

Back in November with him TRIUMPhant, I penned 'The 3R's, taught Trump's particularly INFLATIONARRRY way'.

True, since writing, the \$ has strengthened & so too, US biz confidence & cryptos. Well, please allow me the liberty of steadfastly reprising the front page.

"Without having to issue a spoiler alert for Trump II: The Reboot, let me provide a synopsis from studying Trump's 3R syllabus of Restrict, Return & Reshore.

1. Restrict.

DT promises to limit entry to the US of product & people deemed 'not in America's economic interest'. Product mainly arriving from 'over-cheap' Asia, & People mostly coming from poor nations.

2. Return.

Trump insists he will restore to their own countries, those who arrived in the US 'undocumented' (see 1). This R also captures Returning the cost of their self-defence to those nations that have long 'relied' on the US to provide the money & manpower to do it for 'em'. One could additionally identify as a Return, Trump's promise to cut taxes, & so as it were, Return, into household & corporate hands, income that had hitherto been Redirected into the Federal purse.

3. Reshore.

The Donald pledges to Reshore to the US, the productive & extractive capacity, 'given up' to others. He has also committed to Restore to the US, GI boots stationed overseas (see 2).

Now, to be clear the promise to re-teach the world HIS dogmatic 3Rs, was IN LARGE PART what persuaded c50.1% of the American's who voted, to send Trump back into the White House; with a commanding electoral college win & GOP command of both Houses.

As for what Trump going ahead with his entire 3R syllabus will mean, I for one do not doubt the Reckoning will be economic disruption; a dollar reversal, stubborn US inflation & loftier YIELDS ALONG THE CURVE. THIS President's 3R's will in short hand, invite Stagflation on the US.

Trump's 3Rs would for one, force Taiwan, Japan, South Korea, Germany et al, into drawing upon their Treasury holdings so as to self-fund the increased defence spending demanded of them. After all, why would those nations being 'targeted' choose to additionally in-debt or tax themselves, when they could more easily redeem what they have long-saved in US Treasuries?

Less we forget, the considerable current account surpluses the likes of China & Japan have long ENJOYED with the US, allowed them to readily amass Treasuries, & as such help fascinate the Federal deficit; Triffin effect. Now suppose such exports faced such high tariffs, it compromised their affordability, and caused a marked reduction in trade surpluses with the US. How/why would China, Japan & indeed Germany, Korea & Taiwan & continue to provide the US with cheap vendor financing?

As for what is so very different THIS time from when Trump was first POTUS, the answer is easy; CHINA has so very much developed as a meaningful monetary & mercantilist rival to the US".

Let's see for how long Trumphoria, Fed independence, the HK peg, US\$ strength & cryptomania, ELONGate.

Table 1: Forecasts for a new normal monetary future - higher YES, alarmingly so, NO

Metric	Q4 '98 - Q4 '07 average (%)	Q4 '08 - Q1 '22 average (%)	Now	'25 - '29 forecasts (%)
UK Base rate	4.9	0.5	4.75	3.50 - 4.50
US Fed rate	3.6	0.6	4.50	5.00 - 6.00
UK Real Interest rate	3.3	-1.7	2.70	0.00 - 2.50
US Real Interest rate	1.0	-1.3	2.15	0.00 - 2.75
5 Year Gilt yield	4.9	1.2	4.51	3.00 - 3.50
10 Year Gilt yield	4.8	1.9	4.80	3.25 - 3.75
5 Year Treasury yield	4.4	1.5	4.61	5.00 - 6.00
10 Year Treasury yield	4.8	2.3	4.79	5.50 - 6.50
UK Fixed rate mortgage	5.7	3.2	4.82	4.00 - 4.50
UK House prices, yoy	12.9	3.0	3.30	2.00 - 5.50
UK CPI	1.6	2.3	2.50	3.00 - 4.25
UK Goods CPI	-0.1	1.7	0.70	2.00 - 4.00
UK Services CPI	3.7	2.9	4.40	4.00 - 5.50
UK Rent CPI	2.9	1.2	7.60	3.50 - 5.50
US CPI	2.7	1.9	2.75	4.00 - 5.50
UK Real GDP growth yoy	2.0	1.9	1.00	1.80 - 2.10
UK Implied Deflator GDP yoy	4.3	2.2	3.20	3.00 - 3.30
UK Nominal GDP growth yoy	6.4	4.0	4.00	4.80 - 5.40
UK Wage growth	4.3	2.3	6.33	3.50 - 5.50
US Wage growth	3.1	3.0	3.80	4.25 - 5.75
UK Unemployment	5.3	5.9	4.30	4.00 - 4.50
\$/£	1.69	1.46	1.22	1.60 - 1.70
€/£	1.52	1.19	1.19	1.30 - 1.40
UK Construction wage inflation	4.8	2.0	7.97	3.30 - 4.70
UK Construction materials cost inflation:				
New housing		3.5	1.32	(1.80) - 1.20
CRE/Infra		3.9	-1.16	(2.80) - 0.20
Repair and Maintenance		3.8	0.66	(1.90) - 1.10
All Work		3.7	0.00	(2.30) - 0.70

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