



THE EVERYTHING CODE: THE RENAISSANCE

Over the eighteen years of writing GMI I have authored some very important pieces of which I am immensely proud.

The key articles are all part of a larger narrative arc of my evolving framework, where I connect pieces of the BIG picture, continually building and developing the framework further.

But now we are at the crux where it all comes together.

The Everything Code is probably the most profoundly important GMI I've written and is the culmination of all those years of work.

An important note: *The Everything Code* was published exclusively for GMI clients. Over the next few weeks, we will publish it in three parts – sharing it (almost) in its entirety with Real Vision Pro Macro and Pro All Access members. Today, I am sharing an important excerpt with you.

Enjoy.



The key to understanding *The Everything Code* is to understand that everything is driven by the debasement of fiat.

It will not last forever, but it will last until the game truly changes, when the Renaissance is fully underway.

Today, let's start at the end by laying out what I think the Renaissance looks like...

The Renaissance

What is in *The Everything Code* is the answer to all our problems. And these problems are not going to be solved by some Great Reset (which was my bias until I began to really understand all this back in 2020) but by a Renaissance...

The Global Financial Crisis was THE Fourth Turning moment when everything changed, and all past models could be thrown out of the window.

The future is a technology revolution that changes humanity forever, changes the entirety of the global financial system and the Rules-Based Global Order System.

It will not be without chaos and confusion.

- Witness the anger from the Establishment over crypto. It is, however, inevitable as the world needs it. It is already happening.
- Witness the rising fear about AI, but it is inevitable, and will augment human abilities on an unimaginable scale (and may bring about our demise too, we just don't know). It is already happening.
- Next up, you will witness the anger and fear around gene editing, just as we saw with RNA vaccines, but this time it will be much worse. But it is inevitable, and it is already happening.
- Then you will see self-driving cars, buses, and trucks. This is already happening and already people are angry and scared (just look at the Tesla hate!). In three years, this will become an exponential trend.



- Robots are already an exponential trend. Self-driving cars are just robots with AI. The robots will leave the factories, warehouses, and military, and will soon spread to our homes, our restaurants, our shops... everywhere.
- The metaverse will be a *suddenly*, all at once moment and the internet will have morphed into its next form — a deeply immersive digital world. This is just around the corner. People will need to recalibrate to this new digital existence. AI will amplify it in ways we can't yet conceive.
- And witness the anger and denial around the rise of new energy sources and realise that it is exponential, and inevitable, and is happening.
- And then imagine what is already taking place in Space. Imagine if Elon gets to Mars.
- And then imagine that all of these trends build network effects upon each other...

Reed's Law

AI is already the first ever example of Reed's Law, which is an exponential network built on the internet with an application layer built upon it, all at the fastest pace of adoption ever. Reed's Law is defined as Metcalfe's law squared... yup, ludicrous mode.

Then realise that the entire world is going to experience a Reed's law moment in technology. It is going to be terrifying, confusing, and very exciting.

Humanity has never lived through anything like this.

But boy, oh boy, we can really make some money from it. This is the BIG bet.

It is — without question — the biggest macro setup of all time, with the central banks giving us a massive tailwind in our technology investing and on top are forcing us to adopt digital assets to get out of the trap they have set.



The Government will hyper-charge it

And this Renaissance is going to be further pushed by governments piling money into renewable energy and changing legislation to effect the change faster. See the Inflation Reduction Act in the U.S. or the Net Zero Initiatives in Europe and across the world.

The fiscal stimulus will be huge too.

Near-zero cost energy

And within the next twenty years, probably less, everyone can enjoy energy independence (individuals as well as countries) and they can have it for very little cost.

Technology increasing at an exponential pace and the cost of energy going to near zero, is going to drive *everything*. Faster and faster and faster.

All part of the plan

I think major governments understand this (and maybe have agreed to it too), in particular with regards to the energy equation. They are all now in a race to get energy costs to near zero, which would have the HUGE additional benefit of helping arrest global warming.

Maybe this is the most important problem to solve on earth – new energy sources.

I think that the advent of AI (GPT4 and beyond) is as important a technology breakthrough for humanity as the splitting of the atom.

AI will scale knowledge and human imagination infinitely, and nuclear energy can scale energy infinitely. Both come with the biggest existential risks of all for humankind.

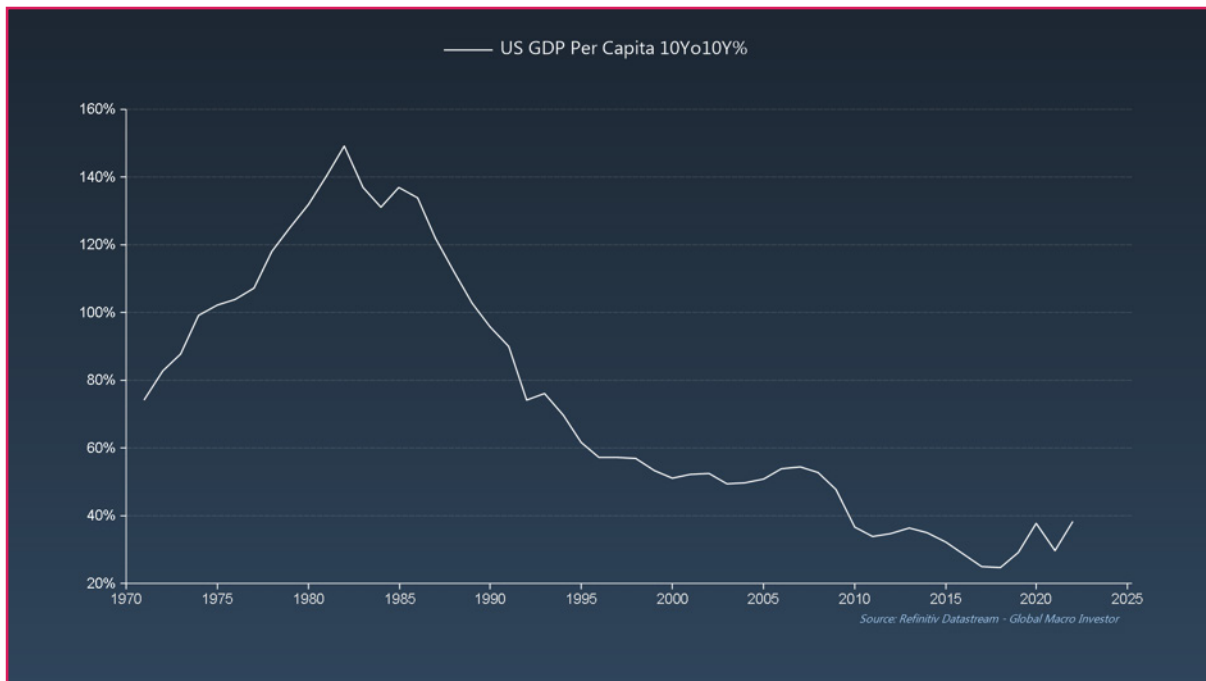
But above all, The Exponential Age is a productivity miracle on a scale never seen before.



This is the only way out of the trap of the Magic Formula:

$$\text{GDP Growth} = \text{Population Growth} + \text{Productivity} + \text{Debt Growth}$$

As population growth goes negative but productivity exponential, GDP will rise and GDP per capita will rise very quickly indeed. The trend already looks like it is turning, finally...



We just have to ensure GDP doesn't just accrue to a few mega tech companies. We NEED Web3 to be adopted — everywhere — or we will all be slaves to the few. AI will see to that.

The Central Banks will also endeavour to trap us with CBDCs. You have to own digital assets to escape this trap. The earlier you own them, the better a position you will be in.



The End Game

However, we have probably ten to fifteen years before this Renaissance really drives GDP again and before that the central banks will first print a LOT to offset the rising debts. Globally, ahead of us we have a pension time bomb and a social security time bomb, along with massive fiscal stimulus (green energy and probably UBI). All of it needs to be solved with MOAR COWBELL.

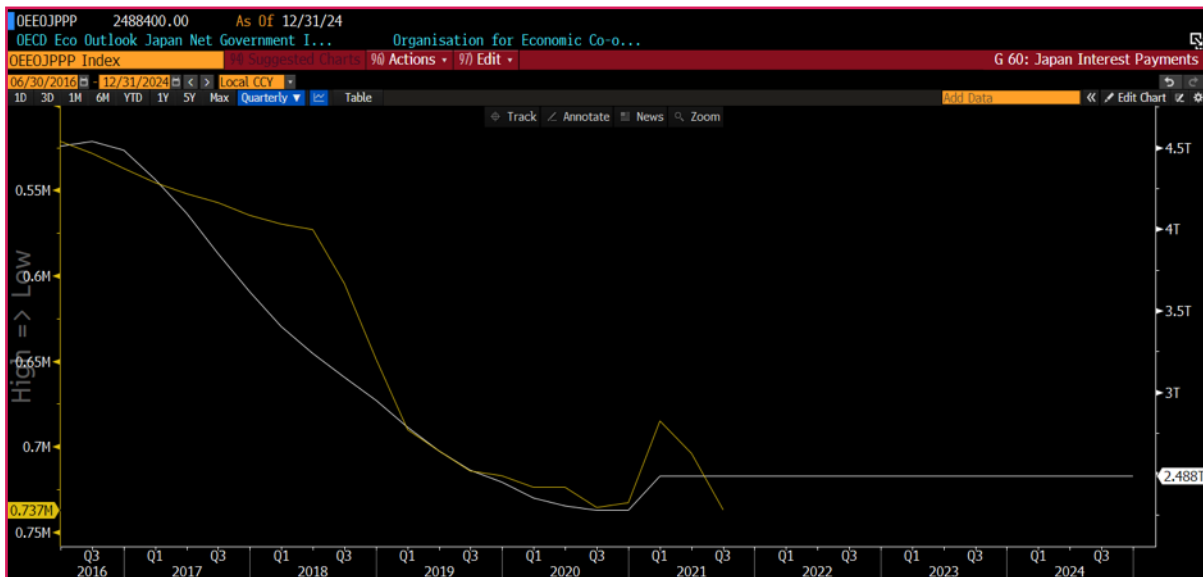
But we can't keep adding compounded rising interest rate payments forever or assets hit hyper-inflation. So, in the meantime, there needs to be a way out...

Yield Curve Control

The answer is already upon us and, as ever, is being trialled by the Japanese: Yield Curve Control.

The Japanese figured out that they couldn't keep just monetising interest payments, so they pegged 10-year yields at 0.5% versus GDP growth at 1.25%.

This is the chart of Japanese interest payments in white versus the BOJ Balance Sheet (inverted) in yellow...





If interest payments don't rise and inflation is relatively constrained, then the central bank doesn't need to monetise the interest payments of the Government any longer as GDP is higher than interest rates by a significant margin.

As long as GDP remains well above interest rates, the Government's debt problem is solved.

I always thought that YCC would lead to a massive rise in the Central Bank Balance Sheet but that appears not to be the case. The Central Bank Balance Sheet does not rise significantly because the market only sells some bonds to them as inflation is not high (and the system is incentivised to own the bonds). We recently saw this in Japan.

And that ends the game as YCC can continue ad infinitum until GDP growth once again materialises from the productivity gains of the Exponential Age and the age of new energy. This is a massively deflationary world, so inflation is never going to be the problem.

Sounds far-fetched?

Nope. This is what the US did post World War II.

- GDP grew at 5% per annum.
- Rates were capped at 2.5% via Yield Curve Control.
- The Fed Balance Sheet as a percentage of GDP collapsed (as GDP grew faster than debt growth) and equities rose 750% in ten years.

It took fifteen years to sort out the mess from the war but boy, was it good for asset prices.

It'll probably take fifteen years to sort out this mess. *But with negative real rates (in terms of GDP above interest rates) you want to own all the risk assets you can.*

This is not going to be a hard asset commodity age (there will be cyclical moments), this will be the Exponential Age of technology.

Strap in. It's going to get wild.

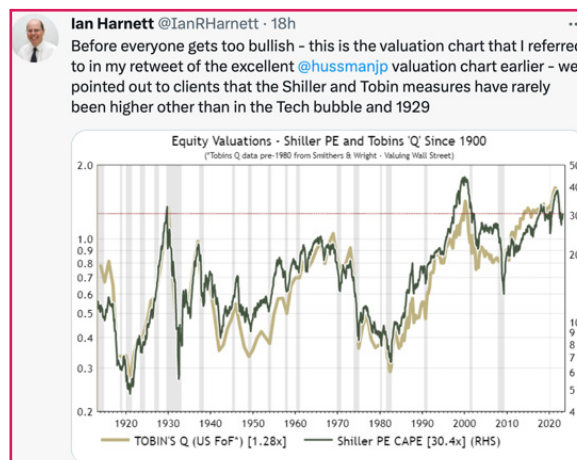


And we have *The Everything Code* to guide us. Who knows, it may even predict the actual path of asset prices. In fact, I think it will get it pretty close...

And if you don't understand *The Everything Code*, you'll just create false "bubble" narratives like this...

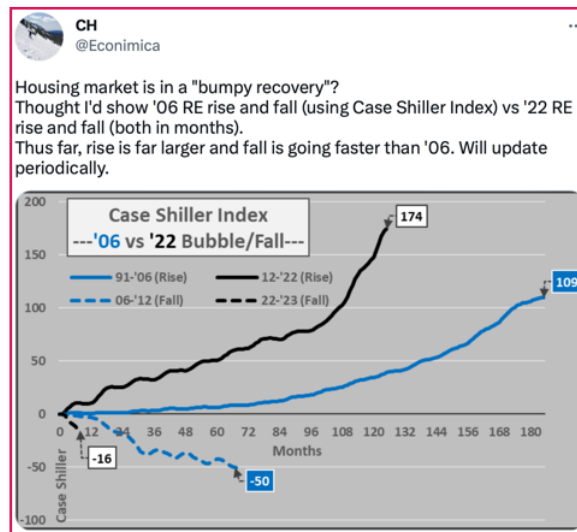


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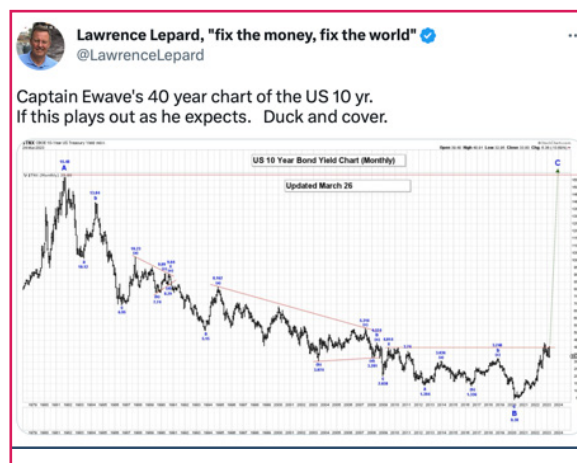




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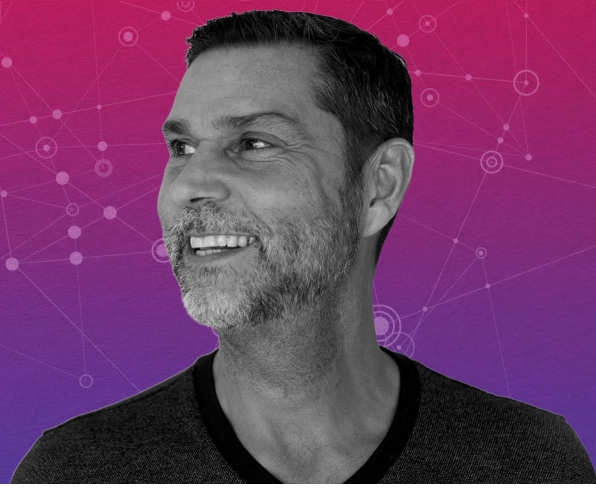
A Different World

Everything changed in 2008. QE will not allow that wipeout to happen again (nor 2001). It simply can't because when they print, asset prices rise, the value of collateral rises, and the system becomes solvent.

So few people understand this, but it is EVERYTHING.

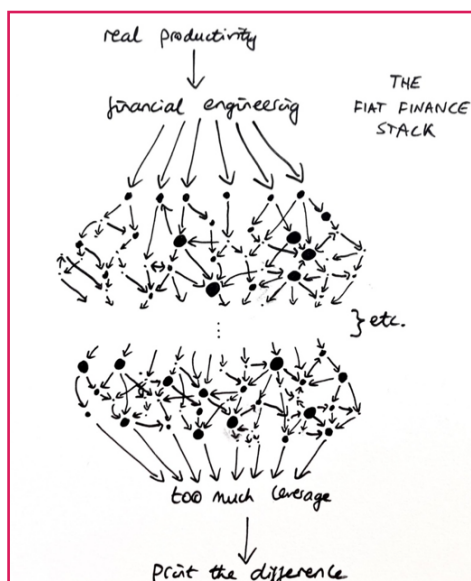
I try again and again to explain it to people, but they can't get their heads around currency debasement or the key secular trends...

- They don't understand that the governments can't default.
- They don't understand why/how the central banks are printing.
- They don't understand that asset prices are just a function of the levels of debasement.



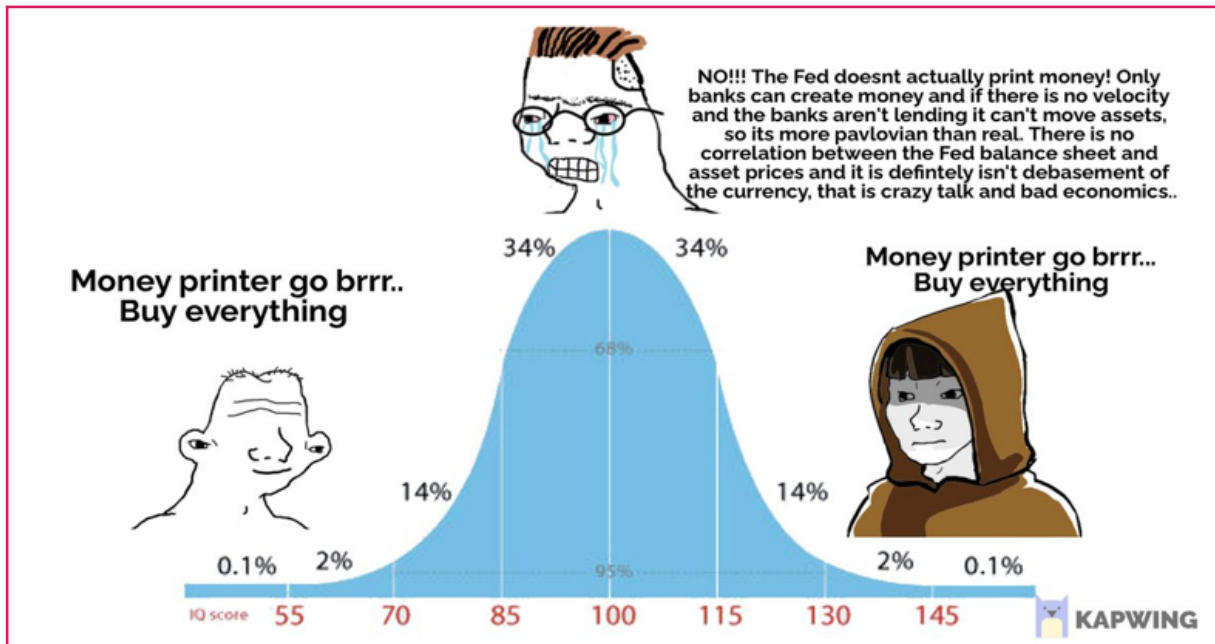
- They don't understand valuations are a function of debasement.
- They don't understand why technology rises and valuations can keep rising.
- They don't understand why crypto is being adopted and is the fastest horse in the race.
- They don't understand why the dollar keeps rising.
- They don't understand that energy transition is real and is crucial for the world economy.
- They don't understand why rates won't remain high.
- They don't understand why GPT4/AI is the biggest humanity-scale event since the splitting of the atom.
- They don't understand why this is all so *fucking deflationary*. They want their sticky inflation. They will not get it.
- They don't understand why nothing in their world makes sense.

The answer leads us back to *The Everything Code*. Once you truly understand it, everything from equity prices to crypto, from P/E ratios to populism makes sense...





As does this...



In my opinion, *The Everything Code* has ALL the answers. Everything else is blah, blah, blah.

Next Up

Pro Macro and Pro All Access members: you'll be getting Part 2, *The Set-Up*, as your next In Focus from me later this month, followed by *The Everything Code* itself.

In the meantime, let me know what you think in the comments, or at pro@realvision.com.