



Speaker: All right, gentlemen. Break a leg.

Doug Hill: Cool. Austin, Texas.

Speaker: Here we go. AI, Austin. Stop by.

Doug Hill: A and I are both in Austin.

Speaker: We are about one o'clock now.

James Altucher: You can't do AI without I.

Doug Hill: You can't do Austin without A-I.

James Altucher: Yeah, that's right.

Doug Hill: And you can't do AI ... Well, you can do AI without Austin.

James Altucher: Austin would be good for a gold conference because of A-U.

Doug Hill: That's right.

Doug Hill: AUS is in AUS. All right everybody, welcome in. We're going to get started here in just a minute or so. James, do you-

James Altucher: We can't see who's in, right? We can't ...

Doug Hill: No, we don't have access to that here.

James Altucher: And then how do we see the questions that people are going to be asking?

Speaker: We'll be feeding them to you.

James Altucher: We're going to be answering tons of questions.

Doug Hill: We're going to have tons of questions.

James Altucher: So we want to see them.

Doug Hill: Yeah, absolutely.

Speaker: All right, we're ... All right gentlemen, we're at 1:00.

Doug Hill: All right, we're good?

Speaker: Think we're good?

Doug Hill: All right. Welcome, everybody, to Austin, Texas, the home of the South by Southwest conference. We're streaming to you live today. It is currently 1:00 PM Central Time here. My name is Doug Hill, VP of publishing here at Paradigm, and I'd like to welcome you all to today's subscriber only call, AI 2.0 where AI and crypto meet the hype.

So during today's event, we're going to recommend specific stocks and cryptos for you to consider adding to your portfolios and of course to guide us along the way, I am joined by James Altucher-

James Altucher: Thank you, Doug.

Doug Hill: ... man of the hour here at Paradigm, and it's great to have you all here with us today because you're going to be very happy you made the decision to come on this call because today's your chance to ask and have answered your most pressing questions about the hottest trends in finance today, crypto and artificial intelligence.

And so, we're here for two very specific reasons. First off, AI 2.0 is red hot and provides huge upside for investors. So, two picks that James has made in his publications are very good examples of that. First off is NVIDIA. That is up 83% since recommending it in September of last year. So what's that, about six months or so? And then again, another one, SoundHound AI is up another 144% since James recommended it late last year. And those are amazing gains in a short period of time. And I hope if you're one of James's readers, you've been able to follow along. And from those AI winners and from what James is saying, we've been talking the last couple of days and James has been writing about it over the last few months. This is just the beginning of the true impact of AI. So we're going to cover AI first.

The second reason we're here today is to talk crypto. Now, crypto has entered a new bull market and is skyrocketing to new highs. Ethereum, which James recommended in September of 2017, is up 909% in his portfolio. Render-

James Altucher: More than that now actually. But anyway, go ahead.

Doug Hill: Well, that was as of yesterday. But yeah, Render is up 229% since the very first time when James and Chris Campbell, who you're going to meet here in a little bit, first recommended it. And then later that year, in December of 2022, they issued a double-down recommendation on Render. That version of the recommendation is up an incredible 2612% as of last night. And not to be ignored, Solana, another cryptocurrency is up 1170% since February, 2021 recommendation.

So, if you were to go into James's portfolio right now for the Early-Stage Crypto Investor, you'd see 27 of 29 open plays that are up in his Coinbase portfolio. And James, real quick before you interrupt, which I know you're going to do a lot today, 22 of those 27 are up triple digits or more, which is incredible.

James Altucher: Yeah, and I just want to mention we're not patting ourselves ... we're not here to pat ourselves on

the back. December, 2022 when we made those recommendations. That was just a few weeks after the biggest fraud in history, which was FTX, Sam, Bankman-Fried, biggest fraud in history. And it was in the crypto industry. So everybody was saying, "Oh my gosh, this is the end of Bitcoin, this is the end of crypto."

And this is the thing, and we'll address this later, but it seems like, oh, of course if you just throw darts at crypto, things go up. But it's really hard to make a lot of money investing. You have to double down exactly when every headline is screaming, "Don't do it." And everyone you've ever trusted on TV, or the newspaper, or whatever is saying ... Warren Buffett said at that time, "Buying crypto is like eating rat poison."

So you have to say, "Oh, I love Warren Buffett. I really respect him. He is the greatest investor in history, but I know this industry is going to work and this is the right time to double down." And look, there's always a luck factor, but you want to avoid gambling, you want to avoid speculating. We're investing in the future. And that's really what this call is about because there's a lot of bad things happening, and we'll talk more about that in a second. But crypto and AI are positive, innovative, exponentially growing industries that are happening right now. And you really have to pay attention to the signal and keep out the noise.

Doug Hill: Yeah, 100%. And investing during those tough times is why people come to talk to you because you keep them on the straight and narrow and keep them focused on the long-term, which I know a lot of your readers really appreciate.

So James has picked these two sectors, AI and crypto, and he's been years ahead of the crowd, both on cryptocurrency as well as AI, which I'll talk about here in a moment. So if you're here and you're invested in AI 2.0 or you follow James's recommendations and you're in crypto, that's great. And even if you haven't yet made money in these red hot markets, you should consider this live call your second chance to get in. And we're going to cover it all here with James live and we'll give you opportunities to ask James your questions. Now, this might be rare considering the people who are on this call, but there's a chance some readers may not know James all that well.

So, we've had tens of thousands of new readers in the last few months alone. So in case you're new to these calls, you're new to James. Let me just give you a quick introduction. James is probably best known for his New York Times bestselling author. He's written 25 books, I think to his name at this point. He's a former hedge fund manager and a podcaster and has over 80 million downloads. Most publicly, he made a call on CNBC for Bitcoin back in 2013 when Bitcoin was just trading at \$114. I mean, it's at \$70,000 right now. But you've probably, if you're here on this call, you've probably heard all that before.

What you may not be aware of is James' early writings on AI. So back in 1990 in college, was that at Carnegie?

James Altucher: Cornell.

Doug Hill: Cornell.

James Altucher: But anyway, that's not important here.

Doug Hill: It's not important, okay, it doesn't matter.

James Altucher: Don't go to college.

Doug Hill: Right, do as you said.

- James Altucher:** I had to throw it in.
- Doug Hill:** James wrote a paper and it was titled ... and this is just a terrible, terrible title.
- James Altucher:** I didn't make the title.
- Doug Hill:** Mechanically Assisted Proof and Category Theory. James says it's about AI, I don't know. It probably is if James says so, but it's proof that James has been on the AI track for over 30 years now. So, with that introduction out of the way, James, thanks again for being here.
- James Altucher:** Yeah, of course.
- Doug Hill:** Really excited for this call. I've been looking forward to it for a long time. I just want to run through what you're going to get on today's call.
- So first off, you're going to get two brand new price predictions for crypto. James is going to touch on Ethereum and Bitcoin and you're going to hear what James sees for Bitcoin Ethereum in 2024, and the best ways to play this huge crypto bull run. Then we're going to give you two, maybe three crypto recommendations, for the best way to play James's predictions. And then finally, you're going to get three AI, 2.0 stocks to buy right now.
- James is going to filter out all the research and tell you what he likes for AI today, March 12th, 1:07, Central Time. So we're going to cover all that. Then, I promise I'm going to stop talking here very shortly.
- James Altucher:** You're doing a great job.
- Doug Hill:** Then you're going to get your questions answered live. So on your page, on the right-hand side, there's a chat that's running up and down. You could chat with our moderator, you could chat among the group. And then at the bottom, if you have a very specific question that you want to have answered, go ahead and enter your ... I think you can enter your name and your question there. Those will get filtered to me. I'll be looking on my computer here and get to those questions.
- So we're going to try and cover everything on this call. And again, this is 100% free. We're not going to ask you for any money. This is something, this is a give back to you for trusting us with your financial future and trusting James. So, we really appreciate it. So, let's go ahead and get to our topic. Remember, we're live here at South by Southwest. James, why are we here? Why South by Southwest today?
- James Altucher:** Well, I was speaking yesterday at South by Southwest about the topic of artificial intelligence and also how to raise money as an AI company. So, this is a big question and it's really not so much a question ... if you're a company, of course you always want to raise money, but the question really is more for investors. And we're all here investors, whether it's public companies or private companies, or whatever, and there is a lot of hype.
- You mentioned AI and crypto meet the hype. But the thing about both AI and crypto, and I'll say this about AI, that the reality, this is the first time in any industry I've actually seen where the reality almost instantly became greater than the hype. People aren't even fully aware of what AI is capable of and how valuable it is and how it's really at this point in time, propping up the entire economy.
- And that's going to continue. For instance, if AI creates a trillion dollars of value in the economy, that means some investors out there are dividing up that trillion dollars. And so yes, there's a lot of difficult things happening in the market right now, but we want to be able to participate in the growth and the wealth that's being created by AI.

So, that's what I was talking about here specifically at South by Southwest. And then I'm glad everybody came down to watch and now we're doing this video, but I did want to talk a little bit more about AI and what to look for and what to be careful about when you're investing.

First off, I hear a lot of people saying, "Oh my gosh, AI is a bubble." I love it when people say that because those are the people who have never been right in their entire lives on a trade. So the more people, it's like music to my ears. If I'm just walking down the street or in a restaurant, I hear people at the next table, "Oh, this AI thing is a bubble."

Let me just define bubble really quickly. A bubble is when a stock or any asset, but let's say a stock, a bubble is when a stock is up today for only one reason, because it was up yesterday. Everybody said, "Oh, this is going up. I'm going to buy it." So they're only buying it because something's going up. So then it keeps going up until the bubble bursts, it can't go up forever.

AI actually is generating, I think in 2023, \$600 billion was spent by companies directly buying AI products and services. And the number's actually much greater and the number's going to be even greater still in 2024, 2025, 2026. So, our job is to find the companies that are getting these hundreds of billions of dollars because they're going to surprise everyone with their earnings and revenues and so on. So, that's the key.

And look, this is not an easier to invest in. It's not like any ... I've been on the ground floor of the internet, boom. My first company was an internet company in the '90s. I was in the mobile and social media space, obviously crypto, and as you mentioned, I've been in AI forever. I ran my hedge fund based on AI software. I've worked on a lot of ... I helped work on Deep Blue, the chess playing computer. So AI is something that's here to stay, but we have a potential recession coming this year. Who knows? We have no idea. Every economist is predicting a recession. Hasn't happened yet, but we just don't know. We have an election. This is definitely the weirdest election anybody has ever seen in their lives. It's just going to be unusual and there's going to be a lot of volatility around that.

So there's a minefield happening in the markets this year, but we also have the benefits of AI and crypto, two growing industries that no matter what happens, these are industries that are going to continue to grow. Even if they dip, even if they crash, which they're not going to, but that's the time when you got to buy the dips, just like we did in December of 2022.

Doug Hill:

Well, I know that people here obviously want a lot of picks, and I think ... which we're going to cover right now, we're going to start talking about your first AI pick. But I think you mentioned something like you spent a lot of time investing and you've had hard times in your career investing and you've earned a lot of money through selling your company and then you've lost a lot of money. I think that's part of why people like you, people find you relatable because it's not that you are just a golden child that just extended. You had to battle all the way up. And I think that people really find that attractive.

James Altucher:

In the '90s, I mean, I studied the internet. There was five people in New York City who knew how to build a website. And so, I built and sold a website development company. I made websites for movies like The Matrix, the Scream movies, Warner Brothers, all the record labels. You could tell by the way I look, all the gangster rap record labels were my clients.

Doug Hill:

Clearly.

James Altucher:

And then I sold it and I made a lot of money, but I didn't know, this was like 25, 26 years ago. I didn't know anything about investing, but I was all in on the internet. I knew this was going to be huge, and that doesn't mean anything when it comes to investing. I lost a lot of money. I went broke because I didn't know the basic fundamental principles of investing. I knew everything about the internet, but it took a real long time. And then I was a professional investor. I've been a professional investor,

meaning investing other people's money, for over 20 years now. And it's just difficult even in boom times to be a good investor.

And I think many people realize that, and it's through navigating all these different booms that I know what I look for personally. And then people listening can decide if that's how they want to do it as well. But it was through a lot of hard-earned wisdom, to get some skills at investing.

Doug Hill:

Okay, well, let's go ahead and do this. Let's talk about one of your favorite AI companies that you're talking about right now. So, what would you recommend now, what's new that people here haven't heard you talk about yet, that you would like to recommend, to make a mention of a company that you find interesting in the AI space?

James Altucher:

Yeah, so okay, NVIDIA is getting all the buzz right now. Like, "Oh, OpenAI has NVIDIA in the supercomputers, and that's how they made ChatGPT and so on." NVIDIA is blowing away all the earnings, so they're up hundreds of percent, and NVIDIA is great. I don't have any problem with NVIDIA. They're going to continue to do well, but you always got to know the history of what you're investing in.

History doesn't repeat, but it rhymes. And so when I think about that, there's NVIDIA, AMD and

Intel, and for the past 30 years, I have seen these companies flip-flop each other like, "Oh, Intel's the best. No, no, no, no. AMD's the best. No, no, no, NVIDIA is leaving them all in the dust. Intel and AMD are going to go out of business." So these companies have traded places as the hot chip-maker for as long as I've been investing and it's going to happen again.

So yes, NVIDIA's got the best chips, they've got the best software. Specifically, they have super fast chips that make the data centers that are learning these large language models and creating models like OpenAI, ChatGPT, they're, they're powering all those data centers, but AMD just has developed their own chip, the MI 300, that's probably just as fast if not faster than NVIDIA's top chip. And they just announced a motherboard to control all the software and the networking aspects that's very competitive with NVIDIA's secret sauce and I think ... But AMD has not gotten the love from investors that NVIDIA's had.

So if you own NVIDIA, no problem. You're not going to do poorly with the top AI company in the world, but it's already worth almost \$2 trillion. It's not going to continue going up hundreds of percent. AMD is much cheaper. They arguably have the current best chip in the world. They arguably are competitive with NVIDIA on the software side. And I think that's going to be the surprise darling in the chip space.

Let's not forget everybody's getting into AI now. All the big guys, Microsoft's building their own models, Amazon, Facebook, Apple, Google, and they don't want to use NVIDIA because NVIDIA says, "Oh my gosh, everyone's using us. We could raise prices." Well, this is capitalism. Whenever you have somebody making a lot of money, competitors jump in.

AMD, they're going to be happy to buy AMD chips just to fight NVIDIA on price. Also, a lot of these companies are making their own chips. We got Facebook wants to make their own chip, Google and so on. Amazon wants to make their own chips to power their data centers. So they're going to be using intellectual property from ARM Holdings and they're going to be using AMD. So if I had to pick one of those, and again, I know we write about NVIDIA a lot and recommend it, and you mentioned it's up nicely for us, but AMD is one I'm really excited about right now, as a chip favorite.

When you're talking about AI, you're talking about several layers of what's happening here. There's, let's call it layer one, is the hardware providers like NVIDIA, or AMD, or storage companies, or whatever. Then you have the software guys, so Microsoft investing in OpenAI, the ones who are creating the AI. And then layer three, maybe you could call that services.

So IBM, which normally we think of as hardware, IBM is actually giving consulting to every industry, like the farm industry or the food industries or whatever, on how to use AI to improve the profits and products and efficiency in their business. Then you have layer four, which is very ... and we were discussing this over dinner yesterday, it's not every company needs to know ... have a large language model that covers everything from Shakespeare to the latest tweets yesterday. Sometimes there are very industry-specific needs that companies have for AI, which are going to drastically improve their profits, their efficiency, and people don't realize that yet.

Some of these companies are turning into pure AI companies in the way they make their products, their profits are going to go up maybe 5X, 10X and so on. And that's what I've been calling AI 2.0, where the real trillions of dollars are going to be made because it won't be as competitive. A lot of these are already leaders in their space, but they're going to just improve profits and stocks are valued as a multiple of profits.

Doug Hill: Well, I know obviously NVIDIA is up a ton, as you mentioned. I think last year was up 270% or something. This year, it's still up, it's up yet again. So I love the AMD idea. So that's the first thing-

James Altucher: I'm super excited about AMD, and that's like that layer one, but I also have a couple layer four picks.

Doug Hill: Excellent, and we're going to talk about those later on in the call here.

James Altucher: Sure.

Doug Hill: So we are getting some questions here about what your background is in AI, okay?

James Altucher: Yeah.

Doug Hill: So I know, obviously we talked about the paper that you wrote, you worked on, was it ChipTest was the name of the software? Yeah.

James Altucher: Yeah, yeah. Before Deep Blue was Deep Blue, it was ChipTest, and I was the only chess master in my grad school. So they put me in the same office with Feng Hsu who made Deep Blue slash ChipTest, and I would just play ChipTest, which became Deep Blue, all day long. And then they would see the results and make changes and when, when IBM bought the whole group, and of course they offered me a job as well, but I unfortunately decided to stay at the grad school because I liked a girl there. And that relationship only lasted two more months anyway, but I do regret not going. It's okay to have regrets in life, but I had this idea for an algorithm to improve it, which they ended up implementing in Deep Blue. And it was a real interesting thing, turning point for AI, because they embedded all the AI, not in software, but in the hardware.

So Deep Blue was actually a supercomputer made just ... the circuits were made just for AI, just for playing chess. And for a long time that was the innovation in AI. And only recently with these large language models, text has become really a software-based solution in AI. And it's a real exciting time now in AI. That's been the latest innovation and it's very creative. At the time, Deep Blue was the innovation, which is to encode the AI and the hardware. And then of course, a few years later after that, I wrote some AI software to recognize patterns in the stock market, which I used for many years for day trading. And that was very successful. I wrote a book about that called Trade Like A Hedge Fund. It was my very first book and I did very well.

And then ever since then, I've been involved in some aspect or other of AI, and it's been very interesting to see the evolution of AI. I mean, AI has been around for decades. There's been expert systems, speech recognition systems, like Siri or Alexa. There's been computer vision because automated driving experiments use computer vision. And now of course, this most innovative period that I've ever seen is the text-to-language-based models, which has turned out to be very hard. I

mean, I worked on that for a little bit in the nineties on machine translation, but now it's just so much more sophisticated.

Doug Hill: Is it fair to say that when you played ChipTest in chess that you beat it?

James Altucher: I have beaten it, yeah. It wasn't as strong as it is now. Now there's no way to beat a computer at chess, or Go, or any of these games. I think poker is still not quite solvable, but at the time, ChipTest wasn't anywhere near as strong as the latest computers are now. And now they're using new technologies that are really just amazing with pattern recognition. They're using what I was doing a little bit with the stock market. They figured how to do with billions of potential choices in deciding what chess move to make, or backgammon move, or whatever. So they've really improved the technology quite a bit.

So it really bothers me now when I see different people I know go on ... have an ad, "Oh, hire this AI guru or expert," and I'm like, "You didn't even know what artificial intelligence was a year ago, two years ago." And now, oh, you got the mic, you're on stage, you're giving a TED talk. "Don't miss out on AI." You didn't even know what AI ... AI existed. So, I think there is a lot of hype, but it's important again, to separate the signal from the noise. That's super important.

Doug Hill: Okay. Well, I know another ... your second pick that you're interested in is Palantir. Could you run through for people why you like that play so much? And what about it that's going on in the world that makes that a good investment right now?

James Altucher: Sure. I mean, again, the world is, you could either be a pessimist or an optimist, and there's no benefits in life to being a pessimist, but let's just look with reality what's happening. We have a major proxy war in Ukraine right now. We have a potentially devastating proxy situation in Gaza, where you have Iran, Russia, China, the US, all looking in to see what's going on here. That affects all of world trade, and World War III, it always starts with something happening in Gaza. And so, we're in the middle ...

James Altucher: ... Something happening in Gaza. And so that's... We're in the middle of a movie right now, but Palantir is also in the middle of that movie. In the Ukraine, for instance, Palantir, as soon as that war started, Palantir was brought in, "Hey, here's our satellites, that we're going to send you every minute of what's happening on the ground," and Palantir, among many other things Palantir does is, Palantir uses their AI to say, "oh, this is a, potentially, military situation development here. There's Russian tanks." "Are you sure they're Russian tanks? Maybe they're UK tanks." "No, they're Russian tanks." So Palantir's used in these war situations. They're used in banks. So you make a bank transaction, there's some Palantir software there looking at you, looking at your transactions and trying to determine if you're a terrorist or a fraud or whether you deserve further investigation. Palantir, by the way, was funded, initially, when it was a private company by the CIA, so you know they're basically here to... They're in these war situations and fraud situations and cyber security situations forever.

Speaker: We're going to call inaudible. One of the mics stopped.

Doug Hill: I'm getting bugged on camera right now. That's what's happening right now.

James Altucher: We got Palantir here taking away Doug to a secret CIA prison in Austin.

Doug Hill: Yeah. Exactly. Well no one, can hear me now.

James Altucher: Can you hear? Is everybody...

Speaker: We should be good now.

James Altucher: Are we good?

Speaker: Some people were getting... We were getting some static, but go back to Palantir. They're in the right

spot. We're in World War 3.

Doug Hill: Okay.

Speaker: Go ahead.

James Altucher: Wait, we didn't stop, though, the video, right?

Speaker: No, everything's live.

James Altucher: It's live.

Speaker: Whatever you want to do—

James Altucher: Nothing ever go... You know what? They could have people send up satellites into space and see a tank and a machine gun from 17,000 miles up, but we still can't get a live video stream going correctly for the whole way through. Palantir should be here right now working on this stream.

Doug Hill: They're looking at us.

James Altucher: I'll tell you a story, and this is another regret. I'm only going to tell stories of regrets. So, one of the founders of Palantir is Peter Thiel, who's, of course, been on my podcast and another guy, Joe Lonsdale. So Joe Lonsdale, very good chess player, I've known him for a long time, and we were having lunch once. He was the CEO of Palantir, and he said to me, I don't even know if this is public info, but he said to me, "Hey, you want to buy some of my shares?"

And Palantir was still a private company and I said, "how much are you selling them for? What are they worth? Well, he said, "Palantir is worth \$5 billion right now at our last fundraising." This is before they were public. So they just knew from VC's funding. And I said, "no," because Palantir was too big. 5 billion was too high. But of course now it's worth many multiples of that. I do regret not buying those shares, but it's not my style to invest in something, a private company worth billions. But it was a good company then, and it continues to go straight up, but part of the task is looking at a company like that, saying it's good, but also, maybe we'll talk about this later, finding smaller competitors.

Doug Hill: So I don't think anyone on here can hear me, but is there anything else about Palantir that you want to cover before we move on to the next question?

James Altucher: I just think you see strong growth. They have billions of dollars of cash with very minimal debt. They're not going anywhere. I like to have a plan A and a plan B. Plan A is, "this is a great company that's going to grow forever." Plan B is, "what if the worst case happens and whatever." I don't know what the worst case would be. Well, I love the fact that they have billions of dollars in cash and no debt. I love the fact that they were funded by the CIA, so they're basically in bed with the government and then all the banks hire them and so on. So the plan B is I don't really see huge downside in the worst-case scenario because they can always buffer themselves up. So I think it's a good solid investment. Does it go up hundreds of percent from here? Eventually, but I think it's a good solid earner no matter what the economy does.

Doug Hill: Okay, that's in a good spot. Guys, give me some guidance here after we had audio gate go on here.

Speaker: One more question and then maybe three minutes. We got Chris Campbell, big one, beach baby.

Doug Hill: Great. Okay, so we've got Chris Campbell waiting in the wings. We're going to catch him in just a moment. But I had one last question here about big technology and what they're actually doing in the AI space. So can... Maybe big tech firms, obviously you've got Facebook, you've got Apple, you've got all these different big players, Microsoft, what are they doing in the AI space that stands out to you

right now?

James Altucher: The big tech companies like Amazon, Google, Facebook?

Doug Hill: Yep.

James Altucher: Well, they don't want to use OpenAI. That's owned mostly by Microsoft. And you see Elon Musk is even suing OpenAI. He's so disgusted with them. So the big tech... Again, this is capitalism. Capitalism has competition. So of course Google has been developing its own AI model, and they were having problems with it. It was all in the news of the past few weeks. But Amazon is building their AI model. Apple is, so that means they're all looking at new chips, new software. Twitter, with Elon Musk, is open sourcing Grok, which is their version of ChatGPT. And I encourage people to play with... And I write this in the newsletter, I always give website ideas of cool AI companies to try out, but essentially, competition is the name of the game. AI itself is a commodity.

It's what you do with the AI, so what I'm seeing, just in general in the industry is, there's going to be more and more niche AI. Like what I said with Palantir, "hey, can we look at aerial photographs of the Ukraine and tell who's an enemy and who's not an enemy?" And of course, Pharma, "can we make... Without spending an extra billion testing drugs, can we use AI to figure out the right compounds to get X, Y, Z results and maybe get faster through clinical trials? Can we use AI for that?" They're going to save billions of dollars. Every billion dollars you save might make your market cap \$40 billion higher, so this is something that people have to look at. Don't just look at big tech, look at the companies that are using AI to, for better or for worse, fire people and get more efficiencies. Every news organization is going to fire all their reporters.

A lot of manufacturing companies are going to use... Tesla's building the Optimist robot to in-source manufacturing from China back to the US. That is a trillion dollar endeavor. All of these things together is what, again, is going to propel the US for the next 50 years or more. Nobody's even... China's competitive, but no one's really competitive with our innovation, despite the media saying, "oh, China's going to catch up, blah." They're not, they don't... They just copy. They don't have what we're doing. And look, probably the top AI guy in China, Kai-Fu Lee, he's been on my podcasts many times. He helped develop Siri. He's a world expert on AI and he comes here to promote his books because the US is where things are happening.

Doug Hill: I want to get back to something you said here in a minute. I'm going to invite Chris Campbell on, but I want to talk about the job displacement because that's a big deal for people. A lot of concern about people losing jobs on mass.

James Altucher: Sure.

Doug Hill: Now we're going to need you to put that mic in your ear so Chris can hear you. And I'm going to be speaking to Chris through your earpiece, so we're dialed in here. We've got a lot of moving pieces. So, let's go ahead and take a moment here and switch right over to crypto. And as we do that, Chris Campbell, I think everyone is able to see him on the page. I want to bring your main analyst. He covers a lot of crypto-

James Altucher: Is amazing.

Doug Hill: ... Concerns and ideas on the crypto call that we do every week for *Early-Stage Crypto Investor*.

Many of you may recognize Chris, because he writes for *Altucher's Investment Network*. He is very involved in the picks, as I just mentioned, an *Early-Stage Crypto Investor*. And he also writes a daily e-letter. And if you don't read this, you need to start reading this. It's *Altucher Confidential*. It's a fantastic read.

Excuse me, Chris travels the world and I'm going to share what is likely an embarrassing story, a little bit, with Chris. But...

Chris Campbell: Oh.

Doug Hill: Yeah, back in 2021, I gave Chris a call, and he was working on a report and I can't remember exactly what it was, but he was working on something, gave him a call and it was Monday morning if I remember correctly, and he was distracted. Usually Chris is very dialed in and focused and I could tell he was distracted. I'm like, "Hey man, is everything okay?" And he's like, "yeah, something very weird just happened to me over the weekend."

I'm like, "what happened?" He's like... Well, Chris, as I said, he travels the world, he finds really unique investment opportunities and he invested in something called a RarePepe back in 2017. And if you're familiar with NFTs, non-fungible tokens, you might know a little bit about RarePepes. And he bought one very early on for the princely sum of \$242, so that was back in 2017 when I talked to him in 2021 on that day where he was distracted, he's like, "I've put that up for sale over the weekend and someone paid me 111 Ethereum for it. Now back then, Ethereum is somewhere in the \$3,200 range. So everyone at home, you could do the math on that, but it is by far, without any question, the greatest investment in the history of Agora Financial editors. There's no one that's done, what is it, 138000% or something? You could do the math, but it is-

James Altucher: I'm not going to do the math.

Doug Hill: ... It is a great story. Could not have happened to a better guy than Chris. So Chris, thank you very much for joining us. I know you're in Costa Rica, right?

Chris Campbell: Yes. I just got into Costa Rica today.

Doug Hill: Well, he travels the world looking for new opportunities for you as our reader. So I want to touch on... I want to get this crypto discussion started, if you don't mind, James.

James Altucher: I want to ask Chris first. Did that NFT retain its value? Whoever bought that NFT, are they crying now? Are they regretting the day they ever communicated with you?

Chris Campbell: I think you can get one for a hundred thousand dollars today, so they're probably not too thrilled.

Doug Hill: Yeah, they're not... So they went from 350 to a hundred grand.

James Altucher: This is related, and I want to get back to crypto picks, but this is a very important thing. NFTs are like art projects that were created and then stored using Ethereum, but they're not necessarily intertwined with the fundamentals of crypto. But a lot of people ask on our weekly calls, what's going to happen to crypto miners after the having, because their fees are going to go down?

And the answer is related, a little bit, to NFTs, which is... There's this new thing called Ordinals, where you store, what's called inscriptions or art or other things on specific blocks in the Bitcoin Blockchain. And there's a lot more to it that makes it, for me, more interesting than NFTs, but this is something that you're going to start... Everybody's going to start hearing about this six months from now. It's already big industry, but let's say most people are going to start hearing about it six months from now, and then 12 months from now, it's going to be super exciting. We're going to have more about it sooner rather than later, but it's an interesting part of the crypto industry to look at, and it's related to Chris's story on NFTs.

Doug Hill: And that's a brand new...

James Altucher: Brand new.

- Doug Hill:** Yeah, and that's the kind of things that you get from Chris and James is that they are early on stuff 2013 when Bitcoin was 114 bucks and now it's up... I don't know what percentage that is. It's a very large percentage.
- James Altucher:** Gazillion percent.
- Doug Hill:** Gazillion percent.
- James Altucher:** You know, it's not fun when every time you do something new, everybody laughs at you.
- Doug Hill:** No, but you do that a lot.
- James Altucher:** I'm getting tired of it.
- Doug Hill:** Really? Well, keep doing it for another 10 years or so, then we'll be-
- James Altucher:** I remember in 2011 or 2010 the market was crashing and I said, "no, it's going up." And my mom called me and told me after I left the studio, "maybe you shouldn't smile so much." And I'm like, "why? Things are going great," "but everybody thinks..." It doesn't matter. And then another friend called me and said, he had a friend who called him and said, "is that your friend James? He's an idiot." And I'm like, "well, didn't you defend me?" And he was like, "no, I want to go out with her," so it's really not fun.
- Doug Hill:** Sold out to a potential date. That's terrible.
- James Altucher:** People are weak.
- Doug Hill:** So let's talk a little bit about what's going on right now in the Ethereum space, because there's a new upgrade coming called Dencun. Now I would like... Chris, I'm going to pitch this to you first then James, you could provide any color that you want, but tell us what this Dencun upgrade is all about, and what does it mean for other players in the crypto industry?
- Chris Campbell:** So this has been in the works for about two years. There are a few things changing to the Ethereum protocol, but the main thing to remember is what's called EIP-4844. And EIP means, Ethereum Improvement Proposal. And this is the main way that developers can pitch proposals and improvements to the network. So what this is going to do is, it's going to make Layer 2 blockchains, which are blockchains built on top of Ethereum. Make them way more affordable and scalable and reduce the transaction fees by up to 90%, and it'll also reduce Ethereum transaction fees by second order effects. And we can get into the main cryptos that we're talking... Or we're looking at, these Layer 2s.
- James Altucher:** Chris, can I add to what you're saying? So basically-
- Chris Campbell:** Yeah, sure.
- James Altucher:** ... The problem with Ethereum right now is, it's not as scalable. Visa does 24,000 transactions per second. Ethereum, this is going to sound shocking, Ethereum could only do 13 to 15 transactions per second. So it's much smaller than... Ethereum in that sense. So for years, as Chris mentioned, they've been working on this for years. They want to make Ethereum more scalable and cheaper than Visa. So the issue is, every time you do a transaction on Ethereum, it costs money, it takes time and so on. So what this Dencun upgrade... Which is happening tomorrow, March 13th. What this Dencun upgrade is, allows transactions to happen outside of the Ethereum... Well, it starts to move in this direction. It allows transactions to happen outside of the blockchain. So you could do many transactions, maybe thousands or millions of transactions outside the blockchain, and bring it back into the blockchain. So that makes the Ethereum more scalable, and you pay the price of one transaction even if you're doing tens of thousands of transactions. So that's kind of a layman's summary.

- Doug Hill:** So not only... So you're saying that, right now, Ethereum does 13 transactions per second. Visa does 40 or 20,000, whatever the number is. When they're done with this upgrade, they're going to be three to four times faster than Visa, in terms of how many transactions per second that they can transaction?
- James Altucher:** It's going to move in that direction. There's more upgrades to happen, and each one is going to make this better and better. But what we're doing is, and Chris will describe further, we want to prepare for what's going to happen. So there are other tokens that help Ethereum, other cryptocurrencies that help Ethereum make this process a lot smoother. And that's what Chris was about to describe. Okay.
- Doug Hill:** And James, you own Ethereum, right?
- James Altucher:** Yeah, I own Ethereum. So, total disclosure.
- Doug Hill:** Yeah, I own Ethereum too.
- James Altucher:** So about a year ago or a year and a half ago, I wanted to get into the close-in fund ETHE, which was trading at a 50% discount. Anyway, that's another story, but Ethereum has passed Bitcoin in number of transactions per day. Ethereum's got a lot of catalysts coming up. I don't know if we'll have time to talk about them, but this Dencun upgrade is a pretty big catalyst that nobody really seemed to be aware of.
- Doug Hill:** The catalyst, do, definitely, want to touch on here during this section. Chris, so what does the Ethereum upgrade mean for some of these other, what'd you call them, Layer 2 coins? Can you give us an example of what that is, so we can understand what it could mean for the crypto industry?
- Chris Campbell:** Yeah, so we've been watching the space really closely and there are three main Layer 2s that are set to benefit from this upgrade. And one of them... So for example, one of them is the base chain, which is... It's going to reduce fees from 58 cents for a transaction on leverage, to a penny.
- Doug Hill:** When you say base chain, do you mean... Is that the Ethereum blockchain, is that what you mean?
- Chris Campbell:** That is Coinbase's Layer 2 that they built on top of Ethereum.
- Doug Hill:** Okay.
- Chris Campbell:** And if Coinbase had a token for this chain, we would definitely be looking into recommending it, but they haven't issued a token. Instead, what they did was built in collaboration, with another Layer 2, and that's the one that we've been looking really closely at, and that's going to reduce the fees just as dramatically. And if we want to get into that, we can give that recommendation.
- James Altucher:** Do you want to recommend the token, Chris? It's one...
- Chris Campbell:** Yeah, so this one's called Optimism, and like I said, they've been collaborating with Coinbase. So all of the traffic... What Coinbase is doing is, they're trying to drive all of the traffic onto their... All of their users onto their Layer 2, on top of Ethereum, and this will obviously benefit the base chain, but it'll also benefit Optimism in a really big way. So that's 125 million users that are going to be using this and building on top of it because the fees are going to be so much cheaper.
- James Altucher:** Like overnight. And Optimism is one of these tokens that batches transactions together and then is able to insert them back onto a blockchain. So if they insert them back onto this base blockchain, which is used by... Which is developed using Ethereum, that's an enormous... One thing that's really important to understand, you can be bullish on Bitcoin, that's great. You can be bullish on Ethereum, that's great. They're going up. They're not staying at this level. Either it's going to dominate the global financial ecosystem, or it's not. So it's not staying at these levels. They're going to go up, but more importantly, what we call the picks and shovels plays are going to go up 10 times, 50 times, a hundred

times as much as Bitcoin and Ethereum. That's why we recommended Render. So Render is not... It's built on top of the crypto technology and Bitcoin and Ethereum, but it's used to render videos. It's up 2600% since we recommended it at the worst time, and Optimism is similar. We're saying that this is going to go up a lot more than Ethereum. So if you love Ethereum and if you like that they're doing this upgrade, Optimism is one of the tokens you should be in. You don't even have to be in Ethereum, just be in one of these tokens that are benefiting, huge, from this upgrade.

- Doug Hill:** All right, so let me just... Out of this group here, everyone here watching, I am the least crypto-enabled person on this call by a long shot, so I'm just going to try and reframe something that you guys described. Ethereum is trading around \$4,000, so it's already in demand. There's a lot of demand for it already. It's one of the top coins in the ecosystem. They are now going through an upgrade that is not only going to be hundred times faster or more, but they're also going to be... One or 2% of the fees is going to be 50 times cheaper than it currently is to use it, and transact in Ethereum. Is that correct?
- James Altucher:** Right. Because imagine it was 13 to 15 transactions before, but now, magically, you could take one of those transactions and fit tens of thousands of transactions inside of it. And that's what's happening here, and that's what Optimism does and some other tokens that we've been looking at.
- Doug Hill:** Well that seems exceedingly bullish for those coins.
- James Altucher:** And again, you can say, "well, where's Bitcoin Ethereum going to be 10 years from now?" And again either-
- Doug Hill:** Don't... You're going to give a prediction here?
- James Altucher:** I will.
- Doug Hill:** Okay.
- James Altucher:** But the whole idea is, it's not going to be here because it can't be here. That would be a failure. So it's either going to change the world, or it's just... We're not going to be talking about it 10 years from now. And our bets, of course for many reasons, are that it's going to change the world.
- Doug Hill:** Awesome. All right, so Optimism, where do people buy it? Can they buy it on Coinbase?
- James Altucher:** Well first, you have to be optimistic to buy Optimism.
- Doug Hill:** You have to sign a waiver?
- James Altucher:** That was a bad joke.
- Doug Hill:** That was terrible.
- James Altucher:** That was a bad one.
- Doug Hill:** Chris, where do they buy optimism if they're interested?
- Chris Campbell:** Yeah, fortunately it's on Coinbase, so it's very easy to buy. And if you want a dollar-cost average, you can set that up really easily on Coinbase.
- Doug Hill:** Chris, I know you a huge fan of dollar-cost averaging, you've been doing it for a long time. So yeah, that makes it super easy. You can do \$10 a week, \$10 a month, whatever you want to put in there. It's a smart move. All right, let's talk about Ethereum. So it seems as though, and this may go without saying, you're very bullish on Ethereum, I know that, but many people on the call may not know that. Can you talk a little bit more about Ethereum and why you guys are so bullish about Ethereum? For example, what's the difference between Bitcoin and Ethereum for people who are not into a lot of crypto?

- James Altucher:** I'll start and say Bitcoin was the beginning, but it wasn't perfect. Most times, the first mover is not the best. Does anyone remember the first search engine on the internet? I'll tell you what it was.
- Doug Hill:** Ask Chives?
- James Altucher:** No, it was the World Wide Web Worm. Was the-
- Doug Hill:** What?
- James Altucher:** ... WWW was the first search engine.
- Doug Hill:** That might be a worse name than your report that you did on AI back in 1990.
- James Altucher:** Well then the second search engine was called Galaxy/eiNet, so that's even a worse name. Then there was Likos, which was actually developed two offices down from me when I was in graduate school. And then there was Excite, there was AltaVista. Finally, there was Infoseek, there was Inktomi. Finally, there was Google.
- So look, Bitcoin was the first, it's the biggest, it's the winner in terms of currencies. But Bitcoin is to currencies, what Ethereum is to programming languages. So Chris mentioned Layer 2 projects. So think of Layer 2 as programs that Ethereum has developed. That's a simplified way to think about it. And in order to rebuild the global financial system, you need specific applications built on top of crypto. Ethereum does that. Ethereum was developed because it was hard to do that with Bitcoin, and Bitcoin will never do that well. Ethereum does that very well, and it's continuing to develop. And by comparison, around the world, there's about a thousand software engineers working on ongoing developments in Bitcoin. Six times that, are working on Ethereum, so you have... Always, the smartest programmers go to the most exciting projects, and they're at Ethereum right now.
- Doug Hill:** So again, for the uninitiated among us, me being the leader, I've got an iPhone. Could this be considered Ethereum, and the apps considered Layer 2?
- James Altucher:** I don't know if I would make that comparison.
- Doug Hill:** Okay, let's edit that out. I know we're live, just edit that out.
- James Altucher:** What the hell was hard in what I said?
- Doug Hill:** Nothing. I was trying to simplify it a little bit. All right, so we've got Optimism, we've got Ethereum, is two... The two big plays.
- James Altucher:** Chris, what do you have to say about Ethereum? What... Maybe you could explain it better than me.
- Chris Campbell:** Yeah, I think you covered it. I think there's a lot of smart contract blockchains out there, but Ethereum just has first mover advantage on that, but it also has the most developers, all of these upgrades that are already in the docket. The most decentralized apps, DeFi protocols, a lot of blockchains are hooking into Ethereum because they have the most users and the most development happening. So yeah, a lot of these, so-called Ethereum killers are backtracking and acquiescing to the Ethereum ecosystem, which is what we kind of predicted two years ago, and now the upgrade is going to solidify that, I think.
- James Altucher:** And to be fair again, because we're trying to be as professional as possible, the investing. Even though we're big believers in Ethereum, we've recommended and done very well with some of the, so-called Ethereum killers, we recommended Solana. I don't know, what percent are we up on Solana? Like...
- Doug Hill:** I think you said 1100% or so?

- James Altucher:** Yeah, and we're up on Cardano, Hedera, so all these Ethereum killers out there. But gradually, Ethereum with these upgrades are going to do what Solana does, are going to do what Cardano does, and eventually, we have to rethink how we diversify from Ethereum.
- Doug Hill:** Okay. So I want to ask a macro question of you both and maybe you can each give us a separate answer, but people want to know. One of our first questions here is, how long do you anticipate the crypto bull run to last? So if you were to pull out your crystal ball here and estimate where you think we're going to be, will we be higher at the end of the year? Is it a two-year bull run? What do you think?
- James Altucher:** Chris, do you want to go first?
- Chris Campbell:** Yeah, right now, currently... This is obviously a dynamic situation, but currently, I think about it in terms of how high Bitcoin is going to go, because it's leading the market. So I think a better frame of reference is how high do you think Bitcoin is going to go, and just watch Bitcoin at the moment. But part of our thesis is, there's going to be a moment where some of these blockchains get a ton of users and they actually start being used on a mass scale and they'll decouple from the rest of the crypto markets and Bitcoin ultimately. And then we'll start seeing where the action really is in terms of the crypto market, and people are going to be attracted to the points that are... The projects that are getting the most users and are actually useful. Then there's going to be a paradigm shift in crypto, in that regard. Right now it's a lot of speculation, but once we start seeing these things actually being used, I think we're going to see a change in how people invest in these projects.
- Doug Hill:** Awesome.
- James Altucher:** Yeah, so for specific predictions, I'm going to say... And again, I might be off on the predictions, but I think you want to bet on the direction. So I think Bitcoin could easily hit \$150,000 by the end of the year. Again, perhaps higher, but at least that number. And Ethereum could be, easily, somewhere between 10 and \$15,000 or more by the end of the year. They both have lots of catalysts. Bitcoin, in April, has the halving. Ethereum, of course, has this upgrade tomorrow, but then they have future upgrades. And then in May, the SEC and the court system starts deciding about Ethereum ETFs.
- What did Bitcoin do when ETFs were in the news? Went from like 30,000 to 70,000, so Ethereum could even respond more, because you have big institutional money like Fidelity or Vanguard or sovereign wealth funds of entire countries that would love to buy Bitcoin, but they're not going to go on some exchange like, let's say Sushi Swap or Pancake. They're not going to use some weird exchange to buy a billion dollars worth of Bitcoin. So there's a lot of money waiting for E-
- James Altucher:** ...buy a billion dollars worth of Bitcoin. So there's a lot of money waiting for ETFs. We are still seeing it with the Bitcoin ETFs, the fastest rising ETFs in the history of investing. And Ethereum ETFs are right around the corner. So Ethereum's going to start going up in anticipation of that. Of course, there's going to be volatility, we have elections, two wars and inflation. So in terms of the question, when is the Bitcoin bull run going to end? I don't really like that question so much. In 2017, 2018, Bitcoin boomed and then totally crashed. It crashed because nobody was using it and nobody could figure out how to use it. And there weren't really exchanges allowing you to buy it. But now it's different. There are users, there's 200 million users of Bitcoin around the world, that number's only going to get bigger. There's entire countries who are adopting Bitcoin as a currency.
- You know why? Because the people don't trust their own currencies. And let me just say about the US, US is a little more resilient from that kind of, I'll call it hype, because the dollar has long been considered the reserve currency of the world. This is the currency that everybody else in the world wants to be in maybe. And that maybe has only just started happening. US has \$34 trillion in debt, every 90 days the United States adds another trillion dollars to its debt. And if we think the nice people

in Washington DC are going to fix this problem, then you're just smoking crack. And the more of something there is, the greater the supply, the less value. If there's trillions worth of dollars just being printed up, the value of that dollar just goes down. And that means prices go up and there's inflation and everyone gets scared. And they want to move their dollars out of dollars into something else.

Guess what? There's this new currency where you can't print new currency, which is Bitcoin. And I'd rather be in Bitcoin than the dollar because it's not going to inflate, it's not going to lose its value. And then there's Ethereum, which builds the infrastructure around Bitcoin. And these are the blue chip cryptos. And then there's something like 25,000 smaller tokens, 95% of those are going to zero but some of those are going to go up so many more multiples than Bitcoin and Ethereum. It's crazy. An entire new financial system's being built. And we've seen this over history. We saw bartering go to gold. We saw gold go to paper, IOUs for gold, which eventually became paper money backed by gold. We saw Nixon go off the gold standard. So now we just have pieces of paper that say, "In God, we trust." And meaning, please God, keep the dollar high. And now it's the next evolution.

So every industry evolves and money evolves as well. And this is a natural evolution that the anonymous Satoshi Nakamoto saw after trillions of dollars were printed up in the global financial crisis, he made Bitcoin. It's not perfect, but that's why there's all these other tokens.

Doug Hill:

Yeah, it seems like it's a perfect remedy for what's going on as you say in Washington, with money being printed where you're going from an infinite supply of dollars to a well-defined number of Bitcoin that will ever be in existence. And so if there's more demand for it, like new ETFs coming on and people putting billions and billions of dollars in that ETF, there's only one way for that thing to go, for Bitcoin to go in the long run. Now, I'm not saying it's always just going to go straight up, but in the long run it seems like there's a lot of support for that. So I do have a question because some people are asking here, I've got a question about Coinbase and safety in cryptocurrency has always been a top of mind subject. So if I have coins in Coinbase, as I know well as you guys do, but is putting your money and holding coins on Coinbase a safe approach to investing in cryptocurrency? Chris, why don't you take that one first?

Chris Campbell:

Yeah, so any Crypto that I don't plan on holding for the long term is in Coinbase and it's probably less than 10%, 5% of my total portfolio. So I don't keep a lot of crypto on centralized exchanges in general. I like the fact that you can hold it in your own custody and take care of that, be your own bank. And that's a preference. And I understand that it's complicated for a lot of people and there's the learning curve. But I do recommend that everybody at least get a little bit well versed and understand how to do it, understand seed phrases and the mechanism of self-custody. But yeah, that's just me.

James Altucher:

It's an important point that Chris brings up, that you could actually hold all your Bitcoin assets and you could decide where they go and who sees them. Like right now, if you have more than \$100, you can't just use your pocket to hold all your money. You got to go put your money into a bank. Well, guess what? Everybody, the bank sees how much money you have, the government sees how much money you have. Palantir probably sees how much money you have and other government affiliated companies or agencies. And the banking system is an antique, and they know it. So if I wire money to Chris right now, he's in Costa Rica, I got to go to my bank. It goes from my bank to the local reserve bank, which then goes to the Federal Reserve, which then goes to the Swift wiring system which was built in 1972, which then goes to the Costa Rica Central Bank, and all the way down to some little bank he can get it at.

There's fees every step of the way. There's time every step of the way. There's the possibility of a human entering in a wrong decimal point every step of the way. So again, money has to evolve to... These are problems, and all those fees is a global inflation in the system. So that's why his one phrase, be your own bank, is very important phrase. And it's going to become more and more part of our

discussion about crypto.

- Doug Hill:** Okay. All right, well, I think it is about time here, we will wrap up on the crypto discussion. Before we say goodbye to Chris, Chris, do you have any last words about what's coming up in terms of trigger events or anything like that in the crypto space that you have your eyes on before we part ways?
- Chris Campbell:** Well, everybody knows about the halving that's happening. And that's part of what I'm doing out here in Central America, is there's a lot of stuff happening that's not being reported, especially economic zones that are adopting crypto. The Bitcoin Beach was really interesting. I'm going to the Bitcoin Jungle today and tomorrow.
- James Altucher:** Watch out for the Bitcoin Lions.
- Chris Campbell:** Yeah. So I think one of the big catalysts in the future, maybe midterm, is the rise of these private cities, these so-called network states. I spent a month and a half in Honduras studying those. And there's some exciting stuff and I'll be writing about it. And I think this idea of these crypto burst charter cities is something that's going to catch on in the near future, and that'll be really good for crypto.
- Doug Hill:** Awesome.
- Chris Campbell:** And think about it too, South America or in Central America are perfect test zones for crypto. Nobody trusts their currency. Would you rather have pesos than dollars? Of course not. So nobody trusts their currency. Argentina, everyone's bailing out of their currency. And El Salvador has given up completely on their currency and is all in on Bitcoin. And by the way, they bought Bitcoin for an average price of something like \$30,000 a coin. They're making a ton of money and other governments are seeing this and paying attention.
- Doug Hill:** Yeah. Well Chris, first off, thank you very much for your time. We really appreciate you interrupting you today to come and join us. It was great having you on. Again, and people here watching, you all get access to *Altucher Confidential*. It's a free service that we provide. It's a fantastic read every single day. I strongly urge you to pick it up and take a look at it. It should be in your inbox. Chris, thanks again for your time. Really appreciate it.
- Chris Campbell:** Yeah. Doug, thank you.
- Doug Hill:** So-
- James Altucher:** Zach just told me El Salvador's already got \$84 million in profit on their Bitcoin investment,
- Speaker:** Unrealized profit.
- Doug Hill:** Really?
- James Altucher:** Yeah, so for the US 84 million's not a lot, but for other countries that's their GDP. So that's a big number that they've benefited from.
- Doug Hill:** All right, so just to summarize on the crypto picks, we've got Ethereum and what was the other one?
- James Altucher:** Optimism.
- Doug Hill:** How can I forget that? Optimism and Ethereum both available on Coinbase. Those are free to you. And I do see that some people are asking how to get access to James and Chris's writing on all sorts of things crypto. And we have a website that you guys could go check out. It's called thecoinofthedecade.com. Matt, it is thecoinofthedecade, correct? Or is it just coinofthedecade? Coinofthedecade.com all one word, no spaces. Go ahead and type that in and you'll get a special deal if you're interested in

joining Chris and James on their travels in cryptocurrency.

James Altucher: It has been very exciting but also hard because look, we were having weekly calls with everybody all through the downturn. And everyone was saying, is Bitcoin going to zero? Is crypto going to zero? And quite correctly because it had fallen so much. But that's when we had to go in and do the double downs and really kind of stake our reputations on this at the hardest time. Now you see all these guys coming out with their new crypto newsletters, but we were in there and really in the gutter saying to buy.

Doug Hill: Yeah. And I know that for the people that are on this call that join us every Monday, we have a call for early-stage crypto investor and Chris and James hop on there for an hour or so. And for those of you that are on those calls, you know how much time and energy Chris and James put into that? I know it's a labor of love, but it was tough during those dark years. Those are over, we're enjoying it right now.

James Altucher: We're on wood here, so knock on wood.

Doug Hill: So there's one word that you mentioned and I want to dig into that now because you've mentioned the word ordinals. I think everyone should write that down because this is going to be something that probably sounds very foreign to you right now, but in the months and the year ahead or so, it's probably going to become a little more mainstream. And we want to give James credit for mentioning it here first. But I remember the day when someone, "Hey, there are these guys mining money on their computer." It was 2011. I was in Vancouver at a conference and I said, "I don't get it. I don't know what you're talking about." I think this... And then NFTs came along and I'm like, what's an NFT? I don't get it. What's the big deal? It's a picture on... And so I think Ordinals for most people are going to fall into that camp. So can you describe again what Ordinals are, and what you think the use case for these things long term might be that would make them worth more than they are today?

James Altucher: Yeah. And so they might not be worth more than what they are today. I'm just saying this is something that is currently happening where there is a potential huge money-making opportunity there. It's like 12 months before the phrase NFT was known, you could have gotten into NFTs early and done what Chris did and turned \$240 into \$300,000. And so people were asking me again, well, how are miners going to make money if the reward for Bitcoin gets cut in half essentially when the halving happens? And so looking into this, I saw about Ordinals and something called inscriptions, that they make money inscribing Satoshi's. A Satoshi is one billionth of a Bitcoin. And then I started hearing about this at conferences, "Oh, I'm doing this with Ordinals, I'm doing this with Ordinals." And so looking into it more, it's actually a very exciting opportunity. To describe it all right now is too much, but we'll definitely do something in our group.

But it's very, very interesting and exciting what's happening there. And I'm just trying to wrap my head around real use cases. NFTs, I never fully really like the idea of NFTs. NFTs are just these pixelated art projects that were stored on blockchain that had really nothing else to do with a blockchain. And let's just say right now, ordinals are different than that but could fall under some of the same trap. So I just want to make sure I come up with ideas how people really are making money as opposed to a fad or hype. There's plenty of ways to make money with fads and hypes, and that's not what we do.

Doug Hill: Okay. So I've got some questions here. We want to move back to AI now, and thank you for all the research and stuff you've done on the crypto, but we've got some questions here. I don't have who these questions are from, but I'm going to go ahead and read and then you give us what you think of the answer is.

James Altucher: Sure.

Doug Hill: Okay. Is the energy demand of huge AI data processing centers going to present a problem for our

electric grid? And will small modular reactors provide a near term solution for the grid?

James Altucher: No and yes. So basically people think, okay, yes, there are energy demands from AI, from crypto, but the grid powers 100 million households in the US. The demands of crypto are not going to be greater than the demands of the banking industry, for instance. The demands of AI it's not going to be greater than the demands of the internet as a whole. So I wouldn't really worry about it. But yes, for instance, I was talking to someone let's just say high in the leadership of a Middle Eastern country. And they're basically building a gigantic solar crypto mining facility in the desert because then electricity is free because they have so much solar power that they're able to do mining profitably for almost free. So there's going to always be solutions. And I never really think about that. Of course right now when it's asked, I think about it but it's not going to be a major issue.

Doug Hill: Okay. And we've got another question here about the safeguards for AI. What regulations should be placed on AI to prevent bad actors from using AI in nefarious ways? For example, you and I talked about how AI really can generate video now of anyone that's online, say anything you want them to say, kind of like a puppet. So what prevents a bad actor from saying, "Okay, well, this is what Joe Biden says about some country." And just put that out on the internet?

James Altucher: Yeah, there's no safeguards that technically you can do. If someone's going to make a deep fake, like, oh, here's Biden saying he loves to go to warehouses or whatever. There's nothing you can do to prevent that from happening. And these deep fakes are serious. You could get a call, an actual phone call from let's say one of your kids and the call says, "Dad, I'm stuck on the highway. I don't have my ATM card. Can you send me \$10,000 to this Western Union." And you think it's your son and they'll verify all the information and you'll right away send the money. Those kinds of scams are already happening. Those deep fakes are already happening. There's nothing you can do about it except to be aware. Just like when you get an email that says, "Hey, click here. There's some unclaimed money for you in Nigeria." You click and you now have a virus on your computer.

Doug Hill: Wait, I am not supposed to click those?

James Altucher: No.

Doug Hill: I click those all the time. That's the only thing I click on.

James Altucher: Right. So your computer I probably would not use anymore, but it already falls under laws. There's laws of slander, there's laws against theft, there's nothing you could really do. It's just like regulating the internet. You can't really regulate the internet beyond just good faith laws. Like don't slander, don't steal money from people, don't lure people into potentially violent situations, don't spread hate depending on what the definition of hate speech is. So there's nothing really extra you could do. But by the way, I do want to say, everybody I talk to knows a little knowledge is a dangerous thing. So I went to this dinner a few weeks ago of all these physicists and scientists and Pulitzer Prize winning journalists about science, and all they could talk about was that AI is going to suddenly become conscious and robots are going to eliminate all the humans.

That's just not going to happen. AI is not going conscious, there is nothing in the AI code which could even suggest human consciousness. Let's just take ChatGPT as an example, very, very simply here's how it works. You put in some words like, what should I eat today to lose weight? And it figures out what words, given the trillions of words in its database and the trillions of texts and sentences, and every book, and every Wikipedia page, and every tweet and every Reddit post, given all of its knowledge, it takes a set of words, a question, and it gives you the set of words it thinks are most likely to occur next. It's a probabilistic machine and it's very, very good. No one's ever been able to figure out how to do that before they figured it out. But it doesn't work like the human brain.

It is not modeled after the human brain. There is nothing brain-like in there. And it's certainly... So back in 1992 or 1990, I was offered a job at a place called MIT Lincoln Laboratories. It was a joint project between the Department of Defense and MIT. And if I had taken that job, my job would've been, okay, here's objects in space. Use AI to determine which objects are space junk and which objects are nuclear missiles heading towards the United States, so we notify our nuclear missiles back. So we've had the technology forever to turn on AI to launch its own nuclear war. And obviously no one in their right mind in any country would do that. And it's not happening now just because we have ChatGPT. This technology's been around already and we haven't created a Terminator. There's no Terminator being created. Although there was a news yesterday, there was some Middle Eastern press conference showing some robot and the robot fondled the reporter inappropriately.

So I don't know if that was planned by the programmers as a joke, but it wasn't taken as a joke. So there's going to be things like that, but all of these, even scientists who claim to be experts, there's no Terminator happening, there's no AI dystopia happening, and there's no consciousness happening.

Doug Hill: Okay, so let's talk about what is happening then. So we've got ChatGPT where we can have it grade a paper or give us ideas for what to write about if we want and things of that nature. So we have a question here about how AI might be able to be used in the oil and gas industry.

James Altucher: Great question.

Doug Hill: All right. So what are the characteristics that make for a good application for AI? You need big data, and so how could it be used in the oil and gas industry?

James Altucher: Okay, let's make up an app on the fly, oil and gas industry. I'm going to take photographs of a plot of land or the ocean. There's a lot of oil in the ocean, but let's just say a plot of land. I'm going to take photographs maybe on the ground or from space or whatever. Maybe I'll do a little bit of what's called seismic data, but let's say not. And then I already know from 1000s and tens of thousands of past photos of areas of land where there's oil and where there isn't oil. Oh, we drilled oil here, we were successful. We drilled oil here and we weren't successful. So I'm going to take 5,000 of the successful examples and 5,000 of the unsuccessful examples. And I'm going to build an AI program that says, "Find out, given a new photograph of a new area of land, does it probably look like a successful oil example or an unsuccessful oil example?"

And then that's my stage one. Stage two might be I'll add more data, like seismic data which is particular to the oil and gas industry. I might add what happened in other plots of land near there. So the more data I could add, the better. And the idea is then the AI will learn to recognize patterns. Oh, this is probably a land where there's oil. It doesn't look like it but it probably is. And that's when AI is interesting because then it discovers things that nobody would've expected. And this is why way back, games like chess, Go, backgammon were always interesting because it turns out then the AI would come up with moves and creative ideas that humans never would've thought of. But it does this by seeing millions of examples of winning games and losing games. And that's how every trained AI works, ChatGPT started off as an unsupervised trained AI. And that's a whole other category, it's a little more complicated to explain.

But essentially for oil and gas, that's how I would make an app on the oil and gas industry. And that's probably if I could come up with it without knowing anything, someone's already doing it.

Doug Hill: Yeah, that's what I was going to ask you, which companies are actually using AI to identify those plots?

James Altucher: That's why AI is a little bit of a commodity. So if there was a company doing that app, okay, I'm not going to invest in that company because that's a commodity. But I would invest in the oil and gas companies using that because they're going to make millions of dollars more in profit. We're

just talking about oil and gas here, eventually AI will be massively used by that industry to find new sources of energy where nobody expected to look. The world's a big place. The ocean floor is completely unexplored for oil, so it's going to generate hundreds of billions of dollars of profits in the oil and gas industry. By the way, we didn't talk about pharma, banking, food, even the perfume industry. Okay, perfumes are all synthetically made scents. They might smell like lavender, but they're not really lavender because lavender and flowers go bad in a few days.

The synthetic scents they run longer. But it takes very complicated chemistry to make a perfume. So guess what? IBM, the oldest, most boring stodgiest tech company on the planet is all over the perfume industry, teaching them how to use AI to make new perfumes, strange bed mates with AI.

Doug Hill:

We're going to keep taking questions here. I don't know what time we got. I think we're going to keep rolling, so keep entering your questions in the section below the video here. I got another one here, James, for you, you talked about money, you talked about the government. As AI moves into more applications... Nope, excuse me, I'm going to go to that next. What are some ways to use crypto to protect against government's movement towards CBDCs and digital dollars?

James Altucher:

Great question. So CBDC, Central Bank Digital Currency means the government will instead of issuing dollars, they will issue kind of Bitcoin-like coins that they control completely. And the fear is, if I have \$100 bill and I go to the store, the store will accept my \$100 bill. But what if I have \$100 worth of a crypto-like coin that's completely controlled by the government? And what if the government doesn't like my political opinion? The fear is they could shut off my \$100 CBDC, which is a scary thing. We've already seen examples of this in Canada, which was a totally democratic country and yet they didn't like the opinions of some truckers. This is like two years ago or three years ago, and they seized the bank assets of those truckers. Now that happened, but it's even easier to do if we switch to a nationwide cryptocurrency controlled by the government.

So one way to protect yourself is the obvious way, which is move your assets to something like Bitcoin or even gold or something that... The problem with gold is though, where do you keep the gold? Let's say someone has a million dollars, I'm not going to keep a million dollars of gold in my basement. And what if I have to move? Am I going to have a big truck, take my million dollars of gold from one house? What if there's the Civil War when this movie comes out next month, am I going to really drive to Texas with the gold on my back? So crypto is the way to avoid the fears of CBDCs. But more importantly, CBDCs are not necessarily a bad thing for us. What I care about for us is that we make money as investors. And the development of CBDCs by the US or any country will require infrastructure.

The world is not ready for a CBDC, just technically we don't have the programs written yet. So that will be good for us because again, the picks and shovels tokens which we focus on will benefit enormously from the development of CBDCs. And then just like you were talking about the Deepfakes with AI and the frauds, just do the common sense things like, don't keep all your money in a CBDC. Put some of your assets, be your own bank as Chris said, so that nobody has access to your money but you. And that could be done through Bitcoin or Ethereum or any of these, or diversify through many tokens.

Doug Hill:

I think a lot of people too have questions about Central Bank Digital Currencies. They've heard about this move by the government, wants to do that. What's the difference between what the government's talking about doing with CBDCs and a cryptocurrency? And I know that cryptocurrencies all have different projects and they're kind of different purposes and uses. But in general, what's the difference between a CBDC and a cryptocurrency?

James Altucher:

So the average cryptocurrency, let's just take Bitcoin as the main example, that was written by people who want to avoid government control of their currency. The people who made the first versions of Bitcoin, they wanted to avoid the possibility of a government printing up trillions of dollars and destroying the value of the dollars in their pocket. They wanted to avoid the banking system where

there's six intermediaries taking fees or whatever your tax revenue services coming in and seizing your money. So they developed an alternative which is Bitcoin, which is an evolution of the financial system. CBDC is going to be code not written by individuals, but written by individuals working for the government. And those individuals are going to include a backdoor which says, "Oh, shut this guy down, or take this guy's money." Or whatever. So the government will have a lot more control over software they write to define your money. So that's the main difference, is government writing the code versus more libertarian-minded people. And I'm not saying be a libertarian, I'm just saying more independent-minded people writing the code as opposed to the government writing the code.

If I was the government and making CBDC, I would say, "Put in a little backdoor so I can shut down Doug's money whenever I feel like it."

Doug Hill: Yeah, I figured you'd do say that.

James Altucher: I'll do that every once in a while just to keep you hopping.

James Altucher: I feel like it.

Doug Hill: I figured you'd do-

James Altucher: So I'll do that every once in a while just to keep you hopping. "Doug didn't return my call today. He has no money this weekend."

Doug Hill: But the decentralized nature of cryptocurrencies is the opposite of what a central bank digital currency is trying to do.

James Altucher: Right, which is why the government is always kind of... Look, the government was against... People don't remember this, in 1995, '96, the government was against the internet because it was decentralized. The internet is decentralized information really, and the government wanted to figure out how to regulate it. Bill Clinton made the wise choice to say, "No, we're not going to regulate it, and we're not even going to tax E-commerce for a while." So that was probably the biggest instigator for the growth of the internet.

Hopefully, and the government's thought a lot about regulating crypto. But guess what? Guess who the biggest user of crypto probably is? It's the US government. First off, for whatever reason, the US government has 200,000 Bitcoin and various other coins. Second, the US government spends a lot of money funding resistance movements in countries they don't like. Like, in China, for instance. Well, you can't just wire activists and rebels in China money because China will see it and seize it. So, the US government has to use crypto. I was at an activist conference in January of 2022, and activists from all over the world, basically the resistances from all over the world, human rights activists, were gathered to learn and be trained how to use crypto to raise funds for their movements. So, that's a big use case for the US government, so nobody's getting rid of crypto to replace it with the CBDC.

Doug Hill: Okay, so going back to AI, you mentioned something about how AI replacing jobs is obviously good for a company's bottom line, and you gave a couple of examples. But, as people who have jobs and are gainfully employed, that's kind of a scary thing because it's going to displace me and I'm going to have to figure out, "I'm 55 years old, what do I do when someone in this room figures out that I could be replaced by some sort of AI algorithm?" And so that's kind of a terrifying thing, and when you're talking on the magnitude of millions of people, what is the ultimate... Someone has a question here. What industries do you see producing new jobs for those displaced by AI? So that's an aside question, so if people are getting laid off in certain areas, where will AI new jobs be created?

James Altucher: That's a really great question. And look, we don't know all the answers. If we did, we would know all the new industries that are going to be created over the next 5, 10, 50 years. But, you just look at

history, okay? Every horse and buggy driver, a hundred percent of them-

Doug Hill: Drive Uber now, they're Uber drivers.

James Altucher: They're Uber drivers, or they work making cars or designing, not immediately, they didn't all start driving model T's the day after the horse and buggy business. It's a period that happens over years. Nobody makes VHS videos anymore. No one works at Blockbusters anymore. I had the CEO of Blockbuster, the last CEO of Blockbuster was on my podcast a few weeks ago, and I wouldn't say it was a peaceful end to the video recorder business, but it crashed and died and burned, and everybody went unemployed, and they didn't all find jobs at Netflix, but they all found jobs and things to do.

And again, new industries will be created that will be based on AI. Let's say all manufacturing is in-sourced, not outsourced, but in-sourced back to the US. Now, there's nobody in that industry in the US, they're all in China, but now you're going to have a trillion-dollar industry move back to the US. Yes, the people on the floor, on the assembly line, won't be people, there'll be robots. And yes, there will be other robots watching the robots on the assembly line. There's a company, Dynatrace, DT is the symbol, makes software to watch the robots to make sure the assembly line is working correctly.

But, there will be people who will be building these factories. There will be people who will be running these factories and managing the software. There will be systems administrators that will turn software on and off and have to know the inner workings of the software. There will be people writing the software. There will be people doing the accounting of the companies writing the software, and human resources and so on.

So new industries, if the economy grows, which we think there's going to be tens of trillions of dollars of growth coming from AI over the next few years, everyone now thinks this, that means tens of trillions of dollars of new companies will start, and that money will be directed towards salaries and pension funds, and of course, the government, through taxes. So, all of these things will filter down into the economy and create new industries, new jobs, new services.

I mean, look, where are we heading? Maybe we're all heading to the fact that nobody wants to leave their home anymore and I'm just going to watch Netflix, I'm just going to watch whatever Netflix tells me to watch. I'm going to get delivered whatever burrito AI tells me, I'm never going to leave my, bad things happen when people go outside, they go out and buy wizard hats or whatever and do crazy things. Maybe that's where we're all heading, but I don't mind that either. I like Netflix.

Doug Hill: I didn't picture you as a burrito guy.

James Altucher: Well, I don't like cheese.

Doug Hill: Oh.

James Altucher: But I don't mind just sitting and doing nothing.

Doug Hill: A burrito without cheese is...

James Altucher: Coming here was the first time I left my house in two weeks, so I'm fine with AI taking over all that.

Doug Hill: All right, let's go back to crypto. We've got a question here about staking. So, is staking and yield farming a better and more reliable way to make money with crypto instead of buying and selling crypto itself?

James Altucher: Well, you can only make money with staking if you do buy crypto and stake it. So, what staking means is, let's say there's a crypto exchange, then the crypto exchange needs lots of currency in that

exchange. Let's say pancake swap is the name of a crypto exchange. The people who are running pancake swap, and it's decentralized so it's people who volunteer, they allow you to stake the token of the pancake swap exchange, which is called cake, and they use that to make trades and allow liquidity on the exchange. So if you say, "Hey, I'm willing to give you my cake tokens for six months, you could do whatever you want and then I'll take my cake back, but I need something for it." So they'll say, "Okay, well, we'll give you 8% interest or 12% interest." I mean, it's like a market, it changes. And that's staking, and it's usually more profitable than dividends.

But I wouldn't say it's a way to generate wealth. It's just if you're going to hold some currencies for the long term, you can then stake those currencies and make a nice interest payment while you're waiting. It's like dividends of companies, or it's like interest you get on a savings account, or it's like money you get from a treasury bill. So it's like hold my money for a little while, but I get a reward for that, and that's staking.

I, myself, don't stake, just because I am paranoid and I like to have just control over my money. And paranoia goes a long way in terms of investing. Investing is hard and knowing what to do with your money is hard. There's three skills to money, making it, keeping it, growing it, and they're very different skills.

So making it, yeah, you could buy crypto and it grows, but keeping it, so you don't make bad investments, is something I always say, which is if you want to win the game, you have to stay in the game. So manage your risk, manage your position sizes, manage the potential for fraud, and then of course, making money and then growing it requires a certain discipline that you don't take the kind of risks you took when you first made the money. When you first made the money, you had zero and then you made money, but now you have something that you need to keep. So you've got to be a little bit more... 90% of investing, even no matter how great things are, AI, crypto, the world, whatever, 90% of good investing is about reducing risk, and that's really important for people listening to this to know.

Doug Hill: So, we've got another question here, and this has to do with exchanges, where you buy and sell cryptocurrencies. And for the last three or four years, Coinbase, obviously that's the 800 pound gorilla, I think, here domestically in the US anyway, it has been a proxy for Bitcoin prices. So when Bitcoin went up, Coin, the actual ticker symbol of the Coinbase stock, would go up with it.

James Altucher: Yeah.

Doug Hill: Today, we're not seeing that. There seems to be a decoupling of Bitcoin prices, is up at all time highs around \$70,000 last time I looked, and I'll give you one example, like Mara, which is a Bitcoin miner, and Coinbase, I think Coinbase is actually up, but Bitcoin miners and stuff aren't doing nearly as well. So why would that be? So that's two questions in one, Coinbase and then-

James Altucher: Well, what's Coinbase price right now? Because at the same time we were dealing with FTX, I was saying on our weekly crypto calls that Coinbase, which was at 37 then, was a strong buy because this is ridiculous that Coinbase would go down because of some Bahamas based crypto exchange. If anything, Coinbase was going to benefit.

Doug Hill: 256.

James Altucher: Right, it's 256. So for a long time, Coinbase, as you said, went up with Bitcoin. But now here's the issue, I don't need Coinbase anymore to buy Bitcoin. I don't want to use Coinbase. If I just want to buy Bitcoin, I'd rather use the New York Stock Exchange, which is the best exchange in the United States, and you can do that now for the first time because of these Bitcoin ETFs. That's why the Bitcoin ETFs, and later on the Ethereum ETFs, and then later on other crypto ETFs, that's why these are so important. People trust, grandma and grandpa on Main Street, Indianapolis, they're not going to use sushi swap,

pancake swap, even Coinbase, they want to just call their broker at Schwab and say, “Buy me some of these Bitcoin ETFs. It’s on the New York Stock Exchange. I know it’s a stock, I know what that is.”

Doug Hill: Right, and it’s a lot easier, that’s where you have your money, is in your brokerage account. I am looking here at the question now.

James Altucher: Coinbase is going to have to really innovate to solve this problem for themselves.

Doug Hill: This is one of the many reasons people know this is live, because I misread the question, but it’s the Bitcoin miners that that seem to be decoupling from-

James Altucher: Because guess what? On April 22nd, or whenever the Bitcoin halving occurs, suddenly their profits get cut in half. So they, again, have to innovate to come up with more profitable opportunities. So, Bitcoin miners make profit when they mine the Bitcoin and they get the reward. That reward’s being cut in half, but if Bitcoin doubles in price, which it has recently, then their profits don’t go down.

Doug Hill: Right.

James Altucher: So that’s one way. The other way is with these ordinals and inscriptions, they provide more services and that’s another way they hold onto their profits. Another way is they just add transaction fees. If you’re invested in Bitcoin miners, which I’m not invested in any, but if you’re invested in Bitcoin miners, you have to study these different ways to make money and see how they’re dealing with... And also, if electricity bills go up, Bitcoin miners are in trouble. There’s an interesting opportunity though, to maybe mine for smaller penny-cryptos. I think that’s an interesting business, that if I was looking at the mining business now that’s the business I would start.

Doug Hill: Right.

James Altucher: See you later, I’m going to just go into that business now.

Doug Hill: That’s a good idea. We’ve got to go.

James Altucher: No, that’s the thing is, I enjoy this. I’ve been doing professional investing for over two decades, but I’ve also been writing about investing for two decades, and I remember a lot of hedge funds back in the 00’s. They wanted to hire me, but they would always say, “But you have to stop writing because we don’t want you writing about your investments that you have with us or else you’ll make less money.” And I just never would do it. I love when we have communities of like-minded people, and as antisocial as I am, this becomes my community, my friends, and I like people benefiting from things I’ve learned. I just like this aspect of the business. I hate raising money for a hedge fund because the rich, wealthy people are just really annoying, they’re annoying customers.

Doug Hill: Yeah. All right, so we’ve talked a lot about AI, talked a lot about crypto. Where do you see the next big opportunities in tech? Where do you see the tech world going from here? Is it some offshoot of one of those two? Or is it some whole other industry we haven’t even talked about yet today?

James Altucher: It’s so interesting because, look, crypto and AI, we’re talking about big, big industries. Crypto, the ultimate aim of crypto is to redo the entire global financial system. So the world has a GDP of something like \$150 trillion, and if you include derivatives, it’s about \$1.2 quadrillion. And so the goal of crypto is to replace that \$1.2 quadrillion. Will it happen? Not all the way, but look, even if 1% of it happens, that’s enormous, it’s the biggest industry on the planet.

Same with AI. All productivity, all efficiency is going to just completely change because AI just simply makes things more efficient. I was talking to Matt Barry, who’s the CEO of freelancer.com. That’s the biggest platform of freelancers, it’s like a freelance exchange. Oh, I want someone to make a logo for

my company. You go to freelancer.com, hire someone in Malaysia, they make a logo. So Matt Barry told me, a, since COVID, the number of people who signed up for the platform has gone from 6 million to 60 million. Second, now because of AI, a logo designer, instead of taking two weeks to make your logo, could make 10 a day, because of AI. And it's just an enormous opportunity for people who want to have their own little businesses, be a one-preneur, single-preneur, whatever it's called, and start doing things. And you don't even have to know Photoshop, you just have AI make these logos. But companies still want to hire a human being, they don't want to just hire AI. They need to hire someone to curate and so on.

So there's just huge opportunity around the world. Still, we're only at the beginning of crypto, we're only at the beginning of AI. And then AI has all the spinoffs, like robotics, computer vision, automated driving, automated flying, writing laws, fighting laws. The legal industry is using AI all over the place now. You could go, I think it's lawyer.ai actually, or some lawyer website. You can go in, send in your parking ticket and it will write all the emails back and forth to the court, contesting, because it knows all the laws everywhere, contesting your parking ticket.

But I do think there's opportunities, like we're starting to run up against the wall on chip power, the power of semiconductors. So right now, we've been using, you've heard of the place Silicon Valley? That's where silicon chips were basically invented, with Fairchild Semiconductor and then Intel and so on. But, now what could be faster than silicon?

So there's new technologies like silicon carbonate, and then gallium nitride, and these industries are just, you can't do 6G wireless, for instance, without gallium nitride. Silicon is just not strong enough to power the next generation of wireless technology, the next generation of cell phone network. But it's needed, 6G is coming, so you need gallium nitride, but there's problems in the chemistry with gallium that's silicon doesn't have. So, how do you solve those problems? Those will be hundred billion dollar industries.

Then quantum computing is coming down the road. Who knows if that's ever going to exist, but it's something to keep an eye on. But there's all these next stage technologies that are really hard to kind of figure out. AI is like that a little bit too, but AI is more understandable because consumers can use it. Consumers aren't really playing around with gallium nitride, but every one of these industries where you need the cutting edge, there's a cutting edge that's there, but people who are having a hard time figuring it out. And there are huge opportunities there, but I'm keeping an eye on it, we're looking at companies every day. I'm obsessed with this gallium nitride stuff now, but it's hard, you need a material science PhD to really understand it.

Doug Hill:

Well, you've said this numerous times on calls, is that AI is going to have a big impact on every single industry, but the boring industries, things like processing tax returns, right? AI, huge data sets, with laws in different areas and all the numbers and everything that goes into producing a tax return, there can be some innovation there probably. In farming, too. You send people down to the Consumer Electronics Show in Vegas and how John Deere and tractors are using-

James Altucher:

The biggest display of the conference is a tractor company, John Deere. What do they have to do with AI? Well, automated driving allows the farmer to do other things. Oh, by the way, not every square inch of a farm needs to be sprayed with pesticide. You could save, across the industry, you're going to save billions of dollars because John Deere tractors have figured out where to spray the pesticide and where not, using AI. So that's what I mean as the AI 2.0, is that these companies are going to enormously increase their profits, their stocks are going to go way up, all the way down to the customers are going to have more free time, more income because of using AI.

Doug Hill:

All right. So, I think that we're reaching the end of our discussion here. I know we talked about a number of different specific companies and coins that we touched on, but you also mentioned one

other one prior to us getting on here that you wanted to, do you remember what that one was? That C-G?

James Altucher: Oh, yeah. So okay, Palantir, we talked about already.

Doug Hill: We talked about that. Yep.

James Altucher: Yeah, so look, Palantir is a \$54 billion market cap company now. What other companies take data and determine if there's fraudulent behavior occurring, for instance? Or if there's a cybersecurity threat happening? So, a company I'm still looking at, I mean, but it's very interesting to me, Cognite, CGNT, and they basically will take all the data in a bank and determine, okay, here's a possibly fraudulent transaction, here's possibly a terrorist transaction. Or they'll take all the transactions happening at a company and saying, oh, there's corporate espionage maybe happening here, or there's a weird threat.

So, the threat detection space is very interesting, and CGNT is almost like a mini Palantir, and this is an investing specific thing, but CGNT is also a spinoff. They were part of a larger company, Verint, and they spun off to become a new, smaller company focused on threat detection. Verint didn't want to be in that space anymore. There's an interesting thing that happens with every spinoff, is that the investors in the larger company sell off a spinoff because they like the larger company, they might not like the spinoff, so the price goes down for a year or so, and then people realize, oh, it's a different company now, and new investors start buying it. So this happens with every spinoff. It goes down and down and down, and then it goes up. I remember this, just when I was trading back in 2002, Smuckers, the jam company.

Doug Hill: Who doesn't know Smuckers?

James Altucher: They spun out of, I'm trying to remember, they spun out of Proctor and Gamble. Stock went down, but it was a great profitable company, trading for 10 times earnings. And of course, it became an enormous buy as a spinoff play. So spinoffs are always an interesting play to look at. And again, that's why it's more than just knowing, oh, what industry is going to pop or what company is going to pop? It's just understanding the fundamentals of risk and investing, and what actually happens behind the scenes with investing, because it's usually... Everything comes together when you make a good investment.

Doug Hill: Yeah.

James Altucher: Including luck, there's always a luck factor.

Doug Hill: If I didn't have bad luck, I wouldn't have luck at all, James. That's how it goes. All right, well, I think we're wrapping up here.

James Altucher: Oh, one thing I want to add. I do want to add-

Doug Hill: We're not wrapping up here. I take that back.

James Altucher: I do want to add, I know a lot of people have this fear of missing out. I hear it all the time like, oh, I'm going to wait now for Bitcoin to dip, or for Nvidia to go get cut in half, it'll eventually get cut in half, blah, blah, blah. Maybe it will, and maybe it won't. I've had fear of missing out so many times, but here's the solution. Just keep an eye out for exponentially growing industries. Be optimistic. Don't focus on all the negative things are happening. Look for where the opportunities are because the economy is still growing, there's always opportunities as the economy grows. And now we see this AI, no one's going to hold that back, it can't get regulated. No one's going to hold crypto back. No one's holding robotics back, no one's holding genomics back.

So, look, you don't benefit from pessimism. The market's at all time highs, so anybody who's ever bet against the market, as of today, has been completely wrong. So now's the time to just be optimistic, be forward-thinking, don't worry about the past, there's no fear of missing out. Innovations are happening faster than ever because of technology increasing. Innovations feed more innovations. So, things are starting today, and I would just go forward from today. I get fear of missing out all the time. Like, oh, why didn't I buy Chris Campbell's NFT for 200 bucks? But, there's going to be the next thing.

- Doug Hill:** Yeah. Well, I mean, you heard James tout the long-term vision for AI. You've seen James and Chris's view of crypto's role in the future of finance, and you've received four or five specific ways to play it. We had Ethereum, we had AMD, we had optimism is the other one.
- James Altucher:** Yeah, the crypto optimism.
- Doug Hill:** And then-
- James Altucher:** Palantir.
- Doug Hill:** Palantir, and then-
- James Altucher:** Cognite.
- Doug Hill:** Cognite.
- James Altucher:** We also mentioned Dynatrace.
- Doug Hill:** Dynatrace. So you have all those plays at your disposal to decide what you want to do with those. This event, things like this, sitting down with James and being able to talk with you is our way of saying thank you for being a subscriber. We appreciate that you trust us, and you trust James and Chris, and the whole team here, and we can't do what we love to do without you, so we really do appreciate it. This is just our way of giving back. James, I know you just kind of wrapped up. Do you have anything else you want to add before we sign off here?
- James Altucher:** I know it's a busy day, it's the middle of the week. What is it, Tuesday today? Or Monday?
- Doug Hill:** It's Tuesday, yeah.
- James Altucher:** It's Tuesday. I am really grateful for everybody who took the time to listen to this, and we plan on doing a lot more of these. This is not just a newsletter, we really want to build a lifetime relationship with people, and we really want to help, and the testimonials show that we're helping, our track record shows that we're helping, so thanks again everybody for tuning in.
- Doug Hill:** Yeah, and thank you all very much. We are going to have a replay of this posted to our website, so if you came in late or you missed something, you can definitely check it out. Thanks again, and be on the lookout for the next update from James in the coming days and weeks, and we'll talk again soon. Thank you very much.
- James Altucher:** Do you want to hit the URL?
- Doug Hill:** Oh, the URL? Yes. If you are-
- Speaker:** March 12th, March 13th is coming.
- Doug Hill:** That's right. The Dencun upgrade is happening tomorrow. If you're interested in joining James and Chris on the crypto journey that they're on, it's called coinofthedecade.com. Check it out and you can get all their recommendations and portfolio. So thank you very much, and we'll talk to you all soon.