



PREDICTIONS **FOR** **2021**

10 Bold Predictions for 2021 to Protect Your Wealth

Written by



Preparing for the future gives you incredible confidence.

Now more than ever, you need a sense of clarity. Everywhere you turn, there is uncertainty ready to ruin your day. But the future is more predictable than you think.

So, here are my ten outcomes that seem likely in 2021.

1. Lockdowns will not end next year.

Eight months ago, our politicians told us that the restrictions would last just a couple of weeks, and then we return to normal. Well, here we are at the end of the year, entering the second more severe wave. Most likely, our freedom of movement and assembly will continue to get restricted. Governments will still forbid most of us to work and earn the money we need to survive. In short, the lockdowns won't end next year, and the aftermath of the second wave will be the third, fourth, or fifth wave.

2. Climate change will be back on the agenda.

Joe Biden has named climate as one of the top priorities. The president-elect campaigned on a \$1.7 trillion plan to [transition to 100% clean energy sources](#) by 2050. Those who invest in carbon emissions assets, such as European Emission Allowances (EUAs), should get ready to see a new all-time high in 2021.

3. The home office will become the norm.

You will still have an option to go to the office if you'd like. But it will be different. The office will be a place to have crucial meetings, not do work. All other conversations you'll have to manage via Zoom from your home office. Using **Slack or Trello** for

work-related communication will be the norm. For better or worse, work from home will be the standard. The result? That will cause **damage to commercial real estate and business travel**. Also, trigger the second wave of the exodus of white-collar workers from big cities.

4. Crypto will attack banks.

Let's just state the obvious here. **Banks are so screwed**. They are about to be attacked by **central banks, fintech, and crypto companies**. An open, more inclusive alternative to a broken financial system will get closer to reality. Every financial service like **savings, loans, investing, or insurance will get disrupted**. First, central banks will circumvent the entire banking system, thanks to Central Bank Digital Currencies (CBDCs). Second, the fintech giants like **Alphabet, Apple, Alibaba, and Tencent** will increase their focus on the banking space. And then, **crypto exchanges, together with DeFi**, will expand their services to lending and borrowing. As Anthony Pompliano, the co-founder at Morgan Creek Digital likes to say, "**Long Bitcoin, short the bankers.**"

5. S&P 500 will breach 4,000

With interest rates at zero till 2023 and unlimited money printing, **you can be long equities with your eyes closed**. Likewise, fiscal stimulus and positive developments related to trade wars under a Biden administration lead to a more bullish outlook. Morgan Stanley projected that the **S&P 500 would rise to 3,900 by December 2021**. And JPMorgan Chase has an even more optimistic view. They set a target of nearly **4,200 for the S&P 500**. Sure, making optimistic predictions about the stock market is usually a safe bet because stocks generally rise more often than they fall. But, that doesn't mean that the gains will be smooth. Volatility will keep pervading the market.

6. Bond prices will decline.

With **interest rates at zero for the next two years**, you have the massive asset class such as fixed income almost worthless. For example, the US pension liabilities and 401K alone have **over \$60 trillion assets** under management. That is an incredible buying power that has to be productive. No reasonable portfolio manager desires to put to work 70% of the funds to an underperformer. Some of these funds will start moving to stocks, gold or Bitcoin.

7. Crude oil will surge above \$50 per barrel.

Given the advancing opening of the global economy, OPEC production cuts, and the U.S. shale production phased out under the Biden administration; **the oil markets look to be pretty balanced**. I believe that the oil price will breach above \$50 per barrel and stay there for the foreseeable future.

8. Inflation will be much higher than 2%

The cost of global lockdowns is estimated at **\$30 trillion**. That's an awful lot of money. Unfortunately, governments, to mitigate the economic carnage, will simply borrow it. They borrow it from central banks, which will just print more money. That means higher prices for goods and services and lower purchasing power of your currency. People can debate if this is moral. But, the system is as it is. Also, it's heavily dependent on the people who don't understand it. As Henry Ford said, ***"It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning."***

9. Gold will rise to an all-time high.

In the last ten months alone, there has been a **35% increase in total dollars printed**. It is no secret that investors tend to switch from the US dollar to gold during monetary easing as the hedge against inflation. Despite the phenomenal 24% gains in 2020, the safe-haven asset aims for another lustrous year. Gold reached its peak back in August when prices hit a new **record high of \$2,075 an ounce**. But in 2021, we will see another record high.

10. Bitcoin's price will skyrocket to \$50,000

My 2020 Bitcoin prediction was 100% fulfilled. And I hope my 2021 will be accurate as well. This year we saw large hedge funds, such as [Guggenheim](#), [Renaissance Technologies](#), [Paul Tudor Jones](#), or [Stanley Druckenmiller](#), made headlines by talking up Bitcoin as a store of value. **Wall Street simply fell in love with Bitcoin**. The large institutions such as [JPMorgan](#), [Standard Chartered](#), [Citi](#), or [Deutsche Bank](#) continue to build solutions for clients and begin regular asset class coverage. In a similar fashion, retail investors will start buying Bitcoin in 2021. The reality is that it has never been [easier](#) to purchase crypto. These events will likely create a supply crunch and a bull run, **lifting the price well above \$50,000**.

Final thought

Heraclitus, the Greek philosopher, said, "***Change is the only constant in life.***"

2020 has been a year of change. And 2021 will be a chance to get adapt to it.

When you become resilient in 2021, you'll make a tremendous amount of progress.



Also, if you believe 2021 will be a good year, then you'll see it that way. Good years and bad years are all a matter of perception.

Here's to a great 2021!