

TRENDSJOURNAL

HISTORY BEFORE IT HAPPENS®

THE PRESIDENTIAL REALITY SHOW® 2020

**Sanders Has a Shot
to Dump Trump!**

**Attack the Establishment:
a Global Trend**



18 February 2020

GEOPOLITICAL ROUNDUP

SYRIA: REGIME CHANGE MASSACRE



Last October, President Donald Trump announced the withdrawal of U.S. troops in the northwest section of Syria, setting the stage for the Turkish invasion of Kurdish-controlled land.

However, President Trump decided to keep 500 military personnel in the region, which has led to conflict between the American forces there protecting U.S. oil interests and Russian troops backing Syrian President Bashar Hafez al-Assad against Turkish and U.S. invasion/occupation.

Last Wednesday, near the city of Qamishli, U.S. military tanks and jeeps were stopped at a checkpoint by Russian-backed Syrian forces. Syrian citizens threw rocks and garbage at the American military vehicles, setting one on fire.

In response to the troops killing one of the protesters, an American spokesman said, “After coalition troops issued a series of warnings and de-escalation attempts, the patrol came under small-arms fire from unknown individuals. In self-defense, coalition troops returned fire.”

Shortly after, a human rights activist group reported, “Coalition warplanes targeted the village minutes after that.”

Criticism of the environment U.S. troops are being forced to endure in Syria came from Brett McGurk, former senior National Security Advisor to Presidents Bush, Obama, and Trump. McGurk tweeted: “We have American soldiers with an ill-defined mission in Syria (‘protect the oil’) after abandoning $\frac{3}{4}$ of once stable territory on Trump’s orders, now forced to navigate roads controlled by Russian and Syrian regime forces.”

Despite America’s illegal presence in Syria, the U.S. has accused Moscow of breaking an agreement with Washington to keep their respective military forces out of each other’s way. The U.S. claims Russia and its Syrian allies have been pushing the boundaries of the agreement, increasing the odds of escalating the conflict between the two forces.

PUBLISHER’S NOTE: Absent among the Washington establishment and U.S. media is any mention that America’s claim of “self-defense” is unsubstantiated, since America has illegally invaded a foreign nation that has posed no threat to the U.S. or its citizens. Yet, America’s “self-defense” refrain continues unabated, not only in Syria, but also in all the nations the U.S. has illegally invaded, bombed, destroyed, and is occupying.

Also barely mentioned is that some 600,000 Syrians have been killed since the war to overthrow the Assad government was launched in 2011, six million have fled the country, and another seven million have been driven from their homes yet remain trapped inside the country.

Turkey Threatens More Blood

The latest Turkish invasion into northeastern Syria, code-named Operation Peace, was conducted by the Turkish military and the Syrian National Army (SNA) against the Syrian Democratic Forces (SDF), which Turkey considers a terrorist organization due to its close ties to the Kurdistan Workers’ Party (PKK), an ally of the United States.

Turkish president Recep Tayyip Erdoğan has stated his military “offensive” (a.k.a. invasion) into Syria is an attempt to stop the pouring of Syrian refugees into Turkey. There are now some four million refugees who have fled across the border to avoid murder, destruction, and violence of the Syrian War launched by the U.S. and its Arab League allies in 2011.

Over the past few weeks, Syrian and Russian troops have been fighting in Idlib, the last rebel-held area, and the nearby Aleppo region, causing some 800,000 residents to flee toward the Turkish border. Over 5,000 Turkish troops have since invaded the Idlib region.

Last Tuesday, Devlet Bahçeli, chairman of the Turkish Nationalist Movement Party, said, “Assad is a murderer, criminal, illegal and a source of strife... if necessary, the Turkish nation should plan to enter Damascus.”

PUBLISHER’S NOTE: *As with the U.S., which has illegally invaded Syria and vows revenge for any attacks on its troops by Syrian forces to repel them from their country, last week Erdoğan stated, “If any harm comes to our troops at the observation posts or anywhere else, we will hit the regime forces anywhere, without limiting ourselves... To achieve that, we will do whatever is necessary on the ground and in the air without any hesitation and without allowing any stalling.”*

Again, absent from the reporting and commentary is the overt illegality and criminality of foreign nations invading a sovereign nation with the prime motive being regime change, occupation, and control of the nation’s natural resources and strategic location.

IRAQ: “WE WILL DRAW CLOSER... AND SURPRISE THEM”



Last Saturday, Sheikh Akram Al-Kaabi, the secretary-general of the Iraqi al-Nujaba militia group, said they would seek revenge for President Trump's assassination of Iranian General Qassem Soleimani and the nine others killed in the drone attack, including the deputy chairman of Iraq's Popular Mobilization Forces.

"Our response to the U.S. will not be only a missile attack... we will draw closer to them, and surprise them."

Referencing Soleimani's murder as a historic turning point, the Sheikh said, "Following this date [3 January, when the U.S. drone attack in Baghdad killed Soleimani], the Resistance has changed its position from defensive to offensive."

The militia leader went on to describe the U.S. and coalition allies as "colonizers" and "occupiers." Referencing a conversation he had with General Soleimani about American hypocrisy, the Sheikh noted, "In one of our meetings, Haj Qassem told me, 'How shameless Americans are! Through an Iraqi, they sent me a message saying that if you agree to divide spoils of war with us, and provided that we both don't act against each other, we have no objections to your presence in Iraq.'"

According to the Sheikh, General Soleimani's response to the American offer to divide the spoils was:

"I didn't like to answer their message, but this time, I felt that their bullying should be answered. Therefore, I sent them a message saying that in our holy issues, beliefs and values, we have nothing to share with you.

We are performing our religious task of defending this nation against your evil, as we want a strong and independent Iraq, yet, you want it a dependent one to plunder its resources.

We defend the holy sites and Iraqi people with whom we share a single history, religion and belief, and you kill these people, occupy their land and target their culture with your media.

Shame on you, you should leave the resources of Iraq to Iraqis. Iraq is so strong and great that it doesn't allow countries like you to divide its resources and you are too weak to set conditions for us."

The Sheikh firmly rejected the U.S. claim that he was seeking Iranian control of his country. Referring to the U.S. presence in Iraq, he stated, "The enemy seeks

to shut mouths and provoke public thought against the Resistance using such deceptive claims; however, we in the Resistance Axis have a firm belief, and we aren't afraid of threats, we have made a firm decision on the fulfillment of the 'Horror Equation' and we will definitely expel them from our own land."

TRENDPOST: The stated purpose of the Congregation of the Resistance and Security Martyrs, which Sheikh attended, is to fully expel foreign countries that have invaded and occupied nations such as Iraq, Libya, Yemen, Syria, Mali, Afghanistan, etc. In his address, the Sheikh made clear his ambition to drive America out of Iraq and noted ongoing street protests throughout the country with demonstrators chanting, "Never Never the U.S."

PUBLISHER'S NOTE: Again, while leaders and citizens of Iraq and Iran have made it 100 percent clear that the United States and its allied forces are foreign invaders who have killed millions and are illegally occupying nations and pillaging their natural resources, both Washington and the mainstream media paint the resistance forces as "terrorists" and "militants"... rather than as brave patriots defending their homeland.

TREND FORECAST: The resistance forces in Iraq will continue to battle occupying forces. We forecast that rather than escalate its conflict with Iraq, the Trump administration will ratchet down conflict prior to the 2020 U.S. elections.

YEMEN: SAUDIS SLAUGHTER CIVILIANS



Virtually blacked out of American and western news media is the ongoing Saudi Arabian slaughter and destruction of Yemen, the poorest country in the Middle East, which began in March 2015.

The United States has fully supported the Saudi war effort in Yemen by supplying weapons (along with the UK and France), intelligence, and commandos in an effort to force regime change of the Houthis currently in power.

In 2014, the Houthis overthrew the Saudi-friendly, unelected government of Abdrabbuh Mansur Hadi in the “September 21 Revolution.” The revolt was sparked following Hadi’s threat to remove fuel subsidies, which would have plunged hundreds of thousands of Yemeni citizens deeper into poverty.

Last Saturday, Houthis claimed they were responsible for shooting down a Saudi Arabian warplane. In response, the Saudis launched a retaliatory air strike, killing over 30 civilians and seriously wounding dozens more.

Lise Grande, UN Humanitarian Coordinator for Yemen, said, “So many people are being killed in Yemen – it’s a tragedy and it’s unjustified... Five years into this conflict and belligerents are still failing to uphold this responsibility. It’s shocking. Under international humanitarian law parties which resort to force are obligated to protect civilians.”

PUBLISHER’S NOTE: As reported in the ***Trends Journal***, the Saudi-led Yemen War has created the worst humanitarian crisis in the world.

Since 2015, the Saudi coalition, backed by billions of dollars of U.S. military aid, started an ongoing air attack on both military and civilian targets in an attempt to push back territorial and political gains of the Houthi movement in Yemen.

According to the UN, over 100,000 Yemenis have been killed and some fourteen million are at risk of starvation, while roughly 80 percent of the country’s 24 million people are dependent on humanitarian aid.

Dengue fever is also rampant, and the country confronts the worst cholera epidemic on record, with an estimated 1.2 million infected and at least 2,500 deaths, many of them children. Yet, this is barely reported, and there are no major movements to end the carnage among western political parties, organizations, and/or religious institutions.

Furthermore, the United Nations has approved not a single resolution condemning the mass murder and destruction carried out by the Saudis and its allies.

INDIA: MODI REBUKED



As reported in the ***Trends Journal***, the ongoing country-wide street protests against President Narendra Modi's anti-Muslim Citizenship Amendment Act has been growing despite thousands risking injury, arrests, and, in some cases death from aggressive police tactics.

In addition to anger over the anti-Muslim amendment, the millions of citizens who have taken to the streets are also protesting growing poverty, lack of jobs, health care, and basic living necessities in what has been a dramatically slowing economy since Modi was reelected to a second term last May.

Beyond taking to the streets, citizens of India have extended their protests through the ballot box, dealing Modi's ruling party a significant setback in last Tuesday's election, winning far fewer seats than anticipated in the Legislative Assembly in New Delhi.

Modi's Bharatiya Janata Party (BJP) was counting on winning a larger majority from its campaign centered on the president's Hindu nationalist agenda.

TRENDPOST: On Monday, Moody's slashed its 2020 growth projection for India from 6.6 percent to 5.4 percent.

With the Indian economy in its seventh consecutive quarter of contraction and protests mounting against Modi, we maintain our forecast that his government will harshly crack down on all opposition movements. Demonstrations and strikes, however, will continue to escalate as economic and social conditions deteriorate.

PHILIPPINES TO U.S: “GET OUT”



A military alliance between the United States and the Philippines called the “Visiting forces (Agreement) Act,” signed in 1999, and the 1951 Mutual Defense Treaty, which called for the U.S. to use military force to defend the Philippines from external attack, may soon end.

On 11 February, Philippine Foreign Secretary Teodoro Locsin Jr. tweeted: “The deputy chief of mission of the United States has received the notice of termination of the Visiting Forces Agreement.”

The U.S. embassy in Manila called the termination of the military alliance “a serious step with significant implications.”

Business of China: Business. Business of America: War

Philippine President Rodrigo Duterte has made moves over the past few years in support of a foreign policy less dependent on the U.S. and more aligned with China and Russia. Since elected in 2016, Mr. Duterte has visited China five times, while requesting no visits to the U.S. He has also travelled to Russia several times seeking defense and trade arrangements.

His call for ending the U.S. military alliance comes amidst growing concerns from Washington of China's increasing military presence in the geopolitically important South China Sea, where about one third of all global shipping passes through.

Indeed, at the Munich Security Conference on Saturday, U.S. Secretary of State Mike Pompeo and U.S. Defense Secretary Mark Esper both warned that the United States and Europe were facing a bleak future if they did not band forces to contain China on all fronts: militarily, technologically, trade, and foreign relations.

Commenting on the importance of the alliance in curbing China's geopolitical intentions, Esper said, "I do think it would be a move in the wrong direction as we both bilaterally with the Philippines and collectively with a number of other partners and allies in the region are trying to say to the Chinese, 'You must obey the international rules of order. You must obey, you know, abide by international norms.'"

Yet President Trump sent a conflicting message the following day, stating, "I don't really mind if they would like to do that [referring to the dissolution of the alliance], it will save a lot of money."

Since 1999, the U.S. has spent some \$1.3 billion in military aid to the Philippines.

DUOPOLY SMASHED IN IRELAND



After years of growing anger over austerity programs, which have hit the middle and lower classes of Ireland, voters shocked the political establishment on 8 February.

In a stunning upset, the Sinn Féin party, known mostly as the political wing of the Irish Republican Army, received more first-choice votes in the Irish general election than any other party.

Mary Lou McDonald, President of Sinn Féin, announced, “We asked people to give us a chance, a chance to deliver the platform... and that platform is about solving the housing crisis, it’s about getting to grips with the crisis in our health services, it’s about giving families and workers a break, giving them some breathing space.”

Ms. McDonald was referring to the alarming increase of homeless people over the past few years. In addition to a housing squeeze, rents have skyrocketed as much as 40 percent over the past three years forcing many young people to leave Dublin and other cities and move back into their parents’ homes... while many others are living on the streets.

For almost a century, Irish politics have been under the ironclad control of two establishments, the pro-business parties Fianna Fáil and Fine Gael, which together were often referred to as the “duopoly.”

“This is no longer a two-party system,” Ms. McDonald emphasized. “People want a different type of government.”

Despite a booming economy after recovering from the 2008 global recession, most Irish citizens, as in much of the world, have been left behind. Dublin has the highest cost of living of any city in the Eurozone, rents across the entire country went up every quarter for seven consecutive years, and last year more than 10,000 Irish citizens became homeless.

Exit polls confirmed that the large numbers of young voters were not focused on Sinn Féin’s controversial past association with the para-military Irish Republican Army, but rather on the party to take on the elites and deal with the problems of working people.

Lawmakers from other parties have conceded that the huge coalition of young voters and the working-class are fed up with the old system and will be hard to ignore.

TRENDPOST: What occurred in Ireland is another chapter in the “**New World Disorder**,” one of our 2020 Top Trends.

Anti-establishment movements will continue to sweep the globe. With the majority of wealth concentrated in the hands of the few while real incomes decline and hardships increase among the general population, protests will escalate and old parties will die, replaced by those promising to serve the needs of the working class and those suffering hardships.

VENEZUELA: UN-HERO’S WELCOME



Juan Guaidó, the self-proclaimed president of Venezuela, was a big hit two weeks ago when he was given a seat of honor by President Trump at his State of the Union address.

Given a rousing standing ovation for regime change by virtually the entire U.S. Congress, Guaidó was championed as their hero, who, with the backing of Washington, could overthrow the Venezuelan government of Nicolás Maduro.

The following day, Mr. Guaidó was a special guest at the White House.

But, when he returned to Venezuela, the greeting from the crowd waiting for his arrival at the airport was dramatically less enthusiastic than he received at the State of the Union address. Videos taken at the scene show angry Venezuelan citizens cursing; kicking his car; and throwing water, beer, and other liquids at him.

In one video, a woman working at the airport, who was an immigration worker, yelled to Guaidó, “You are a traitor to our country!” Others can be heard yelling, “Fascist!”

After leaving the angry, jeering airport crowd, Guaidó’s welcome home rally was only attended by a few hundred supporters.

TRENDPOST: *Despite long-standing support from the U.S. and some fifty other nations, Mr. Guaidó has failed deliver on his pledge to oust Nicolás Maduro, the sitting president who came into office in 2018 after an election monitored by international observers.*

Guaidó’s attempt to win over the military last summer failed, and his support among Venezuelans has greatly diminished, despite his recent whirlwind tour at Davos and his meeting with several world leaders.

TREND TRACKING LESSON: *After reading accounts from western mainstream media covering Guaidó’s return, one gets a completely different picture than what videos confirm.*

The New York Times, which has replaced reporters with page after page of photos and drawings filling the pages, offered no photos of the “unwelcome” Mr. Guaidó received. Instead, it led its report stating, “President Nicolás Maduro appeared to greet his rival Juan Guaidó with the same policy of slow strangulation that has drained the opposition of much of its momentum over the past year.”

The “Paper of Record” also stated, “Mr. Guaidó also said he would be announcing the creation of a ‘Venezuela Fund,’ a multilateral program meant to help the country recover from its long and devastating economic crisis.”

The New York Times failed to mention the main reason for the economic crisis: the crippling U.S. sanctions that the UN’s Chief of Human Rights has confirmed, which have caused drastic food and health care shortages responsible for the suffering of millions of poor Venezuelans.

The Reuters news organization was even more deceptive in its coverage. The feature photograph under the headline reporting on Mr. Guaidó’s return wasn’t of the angry crowd meeting him at the airport and calling him a traitor – it was at the staged press conference he went to after fleeing the airport, giving the impression he was welcomed home.

Reuters distorted the truth by writing, “Guaidó arrived at Maiquetia International Airport outside Caracas to a throng of supporters....”

It followed the line echoed by the Times and other mainstream media:

“Guaidó, who is recognized by more than 50 countries as Venezuela’s legitimate president, hopes to revive the inertia of 2019 when he led a groundswell of protests against Maduro over human rights violations and a collapsed economy.”

EL SALVADOR: THIS IS A STICKUP



Nayid Bukele, who became El Salvador’s president last 1 June, marched into the chambers of the nation’s Congress on 9 February flanked by gun-toting troops and invoked an obscure constitutional measure allowing him to declare an emergency session of the legislature.

The emergency: he wants the Congress to approve his requested \$109 billion outlay for new security measures.

Bukele said that God told him to be patient but that he might dissolve the legislature if it doesn’t approve his request by this Sunday.

“This was a sight we thought we’d never see again,” said Johnny Wright, who leads the opposition Nuevo Tiempo party. “It was completely unnecessary” because Congress was willing to pass the measure before Bukele’s deadline, he added.

Fiona Mackie, director for Latin America at the Economic Intelligence Unit, said Bukele's move was "reckless" and would leave a stain on his presidency.

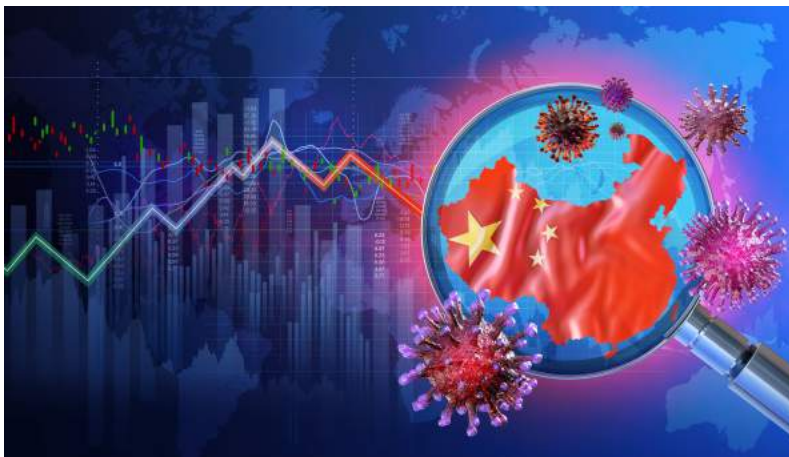
Later, Bukele tweeted a photo of his infant daughter "watching her daddy on television" surrounded by national flags and armed soldiers.

Bukele reportedly enjoys 90 percent popularity among El Salvador's public.

PUBLISHER'S NOTE: *Welcome to the World. Name the country, name the leaders... it's a global freak show.*

ECONOMIC UPDATE

MARKETS MIXED, GOLD UP



As we go to press, the major averages are down, coming off a record-setting week of setting all-time highs. Worries about the spread of the coronavirus and the warning from tech giant Apple over the virus's impact on corporate profits and the global economy have pushed equities lower in Asia, Europe, and the U.S.

China's National Health Commission reported another 98 deaths nationwide, bringing the total deaths to 1,891 and some 72,000 confirmed cases.

Oil prices also bumped up, with Brent crude trading above \$57 a barrel. Up 4.4 percent on the week after briefly dipping below \$50, oil is having its best

performance since early January, when Brent crude spiked to \$70 a barrel following the U.S. assassination of Iranian general Qasem Soleimani.

Virus Strains Energy Markets

China, the world's largest energy importer, is expected to drop about 900,000 barrels a day of oil imports, or about 1 percent of global usage, because the coronavirus outbreak has paralyzed the country's industries and transportation.

Its imports of liquefied natural gas, or LNG, a key industrial and power-generation fuel, were down 10 percent in January, year on year.

To get out of purchase agreements, some Chinese buyers are declaring "force majeure," a legal term for unforeseen circumstances that justify voiding a contract. Total, the French oil giant, recently rejected such a claim.

The issue is becoming a crisis as ships laden with energy-guzzling chilled, compressed gas have nowhere to go; the world market for LNG is bursting with supply and prices are at or near record lows.

OPEC, led by the Saudis, have pressed for oil production cuts beyond the 2.1 million barrels a day agreed on in December to keep prices from falling further. But Russia has balked, needing to keep revenue coming in to fuel its faltering economy.

TRENDPOST: Global oil inventories added 7.5 million barrels last month, more than twice the volume analysts had forecast.

*China's coronavirus epidemic cut the country's consumption sharply but not enough to account for all of the oversupply. As **Trends Journal** readers know, it's the global economic slowdown that is putting a deeper and longer-term drag on prices rather than the coronavirus.*

On the Gold Front

The virus fears and its prospects for negative economic fallout have pushed gold prices above \$1,600 per ounce.

TREND FORECAST: With the markets under pressure, gold, a quintessential safe-haven asset, has spiked \$20 per ounce as we go to press.

On 6 June, 2019, we sent **Trend Journal** subscribers a Trend Alert, “The Gold Bull Run.” At that time, gold was \$1,332 an ounce. We maintain our forecast for gold to spike toward the \$2,000 per ounce this year.

Furthermore, considering gold’s upward momentum and growing geopolitical/economic uncertainty, we have moved our downside risk from \$1,390 per ounce to \$1,450.

TRENDPOST: The markets are shaking off some of the early panic about the coronavirus epidemic. Investors are realizing what we’ve been saying about the coronavirus all along: the outbreak is serious and will spread, but it won’t be as bad as early-day doomsayers warned.

Considering the number of reported cases and deaths in China ten weeks after the virus was first reported, for a country of 1.4 billion people, the current numbers, as we interpret them, are insignificant and not a cause for panic.

U.S. investors also were comforted by Fed Chair Jerome Powell’s statement that the central bank would closely monitor the coronavirus in the U.S. and take steps to prop up the economy if the virus afflicts the markets.

PUBLISHER’S NOTE: It should be noted, for example, that while less than 2,000 people have died in China from the coronavirus, a 2015 study estimated that 1.6 million Chinese die each year from heart, lung, and stroke problems because of polluted air... which, in turn, shaves off some \$38 billion from their economy each year.

BUDDY CAN YOU SPARE A DIME?



Almost a third of Americans, including many earning six-figure incomes, run out of money between paychecks “always” or “most of the time,” according to a Salary Finance survey of more than 2,700 adults working at medium-size or large companies.

The smaller the paycheck, the more common the problem: 40 percent of people earning under \$25,000 suffer the fate. But so do 27 percent making \$55,000 to \$70,000; 28 percent making \$70,000 to \$85,000; a third of people earning \$130,000 to \$160,000; and 32 percent of those raking in more than \$200,000 a year.

For most of these households, the shortfall doesn’t mean going out to eat less often or skipping a vacation. It means postponing medical appointments or shopping at thrift stores for bargains.

The problem isn’t caused by careless spending but by two factors squeezing U.S. households.

The cost of living rose 2.3 percent in 2019, according to the U.S. Consumer Price Index. Housing costs edged up 3.2 percent, food costs grew by 1.8 percent, and the cost of medical care jumped 4.6 percent, the largest annual increase since 2007.

At the same time, U.S. wages grew only 0.2 percent in 2019. According to Payscale, adjusted for inflation, Americans’ earnings have actually shrunk 9 percent since 2006.

The survey found that those under financial stress are six times more likely to suffer from persistent anxiety and seven times more prone to depression.

PUBLISHER’S NOTE: While we report the “official” numbers on inflation, wage growth, and unemployment, we are fully aware how they have been distorted, rigged, and fixed over the years to boost Washington’s needs at the expense of the workers.

The Rich Getting Richer

In September 2019, Goldman Sachs reports that the richest 1 percent of Americans held 56 percent of the value of the equities owned by all of the country’s households. The value of the 1 percent’s holdings was about \$21.4

trillion at the time, including exchange-traded stocks and shares in private companies.

At the same time, the bottom 90 percent held 12 percent of share values, or about \$4.6 trillion.

In 1990, the 1 percent's share was 46 percent.

During the 30 years since, the top percent has bought \$1.2 trillion in stocks while the rest of the population sold about \$1 trillion worth.

PUBLISHER'S NOTE: *The wealthy continue to strengthen their grip on corporate America at a time when credit card debt for the rest of the population has swelled to a record \$930 billion, and consumer debt has reached \$14.2 trillion.*

The White House reportedly is considering a plan to use tax incentives to motivate Americans to buy stocks. Yet, the people who can buy stocks are doing so already, and the tax breaks would be useless to people living paycheck to paycheck.

The plan would lure more money into the market just before it heads into recession and then the "Greatest Depression."

Meanwhile, the bottom 90 percent are left to be Plantation Workers of Slavelandia for multinational corporations. The days of the mom-and-pop stores are long gone – ancient history to young millennials and the Generation Z – who never knew the days of drug stores, stationary stores, hardware stores, etc., before anti-trust laws were scrapped and CVS, Staples, Home Depots, etc., took control the market share.

Throughout history, rising economic inequality has fomented social instability and political revolutions.

An early indicator: labor unrest in the U.S. is the rise. In 2018, there were 20 major strikes and work stoppages, more than at any time since 1986, with teachers, hotel workers, and other groups striking in multiple states. Last year, the number rose to 25.

TREND FORECAST: *Workers' rising wage discontent will force businesses to increase pay and push politicians to support minimum-wage increases.*

When the “Greatest Depression” hits in 2021, however, poverty and income inequality will greatly increase and political flashpoints will ignite uprisings and revolts over the next decade.

STRONG DOLLAR: THE UPS AND DOWNS



With China’s virus outbreak slowing the country’s growth and dampening world trade, investors have been holding tight to U.S.-based assets.

The result: the dollar has reached its highest point since October in the Wall Street Journal’s WSJ Dollar Index.

The strong dollar makes U.S. goods and commodities denominated in dollars more expensive outside of the U.S. As American goods become more expensive, exports can fall and corporate earnings and profits fall with them.

Emerging nations also will find it harder to make loan payments denominated in U.S. dollars.

S&P companies’ fourth-quarter profits are trending flat compared to 2018’s numbers. A strong dollar in a weak global economy could flatten 2020 profits as well.

Flat profits would be a factor keeping stock prices from rising.

Some analysts have predicted that S&P 500 companies’ profits could grow by 10 percent or more during the last half of this year, but many investors see the forecast based more on hope than data.

With global growth slowing and many national economies teetering on the brink of recession, a strong dollar could push some over the edge.

Donald Trump has decried the dollar's strength, noting that it places U.S. businesses at a global disadvantage and is using it as a reason to pressure the Federal Reserve to lower interest rates even further.

TREND FORECAST: *As the dollar gets stronger and U.S. exports shrink, the Fed will be increasingly likely to succumb to pressures for even lower interest rates to shore up the economy. By November, the Fed will announce zero or negative interest rates in response to the global economic slowdown.*

JOB MARKET 2020



With business investment declining in three out of four quarters in 2019 and industrial production down 0.3 percent in January from the prior month, among the jobs that are growing are in warehousing, trucking, and delivery.

Courier and messenger services added 14,300 jobs, expanding for the 11 month in a row. Warehousing and storage added 5,700.

A large number of the new jobs grew out of e-commerce. In the previous 12 months, Amazon has almost tripled the number of contract drivers delivering its products directly from the company's fulfillment centers. UPS reported a 9 percent hike in deliveries in 2019's final quarter, largely due to Amazon shipments.

Both UPS and FedEx are also expanding weekend deliveries to keep up with the growing number of people shopping online at home.

Trucking firms brought on 3,200 new workers in January, the strongest gain in a year. Haulage companies, however, are still struggling with weaker demand for transport due to a slowing economy.

PUBLISHER'S NOTE: *The huge majority of these jobs carry low pay. Adding more serfs to the manor will give economists and politicians something to boast about, but it will not sustain the American middle class.*

And, as we note in the Geopolitical section, the low wage earners will strongly gravitate to the “socialist” side of the political spectrum, thus boosting support for Bernie Sanders in his race to the White House.

CORONAVIRUS'S ECONOMIC DAMAGE



China, the world's second-largest economy, has been paralyzed for more than three weeks.

The country has been at a virtual standstill since the New Year holiday ended at the beginning of February. While now getting back to business, much of China's industry has been shut down, people have steered clear of stores and restaurants, and travel has been sharply curtailed.

China has quarantined 40 million people in the city of Wuhan, where the coronavirus first broke out.

But perhaps even more people than that have been sealed up in towns and villages in the region after officials closed highways and shut down regional transport to keep the virus from spreading.

The province of Heilongjiang in northern China has threatened the death penalty for people deliberately spreading the virus.

The quarantine is the largest seen in modern times. Gauden Galea, the World Health Organization's China representative, called it "new to science."

Bad for Business

IKEA, Nike, Starbucks, and Levi Strauss are a few of the retailers that have shuttered their stores in China. Walt Disney resorts in Hong Kong and Shanghai are closed.

China's shoppers account for 11 percent of the world's imports, up from 2.7 percent in 2000.

How bad will the damage be?

Deutsche Bank expects China's economy to slow to 3 percent in this year's first quarter, compared to 4.6 percent during the same period in 2019, and global growth to lose 0.5 percent from January through March.

Oxford Economics takes a darker view, reducing its outlook for global growth in 2020 from 2.5 percent to 2.3, the weakest performance since 2009 and bringing the world to the brink of what the International Monetary Fund defines as a recession.

According to Ana Boata, an economist at Allianz Research, "The coronavirus outbreak is likely to keep the global manufacturing sector in recession in the first half of 2020... electronics and computers are most at risk."

For every percentage point of growth China loses this year, Germany would lose only 0.06 percent and Europe overall 0.01 percent, according to the Ifo Institute, a German economic think tank.

But ING Think's Chief Economist, Robert Carnell, believes that too many small forecasts don't factor in the loss of demand.

For example, fewer Chinese are now traveling outside of the country, denting other nations' tourist economies and cutting sales of luxury brands.

The 2003 SARS virus epidemic in China offers a historical analogy.

It clipped two points of the country's growth rate in the second quarter of that year. Growth bounced back in the third quarter, but the outbreak trimmed an estimated 1 percent of China's growth that year.

The damage was done mainly to tourism, travel, and leisure. There was little economic disruption outside of China.

At the time, China accounted for only 4.3 percent of the world's economy. This year, it's almost 17 percent, according to the International Monetary Fund, and far more tightly interwoven with the rest of the world's trade and finance.

Also, back in 2003, China was growing at 10 percent annually, helping to cushion the economic shock. Now China's growth rate is 6 percent and was decelerating even before the virus struck.

Although analysts are unable to predict the epidemic's long-term impact on China's economy, it could cut China's GDP by as much as 2 percentage points during 2020's first quarter, according to economists at Macquarie Bank.

TREND FORECAST: *There is no doubt the coronavirus will negatively impact the Chinese and global economy. Considering the hard data indicating a worsening global economic slowdown prior to the virus outbreak, should it continue to escalate and/or a "black swan" event occur, it will dramatically drive down equity markets and economies worldwide, while pushing gold prices higher and many commodity prices, such as copper and oil, much lower.*

CHINA BANK FEVER



The coronavirus, which has closed factories and businesses across China for weeks, will weaken and already weakening Chinese banks.

As much as 6.5 trillion renminbi in loans could go bad if the crisis lasts for months, according to S&P Global Ratings.

The default rate could soar from less than 2 percent in December to 6.3, a rate unmatched in 20 years.

In response, the government has delayed implementing more stringent new bank regulations that were set to take effect. It also has ordered banks to extend loan terms to stave off defaults.

The epidemic could pare at least two percentage points off China's economic growth rate this quarter and might send it as low as 3.2 percent, analysts at ANZ Bank estimate.

China's economic slowdown already has sent default rates as high as 40 percent for some small and medium-size banks and forced the government to bail out banks and their depositors.

TREND FORECAST: *The more money the Chinese government pumps into the system and the further they push interest rates down to prop up the failing economy, the lower their currency will fall against the dollar.*

Importantly, as we have long noted, much of Chinese business debt is dollar based, thus the more their currency falls, the more it will cost to service their debt. In the property sector alone, a major driver of the Chinese economy, property developers must repay some \$270 billion over the next two years.

China Evergrande, one of the nation's largest property developers, owes more than \$100 billion in debt. Therefore, as economic conditions worsen, default rates will escalate putting yet more pressure on the government to pump more money into the economy, which will in turn push their currency, the renminbi, to lower levels.

CORONAVIRUS DISRUPTS SUPPLY CHAINS



With China a vital link in many manufacturing supply chains, the coronavirus's impact is shaking the global economy. In fact, it is one of the reasons equities have declined three days in a row.

Today, Apple, the most valuable company in the U.S., cautioned that it does not expect to meet its quarterly revenue forecast, citing slowed production and weakened demand in China as a result of the coronavirus outbreak.

Wuhan, the city of 40 million where the outbreak began and the center for China's production of vehicle parts and accessories, has been drastically quarantined and much of its industry has been shut down.

Hyundai closed its South Korean assembly plants in early February and Fiat Chrysler has announced one of its European plants will run out of parts from

China in less than two weeks and could halt production. Volkswagen delayed re-opening its Chinese plants after the January Chinese New Year holiday week until 17 February.

Because a third of manufactured items imported into Indonesia, the Philippines, South Korea, and Vietnam come from China, those economies will suffer also.

The ripples extend beyond Asia. Due to China's economic slowdown, the country is importing less copper from Chile and Nigeria, for example.

GLOBAL SLOWDOWN: WINNERS AND LOSERS



Global trade grew at just 1 percent in 2019, down from 4 percent in 2018 and 6 percent in 2017.

It was the fourth worst performance in 40 years and the worst ever for a time not in recession.

China's imports fell by \$59 billion, the U.S.'s by \$42 million during the year.

The trade war and China's slowing economy drove more of its factories to relocate to Vietnam, which borders China and has cheaper labor costs.

Vietnam's U.S. exports reached \$66 billion in 2019, about a third of that total in clothing. The U.S. bought \$6 billion more in cell phones from Vietnam last

year and about \$2 billion more each in furniture, telecommunications, and computer chips.

Even though the country of record has changed, however, many of the products are still being made by Chinese companies, with China reaping the benefits. Often, there is no change other than a “label on a box,” says Dane Chamorro, a partner at the consulting firm Control Risks.

Mexico saw the second biggest gain in exports to the U.S. after Vietnam.

Brazil exported \$8 billion more in soybeans to China in 2018 while the U.S. farm economy was sandbagged by the trade war.

The U.S. also imported more goods from Mexico and Brazil last year.

Other countries in the region that are picking up business with the U.S. include Malaysia, the Philippines, South Korea, Taiwan, and Thailand.

TRENDPOST: *The trade war and the coronavirus take the headlines and the blame for the loss and disruption of trade, but as we have long detailed, the global economic deceleration is the underlying cause that will have stronger and longer-lasting effects.*

PUBLISHER’S NOTE: *The blatant hypocrisy and mental derangement of the United States politicians who had launched a deadly war against Vietnam based on lies that killed over three million of its people, bombed the nation into ruin, poisoned the country with Agent Orange, and sent some 60,000 of its young men to die fighting a communist threat... but now, still a communist country, it’s okay to do big business with them.*

Yet, the history of United States regime change and natural resource exploitation is forgotten and/or dismissed in the American culture. Indeed, as evidenced by President Trump and Congress’s full support to overthrow the government of Nicolás Maduro, the president of oil-rich Venezuela, the business of America is war.

EUROZONE GROWTH SLOWEST IN SEVEN YEARS



It had nothing to do with the coronavirus. It happened last year. The Eurozone's economy grew at a rate of 0.1 percent in 2019's final quarter, a slowdown unmatched since the currency crisis of 2012.

The rate blew apart hopes that the region's economy was beginning to improve.

Germany was the greatest disappointment, reporting zero growth in the period after notching 0.2 percent in the year's third quarter.

Declines in factory production were the chief culprit (see related story), but other sectors sank as well.

Retail sales were off 1.6 percent in December, the steepest drop in ten years.

On 14 February, however, the Stoxx 600 index of the Eurozone's biggest companies, struck a record high as bond prices also rose, forcing interest rates lower. The yield on Greece's 10-year bonds fell to an all-time low of 1 percent.

The market index and bond prices rose in the face of bad data because investors are betting that the European Central Bank will cut interest rates further into negative numbers and boost its bond-buying to stave off recession, possibly from its current €20 billion a month to €40 billion.

"I worry about low interest rates because they are a symptom of a deeper problem in the global economy," said Janet Yellin, former Chair of the U.S.

Federal Reserve. “It has put central banks in a position where they don’t have a lot of ammunition. If we have a serious recession, we’re probably not going to be able to count on central banks to offer up a significant response.”

TREND FORECAST: *We forecast the European Central Bank will cut interest rates and ramp up its bond-buying, possibly as early as its March meeting.*

Lower interest rates and more quantitative easing will not boost Europe’s economy.

Furthermore, calls for fiscal stimulus, such as government spending to invest in infrastructure and create more jobs will, at best, produce short-term positive economic results.

Already weakened economically, Europe will greatly suffer when the “Greatest Depression” strikes in 2020.

FACTORY SLUMP CASTS DOUBT ON ECONOMIC REBOUND



The Eurozone’s factory output fell 2.1 percent in December, reflecting earlier reports of poor performance in France, Italy, and Germany.

The slump was worse than expected.

During the first 11 months of 2019, the region’s industrial production fell 4.1 percent, its worst drop since 2012’s sovereign debt crisis.

Analysts are revising downward their projections for industrial output during 2020's first quarter as they try to factor in the coronavirus's impact.

TRENDPOST: *The coronavirus is a minor factor that overlies the greater ongoing global economic sag. As the virus ebbs, the slowdown will remain.*

EURO TAKES A BEATING



The Eurozone's common currency plunged to its weakest point in two-and-a-half years as investors fled the Eurozone's sagging economy and the coronavirus scare and took refuge in the dollar.

The dollar has been 2020's strongest currency among the G10 group of nations.

The euro sank even further Thursday afternoon when the Trump administration said it believes the number of virus cases in China has been "severely under-reported."

PUBLISHER'S NOTE: *The euro's weakness is tied to the zone's poor long-term economic performance. The virus scare is only the sour cherry on top of the deeper negative trend.*

Failed Banks: Whose Rules?

Europe needs clearer rules around winding down failed banks after favoritism was charged in the €3.6-billion bailout of Germany's Nord LB and other high-profile cases.

Elke König, head of the EU's agency dealing with bank failures, has asked for clarity to avoid "perceived inequality of treatment" in the process.

The agency is called the Single Resolution Board and was created five years ago to try to make sense of a hodgepodge of national rules governing bank failure, to set up a uniform process across the EU, and to reassure depositors who bank across national borders.

Only the failure of Spain's Banco Popular has been dealt with by the board according to its established processes.

Many other rescues or closures have been handled by national agencies without following the EU board's procedures.

König has asked for more clarity about when national bank regulators can step in with deposit guarantees and other measures, supplanting the EU's rules.

TREND FORECAST: *Nothing of any significance will be employed to deal with favoritism and disparity within the banking system or the general economy that passes laws and takes measure to protect "too-big to fail" banks and businesses at the expense of the general public. Indeed, it is a driving force of populist/anti-establishment movements across the globe.*

JAPAN: ECONOMY SHRINKS DRASTICALLY



Japan's economy, the world's third largest, contracted by 6.3 percent during the last three months of December, the sharpest contraction since a 7.4-percent hit in the second quarter of 2014.

The drop is almost twice the 3.7-percent shrinkage that had been expected.

The contraction is being attributed, in part, to last September's sales tax hike from 8 percent to 10, which has slashed consumer spending and business investment. The global slowdown also is weighing on Japan.

Consumer spending, which makes up more than half of the country's economy, fell 2.9 percent against the 2 percent that analysts had forecast. Capital expenditures shrank by 3.7 percent, more than twice the 1.6 percent that was expected.

The nation's economy already was burdened by the damage from last October's week-long Typhoon Hagibis, the most powerful storm in decades to wash over mainland Japan, and ongoing cleanup of the Fukushima nuclear disaster.

In addition, Japan has suffered indirect effects from the U.S.-China trade war.

Now the country's economy faces new threats: the coronavirus epidemic is curbing Chinese tourism and curtailing Japanese exports to China, where the economy is paralyzed by the illness.

As a result, Japan is on the brink of recession, defined as two consecutive quarters of economic decline.

The contraction turns up pressure on the Bank of Japan to stimulate the economy. However, the bank held monetary policy in place at its January meeting and predicted that the economy will rebound this quarter.

The bank also said it expects Japan's economy to start growing again later this year as the virus outbreak recedes, the U.S. and China settle their differences, and businesses and consumers begin buying again out of necessity.

TREND FORECAST: The tax increases hitting the general public are producing the slowdown results that have been broadly forecast. To

implement them at a time of slowing economic growth, prior to the coronavirus outbreak, was a policy decision that will drive the Japanese GDP lower throughout the year.

THE NETHERLANDS: BAD LOANS ON THE RISE



ABN Amro, a Dutch bank majority-owned by the Dutch government, is conducting the second review in two years of its lending and investment banking practices after a dramatic increase in bad loans.

The bank's profits in 2019's final quarter were down 43 percent year-on-year and the bank's share price lost 6 percent last Wednesday after the weak results were announced.

The bank's struggles emphasize the strain placed on Europe's banks by negative interest rates.

"Pressure on deposit margins are increasing" due to the European Central Bank's sustained negative rates," one analyst noted.

In January, ABN told customers that it would charge 0.5 percent interest on all deposits greater than €2.5 million and cut interest rates on almost all other accounts to zero.

AUSTRALIA: DOUBLE WHAMMY



Australia's three straight decades of economic growth without a recession are due in large measure to its robust trade with nearby China. Now the good times might be ending.

First, drought and abnormally high temperatures have combined to fan the worst wildfires the continent has confronted in decades. An area the size of Belgium and Denmark combined has been blackened and more than 2,000 homes destroyed.

All five of the nation's states were burned and much of the country was blanketed by smoke. On one day in December, Sydney's air quality was rated at 11 times worse than the official hazardous level.

The damage estimate exceeds Au\$4.4 billion, or about US\$3.5 billion.

And then there's the coronavirus, which is paralyzing China's industries and curtailing its imports of the metals and other raw materials that Australia supplies it with.

"It's having a domino effect on everything to do with China," said the owner of a seafood company that usually ships up to ten tons of lobsters a day to China and now has seen business slow to a trickle.

Australia welcomes about 1.5 million Chinese tourists a year, about 15 percent of its annual visitors. Visits already had dropped off due to the fires, costing the nation an estimated Au\$4.5 billion and knocking 0.5 percent off retail sales in December.

Australia normally hosts about 200,000 Chinese students each year. They typically return home to celebrate the Chinese New Year in January and, so far, about half haven't returned, due to China's virus quarantines and curtailment of internal and external travel.

A quarter of the University of Sydney's income derives from the students.

"There is a very real risk that gross domestic product will contract as a result of the combined drag from the bushfires and coronavirus," said Sarah Hunter, an economist with BIS Oxford Economics. "Whether we go from this to a recession critically depends on how the outbreak unfolds."

Australia's economy already was decelerating, with consumer spending softening and China's economy slowing to a six-year low in 2019. Growth was paced at 1.7 percent through the first eight months of 2019, compared to 2.8 percent for all of 2018.

Australia's benchmark S&P/ASX 200 Index is down 5 percent so far this year, and Australia's dollar sank to a near-record low of US\$0.67 in early February.

Economists had predicted a 2020 growth pace of 2.5 percent, now at risk and already optimistic in the face of the 1.7-percent pace last year.

The lingering effects of the fire and now the virus's added plague could combine to take 0.5 percent off this quarter's GDP growth, according to Shane Oliver, chief economist at AMP Capital.

MEXICO: RATES FALL



In its first 2020 policy meeting, the Bank of Mexico cut its overnight interest rate from 7.25 percent to 7.

It was the fifth consecutive quarter-point rate cut to come out of the bank's board of governors' quarterly meetings.

The cut was the board's first unanimous decision since May 2019.

The cut was made after inflation jumped from 2.8 percent in December to 3.2 in January, exceeding the bank's 3-percent target rate.

Inflation slowed overall in 2019 but Mexico's GDP contracted by 1 percent during the year.

TREND FORECAST: *The Mexican government will continue to lower rates as the global economy slows, thus pushing the value of its peso lower. Caught in a period of stagflation – moribund economy and rising inflation – its central bank will have limited lowering power.*

VENEZUELA: A NEW ECONOMIC REVOLUTION?



Venezuela's economy is based on oil exports. Since 2007, the nation's oil reserves have been owned by the public. The governments of Hugo Chavez and, more recently, Nicolás Maduro have rested their popularity, if not their legitimacy, on control of the nation's oilfields.

Now, in a last-ditch effort to hoist Venezuela's economy out of a seven-year crisis, Maduro's government is ceding ownership back to private companies.

"The historical struggle for resource sovereignty is being sacrificed for operational expediency," lamented Antero Alverado, a Venezuelan oil industry consultant.

ExxonMobil and ConocoPhillips controlled the country's oil industry in 2007, when Chavez nationalized the oilfields and confiscated the oil giants' assets.

Since then, Venezuela's government-run oil industry has suffered through years of corruption and severe mismanagement.

Seeking to overthrow the Maduro government, the U.S.-imposed crippling oil sanctions in January 2019.

The sanctions cut exports and shut in about a third of Venezuela's oil production, reducing it at one point to its lowest level since the 1940s, according to OPEC data.

Venezuela's oil output is now about a million barrels a day, more than two-thirds less than it was in 1998 when Chavez was first elected.

The military general Maduro appointed to head the country's oil operations has been quietly handing operational control of projects to the country's partners, including Chevron, Russia's national oil company, and European and Chinese firms. Venezuela is left as a silent partner.

In recent months, the operating partners have been directly exporting Venezuela's oil.

The improved oil revenues have enabled Venezuela to be able to afford to import food, fuel, and medical supplies.

Chevron is a U.S.-based company, and its apparent violation of American sanctions "are clearly of concern," said a Trump administration official. But "if Chevron is forced to leave Venezuela, non-U.S. companies will fill the void and oil production will continue," a company spokesman countered.

The new arrangement will not appreciably alter the world's near-term oil market or supply. Analysts say that the country could eventually export as much as 2.6 million barrels a day a decade from now but only after

investments of at least \$200 billion have been made to restore infrastructure and other industry necessities.

TREND FORECAST: *We have extensively covered the Venezuelan crisis and the United States plans for regime change in the **Trends Journal** since January 2019. The economic warfare America has launched against the nation, coupled with a global slowdown and weakening demand for oil and other industrial based commodities, will continue to negatively affect Venezuela's economy.*

A black swan event, such as escalating warfare in the Middle East, would dramatically push oil prices higher, thus boosting oil-rich nations' economies while easing public tensions as financial conditions improve.

TRENDS-EYE VIEW

THE PRESIDENTIAL REALITY SHOW®: SANDERS HAS A SHOT



In May 2016, the **Trends Journal** was the first news source to forecast Donald Trump's White House win. In our "2020 Top Trends" issue, one of our forecasts is "Trump 2020: By Default."

We are now holding back on that forecast.

In our “Trump 2020: By Default” forecast, we had written that when Trump would win in 2020, he would be seen as an outsider. The man who was going to “drain the swamp,” end the endless wars, create jobs, cut taxes, and build the economy.

Senator Bernie Sanders, considered an outsider by the Democratic Party chiefs – perceived by key demographic target audiences as the anti-establishment candidate with no party affiliation and eschewing corporate contributions – has raised well over \$100 million since he announced he was running for president last February.

While Sanders’ margins of victory in Iowa and New Hampshire were small, even President Trump has acknowledged that Sanders could be his toughest opponent in November. “Frankly, I’d rather run against Bloomberg than Bernie Sanders, because Sanders has real followers-whether you like him or not, whether you agree with him or not,” proclaimed Donald Trump last week.

As the Sander’s national campaign co-chairman put it, “Trump understands the power of crowds, he understands the power of having an online following. And he is right to recognize that Bernie Sanders is the person on the other side who’s building that.”

TREND FORECAST: Sanders has stated, “We are taking on the Trump, the Republican establishment... and the Democratic establishment,” and “the grassroots movement that we are putting together of young people, of working people of people of color... want real change.”

Thus, when combined, there are more young, more working people, and more people of color, that, if united for Sanders, will outnumber Trumps graying, white working class and richer demographic. Therefore, Sanders can defeat Trump by wining key battleground states such as Pennsylvania, Michigan, Wisconsin, and Ohio that Trump won in 2016.

Bloomberg: Money Talks

With his main stated reason for entering the race for the White House is to defeat Donald Trump any way he can, billionaire Michael Bloomberg bought his way into the Presidential Reality Show®. After having spent over \$300 million on ads so far, with plans to double that amount heading toward Super Tuesday on 3 March, in the latest average of national polls as of 14 February, Mr. Bloomberg ranks third behind Sanders and Biden.

And, despite getting flack for his infamous stop-and-frisk policy he advocated as Mayor of New York City, Bloomberg is getting some support from African American lawmakers. Last Thursday, Mr. Bloomberg's campaign put out a 26-state ad promoting his support for minority-owned businesses when he was mayor of New York City. The same day in Houston, he announced, "Mike for Black America" while being accompanied by a dozen black mayors.

It's not yet clear, however, whether Mr. Bloomberg will be able to get past some of his previous comments about minorities. Last week, an audio clip went viral on Twitter with Mr. Bloomberg saying, "Ninety-five percent of your murders – murderers and murder victims – fit one M.O. You can just take the description, Xerox it and pass it out to all the cops. They're male, minorities, 16 to 25. That's true in New York, that's true in virtually every city."

Mr. Bloomberg can also be heard on the video, "And the way you get guns out of the kids' hands is to throw them up against the walls and frisk them."

And while Bloomberg apologized for championing the tough stop-and-frisk policy weeks before he announced his candidacy, as recently as the fall of 2018, he defended his stop-and-frisk policy as a successful crime deterrent. At that time, he also claimed the policy didn't violate anyone's civil rights despite the fact that in 2013, Federal Court Judge Shira A. Scheindlin ruled the way the policy was enacted by NYC police amounted to racial discrimination and was unconstitutional.

And while President Trump has lambasted Bloomberg for the stop-and-frisk policy, Trump endorsed it as recently as 2016 when he said in speech in Chicago that stop-and-frisk "works, and it was meant for problems like Chicago."

Buttigieg Criticized On Race Relations

The former mayor of South Bend, Indiana is having a good ride in the race to be the democratic candidate for president. He edged out Bernie Sanders in the delegate count out of Iowa and a strong second in New Hampshire has added fuel to his campaign.

But his background has not played well with the all-important African American vote.

In South Bend, his support from the approximately 100,000 African Americans is quite weak. And, as the campaign shifts to states like Nevada and South Carolina, where minority votes are premium, this could be a momentum killer.

The Chairman of the local democratic party in South Bend noted, “Pete went to all private, mostly white Catholic schools; growing up in that elitist education system makes it hard to understand what it’s like to be a poor African-American in South Bend.”

One incident that particularly stands took place last year, when a white police sergeant shot and killed a black resident. At the time, critics pointed out that the local South Bend police force have less minority officers than when Mayor Pete took the reins of the city.

Theo Randall, a professor at Indiana University, pointed out that as mayor, Buttigieg led the policy to tear down hundreds of derelict properties in poor neighborhoods but failed to get replacements built. Mayor Pete also has faced criticism for the racial disparity in marijuana arrests in South Bend during his 12 years in office. And, during a long stretch as mayor, there were no African-American leaders in his administration despite the fact the city was over 25 percent black.

A Quinnipiac University poll published just before the New Hampshire primary showed Mr. Buttigieg with only four percent of the African-American vote nationally... up from 0 percent in late January.

TREND FORECAST: While we maintain our forecast “Trump 2020,” considering the election is nine months from now, in this “anything goes” world of dramatic events with drastic outcomes, should the U.S. economy badly falter, Sanders shot of winning the White House will greatly increase.

There will be numerous Trump cards, however, that will be played to win votes from a pro-Bernie voter pool, among them peace in Afghanistan and a peace deal with North Korea, which we forecast will occur before Election Day.

CHINA: DIGITAL CURRENCY CONTROL



China's central bank has filed more than 80 patents around its plans to issue a national digital currency, according to an investigation by the Chamber of Digital Commerce.

The patents involve methods of issuing the currency, processing interbank settlements, creating digital chip cards, and integrating digital wallets with conventional bank accounts.

The patents signal China's intent to integrate the digital currency into its established banking system.

Some patents mention ways to assure the person-to-person privacy of transactions. But the processes described in the patents would leave all transactions exposed to central bank scrutiny.

The initiative is causing alarm among western nations which fear China's digital currency could expand the country's market power and leadership in technological innovation.

Partly in response, the U.S. and other nations are beginning to investigate the prospect of issuing their own virtual money.

In January, the Bank for International Settlements established a working group to look at ways to inter-relate national digital currencies. The group includes the Bank of England, the Bank of Japan, and the European Central Bank.

TRENDPOST: China's digital currency peels back one more layer of privacy from the individual. The government will be able to know where a person travels, what books or magazines they buy, what they like, and what they think. The

government will have an accounting of every renminbi spent and will collect every tax yuan owed.

More broadly, digital currencies – backed by nothing more than electrons in a computer – will gradually replace coins and paper bills. Debit cards have advanced the trend, which eventually may eliminate personal checking accounts as employers gain the ability to add your pay directly onto your chip card.

NEWSPAPERS: R.I.P.



McClatchy Co., which owns 30 newspapers including the *Kansas City Star* and *Miami Herald*, filed for bankruptcy on Thursday, with debts of \$1.6 billion and assets of \$703 million.

The McClatchy family is ceding control of the 163-year-old publishing company to Chatham Asset Management, the hedge fund that owns the *National Enquirer* and its parent, American Media Inc., as well as several other tabloids. Chatham will take McClatchy private.

Under the deal's terms, McClatchy will erase its pension liabilities and restructure its debt, burdened by the company's 2006 purchase of Knight Ridder and its 32 newspapers, some of which have since ceased operations.

Alden Global Capital, another hedge fund, owns 50.1 percent of Digital First Media, a conglomerate that owns more than 50 U.S. newspapers, including the *Denver Post* and the *Boston Herald*. Alden also recently upped its ownership

share of the *Chicago Tribune*'s parent company to 32 percent, making it the largest shareholder.

The fate of newspapers controlled by hedge funds with reputations as “vultures” known to be relentlessly profit-oriented, is dark.

In a cautionary tale, in 2007, billionaire takeover investor Sam Zell and his Equity Group Investments bought the Tribune Company, parent of the *Los Angeles Times* and several other papers, for \$8.2 billion, 96 percent of the price in leveraged debt which used employees' pension fund as partial collateral.

Less than a year later, the Tribune Company filed for the largest bankruptcy in American media history and 4,200 people lost their jobs.

McClatchy is the latest casualty in an industry that has seen print ad revenues vanish and has been unable to find a way to replace that income online.

“Technological change is destroying newspapers in America, including little ones like ours,” Charlie Munger recently told a meeting of shareholders of the *Daily Journal*, a California legal news outlet.

“The revenue goes away, the expenses remain, and they're all dying,” he added.

Munger is vice chair of Warren Buffet's Berkshire Hathaway investment company, which owns about 100 small papers. “It doesn't matter” that Berkshire Hathaway owns them, Munger added, “because they're all going to die.”

Munger noted that newspapers have been an informal arm of government, monitoring public officials' behavior, analyzing policy and proposed laws, and exposing corruption.

He continued, “It's not a good thing in America that we lose... our daily newspapers and get back Rush Limbaugh [the right-wing radio personality to whom Donald Trump awarded the Medal of Freedom].”

Munger reminisced about the higher quality of television news in earlier decades when long-time CBS anchorman Walter Cronkite was known as the “most trusted man in America.”

“Cronkite is gone” and “we have these clowns on the opinion service lying to us and they're really good at it,” he said. “The ability to mislead people is greatly underestimated.”

TREND FORECAST: *With more of the news media consolidated and with thousands of former journalists out of work, there are very few “feet on the beat” to report what in the world is going on in a village, town, city, state, and country near you.*

While the Internet provides a wide array of information sources, without reporters providing hard facts and data, the depth of coverage is limited. Therefore, the lack of knowledge among the general public of the true current events forming future trends will be further limited, dumbing-down society to yet lower levels.

HI-TECH SCIENCE

PROTEIN CAN TURN OFF INFLAMMATION AND AGING



by Bennett Daviss

Increasingly, scientists are viewing aging as a condition that can be slowed or perhaps even reversed.

The newest evidence comes from the University of California at Berkeley, where scientists have identified a family of proteins that control much of the process.

Medical research has found inflammation to be the root cause of many illnesses, from cancer to Parkinson's and Alzheimer's diseases. It also helps set off many of the symptoms associated with aging – wrinkled skin, heart irregularities, and arthritis among them. Inflammation can become a routine frequent response to chronic stress, poor diet, repetitive motion, and other assaults on well-being.

The Berkeley researchers studied proteins in what's called the “inflammasome,” a collection of protein molecules that spot threats to the body and set off an inflammation response to try to isolate an invader.

The group found that a protein called SIRT2 can moderate, or even turn off, the inflammation response.

Mice bred with a genetic inability to produce SIRT2 showed greater inflammation responses than normal as they aged; mice who had the ability to produce SIRT2 in their inflammasomes showed fewer typical signs of aging.

The SIRT2-positive mice also showed greater insulin sensitivity, a key factor in reversing diabetes.

TRENDPOST: *The SIRT2 protein could be a key factor not only in slowing or reversing symptoms of aging, but also in curing metabolic illnesses such as diabetes. Bioscientists will research the possibility of drugs or genetic therapy based on this protein.*

AI LISTENS FOR EARLY SIGNS OF MENTAL ILLNESS



by Bennett Daviss

More than one in ten people worldwide are afflicted with a mental illness, yet often the signs are too subtle to detect until the illness is on full display.

But those signs aren't too subtle for artificial intelligence.

At Vanderbilt University Medical Center, scientists created machine learning software to analyze a person's age, gender, medication, and past diagnoses gathered from hospital records to predict that person's risk of suicide.

In testing the program on more than 5,000 patients admitted to hospitals for harming themselves or attempting suicide, the program succeeded in 84 percent of the cases in predicting who would attempt suicide within a week and 80 percent accurate in predicting suicide attempts within the following year.

Apps are being tested, especially for teens, that monitor changes in cell phone behavior such as typing speed, tone of voice, and word choices to determine depression, anxiety, and other emotional turbulence. The phone could then send a warning to a parent or other adult.

TRENDPOST: Before 2030, physicians will be able to install artificial intelligence programs in their exam rooms that will listen in on conversations between doctor and patient. The software will mark changes in tone, subject, and other content and alert the doctor to early signs of mental illness or emotional disturbance.

PLASTIC ROADS



One way to get rid of waste plastic is to make roads out of it.

Most asphalt road pavement is about 95 percent sand and gravel; only about 5 percent is bitumen, the sticky black stuff that holds everything together.

MacRebur, a Scottish company, has found a way to grind up old plastic bottles and shopping bags and melt it to replace much of the bitumen used now. It's laid roadways in Australia, New Zealand, the UK, and on the campus of the University of California at San Diego.

Independent tests have found that plastic roads are about 60 percent stronger than asphalt pavement and are more flexible, meaning they're less likely to crack as the underlying ground shifts, so they will last longer.

Dow Chemical is developing a similar process.

Technisoil Industrial, a California company, goes an extra mile: its unique "Recycling Train" machinery peels up existing pavement, grinds it, stirs in granulated plastic, melts the mixture, and lays it back down in one continuous process.

It claims that its plastic binder, which can consume as many as 1.2 million used plastic bottles for every mile of two-lane roadway, is six times stronger than bitumen and can extend pavement life as much as fivefold.

Further off the beaten track is KWS, a Dutch asphalt producer who is testing roads made entirely of interlocking modular panels fashioned from recycled plastic.

The panels have solid tops and bottoms separated by stubby structural columns that leave open spaces between the panels. The spaces hold water from snowmelt or storm runoff; they also can serve as passages for electrical and optical cables or piping.

KWS says its "PlasticRoad" will last three times longer than conventional pavement, can be laid 70 percent faster, and can be recycled to make new PlasticRoads when the panels start to break down.

TRENDPOST: *Innovators will continue to find ways to turn our landscape of waste plastic into raw materials for new processes to feed the circular economy. Collecting and recycling plastic will grow from an afterthought or greenies' hobby to be recognized as a legitimate and profitable industry.*