this moment, but that are more volatile, it's with the idea that on a blended basis, with respect to our distortion theme and strategies all together they have a role.

Addison: Well, it also seems like when you get to the end of the road, if there is one, that you've already followed trends that are at play right now that will come out the other side of the volatility. There's a lot of frothiness in the markets. It goes up and it goes down based on narratives, like we've been talking about. But there are underlying trends that play out, and those are the ones that six months from now or two years from now, those are the ones that survive these areas of volatility.

Nomi: Well that's right. They don't only survive, they lead the market and investment and those components of the economy upward in that direction altogether. So that's the idea. There's the money aspect. There's the market aspect from an investment standpoint. And then there's, yes, the fact that these things are staying power imbued.

So there is going to be that idea of that longer term portfolio investment, that you're basically getting things right now, whether they're names or whether they're materials, that are already navigating these waters very well compared to other names. And then also continuing to ride those trends up when there is more positivity in the market as a whole. So it's like the idea is that you benefit from the distortion, as well as from the timing of these trends . Distortion trends like new energy and infrastructure are two of our main trends.

Addison: All right, Nomi, thank you. I'm going to recommend that people take a look at the Distortion Report. And I want to thank you for your time. I haven't seen you in two years, so it's been good to actually catch up with you.

Nomi: I know, it's been so weird. If people want to look for my report, we have a link at www.distortioninsider.com. So that's something people may want to take a look at. But it's always great to see you. It's always great to talk through this stuff. The world keeps changing, and at least we get to keep reconnecting.

Addison: Yeah. All right. Thank you, Nomi. We'll talk to you soon.

Nomi: Thanks, Addison.

Meet your host, Addison Wiggin

The Wiggin Sessions, conceived during the COVID-19 pandemic and tornado warning in Baltimore, Maryland. Addison started interviewing key thinkers on Politics, Science, Economics, Philosophy and History to find out how their ideas impact financial markets and our financial lives. Key thinkers include Jim Rickards, Bill Bonner, George Gilder, James Altucher and over 50 others.

In 2020, he launched a new project called ***Consilience***, which is an enlightenment era term that means "the unity of knowledge". He is the co-author of the New York Times best-selling books ***Financial Reckoning Day*** and ***Empire of Debt***, as well as ***The Demise of the Dollar*** and ***The Little Book of the Shrinking Dollar***. Addison is the writer and executive producer of the documentary ***I.O.U.S.A.***, an expose of the national debt, shortlisted for an Academy Award in 2008.

Nomi Prins

In her daily e-letter, *Inside Wall Street With Nomi Prins*, Nomi shines a light on the collusion that happens between Wall Street and Big Government behind closed doors. And, in the Distortion Report, she provides actionable recommendations to help readers profit from the distortions this creates in the markets.

Before becoming a renowned journalist and public speaker, Nomi reached the upper echelons of the financial world. She worked as a managing director at Goldman Sachs, ran the international analytics group as a senior managing director at Bear Stearns in London, was a strategist at Lehman Brothers and an analyst at the Chase Manhattan Bank.

Nomi is also a best-selling author. Her latest book, ***Collusion: How Central Bankers Rigged the World***, explores the conditions that led to the rise of the new era of central banks' power and the impact they have on markets and the global economy. See Nomi's extended bio here.