CAPITALIST EXPLOITS

INSIDER

Providing the world's Best Investment Ideas
from the World's Sharpest Investors.

THE 3 THINGS TO OWN IN A CRISIS: GOLD, BITCOIN, AND DOLLARS

Some things I know absolutely nothing about.

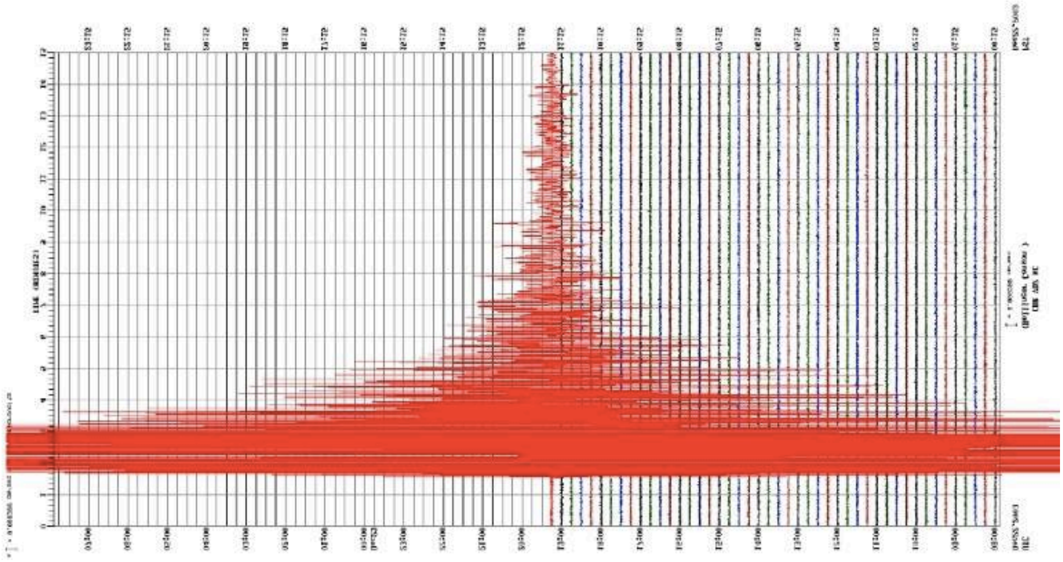
Hair products, for example. Or who Justin Bieber's latest girlfriend or boyfriend is. And there was that time a few years ago when asking for a cup of tea in a pretentious LA cafe crammed full of people with teeth so white you needed shades and sipping liquidised kelp, I was offered a "dandelion tea with almond milk and a cardamom seed," I did think to myself, what the fuck is that?

Like all those things I also knew nothing about the Kermadec Islands or the undersea trench that sits on a fault line in its waters.

That was until Sunday morning.

We'd just finished a traditional family breakfast of bacon and eggs at home, and I was shepherding the kids to clean up and instructing they make their gorgeous mother another coffee with the sly intention to sneak away and do an hour or so work before heading out for my mother-in-law's birthday. Then the text from civil defence came.

A big boy had hit. 7.4 magnitude apparently.



And so, given that we live at the beach, there is always a risk that after an offshore quake we may just get swallowed by a giant wave. To be honest, I really didn't want to leave the house. I thought to myself, at least I'd die with a full stomach. But my good wife reminded me that many more good breakfasts could be had but only if I was around to have them.

And so, though we knew that in all probability it would turn out to be nothing, we jumped in the car and headed for the hills.

A brisk walk up to a stunning lookout point was good for us all anyway, and that way I promised everyone we could get to watch Armageddon unleash itself. *"And sweep away our home and my pony?,"* my daughter retorted. Horses, I assured her, can swim very well.

Unfortunately, we've lived in Phuket and she'd seen the devastation that the 2004 Boxing day tsunami had wrought there and she wasn't buying it for a minute. I'd done nothing wrong, but I was already the villain. That's the thing with being a Dad. Come to think of it, that's exactly how the worst sort of crisis tend to hit folks. All too often it's not their fault but they pay the price anyway.

In this report I'm going to lay out my thinking of three asset classes to own in a true Armageddon-like crisis and why in the last few months I've been accumulating more of all three.

But back to my now disturbed Sunday.

What did I grab on the way out?

Not a lot. It's all just crap, really. I did grab a stack of passports out of the safe, though I left the gold, which I'll come to shortly, and I grabbed a thumb drive, my wallet, my Trezor, and my phone.

This prompted me to thinking hard about risk assets. If the isht hits the fan, what do you need? What serves what purpose?

I've been meaning to write this report… or something along the lines of it for a few weeks now, but a combination of a desire to see more validation for what appeared to be taking form in the markets and pulling my thoughts together have meant that you're receiving it now and not two weeks ago.

Today's Market Environment: The Macro Context

I've never seen anything like it in my professional career. There's a lot to cover, but we'll start with QE because it was QE that brought about so much of what is now transpiring.

The unintended consequences of QE is what happens when money is free. Equity markets are at all time highs, real estate globally is at all time highs, and bonds — despite offering no yield — are at all time highs.

The full unintended consequences of these policies are yet to be realized, and therein lies the risk.

What we've focussed a lot on here at HQ, as you well know, are the **social consequences,** since these are both a consequence as well as a driver of further ramifications working in an ever changing positive feedback loop.

The ever widening wealth gap is a direct consequence of QE and has resulted in the unintended consequence of rising populism, something we saw well ahead of most every market commentator.

We promised this would lead to a rise in a global political makeup that would be increasingly destabilizing. We promised a world that would fracture politically. This, we said, would happen both domestically across the Western world as well as at an international level, bringing geopolitics into the picture like we've not had since the last world war.

Since we began bringing this to your attention we've had Brexit, Trump's election, and certainly the most polarising and partisan politics in the US of our generation.

If we look outside of the US in Europe, we now have pretty much every member of the EU enjoying rising support for populist anti-EU governments. We've discussed the many reasons for this, and they're not all due to QE naturally, though, as mentioned, they all work in an ever changing feedback.

The next step, we promised, would be these populists intervening in the independence of central banks (not seen yet but we believe coming), and this in turn would mean a world which has enjoyed expanding globalisation ever since World War II would suddenly find a world with contracting globalisation.

1. **Political cohesion and stability** can no longer be relied upon as politics becomes inward looking with everything from trade deals to central bank swap lines being renegotiated or cancelled altogether.
2. **Global coordinated central bank action.** The era of global coordinated monetary policy which we've been experiencing since the GFC, especially with the three largest players (ECB, FED and BOJ), will be looked back upon with nostalgia by the current clutch of central bankers who muddy the halls of power. Policy will increasingly be driven with greater sensitivity to nationalist rather than international concerns, which brings me to…
3. **Liquidity in the financial system** which has stemmed from easing monetary policy, is already contracting. In a world where derivatives traverse borders, connecting financial systems like never before, a liquidity crisis presents enormous tail risk in a leveraged world.

Boy, did we get that one right.

To summarise:

1. **Global debt.** Describing it as extremes is being "cute". In fact, I'm not even going to detail it. You've heard it before. It's still there, larger than ever, and unpayable. Yes, in all the places it matters: Japan, China, the US, and Europe.

2. **Political cohesion collapsing.** We promised it. It's here. No surprises for Insider members then, but the ramifications?

3. **Trade wars.** Boy we called that one. Once again. Ramifications?

Debt

Japan is the king here.

The BOJ now own almost all of the government debt, and this debt is now over double the size of its economy. As for paying for all of this, we witness this truly amazing setup with over 95% of tax revenues going towards social security and debt servicing. Going into the next recession (now) they'll own all of it. Watch!

There is only one way out of this. Monetization.

The Japanese are sleep-walking into a debt monetization, and when that happens (we can't see any way out of it at this point) the USD/YEN cross goes to 200 or beyond and the Nikkei goes parabolic. Those social security payments will continue but the purchasing power will have collapsed.

Can you imagine what this would do to the psyche of Mr. and Mrs. Watanabe? And perhaps more importantly, can you imagine how this would radically change the current belief system in the rest of the world? A belief system that says, we're all turning Japanese and there's not a damn thing we can do about it.

It would be without precedent in our times. The distrust, anger, fear, and complete loss both financial and psychological would be truly biblical. Perhaps most importantly, it would bring about a sea change in the idea that deficits don't matter and that governments can borrow up the wazoo while enjoying ever lower interest rates and there will be no consequences.

Japan, I'll remind you, is the world's second largest developed economy and the third largest by GDP. Now, onto the topic of our discussion, what to do about it.

You may already know that Japan has also been at the forefront of embracing digital currencies and Bitcoin (more on that later). I think this is important since both the technological infrastructure as well as the legal infrastructure is well developed and in place for the Japanese to use digital currency as an alternative.

I mention Japan because when it comes to debt the Japanese "owe it to themselves" which is true. It's also partly why this gig has gotten so far down the road. But consider the rest of the world whose debt is NOT "owed to themselves".

Does the same apply?

We don't think so.

Let me explain.

Here's the German bond yield curve, negative out to 17 years.

A popular narrative that we keep hearing is that Europe and the US are all turning Japanese and will experience the same multi decade experience of ever lower bond yields and stagnant or negative growth.

We don't agree with this popular narrative.

Firstly the debt, unlike Japan, is owed to and held by other countries, whether they be financial, non-financial, and government. There is no patriotic duty for a private German financial institution to own Italian debt, for example.

Here for example is Italy's risk spread over Germany. Holy isht!

And here is Italy's risk spread over the Dutch.

I could make the case for all member states of the EU, but there's no need to hit you with dozens of charts proving the point.

No, the reason that the German yield is diving negative is for very different reasons than that of Japan.

Think of it like this, when the euro splinters with one or more member states, Italy, for example, leaving, then what paper would you want to own? It sure ain't Italian paper as you'd end up with a lira or whatever they choose to call the new Italian currency. No, you'd want to own German paper.

We can see these cracks already forming in the financial plumbing. When they do more than crack and finally tear apart — and we don't know when that will be, though clearly the pressures are intensifying — then the three asset classes discussed in this report will, we believe, provide a fantastic hedge.

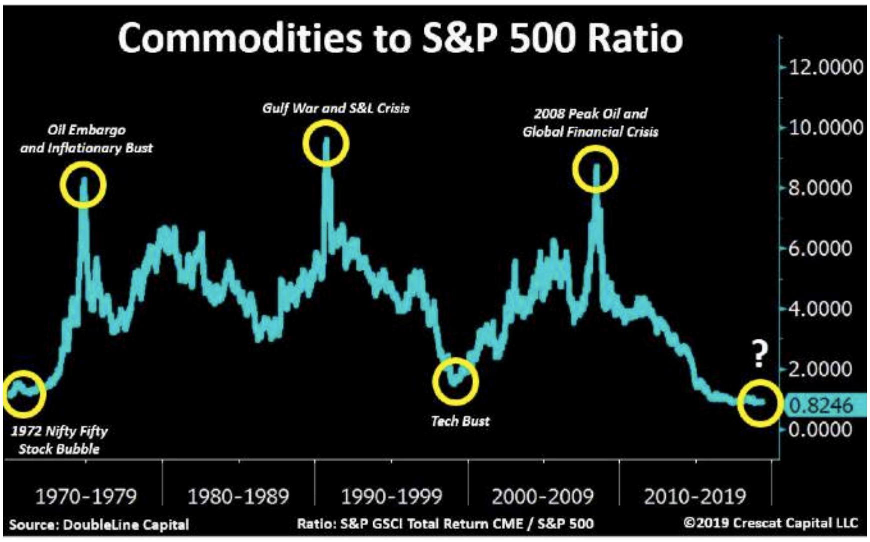
What else is cause for concern?

Political Cohesion Collapsing

The divergence in European member states bond spreads above is actually partially explained by this.

Where it will manifest itself is not only the rising nationalism, which we promised you was coming and is now sweeping across Europe, but in particular resource nationalism.

It's somewhat ironic that this seems as obvious as mud to us while at the same time resources are the most undervalued asset class in the world today. Markets are sleep-walking into an inevitable crisis here.



How is it we got to such extremes, Chris? QE brought about a level of malinvestment we've frankly never before seen… ever.

I know that sounds bombastic and sensationalist, but the facts are the facts and it's been a doozy. Free money will do the strangest things… and it has.

It is how we've had capital flood into anything that was "growth" related, which makes sense in a world where returns (real returns from cashflows) became ever harder to find. It brought us the shale-oil boom, where today less than 10% of companies in the sector are profitable. Crazy, heh? It has brought us SoftBank, which I recently wrote about here, and of course Uber, WeWork, Tesla, and a host of others.

If history is anything to go by, what has happened in the past (central bank led shenanigans without precedent) will bring us the most profound unintended consequences. not only of our lifetime but perhaps of the history of mankind.

Trade wars

This is a big deal. Right now, it's a fisticuffs between the US and China, but there is more to come. And not just between the US and its trading partners.

But looking purely at these two, consider that nearly 20% of China's exports go to America. And this comes at a time that China can least afford it. When the GFC hit, they put the pedal to the metal (as did others) and spent trillions on infrastructure projects, with banks providing loans for the buildout.

China has a large unregulated “shadow banking” sector and there are already signs that this is in stress with NPLs (non-performing loans) screaming higher. This shadow banking industry is a $20 trillion (with a T!) industry. And because it’s unregulated nobody really knows who owes whom what.

If these folks have done what shady folks in every other country in the world do in such circumstances, then they’ve packed up these bad loans and sold them to non-bank companies, who would in turn have packaged them up and sold them to retail consumers. It’s always retail that get screwed. Always.

In any case, we do know that China’s debt to GDP has ballooned from 160% to over 300% in a decade.

This crisis, if it eventuates, (and there are early signs it may be doing so) should be contained within China because it’s Chinese corporates and retail who ultimately own these NPLs.

That’s all fine, but what it does mean is that the Chinese economy, which has been largely powering the world along since the GFC, may go into stall mode or even reverse.

GOLD

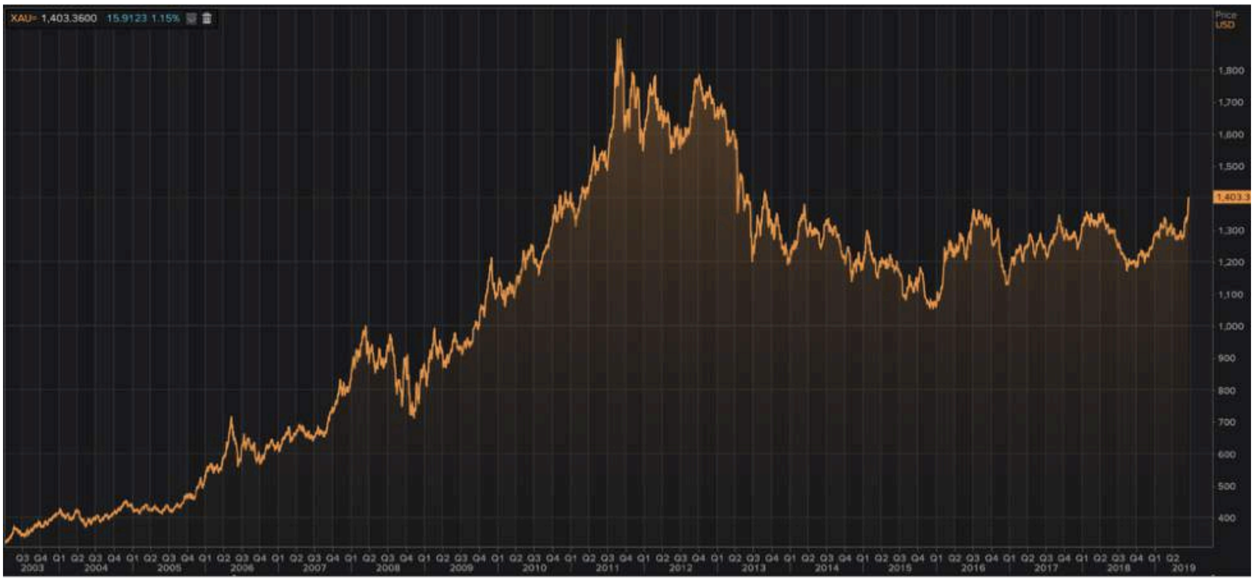
Gold is the anti fiat currency. It’s been that way for centuries, providing a historic store of value.

However, for many investors they view it in terms of its pricing in USDs. That’s not how we view it.

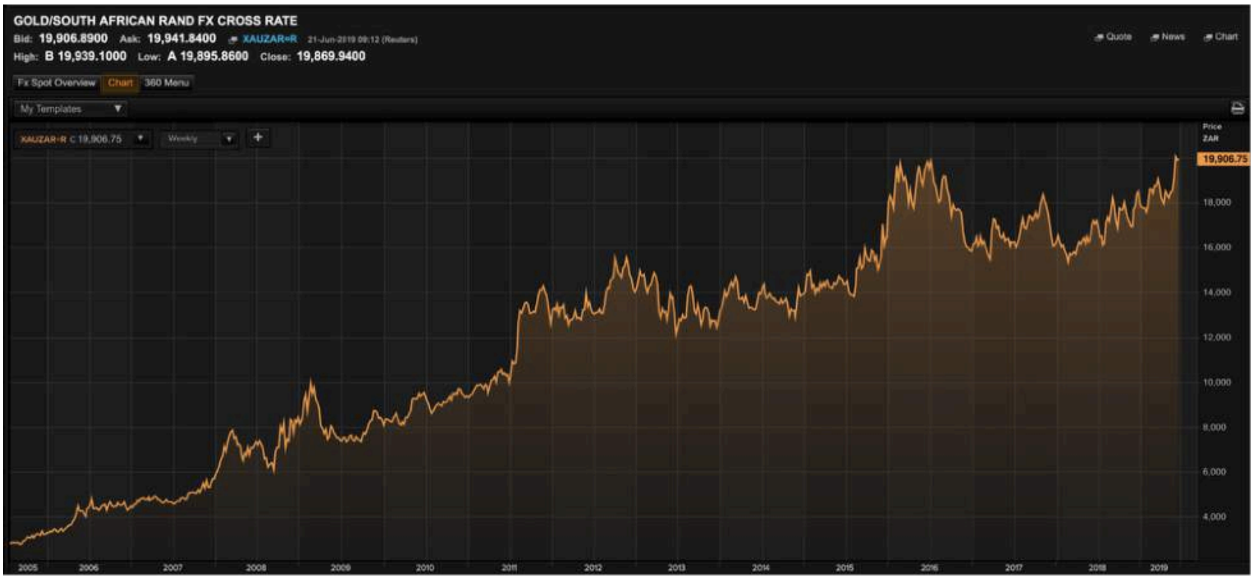
We view it as a store of value, which in a crisis in the faith in any issuer, will hold its value. And it’s done just that.

Take a look.

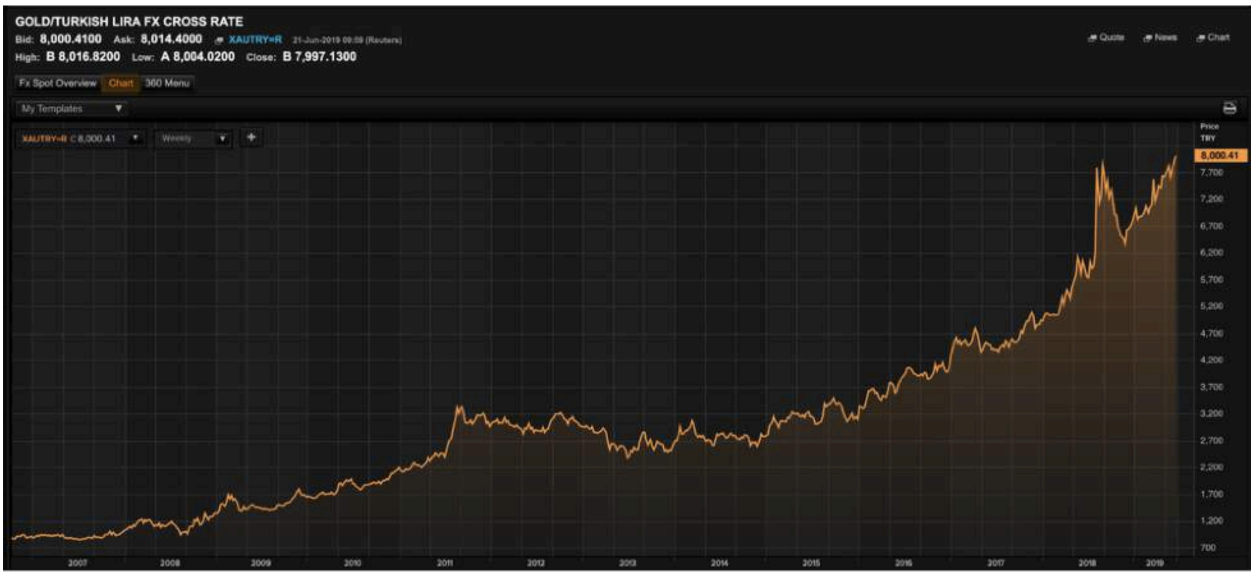
The South African rand, one of our existing trades we have on.



Doing exactly what we need it to do.



And against the Turkish lira.



Providing a store of value when faith is lost in an issuer.

Obviously, I could show you charts until your eyes bleed, but you get the point no doubt. We hold gold for these reasons. We own gold equities for very different reasons. Don't get the two confused.

In a true crisis, you'll want what you can get your grubby hands on, and that may not be anything in your brokerage account. Armageddon talk? Sure, and let's hope we're never placed in such a situation, though we have a saying here at HQ. Hope is not a strategy.

This is a slight divergence but let me tell you a story. The last 2 weeks I've been in the process of shutting down one of my brokerage accounts which is surplus to requirements.

I went online and requested a withdrawal only to be met with a "contact support" notification. And so "support' was contacted. No problem Sir, just fill out this form, which I did. The usual stuff, though I've already got a bank account linked to the account and this information is all known.

Once submitted, I was then met with a, *"Oh no, we also need to have a certificate of good standing for your company, and a notarized passport copy and a utility bill no less than 3 months old"*. WTF?

And so we're now 2 weeks in and I have yet to have my funds deposited in my bank account. We'll get there, I'm sure. But the point I want to make is this. Unless you own it in your grubby mitts, it's not yours.

Which is why gold is worth owning. It also brings me to the next topic of the day.

Bitcoin

It's hard to escape the business cycle and indications are we are either in a recession or going into one, and this will almost certainly entail extremes in monetary policy.

This is why we own gold of course, but the question to ask yourself is this: *"Does Bitcoin perform poorly, well, or just do nothing at all in this environment?"*

There is an argument mostly put out by gold bug folks that suggest Bitcoin is pure speculation and at the far end of the risk curve.

This would mean that in any "risk off" market environment it would collapse or at least perform poorly. I think that's garbage, and the reason is simple.

If we look at the performance of Bitcoin in market in crisis, it has done the opposite.

When capital controls were imposed in Cyprus in 2013, Bitcoin rallied, with high volumes in exactly the location we'd expect. We had the same thing when that crazy bitch in Argentina went and screwed up the peso. And in fact, it's proven a lifesaver for those in Venezuela who couldn't get capital out of the country due to capital controls complete with jackbooted thugs at the border who confiscate your cash.

I think it's obvious that in a crisis it wouldn't do poorly. Especially if you're one of the unfortunates in such a crisis.

Perhaps it does nothing at all in terms of price movement, in which case it would remain a vehicle with incredible utility, which in most instances is all you're looking for. It's not purely for price appreciation that you're buying it. After all, what good is an asset that appreciates but is one that can be easily stolen from you — either at a border or via asset seizure?

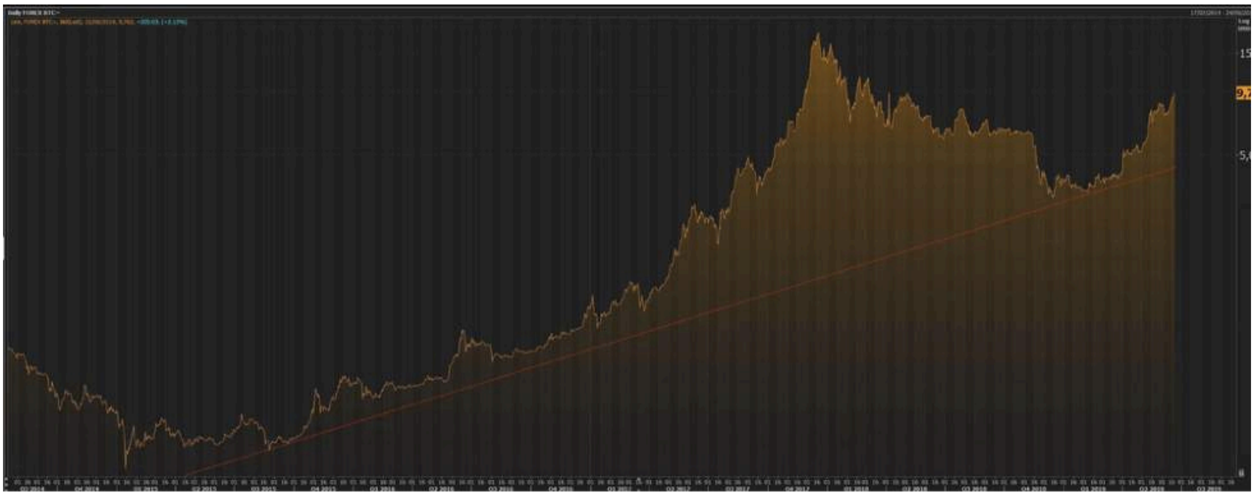
We think the optionality provided by Bitcoin is truly extraordinary. It is why we've kept our allocation to it right from when we first bought and suggested it to you, while still in the hundreds of dollars and maintained our position through the rise and subsequent crash.

Think about it like this. Bitcoin can never freeze your money. Governments can outlaw it, as many have tried in the past (just go read our earlier report on Bitcoin).

But unless there is a blanket global ban (unlikely due to political cohesion fracturing), Bitcoin will likely survive and thrive.

We've had six 80% drawdowns in Bitcoin since it popped out of the birth canal, only to see it take out previous highs. We believe we'll see this again with the previous highs taken out once again.

Here's the log chart:



Now, there are other reasons to be bullish on Bitcoin. Let's go back to how markets typically function.

I explained this when detailing our thesis on solar energy, so I'll return to that because it allows for an easy explanation.

Alternative energy, as it was called, experienced massive capital inflows into the venture capital space.

Out of that came all manner of experiments and ultimately real technology, especially in wind and solar. After VCs had gotten involved, then came brokers and institutions. Investment banks got involved and finally packed up products to sell to retail. The Invesco Solar ETF (TAN) was listed pretty much at the top of the market. Who was left to participate? Nobody.

When looking at Bitcoin, we've only really had retail participate. This retail has been initially early adopters and then grew into many more. What was missing was institutional investors. I've always said that the probability was that they would come. Also, when they do, they'll finally bring mass retail to the market via structured products.

And it's happening.

Bloomberg recently reported that E*Trade will soon launch trading for the top two largest cryptos, Bitcoin and Ethereum. E*Trade has nearly 5 million clients who will shortly have the ability to buy and sell cryptos.

TDAmeritrade is preparing to do the same. They've 11 million customers.

Then there is good old Fido. Fidelity is one of the world's largest financial services and investment firms. They said last month they plan to launch crypto trading "within a few weeks". These guys have $6.7 trillion in customer funds and nearly 30 million customers.

You see, here's the thing. When we first suggested Bitcoin to clients and I began writing about it, it was still pretty hard to get your head around how to actually buy it. You needed to educate yourself some. You couldn't just log into your brokerage account, point, and shoot. And most people are either busy or lazy.

Bitcoin offers us liquidity, store of value, and technological supremacy where WE own what we own. If you don't own the keys, you don't own the coins. Holding them in your brokerage account actually decreases the attractiveness, but it is the ease of doing so that people will be after. That's a shame, but as I said, people are lazy.

Oh, and one other thing

May 2020. That's the next Bitcoin halving I mentioned in the Weekly a few weeks back. Perhaps this is beginning to get priced in.

Greenbacks

Cash is going to be money in bank accounts. This allows freedom of travel and an ability to diversify (using multiple banks for cash deposits).

But remember, bank accounts can be frozen and banks themselves hold risk. They're in the business of taking risk after all.

Recall after 9/11 hundreds of Middle Easterners' bank accounts in the US were frozen. It was a "guilty until proven innocent" situation, and though most were subsequently unfrozen, the fact of the matter is that one minute the money was yours and the next thing you knew it wasn't.

Could anyone have foreseen 9/11? Of course not, but realise that the world is becoming INCREASINGLY polarized, and if you think citizens aren't going to be weaponized, you're not paying attention.

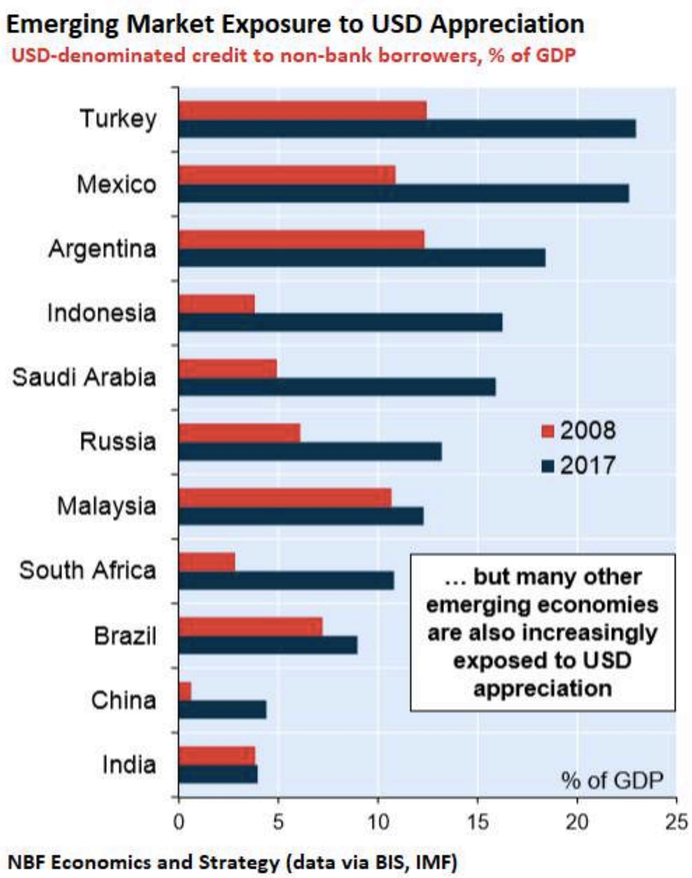
The trade wars we've enjoying right now are simply weaponizing trade. The resource nationalism I've been promising you will come. It will involve weaponizing resources, and where there is an ability to inflict harm or obtain some concession by using the citizenship of particular folks as a weapon this, too, is rising in probability with each passing day.

Where to bank, why, and so forth is a massively complex topic and beyond what I want to be focussed on here.

Suffice to say, please understand the risks, and how they can manifest. The most valuable thing I can think you have going for you is being alert and aware. No one solution will suit everyone as everyone's situation is very different, and so I strongly encourage you to engage with the community here at Insider. We can all help one another navigate our way through.

The reason to be bullish dollars in a crisis and indeed now are the following:

- Even with US rate cuts baked in, it is still higher yielding than other major currencies. The spread is positive across bond maturities and across all major currencies. This is really unique. So you've got a positive carry currency that is the most liquid of all of them.
- Then you have the fact that a contraction in global trade exacerbated by the trade war is contracting dollar liquidity. This acts as a supply constraint, pushing the dollar higher. Remember, there are an estimated $500 billion in EM dollar denominated debt which needs to be rolled, paid off, or refinanced this year alone. And in a contractionary environment many holders of this paper will not be happy to roll it on existing terms. It's just what happens. Through 2025, some $2.7 trillion in USD denominated bonds and loans that will come due in EM and have to be paid off or refinanced. This makes the USD really the only game in town. You wanna own it.



- China not only has a Hong Kong crisis on their hands but capital flight, which is a result of a credit binge showing signs of reversing. They have this at the worst of all times as they're engaged in a trade war with the US. Timing couldn't be worse. They can "solve" this by devaluing the RMB. Remember, this is an easy way to "pay" for the tariffs. A devaluation of the RMB could prove explosive for the dollar. Does this happen? We don't know, but right now while the market is pretty much neutral on the direction of the dollar, we're not having to pay for the optionality.
- Everywhere outside of the US, at least the places that matter, are looking worse. Europe is a mess, the Brits can't get a government together, the Japanese are merrily walking towards the end of the debt cliff with 95% of their current tax revenues now swallowed by debt servicing and social services. What comes after 100%? Debt monetization, that's what. And China? Well, they're now in a massive contraction mode. All the data points out of China indicate that they're slowing, and coupled with their credit problems, there really are no places left to hide. And so as bad as the USD may well be (deficits, unfunded liabilities, and a pension bomb on the way), in the currency world, things are relative. And over in the Land of Apple Pie they look pretty damn peachy in comparison.

Ways to Express Bullish Views on the USD

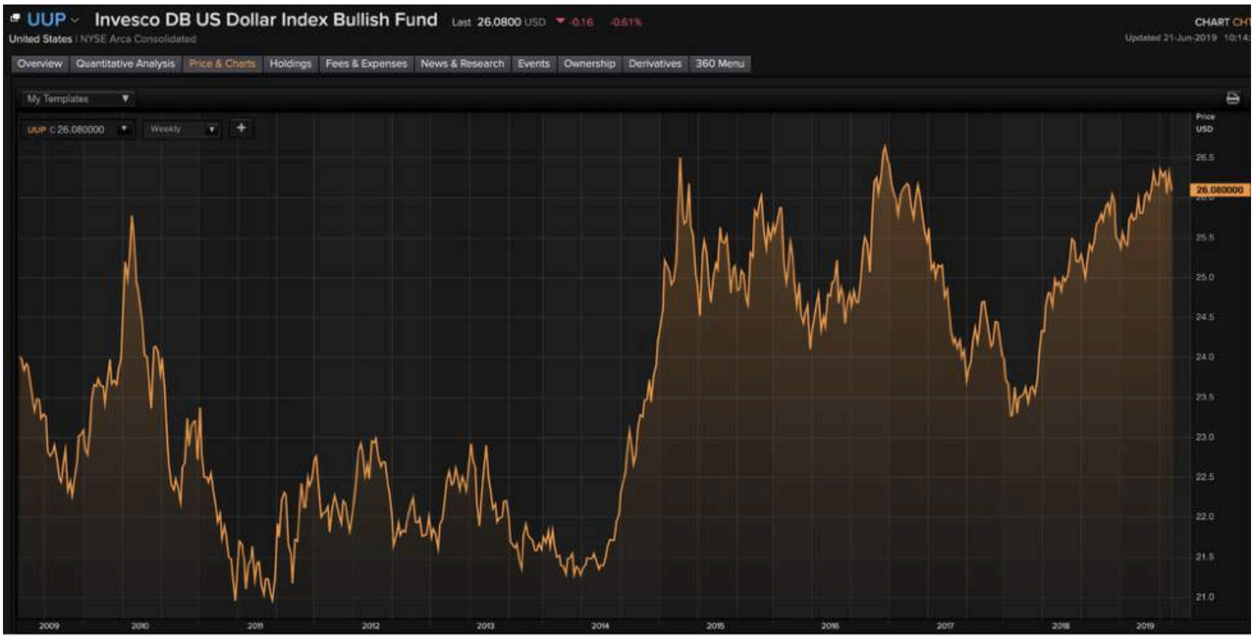
The obvious one is to simply own dollars. You can buy T-bills or if you want to buy the Invesco DB US Dollar Index Bullish Fund (UUP).

Getting more aggressive, however, there are many and varied ways. We will highlight a few options strategies that express differing levels of risk and payoff.

One of the biggest benefits going for options on the USD is the low level of implied volatility (implied volatility is the biggest determinant of the cost of an option). The dollar doesn't have to move too much to generate reasonable returns.

If we look at an "at the money" ATM (26 strike) call on the UUP (the ETF that tracks the USD Index), with a January 2021 expiry, it will cost about 0.90. So a 3.5% move in UUP to achieve a breakeven and a 7% move to achieve a 100% return.

If I had any reservations about this it is that 18 months isn't a long period of time. From the chart below you will note that UUP has essentially gone nowhere for 4.5 years.



A way to eliminate the risk of the dollar going nowhere for the next 18 months is to buy an "in the money" (ITM) option. A January 2021, 23 strike call will cost about 3.10.

Action	Quantity	Symbol	LTD	Strike	P/C	Class	Limit Price	Order Type	TIF	Exchange	Currency	Fill Outside RTH
BUY	1	UUP Go	15JAN21	23.0	CALL	UUP	3.60	LMT	DAY	SMART	USD	N/A

Contract	Size	Bid	Ask	Size	Last	Change	Change (%)	Size	Volume	High	Low	Additional Data
UUP, 20210115, 23, CALL, Option, SMART, USD	1,857	2.59	3.60	1,637	C3.26							

Preview Order Clear

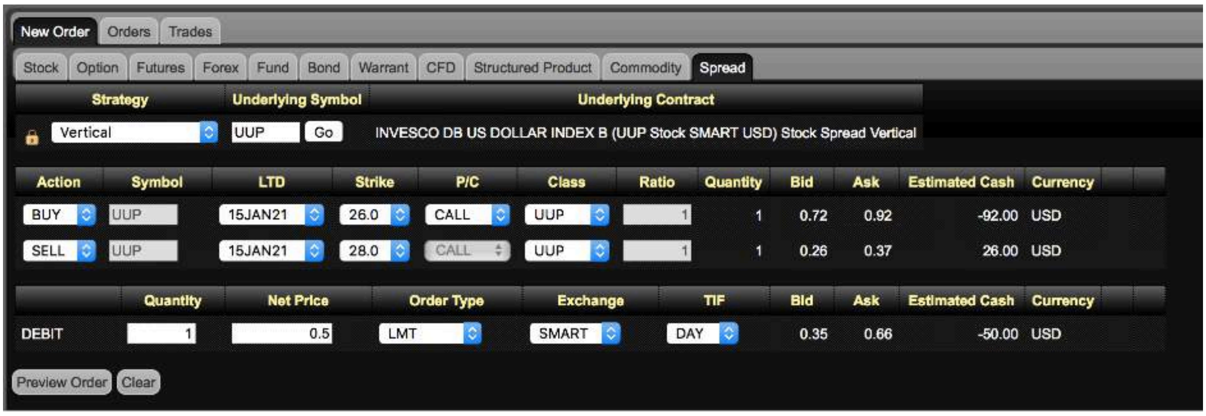
So if UUP closed at 26.10 (which is more or less where it is currently trading), then you would at least get your money back.

But there is more to it than just that. Let's assume that come December this year UUP was more or less unchanged on current levels. We could then roll this option to a January 2022 expiry, 23 strike with little additional cost.

Of course, the process could be repeated at the end of 2020 for a January 2023 expiry. And that is the beauty of buying deep ITM options. If the market goes nowhere, you have the latitude to buy more time at little or no extra cost.

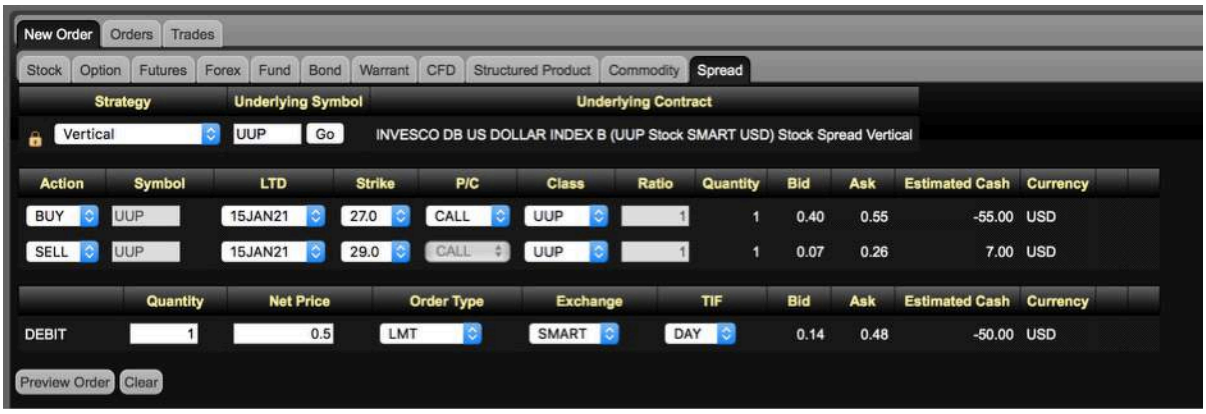
The "cost" to this strategy is that the returns won't be as great as buying an ATM call. In this case, to make a 100% return, UUP would need to rise to 29 (an 11.5% rise as opposed to a 7.5% rise for the 26 strike).

Let's get a little more "sophisticated". What if your view was that within the next 18 months there was a "better than even" chance of UUP moving higher, but not in any dramatic fashion (i.e. it would get to 28 or near to it come January 2021). One could buy the January 2021, 26/28 bull call spread for 0.50.



If UUP did get to 28, then it would equate to a 300% return (breakeven at 26.50). This assumes that you can actually get the spread for 0.50. Note how wide the bid/ask is (0.35 and 0.66).

And if you were convinced that we were to see material upside in the USD, then one could go for an even more aggressive bull call spread. The example below is the January 2021, 27/29. Let’s say you could get this spread for 0.30. Then the max payoff would be 5.6:1 if UUP was to close at or above 29 come January 2021.



I say “if you could get the spread at 0.30” because it is a very wide spread (bid 0.14 and ask 0.48).

I need to highlight that while you can really increase your gearing/payoff with bull call spreads, the payoffs are not realized until there is no time value left in the sold option. In layman's terms, you really need to take bull call spreads through until expiry to get the full payoff.

Final Thoughts

Allocations to all three asset classes are a personal matter, but we feel that now is a very, very good time to ensure you've a healthy allocation to all three.

You own gold because you understand the past, you own Bitcoin because you understand the future, and you own dollars because you understand the present.

Sincerely,

Chris MacIntosh

Founder & Editor In Chief, Capitalist Exploits Independent Investment Research
Founder & Managing Partner, Glenorchy Capital

Unauthorized Disclosure Prohibited

The information provided in this publication is private, privileged, and confidential information, licensed for your sole individual use as a subscriber. Capitalist Exploits reserves all rights to the content of this publication and related materials. Forwarding, copying, disseminating, or distributing this report in whole or in part, including substantial quotation of any portion of the publication or any release of specific investment recommendations, is strictly prohibited.

Participation in such activity is grounds for immediate termination of all subscriptions of registered subscribers deemed to be involved at Capitalist Exploits. Capitalist Exploits reserves the right to monitor the use of this publication without disclosure by any electronic means it deems necessary and may change those means without notice at any time. If you have received this publication and are not the intended subscriber, please contact admin@capitalistexploits.at.

Disclaimers

Capitalist Exploits website, World Out Of Whack, Insider, and any content published by Capitalist Exploits is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. The information contained in such publications is not intended to constitute individual investment advice and is not designed to meet your personal financial situation. The opinions expressed in such publications are those of the publisher and are subject to change without notice. The information in such publications may become outdated and there is no obligation to update any such information. You are advised to discuss with your financial advisers your investment options and whether any investment is suitable for your specific needs prior to making any investments.

Capitalist Exploits and other entities in which it has an interest, employees, officers, family, and associates may from time to time have positions in the securities or commodities covered in publications or the website. Corporate policies are in effect that attempt to avoid potential conflicts of interest and resolve conflicts of interest should they arise, in a timely fashion.

Capitalist Exploits reserves the right to cancel any subscription at any time, and if it does so it will promptly refund to the subscriber the amount of the subscription payment previously received relating to the remaining subscription period. Cancellation of a subscription may result from any unauthorized use or reproduction or rebroadcast of any Capitalist Exploits paid publication/s, any infringement or misappropriation of Capitalist Exploits proprietary rights, or any other reason determined in the sole discretion of Capitalist Exploits.

Affiliate Notice

Capitalist Exploits has affiliate agreements in place that may include fee sharing. If you have a website and would like to be considered for inclusion in the Capitalist Exploits affiliate program, please email admin@capitalistexploits.at. Likewise, from time to time Capitalist Exploits may engage in affiliate programs covered by other companies, though corporate policy firmly dictates that such agreements will have no influence on any product or service recommendations, nor alter the pricing that would otherwise be available in absence of such an agreement. As always, it is important that you do your own due diligence before transacting any business with any firm, for any product or service.