



GORDON T LONG

Advanced Technical Analysis



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Macro-Technical Analysis



Technical Analysis
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Methodology



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A SUSTAINABLE US COMPETITIVE ADVANTAGE

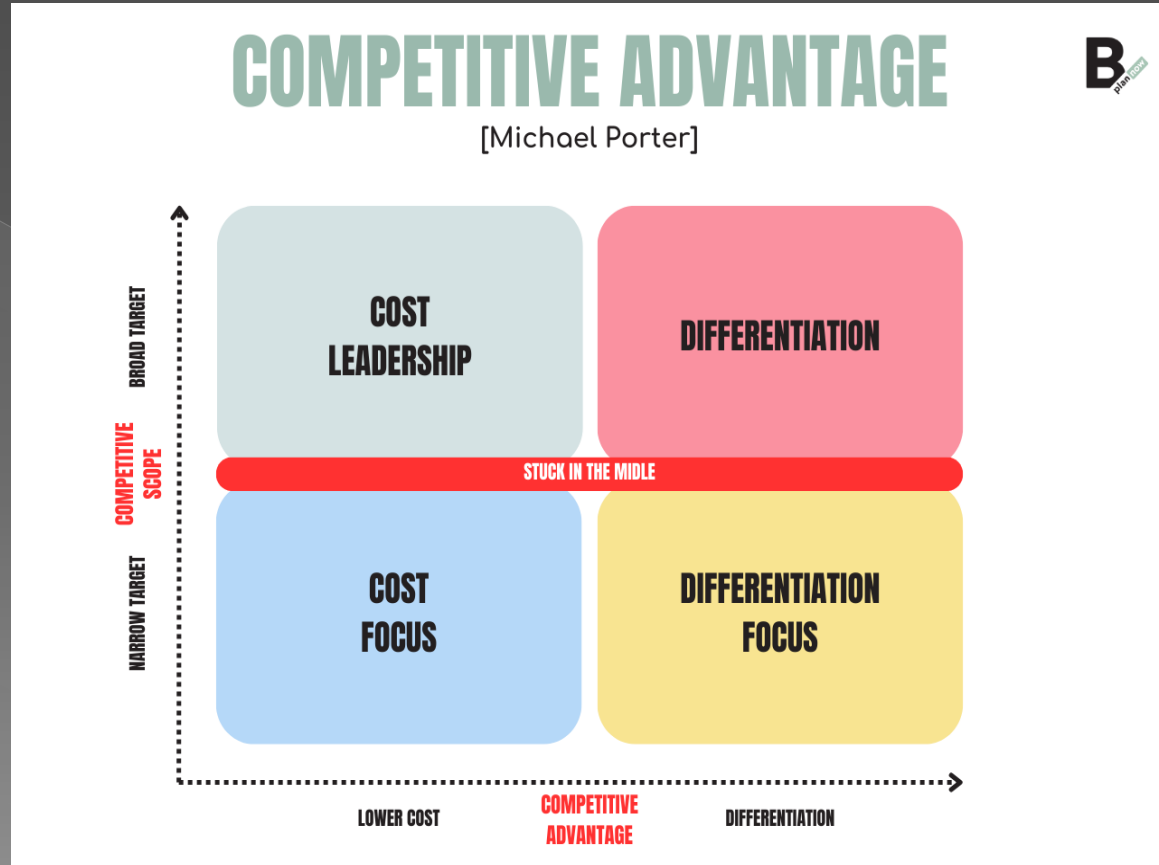
PART 1



SUSTAINABLE US COMPETITIVE ADVANTAGE

A sustainable competitive advantage is when an entity consistently performs better than its competitors over a long period of time.

It's a unique strength that's difficult for competitors to replicate.



SUSTAINABLE COMPETITIVE ADVANTAGE



February 26th, 2025

AGENDA

SUSTAINABLE US COMPETITIVE ADVANTAGE

PART 1 - What Must Be Done

THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

- Modern Mercantilist Strategy
- Industrial Capture
- Lessons In Industrial Capture

A NATIONAL INDUSTRIAL POLICY

- Centralized v Organic
- Research Funded versus Investment Driven
 - America is Under Investing in a Major Way
 - Why a Large Scale Investment is Possible
 - Why it is an American Strategic Imperative

WHAT IT WILL TAKE

*“STRATEGY IS WHAT
HAPPENS TO YOU
WHEN YOU ARE
LOOKING THE OTHER
WAY!”*

CEO IBM

AGENDA

SUSTAINABLE US COMPETITIVE ADVANTAGE

PART II - How It Can Be Done

INVESTMENT DRIVEN

- Strategic & Long Term
- How Much To Invest
- What & Where to Invest
- How to Structure The Investments
- Government Sharing in the Profits

A US SOVEREIGN WEALTH FUND

- US Asset Monetization
 - Land, Real Estate (Same as ABS, MBS)
 - Licenses (FCC)
 - Leases (Energy)
- Private Foreign Investment - Crypto Currency
- Cash Holdings – Crypto

CONCLUSIONS

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SUSTAINABLE US COMPETITIVE ADVANTAGE

PART 1 - *What Must Be Done*

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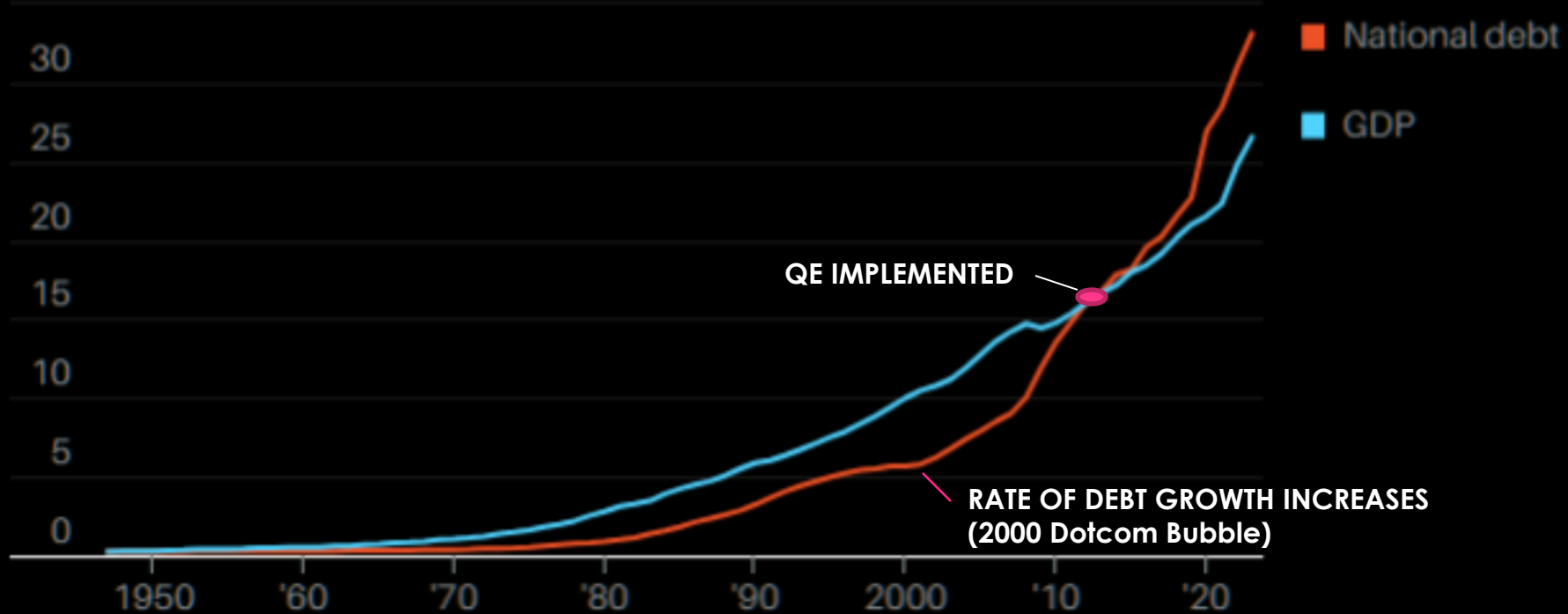
A NATIONAL INDUSTRIAL POLICY

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WHAT IT WILL TAKE

The U.S.'s national debt is growing faster than the economy.

\$35 trillion



WHY SOMETHING NEEDS TO BE DONE?

TWO CORE ISSUES

- I. The US Consumes more than it Produces and has for decades, resulting in increasingly destabilizing global twin deficit US funding bleed.
- II. US Deficit Spending no longer generates the GDP growth it once did. Specifically Debt Growth no longer produces economic growth at a sufficient rate.

ERA OF KEYNESIAN STIMULUS GROWTH IS OVER!

- In the US it now takes as much as **\$2.50 of New Debt to produce the \$1 of economic growth.**
- In the US it now takes as much as **\$1.50 of Deficit Growth to produce \$1 of economic growth.**
 - Velocity of Money has become chronically smaller than Money Supply growth resulting in further GDP headwinds.

WHY SOMETHING NEEDS TO BE DONE?

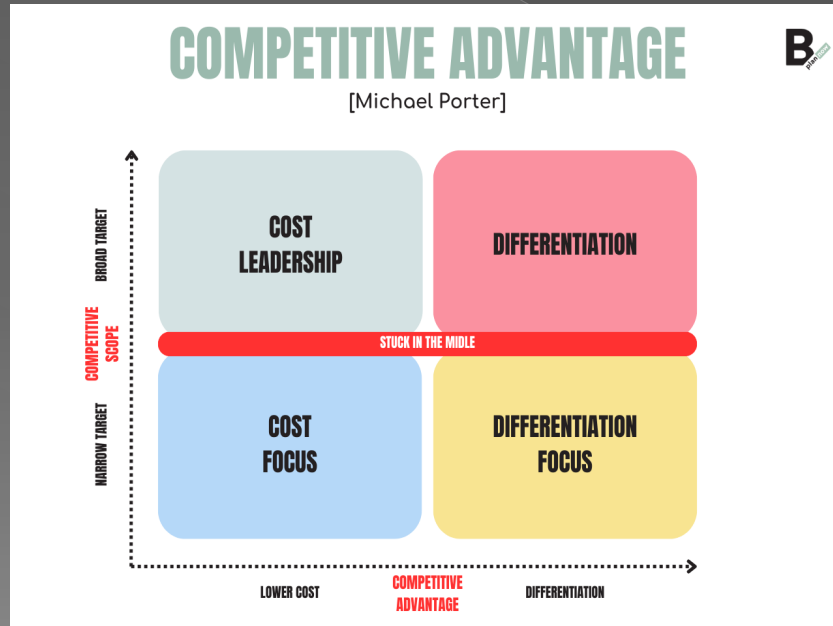
STRATEGIC IMPERATIVE

- PROBLEM 1: US CONSUMES MORE THAN IT PRODUCES
- SOLUTION: US must rapidly Re-Industrialize
 - 54, 000 Manufacturing Facilities Left after China's WTO entry in 2002
 - Off-shoring, Down-Sizing, Right-Sizing
 - 70,000 have now left
 - 5% of 70K = 3500 new facilities



WHY SOMETHING NEEDS TO BE DONE?

SUSTANABLE COMPETITIVE ADVANTAGE



US EXCEPTIONALISM ABOUNDS -- CURRENTLY

1. Artificial Intelligence (AI)
2. Quantum Computing
3. Genetic Engineering
4. Bio-Tech
5. Nano-Tech
6. Renewable Energy
7. Neural Sciences
8. Humanoid Robotics

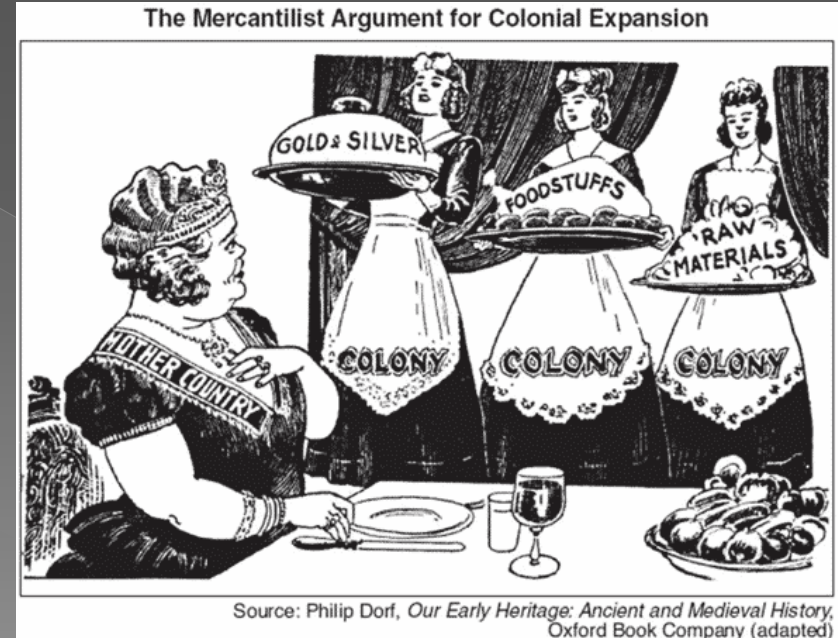
***DeepSeek was the
US Sputnik Moment!***

THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

MODERN MERCANTILIST STRATEGY

Japan Initiated ... China Tuned it

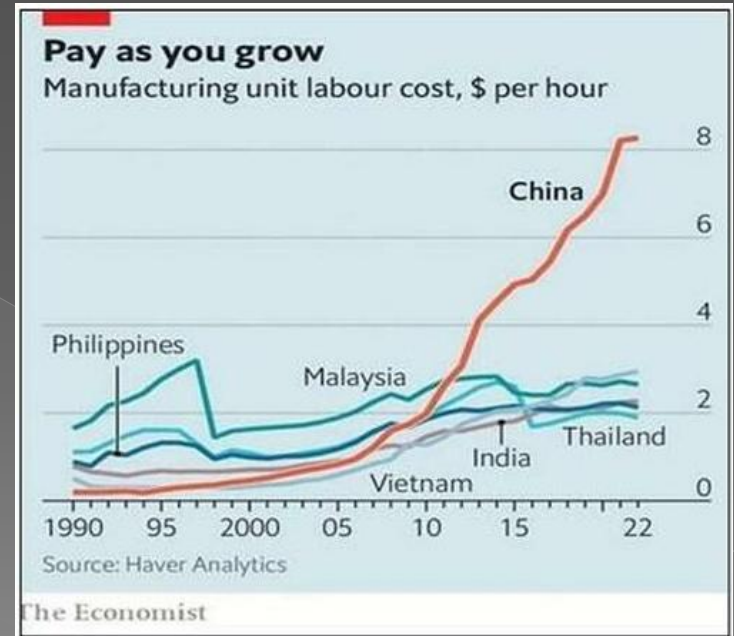
1. Sell Highly Competitively Priced Product into America (Market Capture)
 - Dumping
 - State Financed
 - Minimal Profit & ROE Targets
2. Return US Profits to US to Buy US Bonds
3. US Bond Demand Drives down Interest Rates
4. Lower Interest Rates Mean Consumers Can Borrow to Consume
5. Hold Growing Currency Reserves in US Dollar which strengthens US\$ giving an exchange advantage



THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

INDUSTRIAL CAPTURE

- Asia is now the low cost manufacturing engine of the world
- China's growth strategy is now to "move-up" the Value Ladder
- The US Must Tackle this challenge head on while it still has the advantage!



THE HARSH REALITY

“The CCP is effectively an organized crime organization - neither elected nor supported by the people but held in power by force”

“China is not a Competitor but an Enemy”

THE HARSH REALITY

Presidential Memorandum - 02/21/25

1- President Donald J. Trump Issues Directive to Prevent the Unfair Exploitation of American Innovation

- The Committee on Foreign Investment in the United States (CFIUS) will be used to restrict Chinese investments in strategic U.S. sectors like technology, critical infrastructure, healthcare, agriculture, energy, raw materials, and others.
- The United States will protect our farmland and real estate near sensitive facilities, strengthen CFIUS authority over “Greenfield” investments, and restrict foreign adversary access to U.S. talent and operations in sensitive technologies.
- The United States will establish new rules to curb the exploitation of its capital, technology, and knowledge by foreign adversaries such as China to ensure that only those investments that serve American interests are allowed.
- The Trump Administration will consider new or expanded restrictions on U.S. outbound investment to China in sensitive technologies, including semiconductors, artificial intelligence, quantum, biotechnology, aerospace, and more, to stop American funds from supporting China’s Military-Civil Fusion (MCF) strategy.
- China is exploiting our capital and ingenuity to fund and modernize their military, intelligence, and security operations, posing direct threats to United States security with weapons of mass destruction, cyber warfare, and more.
- Chinese hackers have repeatedly targeted U.S. entities, including recently breaching the Treasury Department’s CFIUS office, the entity responsible for reviewing foreign investments for national security risks.

SAFEGUARDING AMERICAN INNOVATION: President Trump is keeping his promise to prevent foreign adversaries from taking advantage of the United States.

- President Trump: “We will also adopt new rules to stop U.S. companies from pouring investments into China, and to stop China from buying up America, allowing all of those investments that clearly serve American interests.”
 - President Trump also promised to “stop Chinese-owned” firms from “stealing our intellectual property, our workers’ knowledge and then sending it back to Communist China. We’re not going to let that happen.”
 - President Trump: “We have powers that haven’t really been used in terms of environmental. If you invest over \$1 billion in the United States, we’re going to give expedited reviews.”
- This NSPM builds on numerous actions President Trump took in his first term to protect American innovation, including:
 - Initiating a Section 301 investigation into China’s practices related to forced technology transfer, unfair licensing, and intellectual property policies.
 - Announcing a Department of Justice China Initiative to identify and prosecute trade secrets theft, hacking, and economic espionage – a program which the Biden Administration ended.
 - Prioritizing research and development of America’s artificial intelligence capabilities.
 - Taking action to prevent foreign malign actors from gaining access to United States information networks.

2- President Donald J. Trump Encourages Foreign Investment While Protecting National Security

THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

ALLOWING INDUSTRIAL CAPTURE

PRIME EXAMPLE: US STEEL

- In 2022, China built 800 commercial ships, while America built just one.
- Ships take a lot of steel to produce and this sort of demand shortfall is the sort of thing that forces US Steel to be "in-play" for a foreign takeover.
- You can't maintain being a great nation if you can't cost effectively produce your own steel!
- The Biden Administration didn't see the takeover of US Steel as a threat to national security.
- Meanwhile the Congressional Budget Office (CBO) released its independent analysis of the U.S. Navy's shipbuilding plan, warning that the number of battle force ships will decrease from 295 today to 283 ships in 2027, reducing the fleet's firepower.
-

- The CBO predicted that over the next 30 years, “...the nation’s shipyards would need to produce substantially more naval tonnage than they have produced over the past 10 years. The rate of production of nuclear-powered submarines, in particular, would need to increase significantly.”

- **The Shipyard Accountability and Workforce Support (SAWS)** initiative that would have allowed U.S. shipbuilders to invest in their workforce and suppliers, stem the rising cost of submarine production through technological innovation, and allow 17 more boats to be built.

- SAWS achieves this by using taxpayer dollars more effectively without Congress having to appropriate another nickel.

- SAWS represents an immediate, comprehensive approach to revitalizing American shipbuilding. On Day One:

- It will provide wage increases to 45,000 shipyard workers across the nation while smartly using authorities in the 2025 National Defense Authorization Act to fund both these wages and critical, cutting-edge shipyard technologies, helping our major primes and new market entrants build faster, smarter, and more efficiently.

- Through streamlined processes that will speed up ship and submarine production, along with careful resource management, SAWS is projected to save taxpayers over \$20 billion while strengthening our industrial base and has a real chance to both fix our current issues and make a technology-driven manufacturing leap over the CCP ahead of the looming 2027 Pacific timeline.

- The Biden administration nixed the Shipyard Accountability and Workforce Support (SAWS)
- Instead, Biden asked Congress for nearly \$6 billion dollars as a Band-Aid to fix the problem.

WHAT WAS NEEDED

- In his first week, President Trump picked up the ball the outgoing administration had dropped and sent a signal to the CCP that he will not wait to rebuild American manufacturing strength.
- What we needed was the leadership that understands the urgency of our challenge and is willing to take bold action to restore being a world's industrial superpower – and ensure that the 21st century remains an American century.

ACTION

- President Trump's pick for secretary of defense, Pete Hegseth, recognized the urgent need for shipbuilding in his confirmation hearing, signaling industrialization as a top priority of the next administration. In short, we need many more ships, and we need to build them now.
- Tin week three Trump met with the newly elected Prime Minister of Japan and agreed to an investment partnership with Japan for US Steel.

THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

ALLOWING INDUSTRIAL CAPTURE

TikTok

- TikTok captured the US youth audience quietly, almost overnight
- Industrial Capture had already worked and was growing
- As a Chinese controlled product TikTok was only then recognized as a threat to the US for national security reasons

WHAT WAS TO BE DONE?

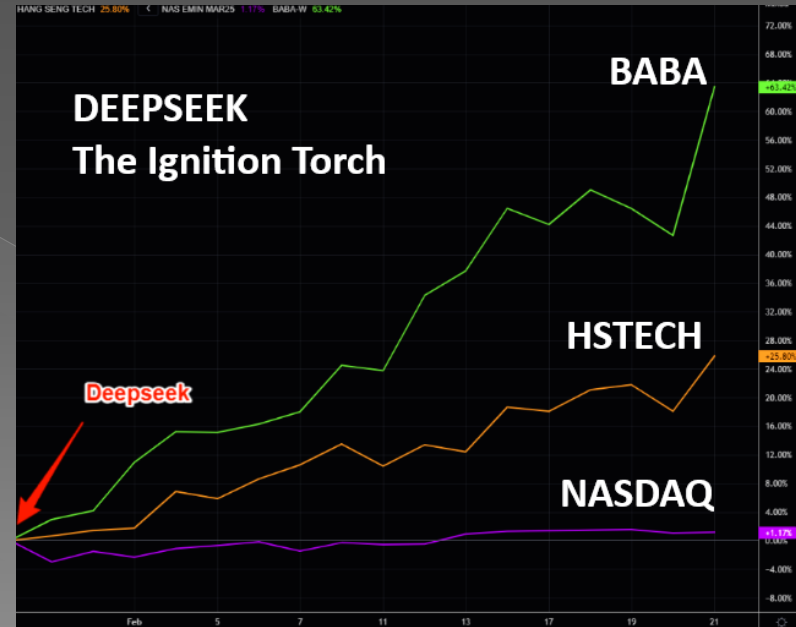
- It was in the process of being banned from the US.
- Trump's actions on the first day of his Presidency were instructive, especially since he initially was recognized for flagging the issue to the Biden administration.
- Trump extended the ban by 75 days to allow his Administration and Chinese based owner ByteDance the opportunity to restructure with a 51% controlled US owner and control of the operating algorithms.

THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

ALLOWING INDUSTRIAL CAPTURE

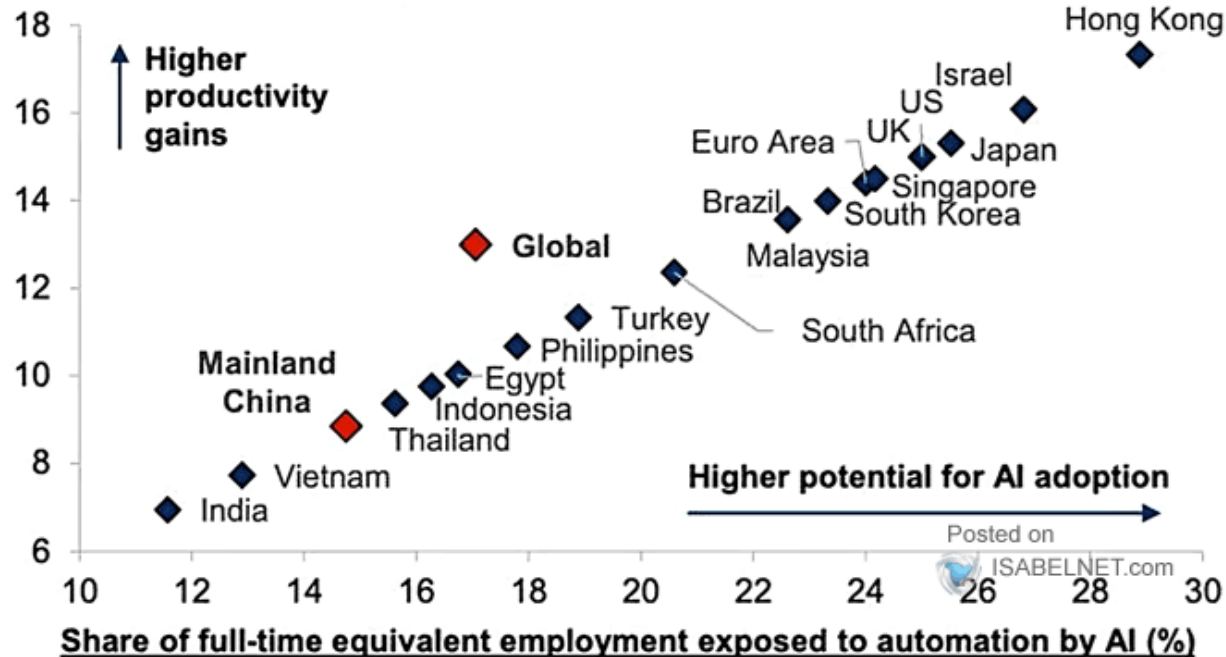
AI, ANDROIDS, HUMANOIDS & DEEPSEEK

- We all recently witnessed the shock that DeepSeek had on the AI Market,
- Suddenly, China's DeepSeek changed the rules regarding CAPEX expenditures for Data Centers, total costs and time to market for AI,
- Potential leap frog technology is the name of the AI Arms race.
- The Chinese High Tech sector has exploded higher in the last few weeks
- We featured this change in last week's newsletter with an extensive chart pack



Adoption of AI could reduce labor costs or increase labor outputs, thereby raising productivity gains

Cumulative effect of AI adoption on productivity growth (%), 10-year adoption horizon)



A MODERN DAY ARMS RACE

BATTLEFIELD

- Productivity
 - Innovation and
 - Disruption
-
- It's a war that no country can lose because it's more important than profits.
 - You have to play that war to win - not for Profits.

CHINESE

- The Chinese are a bit behind in the chips, but they're ahead in the applications.
 - The Chinese play is going to be chips—very inexpensive chips embedded into manufactured goods. The Chinese produce more.
 - The Chinese are unbelievably good at making things inexpensively.
 - They own 33% of all world-manufactured goods, which is more than the combined US, German, and Japanese manufactured goods.
-
- You'll see Application Robotics, Androids (new terminals) and Humanoid technology

STRATEGIC BEACHHEADS

1- ALIBABA – “JUICING” SMALL BUSINESS

- 1 Million new U.S. jobs.
- Ma said that Alibaba’s expansion would focus on products like garments, wine and fruits, with a special focus on trade between the American mid-west and southeast Asia.
- Alibaba is also splashing the cash, with plans to spend more than \$53 billion on AI infrastructure.

2- APPLE – AI SERVERS

- Apple plans to invest \$500 billion in the US over the next four years,
- Hiring 20,000 workers and producing AI servers.
- President Trump’s tariffs on goods imported from China are probably a major catalyst behind the move.



THE MERCANTILIST STRATEGY OF INDUSTRIAL CAPTURE

AUTO INDUSTRY HAS TRUMP'S STRATEGIC ATTENTION

- Trump must grow jobs
- Automotive Jobs are the low hanging fruit.
- Primary Targets:
 - Canada
 - Mexico
 - EU
- 25% Tariffs:
 - Steel and Aluminum (Basic Material)



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WHAT IT WILL TAKE

A NATIONAL INDUSTRIAL POLICY

CENTRALIZED v ORGANIC

- Centralized planning has never proven to work other than in war.
- Maybe the US isn't at War with China (technically) the US needs a better strategy!
- Biden demonstrated with Climate Change and the New Green Deal that governments can be counted on to get it wrong,
- Organic growth by the industry based on pure research efforts funded by the government has proven somewhat effective (DARPA)... but slow!

- Is there a better hybrid solution??
- The answer is yes!

- **MODERN SOLUTION: INVESTMENT DRIVEN PARTERSHIPS!**
 - Shared Risk
 - Shared Rewards

A NATIONAL INDUSTRIAL POLICY

INVESTMENT DRIVEN v RESEARCH FUNDED

- Strategic Investment Driven Industrial Policy is something relatively different.
 - The good news is the “target” areas are underway with US leadership
 - The goal is not picking the area but rather **accelerating the biggest potential areas**
 - The better the “horse” performs, the more races you enter him in.
 - When his performance lags you go to your stable
-
- The US has a big stable.
 1. Artificial Intelligence (AI)
 2. Quantum Computing
 3. Genetic Engineering
 4. Bio-Tech
 5. Nano-Tech
 6. Renewable Energy
 7. Neural Sciences
 8. Humanoid Robotics

Why A Large Scale Investment?

- **PAST**

- **The “Space Race” Against Russia**

- 1957 Russian Sputnik Satellite
 - 1958 US responded with the creation of NASA
 - Next 3 decades the US invested so aggressively in missile technology that Russia couldn't keep up.
 - Russia went bankrupt and collapsed
 - US maintained its global preeminence for another 60 years

- **TODAY**

- **The “AI Arms Race” Against China**

- China leads in 5G Technology
 - China just set the world on edge with DeepSeek
 - Chinese Technology leaders are seeing exploding stock prices from global investment.

-??

Why it is a Second American Strategic Imperative

- **MADE IN CHINA 2025** – Stage 1 of China’s 3 stage, state-led program with the ultimate aim of China becoming the leading manufacturing power by 2049
- It established “Nine Priority Tasks” – these are:

1. Improving manufacturing innovation
2. Integrating Technology and Industry
3. Strengthening the Industrial base
4. Fostering Chinese Brands
5. Enforcing Green Manufacturing
6. Promoting Breakthroughs in **10 Key Sectors**
7. Advancing Restructuring of the Manufacturing Sector
8. Promoting Service-Oriented manufacturing and manufacturing-related service industries
9. Internationalizing manufacturing

10 KEY SECTORS TO BE PROMOTED

1. Next Generation Information Technology
2. High-End Numerical Control Machinery & robotics
3. Aerospace & Aviation Equipment
4. Maritime Engineering Equipment & High-Tech Maritime vessel manufacturing
5. Advanced Rail Equipment
6. Energy-Saving & New Energy Vehicles
7. Electrical Equipment
8. Agricultural Machinery & Equipment
9. New Materials
10. Biopharmaceuticals & High-Performance Medical Devices

America is Under Investing in a Major Way

- The US invested 8X (800%) more in R&D than China in 2000
- By 2017 the US only invested 10% more.

- Chinese R&D investment has grown an average of 17.4% since 2000
- US has grown on average by only 4.3%

- This suggests that over the last eight years since 2017 (17.4 – 4.3) China has been advancing at a 13.1% advantage each and every year!

“China may have already surpassed the US in total R&D expenditures at some point in 2019”
Julia Philips, Chair of the National Science Board’s Science Policy Committee

“We will see more technological change in the next 10 years than we saw in the last 50 years. We have been falling behind in that competition. Decades ago we used to spend 2% of our GDP on R&D. Today. We spend less than 1%.

President Joe Biden

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1- LEADERSHIP

VISIONARY LEADERSHIP

BOLDNESS OF QUEST

HARNESSING A DIVIDED NATION

2- A NEW WAY

A SUSTAINABLE US COMPETITIVE ADVANTAGE

PART 2



February 26th, 2025

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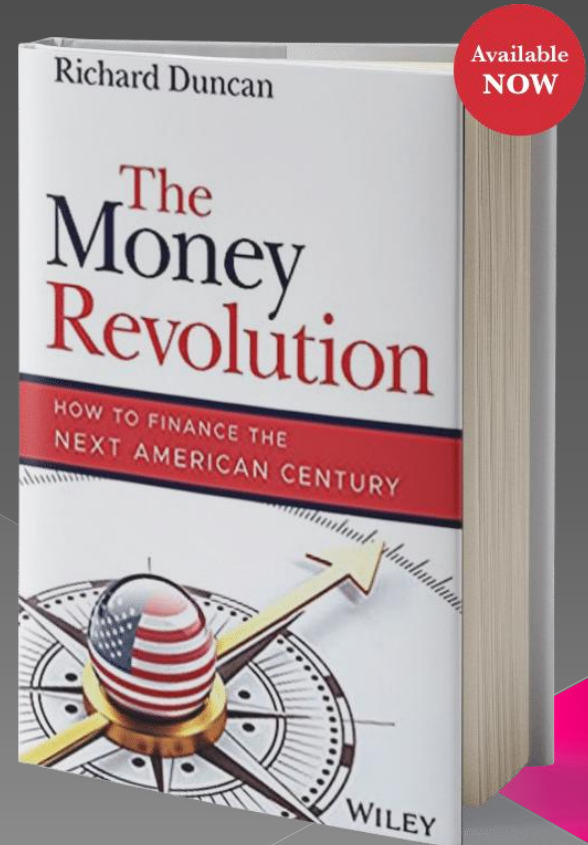
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CONCLUSIONS



ADMINISTRATIONS CHANGE – BUT THE PRINTING NEVER DOES

DON'T WORRY, THEY WILL PRINT THE MONEY!

EVERYONE IS NOW IN PLACE & READY!!



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