

North Korean Nukes Are Great News...for Cryptos

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Be careful in the [bitcoin](#) market. The price has recovered from the fork, and the implementation of SegWit is progressing well too. We're well over US\$3,000, the previous peak before a major correction.

But three of bitcoin's biggest markets are [wrapped up in the North Korea crisis](#). And bitcoin happens to be an excellent way to diversify your wealth if you live in North Korea's missile and artillery range.

Bitcoin has no bank to blow up, vault to rob, CEO to assassinate or economy to wipe out. It's incredibly resilient, even to nuclear war. James Bond villain Goldfinger himself couldn't cause a bitcoin price spike with a nuclear device.

But thousands of new South Korean, Chinese and Japanese buyers can. And they may be responsible for the enormous surge in price since the fork. They're trying to secure their wealth in the face of a catastrophic war.

If panic buying is driving the market, that means many things for bitcoin investors. Cryptocurrencies are now a good measure of [geopolitical](#) instability, which we've discussed before. [That makes them a good bet in times like these](#).

But it also means the price can fall fast if the crisis de-escalates. With absolutely no expertise in the subject, I'm hesitant to say how real the threat of war with North Korea is.

Politicians are saying it's likely. Military analysts and South Koreans say it's simply too destructive all round. Can nuclear weapons even be used on North Korea without directly endangering South Korea? Are any other strikes comprehensive enough to avoid major retaliation?

The only thing I can say for sure is that Sam Volkering's thousands of new subscribers must be enjoying themselves. They received their book about cryptocurrencies in the mail as the bitcoin price was near the bottom. If they followed Sam's advice, their gains are already impressive thanks to the Korean escalation.

The good news is, there's still plenty of time to get involved if you know how. For example, did you know the Koreans favour bitcoin's more gifted cousin Ethereum? It's up far more than bitcoin in the last weeks.

More Ethereum traded with the Korean won than any other currency in a 24-hour period yesterday according to a chart from bitcoin developer Jimmy Song. As the South Korean stock exchange languishes while tensions escalate, Ethereum spikes.

Ethereum is just one example of a cryptocurrency surge. This sort of phenomenon can deliver gains of hundreds of per cent in a week. And the crypto world is innovating so fast investors can't keep up. Unless they have [Sam to guide them](#).

Central banker buying continues

[Yesterday](#) I explained why worrying about the effect of [central bank](#) tightening on the stockmarket is mistaken. The stockmarket determines central bank buying. If it drops, they buy more.

Well some official confirmation came through yesterday. The Swiss National Bank's (SNB) quarterly release of its American shareholdings came out. It revealed the SNB now holds more than US\$84 billion in American shares, \$4 billion more than last quarter. And so the buying continues at an avaricious pace.

The Swiss purchases pose an interesting question. Remember how intelligence agencies avoid their checks and balances by outsourcing their local spying to foreign allies? The American agencies can't spy on Americans as freely as the British can, and vice versa, so by swapping responsibilities there are no legal complications for problematic "domestic" surveillance.

Another example of this is showing up in American politics at the moment. The Foundation for Accountability %26 Civic Trust is suing the Democratic Party's governing for soliciting research on the Donald Trump campaign from Ukrainian government officials. Ironically enough, the information it was soliciting was about Trump's attempt to solicit information from Russia. So it committed the crime it was trying to expose.

Anyway, these sorts of games might be happening at central banks too: "I'll buy your shares if you buy mine, and then neither of

us will be held accountable for manipulating our local stockmarket.” American politicians are hardly going to hold the Swiss central bank accountable.

In Taiwan, they took a more direct route. The government itself ordered its banks to buy stocks to prevent a rout triggered by North Korean tension. The intervention failed, stocks resumed their drop shortly after.

Meanwhile the American central bank is coy about its manipulation of the stockmarket. Despite claiming it's implementing the wealth effect, no confirmed policy of buying stocks has made the press. The Federal Reserve's James Bullard said the Fed was “reluctant to target equity prices”, which is very different from saying it won't, hasn't, can't or shouldn't.

Won't you join me?

You might think it's war with Korea that's most important to you and your wealth at the moment. Or the economic, currency and trade wars raging around the world.

But you're wrong. The real war you should be paying attention to is the [War on You](#).

A crackdown on cash, trashing the value of money, government debt at dangerous levels, new oil cartels, intelligence monitoring of your private affairs, the insolvency of pension systems, bank freezes... you are the victim of every government policy out there. They all restrict your freedom in some way. They make you poorer, unhappier, and destroy opportunities.

Usually, the free market fights back in spectacular fashion. Currencies plunge, inflation soars, government bonds rout, political scandals lead to resignations, protests force policies to change, the stockmarket tumbles... people are held accountable.

But the free market seems to have forsaken us. There is no more accountability for central bankers and politicians. [Brexit](#) is about the only major crisis for establishment thinking since the crash of 2008. And that crisis only empowered government and central bankers even further.

We're calling it the Battle of the Century – the free market vs central planning. Where do you put your faith? Where do you put your money?

Last night I received confirmation the best possible speaker has signed on. It's a cracking catch for the 6 October event. None other than Daniel Hannan is making a speech.

I haven't been this excited since the rogue economist Steve Keen sat down next to me in a surprise last minute appearance at our sister company's conference in Australia. I had to run backstage with his slides on my USB stick after an on-the-spot decision to let him speak by Dan Denning, who many of you will remember.

Well the Battle of the Century – the free market vs central planning – is a topic tailor-made for Hannan. He's been behind enemy lines for years now at the European Parliament, fighting for free markets. And that gives him a particularly credible perspective. The only question is what he'll say. There's only [one way to find out](#).

Until next time,

Nick Hubble
Capital %26 Conflict