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Advance prediction for next Financial crisis when? Will it be bigger than 2008 crash?? Just read in Ajay market theory 2015-16. The 2008 crash was a warm up. ???

Are You Prepared For The Next Round Of The Financial Crisis? Many investors think that we could never have a crash again. The 2008 melt-down was a one in 100 years episode, they think.

They are wrong.

The 2008 Crisis was a stock and investment bank crisis. But it was not THE Crisis.

THE Crisis concerns the biggest bubble in financial history: the epic Bond bubble… which as it stands is north of $100 trillion… although if you include the derivatives that trade based on bonds it's more like $500 TRILLION.

The Fed likes to act as though it's concerned about stocks… but the real story is in bonds. Indeed, when you look at the Fed's actions from the perspective of the bond market, everything suddenly becomes clear.

Bonds are debt. A bond is created when a borrower borrows money from a lender. And at the top of the financial food chain are sovereign bonds like US Treasuries.

These bonds are created when someone lends the US money. Why would they do this? Because the US SPENDS more money than it TAKES IN via taxes. So it issues debt to cover its extra expenses.

This cycle continued for over 30 years until today, when the US has over $11 TRILLION in size.

Because we never actually pay our debt off (or rarely do), what we do is ROLL OVER debt when it comes due, so that investors continue to receive interest payments but never actually get the money back…, because the US Government doesn't have it… because it's still spending more money than it takes in via taxes.

This is why the Fed cut interest rates to zero and will likely do everything in its power to keep them low: even a small rise in interest rates makes all of this debt MORE expensive to pay off.

This is also why the Fed had the regulators drop accounting standards for derivatives… because if banks and financial firms had to accurately value their hundreds of trillions of derivatives trades based on bonds, investors would be terrified at the amount of leverage and the margin calls would begin.

The bond bubble is also why the Fed started its QE programs. Because by buying bonds, the Fed put a floor under Treasuries… which made investors less likely to dump bonds despite bonds offering such low rates of return.

This is also why the Fed is terrified of deflation. Deflation makes future debt payments more expensive. So the Fed prefers inflation because it means the dollars used to pay off debt down the road will be cheaper than Dollars today.

Again, when look at the Fed's actions through the perspective of the bond market…everything becomes clear.

The only problem is that by doing all of this, the Fed has only made the bond market even BIGGER. In 2008, the bond market was $82 trillion.

Today it's over $100 trillion. And the derivatives market, of which 80%+ of all trades are based on interest rates (Treasury yields), is at $700 TRILLION.

The REAL Crisis will be when the bond bubble bursts. When this happens, it will be clear that real standards of living have been falling since the '70s and that sovereign nations have been papering over this through social spending and entitlements (a whopping 47% of US households receive Government benefits in some form).

Imagine what will happen to the markets when the Western welfare states finally go broke? It will make 2008 look like a picnic.

As per Astro economics when will this happens? Just read my book Ajay market theory 2015-16, Cost of Book Rs 9200.

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