TRENDS JOURNAL:
Journalism for the 21st Century

We cover current events forming future trends...

- What’s going on
- What it means
- What’s next

Knowledge is power.
NOTICE TO SUBSCRIBERS

A special video introduction by Gerald Celente.  Click here to access the video.

ECONOMIC UPDATE

U.S. MARKETS
The S&P 500 and Nasdaq hit record highs this week, with the Dow jumping more than 200 points, continuing its four-week run.

Could they be rising because economies are contracting around the world? The U.S.-China trade war? The unrest in the streets in every hemisphere?

The real answer was found in a survey that polled investors with a combined worth of $574 billion in assets.

Their behavior can be explained, as Michael Hartnett, Chief Investment Strategist at Bank of America said, “Investors are experiencing Fomo – the fear of missing out – which has prompted a wave of optimism and jump in exposure to equities and cyclicals.”

Simply stated, cheap money encourages further gambling.

Disconnected from the rising inequality, frustrated and struggling citizenry, and collapsing economies around the globe, the survey respondents expect stocks to perform even better next year.

**TREND FORECAST:** Not only has the U.S. Federal Reserve extended the time period for pumping money into the repo (repurchase agreement) market that provides financial institutions overnight cheap money loans, it is estimated that since 17 September they injected “upwards of $3 trillion,” according to the Interest Rate Observer.
Therefore, as long as the money junkies get their Fed fix to gamble in equities, the overvalued U.S. markets, minus a black swan/wild card event, will maintain and/or moderately rise from their current levels.

Gold, trading in the $1,470 per ounce range, despite what the mainstream business media contend, is not down from its $1,550 per ounce range because of hopeful trade deal resolutions between the U.S. and China.

As we have noted, with the cheap money fix flooding the markets from the Fed that gives the White Shoe Boys more money to play with, no safe haven is needed. Ten-year government bond yields rose this week, although yields are closer to their historic low of 1.37 percent in 2016 than the 3.20 percent reached a year ago.

**TREND FORECAST:** Gold is in a critical price range. As long noted, should it drop below $1,450 an ounce, we forecast it will bottom out around $1,390.

Tracking trends is understanding where we are and how we got here to forecast where we are going.

Therefore, Gerald Celente’s forecast over the past five years of gold spiking toward $2,000 per ounce once it broke past $1,450 was based on investors seeking safe-haven assets as bond yields would invert and central banks would lower interest rates, thus cheapening currencies.

On the “how we got here” front, it was unimaginable that the Feds would be injecting trillions into the repo market to keep the addicted Bull running. As long as the cheap money flows continue, equities will stay strong and gold prices moderate.

However, should Middle East and other war-related tensions intensify and/or an unforeseen Lehman Brothers moment arise (i.e., Deutsche Bank/Commerzbank), the overvalued stock markets will dive and gold prices will soar.

**TREND FORECAST:** Fed chief Jay Powell indicated interest rates would not be lowered “as long as incoming information about the economy remains broadly consistent with our outlook”… despite pressure from President Trump, who complained last week that the Fed’s put the U.S. at a “competitive disadvantage” by not allowing interest rates to drop into the negative range, such as they have in the eurozone.
Despite Powell’s statement and the word on the Street that the Fed will not aggressively lower rates, we forecast further rate cuts before Election Day 2020, possibly into negative territory, thus again pushing gold prices higher.

And yesterday, the Fed Chair and President met at the White House to allegedly discuss a variety of economic issues.

Following the meeting, President Trump tweeted:

Just finished a very good & cordial meeting at the White House with Jay Powell of the Federal Reserve. Everything was discussed including interest rates, negative interest, low inflation, easing, Dollar strength & its effect on manufacturing, trade with China, E.U. & others, etc.

For those believing the Fed is independent and resists government pressure, as history proves, President Nixon pressured the Fed Chair to lower rates before Election Day and President Reagan gave the Fed Chair orders not to raise rates prior to Election Day.

Cash on the Barrel

Brent Crude is stuck in the low $60 a barrel range. Despite China having the largest amount of oil imports in its history, the global economic contraction and more supply than demand has kept prices soft.

Indeed, U.S. inventories have swelled to about 3 percent above the five-year average for this time of year.

As we noted last week in the Trends Journal, the number of active rigs in the U.S. has declined by 25 percent from the same time a year ago.

The Organization of the Petroleum Exporting Countries (OPEC) is meeting next month to discuss demand and output.

TREND FORECAST: As goes the global economy (and Middle East wars), so goes oil prices. Indeed, as economies slow down along with demand for oil, Saudi Arabia’s
long-promoted initial public offering (IPO) of its state oil group is not attracting foreign investment as expected.

Because of the lukewarm response, on Sunday, the Saudi government sharply cut back its IPO, seeking to raise $25 billion, a fraction of the $100 billion they had previously targeted.

No Retail Boom

U.S. consumer spending rebounded slightly in October, pushed up by a small increase in auto purchases, which ticked up at 0.5 percent following a 0.9 percent decline in September, while gasoline sales, thanks in part due to consumers driving larger gas-guzzling cars, were up by 1.1 percent.

Big retail items, however, took a hit. Electronics and appliance sales fell 0.4 percent. Clothing was down 1 percent and furniture dipped 0.9 percent. Building materials dropped 0.5 percent, and food and drink services were down 0.3 percent.

Household spending in September was 0.3 percent, its first decline in seven months, a downward turn that continued into big retail sales in October.

**PUBLISHER’S NOTE:** Wayfair Inc., the top exporter of furniture to the U.S. last year, saw a 14 percent decline in October, despite spending $282 million this quarter on advertising, a 35 basis-point increase year-over-year.

In 2018, China was the top exporter of furniture to the U.S., valuing $34.8 billion. Furniture products are 6.5 percent of China’s total exports to the U.S.

We note this as the talk of trade wars and tariffs are cited by the mainstream media as the key elements for rising and falling equity and commodity prices. What is rarely discussed by them are the broader implications of getting it made overseas to buy it cheaper.

While the last century is ancient history to many, back then America manufactured most of its consumer products, which in turn created living wage jobs and a sizable middle class.
Thus, Americans are hitting stores with cheaper goods. Walmart said its U.S. sales rose 3.2 percent in the third quarter, a five-year streak of quarterly sales gains. Sales from their e-commerce rose 41 percent from one year ago.

**TRENDPOST:** The average American is drowning in school loans, auto loans, credit card, mortgage, and medical debt.

In fact, seven of ten Americans are in precarious financial shape, struggling to pay bills or save money, according the Financial Health Network.

And Zillow findings released last Thursday found that four in ten Americans struggle to pay for basic needs such as food and housing and a quarter of renters struggle to pay their rent.

**LOST SEOUL**

Despite having dropped interest rates to record lows plus record stimulus efforts, South Korea’s economy is failing to generate growth.

“We have expected fiscal spending to play the supporting role in adding vitality to the private sector, said Hong Nam-ki, South Korea’s finance minister. “However, it is not working well with limited spillover effects, making us worried.”

South Korea’s economy, the fourth largest in Asia, grew only 2 percent in the third quarter, on track this year to be its weakest growth in a decade. Exports fell for 11 months straight.

In the third quarter, household spending slipped by 3 percent and corporate investments declined by 2.7 percent.
Last week, Moody’s, the American credit rating agency, lowered its outlook for India to negative. With their GDP dropping to 5 percent, a six-year low, Moody’s forecast a worsening economic climate and a lack of government action to reverse the trend.

Key factors for the negative outlook were the worsening liquidity squeeze, which was exacerbated by India’s enormous shadow banking system and bad loans to public and private banks and, according to its analysis, “lower government and policy effectiveness at addressing longstanding economic and institutional weakness than Moody’s had previously estimated.”

Overall, India has seen a bullish stock market since the government said it would cut corporate taxes from 35 to 25 percent.

Playing the fiscal stimulus card, the government committed $1.4 billion to invest in its real estate sector.

**PUBLISHER’S NOTE:** As we have long noted in the Trends Journal and Trends in The News podcasts, India’s worsening economic climate has nothing to do with trade wars, which is the general excuse given by the mainstream business media for the global slowdown. But this fact is totally ignored by them.

JAPAN
Japan, the world’s third largest economy, grew 0.2 percent in the third quarter, down sharply from a 1.8 percent expansion the previous quarter.

Last week, Prime Minister Shinzo Abe announced Japan’s first stimulus package since 2016, which includes a 2019 budget running through March 2020 and spending plans to boost the economy into 2021.

Finance Minister Taro Aso said 50-year bonds are now under consideration. The current maximum is 40 years.

Spending includes reconstruction after the typhoon that destroyed eastern Japan in October 2019, as well as stimulus spending for businesses and agriculture. Japan’s chief cabinet secretary, Yoshihide Suga, said, “Putting the current low interest rates to good use, we want to deploy fiscal borrowing and investment proactively to invigorate investment for future growth.”

**PUBLISHER’S NOTE: As noted in past issues of the Trends Journal, the IMF, World Bank, and others have warned that monetary stimulus has run its course and are urging governments to spend money, i.e., fiscal stimulus, to generate growth.**

It is not working in South Korea, and it won’t work in India, Japan, or in most of the declining economies.
What fails to be acknowledged by the money junkies and political/special interests are the realities of basic ups and downs of economic fundamentals. Thus, neither fiscal nor monetary stimulus measures will forestall the “Greatest Depression.”

CHINA: NUMBERS DON’T COUNT

For many economists, the “official” economic data from China has long been questionable. In an effort to ease global skepticism, Beijing announced last week that local governments will now start using the same methods as the National Statistics Bureau when determining economic data.

More than 800 local Chinese governments have defaulted on their debt so far this year, compared with the 100 in all of 2018. The courts are suing for about $1 billion, a 50 percent increase since the same period last year.

China’s official National Bureau of Statistics reported that industrial output increased 4.7 percent in October from a year earlier, down from a 5.8 percent increase the month before.

Previously the mecca for venture capital funding, their technological startups are not raising the capital they used to. So far in 2019, 61 venture capital firms fundraised $12.6 billion, down from $25.6 billion raised by 170 funds in 2018.

TRENDPOST: In China, exports are falling, factory productivity is slowing, investment is at near lows, and consumer spending is down.
As we have long noted, despite President Trump’s accusation that China is pushing its currency, lower to increase exports, we disagree.

Because China is import dependent, as per their high oil imports that are dollar based, the lower their currency falls, the more it costs in yuan to purchase goods. And the lower their currency falls, the higher inflation rises, which is already a growing burden on consumers.

Concerned with their economy slowing down, China’s central bank announced yesterday a cut in its short-term lending rate, the first time in four years. It is doubtful, however, that the rate cuts alone will stimulate demand for credit, which is essential to generate strong growth.

**PUBLISHER’S NOTE:** Retail sales grew 7.2 percent in October, down from 7.8 percent in September. While weakening, however, compared to the 0.3 percent rise in U.S. retail sales last month, these numbers are relatively strong.

**THE AMERICAS**

![Map of the Americas](image)

**Currencies Going South**

As geopolitical strife intensifies south of the border, currencies are devaluing in Latin America, hitting new lows.

The Chilean peso was down 1 percent against the dollar – trading at 800 to the dollar from 630 a year ago – and 15 percent against the dollar over the last year.
The Columbian peso was down 0.7 percent, nearing a record low, and 10 percent against the dollar over the last 12 months.

The Brazilian real dropped almost 10 percent over the last year, in an economy expected to only grow 1 percent this year.

**TREND FORECAST:** Socioeconomic and political conditions throughout Central and Latin America will worsen.

Mexico lowered interest rates for the third consecutive time in an effort to boost its economy, which is expected to contract 0.1 percent this year.

Much of the global debt is dollar based, so the lower these currencies go, the larger their debt burden grows.

Again, as noted in our “Human Waves” Top 10 Trends of 2019, as economies erode further, poverty increases, violence intensifies, and refugees will flee north for improved living conditions.

This is a trend that will intensify globally as nations fall deeper in recession/depression and civil and regional wars.

**GERMANY**

Germany, the largest economy in the eurozone and the world’s fourth largest economy, grew just 0.1 percent in the third quarter, barely escaping recession, which is defined as two consecutive quarters of negative growth. Its GDP declined 0.2 percent in the second quarter.
Their economy is expected to only grow by 0.5 percent in 2019, the lowest since 2013.

As German auto sales, as with the world auto market, continue to slow, the ripple effect has hit auto parts manufacturers, who have reported disappointed earnings.

Infineon, supplying semiconductors, saw a drop from 14.6 percent to 8.7 percent in third quarter earnings. Its net income slipped 28 percent in the third quarter.

Continental, a parts supplier, had a net loss of close to €2 billion for the third quarter and margins dropped 2 percent so far in 2019. It warned of 20,000 layoffs.

Osram, a sensor manufacturer, noted an 8.6 percent decline in revenue.

IHS Markit noted that ten million fewer vehicles would be produced in 2019.

**TRENDPOST**: As noted in issues of Trends Journal over the past year, the auto industry is stalling across the globe.

*In China, 90 million cars will be made in 2019, a 13 percent fall. Nissan slashed his annual net profit by 35 percent and cut its revenue target by 6.2 percent from July.*

*Additionally, in July, Nissan announced a cut of 12,500 jobs globally, as well as a 10 percent cut in the number of models it produces after its profit fell this quarter by 95 percent.*

**RALLY AGAINST THE DOLLAR**
In an effort to protect itself against future U.S. sanctions, and to distance itself from the dollar, Russia wants to cut its $45 billion dollar holdings in its $125 billion sovereign wealth fund.

Vladimir Kolychev, Russia’s deputy finance minister, said they are “looking at different reserve currencies that meet IMF standards, including the yuan and those of other countries.”

After the U.S. sanctioned Russia in spring 2018, which caused the ruble to drop by 20 percent against the dollar, the central bank of Russia slashed its treasury debt from $96 billion to $8 billion in only a year and a half.

Russia reduced its total dollar reserves to 22 percent of the $542.9 billion total, pushing the euro up to 32 percent from 22 percent and the renminbi to almost 15 percent from 5 percent.

TREND FORECAST: Trends are born, they grow, reach old age, and die. The dollar, the world’s currency, is at an old age, and the movement to replace it has been born.

As reported by Société Générale, a French investment bank and financial services company, based on currency weights used by the U.S. Federal Reserve in its trade-weighted dollar index, China’s yuan is the second most traded currency by the U.S., just after the euro. “The emergence of the yuan in trade-weighted currency baskets is redefining the relative importance of the main FX drivers,” its analyst noted.
Moreover, as the U.S. keeps pressuring nations with sanctions, such as Russia, Iran, Venezuela, etc., the movement to trade in their own currencies will steadily weaken dollar dominance.

GEOPOLITICAL ROUNDUP

BOLIVIA: CIVIL WAR LOOMING?

Last Thursday, Evo Morales, the once popular leader of Bolivia, who was pressured to resign on 11 November, accused the United States and the Organization of American States (OAS) of leading a coup to replace him with a government more friendly to U.S. commercial interests.

The OAS had been called in to review what was a controversial counting of votes in the recent Presidential election, including a 24-hour blackout for which Morales was accused of tampering.

After fleeing to Mexico, which granted him asylum, he denounced the charges against him from OAS, who to date has not provided evidence of election tampering, saying it “was in the service of the North American empire.”
Morales also called for an investigation into the mechanical failure of the helicopter he used to fly out of Bolivia. The helicopter was forced to make an emergency landing soon after takeoff. Morales called the incident “not accidental.”

As reported in the *Trends Journal*, Morales had been credited with initiating many popular and successful socialist programs since taking office in 2006.

The first indigenous native elected president, he nationalized Bolivia’s oil and gas reserves, the nation’s number one source of revenue, while redistributing much of the revenue toward infrastructure improvement, wage increases, social security benefits, education, health and price control on food, and other social programs.

Morales’ measures, which championed income growth for the poorest 40 percent of Bolivia’s population, was recognized by the World Bank Group as one of the most impressive in recent history.

But the combination of an economic slowdown; lower commodity prices; and his aggressive move to change the country’s constitution, so he could run for a fourth term despite voters rejecting the referendum to extend term limits, further damaged his popularity.

Rejecting the vote, Morales solicited the Bolivian Supreme Court, many members of whom he appointed who then rescinded term limits, thus allowing him to run.

As detailed in previous *Trends Journals*, after Morales won the disputed presidential election on 20 October, protests ensued and gangs began to physically attack his supporters, including burning down government ministers’ houses and taking their relatives hostage.

Under pressure from the military and concerned about the escalating riots that were endangering the lives of party members, Morales said he was resigning to avoid further violence and persecutions against his supporters and himself.

With Morales gone and four political allies resigning, Jeanine Anez, who was fifth in line of succession, filled the leadership vacuum.
As interim president, Ms. Anez said she was a provisional office holder and would call for new elections, which, according to the Constitution of Bolivia, must be held within 90 days of her assuming power.

Morales’ Movement for Socialism (MAS) does not recognize Anez as interim president, claiming she assumed the office without the vote of Parliament, as stated in the country’s constitution.

It should be noted that Anez’s party received less than five percent of the vote in the recent election, thus, she clearly is not the people’s choice to lead the nation.

Known as a religious conservative who opposed rights of indigenous Bolivians, Anez tweeted back in 2013: "I dream of a Bolivia free of satanic indigenous rights. The city is not for the Indians who should stay in the highlands or the Chaco."

**More Protests, More Violence**

Bolivia is again racked with protests, but, this time, it is not from those who had called for new elections after Morales’ controversial win.

Instead, it’s from indigenous natives who comprise over half the country’s population. They want Morales back and strongly oppose Anez’s openly racist attitude toward them.

As the protests escalate, so, too, has the violence. Police shot and killed eight of Morales’ supporters on Friday and wounded dozens.

On Saturday, UN human rights chief Michelle Bachelet warned that the violence in Bolivia could "spin out of control."

Anez has the backing of the U.S., Britain, and Brazil.

**PUBLISHER’S NOTE:** In his statement from Mexico, Evo Morales warned of foreign nations and corporate interests taking over the natural gas reserves and other natural resources. Among them is lithium, of which Bolivia has at least a quarter of the world’s deposits, which is in strong demand for both solar power and batteries for electric vehicles.
Therefore, once again, whether it was United Fruit Company a century ago waging wars to exploit natural resources of its “banana republic” Latin America or the U.S. waging wars in the Middle East over oil (“We’re keeping the oil, we have the oil, we left troops behind [in Syria] only for the oil,” President Trump said on 13 November)… it’s all about the bottom line: the money corporations can make by robbing and killing anyone that tries to stop them.

Long forgotten is the “Bolivian gas conflict” in 2005 when over 60 protesters were killed by Bolivia’s military force when citizens demonstrated against the privatization of the nation’s natural gas reserves.

**TREND FORECAST:** This conflict will devolve into civil war between interests in Bolivia aligned with the U.S. and allies who support privatization and corporate exploitation of its natural resources and those fighting to maintain nationalization.

It should also be noted that most Americans are oblivious to what’s going on in Bolivia, its implications, and the Globalnomic® significance of protests and civil wars igniting around the world.

And, as civil war erupts, more migrants will be moving north to the U.S. to escape violence, poverty, crime, and corruption.

**HONG KONG: WEEK 24**
It’s non-stop. Another day, another wave of violent confrontations between Hong Kong protesters and police... this time closing down universities and virtually bringing commercial traffic to a halt.

Unable and unwilling to deal with escalating conflict, some colleges ended the semester early while others have been become barricaded fortresses behind which protesting students are in battle with police who are trying to clear them out.

Police describe these campus scenes as a “refuge of rioters and criminals.” They fired thousands of rounds of tear gas and rubber bullets at protesters, who retaliated by throwing homemade gas bombs.

The ongoing violence throughout the city also forced the shutdown of all classes from kindergarten to secondary schools.

From a movement that began as opposition to a Chinese-sponsored extradition law, among the issues in the latest round of protests are assurances that the city government will not interfere with upcoming district council elections scheduled for later this month.

These local elections are seen as a referendum supporting either the protest movement calling for more democracy and freedom from Chinese authority or supporting the current Chief Executive, Carrie Lam, who was appointed by Beijing.

At this time, considering a dramatic rise in voter registration generated by the ongoing protest movement, the upcoming vote later this month is expected to go against the government.

Last Friday, a new element to the scene occurred: troops from the Chinese People’s Liberation Army (PLA) were brought in to help with a massive cleanup of the business districts strewn with barricades, broken glass, and other remnants of the week’s heightened confrontations.

While not dressed in military uniforms, so as not incite protesters, the pro-democracy advocates saw the bringing of Chinese troops to Hong Kong as an ominous precedent.

Their concern was reaffirmed by Chinese President Xi Jinping’s statement that the protest movement was endangering Hong Kong’s “one country, two systems” principle.
and specifically said the most important priority of the Hong Kong government is “controlling chaos.”

Echoing Beijing, Carrie Lam condemned protesters as the "enemy of the people."

Another sign of concern to the pro-democracy movement was a commentary published by China’s People’s Daily newspaper, which supported police crackdowns aimed at tamping down the ongoing protests, stating that the upcoming Hong Kong local elections can only be held if there is an end to all violence.

With recent coverage of the firestorms on Hong Kong’s campuses, the majority of coverage by the media paints the protest movement as being mostly students and young people under the age of 25. The anti-government/pro-democracy support, however, is also coming from thousands of white-collar workers, including bankers and lawyers who also took the streets.

Some of them helped erect barricades in the central financial district. They were among those detained by police during the escalating confrontations last week.

**Two-Sided**

With clashes spilling into the heart of the city’s business district, and Hong Kong being the financial hub of Asia falling into recession, the economic decline and disruptions to everyday life – traffic jams, barricaded street tunnels, mass transit lockdowns, mall/store closings, and some 80 percent suffering from tear gas exposure – there is growing resentment against protester violence.

Last Saturday, pro-China supporters organized a rally to voice their impatience with the ongoing chaos.

On Sunday night, Hong Kong Polytechnic University was the scene of the most intense confrontations.

The standoff between protesters barricaded inside the campus grounds and riot police continued into this morning without a solution.

A number of students and those from the outside who had joined them tried to get out and were hit with tear gas by police gathered at the gates.
By this morning, over 600 students surrendered.

According to City Executive Carrie Lam, 200 were children.

Tens of thousands of Hong Kong citizens marched toward the university in support of the ongoing demonstrations and hundreds took to the streets in the financial center in support of the student protesters.

Scores of students remain barricaded in on the campus, refusing to leave. Over the past three days, police have arrested over a thousand people and some 300 ended up in hospitals with severe injuries from tear gas, rubber bullets, and a few with live bullet wounds.

**TREND FORECAST:** Last week, Hong Kong’s Hang Seng Index dropped 4.8 percent. As business conditions continue to deteriorate and violence between protesters and police escalates, we forecast Hong Kong protesters will lose both local and global support.

Moreover, as noted since the movement began, and now reinforced by Beijing’s harsh language condemning the violence in addition to bringing troops into the city, we forecast that despite jeopardizing its status as the financial hub of Asia, the Chinese government will use military power to subdue the movement.

Further, with polls predicting victories for pro-democracy candidates, it remains questionable if China will permit Hong Kong’s 24 November District Council elections to be held.

**BEIRUT: WHAT HAPPENED TO THE “PARIS OF THE MIDDLE EAST”?**
Among the many leaderless demonstrations sweeping the globe protesting graft, corruption, political elite dominance, income inequality, declining living standards, lack of jobs, etc., the street demonstrations in Lebanon that began in mid-October have escalated.

The protest that escalated last Wednesday, when some 250,000 were on the streets, many of them blocking the major road near the Presidential Palace, continued through the weekend.

Denouncing protester demands for political reform and removal of the current ruling government, Lebanon’s president, Michel Aoun, stated, “If they do not like any person in authority, let them emigrate.”

Despite some incidents of violence, the demonstrations have largely remained peaceful.

But as seen in Hong Kong, Bolivia, and Iraq, the longer these tensions are unresolved, the more likely violence will ignite.

**What Happened to the “Paris of the Middle East”?**

While the capital city of Lebanon has seen a substantial restoration caused by decades of civil war and foreign intervention, it’s hard to imagine it was once an elegant city and one of the most popular tourist destinations in the world.
Yet, look at photos of Beirut from the 1950s to early ‘70s and it’s easy to see why: luxurious hotels; modern, high-rise apartments; and aesthetic, French-influenced architecture can be seen throughout the city.

Streets were flourishing with city gardens, cafes, and street vendors attracting buyers.

Hundreds of artists and fashion designers created an elegant environment making Beirut a major tourist attraction.

Beirut had been a city divided for centuries among Christians, Sunni Muslims, and Shiite Muslims.

But despite strong religious memories of the horrific Crusades and simmering tensions between Sunni and Shiite, Lebanon’s three religious communities agreed to share power evenly.

**That was then**

In 1975, civil war broke out between Palestinian and Christian militias. Neighboring Syria and Israel intruded into the battle, supporting opposite factions. Eventually Iran, France, Russia, and the U.S. became militarily involved. From 1975 to 1990, some 120,000 Lebanese were killed, tens of thousands displaced within, and a massive exodus of almost one million left the country.

In 1980, Israeli forces invaded Lebanon, occupying Beirut and laying siege to the city.

In the fight against Israel, in the early 1980s Hezbollah, a Shia proxy of Iran was formed in Lebanon.

Among Hezbollah’s manifesto was the objective to expel “the Americans, the French and their allies definitely from Lebanon, putting an end to any colonialist entity on our land.”

In 1983, 220 U.S. Marines and 21 other personnel were killed by a suicide truck bomb in Beirut. Shortly afterward, a second suicide bomber smashed into a Beirut building, killing 58 French soldiers stationed there.
Within months, President Reagan ordered the withdrawal of all U.S. troops from Lebanon.

Beirut continued to suffer up to 2005, when Syrian soldiers, who had been occupying portions of the city for 29 years, were finally forced to leave as part of a peace accord.

Around that time, a visitor described large sections of the once-elegant city as a “bullet-pocked stone skeleton.”

From 2005 to today, however, much of Beirut has gone through an impressive amount of restoration.

It is now a “partitioned” city, caught between the larger geopolitical conflict of Iran, which supports Hezbollah, on one side and Israel, Saudi Arabia, and the U.S. on the other. The Eastern half of the city is mostly Christian, the western half Sunni, and the southern section Shiite.

**From Top to Bottom**

While a number of noted fashion designers, chefs, and entrepreneurs have returned to Beirut, the prospects of higher spending and more wealth are not trickling down to the mass population. The millions of protesting citizens are fighting against declining living conditions, poverty, and government corruption.

They see these trends as Lebanon’s leaders favoring elites and an economy offering them no hope. Unable to afford the basic needs of life, they don’t have the money to buy what the expensive, open-air malls are selling or to eat in the high-priced cafés and restaurants.

As the protests escalate, the recent Lebanese tourism revival has completely stalled. Revenue projections had been on track to exceed seven billion dollars, almost a 50 percent rise from the previous year.

And instead of images of wealthy visitors enjoying city life, photographs now show protesters camped out in tents in front of luxury hotels.
With civil unrest intensifying, banks have closed their doors as customers try to convert their Lebanese pounds to dollars. Bank workers have gone on strike for fear of their safety following restrictions on dollar withdrawals.

While the deposits of the general public are on hold, the wealthiest have moved their stashes out of the country.

The Lebanese pound was devalued by 19 percent on the black market, causing prices on household commodities to skyrocket.

Gas stations also closed down, and hospitals can’t obtain vital supplies because they don’t have access to enough dollars.

Despite evidence to the contrary, Riad Salame, the central bank governor, said that money was safe in the bank and no restrictions would be put on withdrawals.

IRAQ: PROTESTS AND BLOODBATH

Last Friday saw the deadly confrontations between protesters, who were closing in on government headquarters in central Baghdad, and military/police forces, who fired live bullets and tear gas to stop them from entering the zone.

Amnesty International has called the deadly force used by the Iraqi government as “nothing short but a bloodbath.”

Since the massive protest ignited last month over government corruption, rampant unemployment, and lack of basic healthcare, some 330 Iraqis have been killed and over 15,000 wounded.
Poverty is rampant despite Iraq being the second largest oil producer in the region.

Some of the most extreme poverty exists in the southern Basra region of the country, which is the site of refineries owned by Exxon, British Petroleum (BP), and other outside oil interests.

In response to the latest round of demonstrations and ensuing government violence to quell them, Grand Ayatollah Ali Sistani, Iraq’s most influential Shia Muslim cleric, threw his support behind the protesters:

"If those in power think that they can evade the benefits of real reform by stalling and procrastination, they are delusional," he said in his weekly sermon, delivered by a representative in the holy city of Karbala.

"What comes after these protests will not be the same as before, and they should be aware of that," he predicted.

**TREND FORECAST:** Tracking trends is the understanding of where we are and how we got here to see where we are going.

*Absent in all the media coverage is “how we got here.”*

*Not one mention of the United States’ 2003 illegal, immoral, deadly war based on lies that Saddam Hussein had weapons of mass destruction, which bombed the nation into ruin and killed one million Iraqis.*

*With Brent Crude at around $60 per barrel, and oil supply continuing to outstrip demand as global economies continue to slow down, the poverty and unemployment rates will increase and violence in Iraq will escalate.*

**TREND FORECAST:** Beyond Iraq, as with other demonstrations across the globe, as living conditions deteriorate and violence increases, more citizens will risk their lives in hopes to find safe havens, job opportunities, and better living conditions in foreign nations, thus intensifying our “Human Wave” Top Trend of 2019.

**IRAN: U.S. SANCTIONS WORKING – NATIONAL UNREST**
On Saturday, demonstrations broke out across Iran when oil prices jumped 50 percent overnight following the government’s decision to slash fuel subsidies.

While the Iranian demonstrations began peacefully, riots broke out and violence escalated.

By Sunday, evening street protests had spread out to about 100 cities and towns across the country.

Within those cities and towns were scenes of abandoned cars, ransacked banks and stores, torched gas stations, and streets filled with debris and the sound of gunfire.

According to Reuters, over 1,000 people have been arrested, and Amnesty International reports over 100 have been killed.

Iran’s religious leader, Ayatollah Ali Khamenei, called the protesters “thugs” who were being influenced by foreign enemies.

He singled out as instigators members of the family of the former Shah of Iran and the Mujahedeen-e-Khalq (MEK). The Shah, Mohammad Reza Pahlav, the monarch with close ties to U.S. oil and military interests, was overthrown during the Iranian Revolution of 1979.

The MEK, an exiled group calling for the overthrow Iran’s government, has been represented by Rudy Guiliani, former mayor of New York City and personal attorney for President Trump, for over ten years.
Iran’s Revolutionary Guard, the powerful branch of the military that deals with political unrest, was brought in to restore order. A spokesperson for the Guard stated, "If necessary, we will take decisive and revolutionary action against any continued moves to disturb the people's peace and security."

Iranian officials also claimed that protestors arrested during the recent riots have confessed receiving $60 for each place set on fire.

On Sunday, the government shut down the Internet.

Iranian President Hassan Rouhani said the hike in gasoline prices would raise over two and a half billion dollars a year and would be distributed to families suffering economic hardship from the crushing sanctions imposed by the U.S.

The Trump administration imposed the sanctions after unilaterally withdrawing from the 2015 Joint Comprehensive Plan of Action (JCPOA) nuclear deal agreed upon by world powers, known as the P5+1 (the US, UK, France, China, Russia and Germany).

An official U.S. response to the Iranian street protest came from White House Secretary Stephanie Grisham:

“Tehran has fanatically pursued nuclear weapons and missile programs, and supported terrorism, turning a proud nation into another cautionary tale of what happens when a ruling class abandons its people and embarks on a crusade for personal power and riches.”

In response, Iran’s Foreign Minister Mohammad Javad Zarif rebutted, "A regime that impedes food and medicine to ordinary people, including the elderly and the sick, by economic terrorism can never get away with the obscene claim of supporting the Iranian people."

Among the results of U.S.-enforced sanctions, inflation has spiked some 40 percent and the World Bank said, “The expected deterioration in economic growth would mean that by the end of 2019/20 the economy would be 90 percent of its previous size compared to just two years earlier.”

The sanctions have also led to a crisis in medical care by restricting the ability of Iranian hospitals to purchase essential medicines and medical equipment.
TRENDPOST: Doubling down on its mentality of launching economic warfare against nations whose leaders they want to overthrow, U.S. sanctions succeed in increasing the hardship of the citizens and not – as with North Korea, Venezuela, Syria and Iran – in overthrowing its leaders.

Further, the official U.S. statement that “Tehran has fanatically pursued nuclear weapons” is false. According to The International Atomic Energy Agency, prior to Washington’s withdrawal, Iran was in full compliance with the terms of the JPCOA.

ISRAEL/PALESTINE: NEW DAY, MORE CONFLICT

Last Tuesday, Israel’s military carried out the planned killing of Palestinian leader Baha Abu al-Ata in the Gaza Strip.

An Israeli airstrike that destroyed Ata’s home also killed his wife, and his two children were seriously injured.

Israeli officials called Ata a “ticking time bomb,” claiming he was responsible for rocket attacks against Israel.

Justifying the assassination, Israel’s Prime Minister, Benjamin Netanyahu, said, “Israel is not interested in escalation, but we will do everything required to protect ourselves.”
Palestinian fighters responded by firing some 200 rockets into Israel, putting the area on high alert and causing Israelis to retreat into bomb shelters.

Israel struck back, bombing scores of targets in the Gaza Strip, killing some 45 Palestinians, including children, while injuring some 400.

In Israel, three civilians were killed and 60 injured as a result of the rocket attacks.

Prior to this weekend’s ceasefire, Israel destroyed several Palestinian government installations, including the headquarters of the Hamas prime minister.

Despite Israel having initiated the latest conflict, U.S. Deputy National Security Adviser, Ben Rhodes, declared, “We believe Israel has a right to defend itself, and they’ll make their own decisions about the tactics that they use in that regard.”

**U.S. Declares Israeli Illegal Occupation Legal**

Adding fuel to the fire of this latest confrontation was U.S. Secretary of State Mike Pompeo’s statement, which contradicts the U.N. resolution that Israeli occupation of Palestinian land is illegal: “Calling the establishment of civilian settlements inconsistent with international law has not advanced the cause of peace. The hard truth is that there will never be a judicial resolution to the conflict, and arguments about who is right and who is wrong as a matter of international law will not bring peace.”

The foreign minister of Jordan rebutted, stating that Israeli settlements were “a blatant violation of international law.”

Saeb Erekat, a prominent Palestinian politician, said the U.S. statement is “threatening the international system with its unceasing attempts to replace international law with the ‘law of the jungle’.”

Benjamin Netanyahu praised Pompeo’s statement calling it an acceptance of the “reality on the ground,” and “an achievement that will stand for generations.”

**PUBLISHER’S NOTE:** Doubling down on its disregard for International law as evidenced by President Trump’s support of illegal settlements in the Gaza Strip, his administration has also been accused of violating international law when, in
December 2017, it officially recognized Jerusalem as the capital of Israel and relocated the U.S. embassy from Tel Aviv to Jerusalem.

And, in a move the international community also condemned as illegal, in March 2019, President Trump declared the Golan Heights, which Israel captured from Syria in 1967’s “Six-Day War” as Israeli sovereign territory.

The United State government and Congress not only support Israel’s illegal occupations and settlements, they also call such criticism of Israel “anti-Semitic.”

HI-TECH SCIENCE

OIL DRIVES OFF INTO THE SUNSET

By Ben Daviss

A new study from asset management firm BNP Paribas sees the oil industry’s future path shrinking from today’s superhighway to a country lane over the next 25 years.

The study looked at the transportation “energy at the wheels” to be gained over the next 25 years through a $100 billion investment in oil compared to the same amount put toward wind and solar renewables projects and battery storage.
Given the plummeting cost of renewables systems, their environmental benefits, and consumer tastes, the study concludes that oil’s price would have to fall to $10 a barrel to hold onto its transportation market for cars and light trucks.

The analysis found that $100 billion invested in wind and solar projects targeted to transportation would generate as much as seven times more usable energy than oil at $60 a barrel.

**TRENDPOST:** Light-duty vehicles and electric generation – also vulnerable to being bumped by renewables – account for about 40 percent of the global oil market; Tesla and other vehicle makers are working to replace diesel engines with electric power plants and electric planes and locomotives are already in tests. Economics, environmental concerns, and consumer demand will begin to marginalize the oil industry’s place in transport by 2030. This trend, combined with the accelerating development of petroleum-free plastics, will transform oil into a specialty chemical serving niche markets by 2050.

**USING YOUR EAR TO ROLL BACK AGING**

*By Ben Daviss*

At the University of Leeds, British biologists have been able to undo key symptoms of aging by tickling people’s ears.
A lobe in humans’ outer ear holds a strand of the vagus nerve, a neurological highway carrying messages between the gut and brain. It plays several central roles in the parasympathetic nervous system, the branch of the body’s autonomic nervous system that manages basic functions such as breathing and digestion.

The other branch of the autonomic system is the package of sympathetic nerves, which control the fight-freeze-flight response and release of adrenaline to activate us when we’re under stress.

As we age, the parasympathetic nervous system can become weary and overworked due to long-term stress. That often results in chronic illness, disrupted body functions, and other hallmarks of aging.

Researchers thought that goosing the vagus nerve might rebalance the two systems. They attached a small electrode to the lobe of the ear through which the vagus nerve travels and gave 29 healthy volunteers ages 55 and older a 15-minute trickle of current every day for two weeks.

At the end of the trial, tests showed that parasympathetic functions had perked up in the subjects and some said they experienced better mood and sleep. Test subjects with the greatest imbalance between sympathetic and parasympathetic systems were found to have the greatest positive changes.

**TRENDPOST:** The vagus nerve has become a focus of medical research in recent years; stimulating it has been found to ease depression, epileptic seizures, and even help a person rouse from a vegetative state. Leeds’ findings will spark new research into other benefits of lighting up this nerve superhighway.

**ANOTHER WAY TO HARVEST WATER FROM AIR**
As part of the world’s quest for increasingly scarce potable water, chemists at the University of California at Berkeley have fashioned a material that pulls water vapor out of air, even in a desert, and delivers it as liquid water.

The material is a metal-organic framework or MOF; think of metal atoms as balls linked by organic sticks to create a box that can hold other molecules. Different combinations of metal atoms and organic linkers will make different size frameworks able to attract and house different “guest” molecules.

After trying various recipes, the Berkeley team came up with an aluminum-based MOF whose chambers can attract and hold water molecules cheaply. In the Arizona desert, the group put a sample in a jar, let it gather water from the night air, then sealed the jar and let sunlight push the water out of the framework.

Now the group has created a device the size of a microwave oven and attached a solar panel to power a heater and fan that will let the MOF complete dozens of catch-and-release cycles every day. The next version of the gadget will yield eight to ten liters of water daily.

Omar Yaghi, the lead researcher, has formed a company called Water Harvesting that will scale up a plant to produce more than 22,000 liters a day for remote villages and worksites. “We’re making water mobile,” he says.

**Trendpost:** As clean water becomes scarcer and more precious, more innovators will enter the market with mobile devices to deliver potable water without the usual
infrastructure of pups and pipes. Investors who connect with these innovators early will reap rewards in the long term.