

January 10, 2017

3-Minute Market Minder Transcript

Hello, friends, and welcome to *Big T's 3-Minute Market Minder*.

At the end of 2016, I showed you this chart on gold, and I said, “Look, do not sweat this pullback in gold.” And the reason that I said [that]—and I talked about what’s going to happen in 2017—I said that it’s impossible to have the kind of growth that the stock market is discounting right now and not have inflationary pressures ripple through the American economy.

And if we were going to see inflation, then there was no question that we would see higher gold prices. And in fact, I even went as far and said that we will probably see a 3% print on inflation in 2017.

And I continue to believe that. I think 2017 is the year that we see a return of normalized inflation. Now, you can see that, finally, this idea is starting to percolate throughout Wall Street, and Wall Street’s now waking up and realizing, “Hey, inflation might be a problem.”

We have seen gold come up off this 1,120 level all the way up to 1,180, for a nice move [of] about \$60. So, I said that what we’ve got to do is we’ve got to look at the employment numbers and look at wage inflation, because that will give us an inside look as to whether we’re going to get the kind of inflation I think we’re going to see in 2017.

Now, today we got the wage news out for December, the December jobs numbers came out today, and look at this headline: “Recovery Finally Yields Big Gains for Average Worker’s Pay”. So this is the first time since 2009 that we have seen such a massive move higher in American wages.

Now, friends, nothing moves the needle on inflation like an increase in wages. And the reason being is, as wages go up, people will invariably go spend that extra money, they don’t save it. And that causes inflation to ripple throughout the entire economy.

So, again, what I think we’re going to continue to see here in 2017 is a very tight labor market. It’s going to cause wages to go up. And it’s going to cause inflation to ripple through the economy. And that is very, very bullish for gold.

All right, friends, that’s enough out of me. I will catch up with you in the next video. And I want you to always remember: Let the Game Come to You!